

**The Corporation of the City of Kawartha Lakes**  
**Victoria Manor Committee of Management**

**Report Number VMC2017-11**

---

**Date:** September 18, 2017

**Time:** 9:30 a.m.

**Place:** Victoria Manor Boardroom, 220 Angeline St. S., Lindsay

---

**Subject:** **Victoria Manor 2018 Operating Budget**

---

**Author Name and Title:** **Rod Sutherland, Director of Human Services**

---

**Recommendation(s):**

**Resolved That** Report VMC2017-11, "Victoria Manor 2018 Operating Budget", be received; and

**That** the Committee of Management recommends to City Council the approval of the 2018 Victoria Manor Operating Budget, included as Attachment A to Report VMC2017-11, Victoria Manor Operating Budget 2018.

---

**DIRECTOR**

---

**OTHER**

## Background

In the development and approval of the annual operating budget, the Terms of Reference of the Victoria Manor Committee of Management describe the Committee's role as follows:

### ***Advice to Council***

*The Committee may make recommendations to Council on the following matters, for which Council retains the decision-making role:*

- 1. the annual capital and operating budget;*

The following resolution was passed by City Council on August 11, 2015:

**Resolved That** Report VM2015-004, "Victoria Manor Funding from Working Capital Reserve", be received;

**That** the requirement for repayment to the Working Capital Reserve from the Victoria Manor operating budget be extended to December 31, 2020;

**That** the 2014 surplus in the Victoria Manor Operating accounts of \$84,268 be transferred from the Contingency Reserve (1-2-9997-2329) to the Working Capital Reserve (1-2-9997-2900) to pay back a portion of the amount owing; and

**That** Victoria Manor's annual operating budgets for 2016 to 2020 inclusive include an additional annual tax support requirement of approximately \$169,655 to be paid to the City's Working Capital Reserve.

**CR2015-875**

## Rationale

The recommended 2018 operating budget includes a net municipal contribution of \$856,852 as described in Attachment A. This is a reduction of \$125,296 from the 2017 operating budget.

As shown in the proposed budget, the primary increases in revenues are in the Nursing and Personal Care and Program areas. Due to the base increases in Ministry of Health and Long Term Care (MOHLTC) funding envelopes (2.8% in Nursing and Programs 2.9%; 6.5% in Food), the variance from the 2017 to 2018 budgets are reduced. Budgeted revenues are based on the expected Case Mix Index (CMI) for the home. Actual revenues will vary with a lower or higher CMI and/or the provincial indexing of the global MOHLTC funding allocation.

From the perspective of resident care and services, staff are recommending the base budget level as listed in Attachment A. The recommended budget includes increases in Nursing and Personal Care that will provide the ability to increase the number of nursing care hours to reduce the significant turnover of short shifts. This will reinstate

nursing care hours that were reduced in 2014 as a result of reduced provincial funding.

The payment of \$151,476 is the amount of the Structural Compliance per diem subsidy that is transferred to the Capital Reserve to offset the Victoria Manor Capital Budget.

Included in the base budget figure is the repayment of \$169,655 to reimburse the City's Working Capital Reserve (WCR) as per Council Resolution CR2015-875. This amount is shown as a separate line in the budget in order to highlight that it is not related to current operating requirements.

## **Financial Considerations**

The recommended 2018 Operating Budget as attached (Attachment A) includes a net municipal tax support contribution of \$856,852, a reduction of \$125,296 from the 2017 budget.

## **Other Alternatives Considered**

To attain a budget with zero municipal tax support (exclusive of repayment to Working Capital Reserve), staffing reductions of 4 full time and 3 part time positions would be required to personal nursing care and services. This is not recommended by staff based on maintaining or improving current service standards of care.

The option of maintaining the 2017 net tax support level could be considered, resulting in no net variance for 2018. This would represent an increase of \$125,296 to the budget listed in Attachment A. Due to the fluctuations in provincial subsidies under the CMI model, with the impacts of reductions coming in future years, this approach was not recommended. If considered, the additional budget allocation would be recommended at support to nursing equipment and operating costs.

