

Staff Report to the Planning & Protective Services Committee
Meeting of Wednesday, April 25, 2007

SUBJECT: Complex Care Upgrading Projects – Funding Reallocation

PURPOSE/ISSUE:

To report on the status of the Complex Care Upgrading Projects (CCUP's) and to request approval for the redistribution of capital funds within the CCUP's budget.

HISTORY/BACKGROUND:

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

The CCUP's originally consisted of four long term care facilities (Luther Court, Beckley Farm Lodge, Rest Haven Lodge and Greenwoods). As the work evolved, it became necessary to cancel one project (Greenwoods) due to the high cost for marginal improvement in comparison to a replacement facility.

The status of the projects is as follows:

Greenwoods: Project cancelled in February 2006; funding for this project was moved to the Beckley Farm Lodge (BFL) facility.

Luther Court: Project complete.

Rest Haven Lodge: Project delayed pending an acceptable decant space. It has been proposed by Rest Haven Lodge (RHL) that residents decant to a Baptist Church facility to be constructed in the near future on an adjacent site. The RHL decant cannot occur until completion of the Baptist Church project, likely 15 to 18 months after construction start. Of the \$2.5 budget allocated to the RHL upgrade, \$2M remains for the construction phase of the work.

Beckley Farm Lodge: Residents are being temporarily housed at Gorge Hospital. As this project progressed, it revealed that the 25 year old building envelope is failing allowing water to enter the building, requiring upgrades to protect the interior of the building. The failing roof membrane is being addressed under a separate project.

The project manager has estimated the additional cost for the remediation of the building envelope (replacement of existing windows, wall siding and waterproof membrane above the parking garage) at \$900,000.

When staff and residents vacated the building in the early stages of this project, BFL experienced break-ins and vandalism. This required 24/7 security be put in place and resulted in additional costs of \$7,000/month. It is anticipated these costs will total over \$100,000 at completion of the project.

The additional unanticipated costs of \$1M on the BFL renovation have required the Vancouver Island Health Authority (VIHA) to review the available funding sources. VIHA has determined that operating

funds are not in place to cover additional loan/mortgage payment costs. A prompt solution is required to ensure the construction schedule and costs are not adversely affected.

Renovations at RHL cannot commence until the decant facility is complete. The \$2M construction budget prepared in January 2006, has escalated so that there are insufficient project funds to complete the entire RHL upgrade project. The project has two phases:

- Renovate core common spaces (dining/lounges, utility rooms, nursing stations & bath areas); decant of residents not required.
- Renovate resident room wings (ventilation system replacement & upgrade 50% of resident room washrooms); decant of residents required.

To address the \$1M shortfall in the BFL upgrade, VIHA is requesting the District approve a reallocation of funds within the CCUP budget to allow \$1M to be transferred from the RHL project to the BFL project. The funds remaining in the RHL budget will be allocated to the renovation of the core common spaces. If the renovation of resident room wings proceeds at a later date, additional funding will be required.

A summary of this reallocation is shown in Table 1.

Table 1: Summary of CCUP Funding Reallocation				
	Feb 06	Transfer	Apr 07	% change
	A	B	C = A + B	D
Luther Court	\$2,225,000	N/A	\$2,225,000	N/A
Beckley Farm Lodge	\$3,565,000	+ \$1,000,000	\$4,565,000	+28%
Rest Haven Lodge	\$2,475,000	- \$1,000,000	\$1,475,000	- 40%
Greenwoods	\$150,000	N/A	\$150,000	N/A
Total Capital Funding	\$8,415,000		\$8,415,000	

ALTERNATIVES:

1. Approve the recommended reallocation of \$1M within the CCUP budget from the Rest Haven Lodge renovation to the Beckley Farm Lodge renovation.
2. Do not approve the reallocation of funds.

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. The renovation of resident room wings at RHL is dependent on the commencement and completion of the construction of the Baptist facility and its availability as a decant space. VIHA may request a future capital contribution for this work at a later date. However, as of March 9, 2007, VIHA has advised RHL that there is no guarantee that the original capital funding will be restored.

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 may be revised upward or downward within the \$8.415M funding limit. At this time no additional funding from the District is required though additional funding may be requested once more progress is made with the Rest Haven Lodge project.

RECOMMENDATION:

That the reallocation of \$1,000,000 within the CCUP budget, from the Rest Haven Lodge upgrading project to the Beckley Farm Lodge upgrading project, is approved.

Jeremy Tate, Senior Manager
Health Facilities Planning Division
Report Writer

Robert Lapham, General Manager Concurrence

COMMENTS: