



EOWC ADVOCACY
**BRIEFING
PACKAGE**

AMO CONFERENCE 2024

AUGUST 18-21, 2024

EOWC
EASTERN ONTARIO
WARDENS' CAUCUS

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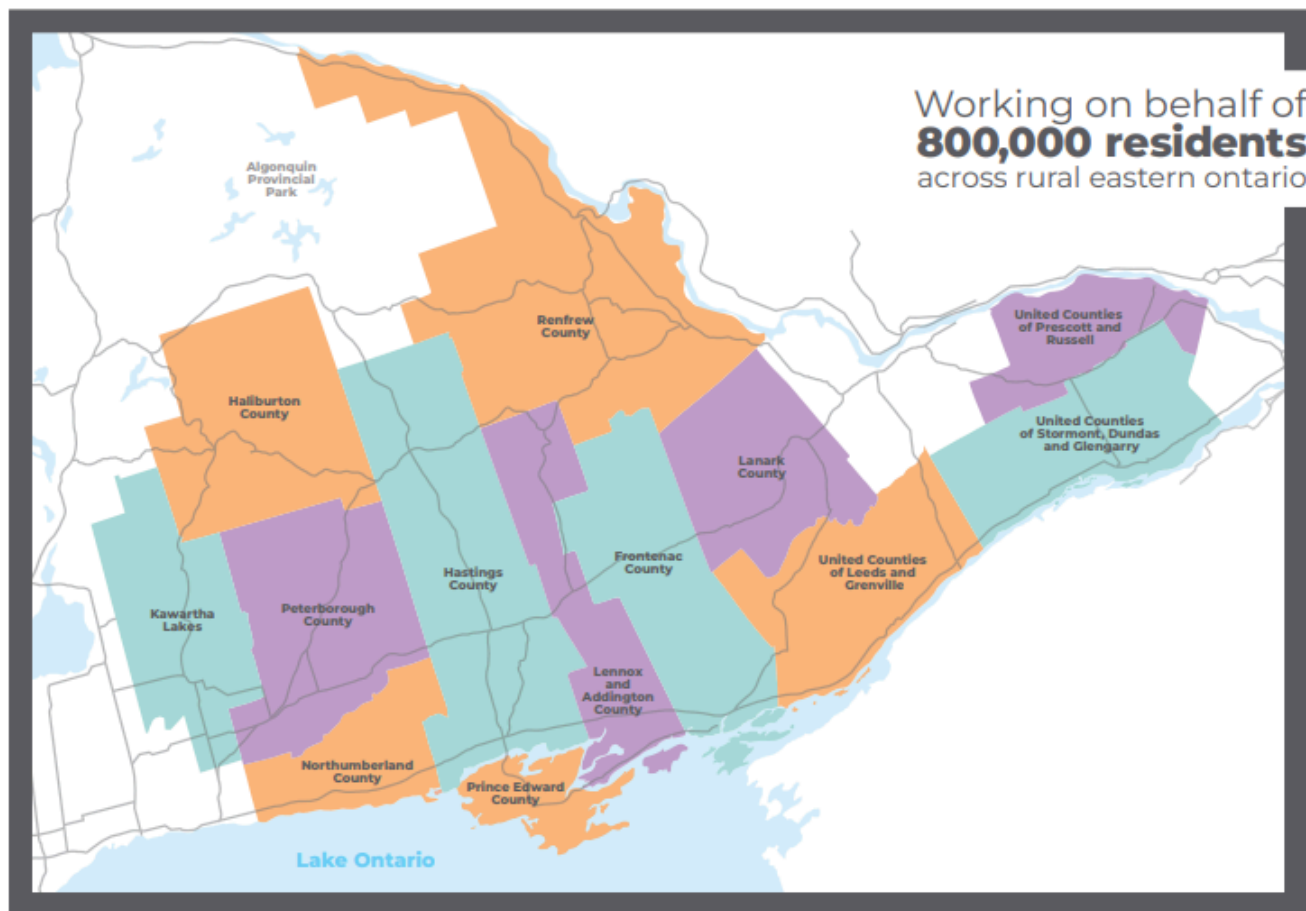
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About the EOWC

The EOWC Inc. is a non-profit organization advocating for 103 small urban and rural municipalities across Eastern Ontario. The EOWC covers an area of 50,000 square kilometres, serving 800,000 residents. For more than 20 years, the EOWC has gained support and momentum by speaking with a united voice to champion regional municipal priorities and work with the government, businesses, non-profit organizations, Indigenous leaders, the media, and the public.



EOWC Members

County of Frontenac
County of Haliburton
County of Hastings
City of Kawartha Lakes
County of Lanark
United Counties of Leeds and Grenville
County of Lennox and Addington

County of Northumberland
County of Peterborough
United Counties of Prescott and Russell
Prince Edward County
County of Renfrew
United Counties of Stormont, Dundas and Glengarry

2024-2027 Strategic Plan

INFRASTRUCTURE

The Foundation for Local Prosperity

HOUSING

The Backbone of Thriving and Supportive Communities

HEALTH CARE

The Engine for Healthy and Resilient Communities

STRENGTHENING OUR ORGANIZATIONAL IMPACT

The Value of the EOWC's Voice



VISION

The respected voice of Eastern Ontario that ignites a vibrant, thriving and inclusive region through strategic municipal partnerships and advocacy.

MISSION

The EOWC elevates Eastern Ontario through collaborative leadership, innovative solutions, and sustainable development for a prosperous and connected future.



LEADERSHIP

COLLABORATION AND PARTNERSHIPS

EVIDENCE-BASED AND SOLUTION DRIVEN

INCLUSION

RESPECT FOR RURAL AND SMALL URBAN

INFRASTRUCTURE

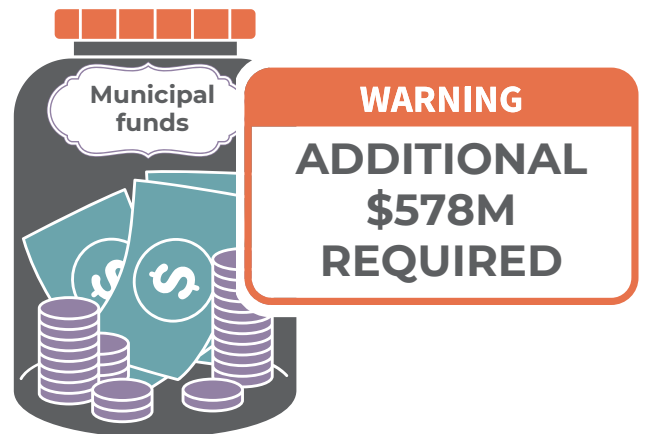
The foundation for local prosperity



Municipal responsibility exceeds capacity

\$981M annually is required to close the current capital investment gap

- The EOWC's municipalities spend \$403M annually on infrastructure, not including growth
- An additional \$578M a year is needed to maintain assets and address deficit



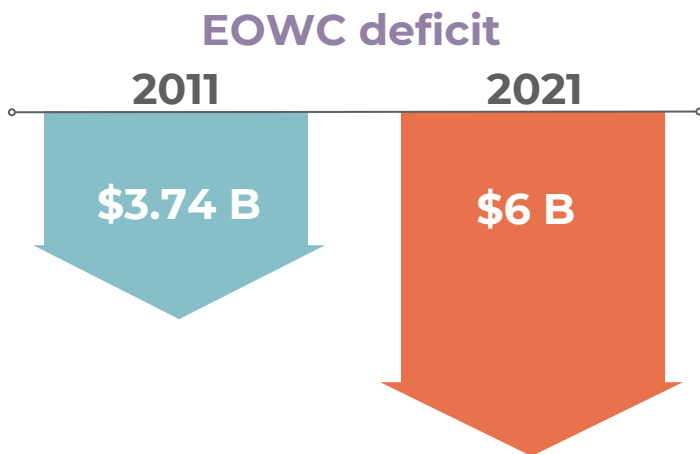
Rural and small urban Eastern Ontario is a growing economy that can grow more



- The EOWC's communities built more housing / 100,000 population than the City of Toronto
- The EOWC's municipalities issued 3,969 building permits since 2023

There is an upfront cost to growth creating a burden for rural and small urban communities and taxpayers

The capital infrastructure deficit has deepened by **58%** since 2011



The EOWC's 103 municipalities (2021):

- manage over **\$12B in assets**
- spend **\$536M a year to operate** infrastructure and perform basic maintenance
- **lack the tax base** to sustain infrastructure investment and asset management
- **infrastructure deficit has grown to \$6B**

Cost to taxpayers for maintaining 1km of paved municipal road

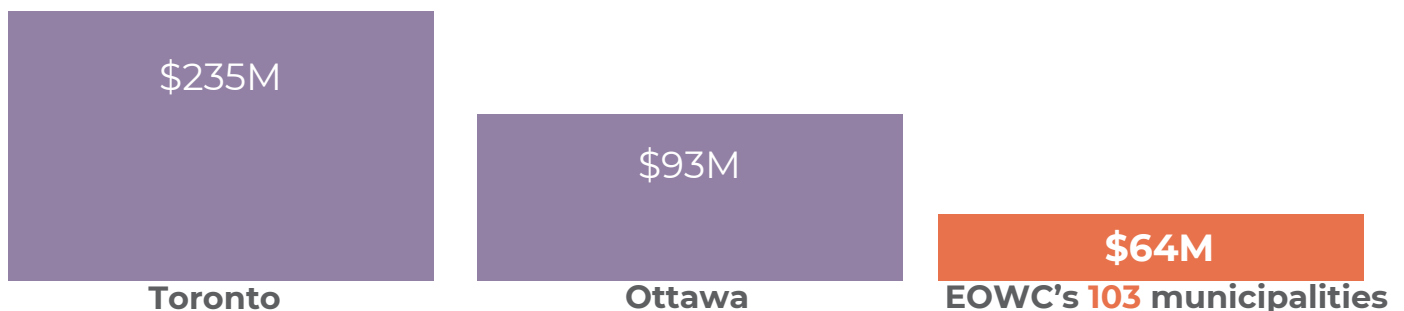
- In rural Ontario = 10 households
- In separated cities and towns = 28 households

Across the EOWC region, 236 households must maintain a bridge. In separated cities and towns, that cost is spread over 709 households

Same tool, big difference in revenue generation between one city and the EOWC region



Municipal own purpose revenue generation by 5%



Rural and small urban Eastern Ontario communities are major exporters to Ontario and other jurisdictions

- Businesses export 57.6% of production to other jurisdictions. This represents **\$33B / year of economic activity**
- The EOWC region generates **\$61B in annual economic activity** and exports \$20B a year in manufactured goods outside its regional boundaries
- **Municipal infrastructure is vital** to production, wholesale trade and transportation

Mind The Gap: EOWC's Municipal Infrastructure Policy Paper

<https://eowc.org/infrastructure-2/>





HOUSING

The backbone of thriving and supportive communities

Issue

Under the [2024-2027 Strategic Plan](#), the Eastern Ontario Wardens' Caucus (EOWC) set infrastructure, housing and health care as its three priorities.

The EOWC is asking to set a regional housing target in partnership with the Ministry of Municipal Affairs and Housing prior to December 2024.

This would be the first regional municipal housing target set, which would apply across the EOWC's 103 municipalities. This demonstrates the EOWC's willingness to partner and be a leader to address the housing crisis and align with the Ontario Government's goal of building 1.5 million homes by 2031.

Recommendations

That the Ministry of Municipal Affairs and Housing:

- Works together with the EOWC to establish a regional housing target. This target must reflect rural and small urban settings and circumstances across the EOWC's municipalities.
- Immediately following the AMO 2024 Conference, sets an MMAH-EOWC statement that a housing target be developed.

Considerations for establishing an EOWC housing target

- The housing target should reflect rural and small urban settings, considering local servicing constraints, achievable density and growth targets. Investments in smaller communities can have significant, far-reaching impacts. Therefore, the EOWC's municipalities should be integrated into the overall provincial housing strategy.
- The housing target intends to align with the Ontario Government's housing goal of building 1.5 million homes by the end of 2031. The EOWC's municipalities are ready to work together to provide data and feedback on behalf of the region.
- The intention of the EOWC is to create units across the housing continuum including supportive, affordable and market-rate housing.

Background

The EOWC's municipalities continue to work toward solutions to get housing built faster. The EOWC's communities built more housing than the City of Toronto per 100,000 population: 39 vs. 17 units (2021), as noted in the [EOWC's Mind The Gap: Municipal Infrastructure Policy Paper](#).

The EOWC continues to track available public lands for housing. Across the EOWC region, there are 278 parcels of surplus provincial and municipal lands.

- 28 provincial lands
- 250 municipal lands; 74 of these sites are development ready or close to being ready and would be an ideal property to build housing quickly

The EOWC is well positioned to support housing development and wants to capitalize on the current environment and growing economy by leveraging the resources and partnerships across the EOWC's 103 municipal members. The EOWC represents 800,000 people and covers over 50,000 square kilometres. The EOWC continues to actively track housing being built and surplus lands available for housing across the region.

As part of the EOWC's regional housing strategy, the EOWC is working on a list of actions that fit within each of the housing types as shown below. These actions, which include concrete advocacy measures, will feed into the overarching EOWC housing strategy.

SUPPORTIVE/AFFORDABLE HOUSING

MARKET HOUSING



EOWC Housing Strategy Guidance Principles

- Eastern Ontario requires significant investment from our Federal and Provincial Government partners to create new housing
- Eastern Ontario municipalities will work as a region to streamline and improve the housing development process to demonstrate that municipalities are not a barrier to development
- Eastern Ontario will embrace innovative technology and solutions to bolster housing supply
- Eastern Ontario will support the creation of housing through the use of existing municipal lands while working alongside the Federal and Provincial government to make their surplus lands available

Affordable and Supportive Housing

- Utilize municipal lands for the development of intervention housing
- Advocate for a new funding model for operating costs of social housing
- Coordinate local By-Name Lists amongst EOWC Service Managers
- Advocate for provincial support to municipalities in managing 'End of Operating' agreements
- Advocate for rent scales to be updated under the HSA
- Advocate for the Homelessness Prevention Program (HPP) to include rural component in funding formula
- Advocate for increased funding through Service Manager allocations
- Advocate for Service Managers to be part of the bi-lateral agreement discussions with the Federal and Provincial governments

Market Housing

- In partnership with the Province of Ontario, develop a Housing Target for Eastern Ontario
- Advocacy to solidify Build Faster Fund Rural Component
- Implement regional delivery approach on issues such e-permitting, land use planning and procurement of services
- Advocacy for increased funding for infrastructure within Eastern Ontario
- EOWC members to pre-develop municipal land for housing development
- EOWC to incorporate an Economic Development Lens to Housing

LONG-TERM CARE

The engine for healthy and resilient communities



Issue

Under the [2024-2027 Strategic Plan](#), the Eastern Ontario Wardens' Caucus (EOWC) set infrastructure, housing and health care as the three priorities. Under health care, municipal long-term care is a key focus.

The EOWC aims to discuss issues including the impact of staffing agencies in rural and small urban communities, and debt capacity challenges for long-term care homes.

The EOWC thanks the Ontario Government for the investments in municipal long-term care staffing in the 2024 Ontario Budget, including the targeting of students and providing funds for health care staff through the Ontario Learn and Stay Program. Additionally, the EOWC appreciates the renewal of the Construction Funding Subsidy to help capital projects across the finish line.

Impacts of Staffing Agencies on Rural and Small Urban Municipalities

The use of short-term staffing agency workers goes against the principal of continuity of care. The end goal must be to have full-time regular staff that know the individual resident's needs and preferences to provide the safest, personalized, highest quality of care that residents deserve.

