

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON  
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.  
Your File/V/Réf.

DATE 17 August 1998

TO/DEST. Co-ordinator  
Corporate Services and Economic Development

FROM/EXP. Finance Commissioner  
Homes for the Aged Commissioner

SUBJECT/OBJET **CAPITAL GRANT REQUESTS:  
VILLA MARCONI LONG TERM CARE CENTRE AND  
HILLEL LODGE LONG TERM CARE CENTRE**

### DEPARTMENTAL RECOMMENDATIONS

**That the Corporate Services and Economic Development Committee and Council consider:**

- 1. A request from Villa Marconi to maintain the Region's funding commitment of \$1,014,000 to the Villa Marconi Long Term Care Centre;**
- 2. A capital grant request in the amount of \$1,621,590 from Hillel Lodge for the construction of a new 100-bed long term care centre.**

### PURPOSE

The purpose of this report is to present to Corporate Services and Economic Development Committee and to Council two capital grant requests:

- a request from Villa Marconi requesting that Council maintain its commitment for funding in the amount of \$1,014,000 for the planned 60-bed Villa Marconi Long Term Care Centre
- a request from Hillel Lodge for an amount of \$1,621,590 for the construction of a new 100-bed Hillel Lodge Long Term Care Centre

## PROJECT DESCRIPTION

### Villa Marconi

On June 13, 1996, Regional Council approved a grant of \$1,014,000 to the Villa Marconi Long Term Care Centre in accordance with the Health Care/Research Policy as adopted by Regional Council on July 11, 1990. The grant was in accordance with the funding criteria of the policy which is:

*“The Region’s share shall not exceed the lesser of:*

- i) 25% of the capital cost of the project, or*
- ii) 37.5% of the Province’s net contribution to the project.”*

Regional Council approved the grant of \$1,014,000 based on the Provincial commitment of \$2,705,000. The Province has recently announced changes in design and funding guidelines in conjunction with its announcement of 20,000 new long term care beds across Ontario over the next eight years. In accordance with these new guidelines, the Province has reduced its funding to Villa Marconi by \$305,000 to \$2,400,000. In accordance with the Region’s policy, this reduction in Provincial funding would normally reduce the Regional contribution by \$114,000 or 37.5% of the reduction.

## DISCUSSION

In accordance with the Health Care/Research Policy, the original grant of \$1,014,000 would be reduced to \$900,000. Villa Marconi has proceeded with its plans for the new facility and the official groundbreaking is scheduled for September 5, 1998, with construction to begin immediately. Villa Marconi will be fund-raising for the additional shortfall. Villa Marconi has written a letter to the Regional Clerk (Annex A) requesting that Regional Council maintain its commitment to the project at \$1,014,000.

## FINANCIAL STATEMENT

The funding for the original \$1,014,000 grant as approved by Council on June 13, 1996, was provided from the Regional Development Charge Reserve Fund (hospital component). Should the Corporate Services and Economic Development Committee and Council wish to maintain its present commitment, the grant would still be funded from the Development Charge Reserve Fund, but the last \$114,000 component of the grant would be made outside the Health Care/Research Facilities Policy. As this grant request seeks funding in excess of that prescribed in Council’s existing policy, it is presented to Committee and Council for consideration.

### Hillel Lodge Long Term Care Centre

Hillel Lodge currently located at 125 Wurttemberg Street, Ottawa, is a non-profit organization (a Charitable Home for the Aged) operating a 48-bed long term care facility. In addition, along with Jewish Family and Community Services, it provides outreach to seniors living in the community. The Province of Ontario has approved the construction of a new 100-bed long term care facility to be built on a site with other service providers for the Jewish community. This new facility will be part of a campus on Broadview Avenue. This location will provide for a single centralized access point for members of the community and users of the services. This is a joint venture with partnerships that will offer a comprehensive continuum of services. The new facility will incorporate the expertise and utilize the resources of all the agencies on the campus. This project will vastly expand the scope of service and program opportunities for the community and the surrounding neighbourhood.

This project responds to the growing needs and increasing expectations of an expanding Seniors community. To meet these needs and expectations will require a unique new model that has an expanded vision. The planned new 100-bed facility will be designed to house 40 ambulatory residents suffering from Alzheimer or related dementias and 40 beds will be dedicated to residents requiring significant physical care. In addition, there will be 20 beds assigned to accommodate other community needs. The agencies will be structured to offer additional programs and support to include daycare and outreach services.

Stakeholders in the long term care and the Jewish communities have participated in and contributed to this planning process. As part of the process, the agencies of the Ottawa Jewish Community who provide long term care services have collaborated in preparing an integrated senior services plan that has been submitted and favourably reviewed by the Ministry of Health and the District Health Council.

To advance this project, the following has already been accomplished:

- 1) A 12 acre site has been secured to realize the community's vision of an integrated community campus to comprise major communal agencies;
- 2) A capital campaign has successfully reached its projected goal;
- 3) A comprehensive demographic study of the community was conducted based on the most recent census, which underscored the need for a significantly expanded long term care facility; and
- 4) The functional program for the new facility has been approved by the Ministry of Health and the Province has committed to its share of the funding.

## DISCUSSION

In December of 1996, Hillel Lodge submitted an application requesting a capital grant of \$2,250,000 under the Region's Health Care/Research Facilities Financing Policy. The application was for the Region's share of the cost of construction of a new 100-bed long term care facility, estimated at that time, to cost a total of \$13,000,000. The request to the Region was based, in accordance with the policy, on 37.5% of the then estimated \$6,000,000 contribution from the Province. No action was taken by the Region at that time pending official approval, and financial commitment of the Ministry of Health.

In a letter dated July 15, 1998, from Geoff Quirt, Executive Director, Long Term Care Division, Ministry of Health (Annex B), the Province of Ontario has given approval for the construction of the new 100-bed facility and has committed to funding of "...up to \$10.35/bed over a 20 year repayment period...". In a letter to the Regional Chair dated August 13, 1998, (Annex C) Stephen Greenberg, Chairman, Community Development Commission, Jewish Community Council of Ottawa, states that the Provincial share will translate into an annual payment over 20 years of \$377,775 which "...will support and fully amortize a loan of \$4,324,427 over a twenty year term at current twenty year interest rates". In this same letter, and based on current estimates in excess of fourteen million dollars for the new 100-bed facility, the Jewish Community Council of Ottawa is requesting a grant from the Regional Municipality, as per the terms of the Health Care/Research Financing Policy, of \$1,621,590 representing 37.5% of the Provincial contribution. The balance of the project costs will be funded through existing reserves, sale of existing assets and a major, already successful, fund-raising campaign.

## FINANCIAL COMMENT

This request from Hillel Lodge for \$1,621,590 meets the requirements of the Health Care/Research Financing Policy. As with recent grants to Glebe Centre and Villa Marconi, this new 100-bed long term care facility is eligible for funding from the Regional Development Charge Reserve Fund (hospital component). Sufficient funds are available in this reserve fund to fund this request.

## HEALTH CARE RESERVES

The Health Care Facilities Financing Policy was established in 1980. The policy states that the Region's share of a capital grant be based on construction costs only (excluding land acquisition or financing costs) and is not to exceed the lesser of 25% of the capital cost of the project or 37.5% of the Province's net contribution to the project. The policy originally provided for the creation of a Health Care Facilities Reserve Fund to which annual contributions were made based on one-tenth of a mill of the Region's Equalized Assessment for general purposes. In 1989, the fund was used to offset subsidy cutbacks to the Region's Homes for the Aged. No further contributions have been made to this fund since that time and the current uncommitted balance is approximately \$364,000.

Regional Development Charges were first established in 1985 with one of the components of the charge being the costs associated with the demands of growth on existing health facilities and on the need for new or expanded facilities. The funds collected for this component of the Regional Development Charge have been contributed to a Hospital Regional Development Charge Reserve Fund. The funds from this Reserve Fund can only be used to fund the growth related net capital costs of projects for which development charges have been imposed pursuant to the Regional Development Charges By-law. Consistent with the recent grants to the Glebe Centre and Villa Marconi, the new 100-bed Hillel Lodge would be eligible for funding from this reserve. As of March 31, 1998, there was \$8,520,000 in this fund. There are outstanding commitments to:

- . Glebe Centre - \$19,000
- . Villa Marconi - \$834,000
- . Orleans Health Centre - \$2,925,000

The status of the Orleans Health Centre is unclear, but the supporters of the project are hoping for consideration of the project through the potential reinvestment of health dollars as part of the health services restructuring exercise. There is, therefore, between \$4,750,000 and \$7,675,000 available in the fund to meet additional requests, such as Hillel Lodge.

As of March 31, 1998, the hospital component of development charges is no longer allowed and the Region is required to have a new Development Charge By-Law in place within 18 months of this date (i.e., September, 1999). Staff are in the process of developing a new Development Charge By-law.

Besides the current requests from Villa Marconi and Hillel Lodge, the Ministry of Health has announced 1,313 new long term beds for Ottawa-Carleton (still falling short of the numbers estimated by the Health Restructuring Commission) over the next eight years with 320 beds to be awarded early this Fall. If the Region were to provide funds under the current policy, it could require a of \$4,800,000 towards the anticipated cost of the 320 beds and see a total potential demand of \$19,695,000 should the operators of all 1,313 beds approach the Region over the next eight years. (It should be noted that there is no prior commitment by the Region for funding of these beds and it must be assumed that any organization bidding for any number of beds does not include in its financial analysis any dollars from the Region).

The final recommendations of the Health Restructuring Commission will result in fewer hospital beds for Ottawa-Carleton by the year 2003. The recommendations do, however, require significant changes in the use of existing beds and major capital expenditures. It should be anticipated then that the hospitals will also be approaching the Region and/or area municipalities for financial support and for infrastructure improvements in roads, water and sewers.

Given the fixed amount of dollars available and the potential demand for funding, staff are reviewing the options available for the use of the remaining dollars in the reserves for health care facilities and will prepare a report for Council consideration later in the Fall.

*Approved by*  
*J. C. LeBelle*  
*Finance Commissioner*

*Garry Armstrong*  
*Homes for the Aged Commissioner*

Attach. (3)



*Per il benessere dei nostri anziani  
e della comunità*

July 27, 1998  
Mary Jo Woollam  
Regional Clerk  
Regional Municipality of Ottawa-Carleton  
111 Lisgar Street  
Ottawa, Ontario

Delivery: By Courier

Dear Ms Woollam:

**Re: Grant Approval of \$1,014,000.00 by Council  
On June 12, 1996, Villa Marconi Long Term Care**

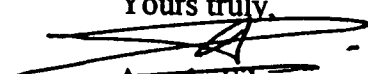
With reference to the subject grant approval by Regional Council we wish to ask Council at the next meeting or as soon as possible to pass a motion and approve the full amount of \$1,014,000.00 without considering the formula in place for the Funding Of Hospitals.

More specifically, the original application was based on the Ontario Government funding, \$2.7 million dollars of the project cost of \$5.4 million and the amount funded by the Region was based on the existing Hospital Formula which is 37.5% of \$2.7 million dollars which calculates to \$1,014,000.00. This amount was approved by council on June 12, 1996 and the total amount of \$1,014,000.00 has been put aside for funding of the Villa Marconi Nursing Home.

Since the Provincial Government has cut back on its portion of funding to Villa Marconi from \$2.7 million to \$2.4 million as per the attached letter even though our construction cost remains at \$5.4 million, the portion of the original Regional Grant of \$1,014,000.00 is reduced to 37.5% of \$2.4 million which is \$900,000. Accordingly Villa Marconi asks Council to reaffirm its original commitment of \$1,014,000.00 and direct staff to apply the full amount of \$1,014,000.00 in order to maintain the Region's original commitment to the project of Villa Marconi Long Term Care Facility which is desperately needed in our community.

If you wish that a presentation be made to council please let me know, so that, preparations and scheduling be implemented. If you require additional information, please call me at 613-797-5126 or office 613-727-6201.

Yours truly,

  
Angelo Filoso

Secretary of the Board

cc. Regional Chair Robert Chiarelli  
Commissioner of Finance Jack LeBelle  
Manager of Budgets, Tom Fedec

JUL 20 1998



Ministry Ministère  
of de  
Health la Santé

Long-Term Care Division  
5th Floor, Hepburn Block  
Queen's Park  
Toronto ON M7A 1R3  
Tel: (416) 327-8370

Division des soins de longue durée  
Édifice Hepburn, 5<sup>e</sup> étage  
Queen's Park  
Toronto ON M7A 1R3  
Fax: (416) 327-8375

July 15, 1998

Mr. Stephen Schniderman  
Executive Director  
Hillel Lodge  
125 Wurttemberg Street  
Ottawa ON K1N 8L9

Dear Mr. Schniderman:

Re: Hillel Lodge Home for the Aged, Ottawa

This is to advise you of the Ministry of Health's position with respect to the above-mentioned long-term care facility.

It is my understanding that you are in the process of developing your plans for redevelopment of Hillel Lodge Home for the Aged in Ottawa. The plan proposes a new 100 bed long-term care facility on a new site to: a) replace the present 48 beds at Hillel Lodge; b) open 35 beds purchased from the former Ottawa Centre Nursing Home; and, c) open 17 beds transferred from the former Bronson Home for the Aged (approved for you in 1993).

At this time, the Ministry of Health has reviewed and accepted your "Functional Plan" for this project. Please forward preliminary sketch plans to the Long-Term Care Division as the next step in the project development process.

