

**STAFF REPORT TO THE PLANNING & PROTECTIVE SERVICES COMMITTEE  
MEETING OF WEDNESDAY, MARCH 22, 2006**

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**SUBJECT: Section 20(3) Funding Request – Greenwood's Eldercare Society**

**PURPOSE/PROBLEM:**

Request for financial assistance from Greenwood's Eldercare Society to submit a proposal to the Vancouver Island Health Authority for the replacement of existing facilities.

**HISTORY/BACKGROUND:**

On January 10, 2006 senior representatives of the Vancouver Island Health Authority (VIHA) attended a meeting on Salt Spring Island to advise the Greenwood's Eldercare Society that their previously approved renovation/upgrading of their Greenwood's facility was to be cancelled (refer February Committee meeting). Instead of the renovation project, the Society was notified by VIHA that they wanted the Society to replace its existing 50 beds, the 31 extended care beds at Lady Minto Hospital and add five new beds (for a total of 86 beds).

On February 8, 2006, the Society received correspondence from VIHA requiring two proposals, one for the replacement facilities and one for the new beds, the former by March 14<sup>th</sup> and the latter by March 28<sup>th</sup>. The proposal requirements are detailed and include schematic drawings of the project, a cost estimate and a letter from a lender supporting the financing of the project. No provincial or VIHA capital funding is available for this or any other residential care new capacity, replacement or major renovation project.

The Society has commenced development of their proposals and is also seeking clarification of the February 8<sup>th</sup> letter against earlier advice from another VIHA senior staff member of a more realistic proposal and project completion schedule.

Notwithstanding these factors, the Society is in the same position as the Sooke Elderly Citizens Housing Society. It has no discretionary income due in large part to the loss of \$30,000 for an unsuccessful 1999 proposal to the Capital Health Region for new beds, funding for which never materialized. The Society has no surplus income generated from its operations with its per diem rate amongst the lowest in the Region. The Society is also involved in a \$400,000 fundraising campaign for its 30-unit, under construction, assisted living project.

The costs to produce the proposals are estimated at \$52,000, including \$40,000 for the design and schematic drawings, \$10,000 for proposal co-ordination and a \$2,000 contingency.

**ALTERNATIVES:**

- 1. Approve up to \$52,000 to the Society for the purpose of submitting a proposal to VIHA for an 86-bed, new build, complex care facility.**

The Society has no funding available to complete its proposals. Although there are inconsistent VIHA positions on the deadlines for the proposals and completion of the project, it is clear that quick action is sought by VIHA. The Society has no other practical alternatives to secure the funds in the rush time frames established by VIHA.

**2. That no funding be provided to the Society.**

**FINANCIAL IMPLICATIONS:**

The proposal costs of \$52,000 are available in the Section 20(3) budget. The funds would be recovered from the Society's project capital financing. Given that VIHA has invited the Society to submit a proposal for both their facility replacement and the VIHA-owned Lady Minto extended care beds and has given the impression that this double project is not part of the Request for Proposal process, the chances of the funds being recovered are very high.

The project is eligible for Regional Hospital District cost sharing and at the January 10<sup>th</sup> meeting VIHA officials specifically mentioned this possibility. However, until VIHA supplies the District with a comprehensive, prioritized capital plan (for all health sectors) and estimates of project funding from the District it is not possible to recommend individual projects.

**CONCLUSION:**

VIHA has invited the Greenwoods Eldercare Society to submit a proposal to replace its own 50 beds, the 31 extended care beds at Lady Minto Hospital and add five new beds. There is urgency on VIHA's part to move these and other projects forward. The Society has no discretionary funding to prepare the proposal and no readily available alternative sources. The Section 20(3) budget can accommodate the \$52,000 request and the funds would be recovered from the Society's ultimate project financing.

**RECOMMENDATION:**

That the Committee approve up to \$52,000 from the Section 20(3) budget to the Greenwoods Eldercare Society for the purpose of submitting a proposal to VIHA for an 86-bed, new build, complex care facility with the funding repaid to the District upon approval of its project capital financing.

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Kelly Daniels, CAO Concurrence

COMMENTS: