



Peterborough Regional Liaison Committee Meeting Agenda

September 9, 2021

3:45 p.m.

Electronic Meeting

	Pages
1. Roll Call	
2. Confirmation of Minutes	
2.a. June 10, 2021	1 - 5
3. Disclosure of Interest	
4. Reports	
4.a. Peterborough County/City Paramedics (PCCP) Preliminary Draft 2022 Budget	6 - 20
4.b. Peterborough Paramedics Response Time Plan 2022 PAR 2021-003	21 - 29
4.c. Ontario Works Funding Implications for the 2022 Budget Report CSSSPRLC21-007	30 - 35
4.d. Housing and Homelessness Benefits Review Report CSSSPRLC21-008	36 - 44
4.e. Update on the Establishment of a Housing Municipal Service Corporation Report CSSSPRLC21-009	45 - 63
5. Other Business	
6. Next Meeting - October 14, 2021	
7. Adjournment	



Peterborough Regional Liaison Committee Minutes

Electronic Meeting

June 10, 2021

- Present**
- Councillor Clarke, City of Peterborough
 - Warden Jones, County of Peterborough
 - Councillor Martin, County of Peterborough
 - Councillor McFadden, County of Peterborough
 - Councillor Mitchell, County of Peterborough
 - Councillor Pappas, City of Peterborough
 - Councillor Riel, City of Peterborough
 - Mayor Therrien, City of Peterborough
- Staff**
- Jayne Culbert, Age-Friendly Coordinator, City of Peterborough
 - Trena DeBruijn, Treasurer, County of Peterborough
 - Joe Farag, System Specialist Support Worker, City of Peterborough
 - Kasper Franciszkiewicz, Manager – Waste Management, County of Peterborough
 - Richard Freymond, Commissioner of Corporate and Legislative Services, City of Peterborough
 - Sheridan Graham, Chief Administrative Officer, County of Peterborough
 - James Istchenko, Manager, Environmental Services, City of Peterborough
 - Randy Mellow, Chief, Peterborough County/City Paramedics
 - Ellen Armstrong, Manager of Social Services
 - Sandra Clancy, Chief Administrative Officer, City of Peterborough
 - Cynthia Fletcher, Commissioner of Infrastructure and Planning Services
 - Chris Kawalec, Community Development Program Manager, City of Peterborough
 - John Kennedy, Clerk, City of Peterborough
 - Sheldon Laidman, Commissioner of Community Services
 - Rebecca Morgan Quin, Manager of Housing, City of Peterborough
 - Jodi White, eScribe Program Assistant, City of Peterborough
 - David Potts, City Solicitor, City of Peterborough
 - Kendra Sedgwick, Committee Coordinator, City of Peterborough

Roll Call

Warden Jones called the meeting to order at 3:45 p.m.

Confirmation of Minutes

Moved by Councillor Clarke
Seconded by Councillor Martin

That the minutes of the Peterborough Regional Liaison Committee meeting of March 25, 2021 be approved.

Carried

Disclosure of Interest

There were no Disclosures of Pecuniary Interest.

Reports

Draft 2022 Budget: Peterborough County/City Waste Management Facility

Report IPSESPRLC21-002

Moved by Councillor Martin
Seconded by Councillor Riel

That the Peterborough Regional Liaison Committee endorse the recommendation as outlined in Report IPSESPRLC21-002 dated June 10, 2021, of the Commissioner of Infrastructure and Planning Services as follows:

That the initial draft Peterborough County/City Waste Management Facility 2022 Budget and presentation be received for information.

Carried

Update on Creation of Government Business Enterprise for Affordable Housing

Report CSSSPRLC21-005

Moved by Councillor Pappas
Seconded by Councillor McFadden

That the Peterborough Regional Liaison Committee endorse the recommendation outlined in Report CSSSPRLC21-005, dated June 10, 2021, of the Commissioner of Community Services, as follows:

That the Report CSSSPRLC21-005 and the associated presentation be received for information.

Carried

Composition of Peterborough Housing Corporation Transition Board of Directors

Report CSSSPRLC21-006

Moved by Mayor Therrien

Seconded by Councillor Pappas

That the Peterborough Regional Liaison Committee endorse the recommendation outlined in Report CSSSPRLC21-006, dated June 10, 2021, of the Commissioner of Community Services, as follows:

That the Report CSSSPRLC21-006 and the associated presentation be received for information.

Carried

Shared Facility Opportunity - Peterborough County-City Paramedics - Cavan Monaghan

Report CAO 2021-20

Moved by Councillor Clarke

Seconded by Councillor Martin

That PRLC receive report CAO 2021-20 regarding an opportunity to collaborate on a shared facility with the Township of Cavan Monaghan.

Carried

The Chair moved Report CSSSPRLC21-002 to the end of the agenda.

Housing and Homelessness Plan: 2020 Progress Report

Report CSSSPRLC21-003

Moved by Councillor Pappas

Seconded by Councillor McFadden

That the Peterborough Regional Liaison Committee endorse the recommendation outlined in Report CSSSPRLC21-003, dated June 10, 2021, of the Commissioner of Community Services, as follows:

That the Housing and Homelessness Plan Progress Report 2020, including presentation content, attached as Appendix A, be received for information.

Carried

Age-Friendly Peterborough 2017-2020 Impact Report

Report CSSSPRLC21-004

Moved by Councillor Pappas

Seconded by Councillor McFadden

That the Peterborough Regional Liaison Committee endorse the recommendation outlined in Report CSSSPRLC21-004 dated June 10, 2021 as follows:

That the Age-friendly Peterborough 2017-2020 Impact report, including presentation content, attached as Appendix B, be received for information.

Carried

Social Assistance Recovery and Renewal Update

Report CSSSPRLC21-002

Moved by Councillor Pappas

Seconded by Councillor McFadden

That the Peterborough Regional Liaison Committee approve the recommendation outlined in Report CSSSPRLC21-002, dated June 10, 2021, of the Commissioner of Community Services, as follows:

That Report CSSSPRLC21-002 Social Assistance Recovery and Renewal Update and attached presentation be received for information.

Carried

Other Business

There were no items of Other Business.

Next Meeting - September 9, 2021

Adjournment

Moved by Councillor McFadden

Seconded by Councillor Martin

That this meeting adjourn at 4:27 p.m.

Carried

John Kennedy

City Clerk

Warden Jones

Chair



Staff Report

Meeting Date: September 9, 2021

To: Peterborough Regional Liaison Committee

Title: Peterborough County/City Paramedics (PCCP) Preliminary Draft 2022 Budget

Author: Trena DeBruijn, Director of Finance
Randy Mellow, Chief of Paramedics

Approval: Sheridan Graham, CAO

Recommendation: That the Peterborough County/City Paramedics Preliminary Draft 2022 Budget, be received and forwarded to the City of Peterborough and the County of Peterborough to act as a preliminary estimate to assist in the 2022 budget development.

Overview

The 2022 PCCP service departmental budget estimates provided in this report are to be considered preliminary only. The final draft PCCP budget is not expected to be presented until January 2022, as a component of the County's 2022 budget process.

Background

The Consolidated Municipal Service Manager (CMSM) agreement between the County and City of Peterborough identifies permanent population as the method of distributing PCCP municipal costs. Following those guidelines, the distribution of municipal funding requirement contained within this preliminary draft budget estimate is based on each municipality's proportionate percentage of population for the Peterborough area.

The Municipal cost sharing ratio for the land ambulance service is adjusted commensurate with the publication of the most recent census data in the first budget subsequent to the updated data's release. The revised ratio then remains in place until the next census data update. Statistics Canada generally updates its published population data once every five years. The change in sharing ratio based on the 2016 census data was incorporated into the 2021 preliminary paramedic services budget.



PRLC Report

Population data has been drawn from the 2016 Statistics Canada Population Census information. In the 2016 census, the total population of the County and City is reported as 138,236 residents. Of this, the City of Peterborough is noted to have 81,032 residents or 58.62% of the total population (up from 58.32% in 2011 Census), with the remaining 57,204 or 41.38% of the population in the County (down from 41.68 in 2011 Census).

2021 Land Ambulance Service Grant:

In mid July 2021, the County received a notice from the Ministry of Health, indicating 2021 grant funding of \$8,724,366 which represents an increase of approximately 2.9% over the 2020 grant of \$249,975 (and an increase of approximately \$8,209 over 2021 budget forecast).

2022 Land Ambulance Service Grant:

The Provincial operating grant transfer for 2022 is estimated at \$8,713,749 and represents a 0.12% decrease over the 2021 Land Ambulance Service grant.

Dedicated Offload Nurse Program:

In 2015, the Province committed separate funding support of \$450,600 for the Dedicated (or Offload) Nurse Program (DNP). The DNP initiative has proven to assist in managing the impact of patient offload delays at the Peterborough Regional Health Centre. Commencing with the 2014 level of MOHLTC grant commitment, the DNP was sufficiently funded to extend the nurse's operational hours to 24 hours a day, 7 days a week. While the 2022 Offload Nurse funding is yet to be confirmed, we are cautiously optimistic that it will continue at the 2021 transfer level of \$450,683 and has been budgeted accordingly.

Administration:

Administrative expenses are expected to increase by \$101,363 or 3.05% over 2021. This includes wage and benefit costs for administration that are expected to increase by \$60,052 or 2.8%. The increase includes the mid year addition in 2022 of a part-time logistics employee.

General administration expenses are increasing overall by \$48,662 or 4%, administrative equipment (funded by reserves) are increasing by \$5,735 and contributions to reserves are decreasing by \$13,086.



PRLC Report

The primary increases in general administration expenses relate to the following:

- Narcotic Safe Purchases
- Increased MS Licencing to permit medics use of personal device for emails
- Master Plan Refresh
- Internal transfers (as a result of salary and benefit increases in other functional departments)
- Decrease in IT Hardware requirements

Paramedic Expenses:

Overall paramedic expenses are expected to increase by \$143,980 over 2021 or 1.22%, primarily related to salary and benefit increases for 2022.

Vehicle Operating Expenses:

Vehicle operating expenses are estimated to increase by approximately \$61,030 or 10.19% over 2021. This increase is primarily due to increases in vehicle maintenance and insurance.

Vehicle Capital and Reserve Expenses:

Vehicle capital purchases are funded by reserves in the 2022 budget and are expected to increase by approximately \$216,199 for 2022. Included in this amount, is the purchase of one emergency response vehicle (@ \$86,519) and three ambulances with power stretchers (@ \$216,199 each).

In addition, contributions to reserves for future vehicle replacement needs is expected to increase by \$79,467 for 2022.

Patient Care Equipment and Supplies:

The patient care section of the 2022 preliminary budget estimates a decrease of \$680,025 or -41.48%. In 2021, the County budgeted to replace a number of defibrillators which are not required in 2022. The capital equipment of \$159,096 for 2022 includes Paramedic Education Simulator Equipment, a Mask Fit Test machine, a Nocospray machine and three power stretchers.



PRLC Report

Facility Expenses:

The facility expenses section of the 2022 preliminary budget estimates a decrease of \$121,517 or -8.23% over 2021. Operating expenses are decreasing by \$121,844 (decrease in covid-19 related facility costs over 2021 budget) while reserve contributions are increasing by \$327.

The County is planning to fund its portion of the expected covid-19 cleaning costs pertaining Federal and Provincial Safe Restart Funds received in 2020 and 2021.

Reserves:

Overall contributions to reserves, included in the 2022 preliminary budget, have increased by 5.6% or \$102,442 (\$79,467 of which is related to reserve contribution increases for rolling stock). Future equipment replacements (or known, new equipment requirements) are forecast over a 10 year horizon with funding for asset replacements flowing from the reserve account as contributions from reserve. Contributions to reserve provide the annual reserve replenishment dollars and are sourced from municipal tax dollars.

Financial Impact:

The PCCP Preliminary Draft Budget for 2022, estimates a levy increase of approximately \$214,138 to the County of Peterborough and an additional \$265,255 to the City of Peterborough.

Gross spending includes both operating and capital expenditures. In the 2021 budget, there were significant expenses included for COVID-19 which have been greatly reduced in the 2022 draft budget (mostly facility and pandemic costs).

Further, the 2021 budget included total capital purchases of \$1,457,855 versus \$939,947 in the draft 2022 budget. All capital purchases are funded by prior year reserve contributions.

While overall gross spending for 2022 has decreased by \$252,603 or 1.25% (this is primarily due to the decrease in capital spending), the levy requirements is increasing due to the fact that the expenses that are increasing in 2022 (some of which were reduced in 2021 due to the pandemic and are being raised to historical levels in 2022), are not covered by reserve funds.

Anticipated Impacts on Local and/or First Nations Communities

N/A



PRLC Report

Alignment to County of Peterborough Strategic Plan Priorities

To provide high quality services to residents, businesses and Townships:

Financial Responsibility – To ensure evidence-informed planning and approaches to achieve financial sustainability and accountability, while keeping ratepayers top of mind.

Communication Completed/required:

N/A

Attachments

N/A

Trena DeBruijn, Director of Finance

For more information, please contact
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705-743-0380 ext. 2200

Appendix A: PCCP Preliminary Draft 2022 Budget - SUBJECT TO CHANGE

Estimated Revenues:	Budget 2021	Budget 2022	Budget \$ Change (decrease) / increase
County funding requirement - ambulance	3,672,713	3,886,851	214,138
City funding requirement - ambulance	5,333,875	5,599,130	265,255
Contribution from shared capital reserve	861,130	957,597	96,467
Contribution from County Cross Border Reserve	20,000	0	-20,000
Contribution from LSR reserve (County Only)	163,484	65,587	-97,897
Community Paramedine Program	0	0	0
Carryforward Projects Reserve	722,105	0	-722,105
Province ambulance grant transfer	8,716,157	8,713,749	-2,408
Dedicated nurse program funding transfer	450,683	450,683	0
Substance Use & Addictions Program	158,405	163,104	4,699
Recoveries amounts and Refunds	104,017	113,264	9,247
Total Estimated Revenues	20,202,568	19,949,965	-252,603

Estimated Expenses

Administration expenses	3,319,305	3,420,668	101,363
Paramedic expenses	11,758,208	11,902,188	143,980
Vehicle Operating Expenses	599,100	660,130	61,030
Community Paramedicine	0	0	0
Substance Use & Addictions Program	158,405	162,387	3,982
Vehicle Capital and Reserve Expenses	1,217,471	1,454,054	236,583
Patient care equipment and supplies expenses	1,639,300	959,275	-680,025
Cross Border Billings expense	35,000	37,000	2,000
Facility expenses	1,475,779	1,354,262	-121,517
Total estimated expenses	\$ 20,202,568	\$ 19,949,965	\$ (252,603)

Budget % Change (decrease) / increase	Comments
5.83%	Population split based on 2016 census (58.62% City/41.38% County)
4.97%	Population split based on 2016 census (58.62% City/41.38% County)
11.20%	
0.00%	
-59.88%	Includes County Only Safe Restart Funds of \$65,587 related to COVID Cleaning , pandemic supplies and medical non disposable supplies (county share of increase)
100.00%	100% funded by Province
-100.00%	
-0.03%	Estimated Forecast
0.00%	Budgeted at 100% of estimated cost (unchanged from 2017)
100.00%	100% funded by Province
0.00%	Estimated recovery for services provided on a charge out basis
-1.25%	
3.05%	Chief, Deputy Chief(s), Superintendents, Executive Assistant, Clerical, Professional Standards, Fleet Coordinator, P/T Fleet Technician(s), plus estimated 2022 OMERS pension plan and employee benefits premium rates. Includes Off Load Nurse program of \$450,600 (100% Provincially funded).
1.22%	F/T Paramedics and P/T Paramedics. Includes estimated increases to OMERS pension plan and employee benefits premiums in 2021. Also includes uniforms, professional fees, and health and safety costs.
10.19%	Includes fuel, vehicle maintenance. licencing and insurance expenses.
100.00%	
100.00%	
19.43%	Replacement of three ambulances with power stretchers @ \$216,199 each plus one ERV @ \$86,519. Also includes Future reserve contributions to rolling stock of \$718,938
-41.48%	Patient Education Simulator Equipment, Mask Fit Test Machine, Nocospraymachine, 3 Power Stretchers and contribuions of \$207,179 to future patient care reserve.
5.71%	
-8.23%	Includes facility expenses for 6 bases, capital renovation of \$40,000 and reserve contribution of \$65,338
-1.25%	

PCCP 2022 Preliminary Draft Budget



**PRLC Meeting –
September 9, 2021**



2022 Preliminary Draft Budget

- In mid July 2021, the County received a notice from the Ministry of Health, indicating 2021 grant funding of \$8,724,367, which represents an increase of approximately \$249,976 over the 2020 grant. The 2021 grant of \$8,724,367 is slightly higher (\$8,210) than what was budgeted for 2021.
- Although we have not been provided with details of the 2022 funding, using the current funding formula (and the one used in prior years), we have estimated the 2022 Provincial Funding Grant to be \$8,713,749, which is a slight decrease over 2021, however, the net budget for 2022 is slightly less than 2021.
- The County has heard little news in 2021 about the Province's announcement in 2019 to reduce paramedic services across the Province and has prepared the 2022 budget assuming funding calculations will continue in the same fashion as prior years.

2022 Preliminary¹⁵ Draft Budget

- Gross spending decreased by \$252,603 or 1.25% over 2021 budget
 - Operations increase \$162,863 over 2021 budgeted operations (primarily due to salary increases)
 - Capital and reserve transfer decrease of \$415,466 from 2021
- Gross spending includes both operating and capital expenditures. In the 2021 budget, there were significant expenses included for COVID-19 which have been greatly reduced in the draft 2022 budget (mostly facility and pandemic costs). In addition, the 2021 budget included total capital purchases of \$1,457,855 versus \$939,947 in the draft 2022 budget. All capital purchases are funded by prior year reserve contributions.
- While overall gross spending for 2022 has decreased by \$252,603 or 1.25% (this is primarily due to the decrease in capital spending), the levy requirement is increasing due to the fact that the expenses that are increasing in 2022 are not covered by reserve funds.
- Total Gross Spending for 2022 is \$19,949,965
- Payroll the largest component of the budget at approx. \$14,048,096 (Payroll is 70% of the PCCP total gross budget and 78% of the gross operating budget)
- Estimated payroll increase for 2022 is \$199,509 over 2021 budgetary allocation and is driven by salary and benefit cost increases.
- Budget includes a new part-time logistics personal position and a negotiated increase for wages.

2022 Preliminary¹⁶ Draft Budget

- Expense increases for administrative expenses (including administrative salary increases) totalling \$101,363 include the following:
 - IT Software Increases for MS Licencing for Intune to permit medics to access county emails with personal devices
 - Purchase of Narcotic Safes
 - Consulting services for Master Plan Refresh
 - Internal transfers (increasing salary and benefits within other departments who provide service to the PCCP department)
- Ambulance maintenance, insurance and licencing expenses are increasing by \$61,030 (majority is maintenance increases)

2022 Preliminary¹⁷ Draft Budget

- Patient Care and Supplies expenses (drugs, medical disposal, laundry and bedding, equipment maintenance, etc.) are decreasing by \$680,025, largely due to capital decreases and reductions in medical non disposable supplies (2021 budget had significant expense for replacement of defibrillators)
- The 2022 budget does include a requirement to outfit each vehicle and each base with pediatric sensors at a cost of \$20,000 (included in Patient Care and Supplies Expenses – Medical Non Disposable Items).
- Planned capital purchases for 2022 (funded entirely by reserves and included in Patient Care and Supplies expenses) include the purchase of Paramedic Education Simulator Equipment, a Mask Fit Test Machine, a Nocospray Machine and 3 power stretchers, at a total estimated cost of \$159,096. Contributions to reserve for future patient care expenses of \$207,179.

2022 Preliminary¹⁸ Draft Budget

- One ERV is being replaced in 2022, along with three ambulances with power stretchers. The total estimated cost is \$735,516, an increase of \$157,516 over 2021, all of which is being funded by reserves (no levy impact)
- Contributions to reserves for vehicle replacement are increasing by \$79,467 for 2022. Total reserve contributions for future vehicle replacement in 2022 budget is \$718,938.
- Facility expenses are decreasing by \$121,517 for 2022 and includes some garage mechanical system replacements at Armour Road for an estimated cost of \$40,000, funded by reserves. Included in the 2022 draft budget are contributions to future facility replacement requirements of \$65,338 (an increase of \$327 over 2021 contributions)
- 2022 Preliminary levy increase is 5.83% or \$214,138 for the County and 4.97% or \$265,255 for the City. In summary, major impacts on the 2022 draft budget include;
 - Salary and Benefit Increases
 - IT Software Requirements
 - Master Plan Consulting Fees
 - Vehicle Maintenance
 - Drugs
 - Insurance
 - Medical Non Disposable Items
 - Reserve contributions (primarily for vehicle replacement)

2022 Preliminary¹⁹ Draft Budget

- The County implemented a new program in 2021 called the Substance Use and Addictions Program. This program is in conjunction with Peterborough Police and is funded 100% by the Federal Government. The 2022 budget includes the continuation of this program.
- The SUAP program funds the participation of a community based paramedic on a multi-jurisdictional mobile outreach team designed to provide support and connect people at risk of experiencing opioid-related overdoses to community services in Peterborough.
- In 2020 and 2021, the PCCP department was involved in a Community Paramedicine Program, providing assistance to the Peterborough Regional Health Centre, related entirely to COVID-19. This program was 100% funded by the Province of Ontario. It is uncertain at this time if this program will continue in 2022, therefore, neither revenue nor expenses were budgeted for 2022.
- The PCCP department has applied to continue the Paramedicine program in 2022, however, has not received word if this program will be continuing or not in 2022. The budget does include funding for the continuation of this program, assuming the cost is entirely funded by the Province, with no levy impact. If funding is not available to continue this program, the program will be ceased.
- Staff caution that this **draft** budget is an **estimate only** and is subject to change as Provincial Funding levels have not yet been provided.





Staff Report

Peterborough Regional Liaison Committee

To: Chair and Members of Committee
From: Randy Mellow, Chief of Paramedics
Date: September 9, 2021

Subject: PAR 2021-003 Peterborough Paramedics Response Time Plan 2022

Recommendation: That Peterborough Regional Liaison Committee receive and approve the Response Time Performance Plan for submission under Part VIII of Ontario Regulation 257/00 made under the Ambulance Act.

Overview

The purpose of this report is to provide the Peterborough Regional Liaison Committee with analysis and recommendation for the approval of the Land Ambulance Service Response Time Performance Plan for 2022 as mandated by the Ambulance Act.

Background

Part VIII of Ontario Regulation 257/00 made under the Ambulance Act, mandated a change to ambulance response time standards that came into effect January 1, 2013. Contrary to the earlier standard which was based on local ambulance service performance in 1996 (at the time of transfer to the Municipality), the legislation now requires annual approved Response Time Performance Plans (RTPP) broken out for sudden cardiac arrest and Canadian Triage Acuity Scale (CTAS) 1, 2, 3, 4 and 5 patients requiring emergency responses.

CTAS is an international medical triage standard utilized by hospitals, ambulance communication services and paramedics to identify how urgently a patient requires medical care.

Specifically, in providing performance plans and reports to the ministry, each municipality must report on:

- The percentage of times that sudden cardiac arrest patients received assistance from a person equipped to provide defibrillation (e.g., paramedic, fire, police, or other first responder) **within six minutes from the notification of a call by an ambulance communication service.**



Staff Report

- The percentage of times that an ambulance crew has arrived on-scene to provide ambulance services to sudden cardiac arrest patients or other patients categorized as CTAS 1 **within eight minutes of the time notice is received respecting such services.**
- The percentage of times that a paramedic arrived at the location of a patient determined to be CTAS 2, 3, 4, 5 within a period of time **determined appropriate by the municipality.**

All municipal RTPPs are posted on the Ministry of Health and Long Term Care public website (www.health.gov.on.ca/english/public/program/ehs/land/responsetime.html), and are to be accompanied by performance results for the previous year.

Municipalities may adjust individual performance plans at will, subject to timely notification of the Ministry. Annually, and no later than October 1st, municipalities are required to approve their Response Time Performance Plans for the upcoming calendar year and submit the plan to the Ministry by October 31st.

The number one priority of Peterborough County/City Paramedic Service (PCCP) is to provide the best possible prehospital clinical care to the residents and visitors of Peterborough County and City and to do so in the most effective and efficient method possible. In order to achieve this, PCCP administration continually analyses paramedic service call volumes, response times and patient outcomes.

With respect to the RTPP, PCCP focusses particularly on response time data in relation to the targets set out within the plan. A summary of this data is provided in Table 1 below. Based on a review of performance targets and achievements, PCCP Administration has maintained the response time targets set out within the plan while implementing several deployment adjustments over the past several years in an effort to consistently meet those targets. These deployment strategies include:

- Allocating existing ambulance staffing to the west side Clonsilla Station
- Enhanced coverage with the previously seasonal deployment car now 12 months of the year

The result of these deployment strategies, as demonstrated in Figure 1 below, initially resulted in significantly improving response times on the highest acuity level responses as evidenced by the performance in 2016/2017. However, increasing call volume and other system pressures have served to adversely affect response performance in more recent years.

Preliminary review of response time performance following the implementation of extended hours of operation of the seasonal deployment (April 2019) does indicate a leveling off of the rate at which response times performance has been deteriorating.

Staff Report

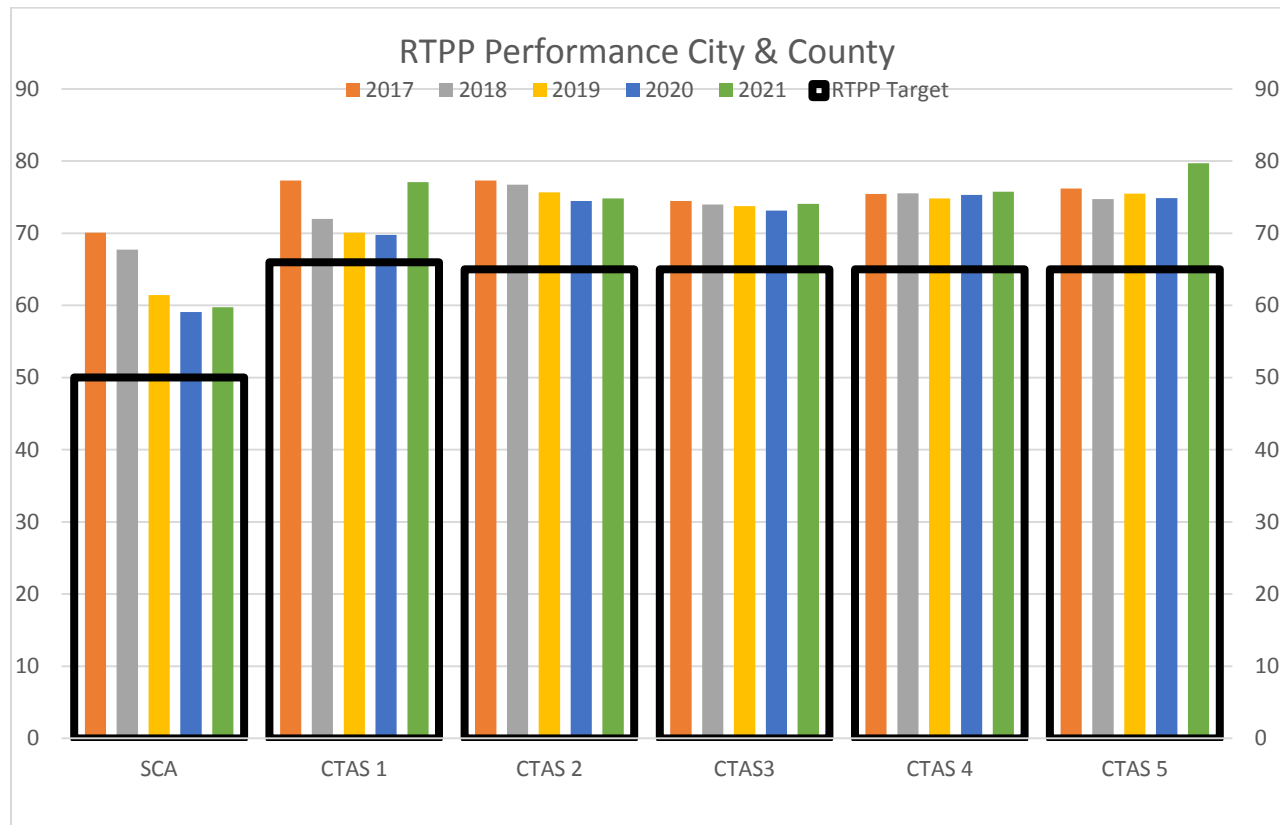


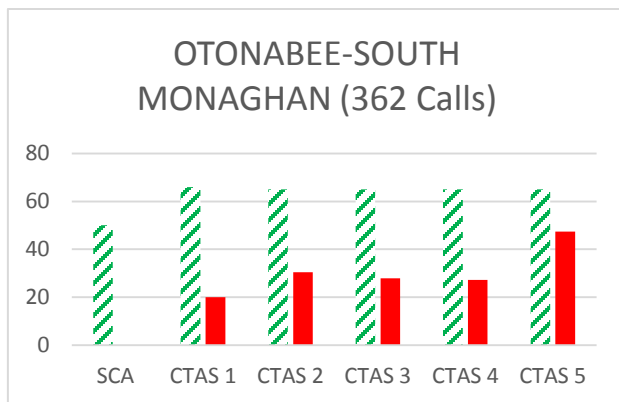
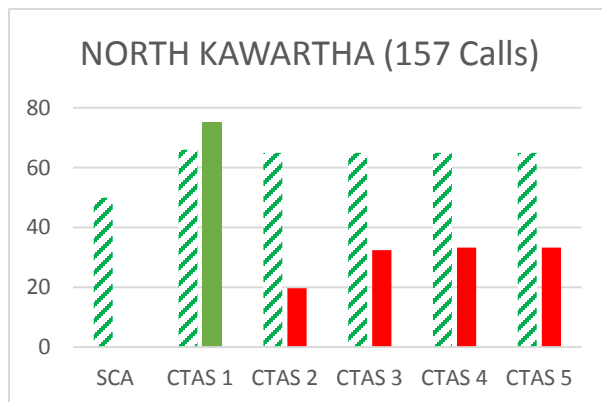
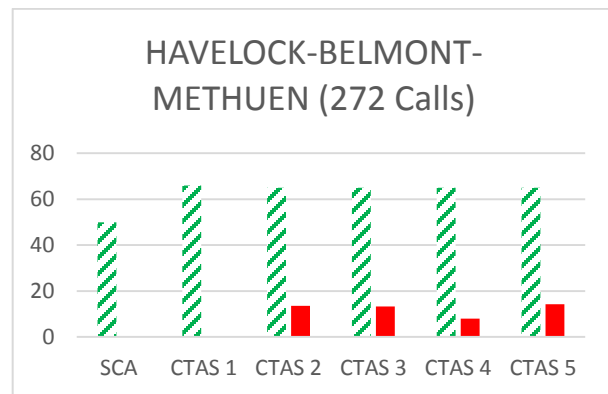
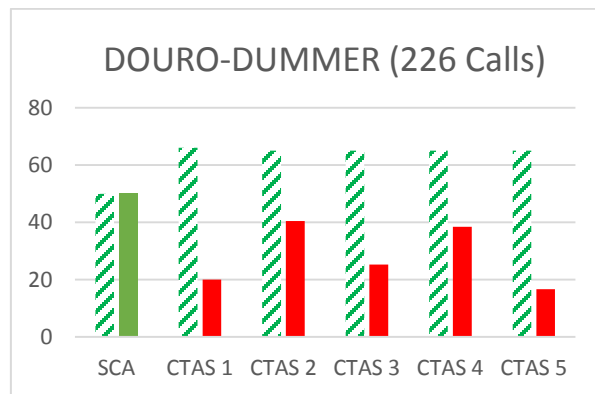
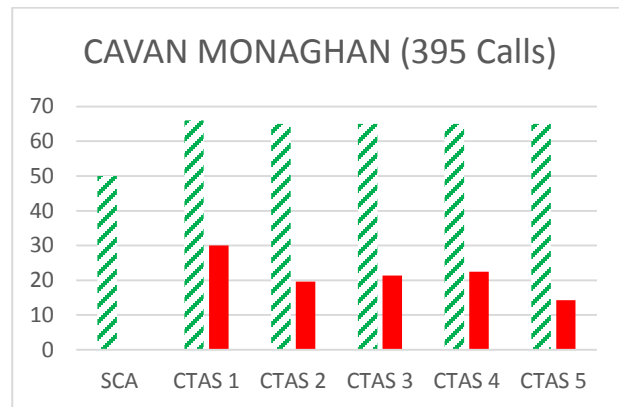
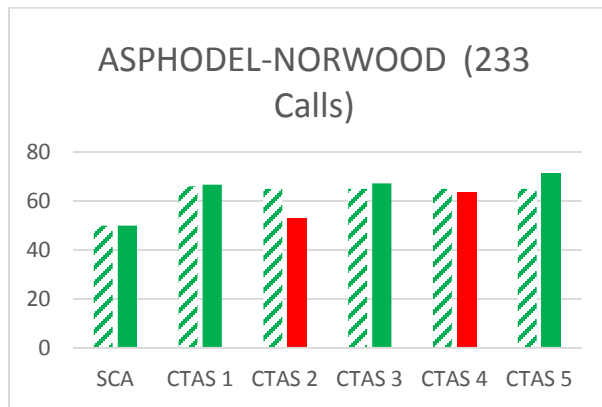
Figure 1: (2021 data: January 1 to July 31, 2021)

In addition to the mandatory response time analysis for the City and County as a whole, PCCP is also capturing and monitoring performance within each municipal boundary. Performance for each municipality compared to the RTTP targets for the 2021 year to date is provided in following charts. Also included below is an analysis of average response times per municipality.

The charts below Figures 2-10, provide for each Municipality within the County and another outlining the City, a comparison to the performance targets in each CTAS category (lined bars) against the performance achieved (solid bars). Green bars demonstrate performance targets that were achieved.

It is generally accepted within Paramedic Service system designs that response time performance will differ in rural and urban settings. Review of the local performance data at the municipal level clearly indicates a disparity between the urban and rural settings. This is a disparity not identified or recognized by the current provincially mandated response time reporting requirement.

Staff Report



Staff Report



Figures 2-10 (above) Comparison of Performance Targets

Staff Report

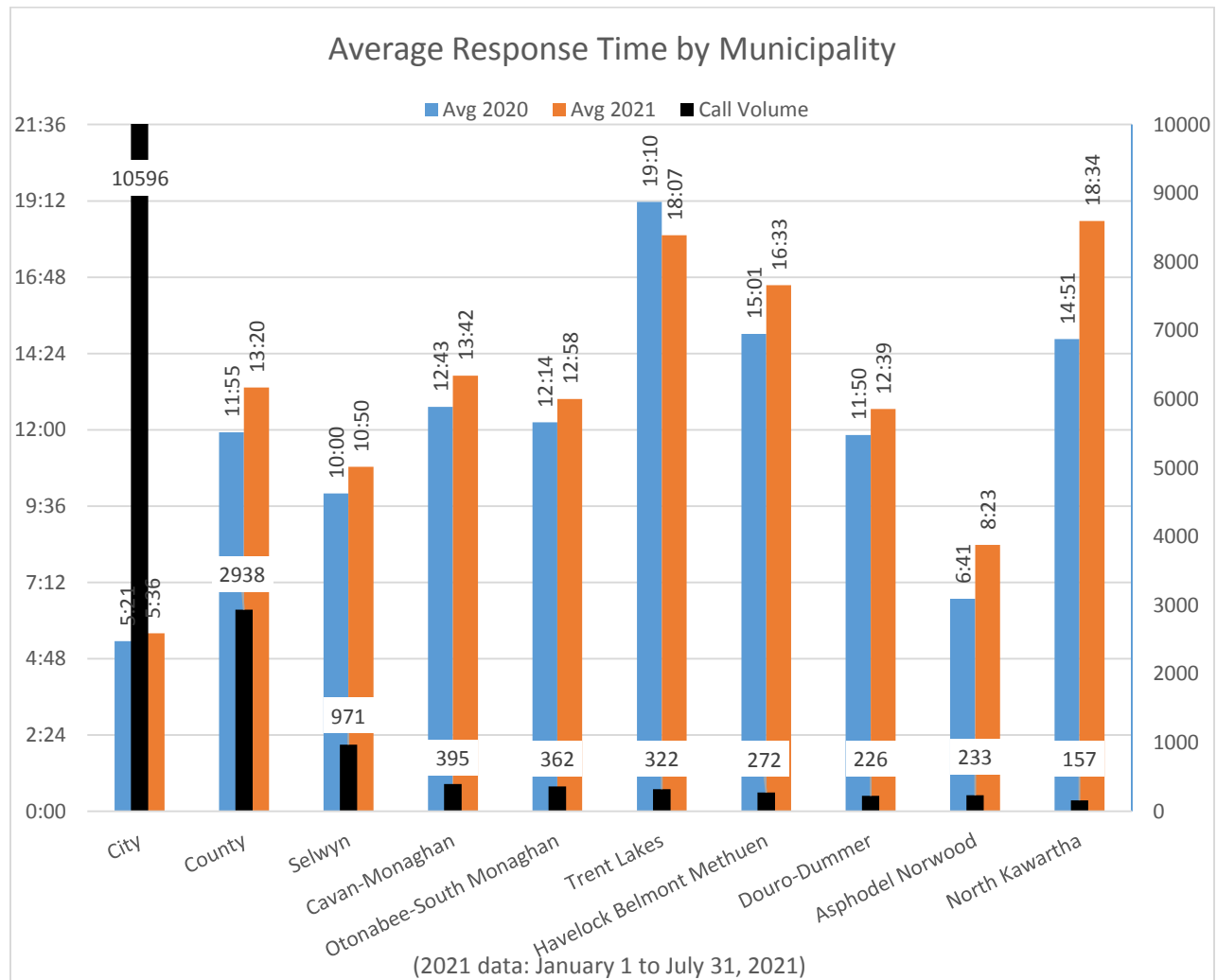


Figure 3

Figure 3 above, shows the data for 2021 versus 2020 Average Response Time by Municipality and 2021 Call Volume from January 1, 2021 to July 31, 2021.

In summary, PCCP remains committed to continual analysis of performance and seeks system improvement opportunities. Current operating conditions and trends suggest that the proposed response time targets are both reasonable and attainable and the previously approved service enhancements have enabled PCCP to meet targets effectively and efficiently. Therefore, administration recommends maintaining the response time targets as set out and previously endorsed by Peterborough Regional Liaison Committee and County Council and the submission of the 2022 RTPP (Attachment 1).

Staff Report

Financial Impact

No additional costs are anticipated

Anticipated Impacts on Local and/or First Nations Communities

None

Link to County of Peterborough Strategic Plan Priorities

Improved Essential Infrastructure

Financial Sustainability and Fiscal Responsibility

In consultation with:

1. Acting CAO, Sheridan Graham
2. Deputy Chief Chris Barry, PCCP Operations

Communication Completed/required:

The 2022 Response Time Performance Plan must be submitted to the Ministry of Health by October 31, 2021

Attachments

Attachment 1: 2021-09-22-Peterborough Paramedics Response Time Plan 2022

Respectfully Submitted,
Original Signed by
Randy Mellow
Chief of Paramedics

For more information, please contact
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(705) 743-5263 Ext 4112

**County of
Peterborough**



Our History. Your Future.

**Peterborough County/City
Paramedics**

Randy Mellow
Chief of Paramedics

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September 22, 2021

Stuart Mooney
Director (I),
Hospitals and Emergency Services Division
Emergency Health Program Management & Delivery Branch
5700 Yonge Street, 6th Floor
Toronto, Ontario M2M 4K5

VIA EMAIL

RE: RESPONSE TIME STANDARD NOTIFICATION

Dear Mr. Mooney,

Pursuant to the Ambulance Act Reg 257, Part VIII:

(2) No later than October 1 in each year after 2011, every upper-tier municipality and every delivery agent responsible under the Act for ensuring the proper provision of land ambulance services shall establish, for land ambulance service operators selected by the upper-tier municipality or delivery agent in accordance with the Act, a performance plan for the next calendar year respecting response times. O. Reg. 267/08, s. 1 (2); O. Reg. 368/10, s. 1 (1).

(3) An upper-tier municipality or delivery agent to which subsection (2) applies shall ensure that the plan established under that subsection sets response time targets for responses to notices respecting patients categorized as Canadian Triage Acuity Scale ("CTAS") 1, 2, 3, 4 and 5, and that such targets are set for each land ambulance service operator selected by the upper-tier municipality or delivery agent in accordance with the Act. O. Reg. 267/08, s. 1 (2).

(4) An upper-tier municipality or delivery agent to which subsection (2) applies shall ensure that throughout the year the plan established under that subsection is continuously maintained, enforced and evaluated and, where necessary, updated, whether in whole or in part. O. Reg. 267/08, s. 1 (2).

(5) An upper-tier municipality or delivery agent to which subsection (2) applies shall provide the Director with a copy of the plan established under that subsection no later than October 31 in each year, and a copy of any plan updated, whether in whole or in part, under subsection (4) no later than one month after the plan has been updated. O. Reg. 267/08, s. 1 (2).

Please find attached the Response Time Performance Plan for the calendar year of 2022;



SUDDEN CARDIAC ARREST

50% percent of the time, Peterborough County/City Paramedic Service plans to have a responder equipped with an AED and able to defibrillate a patient determined to be in sudden cardiac arrest, **within 6 minutes** from the time ambulance dispatch conveys the call information to the designated land ambulance delivery agent until the said responder arrives the scene.

CTAS 1

66% percent of the time, Peterborough County/City Paramedic Service plans to have a paramedic as defined by the Ambulance Act respond to any patient determined to be CTAS 1, **within 8 minutes** from the time ambulance dispatch conveys the call information until the paramedic arrives the scene.

CTAS 2, 3, 4, 5

Peterborough County/City Paramedic Service plans to have a paramedic as defined by the Ambulance Act respond to any patient determined to be CTAS 2, 3, 4, 5 within a period of time as noted below in Table 1:

Table 1

CTAS Level	Target elapsed time from paramedic notified until on scene (Min:Sec)	Target Percentage to achieve response time target
2	10:00	65%
3	10:00	65%
4	10:00	65%
5	10:00	65%

Should you require any further information, please do not hesitate to contact me.

Sincerely,



Randy Mellow, CMM III
Chief, Peterborough County/City Paramedics

CC: Sheridan Graham, Chief Administrative Officer, County of Peterborough
Alain Groleau, Field Manager, Central East Field Office MOHLTC EHSB



**City of
Peterborough**

To: Members of the Peterborough Regional Liaison Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: September 9, 2021

Subject: Report CSSSPRLC21-007
Ontario Works Funding Implications for the 2022 Budget

Purpose

To provide the Peterborough Regional Liaison Committee with information regarding the impacts of the four-year Provincial freeze on Ontario Works (OW) Administration costs.

Recommendations

That the Peterborough Regional Liaison Committee approve the recommendations outlined in Report CSSSPRLC21-007, dated September 9, 2021, of the Commissioner of Community Services, as follows:

- a) That Report CSSSPRLC21-007 Ontario Works Funding Implications for the 2022 Budget be received for information; and
- b) That the Peterborough Regional Liaison Committee endorse the Mayor of the City of Peterborough sending a letter to the Minister of Children, Community and Social Services requesting additional funds to bring the provincial share of the Ontario Works Administration budget back to its original 50% cost share.

Budget and Financial Implications

There are no immediate budget or financial implications associated with the recommendations in this Report. In the current working draft of the 2022 Social Services Budget the proposed increase for Ontario Works Administration is 0.8% amounting to \$31,157. The standard funding formula for OW administration is a 50/50 Provincial/Municipal split. Given that the Province has been working on a new funding

formula which was supposed to be announced in 2021 and provincial funding has been held at 0% for the last four budget cycles, the municipal share of funding is now at 53% and the Province at 47%. This represents a funding gap in the 2022 budget where the City and County are contributing \$484,610 more than its traditional share for Ontario Works Administration. The funding share between the City and County for OW administration is 83% City and 17% County meaning for the 2022 budget year that this additional municipal share is split \$82,384 County and \$402,226 City.

Background

On May 13, 2021 the City was notified of the Ministry of Children, Community and Social Services' (MCCSS) Interim 2022 funding approach. The email advised:

“...as part of the social assistance renewed operating model co-design starting this spring, the province and municipalities will work together to develop a new funding approach that addresses administrative costs appropriately and re-invests administrative savings to enhance the system. We will design the new approach and plan for its implementation together, making the right changes at the right time to align with broader social assistance system transformation. At the same time as co-design, we are expanding changes to reduce municipal administration through ongoing centralized and automated delivery, starting with centralized intake, as well as digital initiatives. This creates more municipal capacity to respond to program shifts, prepare for anticipated caseload increases when Federal COVID-19 benefits end and enhance outcomes for clients. To support municipal budget planning activities for 2022, it is important to note that:

- The new funding approach will not be implemented for 2022;
- Notional funding allocations for 2022 will be communicated no later than July 2021;
- Municipalities should plan based on the assumption, and subject to approval of ministry estimates, that Ontario Works program delivery funding levels will remain at 2021 levels;
- While timing of the full provincial roll-out of Employment Services Transformation (EST) is currently unknown, EST transfers will continue to apply to those in prototype catchment areas; and,

There will be an opportunity for one-time requests for extraordinary costs in priority areas. Further information will be provided on the one-time funding criteria and process.”

To clarify, while the email states that the 2022 budget is based on 2021 funding, the Provincial OW administration funding has been capped since 2018 and is based on

2018 actual expenditures. Therefore, this will result in the fourth successive budget where Provincial funding has been kept to a 0% increase. This budget freeze has resulted in increasing demands on municipal taxes to maintain services and client benefits.

After receiving this notification and drafting the 2022 budget for the Social Services Division, a staff letter was sent to MCCSS requesting reconsideration for the City of Peterborough which has been significantly impacted by an administration funding freeze for four municipal budget cycles. This was sent prior to this Council Report given the timelines dictated by MCCSS' deadlines.

The following sections highlights the rationale for the request.

2018 Budget Did Not Maximize Provincial Funding Allocation

The City has a proven track record of efficient use of funding and had several years when more administration funding could have been used to expand programming. OW Program Delivery Funding (PDF) is the Provincial funding assigned to each Social Assistance delivery agent to administer and deliver services with specific Provincial/municipal cost shares. It is calculated on a formula based on caseload size and other factors such as location and type of local service delivery required. Many municipalities had fully used their full PDF allocation while the City of Peterborough had not utilized the full provincial notional allocation since it was rolled out as the City of Peterborough was able to operate this service at a lower cost. The full PDF available for the City was \$14,989,200 in 2018. When the provincial freeze was implemented the City had \$3,425,002 funding available within its PDF. This meant that when the funding freeze was implemented at the Provincial level, the impact to the City was disproportionate. Without this funding freeze, the City would have essentially had an additional \$3,425,000 of available room in its PDF that the Province would have been obligated to cost share 50/50.

Funding Reductions as an Employment Services Transformation (EST) Prototype

In 2021 the City's provincial funding budget was cut by \$1,600,000 as part of the EST prototype implementation where the City was one of the first nine CMSMs across the Province to transition out of employment services. As a result, the Division developed a new integrated, seamless service delivery model and cut both staffing and client benefits by equal proportions. While it is recognized that this was a 'transfer' of funding along with the corresponding responsibilities, it also further amplified the impact of the funding freeze at 2018 levels as these reduced funding was calculated from 2018 actuals versus the City's true costs to operate this service in 2021.

Third Party Review of OW Delivery and Financial Efficiency

In 2019 the City used the Provincial Audit and Accountability Fund to conduct a thorough analysis and audit of Social Services spending and programming using the services of KPMG. The following comments are from the final report:

“In comparison to other similar sized Service Managers (based on population served), we note the following with respect to the City’s staffing, personnel costs, and organizational structure:

The City’s reported staffing costs for Ontario Works is the lowest of the selected Service Managers on a cost per caseload basis. (comparators were Sudbury, Kingston, Hastings, Brantford, Lambton, Oxford)

While information concerning staffing levels is not publicly available for all of the comparator service managers, we note that where information is available, the City’s monthly caseload per staff is consistent with other service managers:

- Peterborough 41.4 cases per staff member
- Greater Sudbury 46.0 cases per staff member
- Lambton 41.6 cases per staff member

The above indicators are based on all staff, including case managers, clerks, managers, and administrative personnel.

The City’s current organizational structure for Ontario Works reflects a limited number of non-union employees (program managers and the Division manager), which is consistent with other selected service managers which appear to have limited numbers of non-union employees.”

KPMG also noted in a Comparative Analysis around Ontario Works that:

“The City has a relatively high caseload, as a percentage of total population, in comparison to the selected service managers. During 2018, the City’s average monthly Ontario Works caseload amounted to 26.04 cases per thousand residents, compared to an average of 19.58 cases per thousand residents for the comparator municipalities. We consider this to be reflective of higher incidences of unemployment and low-income individuals and families within the Division’s service area.

In comparison to the selected comparator service managers, the City’s operational effectiveness is consistent with or better than average:

The number of days from receipt of an application to the determination of eligibility is in the mid-range of the comparator municipalities, with the City requiring an average of five days to determine eligibility in comparison to one to seven days for the comparator municipalities.

The City has the second highest percentage of caseload reporting income (19.82%) and percentage of caseload exiting to employment (1.49%), which reflects on the effectiveness of its employment support services.

The City’s cost per caseload of \$1,170 per month is slightly higher than the average of the comparator municipalities (\$1,069), recognizing that the amount

of financial assistance provided to Ontario Works clients is not under the control of the City (i.e., determined by factors specific to the client). However, the higher-than-average cost may also reflect the City's provision of discretionary benefits at a level above the Provincial standard.

The rationale provided to CMSMs by the Ministry during the initial funding freeze was that CMSMs should be able to find efficiency savings to withstand the funding freeze. As indicated by KPMG, the City was already offering an efficient system compared to other CMSMs. Prior to the EST reductions, the City of Peterborough was among the lowest cost per case municipalities (based on MCCSS figures):

Year	Highest	Lowest	Peterborough	Ranking
2018	\$6,236	\$2,734	\$3,401	6 th lowest in the province
2019	\$6,079	\$2,878	\$3,508	11 th lowest in the province

Further work has been done to create an integrated, efficient, and modernized Social Services model

Key themes in the 2019 KPMG review of business processes have led to significant process improvements and service integration in the Social Services Division. The Division has been actively building on both Provincial prototypes—the EST and a Centralized Intake process. This means that the Division has considered all mechanisms to reduce unnecessary administrative processes and offer seamless services to community members. This included actively participating with Ministry initiated programs to reduce administrative overhead and inefficient processes. New efficiencies include Electronic Document Management (EDM), centralized intake, and development of streamlined approaches to approval of discretionary benefits.

It should be noted that while initiatives such as these have allowed the Division to reduce staffing, they also increase costs for other supports such as technology, courier services, and processing. Additionally, the efforts do not translate easily into savings given that municipal and provincial social services are in fluctuating states of change.

2022 Budget Implications

MCCSS staff have met with the Division's management to discuss these funding implications, rationale for considering additional funding for the City's circumstances, and options. The issue has been escalated by senior Ministry staff for a final decision which should be available by the time City Council engages in budget deliberations for the 2022 municipal budget.

The first draft of the 2022 budget reflects a 53% municipal contribution which represents an extra \$484,610 of 100% municipal cost. The working draft budget includes only a 0.8% increase reflecting the Division's commitment to keeping cost increases to a minimum and finding efficiencies knowing the provincial funding freeze. At this point

staff have worked to reduce costs in all areas within its control but has not assumed any further staff reductions or client benefit reductions.

If MCCSS does not opt to provide the additional \$242,305 to meet the 50/50 cost share standard and City Council wishes for staff to revise the 2022 budget to meet the 50/50 cost share standard then the options available would include:

1. Reduction to staffing which would increase the number of cases per worker which would reduce service during a period of anticipated caseload increase due to the end of Federal income benefits related to COVID-19;
2. Reduction to client benefits within the authority of the CMSM;

Summary

The provincial funding for the administration of the Ontario Works program has been held to 2018 actuals now for four budget cycles. While meant to be a temporary freeze, the impacts are substantial as the traditional 50/50 cost share is being skewed towards the City and County bearing more of the costs. It is apparent that the City of Peterborough has been impacted by this funding freeze to a greater degree than other CMSMs. The report is meant to bring this issue to the attention of the PRLC in preparation of the 2022 budget and to ensure that the issue is brought to the attention of the Ministry.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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City of
Peterborough

To: Members of the Peterborough Regional Liaison Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: September 9, 2021

Subject: Report CSSSPRLC21-008
Housing and Homelessness Benefits Review

Purpose

To provide information regarding Social Services' review of the Housing Stability Fund (HSF) and rent supplements as directed by City Council and the Funds' alignment with the 2019 Homelessness System Review and upcoming provincial changes to Social Assistance Transformation.

Recommendation

That the Peterborough Regional Liaison Committee approve the recommendation outlined in Report CSSSPRLC21-008, dated September 9, 2021, of the Commissioner of Community Services, as follows:

That Report CSSSPRLC21-008 Housing and Homelessness Benefits Review and attached presentation be received for information.

Budget and Financial Implications

There are no budget or financial implications associated with the approval of this Report.

The changes detailed in this Report do not involve additional funds to either the Housing or Homelessness budgets for 2021 or 2022.

Background

In Ontario, there are 47 Municipal Service Managers that partner with the province to fund and deliver programs to the community in the areas of social assistance (Ontario Works) and employment supports, child care and early years programs, housing and homelessness prevention, and emergency social services.

As a Service Manager, the City of Peterborough delivers provincial mandates and outcomes for the various programs within this role. Service Managers collaborate with partners, plan, implement, and oversee service delivery systems while offering direct delivery of many social programs. Regular reviews of funded organizations and directing how local service providers deliver and sustain funded programs are part of the ongoing quality assurance activities of Service Managers.

On February 10, 2020 Council requested “that staff monitor the budget for available housing stability funds and report to Council as necessary.” This request was made after a reduction in the amount of HSF over two budget cycles. Council had also requested that policy, procedure, access to HSF, and rent supplements be reviewed after the 2019 Housing and Homelessness Consultant’s review.

This Report also puts into context the scope of changes that are being made at the Provincial level around the delivery of Social Assistance locally, the shift to Life Stabilization, and the connections to non-Social Assistance funding that can be used to build effective Life Stabilization Action Plans with community members.

2019 Housing and Homelessness Services Consultant’s Review

As the Service Manager for integrated planning for housing and homelessness services, Staff recognized that ending homelessness would require strong and aligned system-level leadership to ensure there are improvements across programs, systems, and organizations to increase client success. In 2019, the City retained OrgCode Consulting, Inc. to undertake an Operational Review of the effectiveness of the local homelessness response system. The Review considered the system of care dedicated to preventing and ending homelessness focusing on the need to move from a system that manages homelessness through emergency responses to a system committed to the prevention of homelessness and providing permanent housing. The recommendations identifying successes, challenges and opportunities were presented to Council in late 2019.

As a snapshot of housing and homelessness system management in Ontario, the Report stated that: “As is the scenario for all Service Managers, the challenge of preventing and ending chronic homelessness by 2025 will continue to demand transformation, performance management and operational oversight within its administration of services but also in the programs and community partners that it funds and supports throughout the region.”

The Report further noted that the focus on emergency shelters, outreach activities, meal programs, drop-in centres, and other emergency responses has demanded a huge portion of the available housing and homelessness funding. Best practices indicated

that there were opportunities to shift existing investments to shelter diversion and permanent housing. Some of the resources linked to diversion and permanent solutions include the HSF and the various rent supplement programs.

As a result of these recommendations, Staff began a review of HSF and rent supplements including a data and document review, a focus on evidence-informed practices, policy and procedures reviews, review of case files, and key informant interviews used to examine barriers to eligibility and suggested changes.

Further recommendations from the Review also included:

- Decrease the inflow of new people into homelessness using new approaches to prevent people from entering the shelter system and ensure rapid exit from homelessness are identified and actioned. A plan for diversion of families and individuals should be developed.

Actions: during 2020 and early 2021 shelter intake processes were refined to include stronger prevention and diversion supports and transitional housing opportunities for families. There was a particular focus during the Covid pandemic on ensuring families were provided with immediate options outside of the traditional shelter system.

A family diversion worker position with YES has been funded as a pilot through to December 31, 2021

- Connect homelessness with the available social and community housing options. This is especially important because “the lack of affordable and appropriate housing options available in Peterborough currently provides the greatest challenge in the community’s goal of achieving Functional Zero for chronic homelessness.”

Action: The Centralized Wait List for social and community housing was brought into Social Services from Peterborough Housing Corporation to ensure access is linked to other intake processes with Social Services.

- Establish a more coordinated and centralized housing placement service. This includes designated housing locator positions within the system whose sole purpose is landlord recruitment and retention.

Action: Discussions with the Housing Resource Centre to date have included shifting their service to focus on eviction prevention, landlord relationships, and a housing locator position.

- Establish the City in a strategic role of leading policy formation for the housing and homelessness service system. Using the Program Integrity Officer for Homelessness position to turn the recommendations into actionable

opportunities. This position is key to the growth, alignment and enhancement of the local homelessness and re-housing support system.

Action: The Program Integrity Officer is the lead for the Built for Zero program and focuses on incremental improvements to the homelessness system. Additionally, service agreements have been improved with key performance indicators around the shift to a housing focus.

- Explore the possibility of creating more Permanent Supportive Housing models to support households that require the intensity and frequency of the supports offered under this model.

Action: Options for Permanent Supportive Housing are under discussion, however, these models are very costly and require services from multiple partners from a range of sectors.

Provincial Vision for the future of Municipal Service Management

On February 11, 2021, Ontario's Minister of Children, Community and Social Services (MCCSS) announced the release of a vision for a renewed social assistance system called Recovery and Renewal: Ontario's Vision for Social Assistance Transformation.

The vision presents a roadmap for the Province to work with municipalities to create a social assistance system that is modern, sustainable, and has an emphasis on connecting people to the supports they need. At the core is a transformed service delivery model for social assistance that reconsiders provincial and municipal roles. Instead of being oriented along the traditional program lines of Ontario Works (OW) and Ontario Disability Support Program (ODSP), this transformation would instead focus on who can provide the service to get the best results.

The renewed system would realign administrative processes to create better client and community outcomes by reducing poverty and increasing labour market attachment. The model proposes a final state where:

- Qualifying for social assistance is not required for people to access supports for life stabilization from Municipal Service Managers;
- Supports are bundled around each individual and family based on their needs and acuity, where possible; and
- Municipal Service Managers use many tools within their portfolio and community to help people enhance and improve their quality of life

The proposed realignment of Provincial and municipal roles identifies that:

- The Province will oversee financial assistance, making it quick and easy for people to access the system while ensuring program integrity; and

- Municipal service managers will use their experience and expertise in delivering person-centered casework. Staff will leverage other internal resources, such as Housing Stability Fund and rent supplements, and in-depth knowledge of available community supports to create wrap-around plans with people

This shift is intended to support municipal front-line workers to connect clients with supports, such as job-readiness programs, housing and homelessness supports, childcare, skills training, and addictions and mental health services. This newly defined interaction between staff and community members is being referred to as Life Stabilization.

Connections between HSF/rent supplement review and the new Provincial vision

Since the 2019 announcement of the Employment Services Transformation (EST) prototype in the community, work has been underway to transform the Social Services Division into an organization that supports all individuals and families who need help navigating social, community, and health services and providing access to wrap around supports and services, when needed. This model recognized that people are most likely to achieve success when the rest of their lives are stable; they have a safe place to live, their physical and mental health needs met, and they feel connected and supported within their communities. Consolidating access to rent supplements and HSF within the Social Services Division will assist with access, evidence-based assessments for supports, and building comprehensive, sequenced Life Stabilization Action Plans.

In mid-2020 a new structure for the Social Services Division was implemented to shift the focus of work to the provision of Life Stabilization supports. While a newly integrated human service delivery model within Social Services was being designed locally that consolidated front-line job roles by function rather than by program, the Province started to consider similar models based on a “human services integration” lens. Ontario’s Vision for Social Assistance Transformation describes this as providing high-quality client service through a fully integrated, person-centered service model with a foundation of collaborative case planning.

Staff at Social Services already use a “Bridges out of Poverty” philosophy to engage with clients, which fits well with the Province’s vision. The Division is actively rolling out a new coaching model that builds the foundation for planning through mutual understanding, empowerment, and respectful relationships. Additional work is planned with investments in staff training and awareness of broader system supports, how to make “warm” referrals to external resources and services and developing and/or enhancing collaborative partnerships with external resources and services.

In the new model, municipal Social Services staff roles have been reoriented around Life Stabilization. Client Service Workers will assess the needs of individuals and families holistically and bring together whatever supports and resources are available. This includes providing housing and homelessness resources such as HSF and rent supplements.

The Housing Stability Fund Review Recommendations and Outcomes

HSF helps individuals and families in the City and County get or keep housing. Assistance is offered to qualifying individuals to pay overdue bills, rent, and other housing-related costs to prevent or end homelessness. 2021 funding for HSF totalled \$1,561,000.

Some examples of eligible housing costs are:

- Heat, hydro or rent arrears
- Mortgage or tax arrears
- Last month's rent
- Beds, bed covers, mattresses and box springs
- Replacing or purchasing appliances
- Moving or storage costs

The following data illustrates HSF spending between 2015-2020 (2020 spending was lower during the pandemic due to suspension of evictions and availability of other Provincial funding):

YEAR	Social Services Issuances	Social Services Unique Households	Social Services Funds	Housing Resource Centre Issuances	Housing Resource Centre Unique Households	Housing Resource Centre Funds
2015	3330	1301	\$ 1,315,402.96	409	273	\$ 326,177.33
2016	3380	2166	\$ 1,327,767.92	436	310	\$ 336,038.38
2017	3227	2128	\$ 1,283,305.64	406	212	\$ 324,078.14
2018	2903	1901	\$ 1,158,674.96	305	263	\$ 250,328.75
2019	2884	1937	\$ 1,131,718.70	450	341	\$ 336,370.25
2020	1955	1301	\$ 784,898.08	256	192	\$ 219,663.51

Currently the HSF is delivered by Social Services to social assistance recipients and by the Housing Resource Centre (HRC) for any other member of the community. This can be confusing to community members and leads to inconsistent application of policy.

The consultant's report suggested, and the review confirmed that HSF should be issued in the same place for everyone enabling:

- Actionable, accessible, and consistent data collection:
- Easier access for clients: and
- Standardized decision making

Actions taken:

1. Effective January 2022 HSF will be delivered by Social Services as part of the shift toward Life Stabilization. Eligibility will be capped based on income, but any member of the community is eligible to apply.

HSF will be one of many tools that are available to Client Service Workers in Social Services to build case plans empowering individuals and families toward stability.

2. Limits have been reviewed and policies were developed to allow for more flexibility when HSF can result in someone being housed or maintaining existing housing.
3. Data supporting this decision indicated that over 2015 to 2019 there was a steady decrease each year from month to month in the number of HSF requests. On average, HSF requests in Social Services decrease by 3% each month of the year. This suggests that people wait until January (for their entitlement to reset) to request funding. It also suggests that funding was not linked to preventing or ending homelessness which is the purpose of the funding. In 2018, only 9.2% of issuances were made to people who were homeless, and 8.1% in 2019. Data should be collected in one central location:
4. Currently there is limited tracking of people who request funds and the connection to the By Name Priority List (BNPL) of people experiencing homelessness which indicates that the focus is not directly on the most vulnerable people in the community. This gap has been amended under the new policy. Implement an evidence-informed assessment tool and case planning strategies:

Decisions have been made to use existing Social Services tools to determine whether prevention of homelessness is probable and developing longer term strategies for stabilization with the use of Life Stabilization Action Plans.

The Rent Supplement Review Recommendations and Outcomes

Currently there are nine categories of rent supplements delivered by three different partners in the Housing and Homelessness portfolios. The delivery partners are the Housing Resource Centre (HRC), Peterborough Housing Corporation (PHC), and the Social Services division. Rent supplements include the provincial legacy programs, federal/provincial programs, and municipally funded programs. All programs have different funding, eligibility and target populations. This is confusing for landlords, service providers and community members. The purpose of the review is to reduce the administration time spent on rent supplements, create one policy and procedure for eligibility and payment, and determine whether additional rent supplements can then be

made available to the community based upon efficiencies found. As much as possible, rent supplements should be issued in the same place for everyone enabling:

- o Actionable, accessible, and consistent data collection
- o Easier access for clients
- o Standardized decision making

Actions Taken:

1. Rent supplements (except Provincial legacy programs with PHC) will be delivered by Social Services as part of Life Stabilization. Eligibility will be capped based on income, but any member of the community is eligible to apply.

Rent supplements will be an additional tool that is available to Client Service Workers in Social Services to build case plans empowering individuals toward stability.

2. Except for the Provincial legacy programs with PHC noted above, all rent supplements will be reprofiled to help the City as the Service Manager achieve the goals in the Housing and Homelessness Plan and Life Stabilization. This will include supporting the prevention of homelessness. New policies and processes will align the delivery and administration of these funds and guide performance management, outcomes, and impact. It is expected that these decisions and further decisions planned for 2022 will allow for more eligible people in the community to have access to rent supplements without increasing the budget. The result is that there will be more targeted decisions that are consistent system-level decisions tied to action planning.

Summary

The Social Services Division is focused on continuous improvement activities to ensure that services are modern, meeting local priorities and goals, and effective. The described changes align with these service standards.

Work continues with the HRC and PHC. The work with HRC is to define its role as an organization that coordinates and centralizes housing placement services. HRC is working to enhance eviction prevention services and recruit and retain landlords to work with the City and its partners to end chronic homelessness.

PHC will discontinue adding new rent supplements so that a comprehensive review and strategy to address declining funding for provincial legacy programs can be jointly developed with the City. In early 2022 Social Services will continue to work in partnership with PHC to determine further steps to address declining provincial and federal funding of rent supplements and to ensure a range of options are available for the community.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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City of
Peterborough

To: Members of the Peterborough Regional Liaison Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: September 9, 2021

Subject: Report CSSSPRLC21-009
Update on the Establishment of a Housing Municipal Service Corporation

Purpose

A report to provide the Committee with an update on the establishment of the Housing Municipal Service Corporation (also referred to as the Government Business Enterprise).

Recommendation

That the Peterborough Regional Liaison Committee approve the recommendation outlined in Report CSSSPRLC21-009, dated September 9, 2021, of the Commissioner of Community Services, as follows:

That Report CSSSPRLC21-009 Update on the Establishment of a Housing Municipal Service Corporation and associated presentation be received for information.

Budget and Financial Implications

There are no budget or financial implications resulting from the approval of the recommendation of this Report.

Background

At their meeting of July 26, 2021, City Council reviewed Report CSSS 21-010 Update and Next Steps for Establishment of a Housing Municipal Service Corporation. This

report provided an overview of the current status of establishing an MSC for housing and included the following approved recommendations:

That Council approve the recommendations outlined in Report CSSS 21-010, dated July 19, 2021 of the Commissioner of Community Services, as follows:

- a) That Council receive the Report and the Draft KPMG Business Case dated July 9, 2021,
- b) That Staff be directed to undertake appropriate public consultation as required by Ontario Regulation 599/06 to establish a Municipal Service Corporation,
- c) That Staff be directed to ensure that the Peterborough Regional Liaison Committee is consulted on the Business Case; and
- d) That Staff be directed to bring a report to Council for the October cycle for final review of the Business Case and results of the associated public consultation

Recommendation c) directed staff to ensure that the PRLC be consulted on the Business Case. Attached as Appendix A is Council Report CSSS21-010 and Appendix B is the draft Business Case prepared by KPMG.

Staff are undertaking additional consultations on this Business Case in September including meetings set up with representatives of the Township of Selwyn and the Township of Havelock-Belmont-Methuen. The purpose of these meetings with the two Townships is to discuss the potential transfer of the affordable housing projects located in each Township from Peterborough Housing Corporation to the new MSC.

Summary

A draft Business Case has been prepared to establish an MSC for housing which requires appropriate consultation including with the PRLC and directly affected Townships.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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Rebecca Morgan-Quin

Housing Manager

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Attachments:

Appendix A - Report CSSS 21-010 Update and Next Steps for Establishment of a Housing Municipal Service corporation

Appendix B - Draft Peterborough MSC Business Case (July 9, 2021)



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: July 19, 2021

Subject: Report CSSS 21-010
Update and Next Steps for Establishment of a Housing
Municipal Service corporation

Purpose

A report to provide Council with an update on the establishment of the housing Municipal Service Corporation (also referred to as the Government Business Enterprise) and recommended next steps.

Recommendations

That Council approve the recommendations outlined in Report CSSS 21-010, dated July 19, 2021 of the Commissioner of Community Services, as follows:

- a) That Council receive the Report and the Draft KPMG Business Case dated July 9, 2021,
- b) That Staff be directed to undertake appropriate public consultation as required by Ontario Regulation 599/06 to establish a Municipal Service Corporation,
- c) That Staff be directed to ensure that the Peterborough Regional Liaison Committee is consulted on the Business Case; and
- d) That Staff be directed to bring a report to Council for the October cycle for final review of the Business Case and results of the associated public consultation.

Budget and Financial Implications

There are no direct budget or financial implications contained in this Report. The Draft Business Case (Appendix A) provides a financial analysis which is a requirement for the establishment of a Municipal Services Corporation.

Background

At the February 22, 2021 Council meeting, Council approved Report CSSH21-003 Governance Alternatives to Support Affordable Housing Development. The purpose of this Report was to recommend an alternative structure to facilitate affordable housing development in Peterborough. The report included the following approved recommendations:

- a) That Council support the recommendation of the February 5, 2021 KPMG Report to establish a Government Business Enterprise pursuant to Ontario Regulation 599/60: Municipal Services Corporations, to be responsible for the management and construction of affordable housing,
- b) That Staff be directed to implement the recommendations of the February 5, 2021 KPMG Report using the timeline in the Report as a guide and be authorized to do such things in relation to such implementation considered appropriate by the Commissioner, Community Services Department in consultation with the Chief Administrative Officer and Treasurer,
- c) That up to \$300,000 from the Social Housing Reserve Fund be used to undertake the implementation of the recommendations of the February 5, 2021 KPMG Report,
- d) That Staff be directed to work with Peterborough Housing Corporation and Canada Mortgage and Housing Corporation representatives to determine the most effective and expeditious method to make application to the federal National Housing Co-Investment Fund for the funding of up to 1500 units of housing on Peterborough Housing Corporation lands to be completed through the newly established Government Business Enterprise,
- e) That prior to the formal submission of the application to the National Housing Co Investment Fund, Staff report back to Council on the full redevelopment plan for Peterborough Housing Corporation's lands to include a) Projected unit counts on each property, phasing of the developments, and projected unit affordability; b) Financing and partnerships; and c) Tenant relocation plan and consultation plan for tenants and the public,

- f) That up to \$250,000 from the Social Housing Reserve be used towards the preparation of documents and plans necessary to meet the eligibility and application requirements of the National Housing Co-Investment Fund program; and
- g) That any two (2) of the Mayor, Clerk, Chief Administrative Officer and Commissioner, Community Services Department be authorized to execute such documents considered appropriate by the Commissioner, Community Services Department in consultation with the Chief Administrative Officer and the Treasurer for the purposes of these recommendations in forms acceptable to the City Solicitor

The February 5, 2021 KPMG Report provided a timeline for the establishment of a Municipal Services Corporation (MSC) (also referred to in previous reports as a Government Business Enterprise) and the initial requirements under Ontario Regulation 599/06 (the Regulation). Prior to establishing an MSC, the Regulation requires municipalities to undertake the following activities:

- Develop a business case study for the proposed MSC;
- Adopt and maintain policies with respect to the transfer of assets; and
- Consult with the public concerning the establishment of the MSC.

The KPMG report “Draft Peterborough MSC Business Case - July 9, 2021 (Appendix A) is intended to meet the business case study requirement of the Regulation. The business case sets out the services to be provided by the MSC, its corporate structure, and its management and personnel structure. It provides the rationale for the establishment of the MSC, an implementation strategy, and a financial analysis.

The Regulation requires a public consultation, and the implementation strategy documents the basic consultation process to be undertaken and the key themes to be included in that consultation.

Next Steps

A public consultation will be undertaken in July and August as described in the business case. A further report would be produced for the October cycle of Council with the outcome of the public consultation and the final review and approval of the business case.

Other items that continue to be worked on towards the establishment of the MSC include:

1. Incorporation of the Holdco MSC and Operating MSC as legal entities,
2. Adoption of an asset transfer policy as required under Ontario Regulation 599/06 that would establish the framework for the transfer of assets from PHC to the MSC,

specifically existing affordable housing units and properties to be developed for market and affordable units,

3. Development of appropriate governance and operating policies for the MSC's, including terms of reference for the Board of Directors of the MSC's, a shareholder's agreement and operating framework,
4. Establishment of a Master Services Contract between the MSC and Peterborough Housing Corporation (PHC) the purpose of which will be to define the roles and responsibilities of PHC with respect to the services being provided to the MSC's; and
5. Establishment of an Administrative Services Contract between the City and the MSC's for the corporate management services (i.e. President and CEO).

Summary

Council has approved of the establishment of a MSC as an alternative structure to facilitate the construction of affordable housing in Peterborough. This Report presents a draft business case which is a requirement to establish an MSC. Prior to the adoption of the business case a public consultation is required. The business case and the public consultation are key steps in the establishment of an MSC and the City's interest to facilitate new affordable housing investment.

Submitted by,

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Commissioner of Community Services

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Attachment:

Appendix A – Draft Peterborough MSC Business Case (July 9, 2021)

Introduction

KPMG LLP (“**KPMG**”) has been retained by the City of Peterborough (the “**City**”) to assist with the development of a business case relating to the establishment of a municipal services corporation (“**MSC**”) pursuant to the provisions on Ontario Regulation 599/06 (the “**Regulation**”).

Background to the Business Case

The City is a single-tier municipality located in Central Ontario that provides a range of services to more than 85,000 residents. During the 2021 fiscal year, the City budgeted a total of \$292 million in operating expenditures, with an additional \$70 million in budgeted capital expenditures.

Under the Housing Services Act (“**HSA**”), the City is designated as the service manager for housing services for the City and the County of Peterborough, the responsibilities of which include, but are not limited to:

- The development of housing plans, strategies and analysis for all aspects of housing continuum;
- The administration of various programs intended to incentivize the construction of affordable housing;
- Since July 2020, the administration of the wait list for social housing (Housing Access Program), which was previously administered by PHC; and
- The administration of financial subsidies to third party social housing providers, including Peterborough Housing Corporation (“**PHC**”).

PHC was established in December 2000 in response to the passing of the Social Housing Reform Act (“**SHRA**”), the enabling legislation for the transfer of social housing from the Province to the 47 service managers (comprising of 37 upper or single tier municipalities and 10 district social services administration boards). Pursuant to the SHRA, approximately 84,000 public housing units were devolved to Ontario municipalities effective January 1, 2001, including more than 700 units that were transferred to PHC.

As noted above, the City is responsible for the development of an overall strategy for housing and homelessness, with its most recent strategy (the “**Housing Plan**”) covering the period from 2019 to 2029. In addition to other priorities, the Housing Plan identifies the need for 1,918 new affordable rental housing units in the City, with a further 762 affordable rental housing units elsewhere in the County, in order to meet all housing needs by 2029. While this level of new construction is arguably aspirational, it does identify the need for a significant increase in affordable housing in the City and County.

In recognition of the need for a significant investment in both new affordable housing units as well as the replacement of existing social housing units that are reaching the end of useful life and are in need of redevelopment, the City has proposed the establishment of an MSC that would be responsible for the construction, financing and operation of approximately 1,100 new affordable and market housing units, as well as the management of the existing affordable housing portfolio currently held by PHC (287 units). In addition, the MSC would coordinate with the City and PHC on the redevelopment of six existing social housing sites (311 units).

This document represents the formal business case for the establishment of the MSC.

About Municipal Service Corporations

A MSC is defined under the Regulation as a corporation, all of whose shares are owned by a municipality or by a municipality and one or more other public sector entities, where the shareholders have an entitlement to all the voting shares allocated to the members of the corporation, and which provides a system, service or thing that the municipality itself could provide. As noted in the definition, MSCs are not required to be wholly-owned by a single municipality but rather can be used to structure the governance of shared service initiatives between municipalities.

Pursuant to Section 11(1) of the Regulation, MSCs are not permitted to provide services that are mandated by the following acts:

- *Ambulance Act.*
- *Child and Family Services Act.*
- *Fire Protection and Prevention Act, 1997.*
- *Health Protection and Promotion Act.*
- *Long-Term Care Homes Act, 2007* in respect of long-term care homes under Part VIII of that Act.
- *Police Services Act.*
- *Provincial Offences Act.*
- *Public Libraries Act.*
- *Ontario Works Act, 1997.*

In addition to delivering the services of an individual municipality, an MSC can also facilitate the creation of shared service agreements between multiple municipalities by providing a corporate structure that allows for the joint ownership and operation of assets.

Prior to establishing an MSC, the Regulation requires municipalities to undertake the following activities:

- Develop a business case study for the proposed MSC;
- Adopt and maintain policies with respect to the transfer of assets; and
- Consult with the public concerning the establishment of the MSC.

This document represents the business case study for the proposed MSCs.

Restrictions

This report is based on information and documentation that was made available to KPMG at the date of this report. KPMG has not audited nor otherwise attempted to independently verify the information provided unless otherwise indicated. Should additional information be provided to KPMG after the issuance of this report, KPMG reserves the right (but is under no obligation) to review such information and adjust its comments accordingly.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the City.

This report includes or makes reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this report are not intended, nor should they be interpreted to be, legal advice or opinion.

KPMG has no present or contemplated interest in the City nor are we an insider or associate of the City or its management team. Our fees for this engagement are not contingent upon our findings or any other event. Accordingly, we believe we are independent of the City and are acting objectively.

The Proposed Municipal Corporation

Services Provided

The City is proposing to utilize an MSC structure to facilitate a significant investment in housing in the community. Specifically, the MSC would initially be responsible for:

- Managing the development of approximately 1,100 new market and affordable housing units, located on property to be transferred by PHC to the MSC. The development of the new housing units is expected to involve a combination of units directly owned and managed by the MSC as well as new units involving private sector participation, potentially through the use of joint ventures, limited partnerships or land leases.
- Managing the existing affordable housing units (287) currently owned by PHC, which will be transferred by PHC to an MSC upon the establishment of the latter.
- In conjunction with the City and PHC, managing the redevelopment of six social housing facilities that have approached end of useful life.

After these initial steps, the MSC could lead the redevelopment of additional properties and/or the construction of additional affordable housing units, which could include properties located in the City and County.

Upon completion of the transfer of affordable housing units from PHC to the MSC and the finalization of land transfers to facilitate the construction of new affordable housing units, the MSC will have sole responsibility for the management of City-owned affordable housing units, with PHC being the sole agency responsible for the management of City-owned social housing.

Capital financing for the construction and redevelopment of housing units is expected to be a combination of equity, grants and debt financing provided under the National Co-Investment Fund (the “Co-Investment Fund”) administered by the Canada Mortgage and Housing Corporation. It is expected that the associated debt will be held by the entities with title to the housing units:

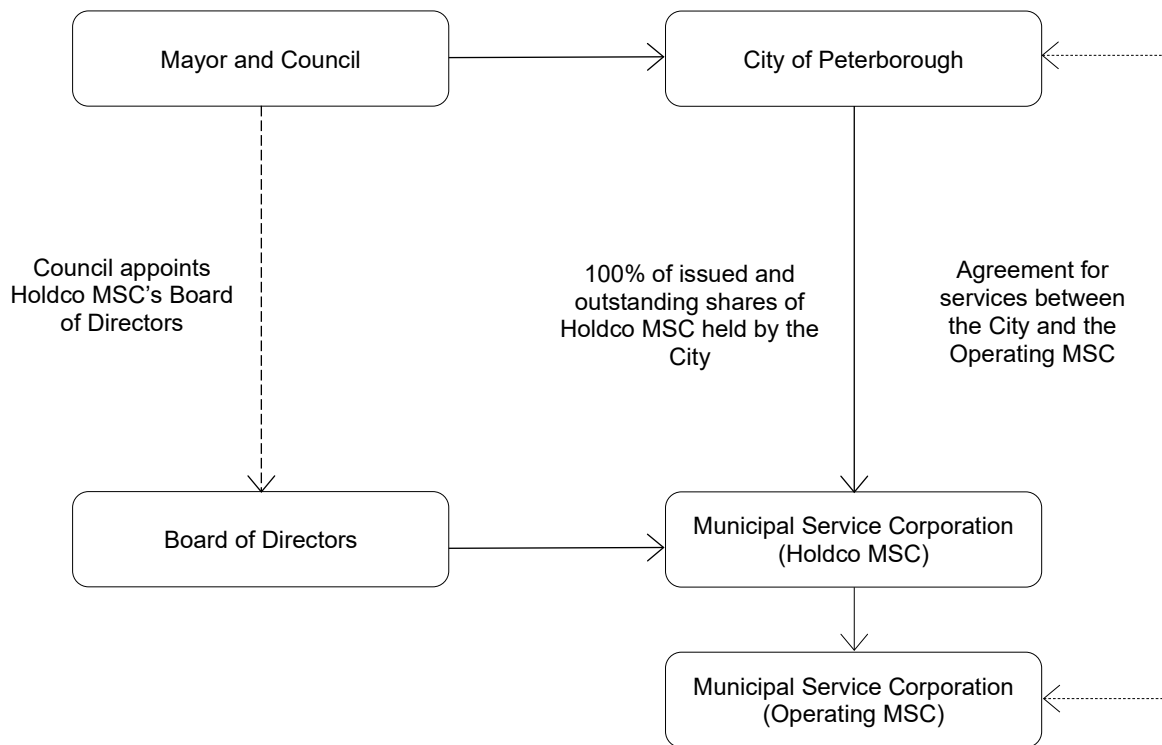
- Debt associated with the redevelopment of existing social housing units will be held by PHC; and
- Debt associated with the construction of MSC-owned market and affordable housing units will be held by the MSC.

In addition to the construction of new market and affordable housing units, the MSC will also be responsible for ongoing maintenance and property management of its units, which is expected to be accomplished through a shared-service arrangement with PHC and/or the use of third party service providers. Corporate support services, such as finance and information technology, are also expected to be provided through shared service arrangements, either with PHC or the City.

Corporate Structure

As depicted below, the proposed structure would involve the establishment of two MSCs:

- One MSC to act as a holding company ("**Holdco MSC**") to hold the City's equity ownership interest in Operating MSC (as hereinafter defined). The issued and outstanding shares of Holdco MSC would be owned by the City. The use of a Holdco MSC as holding company is intended to:
 - a) Allow the City to establish additional MSCs in the future while providing for a common governance structure; and
 - b) Provide a means for the City to participate in MSC arrangements with other municipalities or public sector bodies, with the Holdco MSC owning the City's equity interest in other MSCs; and
- Another MSC to act as an operating company (the "**Operating MSC**") for delivery of affordable housing, which includes newly constructed units as well as the properties transferred from PHC. The issued and outstanding shares of Operating MSC would be owned by the Holdco MSC.