On June 10, 1998, the Minister of Health announced a new funding policy to support the construction of long-term care facilities.

I am pleased to inform you that you are eligible to receive additional operating funding of up to \$10.35 per resident per day, over a twenty year period, to assist with the costs of construction based on a maximum cost of \$75,000 per bed. Any construction costs in addition to \$75,000 per bed will be your responsibility to finance.

In order to receive the up to \$10.35 per diem, the proposed new Hillel Lodge must meet compliance with the structural requirements set out in the new "Long-Term Care Facility Design Manual". This Manual has recently been issued by the Ministry of Health (April 29, 1998). These new structural standards supersede previous design requirements used by the Government for construction of long-term care facilities.



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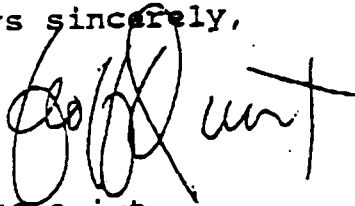
The long-term care facility operators who are eligible for up to \$10.35 per diem compensation will be required to finance their construction projects through either private sector lending institutions or other means available. The province's role is to support the repayment of the operator's costs through regular monthly payments within specific parameters (up to \$10.35/bed/day over a 20 year repayment period). This letter confirms our commitment to provide this level of funding to your organization for all of the 100 long-term care beds now under development.

On completion of the construction of the new Hillel Lodge long-term care facility, the Ministry will fund the up to \$10.35 per diem based on a total capacity of 100 long-term care beds.

As part of our plans review process and during development of the new long-term care facility, we will be requesting financial information from you on the costs of this project. This information will be used to determine and confirm the actual per diem from the up to \$10.35 amount possible. This per diem will then be added to our budget package in your Service Agreement for this facility. Payment of the up to \$10.35 per diem will start on approval for occupancy of the new long-term care facility and admission of the first resident. Payment will be based on the capacity of the facility, not on actual occupancy.

Please accept my best wishes as you proceed with the further development of the new Hillel Lodge.

Yours sincerely,



Geoff Quirt  
Executive Director

cc. Shlomo Mayman, President, Hillel Lodge  
Barbara Farber, President Ottawa Jewish Community Council  
Bernard Dolansky, Chair, Hillel Lodge Implementation  
Committee  
Melanie Hotz, Chair, Hillel Lodge Planning Committee  
Monita O'Connor, Director, East Region  
Joan Kennedy, Program Manager  
Astrida Plorins  
Lee Kirby LeBlanc



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## Jewish Community Council of Ottawa / Vaad Ha'ir

Barbara Farber  
President

August 13, 1998

Lawrence Greenberg  
Past President

Mr. Bob Chiarelli, Regional Chair  
Regional Municipality of Ottawa-Carleton  
111 Lisgar Street, 2nd Floor, Heritage Building  
Ottawa, Ontario K2P 2L7

Stephen Greenberg  
First Vice-President

Shlomo Mayman  
Second Vice-President

Dear Mr. Chiarelli:

Lawrence Zinman  
Treasurer

I am enclosing a letter we received from Geoff Quirt, Executive Director of the long-term care division of the Ontario Ministry of Health, informing us that the Ministry has approved the construction of a new Hillel Lodge. The Ottawa Jewish Community has waited many years for this news and we are eager to proceed as quickly as possible. It is our hope to begin construction as early as May of 1999.

Rona Shaffran-Tannenbaum  
Honorary Secretary

Mitchell Ballman  
Executive Director

As Mr. Quirt states in his letter, we have been approved for a 100-bed facility and the Ministry will fund the construction costs at a rate of \$10.35 per day per bed over a twenty year period. We will receive \$377,775 from the province each year. The annual payment will support and fully amortize a loan of \$4,324,247 over a twenty year term at current twenty year interest rates.

Based on our previous discussions, we anticipate that the RMOC will contribute 37.5% of the provincial funding to our project or \$1,621,590. This funding is of vital importance to us and will enable our community to make this project a reality.

The new Hillel Lodge and the new Jewish Community Campus will be places where seniors can live with dignity as full participating members of the community. It is our hope that our model of integrating a long-term care facility with a community campus will serve as an example for others.

The Jewish Community of Ottawa is eagerly anticipating the grand opening of our new Jewish Community Centre on September 13. It would be wonderful if you were able to announce the RMOC's participation in the development of a new Hillel Lodge on that day.

I look forward to meeting you on Monday.

Yours truly,

Stephen Greenberg, Chairman  
Community Development Commission

cc: Roger Greenberg, Chair  
Capital Campaign