



City of  
**Peterborough**

---

**To:** **Members of the Budget Committee**

**From:** **Sandra Clancy, Director of Corporate Services**

**Meeting Date:** **November 28, 2016**

**Subject:** **Report CPFS16-048**  
**Fairhaven 2017 Budget**

---

## **Purpose**

A report to inform Council that the 2017 Budget submission for Fairhaven will be reviewed on Tuesday, November 29, 2016.

## **Recommendation**

That Council approve the recommendation outlined in Report CPFS16-048, dated November 28, 2016, of the Director of Corporate Services as follows:

That the presentation and budget details presented to the November 29, 2016 Budget Committee by Fairhaven, be received.

## **Budget and Financial Implications**

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

## **Background**

The Budget Committee is scheduled to review the 2017 Draft Budget during the week of November 28, 2016.

Tuesday, November 29, 2016 has been set aside to review budget requests from outside Boards and Agencies. If requested, representatives from Fairhaven are prepared to attend to make a short presentation and answer questions about the amounts that are included in the Draft 2017 Budget. The Budget Committee will resume its review of City departments either later that evening, or on Wednesday, November 30, 2016.

Included on pages 172-173 of the 2017 Draft Budget Highlights Book is the draft Operating Budget for Fairhaven. The budget elements include support for Operations, Capital as well as Debt Servicing costs.

Fairhaven continues to face numerous budgetary pressures in 2017, which has led the Committee of Management to submit a municipal Operating funding request in the amount of \$1,600,000 (2016 - \$939,970) – a \$660,030 or 70.2% increase over 2016. The City's portion of the ask being \$1,066,720 (2016 - \$626,670) – a \$440,050 increase. Within the 2% Operating component of the Guideline provided by Council, the Draft Budget has not been able to accommodate the whole request, and instead, includes an amount of \$846,579 representing 50% of the additional ask, an increase of \$219,909 or 35.1%, leaving a difference of \$220,141.

Chart 1 provides details of the Debt Servicing, Operating and Capital components of the 2017 Fairhaven budget.

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 # 3-4.05) to support Fairhaven's on-going capital program. The amount for 2017 has been rounded up to \$200,000.

**Chart 1**  
**2017 Fairhaven Budget Request**

Service	2017 Draft Budget	2017 Presentation Request	% Difference	\$ Difference
<b>Fairhaven - Debt Servicing</b>	679,074	709,939		
<b>- Contribution from FH Reserve</b>	30,865	0		
	709,939	709,939	0.0%	0
<b>- Operating Support</b>	846,579	1,066,720	26.0%	220,141
<b>- Capital Financing</b>				
Minor Capital	75,986	75,986		
Major Capital	123,977	123,977		
	199,963	199,963	0.0%	0
	1,756,481	1,976,622	12.5%	220,141

Additional budget details are appended to this report and further information will be provided by the agency representatives on November 29, 2016.

Submitted by,

Sandra Clancy  
Director of Corporate Services

Contact Person:

Richard Freymond  
Manager of Financial Services  
Phone: 705-742-7777 Ext 1862  
Toll Free: 1-855-738-3755  
Fax: 705-876-4607  
E-mail: [rfreymond@peterborough.ca](mailto:rfreymond@peterborough.ca)

Attachment:

Appendix A: Draft 2017 Budget for Fairhaven

Appendix A

## **Draft 2017 Budget for Fairhaven**

**Fairhaven**  
**Operating Budget Statement of Financial Activities**  
For The Year Beginning January 1, 2017

	Major Capital	Operating	Minor Capital	Facility Rebuild	2017		2016		Favourable/ (Unfavourable)
					Budget	Per Diem	Budget	Per Diem	Variance
REVENUE	(a)	(b)	(c)	(d)	(b) - (d)				
Residents' Fees									
Basic		\$ 5,067,251			\$ 5,067,251	\$ 54.23	\$ 5,030,538	\$ 53.84	\$ 36,713
Preferred Accommodation		\$ 813,231			\$ 813,231	\$ 8.70	\$ 770,942	\$ 8.25	\$ 42,289
Arrears		\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
Total Residents' Fees		\$ 5,880,482	\$ -	\$ -	\$ 5,880,482	\$ 62.93	\$ 5,801,480	\$ 62.09	\$ 79,002
Province of Ontario Subsidy		\$ 12,295,081		\$ 955,771	\$ 13,250,852	\$ 141.81	\$ 13,133,422	\$ 140.55	\$ 117,430
Municipal Contributions - City	\$ 123,977	\$ 1,066,720	\$ 75,986	\$ 709,939	\$ 1,852,645	\$ 29.62	\$ 2,103,669	\$ 22.51	\$ 664,486
Municipal Contributions - County	\$ 64,493	\$ 533,280	\$ 39,528	\$ 342,702	\$ 915,510				
Draws from Investment Reserves		\$ -			\$ -	\$ -	\$ 200,000	\$ 2.14	\$ (200,000)
Investment Income		\$ 15,000			\$ 15,000	\$ 0.16	\$ 15,000	\$ 0.16	\$ -
Total Revenue	\$ 188,470	\$ 19,790,563	\$ 115,514	\$ 2,008,412	\$ 21,914,489	\$ 234.53	\$ 21,253,571	\$ 227.46	\$ 660,918
EXPENSES									
Nursing and Personal Care		\$ 11,816,782			\$ 11,816,782	\$ 126.46	\$ 11,568,338	\$ 123.80	\$ (248,444)
Program and Support Services		\$ 901,743			\$ 901,743	\$ 9.65	\$ 882,160	\$ 9.44	\$ (19,583)
Raw Food		\$ 801,232			\$ 801,232	\$ 8.57	\$ 777,622	\$ 8.32	\$ (23,610)
Other Accommodation		\$ 13,519,757	\$ -	\$ -	\$ 13,519,757	\$ 144.69	\$ 13,228,120	\$ 141.57	\$ (291,637)
Housekeeping		\$ 881,924			\$ 881,924	\$ 9.44	\$ 858,365	\$ 9.19	\$ (23,559)
Building and Property Maintenance	\$ 188,470	\$ 1,012,498	\$ 115,514		\$ 1,128,012	\$ 12.07	\$ 1,180,465	\$ 12.63	\$ 52,453
Nutrition Services		\$ 1,820,871			\$ 1,820,871	\$ 19.49	\$ 1,777,716	\$ 19.03	\$ (43,155)
Laundry and Linen		\$ 304,490			\$ 304,490	\$ 3.26	\$ 429,744	\$ 4.60	\$ 125,254
General Administration		\$ 1,955,235			\$ 1,955,235	\$ 20.93	\$ 1,985,136	\$ 21.25	\$ 29,901
Facility		\$ 295,788		\$ 447,762	\$ 743,550	\$ 7.96	\$ 639,450	\$ 6.84	\$ (104,100)
Amortization				\$ 1,154,575	\$ 1,154,575	\$ 12.36	\$ 1,154,575	\$ 12.36	\$ -
Total Expenses	\$ 188,470	\$ 6,270,806	\$ 115,514	\$ 1,602,337	\$ 7,988,657	\$ 85.50	\$ 8,025,451	\$ 85.89	\$ 36,794
Subtotal	\$ -	\$ -	\$ -	\$ 406,075	\$ 406,075	\$ 4.35	\$ -	\$ -	\$ (406,075)
<b>Add: Non-Cash Items included as expenses on Statement of Operations</b>									
Amortization				\$ 1,154,575	\$ 1,154,575	\$ 12.36	\$ 1,154,575	\$ 12.36	\$ -
Interest on long term debt (held and paid by City and County)				\$ 447,762	\$ 447,762	\$ 4.79	\$ 540,826	\$ 5.79	\$ 93,064
Subtotal		\$ -	\$ -	\$ 1,602,337	\$ 1,602,337	\$ 17.15	\$ 1,695,401	\$ 18.15	\$ 93,064
Subtotal		\$ -	\$ -	\$ 2,008,412	\$ 2,008,412	\$ 21.50	\$ 1,695,401	\$ 18.15	\$ (313,011)
<b>Less: Non-cash items included as revenue on Statement of Operations</b>									
Municipal Contributions - City net debenture costs				\$ 709,939	\$ 709,939	\$ 7.60	\$ 709,939	\$ 7.60	\$ -
Municipal Contributions - County net debenture costs				\$ 342,702	\$ 342,702	\$ 3.67	\$ 342,702	\$ 3.67	\$ -
Ministry of Health - Construction Subsidy flowed to City and County but included in surplus/(deficit) in row 1)				\$ 955,771	\$ 955,771	\$ 10.23	\$ 955,771	\$ 10.23	\$ -
Subtotal		\$ -	\$ -	\$ 2,008,412	\$ 2,008,412	\$ 21.49	\$ 2,008,412	\$ 21.49	\$ -
<b>SURPLUS (DEFICIT) for the period - excluding non-cash accounting adjustments</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ (313,011)	\$ (3.35)	\$ 313,011