## **Consultations**

Pamela Kulas, Administrator  
Sanja Freeborn, Sienna Senior Living

## **Attachments**

Attachment A: Victoria Manor 2018 Operating Budget

**Department Head E-Mail:** [rsutherland@kawarthalakes.ca](mailto:rsutherland@kawarthalakes.ca)

**Department Head:** Rod Sutherland

## Attachment A: Recommended 2018 Operating Budget

	Actual 2016	Budget 2017	2018			Variance Explanation
			Budget	Variance (\$)	Variance (%)	
2018 CMI: 0.9915						
Nursing						
Revenue	6,288,176	6,312,458	6,616,634	304,176	4.8%	• 2% increase on base Nursing envelope
						• Higher CMI in 2018 than 2017
						• Higher BSO funding budgeted in 2018
Expenses	(6,754,947)	(6,959,479)	(7,190,157)	(230,678)	3.3%	increased nursing hours per pay by 116;
						• plus budget 0.75% provision for potential CMI reduction
Net Nursing	(466,771)	(647,022)	(573,523)	73,499	-11.4%	
Programs						
Revenue	703,772	712,847	733,265	20,418	2.9%	• 2% increase on base Programs envelope, as well as increase on Physio funding
Expenses	(659,333)	(675,242)	(674,688)	554	-0.1%	• Physio expenses are included, offsetting by revenue
Net Programs	44,439	37,605	58,577	20,972	55.8%	
Food						
Revenue	504,325	515,802	549,159	33,357	6.5%	• 6% increase on base Food envelope
Expenses	(509,757)	(515,802)	(549,159)	(33,357)	6.5%	budgeted expense to match the revenue
Net Food	(5,433)	0	0	0	0.0%	
Other Accommodation (OA)						
Revenue	3,811,778	3,771,492	3,921,120	149,628	4.0%	• 2% increase on base OA envelope, plus \$28K vendors rebate budgeted based on last 12 month actual
Expenses: Dietary	(1,071,198)	(1,059,329)	(1,083,480)	(24,151)	2.3%	• includes 2 LTD return to work 8 week program
						• higher budget in Linen (\$3K), cutlery (\$4K) and equipment (\$3K)
Expenses: Housekeeping	(492,099)	(452,705)	(488,186)	(35,481)	7.8%	• higher budget in WSIB expenses (3.08%), Chemical Supplies (\$3K), Supplies (\$5K) and equipment (\$8K)
Expenses: Laundry	(194,796)	(190,369)	(210,161)	(19,792)	10.4%	• higher budget in Linen (\$6K) and Equipment (\$6K)
Expenses: Maintenance	(458,295)	(461,660)	(529,148)	(67,489)	14.6%	• 1.5% CUPE projected wage increase
						• higher budget in Alarm (\$5K), Building Repairs (\$14K), Generator (\$9K), HVAC (\$14K) and Plumbing (\$36K), offset by lower budget in maintenance contract (\$13K) and landscaping (\$4K)
Expenses: Administration	(468,136)	(545,834)	(506,226)	39,608	-7.3%	• lower budget on Agency (\$37K)
						•
Expenses: Facility	(1,006,021)	(1,113,197)	(1,124,694)	(11,497)	1.0%	• projected 4.5% increase per En Pro, results in higher budget over Gas (\$3K)
						• Projected 8% provincial rebate per En Pro, results in lower budget on Hydro (\$26K)
						• projected 3.35% decrease per En Pro, results in lower budget on Water (\$4K)
Net OA	121,233	(51,600)	(20,775)	30,825	-59.7%	
Cumulative Net	(306,531)	(661,017)	(535,721)	125,296	-19.0%	
Overhead						
Structural Compliance Funding	(151,476)	(151,476)	(151,476)	0	0.0%	
Repayment of W/C Reserve	(169,655)	(169,655)	(169,655)	0	0.0%	
Total Net Surplus (Loss)	(627,662)	(982,148)	(856,852)	125,296	-12.8%	