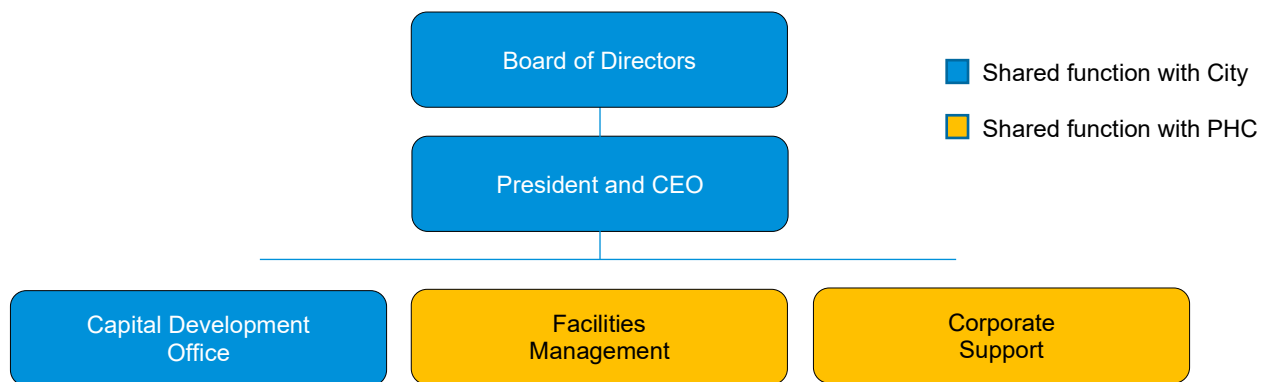


The City is proposing the use of a common board membership for both MSCs, whereby directors of the Holdco MSC would also serve as the directors of the Operating MSC. While the structure and composition of the board may evolve over time, the initial board of directors will be comprised of five members of City Council (Mayor, Deputy Mayor, Housing Committee Chair, Housing Committee Co-Chair, Finance Committee Chair).

Management and Personnel Structure

As a means of ensuring coordination of the MSC's activities with the City and PHC, as well as reduce overall administrative costs, the MSC's are not anticipated to have any employees; rather, resources will be provided through shared staffing arrangements with the City and PHC with third party advisors retained by the MSC's to assist with specific matters.

The proposed organizational chart of the Operating MSC is provided below.



Day-to-day operations of the Operating MSC would be the responsibility of its President and CEO. For the initial start-up period of the Operating MSC, the City's Commissioner of Community Services would be appointed as President and CEO. The use of a shared position (as opposed to a newly hired MSC employee) reflects the following considerations:

- The overall size of Holdco MSC's and the Operating MSC's operations are not expected to be sufficient to justify a full-time President and CEO; and
- The appointment of the Commissioner of Community Services will ensure coordination between the City, Holdco MSC, Operating MSC and PHC during and following the transfer of properties from PHC to the Operating MSC, as well as the negotiation of shared services arrangements involving the parties. .

The President and CEO would be assisted by a Capital Development Office comprised to two to three individuals that will be responsible for the planning and management of the capital program for affordable housing in the community. In order to maximize coordination with the City and address labour management issues, these individuals would be hired by the City and seconded to the Operating MSC for the duration of the affordable housing development project (as opposed to be hired directly by the Operating MSC) and would be responsible for:

- Working with external advisors and the PHC to complete architectural designs, space planning and other planning for the planned construction activities;
- Working with external advisors and the City to identify potential opportunities for private sector involvement in the development of affordable housing and negotiating final agreements with selected partners;
- Working with external advisors, the City and PHC to secure project funding from the Canada Mortgage and Housing Corporation and other sources;
- Coordinating with the City's procurement function and other departments on the development and issuance of procurement documents for construction services; and
- Providing ongoing project management for construction activities, including periodic reporting to the Board of Directors.

With respect to property management, corporate support services (e.g. financial transaction processing) and other activities relating to the maintenance of affordable housing units and associated tenant relations activities, the Operating MSC will utilize the services of the PHC on a cost-recovery basis. The use of a contractual arrangement with the PHC, as opposed to the hiring of new employees by the Operating MSC, is intended to:

- Maximize economies of scale and efficiencies by delivering property management, corporate support services and other functions on a combined basis for both social and affordable housing; and
- Minimize staffing and other operating impacts on PHC that would otherwise result from the transfer of affordable housing units from PHC to the Operating MSC.

The Case for Support

The City's Housing Strategy has identified a clear need for affordable housing in the community:

- The Housing Strategy identified a rental vacancy rate of 1.5%, which is significantly lower than the recommended range of 3% to 5% and is indicative of a lack of supply for rental accommodations;
- Average rents have increased by 7.1% between 2017 and 2018, resulting in increasing pressures from the standpoint of affordability. Overall, an estimated 50% of renters spend more than 30% of their household income on housing costs; and
- Average resale home prices have increased by almost \$150,000 from 2014 to 2019, making private home ownership increasingly unaffordable and resulting in more people remaining in rental units, which in turn reduces the overall vacancy rate and increases market rents. This, in turn, makes it more difficult for individuals to obtain affordable rental housing.

Since the completion of the City's Housing Strategy, the community has continued to experience pressures with respect to housing affordability:

- The reported vacancy rate continues to remain below the recommended range, with the CMHC reporting an overall vacancy rate of 2.6% at October 2020, with the vacancy rate ranging from 0.6% for bachelor apartments to 2.9% for 3 bedroom and larger units.
- Private apartment rents increased by 2.6% from 2018 to 2019 and a further 4.9% from 2019 to 2020.

Through the construction of additional affordable and market units, the MSC will provide relief for housing pressures across various segments of the population. For example, the increased availability of affordable housing may allow individuals to transition from social housing, freeing up space for individuals currently on the wait list and contributing towards a reduction in homelessness.

The establishment of a separate organizational structure for affordable housing in the form of an MSC has been identified as the preferred model for the development of new units, based on a range of benefits to the City and its residents:

- *The use of an MSC results in a specific focus on affordable housing development* – As noted earlier in the business case, the MSC is intended to be the sole agency responsible for the development and ongoing management of affordable housing in the community. This specificity of purpose and mandate avoids the potential for competing priorities that would shift resources and focus away from the key goal of developing more affordable housing in Peterborough.
- *The use of an MSC means no draw on the City's debt financing capacity* – The City has established a limit on the amount of debt financing that can be incurred, with a maximum of 16.5% of own-source revenues available for principal and interest payments. Debt incurred by PHC is included in this determination as PHC is a wholly-owned corporation and is consolidated for financial reporting purposes. The anticipated level of investment in affordable housing proposed by the City is expected to result in a significant level of debt financing through the Co-Investment Fund, which would significantly reduce, if not fully exhaust, the City's debt financing capacity if it were issued by PHC or the City directly. As a result, the City could be faced with a situation whereby it is required to reduce capital investments in other services (e.g. recreation) in order to accommodate the level of debt associated with the investment in affordable housing or reduce the level of investment in affordable housing in order to preserve debt servicing capacity for other projects.

The proposed MSC structure would qualify as a so-called “government business enterprise” for financial reporting purposes, which does not require the inclusion of debt incurred by the MSC in the City’s financial statements. As a result, the use of the MSC structure will allow the City to fully pursue the proposed level of investment in new affordable and market housing units without reducing its debt servicing capacity.

- *The use of an MSC provides a streamlined yet effective governance structure* – The proposed board structure of the MSC, ensures that the City has both direct control over the activities of the MSCs and a clear line of reporting between the MSC’s and City Council.
- *The MSC structure seeks to minimize resources through shared service arrangements* – To the extent possible, the MSC involves the use of shared resources (executive management, capital development processes, property management, corporate support) between itself, PHC and the City, avoiding the potential for duplication and increased administrative and other operating costs.
- *The establishment of a Holdco MSC structure can support future initiatives* – To the extent that the City wishes to pursue other initiatives, the proposed structure provides the ability to position these as new Operating MSCs held by the Holdco MSC
- *The use of the MSC allows PHC to focus on its original mandate of social housing* – As proposed, affordable housing units currently held by PHC will be transferred to the Operating MSC, which returns PHC’s mandate and operations to its original focus on social housing.

Implementation Strategy

In connection with the implementation of a MSC for affordable housing, the City will consider the following worksteps:

1. **Completion of public consultation** with respect to the proposed MSC model as required under Ontario Regulation 599/06, which we suggest include the following components:
 - a. Information materials included on the City's website and social media channels, including an overview of the proposed MSC structure, the case for support and frequently asked questions.
 - b. The use of an online survey to solicit input from the City's residents.

With respect to the consultation and communication process, we suggest that the key themes include the following:

- The proposed MSC model allows the City to address a key priority (the need for affordable housing and social housing renewal) without potential constraints resulting from debt servicing limitations.
 - The proposed MSC model is not expected to result in significant incremental costs for residents as affordable housing has traditionally operated at a surplus and is expected to continue to do so in the future.
 - The proposed MSC model is intended to enhance governance and operational efficiencies, particularly through the use of shared service arrangements that avoid the duplication of efforts.
2. **Incorporation of the Holdco MSC and Operating MSC** as legal entities. In doing so, the City should:
 - a. Obtain support from legal counsel with appropriate experience with the establishment of MSC's under the Regulation.
 - b. Ensure that the articles of incorporation of the MSC's are structured so as to meet the definition of a Government Business Enterprise ("GBE") for financial reporting purposes. Under Generally Accepted Accounting Standards for Public Sector organizations, GBE's are not consolidated for financial reporting purposes but rather are accounted for using the modified equity basis of accounting. As such, long-term debt held by a GBE is not reflected in the financial statements of the municipality and as such, is not considered in the determination of the allowable debt servicing limit. In order to qualify for GBE status, the MSC must meet the following criteria:
 - it is a separate legal entity with the power to contract in its own name and that can sue and be sued;
 - it has been delegated the financial and operational authority to carry on a business;
 - it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and
 - it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.
 - c. Ensure that the articles of incorporation are structured so as to meet the requirements for tax exempt status under Section 148.1(c) of the Income Tax Act.
 3. **Adoption of an asset transfer policy** as required under Ontario Regulation 599/06 that would establish the framework for the transfer of assets from PHC to the MSC, specifically existing affordable housing units and properties to be developed for market and affordable units.

4. **Development of appropriate governance and operating policies** for the MSC's, including terms of reference for the Board of Directors of the MSC's, a shareholder's agreement and operating framework.
5. **Establish a Master Services Contract** between the MSC and PHC the purpose of which will be to define the roles and responsibilities of PHC with respect to the services being provided to the MSC's, which should include, but not be limited to:
 - a. Maintenance of affordable housing units
 - b. Financial services, including tenant billing and collection
 - c. Information technology
 - d. Tenant services
6. **Establish an Administrative Services Contract** between the City and the MSC's for the corporate management (i.e. President and CEO) and capital development services.
7. **Procure necessary third party advisors** for key activities, including architectural planning, financial negotiations, legal and private sector partnering arrangements.
8. **Complete the initial planning phase of the affordable housing development initiative**, the purpose of which is to finalize site plans for the affordable and social housing units under development, allocate development responsibilities and ownership between the MSC and potential private sector partners and determine the strategy for ongoing ownership, including the nature of asset transfers between PHC and the MSC's (e.g. ownership transfers, lease arrangements).
9. **Assess potential strategies for social housing needs**, including a potential transition to rent supplement arrangements as opposed to the direct provision of social housing.
10. **Conduct consultations with the County of Peterborough (through the PRLC) and lower tier municipalities (as required)** to ensure a comprehensive understanding of the affordable housing redevelopment and secure required consents for the transfer of title for affordable housing units from the PHC to MSC.

Financial Analysis

Included as Appendix A is an analysis of the projected financial performance of the MSC, which considers the proposed scope of development and the assumption of existing affordable housing units from PHC. As noted in the projections, the MSC's are expected to be financially self-sufficient and do not require an ongoing subsidy or other financial support from the City.

In order to demonstrate the potential impact of changes in key assumptions (capital costs, level of debt, rental revenues), we have outlined below the forecasted impact on annual cash flows based on a 10% change in these considerations. As noted below, the MSC's are expected to generate sufficient cash flows to accommodate this level of variation in key assumptions.

Projected Annual Cash Flows (in thousands)

