



Administrative Report

Office of the Administrator, Sun Parlor Home

To: Warden MacDonald and Members of Essex County Council

From: Jayne Brooks-Keller
Administrator, Sun Parlor Home

Date: Wednesday, June 19, 2024

Subject: SPH Building Condition Assessment

Report #: 2024-0619-SPH-R03-JBK

Purpose

To assist Essex County Council in assessing redevelopment options associated with the efficient and effective operation of the County's only long-term care home: Sun Parlor Home for Senior Citizens.

Background

Long-term care (LTC) homes provide care and services to individuals who are unable to live independently at home and require care and services 24-hours per day to meet their daily nursing and personal care needs. LTC in Ontario is generally characterized by a population that is growing in both age and complexity which is also the case for Essex County. Industry forecasting and planning reports anticipate that in the near future, most residents will be clinically complex long-stay seniors, with average lengths of stay between nine and twelve months.

For more than 150 years, Ontario municipal governments have been integral in the provision of long-term care. All incorporated municipalities have been required to deliver long-term care services since the 1949 Homes for the Aged Act. In 2007, the Long-Term Care Homes Act revised the requirements for municipalities, and most recently the requirements were revised in 2021 as the Fixing Long-Term Care Homes Act. The law requires that every single and upper-tier municipality in Southern Ontario establish and maintain at least one municipal long-term care home.

Total population of Essex County in 2021 was 192,970 with 20.1% or 38,787 persons being aged 65+. The proportion of seniors in Windsor and Essex County is projected to grow steadily. By 2029, seniors are projected to

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account for approximately 24% of the local population. This significant population increase will result in an amplified need for services and health care including the need for long-term care, aging at home care services, retirement homes and EMS services.

Essex County currently has 9 Long Term Care homes supporting 1,098 residents as well as 15 Retirement homes. The homes are located as follows:

LOCATION	LTC HOMES	RETIREMENT HOMES
AMHERSTBURG	1	1
ESSEX	1	2
KINGSVILLE	2	3
LAKESHORE	0*	2
LASALLE	0	2
LEAMINGTON	3	4
TECUMSEH	2	1

*There is one new home currently under construction which will be located in the Municipality of Lakeshore and is proposed to be 160 beds, opening in 2025.

Of the 9 existing LTC homes: 7 homes are for profit, 1 is a designated charitable home and 1 is a municipal home.

The guiding fundamental principle for long-term care homes is that it is primarily the home of its residents and each home must be operated in a way that the physical, psychological, social, cultural and spiritual needs of each of the residents are adequately met.

The original Sun Parlor Home was built in 1901, consisting of 296 beds. In the 1960's the Home was renovated and in 1992, a portion of the building was demolished and a new building was erected, reducing the capacity to 206 beds. The remaining part of the "old" building was renovated again during the 1992 redevelopment.

In April 1998, the Ministry introduced structural compliance standards that were applied to all long-term care homes. These standards established structural and environmental requirements for all homes. The structural compliance standards formed the basis for new design standards. These new design standards were established in 1999. Prior to these new standards,

the sector was guided by the 1972 regulated standards. The Long-Term Care Facility Design manual was updated in 2002 and 2009. The most recent Ministry design standards were introduced in 2015.

All long-term care homes are categorized by the building standards that they meet. There are five basic categories: new beds, A, B, C and D. For over a decade, the Province has been pursuing a renewal strategy to redevelop its B, C and D beds.

Those beds built to meet the 2015 design standards or significantly meet the 2015 standards are classified as New Beds. Those in category "A" meet or come close to meeting the 1999 standards. Those in category "B" substantially exceed 1972 design standards and are required to be redeveloped, retrofitted to meet the 2015 design standards or be abandoned by March 31, 2025. The remaining "C" beds built to 1972 standards are to be redeveloped, retrofitted to meet the 2015 design standards or be abandoned by March 31, 2025. The "D" beds are no longer in operation, having been redeveloped, retrofitted or abandoned. The Sun Parlor Home was designated as an "A" home in 1998.

As outlined in the most recent Asset Management Plan, both the remaining original building, and the new building are in Good condition, but continue to show signs of aging. Continuing to operate SPH as a long-term care home presents daily challenges. Significant repairs will be needed in the next 10 years to replace major components such as windows, roof and HVAC systems. As an "A" Bed home, SPH does not meet the current Long-Term Care Home Design standards which were updated in 2015 and any renovations or upgrades must meet the newest (2015) standards. A Feasibility Study prepared by a consultant in early 2024 outlines the significant investment needed to update SPH to these standards.

The Ministry of Long-Term Care introduced the Long-Term Care Development Program to address system capacity, create new spaces, and upgrade existing older spaces to modern design standards. The Program prioritizes the need to increase care capacity by creating 30,000 net new beds in the next decade, building new long-term care beds across the province, based on geographic demand and community need. Prioritization is being given to increasing access to basic accommodation beds. Currently, "A" beds are not part of the funding programs for redevelopment or retrofitting of the homes.

The future outlook for Sun Parlor Home should be examined in order to determine if and when investment would be worthwhile.

Discussion

Municipal homes are commonly the first choice of those seeking admission to long-term care. Municipal homes are known for the excellent care and services they provide as well as being part of the fabric of local communities. Municipal homes support strong communities where relatives and friends often live or work in the home or close by thus allowing for social connections.

Municipal homes make a significant contribution to their local economies and are often seen as a preferred place to work due to enhanced work environments. During the dark days of the pandemic, Sun Parlor Home was able to maintain adequate staffing levels and when frontline workers had to declare a single employer, the Sun Parlor Home was overwhelmingly the employer of choice.

Sun Parlor Home is a vibrant, diverse home where residents, families and team members foster meaningful relationships based on equality, empowerment and mutual respect; where people want to live and work; where residents experience excellent quality of life and care built on our shared values. It is essential that the physical space continues to support this level of service and remain a place that everyone can be proud to call home.

The existing structure and configuration of the Sun Parlor Home (SPH) does not meet all of the requirements of the Ontario Long Term Care Design manual 2015. SPH is an old "A" and has significant challenges with its structure and design as it relates to providing care and services. Remediation would be required to meet some of the design standards such as widening doorways, replacement of all windows and improving lighting systems. Further, Infection Prevention and Control (IPAC) standards impact how space is used and constrains redevelopment options. It should be noted that there are many other deficits such as inadequate square footage in dining rooms, resident lounge spaces, activity rooms and resident washrooms that cannot be addressed without significant retrofits to these spaces and home areas. These projects would require Ministry approval and would be required to meet the 2015 or current design standards at the time of the projects.

When someone moves into long-term care they can expect to be well nourished, sheltered and protected at a bare minimum. We are responsible, however, to provide spaces that are part of the therapeutic and care circle—a home that brings purposeful life to our seniors. The Home should have emphasis on providing purpose and fulfilment as part of daily life. It is through re-imagined spaces within a structurally sound home that we will be

able to provide a better quality of life, easier navigation, enhance cognitive and dementia care and predictable IPAC outcomes.

Looking to the future, there are three main pathways forward for consideration:

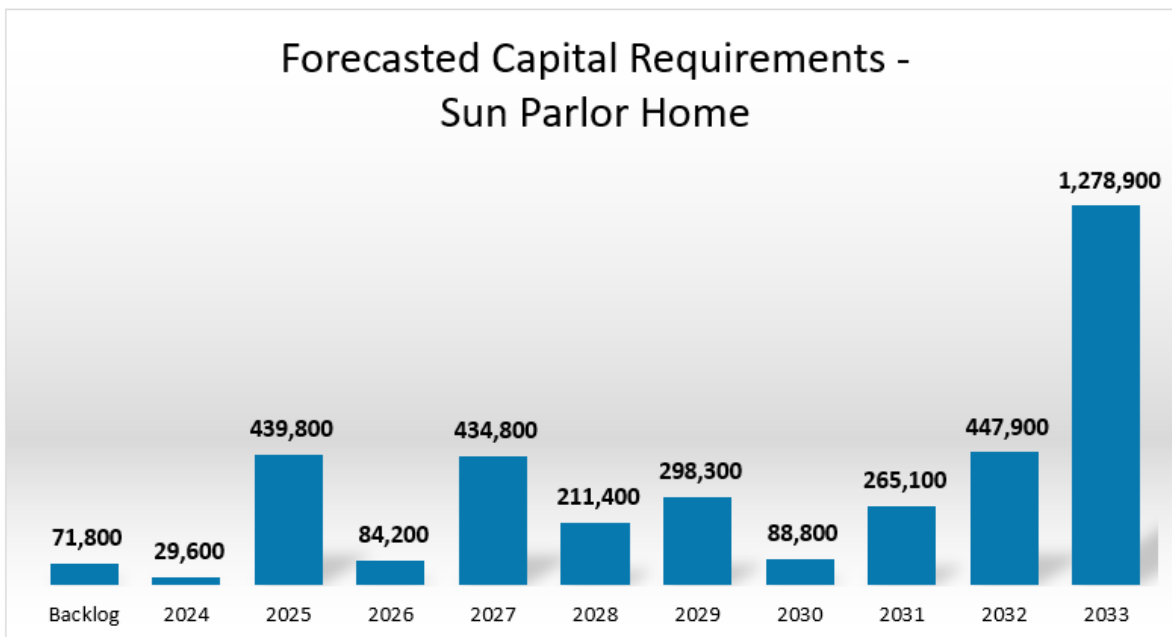
Option	PRO	CON
<p>Redevelop existing building</p>	<p>Cost-Effective - Typically less expensive than building a new facility.</p> <p>Energy efficiencies can be incorporated into redevelopment design.</p> <p>Utilization of Existing Infrastructure</p> <p>Continuity of Care - Residents can remain in the same location.</p> <p>Community Attachment- maintains the historical and emotional connection the community has with the existing home.</p>	<p>Hidden Costs -Unexpected issues can arise during renovation.</p> <p>Ongoing operations will be disrupted and may lead to decreased occupancy as residents may need to be relocated during the construction phase.</p> <p>Limited Scope- Might not fully meet all the latest standards and requirements</p> <p>Shorter Lifespan - A renovated building may not last as long as a new one and could require further updates sooner.</p>
<p>Build a new long-term care home</p>	<p>Meet current design standards - ensuring long-term compliance.</p> <p>More energy-efficient and environmentally friendly.</p> <p>Optimal Layout that enhances resident care.</p> <p>Future-Proofing - A new home can be more easily adapted to future needs and technologies.</p> <p>Attraction - A new, modern home can attract more residents and provide for a state-of-the-art workplace for team members.</p>	<p>High Initial Cost- Significantly higher upfront investment compared to renovation.</p> <p>Time-Consuming-The process of planning, approval, and construction can take several years.</p> <p>Community Resistance to changing the home and/or location.</p>

Option	PRO	CON
Status Quo	<p>No Immediate Cost for renovation or construction.</p> <p>Continuity - No disruption to current residents and staff; operations continue as usual.</p> <p>Time-Saving- Immediate focus can remain on current operations without the diversion of resources to construction or renovation projects.</p>	<p>Compliance Issues.</p> <p>Maintenance Costs - Ongoing maintenance and repair costs may increase as the building continues to age.</p> <p>Reputation - The home may fall behind newer, better-equipped homes, potentially impacting its reputation, desirability and occupancy.</p> <p>Future Costs: Deferring redevelopment or new construction may lead to higher costs in the future due to inflation and further deterioration of the building.</p>

Financial Implications

As of the end of 2023, the Sun Parlor Home Capital Reserve had a balance of \$252,262 to utilize for various Capital asset requirements.

The forecasted capital requirements for Sun Parlor Home (SPH) assets over the next 10 years necessitate an average annual funding allocation of \$2,185,200 for rehabilitation and replacement needs, with a projected additional \$12,020,000 required to cover significant operating costs for lifecycle activities as per the chart below. The annual capital requirement represents the average amount of funding per year that the County should allocate towards future rehabilitation and replacement needs.



Our target reinvestment rate is 2.19% while we are actually reinvesting only 0.17% per year. Our next step is to decide on a path to close this gap.

The information above assumes a status quo approach to SPH capital assets. There are various financial implications for the options detailed in the discussion section above and in the attached reports that are further explored below.

