

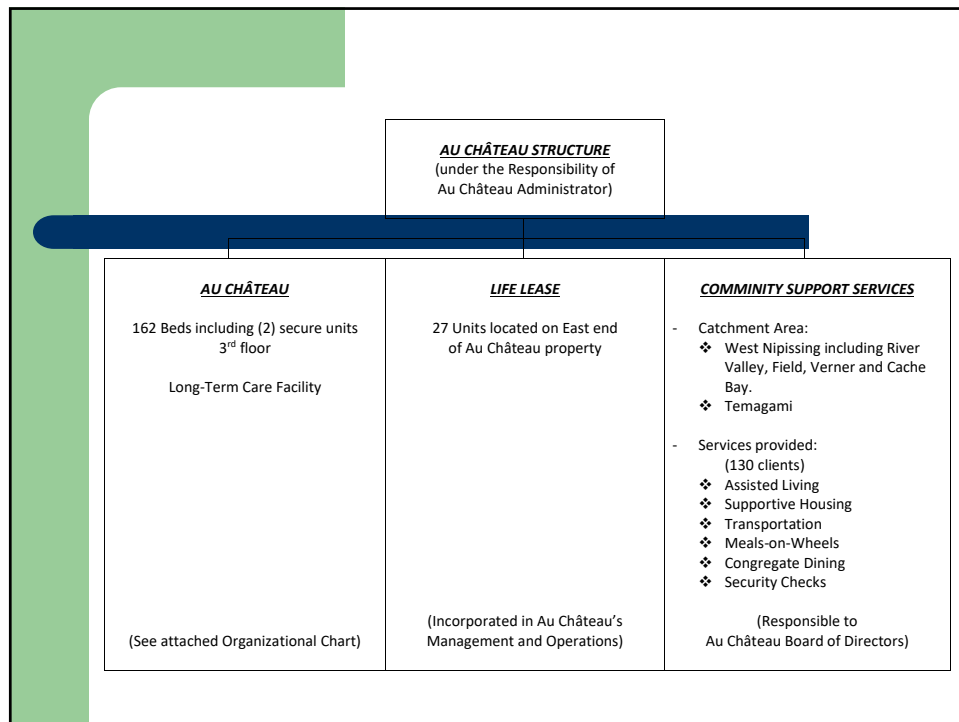
Au Château

Presentation to
Municipalities

Redevelopment

Au Château

Overview



Overview – Au Château

- Au Château Home for The Aged is a District Municipal home with 162 beds and classified as a “C” home. District because we are owned by the Municipality of West Nipissing and Temagami.
- Official opening of the Home took place August 26, 1964 accommodating 100 residents.
- On January 1, 1986, the home expansion project was completed which increased the number of beds to accommodate 162 residents.
- We primarily serve a francophone population in a bilingual environment since we are identified as a French Language organization by the Ministry. We are one of the few within Nipissing and Sudbury East District.

Overview

- We currently employ some 200 full-time and part-time employees. The break-down is as follows:
 - 75 Personal Support Workers
 - 35 Registered Practical Nurses
 - 10 Registered Nurses
 - 1 Nurse Practitioner
 - 24 Dietary and Cooks
 - 21 Housekeeping & Laundry
 - 6 Adjuncts
 - 12 Community Support Programs
 - 4 Maintenance
 - 12 Administration

Key Highlights

- | | |
|-------------------------------|----------------|
| • Au Château – Overall Budget | \$20.5 Million |
| • Salaries & Benefits | \$16.5 Million |
| • Reserves | \$2.6 Million |

Key Highlights

- In terms of dollars, our Salaries & Benefits of \$16.5 million annually is critical to the local economy.
- When you factor in the OMERS pension plan for retirees, the Home represents a significant economic driver not only in the short term, but also in the long term for the Community of West Nipissing
- The Home is an extremely valuable asset for the community of West Nipissing.

Break-down of LTC in Ontario

- There are currently 626 Long-Term care homes in Ontario.
- The break-down is as follows:
 - 57% (357) are Privately owned (for profit homes)
 - 27% (169) are Not-for-Profit/Charitable Homes
 - 16% (100) are Municipal Homes

Au Château

Municipal Difference

Municipal Difference

- Municipal LTC Home services are established based on an understanding of local needs and managed and delivered with a local involvement, giving residents in the community assurance that appropriate and accessible services are available within their communities. We tailor our services to meet local needs.
- In a current health care environment with an emphasis on efficiency in health service delivery, Municipal Homes, in particular, are models of integration and collaboration (from Nursing Home to Non-Profit Housing to Life Lease to Community Support Services to the internal link to local Doctor's office and the hospital).

Municipal Difference

- The willingness of municipalities to invest in long term care and be actively involved in operation homes makes a difference in seniors' lives in their communities.
- It means:
 - Care closer to home
 - Care for everyone
 - High quality care
 - Innovative and integrated care for seniors (campus of care)
 - Strong communities
 - A strong voice for seniors
 - Good jobs and economic benefits

Municipal Difference

- Municipal contributions enable LTC homes to pay higher wages and benefits to retain LTC staff, contributing to quality of care.
- Unfortunately, it does bring significant financial pressures due to Pay Equity legislation that further drives costs and Collective Bargaining because we cannot avoid inability to pay as municipal levy can be increased to support the home.
- As a Municipal home, we are unable to create a profit nor provide for a provision for future mortgages, thus leaving the Municipalities to assume the mortgage. This is a major difference than the private sector.
- I attached Advantage Ontario's 2 relevant papers: Ontario Municipalities: Proud Partners in Long-Term Care and Campus of Care: Supporting People, Sustaining Care Systems in Ontario for your review.

Au Château

Redevelopment

Why a New Home

- Modernization is urgently required to meet the needs of today's seniors with modern designs standards for rooms, shared spaces and accessibility. This is to ensure safety, comfort an overall quality of life for our residents.
- Modernization also ensures proper ventilation and infection control measures, especially after the COVID-19 pandemic. Homes are now facing greater amounts of outbreaks throughout the year, putting our most vulnerable residents at risks and pressure on staffing, which is already at precarious levels.
- Each Resident Home Area must be a self-contained unit for a maximum of 32 residents for that area to use. The intent is to create smaller home-like units that give residents more intimate and familiar living spaces.

Changes in design standards

- Each home area to have a maximum of 32 beds with 2 pods of 16. Ultimately means a large physical facility
- Increase requirements for therapy space to a minimum of 1 per floor per Resident Home Area
- 100% of dining space per Resident Home Area
- Larger rooms for all types – Private and Basic
- Increased lighting levels
- LEED Standard designs
- Increased fire protection – sprinklers throughout

Challenges

- The estimated cost to rebuild is approximately \$120 million and no current changes in the environment to see cost decrease, both in materials and labor.
- Current Northern project has seen Tenders coming in at 40% to 50% greater than budget (budget based on Quantity Surveyors estimates)
- Effects of tariffs on steel is unknown at this time but will affect costs.
- Inflation will rise considering current environment, which will also affect cost
- Interest rates, on long term debentures, have not decreased significantly
- Provincial funding is not enough to make project financially viable

Provincial Funding Policy

- Development Funding includes three components:
 - a construction subsidy per diem (\$20.53 to \$23.78 per bed per day)
 - a development grant (set by government at time of application)
 - a planning grant, available to non-profit homes (up to \$250,000)

Provincial Funding Policy

- Attached are the following:
 - Financial analysis under the Current Policy
 - Financial analysis under the Current & Supplemental Policy

Impact on Municipalities

- Under the Current Policy, the impact on taxes for Municipalities is approximately 23%.
- With the Supplemental Policy (which was temporary and not currently in place, the impact on taxes for Municipalities is approximately 16%.

Challenges

- Northern Rural Municipalities do not have the tax base to support the new build. Its effect on residential tax rates is overwhelming.
- The home is an extremely valuable asset to our community in both serving the francophone seniors and economic development due to number of staff employed. How do we preserve this in the long term.

Conclusion

- Northern Municipal Homes need to be provincially funded under a new model. There needs to be a funding policy change to reflect the environment under which they operate.
- Municipal Homes are an integral part of their communities, highly connected with other services and often have higher satisfaction rates and quality outcomes. This must be preserved.
- We must all work together to create a solution so that Au Chateau can move forward with its redevelopment and provide a home that our seniors so deserve.

Next Steps

- Where do we go from here.

Au Château

Redevelopment Cost Estimate Analysis

Current Policy

Estimated Cost

Notes: - Amortization period is 25 years
- Using Infrastructure Ontario
amortization debenture schedule

Interest Rate

5.00%

4.78%

5.00%

4.78%

Monthly Payments

\$701,508

\$686,213

\$584,590

\$571,844

Annual Payment

\$8,418,097

\$8,234,557

\$7,015,080

\$6,862,131

Provincial Subsidy
(\$21.53 per bed per day)

\$1,273,069

\$1,273,069

\$1,273,069

\$1,273,069

Mortgage amount to be
assumed by Municipalities

\$7,145,028

\$6,961,488

\$5,742,012

\$5,589,062

Weighted Assessment

West Nipissing 77.36%

\$5,527,251

\$5,385,268

\$4,441,905

\$4,323,586

Taxation Revenues 2022 \$23,544,467

Impact on taxes

23.48%

22.87%

18.87%

18.36%

Temagami 22.64%

\$1,617,777

\$1,576,220

\$1,300,106

\$1,265,475

Taxation Revenues 2022 \$6,640,880

Impact on taxes

24.36%

23.74%

19.58%

19.06%

Au Château

Redevelopment Cost Estimate Analysis

Supplemental Temporary Policy

Estimated Cost		\$120,000,000	\$120,000,000	\$100,000,000	\$100,000,000
Notes:	- Amortization period is 25 years - Using Infrastructure Ontario amortization debenture schedule				
Interest Rate		5.00%	4.78%	5.00%	4.78%
Monthly Payments					
Annual Payment		\$701,508	\$686,213	\$584,590	\$571,844
Provincial Subsidy		\$8,418,097	\$8,234,557	\$7,015,080	\$6,862,131
(\$21.53 per bed per day)		\$1,273,069	\$1,273,069	\$1,273,069	\$1,273,069
(\$35.00 per bed per day)		\$2,069,550	\$2,069,550	\$2,069,550	\$2,069,550
Mortgage amount to be assumed by Municipalities		\$5,075,478	\$4,891,938	\$3,672,462	\$3,519,512
Weighted Assessment					
West Nipissing	77.36%	\$3,926,288	\$3,784,305	\$2,840,943	\$2,722,624
Taxation Revenues 2022	\$23,544,467	16.68%	16.07%	12.07%	11.56%
Impact on taxes					
Temagami	22.64%	\$1,149,190	\$1,107,633	\$831,519	\$796,888
Taxation Revenues 2022	\$6,640,880	17.30%	16.68%	12.52%	12.00%
Impact on taxes					