

## Board News Fall 2019

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On June 18, the Labdara Board of Directors met to discuss current affairs, and heard a series of reports and updates. Resident care, replacement of old kitchen equipment, plumbing issues and possible information technology improvements were just a few issues touched upon.

As always, the meeting featured a report from nursing home manager Robert Berg. Here is how he explained the upcoming funding changes and how they will affect Labdara Lithuanian Nursing Home:

“In the spring budget the Ontario government announced certain changes to the existing funding for long term care homes and our 2019 annual funding increases. The changes and funding increases have a negative financial impact on the home and seriously impact the homes ability to provide adequate direct care and services for the residents.

Since opening, Labdara has received \$65,700 per year for structural compliance premium and this premium has recently been eliminated by the government effective August 1 ,2019. This premium was received to compensate the home for being built to the new A standard and these funds were budgeted to assist in paying a portion of the mortgage required to build the new home. As at December 31, 2018 the home has a mortgage outstanding of \$4,248,966 and makes annual payments on the mortgage of \$658,748 (of which approx. \$275,026 went to pay down principal).

To add to the financial pressure noted above the government announced that the 2019 increase for our funding would be 1%. This funding increase is not adequate to cover the increasing costs at the home. Wages and benefits, which account for 76% of the total operating costs at the home, are increasing at a rate closer to 2% and other daily operating costs such as utilities, food and supplies are increasing at over 2%.

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Labdara operates within an annual budget that is slightly above breakeven, after putting aside a capital reserve and servicing the home operating and debt service costs. In order to maintain the financial viability of the home steps must be taken to bring the expenses in line with the new funding to ensure that the home does not operate in a negative financial position. While reducing other costs other than wages is being carried out, with wages and benefits being 76% of total expenses, staffing reductions may be required. More than ever donations are needed to help the home maintain the high quality of care it has provided to its residents”.

As a result of impending changes, we need to take steps to ensure the financial future of Labdara. The first step will be to match the costs with the new funding and ensure that the nursing home does not operate in a negative financial position. Today, more than ever, we are in dire need of helping “our home” maintain the high quality care for our residents even as government funding decreases. Community involvement, volunteers and donations will help aide and ensure that residents will continue to be provided with the impeccable care Labdara is known for. How will you help Labdara this coming year?

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