



**Strathmere
Lodge**

Caring for seniors
in Middlesex



Strathmere Lodge

2015

Budget Overview Report

January 6, 2015

Significant Changes since the last budget:

The major issue for Strathmere Lodge in the 2014 budget year was the reporting and funding, for the first time, of a previously unfunded liability related to accrued vacation pay for the Home's unionized employees. This one-time expense will not be carried into future years and all accrued vacation pay for 2014 will be disbursed early in 2015.

Another significant issue affecting the Lodge was the fact that the Ministry of Health and Long Term Care provided the Home with unanticipated additional funding in the Raw Food (RF) envelope while not providing the anticipated increase in funding for the Other Accommodation (OA) envelope.

The Ministry also increased flow through funding for contracted Physiotherapy services.

Significant Budget increases and decreases:

Revenue

The Strathmere Lodge Case Mix Index (CMI), on which most of the Nursing and Personal Care [NPC] envelope funding is based, is expected to remain at 1.0153 effective April 1, 2015.

We have budgeted for a 2% increase in the Ministry of Health and Long Term Care NPC and Program and Support Services [PSS] envelopes, a .7% increase in OA, and .9% increase in RF, based on past history.

The South West Local Health Integration Network [SWLHIN] has informed us that there will be new short-term [3 months - January 1 to March 31, 2015] dedicated funding for Behavioral Support [BSO] staffing and projects, but this additional revenue and offsetting expenses have not been included in this budget.

Resident Revenue is slightly up due to Ministry approved increases in basic and preferred accommodation co-payment charges to residents that were implemented in 2014.

Other Revenue is slightly down as a result of reduced purchased service revenue (van use, meal sales, and clothing alternations) and supplier rebates, and the elimination of the administration commission on Cable TV services. Ongoing complaints about the cost of Cable TV at the Lodge, from individual residents and their responsible parties as well as both Family and Residents Councils, caused us to reconsider our continuing to apply an administration fee.

We will be raising the meal cost to visitors to \$7.50 per meal, and to \$4.00 for employees, effective February 1, in an attempt to increase recoveries.

Expenditures

Staffing costs [salaries and benefits] are expected to increase by approximately 2.2%, with next to no increase in the benefit portion.

This is based on Strathmere Lodge collective agreements with ONA [expired March 30, 2014 and recently renegotiated for 2 years] and Unifor [expired Dec. 31, 2014 and recently renegotiated for 3 years] and any approved non-Union staff wage increases.

As long term Strathmere Lodge staff age, and with low employee turnover, the Lodge incurs increased costs related to vacation and sick time replacement.

Additional staff replacement costs result from increasing mandatory training requirements (as per Ministries of Labor, Health and Long Term Care).

It should be noted that hands-on Nursing and Personal care staffing levels at Strathmere Lodge are still some of the lowest of all LTC Homes in the Province.

Personnel costs [wages and benefits only] comprise 80.4% of Strathmere Lodge overall proposed expenditures.

Additional information about service levels is provided under the next heading.

Replacement, purchased service, and audit and consulting costs are at, or below, those budgeted in 2014.

Other expense categories show relatively minor increases other than for Facility Maintenance where the 15.5% increase reflects new Computer Support and Maintenance charges from County IT.

Strathmere Lodge debenture payments are not included in the above, nor are any potential pay equity adjustments that may be negotiated with ONA.

Service Level Changes:

Total Full Time Equivalentents [FTE's] have increased by .13, from 118.18 at the beginning of 2014 to 118.31 for 2015.

This reflects a Council approved part-time Ward Clerk position in the Nursing Department that is now budgeted for 12 months of the year and very slight reductions in Housekeeping and Laundry hours.

Capital Requirements:

As noted in the explanation to item # 22 of the attached 2015 estimates, capital requirements for Strathmere Lodge for 2015 are \$587,888, with \$387,888 coming out of Capital reserves and \$200,000 included in the 2015 budget.

The Home's Nurse Call System is obsolete and no more replacement parts are being manufactured, thereby making ongoing service/maintenance of the system virtually impossible. Four bathtub lifts and 2 bathtubs are at the end of their lifespans, the retaining wall at the staff and delivery entrance is beginning to collapse, and the lower portions of resident and service room doors are showing wear and tear.

County Contribution:

As a result of the above we have budgeted for a **\$604,759. (4.7%) increase** in overall revenues and expenditures, with a **\$61,893. (3.6%) increase** in the County's contribution over the amount budgeted in 2014.

Overview:

It is important to note the following:

This is basically a bare-bone, status quo budget reflecting no increase in service levels over 2014.

The Lodge achieved operating surpluses totaling over \$608,478 from 2008 to 2012 [2008-\$12,192, 2009-\$72,523, 2010-\$285,415, 2011-\$189,588, 2012- \$48,760]. There was a deficit of \$71,700 in 2013 resulting from pay equity wage increases, and a further \$419,793 operating deficit is projected for 2014 as a result of the vacation pay liability;

Middlesex County's contribution to Strathmere Lodge operations is well below the average per bed for comparable jurisdictions based on OANHSS, OMBI, and Western Ontario Wardens surveys and benchmarking analyses;

Any unanticipated additional increases in Ministry of Health and Long Term Care base funding in 2015 could result in a reduction in the County's contribution budget;

2015 Proposed Budget and Explanations:

Attached

**COUNTY OF MIDDLESEX
BUDGET COMMITTEE
2015 BUDGET**

STRATHMERE LODGE

	2014 PROJECTED	2014 BUDGET	2015 BUDGET	Ref #
REVENUE				
COUNTY OF MIDDLESEX	\$ 2,115,940	\$1,696,147	\$1,758,040	1
PROVINCE OF ONTARIO	7,375,587	7,266,251	7,372,121	2
RESIDENTS	3,565,680	3,644,657	3,749,525	3
OTHER	48,237	50,137	41,077	4
TRANSFER FROM RESERVE -- WSIB	30,000	30,000	30,000	5
TRANSFER FROM RESERVE - CAPITAL	1,700	46,700	387,888	6
TOTAL REVENUE	\$ 13,137,144	\$ 12,733,892	\$ 13,338,651	
EXPENDITURES				
SALARIES	\$ 8,928,844	\$8,432,353	\$8,654,574	7
BENEFITS	1,944,009	2,061,972	2,067,377	8
SUPPLIES	192,060	195,640	205,598	9
FACILITY REPLACEMENTS	81,707	49,350	46,095	10
FACILITY MAINTENANCE	141,126	108,250	125,035	11
OTHER REPLACEMENTS	95,738	99,890	98,500	12
PURCHASED SERVICES	528,526	524,925	519,225	13
RAW FOOD	475,286	475,286	480,245	14
UTILITIES	342,860	342,700	349,500	15
INSURANCE	33,943	33,944	36,286	16
AUDIT	3,562	5,000	5,000	17
LEGAL & CONSULTING	14,742	5,000	5,000	18
TREASURY CHARGE	90,607	90,607	94,453	19
OFFICE EXPENSE	32,159	32,000	32,500	20
EDUCATION, TRAVEL & CONVENTION	30,275	30,275	31,375	21
CAPITAL	201,700	246,700	587,888	22
TOTAL EXPENDITURES	\$ 13,137,144	\$ 12,733,892	\$ 13,338,651	

County of Middlesex

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 2,115,940</u>	<u>\$ 1,696,147</u>	<u>\$ 1,758,040</u>
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County portion is Total Expenditures less all other Revenue sources.

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Province of Ontario

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 7,375,587</u>	<u>\$ 7,266,251</u>	<u>\$ 7,372,121</u>
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Province per Diem Funding	9,838,272	10,004,141
Laboratory Funding	10,000	9,125
Nursing High Cost Supplies Funding	37,260	46,243
Physician-on-Call Funding	15,924	15,924
RPN Funding	116,187	120,360
RAI-MDS Funding	78,804	78,804
BSO Funding	53,256	53,256
Physiotherapy Funding	120,000	122,400
Less ---Resident Basic Accommodation Revenue	-3,003,452	-3,078,132

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Resident Revenue

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 3,565,680</u>	<u>\$ 3,644,657</u>	<u>\$ 3,749,525</u>
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Basic Accommodation Revenue	3,003,492	\$ 3,078,132
Preferred Accommodation Revenue	641,165	671,393

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Other Revenue

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 48,237</u>	<u>\$ 50,137</u>	<u>\$ 41,077</u>
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Meal Sales (Staff, Visitors)	14,574	12,874
Library	7,815	7,971
Foot Care	6,000	7,000
Medical Mart rebates	8,000	6,000
ADP (Ostomy) rebates	3,000	2,000
Vital Air rebates	500	200
Clothing Alterations	1,000	500
Van use	2,000	500
Hairdressing -- \$336.00 per month	3,948	4,032
Cable Administration -- Commission	3,300	0

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Transfer from Reserve -- WSIB

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
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Portion of WSIB costs covered by Insurance

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Transfer from Reserve -- CAPITAL

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 1,700</u>	<u>\$ 46,700</u>	<u>\$ 387,888</u>
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Portion of Capital costs covered from Reserves

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Salaries

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 8,928,844</u>	<u>\$ 8,432,353</u>	<u>\$ 8,654,574</u>
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The staff complement includes 118 F.T.E.'s:

For staff represented by Unifor (former C.A.W.) Local 302 a 1.5% increase has been budgeted starting January 1, 2015
Salaries for the ONA collective agreement based on 1.5% increase as of April 1, 2014 when the current agreement expires
and a 1.5% increase as of April 1, 2015.

Non union staff are projected with a 1.5% increase effective January 1, 2015.

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Benefits

2014 PROJECTED	2014 BUDGET	2015 BUDGET
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<u>\$ 1,944,009</u>	<u>\$ 2,061,972</u>	<u>\$ 2,067,377</u>
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Employee benefits include Canada Pension, Employment Insurance, the OMERS pension plan, extended health care, dental, life insurance, long term disability, the employee assistance program and W.S.I.B. The latter includes insurance premiums of \$75,260 and reflects the estimated cost of future and ongoing claims. Provision has been made for the recovery of \$30,000 from the WSIB Reserve in respect of claims paid by the insurer.

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Supplies	2014	2014	2015
	PROJECTED	BUDGET	BUDGET
	<u>\$ 192,060</u>	<u>\$ 195,640</u>	<u>\$ 205,598</u>
Recreation		19,420	21,270
Cost of Resident (720) entertainment, crafts, trips and refreshments (19,650) Gardening Committee (2,000) Family council (400)			
Nursing - Supplies and Medications		64,000	58,900
Dressings, Gloves, Treatments, Catheters			
Nursing - High Intensity Needs		42,000	48,400
Supplies provided for individual residents and reimbursed by MOH			
Dietary		22,220	25,628
Paper products and dishwashing chemicals			
Housekeeping Supplies		29,000	30,400
Cleaning chemicals, paper products, garbage bags and gloves			
Laundry Supplies		11,500	13,500
Chemicals for laundry process			
Administration Supplies		7,500	7,500
Service awards, recognition, retirement gifts			

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Facilities Replacements	2014	2014	2015
	PROJECTED	BUDGET	BUDGET
	<u>\$ 81,707</u>	<u>\$ 49,350</u>	<u>\$ 46,095</u>
Robocoup Portable Table		3,000	
Lift Batteries (15)		6,500	6,500
Dining Room Stools (6)			1,320
Overbed tables (5)			1,625
Bed Alarms (5)		2,250	2,250
Mattress Replacements (12)		11,250	10,800
2 vacuums & power heads			1,500
20 toilet tissue holders			500
Desktops (4)		4,000	3,200
Laptops (2)		4,400	4,400
Computer, monitor, mouse (Staff Payroll)		1,000	
Replacement Slings		10,000	14,000
Dietary Home Area Screens (5)		6,950	

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Facilities Maintenance

	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 141,126</u>	<u>\$ 108,250</u>	<u>\$ 125,035</u>
Recreation		200	200
Dietary		4,000	5,000
Maintenance and repairs to kitchen equipment			
Nursing		27,000	27,000
Arjo Service Agreement			
Housekeeping		2,500	2,850
Laundry		2,500	3,000
Administration		5,000	5,000
Monitors, printers, telecommunications repairs			
Maintenance		54,550	52,400
Contractor repairs and parts for HVAC and other equipment			
Salt, filters, lawn mower, boiler repairs, compactor repairs, electrical and lighting, plumbing fixtures and paint, exterior floor drain			
Ongoing program of room drywall repairs and paint touch-ups,			
Maintenance includes replacement of diesel fuel for emergency generator.			
Vehicle		2,500	2,500
Gas and repairs to Lodge bus			
Snow Clearing		10,000	13,500
Contracted snow clearing			
IT			13,585
Computers Supplies/Maintenance			
Private LAN connection to County Datacentre			
Rogers Public Internet Access			
Cisco Smartnet Renewal			
Bluesocket Blue Secure - Annual Support			
For Server-HP Care Pack-Hardware SL server support			
Juniper SRX100 - Annual Maintenance			
Avaya Switch Maintenance-Annual support for 2 Switches			

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Other Replacements

	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 95,738</u>	<u>\$ 99,890</u>	<u>\$ 98,500</u>
Dishes & Cutlery		11,000	11,000
Ongoing replacement of silverware, china and smallwares			
Bedding, Linens & Incontinent Products		86,390	85,500
Replacement of linens (11,500), supply of incontinent products (74,000)			
Uniforms		2,500	2,000
Supply of uniforms			

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Purchased Service	2014	2014	2015
	PROJECTED	BUDGET	BUDGET
	<u>\$ 528,526</u>	<u>\$ 524,925</u>	<u>\$ 519,225</u>
Pastoral Care		22,472	22,815
Contracted Chaplain			
Music Therapy		3,120	2,880
Contracted music therapist			
Art Therapist		3,840	4,320
Contracted Art classes			
Social Worker		22,472	19,013
Contracted Social Worker			
Drum Circle		1,900	0
Piano Tuning		300	300
Contracted Piano Tuning			
Specialized Music Programs		2,040	4,320
RHA Digital Box (5)		450	0
Sub-total Recreation	<u>41,711</u>	<u>56,594</u>	<u>53,648</u>
Physiotherapy - Recreation Flow Through	<u>120,000</u>	<u>120,000</u>	<u>122,400</u>
Nutritional Management Services -- Dietary	<u>172,968</u>	<u>172,968</u>	<u>174,691</u>
Contracted food service management			
Increased hours for nutritional assessments and resident diet management as required by the Ministry of Health and Long Term Care			
Window Cleaning - Housekeeping	<u>2,564</u>	<u>2,500</u>	<u>2,200</u>
Contracted exterior window cleaning			
Elevator Service		9,000	10,000
Monthly service and inspections			
Pest control		3,025	3,300
Fire Alarm and Equipment		1,700	2,700
Inspection and servicing of alarm and fire detection equipment			
Emergency Power - Servicing of back-up generator		1,200	1,200
Sprinkler System - Servicing and annual inspection		3,850	3,850
Sprinkler system servicing is for both fire and garden sprinklers			
Sanitary Sewers		1,000	1,000
Grease pit bi-annually			
Ministry of Finance			700
Miscellaneous contract fees		1,050	1,050
Security, 2 Way radio license			
Inspections		1,650	1,650
TSSA and ESA inspections			
Computer Programming			1000
Sub-total Building & Property	<u>23,407</u>	<u>22,475</u>	<u>26,450</u>
Computer Support		1,500	1,500
Medecare software - RAI-MDS			
P.A.P.P fees		1,500	1,500
bank fees for electronic deposit of resident payments			
Payroll - direct deposit		4,200	4,200
Service fee for processing payroll. Payroll is processed in house now.			
Time Management Software Upgrade			
Copier		3,960	3,960
Copier supplies and lease cost			
Staff Scheduled Care (SSC) Computer Support		6,900	6,900
SSC Upgrade (training) Phase 2		12,500	0
Policy Medical-Policy Management		4,407	4,407
OANHSS - Annual Membership fees		12,000	12,000
Advertising & Marketing		2,500	2,500
Education Coordinator		51,535	52,283
IDT Support			
CAW Leadership Training		1,000	1,000
Complete Purchasing		750	750
Other (ie.Medical notes)			900
FP Mailing Solutions		350	350
Shredding		1,260	1,260
Sub-total Administration	<u>102,761</u>	<u>104,362</u>	<u>93,511</u>
Laboratory Fees	8,124	9,000	9,300
Ministry funded fees for on-site lab service			
Medical Director and Physician on Call	37,026	37,026	37,026
Sub-total Nursing	<u>45,150</u>	<u>46,026</u>	<u>46,326</u>

Raw Food	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 475,286</u>	<u>\$ 475,286</u>	<u>\$ 480,245</u>
Funding envelope		\$ 462,528	468,952
Funding of \$7.99 per resident day			
Raw Food Recoveries		7,353	6,043
Staff and Visitor Meals			
Non-Resident Cost		5,405	5,250
Catering to resident programs, coffee			

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Utilities	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 342,860</u>	<u>\$ 342,700</u>	<u>\$ 349,500</u>
Natural Gas		88,000	88,000
Based on actual cost and projections			
Electricity		190,000	195,000
Based on actual cost and projections			
Water & Sewer		52,000	53,000
Based on actual cost and projections			
Waste Management		12,700	13,500
Twice weekly pickups			

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Insurance	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 33,943</u>	<u>\$ 33,944</u>	<u>\$ 36,286</u>
Premiums for liability, fire and vehicle as arranged through the County's insurer			
2000 Ford Van			525
Bond -- Employees			487
Boiler and Machinery			1520
Municipal Liability			25101
Property			8653

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Audit and Consulting	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 3,562</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Audit fees from KPMG			

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Legal & Consulting	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 14,742</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
JustUs Workplace Paralegals-- WSIB consultants		3000	3000
Lawyers Fees		2000	2000

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Treasury	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 90,607</u>	<u>\$ 90,607</u>	<u>\$ 94,453</u>
Treasury cross charge for accounting and payroll services			

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Office Expense

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	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 32,159</u>	<u>\$ 32,000</u>	<u>\$ 32,500</u>
Postage		\$ 7,000	7,500
Printing and Stationary		17,000	17,000
Telephone		8,000	8,000

Education, Travel & Convention

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	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 30,275</u>	<u>\$ 30,275</u>	<u>\$ 31,375</u>
Convention		4,200	4,300
Training		21,075	21,575
Travel		5,000	5,500

Capital

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	2014 PROJECTED	2014 BUDGET	2015 BUDGET
	<u>\$ 201,700</u>	<u>\$ 246,700</u>	<u>\$ 587,888</u>
Extra low beds (5) (Nursing)		13,000	
Door hardware upgrades for MOH & LTC compliance (Building)		60,000	
Clean Linen Exchange cart system (Housekeeping)		20,200	
Resident Wheel Chair Mini Bus (Building)		85,000	
Replacement Wander-Guard System (Nursing)		45,000	
Wall and Door Guards (Building)		10,000	
Retaining Wall (Building)		13,500	
Replacement Bathtub Lifts (Nursing)			149,388
Replacement bathtubs (Nursing)			96,000
New Nurse Call System System (Nursing)			250,000
Retaining Wall Service Corridor and walkway repairs (Building)			80,500
Vinyl Door Guards for 160 doors (Building)			12,000