



External Commitments

Service Delivery Promise

The County of Essex is committed to developing strategic partnerships within our region and across our communities to address issues that impact all County residents. At times these issues fall outside the legislated mandate of the upper tier government but are assessed to be important initiatives that warrant County involvement and contribution. In other instances, contributions are mandatory as part of established service delivery models and agreements. The County of Essex remains vigilant in identifying and responding to these external commitments for the betterment of all County residents.

External Commitments



Level of Service Statement

The County's external commitments are categorized as either legislated or discretionary. Legislated commitments include funding for shared services relating to public health, property assessment, social services and social housing. Currently, the County supports discretionary commitments related to hospice services, hospital support, regional economic development, tourism, physician recruitment, connectivity, homelessness and poverty and regional tax appeal support.

2021 Achievements and Challenges

COVID-19 response and management continued to dominate municipal actions throughout the province in 2021. Provincial funding commitments and Federal supports were not confirmed when the 2021 budget was set, and as a result, there has been some significant variance.

The Windsor Essex County Health Unit (WECHU) directed its resources heavily into vaccination efforts in 2021, and the full cost of operations is not yet known as booster shots are now being introduced. It is anticipated that the County's share of public health (net of Safe Restart Funding) will exceed budget.

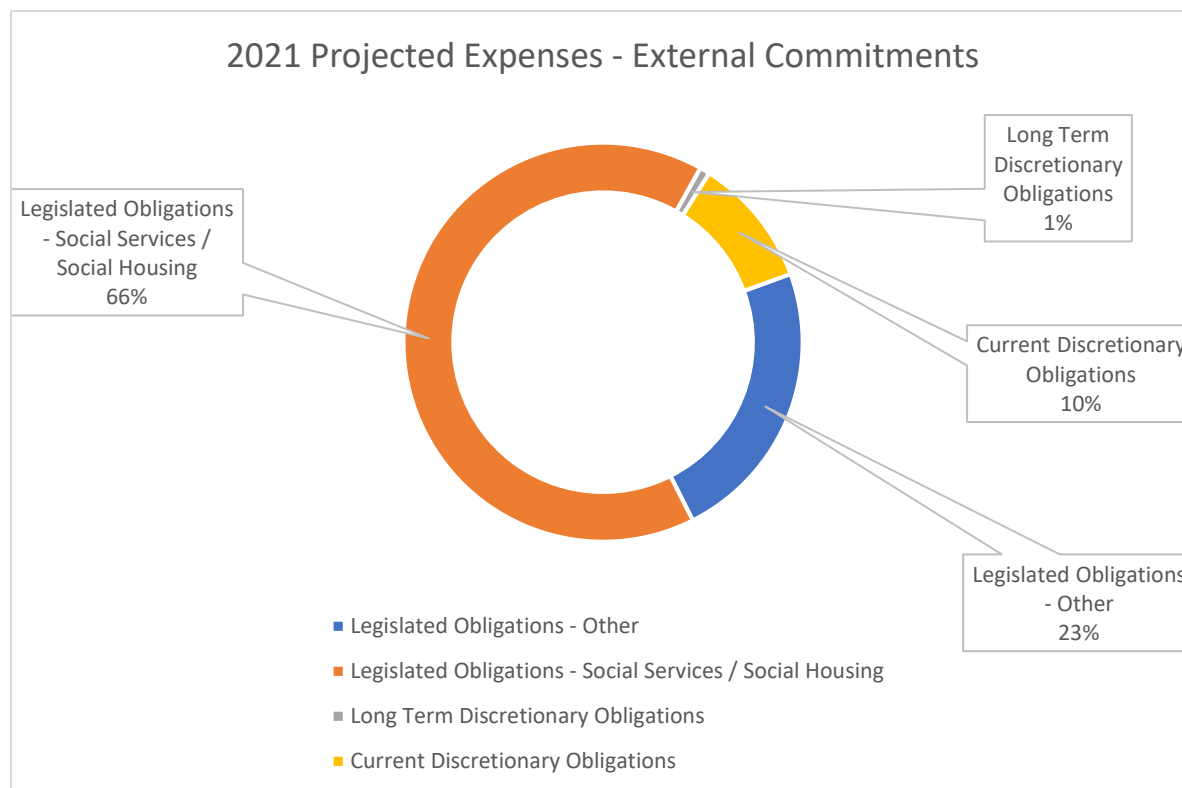
The Municipal Property Assessment Corporation was scheduled to release updated property assessment figures during the summer of 2020. The new assessment data would have increased property values from their historic January 1, 2016 level to a value as at January 1, 2019. The Province of Ontario resolved to pause the release of the assessment update, therefore municipalities will be again be levying against the values contained in the 2020 roll adjusted for in-year changes only.

The pandemic further highlighted the seriousness of the region's affordable housing and homeless shelter shortage. The 2019 provincial funding announcement that reduces provincial support for childcare was deferred during 2021, and this resulted in a significant surplus. This surplus will be directed into the County's reserve to provide funding for future Social Housing / Affordable Housing initiatives.

Regional support for economic development and tourism remained stable in 2021. A one-time project to develop a wayfinding strategy within the region will be completed in early 2022 and has been funded by a contribution from reserve.

The Province is committed to supporting a new regional hospital system, and has recently confirmed \$9.8 million of funding in support of the project's planning phases. Included in External Commitments in 2021 was a contribution to reserve of \$5,800,000 towards the anticipated total County commitment of \$100 million.

The graph on the next page illustrates the key areas of spending in External Commitments for this past year (projected to December 31, 2021).



Opportunities and Challenges Facing External Commitments in 2022

Economic concerns and COVID-19 continue to dominate the landscape for 2022. Recent announcements of shift reductions at Stellantis, terminating Federal individual COVID supports and increasing pressure on the local housing market have increased the level of risk associated with the 2022 estimates for Social Services and Social Housing.

Proposed 2022 Budget Plan

Estimates for shared social services costs anticipate previously announced reductions to the funding model for childcare administrative services as well as increased demand for supports. In addition, there is increased pressure on the system and the stock of affordable housing as it continues to age and be below the capacity needs for the region. 2022 estimates anticipate increases in operational costs as well as the loss of Federal Block Funding.

Dialogue will continue at the local, regional, provincial and federal levels of government focusing on modernization, efficiencies and collaborative solutions to regional issues. As approved by Council in 2021, year one of a 20-year commitment to The Bridge to support Affordable Housing Units in Leamington has been included in the 2022 Budget. Also included are

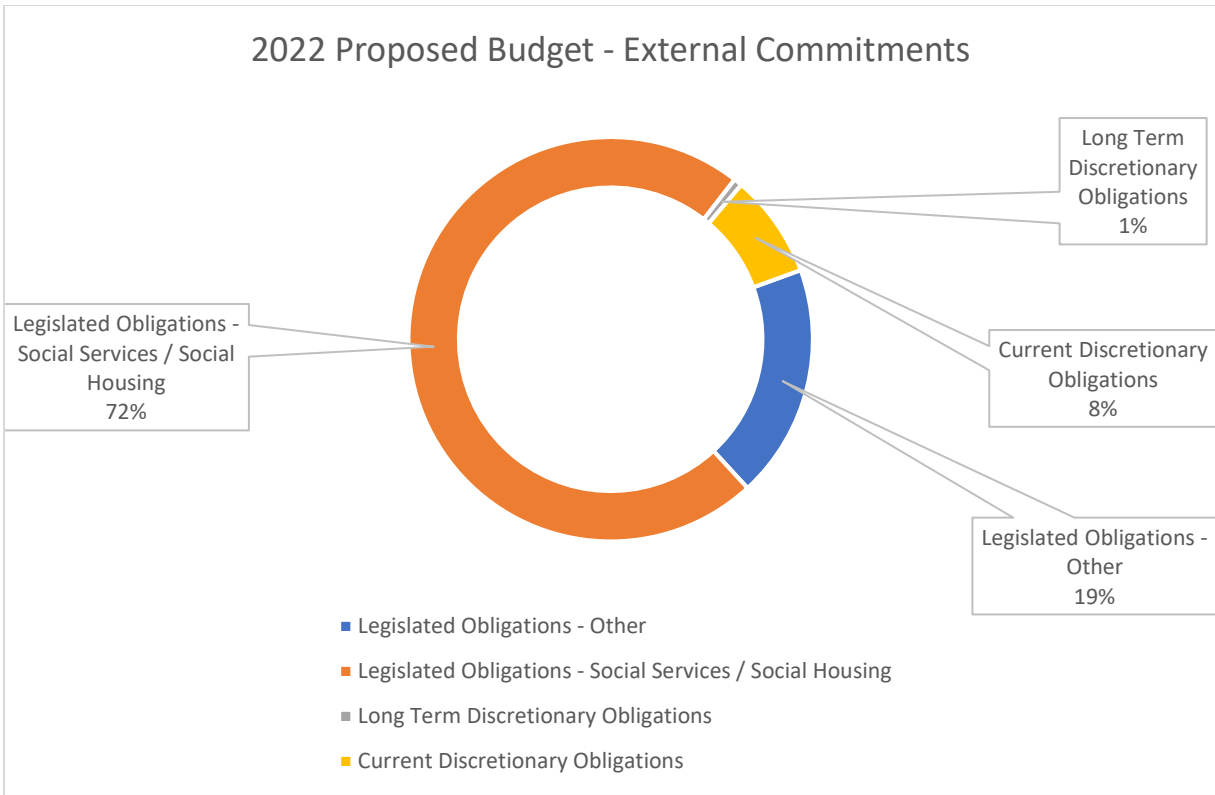
allocations (funded by reserve) to review the regional funding agreement for Social Housing (with a focus on how new units might be funded) as well as the development of a Regional Affordable Housing Strategy. The 2022 Budget maintains the 2021 level of funding for social housing stock renewal until a Regional strategy is established. As Social Housing capital requests are received from our service partner, the City of Windsor, withdrawals from the reserve will be made.

The 2022 Budget proposes a contribution to the New Windsor Essex Hospitals System Reserve in the amount of \$6,360,000. The amount is in keeping with the funding model presented to Council at the initiation of the project and represents an annual increase in contribution of approximately 0.5% of the total levy.

Other initiatives include:

- Modest savings as Physician Recruitment moves to a work-from-home model;
- Community Safety and Well Being Plan co-ordinator and an allocation for implementation initiatives will begin in 2022, but the full year one costs will be funded by accumulated surpluses in the Pathway to Potential program. Future years will reflect a levy increase of approximately \$100,000 to support this mandated initiative;
- \$50,000 included to fund potential administrative costs associated with the Ontario Health Team application. Approval would likely result in full funding, so this allocation has been funded by reserve for 2022; and
- Commitments to SWIFT initiatives and ProsperUs have continued at 2021 funding levels.

The graph on the next page illustrates the key areas of proposed 2022 Budget spending in External Commitments. It is important to note that \$2.9 million will be funded by reserves.



Overall, the 2022 Budget for External Commitments, net of recoveries, totals \$34,748,070 (6.06% increase over the 2021 Budget of \$32,762,040).