

Staff Report to the Planning & Protective Services Committee
Meeting of Wednesday, February 22, 2006

SUBJECT: Complex Care Upgrading Projects

PURPOSE/ISSUE:

To advise Committee of the redistribution of capital funds between four approved projects.

HISTORY/BACKGROUND:

In June 2005, the Board approved a capital contribution to upgrade four residential care facilities to care for increasingly frail residents assessed at the complex care level. Known as Complex Care Upgrading Projects (CCUP's), the total capital funding is \$8.415M with the District 40% share of \$3.366M. The status of this work is as follows:

Luther Court Under construction. Prior to construction, cost surveys indicated the project was approximately \$200,000 over its \$1.925M budget. Undertaking construction using a construction manager instead of a general contractor was expected to cover much of the difference. Continual increases in material costs and labour shortages, however, have eroded this advantage and the project will require additional funding in the \$200,000 to \$300,000 range to complete the essential scope of renovations.

**Beckley Farm
Lodge &
Resthaven Lodge** Nearing completion of working drawings and expected to proceed to construction in the early Spring, 2006. A construction management approach will also be used to maximize savings to the facilities. Detailed design investigation at these buildings, particularly Beckley Farm Lodge, revealed greater construction complexities than initially expected. The scope of work was minimized to the essential items needed to accommodate complex care residents however, additional funding will be needed for these projects to complete the work required.

Greenwoods A detailed review of the condition of the Greenwoods facility indicated that the scope of upgrading required (\$5M-\$6M) far exceeded funding available (\$1.43M). With the concurrence of Greenwoods and District staff, VIHA has cancelled the Greenwoods project and will incorporate the replacement of Greenwoods in the master plan for the adjacent Lady Minto Hospital (LMH). The result will see an amalgamation of the Greenwoods beds and the LMH extended care beds into a single purpose-built complex care facility. VIHA is expected to undertake master planning in 2006.

As a result of these changes, unexpended capital funding from Greenwoods will be reallocated to balance the capital budgets of the other three CCUP facilities (Luther Court, Beckley Farm & Resthaven lodges). A summary of this reallocation is shown in Table 1.

Table 1: Summary of CCUP Funding Reallocation

	Jun 05	Transfer	Feb 06	% change
	A	B	C = A + B	D
Luther Court	\$1,925,000	\$300,000	\$2,225,000	+ 16%
Beckley Farm Lodge	\$2,585,000	+ \$980,000	\$3,565,000	+ 38%
Resthaven Lodge	\$2,475,000	TBD	\$2,475,000	0
Greenwoods	\$1,430,000	- \$1,280,000	\$150,000	- 90%
Total Capital Funding	\$8,415,000		\$8,415,000	

TBD = To be determined

ALTERNATIVES:

Not applicable.

FINANCIAL IMPLICATIONS:

There are no immediate financial implications. The total funding allocated to CCUP work remains unchanged and the District's contribution represents a maximum contribution for these projects. Depending upon the outcome of master planning for LMH, VIHA may request a future capital contribution for replacement residential care beds for Salt Spring Island. VIHA would incorporate such a request within a future capital plan for submission to the District for review and budgeting.

SUMMARY/CONCLUSIONS:

From the initial stages of these projects, VIHA and District staff understood that CCUP funding allocations were "notional" and that individual project funding could be revised upward or downward within the \$8.415M funding limit. As the work evolves, it is necessary to cancel one project (Greenwoods) due to the economic unfeasibility of upgrading and reallocate the balance of funds to the remaining three projects to ensure their successful completion by 2007. At this time, no additional funding from the District is required though additional funding may be necessary once more progress is made on the Beckley Farm and Resthaven Lodge project. Plans to replace the Greenwoods facility will be consolidated within plans to replace the extended care beds at Lady Minto Hospital in a future capital project.

RECOMMENDATION:

To receive this report for information.

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COMMENTS: