



City of  
**Peterborough**

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**To:** Members of the Finance Committee

**From:** Richard Freymond, Commissioner of Corporate and Legislative Services

**Meeting Date:** November 16, 2021

**Subject:** Fairhaven 2022 Budget Report CLSFS21-040

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## **Purpose**

A report to inform Council that the 2022 Budget submission for Fairhaven will be received on Tuesday, November 16, 2021.

## **Recommendation**

That Council approve the recommendation outlined in Report CLSFS21-040, dated November 16, 2021, of the Commissioner of Corporate and Legislative Services as follows:

That the presentation and budget details presented to the November 16, 2021 Finance Committee by Fairhaven for the 2022 Budget be received for information.

## **Budget and Financial Implications**

There are no additional budget and financial implications of the recommendation.

## **Background**

The Finance Committee is scheduled to review the 2022 Draft Budget during the week of November 22, 2021. Tuesday, November 16, 2021 has been set aside to receive budget requests from outside Boards and Agencies. Representatives from Fairhaven

will be in attendance to make a short presentation and answer questions about the amounts that are included in the Draft 2022 Budget.

Included on pages 196-197 of the 2022 Draft Budget Highlights Book is the high-level summary of information provided by Fairhaven. The budget elements include support for Operations and Capital costs.

Fairhaven continues to face numerous budgetary pressures in 2022. In spite of this, Fairhaven has not requested an increase in operational funding from the City in 2022. The overall net requirement for Fairhaven has been reduced as a result of the City's commitment towards debt servicing costs which expired in 2021. In light of this reduction in debt servicing funding staff are recommending a contribution of \$50,000 to the Fairhaven Reserve to address future capital needs.

As part of report CPFS12-062 dated September 4, 2012, Council resolved that beginning with the 2013 Capital Budget, an annual provision would be included in the Draft Capital Budget (Ref # 3-4.03) to support Fairhaven's on-going capital program. The amount for 2022 is \$243,700.

The following chart provides details of the Operating and Capital components of the 2022 Fairhaven budget.

Service	2021 Approved	2022 Draft Budget	% Difference	\$ Difference
<b>Fairhaven - Debt Servicing</b>	355,862	0	-100.0%	-355,862
- Transfer to Fairhaven Reserve	0	50,000	0.0%	50,000
- Operating Support	1,550,000	1,550,000	0.0%	0
- Capital Financing	234,289	243,700	4.0%	9,411
<b>Total Support for Fairhaven</b>	2,140,151	1,843,700	-13.9%	-296,451

Additional budget details are appended to this report and further information will be provided by Fairhaven representatives on November 16, 2021.

Submitted by,

Richard Freymond  
Commissioner of Corporate and Legislative Services

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Attachment:

Appendix A - 2022 Budget for Fairhaven

**To: Chair and Members of the Fairhaven Committee of Management**

**From: Lionel Towns  
Executive Director**

**Meeting: May 12, 2021**

**Subject: Report # 2021 – ED 34  
2022 Fairhaven Operating and Capital Budget Requests – City of  
Peterborough and County of Peterborough**

**PURPOSE OF THE REPORT:**

To obtain approval from the Committee of Management for Fairhaven's 2022 Operating and Capital Budget requests to the County and City of Peterborough.

**RECOMMENDATIONS:**

- a) That Fairhaven's 2022 Municipal Operating Budget funding request remain unchanged from 2021's ask of \$2,325,000 (\$775,000 – County, \$1,550,000 – City)
- b) That the Fairhaven's 2022 municipal Capital Budget request follow the ten year capital plan endorsed by both Councils in 2012, for a total of \$370,555 (\$126,801 – County, \$243,754 – City); and
- c) That the operating and capital budget requests above be approved and forwarded to the County and City of Peterborough for consideration during their 2022 Budget deliberations.

**BACKGROUND**

With a base budget issue of approximately \$425,000, before starting the 2021 Operating Budget process, Fairhaven also knew that our CMI funding would decrease by slightly over \$100,000 in 2021. The Province had announced that our per diem funding increase would be 1.5% in 2021, which is less than the 2% increases that we had received for six consecutive years before 2020's cuts, and far less than the combined effects of wage and

supplies inflation as well as increased costs associated with rising acuity (needs) of Residents. Councils of the County of Peterborough, and the City of Peterborough, approved a total increase to Fairhaven's municipal operating funding from 2020's ask of \$2,025,000 (\$675,000 – County, \$1,350,000 – City) to \$2,325,000 (\$775,000 – County, \$1,550,000 – City); a total increase of \$300,000.

COVID-19 was, and continues to be, a source of uncertainty for Fairhaven, both financially and operationally. However, the Province of Ontario has provided responsive and targeted funding for many aspects of increased costs related to the pandemic.

Appendix A highlights the funding that our Home has received since March of 2020 and the Ministry of Long Term Care has made commitments to continue funding extra costs, related to the prevention and containment of infections, for the duration of the pandemic. While it is difficult to know what those costs will be, compared to our experience in 2020/2021, Fairhaven is confident that we do not require an increase to our municipal funding to meet our financial obligations in 2022.

## **2022 EFFECTS ON CITY AND COUNTY OPERATING BUDGETS**

### Debenture Assistance in 2021

In 2021, the net annual cost to the City for the debenture for the Fairhaven rebuild decreased from \$708,194 to \$36,392. This decreased the total loan assistance to FH, by the City, by \$671,802 in 2021. The County had one remaining debenture payment to make in 2021, of \$165,298, while still receiving \$318,590 in construction subsidy funding from the Province. The annual cost to the County for the Fairhaven debenture dropped from an expense of \$342,702 to a net revenue position of \$153,292 as they continued to receive an construction subsidy of \$318,590. The total loan assistance to Fairhaven by the County, in 2021 will decrease by \$495,994.

Debenture Assistance in 2022

The City of Peterborough will receive \$637,195 in construction subsidies in 2022 as well, without any debenture payments being made, as both the City and County took out 18 year loans while provincial funding for new home builds is spread over 20 years. The County of Peterborough will receive \$318,590 in construction subsidies in 2022, without any debenture payments being made.

Net Decrease in Assistance to Fairhaven

If this requested, unchanged, level of support from the City and County are approved by both Councils, this would leave the City with a further net decrease in net tax levy support to Fairhaven of \$664,122 (decrease in net tax level support in 2021 was \$462,704). The County would show a further \$160,374 decrease in net tax levy support to Fairhaven (\$391,261 decrease in 2021).

In 2022, construction subsidies will still flow to the City and County of Peterborough (\$637,195 and \$318,590 respectively), while there will be no debenture payments made (City and County debentures terms were 18 years while construction subsidy flows to Fairhaven for 20 years)

A summary of all changes to municipal net tax levy support to Fairhaven, from 2021 to 2022, is included as Appendix B.

Submitted,



Lionel Towns, CPA, CMA

Executive Director

**Appendix A**

Fairhaven IPAC Funding															
	IPAC Monthly		Outbreak		Special	IPAC Personnel	Testing Adherence	Adjustments							Total
	Base	Per bed	Base	Per Bed	IPAC Capital	Resource	Program								
March	37,500														37,500
April	37,500														37,500
May	12,000	51,200													63,200
June	12,000	51,200													63,200
July	12,000	51,200													63,200
August	12,000	51,200													63,200
September	12,000	51,200	10,000	76,800											150,000
October	12,000	51,200	10,000	76,800	115,024	\$71000 C/F									265,024
November	12,000	51,200	10,000	76,800		to 2021/2022									150,000
December	12,000	51,200	10,000	76,800			93,644								243,644
January	12,000	51,200	10,000	76,800							16,600				166,600
February	12,000	92,160	10,000	76,800					108,000						298,960
March	12,000	92,160	10,000	76,800											190,960
															-
	<b>207,000</b>	<b>645,120</b>	<b>70,000</b>	<b>537,600</b>	<b>115,024</b>	<b>-</b>	<b>93,644</b>	<b>108,000</b>	<b>16,600</b>						<b>1,792,988</b>

<b>Appendix B Summary of Changes in Municipal Net Tax Levy Support 2020 to 2022</b>								
	<b>Debenture Payments</b>	<b>Construction Subsidy</b>	<b>Debenture Cost/ (Net Revenue)</b>	<b>Operating Budget Support</b>	<b>Net Tax Levy Change from Previous Year - Operating</b>	<b>Capital Budget Funding</b>	<b>Total Net Tax Levy Support</b>	<b>Net Tax Levy Change from Previous Year - Total</b>
<b>City of Peterborough</b>								
<b>2020</b>	1,347,134.00	638,940.00	<b>708,194.00</b>	1,350,000.00		225,191.00	2,283,385.00	
<b>2021</b>	673,587.00	637,195.00	<b>36,392.00</b>	1,550,000.00	<b>(471,802.00)</b>	234,289.00	1,820,681.00	<b>(462,704.00)</b>
<b>2022</b>	-	637,195.00	<b>(637,195.00)</b>	1,550,000.00	<b>(673,587.00)</b>	243,754.00	1,156,559.00	<b>(664,122.00)</b>
<b>County of Peterborough</b>								
<b>2020</b>	661,292.00	318,590.00	<b>342,702.00</b>	675,000.00		117,144.00	1,134,846.00	
<b>2021</b>	165,298.00	318,590.00	<b>(153,292.00)</b>	775,000.00	<b>(395,994.00)</b>	121,877.00	743,585.00	<b>(391,261.00)</b>
<b>2022</b>	-	318,590.00	<b>(318,590.00)</b>	775,000.00	<b>(165,298.00)</b>	126,801.00	583,211.00	<b>(160,374.00)</b>