Recommendations

That the Ministry of Long-Term Care:

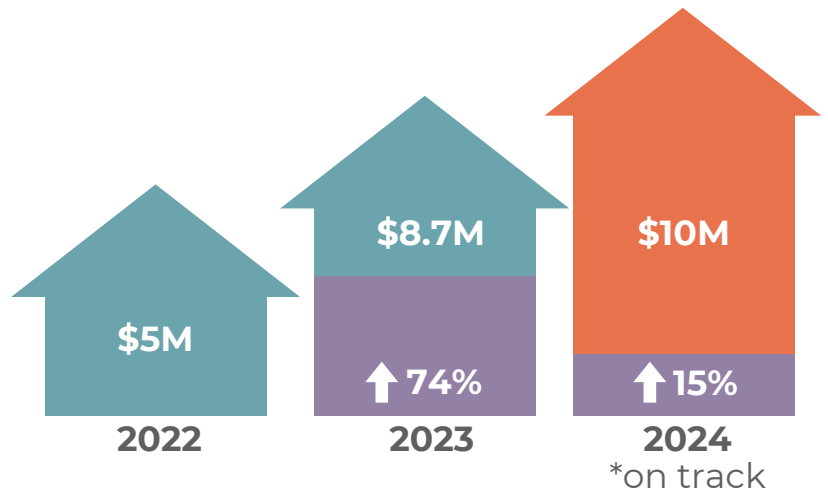
- Works together with the Ministry of Health on a sector-wide health human resources strategy, with a focus on rural and small urban communities' needs, to address staffing issues in the entire health sector, including long-term care. The EOWC is willing to provide data and feedback on behalf of the region.
- Sustainably funds rural and small urban municipal long-term care homes to alleviate the continued burden of paying premiums for staffing agency workers which are depleting municipal budgets.
- Ensures that staffing agency organizations and their staff have legitimate education credentials. Long-term care residents, with increasingly complex needs, must be cared for by qualified staff.

Key evidence

Staffing agencies are still impacting rural and small urban communities and municipal budgets. Across the EOWC's 17 municipal long-term care homes, on average staffing agencies have cost municipalities the following:

- In the first six months of 2024, the use of agencies has cost approximately \$5 million – this is on track to being a 15% increase from 2023 if nothing changes
- In 2023, agencies cost \$8.7M, a 74% cost increase from 2022
- In 2022, agencies cost \$5 million

Municipal cost of agencies year-over-year



Agency staff put a burden on rural taxpayers because of the premiums in wages of **60% to 100% of regular staffing costs**, plus extra costs charged for mileage and accommodation.

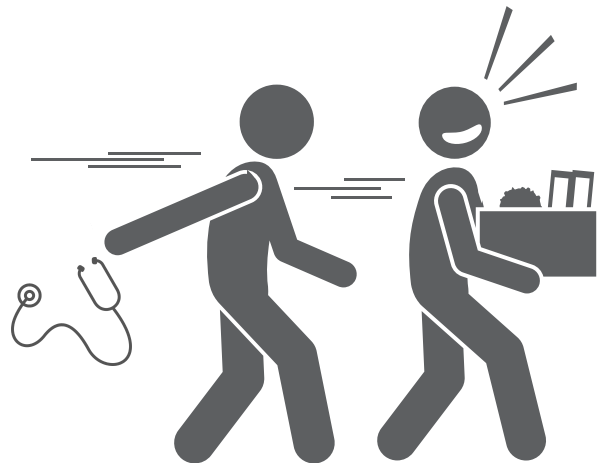
Agencies contribute to a decrease in staff morale and work culture

This is attributed to working alongside agency staff who may be making

1.5-2x

more than their hourly wage.

The home environment when agency staff are present makes it even more difficult for small urban and rural municipalities to attract and retain staff.



Background

The EOWC understands the complexity of the health human resources staffing challenges across Ontario's communities given their unique needs. In comparison to larger cities, the health human resources crisis continues to affect the EOWC's small urban and rural long-term care homes. The EOWC appreciates the steps that the Ministry of Long-Term Care has taken thus far as long-term care plays a significant role in easing the pressures on the overall healthcare system. However, the staffing gap in the EOWC's communities remains a concern and needs to be addressed with a short to medium-term timeline in mind as current municipal budget pressures are not sustainable.

Municipal rural and small urban long-term care homes continue to lose staff to agencies. This results in higher costs to fill staffing shortages through these agencies, as well as negatively impacting staff culture, and increased efforts spent to attract and retain staff. The money could then be directed to hire and retain staff as municipalities work towards reaching the four hours of care target.

The EOWC's municipalities are strong performers on long-term care and were an early advocate for the four hours of care target. The EOWC's municipalities are working to meet four hours of care for the 2024-2025. The region currently sits at an average of approximately 3.53 hours of care per resident.

Debt Capacity

Recommendations

That the Ministry of Long-Term Care:

- Works with Infrastructure Ontario to lower municipal interest rates for rural and small-urban communities with limited revenue sources, so that valuable capital can be directed into long-term care home build projects, and not interest payments.
 - Across the EOWC region, this would impact four municipal long-term care homes that are currently under development. It would also help enable more long-term care homes to be built.

Background

Responsibility is exceeding municipal capacity to pay for new long-term care homes.

Over time, **municipalities are spending twice as much in interest on the Construction Funding Subsidy (CFS) funding as they receive** from the Ontario Government to build new long-term care homes. Municipalities are paying this interest back to a provincial agency (Infrastructure Ontario). Taxpayers should not be paying more as a result of interest payments between governments. **This is a barrier to more long-term care homes being built.**

The [EOWC's Municipal Infrastructure Policy Paper](#) demonstrates that across the EOWC's municipalities, there is a **\$6 billion infrastructure deficit (2021) which has grown by 58% since 2011. Rural and small urban municipalities do not have the same financial tools to raise revenue** to cover much needed infrastructure repairs and new projects compared to larger cities. A more predictable, sustainable solution is needed to address current and future infrastructure maintenance and growth.

Municipal Case Examples

Municipal Debt Capacity

Effects of Escalating Long-Term Borrowing Interest Rates

United Counties of Prescott & Russell residence redevelopment project

At the beginning of the new long-term care home project, based on post-tender figures, the municipality's debt requirement was estimated at close to \$68 million. As the project progressed and market conditions indicated higher interest rates, the municipality focused on what could be controlled and invested significant capital to reduce the debt requirement.

Based on the most up-to-date cash-flow estimates, while the municipality has succeeded in reducing debt requirement by more than \$22 million, **municipal interest costs over a 25-year period have increased by \$10.2 million** due to the historic increase of the most recent confirmed interest rates. **The interest rate paid on advances requested from Infrastructure Ontario during construction is now 9.2 times higher than originally reported.**

The costs of carrying debt have become a more significant driver of budgetary pressures and will unfortunately lower debt capacity for upcoming years, **reducing the capacity of the municipality to deliver other vital programs.** Until the project is completed, the risks of rising interest rates remain a threat to the project and a priority concern for the United Counties of Prescott & Russell, among other municipalities across the EOWC region.



Municipal Case Examples

Municipal Debt Capacity

Effects of Escalating Long-Term Borrowing Interest Rates

Cost of debt servicing for Prince Edward County to build a new long-term care home

Provincial Construction Subsidy Funding (CFS) and the top-up CFS has made this project possible. The operating costs to finance the debt will however put a strain on an already tight municipal budget given other infrastructure pressures.

For a \$94.7 million build, about \$60.6 million will come over the 25 year period from the Ministry of Long-Term Care. Debt financing is essential to the capital funding strategy for municipalities such as Prince Edward County (where an annual 1% of tax increase equals \$500,000 in revenue). However, **that \$6.60 million will cost an additional \$43.9 million in interest over the life of the loan to furnish the debt required at the time of construction.**

This is operating budget expenditures for interest paid to a provincial agency (Infrastructure Ontario), to address the fact that funding from the provincial ministry comes over time.



EOWC Resources

The EOWC remains a reliable, trusted partner. The EOWC encourages government and sector partners to learn more about the EOWC's municipal long-term care sector homes and related data.

- [EOWC – Key Takeaways](#) Review of Eastern Ontario Long-Term Care Facilities (January 2021)
- [EOWC – Phase Two Report](#) Review of Eastern Ontario Long-Term Care Facilities, January 2021 (January 2021)
- [EOWC – Phase One Report](#) Review of Eastern Ontario Long-Term Care Facilities (January 2021)





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