



# INFORMATION REPORT

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> January 17, 2013	
<b>SUBJECT/REPORT NO:</b> Domiciliary Hostel Re-Investment Reconciliation (CS11095(a)) (City Wide) (Outstanding Business List Item)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community Services Department	<b>PREPARED BY:</b> Shari Webb 905-546-2424 ext. 3600 Gillian Hendry 905-546-2424 ext. 4818
<b>SIGNATURE:</b>	

## Council Direction:

On April 13, 2011, Council approved Report FCS11027/CS11031, which recommended that as part of the Ontario Municipal Partnership Fund (OMPF) Reconciliation Re-Investment, 50% of the funding (\$4,075,800) be transferred to the Social Services Initiative Fund (Account #112214) to support one-time Social Services related costs.

On December 14, 2011, Council approved Report CS11095 – Ontario Municipal Partnership Fund (OMPF) Reconciliation Re-Investment which stated in part “that the Domiciliary Hostel Program be funded through the Social Services Initiative Reserve (Account #112214) in the amount of \$750,000 for one year and that each Domiciliary Hostel operator report back to the Emergency and Community Services Committee on how their allocation was spent.”

## Information:

The Domiciliary Hostels Program is a supported housing program which is cost-shared between the City of Hamilton and the Ministry of Community and Social Services. In Hamilton, these facilities are licensed as Residential Care Facilities (RCF's). The Domiciliary Hostel Program provides subsidy to Residential Care Facilities to provide care to people who otherwise would not be able to purchase it in the private market. The City of Hamilton has Subsidy Agreements with all RCF's who participate in the Domiciliary Hostel Program.

The adequacy of the per diem paid to Domiciliary Hostel Operators has been raised on a number of occasions by the operators. Most recently, the adequacy of the per diem

rate was highlighted in a Program Review of the Domiciliary Hostel Program undertaken by the City. The findings of the review supported an increase in the per diem rate to \$55.00 per day. However, the per diem rate is currently set by the Ministry of Community and Social Services at \$47.75 per day. The OMPF Reconciliation Reinvestment in 2011 provided the opportunity to address some of the costs incurred by the Domiciliary Hostel Operators.

Hamilton City Council amended the by-law governing RCF's, in June 2009, with a report entitled "Residential Care Facilities Review, Schedule 20, Licensing Code By-Law 07-170 SPH05032(e). The amended by-law added new requirements that increased costs for the operation of the RCF's. The OMPF Reconciliation funds allocated to the Social Services Initiatives Reserve were utilized for expenses incurred from April 2009 to December 2011 resulting from the new requirements as follows.

**Secured/Locked Units:**

Under the amended by-law, RCFs were no longer allowed to admit residents who have a tendency to wander. These residents were to be assessed by Community Care Access Centre (CCAC) and recommended for placement to other facilities. This eliminated the need for tenants to be placed in secured/locked units. Renovation of the secure units into regular units may have posed a cost for some operators.

**Provision of Medication:**

All medications must be provided to the resident or RCF in a unit-dose dispensing system by the dispensing pharmacy. All staff providing medication to tenants are required to attend an annual education session with respect to safe provision of medications. While there is no charge to the operators or RCF staff for the session, there is a cost of two hours of wages.

**Securing Tenants' Personal Property:**

The amended by-law requires that each tenant be provided with secure storage space that is no less than 0.15 m<sup>3</sup> in size. It also must be lockable so it is accessible only to the resident and the Operator. To comply with this requirement, many RCF's incurred costs to purchase lockers or modify existing storage spaces.

**Nutrition:**

Changes were made to the Guidelines that require RCF operators to follow the most recent edition of Canada's Food Guide. This resulted in changes to the menus and allowed for more appropriate menus specific to the age groups being served. These changes resulted in one time costs for operators.

The amount of funding available to each Domiciliary Hostel Operator was based on either their average occupancy in 2011 or the May 2012 occupancy; whichever was higher. An Amending Agreement is required when there are changes, such as funding. An Amending Subsidy Agreement attached as Appendix A was sent in March 2012 to the Domiciliary Hostel Operators with a declaration of Associated Operating Costs. They were asked to return the signed Subsidy Agreement Amendment with the Associated Operating Costs section completed by March 23, 2012.

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Domiciliary Hostel Operators submitted the Amending Subsidy Agreements with their declared expenses under the following cost categories:

- Annual Licensing Fees
- Fire Code Retrofit (new windows and doors to meet the Fire Code)
- Capital Improvements (repairs to roofs, heating/air conditioner systems, flooring)
- Staff Education and Training (purchase of training and wages for staffing backfill)
- Operator costs associated to providing storage lockers/locks on doors
- Outside supports for residents
- Electrical Safety improvements (new electrical panels, rewiring to bring to Code)
- Care costs due to higher needs of residents
- Harmonized Sales Tax (HST)

The total funding issued was \$749,122.54 which is 30% of the total amount of expenses submitted which was \$2,471,770.68. Nine of the 60 operators declared expenses up to their allocated amount. The remaining 51 operators submitted operating expenses that were more than their allocation. Some of the operators declared both capital costs and costs due to the changes to the Schedule 20 and Fire Retrofit from 2009 to 2011.

The payments to the operators ranged from \$5,728.12 to \$22,021.47, with the average payment being \$12,485.38.

Table A illustrates the breakdown of the categories, the declared expenses and the percentage of total declared costs:

Table A

Associated Operating Costs	Declared Cost	% of the total Declared Costs
License Fees Yearly	\$148,839.40	6%
Fire Code Refit	\$453,469.94	18%
Capital Improvements	\$1,121,242.31	45%
Staff Education and Training	\$60,460.17	2%
Staff Cost increases due to higher requirements	\$156,820.00	6%
Operator costs associated to providing storage lockers/locks on doors	\$44,298.63	2%
Outside supports for residents	\$19,925.50	1%
Electrical Safety Improvements	\$59,511.73	2%
Case costs due to higher needs of residents	\$290,690.71	12%

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HST	\$116,512.29	5%
<b>Total expenses declared</b>	<b>\$2,471,770.68</b>	<b>100%</b>
<b>Total payments issued</b>	<b>\$749,122.54</b>	<b>30%</b>

The findings of the Program Review of Hamilton’s Domiciliary Hostel Program support the assumption that the current per diem rate does not meet the necessary expenses to deliver the service. The provision of \$750,000 in one-time funding to cover expenses associated with implementation of the requirements of the revised licensing by-law and the Fire Code Retro Fits is a step towards addressing this concern.

**AMENDING AGREEMENT No. 3**

**(WITH RESPECT TO THE RESIDENTIAL CARE FACILITY  
SUBSIDY AGREEMENT DATED Month Day, Year)**

**THIS AMENDING AGREEMENT** made this            day of            , 20    .

**BETWEEN:**

City of Hamilton  
(the "City")

**AND:**

Corporation Name  
o/a RCF Name  
o/b Administrator Name  
(the "Operator")

**WHEREAS** the City and the Operator have entered into a Residential Care Facility Subsidy Agreement (the "Subsidy Agreement") dated **Month Day, Year**;

**AND WHEREAS** the City wishes to pay the Operator additional funding under the Subsidy Agreement, namely:

Domiciliary Hostel Enhanced Funding  
\$XX,XXX – one-time payment for costs incurred to meet new legislative requirements

**AND WHEREAS** section 70 of the Subsidy Agreement provides that it may be amended by written agreement between the City and the Operator;

**NOW THEREFORE** the City and the Operator agree in this Amending Agreement to amend the Subsidy Agreement as follows:

1. The Subsidy Agreement is amended by adding the following new section 6c:
  - 6c.(1) The City shall make a one-time payment to the Operator of \$ XX,XXX for costs incurred to meet new legislative requirements.
  - (2) The payment under subsection 6c.(1) shall be made when this Amending Agreement has been signed by both parties.
  - (3) Sections 18 to 20 inclusive shall not apply to the payment under subsection 6c.(1).
2. This Amending Agreement shall be effective as of the day it is made.

3. Except as specifically provided in this Amending Agreement, the Subsidy Agreement shall remain in full force, unamended.

**Enhanced Funding Costs Claim Sheet**

<b>Operator's Name:</b>				
<b>Total funding amount</b>	\$		<b>Number of subsidized beds</b>	
<b>Associated Operating Costs</b>	<b>Yes</b>	<b>No</b>	<b>Description</b>	<b>Amount</b>
License fees - yearly				
Fire Code Retrofit				
Capital Improvements				
Staff Education and Training				
Staff Cost increases due to higher requirements (ie. Medication dispensing)				
Operator costs associated to providing storage lockers/locks on doors				
Outside supports for residents				
Electrical Safety improvements				
Care costs due to higher needs of residents				
HST				

The parties are signing this Amending Agreement on the date stated in the introductory clause.

Corporation Name

**CITY OF HAMILTON**

By:

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Joe-Anne Priel

Position:

General Manager

Community Services Department

I have authority to bind Corporation Name

By:

\_\_\_\_\_  
Name:

Position:

I have authority to bind Corporation Name