



Celebrating over 50 years of Creating Living

To: Members of Peterborough City Council Budget Committee

**From: Joy L. Husak
Executive Director**

Date: November 29, 2011

PURPOSE OF THE REPORT

As Executive Director of Fairhaven, I am providing information to City Council regarding our diminished funds to support capital projects, equipment and upkeep of the building, to ensure a safe environment for residents and staff.

The operating funds we receive from the Ministry of Health and Long-Term Care are not sufficient to help with costs that are occurring as our building and equipment mature.

We are also concerned about our shrinking Capital Reserve which is being depleted by equipment replacement, capital projects, and building depreciation.

I am specifically here tonight seeking 10- year capital renewal funds from the City and County of Peterborough for a minimum of \$1000/bed or \$256,000 annually to undertake Capital Expenditures as set out in Appendix A to this report. The initial 2012 City amount would be \$170,667 per year. The amount would be indexed by an inflation factor in each of the remaining 9 years.

Funds provided by the City in any year not used for our capital upgrades would be deposited into our Capital Reserve and be available for capital requirements in future years.

BACKGROUND

Fairhaven Jointly Owned By City and County

Established in 1960, Fairhaven is a 256-bed Long-Term Care home offering both residential and extended care in a home like setting.

Fairhaven is jointly owned by the municipalities of the City (2/3) and County (1/3) of Peterborough.

Municipal Funding ceased in 1998

Up until 1997, the City and County provided annual operating funds to Fairhaven based on our annual budget submissions which showed a net Municipal requirement which was then cost shared on the established municipal sharing ratios.

City and County Commit to Support Rebuild

In the late 1990's, it became apparent Fairhaven home needed to be updated to meet the new Province of Ontario design standards and regulations. At its meeting held December 13, 1999, City Council agreed to provide long term funding support for the Fairhaven Home Rebuild project and resolved:

"that the Peterborough City Council include in its capital budget for the next 20 years up to \$700,000 per year, subject to the confirmation of final cost through a competitive tender process, to be put toward the capital cost of rebuilding Fairhaven Home."

The County pledged \$350,000 per year for a 20-year period as well. The City and County pledges, coupled with a provincial long term commitment, allowed the project to proceed on the basis the City, County and Provincial annual funding commitment would be available to pay down the mortgage ultimately obtained.

The rebuild would not have been possible without City Council commitment, and all of us at Fairhaven sincerely appreciate that support.

The rebuild was completed in early 2003, and residents and staff moved into our brand new home on January 27, 2003.

City and County provide annual support to finance debt

As part of your ongoing commitment, the City is providing about \$708,000 to the Home each year to help pay down the debt. I understand from the City's Chief Administrative Officer, Mr. Horton, that \$708,000 for 2012 is part of the \$5.3 million Tax Supported Debt-Charge provision that appears on Page 120 of your 2012 Budget Highlights Book.

Since 2003, the City contribution has been used only to service the debt, and no funds have been provided to support operations, capital repairs, or new capital. The one exception is the \$175,000 City Council approved as part of your 2011 Budget deliberations to help finance Fairhaven's Retaining Wall Repair which was greatly appreciated.

Fairhaven well respected

Fairhaven is committed to enhancing the quality of life of our residents in a caring and safe environment. We provide 24-hour nursing care and supervision within a secure setting. Fairhaven offers higher levels of personal care and support than those typically offered by either retirement homes or supportive housing. Our core values and key principles reflect resident focus, integrity, enthusiasm, innovation...everyone matters. Our reputation as a community leader in providing quality care through excellent service, innovation and collaboration with our residents, clients, staff and community partners is the outcome of dedication and commitment by our staff. Currently, Fairhaven has a waiting list of 371 with many potential residents and family members making us their #1 choice.

Funding sources for operations and new capital limited

Fairhaven operations are funded through 3 revenue sources: Ministry of Health and Long-Term Care (MOHLTC) operating Level of Care per diem funding, Resident Accommodation Revenue with fixed fees set by MOHLTC and assistance from the Fairhaven Foundation.

Other than their support for the rebuild described above, MOHLTC does not provide funding for new capital projects, or equipment, or our major asset and your investment, the building.

The MOHLTC Level of Care per diem funding consists of 4 funding components/envelopes: Nursing and Personal Care (NPC), Program and Support Services (PSS), Raw Food (RF) and Other Accommodation (OA). The envelope funding comes with very tight and restricted criteria on how long term care homes can use this funding.

For example, the MOHLTC Financial policy states: "OA can only be used for salaries, employee benefits, education, training, reasonable attendance costs, purchased services, supplies, equipment and devices related to housekeeping services, buildings and property operations and maintenance, dietary services (nutrition/hydration services), laundry, general and administrative services, and facility costs that will maintain or improve the care environment of the long term care home, Medical Director fee if exceeds any amount over the \$0.30 per resident per day, incontinence supplies if exceeds any amount over \$1.20 per resident per day, Dietician time if expenditures go beyond the 30 minutes per resident per month," plus many other requirements that restrict us from transferring funding from one envelope to another.

10 Year Capital Renewal Plan

The Ministry has legislated minimum standards of quality and performance. However, operating costs have continued to climb, primarily in staffing and benefit costs at a higher rate than Ministry operating funding and with the introduction of the public sector compensation restraint.

Over the past 2 years, Fairhaven has introduced measures to maximize revenue and decrease expenses while ensuring the level of care is not affected and that we are in compliance with the provincial Long Term Care Homes Act, 2007, regulations and continual changes as well as the July 1, 2010 new legislation and the CE LHIN Accountability Agreement. Deferring equipment replacement and some building repairs as fiscal management strategy is not tenable.

In order to ensure Fairhaven's building remains safe and fully functional, it is critical that capital improvements continue to be planned in a systematic manner. Capital needs are evaluated annually and placed on the 10 year capital plan based on projected need and remaining asset life. This plan does not preclude projects/large repairs that may suddenly arise due to legislation, equipment failure or risk mitigation.

The full Plan is summarized in Appendix A to this report and additional information is provided below:

- a) Integrated Nurse Call and Security System – to replace the obsolete, integrated paging and security system whereby front line staff would have a wireless device with them at all times, allowing them to readily answer their page immediately which will improve response time to resident needs. The current system does not comply with the current Long Term Care Act.
- b) Point of Care Reporting – electronic documentation of personal care improving accuracy of resident care information, recording in real time and improving funding levels. Not legislated presently however it is predicted this will be in the near future.
- c) Flooring
 - i) Main kitchen floor has separated from concrete which the Public Health department deems as unacceptable as it is a haven for bacteria growth.
 - ii) Main corridors and resident home areas flooring needs replacing as the flooring is separating and lifting creating a safety concern.

- d) Roof – several areas of roofing have been identified as needing replacement.
- e) Interior Paint & Drywall – Most resident areas are in a refurbishment plan which calls for weekly, monthly and annual cosmetic “touch ups” of surfaces and walls. However, areas of general usage such as hallways, conference rooms, activity rooms and service areas also require repair and repainting.
- f) HVAC, Boilers, Heat and Circulating Pumps – Replacement is required as they are breaking down at an alarming rate, parts are becoming obsolete and more efficient systems are required as utility costs are skyrocketing. Need to be done to maintain good air quality and ensure resident comfort.
- g) Equipment Replacement as equipment is breaking down frequently as it is reaching its useful life:
 - i) Laundry equipment
 - ii) Ice machines
 - iii) Convection oven
 - iv) Refrigerators
 - v) Stainless Steel Counter Tops in dining room serveries
 - vi) Motion sensor light switches to reduce electricity costs
 - vii) Computer equipment
- h) Furniture Replacement as furniture is breaking down, showing wear and tear and has reached its useful life:
 - i) Resident room night tables and lamps
 - ii) Resident washroom doors, tracks and door rollers need replacing for ease of use
 - iii) Resident electric beds
 - iv) Resident mattresses
 - v) Resident blind replacement
 - vi) Toilet replacement with low flow, overflow proof, raised toilet seats as current plumbing fixtures are obsolete
 - vii) Resident Tubs
 - viii) Resident Lifts and batteries
 - ix) Resident room bulb and ballast replacement
- i) Upgrade building automation system
- j) Electrical upgrade – migrate from 347V to 120V system

k) Accessibility Issues –

- i) Elevator enhancements for voice annunciation and larger elevator buttons for visually impaired residents and visitors
- ii) Accessible public washroom controls with full integration with nurses' call station to improve accessibility to public washrooms

l) Roads and Parking Areas - many areas are beginning to crack as the asphalt thickness and substrate quality are much less than standard

m) Solar Heating – install solar heating panels on the roof in order to save on utilities.

Fairhaven Accomplishments

We are proud of Fairhaven and our accomplishments. As we do not often get a chance to present to Council, we have listed some of them in Appendix B to this report.

SUMMARY

On behalf of the residents, staff, and family members, I would like to protect your investment – the building at 881 Dutton Road, and ensure that the residents' needs are met.

I want to ensure that our seniors continue to live the lifestyle they have become accustomed to – a warm, inviting, clean, safe, caring home called Fairhaven.

In order for us to achieve these goals, we need your help. Please support our request to provide 10-year capital renewal funds in conjunction with the County for a minimum of \$1000/bed or \$256,000 annually.

The amount that the City would be contributing would be \$170,667 for 2012 and that number would increase by an inflation factor over the next 9 years.

Submitted by,



Joy L. Husak
Executive Director



Celebrating over 50 years of Quality Living

Appendix A – Fairhaven – 10 Year Capital Plan

Appendix B – Accomplishments / Successes

APPENDIX A - FAIRHAVEN - 10 YEAR CAPITAL PLAN

	Total	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
BUILDING-STRUCTURAL/ARCHITECTURAL												
Roof replacements	665,000			55,000		55,000					555,000	
Waterproofing & caulking	40,000				20,000					20,000		
BUILDING-FINISHES & DECORATING												
Flooring	275,000		55,000		55,000		55,000		55,000		55,000	
Home finishing renewal	992,130	75,000	78,030	81,182	84,462	87,874	91,425	95,118	98,961	102,959	107,118	
Washroom Door hardware replacement	56,000		56,000									
2012 Accessibility Legislation (T&D)												
BUILDING-MECHANICAL												
Building Automation System	160,000		80,000	80,000								
Replace circulating pump switch	10,500		10,500									
Heat pump replacement	1,170,000			360,000		270,000		270,000		270,000		
Natural Gas Emergency Shut-off	10,500	10,500										
Heat Recovery Unit	400,000											400,000
BUILDING-ELECTRICAL												
Communication - wireless	60,000						60,000					
Electrical Fixtures	304,073	22,500	23,409	24,355	25,339	26,362	27,427	28,535	29,688	30,888	32,136	33,434
Fire Alarm Speaker Upgrade	25,000		25,000									
Nurse Call/Security System/Telephone	600,000	600,000										
SITE IMPROVEMENTS												
Pavement & asphalt replacement	233,300				61,500	85,900	85,900					
Electrical Site Services	25,000			25,000								
EQUIPMENT & FURNISHINGS												
Combi Oven	30,000					30,000						
Convection Oven	25,000	25,000										
Ice Machines	46,739	11,000	11,444	11,907	12,388							
Mixer	15,000									15,000		
Pot Wash/Washer system	15,000										15,000	
Walk-In Coolers												
Laundry Equipment	119,514				18,000	18,727	19,484	20,271	21,090	21,942		
Housekeeping Equipment	30,000			10,000				10,000				10,000
Resident Furniture	130,000	30,000			50,000				50,000			
Beds & Mattresses (10 beds/yr)	420,994		35,000	36,414	37,885	39,416	41,008	42,665	44,388	46,182	48,047	49,989
Garbage Compactor	43,300					43,300						
Window Coverings	202,715	15,000	15,606	16,236	16,892	17,575	18,285	19,024	19,792	20,592	21,424	22,289
Computer equipment	243,258	18,000	18,727	19,484	20,271	21,090	21,942	22,828	23,751	24,710	25,708	26,747
Resident Lifts & Tubs	641,805	118,400		123,183		128,160		133,338		138,724		
Disinfectant Units	103,200		25,800		25,800		25,800		25,800			
Emergency Response Equipment	7,500	7,500										
Defibrillator	7,000	7,000										
Point of Care System	50,000	50,000										
CONTINGENCY	270,287	20,000	20,808	21,649	22,523	23,433	24,380	25,365	26,390	27,456	28,565	29,719
FISCAL TOTAL	7,337,815	1,009,900	455,325	864,410	450,060	846,838	470,651	667,144	394,860	718,452	887,999	572,178
Municipal Portion												
Peterborough County Contribution 1/3 of \$1000/bed/yr	1,153,224	85,333	88,781	92,368	96,099	99,982	104,021	108,223	112,596	117,144	121,877	126,801
Peterborough City Contribution 2/3 of \$1000/bed/yr	2,306,449	170,667	177,562	184,735	192,198	199,963	208,042	216,447	225,191	234,289	243,754	253,602
Total Municipal Funding	3,459,673	256,000	266,342	277,103	288,298	299,945	312,063	324,670	337,787	351,433	365,631	380,403

Appendix B

ACCOMPLISHMENTS/SUCCESSES

- a) 6% decrease of incident skin breakdowns.
- b) 10% decrease in falls due to improved physiotherapy program with an increase in mobility (residents admitted in wheelchairs and are now able to use walkers).
- c) 2.5% of residents with wounds, compared to 2 other local homes which show 9.2% and 4.1%. This is a reflection of the quality of skin care, positioning, and nutrition provided.
- d) 4.5% of residents with 1 or more infections compared to 2 other local homes which show 12.5% and 8.1%. This is a reflection of safe hygiene practice, continence care, and nursing care.
- e) Physical restraints reduced dramatically in the past year through home wide, multidisciplinary reassessment of all devices used to assist with activities of daily living as well as safety, as per the new Long Term Care Standards Act 2007 guidelines.
- f) Implemented our Home Wide Improvement Project that standardized meal times, scheduled staff to work on one home area to build client relationships, reduced walking time, and freed up Programs staff to offer more resident events.
- g) Accredited by Accreditation Canada. The Accreditation Canada certificate shows the organization cares about patient safety and providing quality service. It means the organization was assessed by its peers, met or exceeded national standards of excellence, and continues to strive for high quality health care.
- h) Successful implementation of RAI-MDS (Resident Assessment Instrument – Minimum Data Set) which is a tool used by the Ministry to set our level of Ministry operating funding. This computerized management tool assists us in monitoring and assessing the needs of our residents.
- i) Implementation of new activities for residents including more community outings.

- j) Increase of in house staff training and orientation.
- k) Introduced LEAN (using less to do more) quality improvement process
- l) Chosen to be the Host Agency by the Registered Nurses Association of Ontario (RNAO), funded by the Ministry for the Long Term Care Best Practices Initiative Program for the entire Central East LHIN Long Term Care sector.
- m) 76% of residents and families in the 2010 resident/family satisfaction survey indicated they would recommend Fairhaven to family members and friends looking for long term care placement. This compares with 69% in 2009.
- n) Host a wide variety of students (Registered Nurses, Registered Practical Nurses, Personal Support Workers) for clinical learning experience from Trent University and Fleming College.
- o) Wireless upgrade throughout building to support E-Mar, an electronic medication administration system that will reduce risk of errors, improve efficiency in communication with pharmacy and physicians, lessen paperwork load for front line staff which frees up resident care time.

Recent Award

Fairhaven was selected, on November 21, 2011, to participate in the CE LHIN Behavioural Supports Ontario (BSO) project. There are 68 homes with approximately 9600 beds in the CE LHIN area. All were given the opportunity to complete a Readiness Assessment Survey. The CE LHIN was responsible for hiring 20 RN/RPN and 30 Personal Support Workers. Fairhaven was chosen out of 15 homes in the CE LHIN and was one of 4 in the Peterborough/Lindsay region to participate in the BSO Project.

The Ministry of Health and Long-Term Care supports service enhancements and new approaches to behavioural service delivery for current or potential long term care residents.

One of the goals of the BSO Project is to ensure that staff working in a long term care home are supported in caring for seniors with complex mental health needs. The CE LHIN Action Plan defines the approach to serve people who need behaviour supports in a long term care home and will be composed of specialized staffing and resources. The funding supplied is to be used solely for salaries and benefits of the BSO team at Fairhaven.

We will be hiring 3 full-time equivalent (FTE) Registered Nurses/Registered Practical Nurses positions, and 3.5 FTE Personal Support Worker positions in alignment with the direction from the CE LHIN. Base funding for fiscal year 2011/12, (prorated from November 1, 2011) is to be used for salaries and benefits only. Beginning in fiscal year 2012/2013, the funding will be annualized for twelve months to \$416,135 in base funding (used for salaries and benefits only).

These new positions will support Fairhaven's participation in the BSO quality improvement teams, support evening and weekend shifts, and support other long term care homes. However, this will be limited to knowledge exchange type of activities and not include providing "hands on" care.

The CE LHIN reviewed homes against a set of criteria which included the following:

- a) number of residents who could be described as having "behaviours";
- b) identified need for additional support to address ongoing challenges;
- c) participation in Health Quality Ontario's Residents First program;
- d) existing formal Quality Improvement efforts to improve residents' care experience;
- e) senior management support for implementation of CE LHIN BSO Action Plan;
- f) Medical Director willingness to participate or allow home to participate in BSO Action Plan;
- g) participation with our nurse practitioner outreach team program – NPSTAT;
- h) geographic location;
- i) willingness to partner with other providers both within the LTCH sector and in other sectors;
- j) existence of quality improvement capacity including trained Improvement Facilitators; and
- k) willingness to meet the extensive list of accountabilities set out in the funding letters from the Ministry of Health and Long-Term Care.