Option 1: Redevelop the Existing Structure

Redeveloping the existing structure of Sun Parlor Home to meet current standards involves extensive renovations. Key modifications would include widening doorways, replacing windows, and upgrading lighting systems. Additionally, substantial retrofits are necessary to address inadequate square footage in various areas. The total estimated cost of repairs to meet the standards is approximately \$2.7 million as per the report. These costs are based on probable costs for major repairs/replacements estimated on a unit rate or lump sum basis, and do not include additional fees for studies, design reviews, or design/engineering fees. A contingency amount should be added to these costs to account for variations in unit prices, hidden damage, and consulting costs for specifications, drawings, tendering, contract administration, field review, and permit fees.

Risks include upfront costs and potential for cost overruns, disruption to current residents during renovation, and the potential for hidden damage increasing repair costs.

Option 2: Complete Rebuild

Constructing a new building that fully complies with current standards offers a comprehensive solution but at a higher initial cost. This option eliminates the need for ongoing extensive renovations and can be tailored to meet future needs. However, there is a cost for land acquisition, and it is uncertain if a viable spot for the home is available.

The estimated cost for a complete rebuild is approximately \$500,000 per bed (dollar figure provided by Grey County who is currently in the development phase of a new build). This estimate is for initial construction only and does not include land acquisition costs. Financial benefits include compliance with regulatory standards, reduced maintenance costs, and improved resident satisfaction, while risks involve a high initial investment, temporary relocation of residents, and uncertainty regarding the availability and cost of suitable land.

It's important to highlight that in the event the new construction option is pursued, past practice suggests that the Ministry may provide financial assistance to offset the costs, particularly for non-compliant long-term care homes.

Option 3: Maintain Status Quo

Maintaining the status quo avoids immediate capital expenditure but poses long-term financial and operational risks due to increasing maintenance and compliance costs. With annual maintenance and operation costs this option offers no immediate large capital outlay but creates the risk of a gradual decline in living conditions and resident satisfaction, along with potential penalties for non-compliance with regulatory standards.

The high-level cost-benefit analysis suggests that while redeveloping or rebuilding Sun Parlor Home entails significant initial expenditures, these options offer long-term financial stability and improved quality of care. Redevelopment presents a middle-ground solution with lower costs than a complete rebuild but still ensures compliance and better living conditions. Conversely, doing nothing may save money upfront but creates escalating costs and risks over time, making it the least financially viable option in the long term.

Should Council endorse the recommendation to proceed with the next phases of the feasibility study, the 2024 budget allocates \$50,000 to facilitate the identification of the optimal course of action, including the exploration of suitable locations for a new home.

Regardless of the chosen path among the three options outlined above, administration advises increasing the annual budget allocation to the SPH Capital Reserve. This step is recommended to narrow the gap in our reinvestment rate and ensure prudent financial management.

Consultations

Melissa Ryan, Director of Financial Services / Treasurer
 Heidi McLeod, Manager of Accounting – Administration / Deputy Treasurer

Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Scaling Sustainable Services through Innovation <input checked="" type="checkbox"/> Focusing “Team Essex County” for Results <input type="checkbox"/> Advocating for Essex County’s Fair Share 	<ul style="list-style-type: none"> <input type="checkbox"/> Being an Employer with Impact <input checked="" type="checkbox"/> A Government Working for the People <input checked="" type="checkbox"/> Promoting Transparency and Awareness 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Providing Reliable Infrastructure for Partners <input checked="" type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County <input checked="" type="checkbox"/> Harmonizing Action for Growth <input type="checkbox"/> Advancing Truth and Reconciliation

Recommendation

That County Council receive report 2024-0619-SPH-R03-JBK – SPH Building Condition Assessment for information; and
 That County Council authorize Administration to further explore options to redevelop Sun Parlor Home by engaging a consultant.

Approvals

Respectfully Submitted,

Jayne Brooks Keller

Jayne Brooks-Keller, Administrator, Sun Parlor Home

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
1	Sun Parlor Home – LTCH Feasibility Study Report
2	Building Condition Assessment for Sun Parlor Home