

**REPORT NO. 31 of the  
SOCIAL DEVELOPMENT,  
HEALTH & CULTURE STANDING COMMITTEE**  
of its meeting held September 14, 2011

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**Present:** Councillor Al Maghnieh, Chair  
Councillor Alan Halberstadt  
Councillor Percy Hatfield  
Councillor Ron Jones

**Regrets:** Councillor Ed Sleiman (city business)

That the following recommendation of the Social Development, Health and Culture Standing Committee **BE APPROVED** as follows:

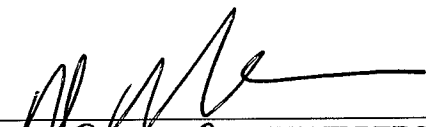
Moved by Councillor Jones, seconded by Councillor Hatfield,  
THAT City Council **APPROVE** the allocation of up to \$200,000 per year in each of 2011 and 2012 to the Salvation Army Windsor Community & Rehabilitation Centre for the provision of enhanced employment services. The funding will draw upon unexpended Employment funding earned in 2009 and carried over to the 2011 fiscal year. This funding allocation will have no budget impact on the 2011 Approved Budget, and further

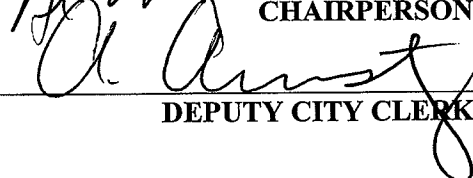
THAT the Community Development and Health Commissioner **BE AUTHORIZED** to execute a contract with The Salvation Army Windsor Community & Rehabilitation Centre and The Corporation of the City of Windsor provided the agreement is in form and content satisfactory to the City Solicitor, satisfactory in financial content to the City Treasurer and satisfactory in technical content to the Executive Director of Employment and Social Services.

Carried.

Clerk's Note: The report of the Executive Director, Housing and Children's Services and the Manager of Residential Services entitled "The Salvation Army – Closure of Residential Programs" dated August 26, 2011 is attached for information.

LiveLink #15477  
File SSI/1857

  
\_\_\_\_\_  
CHAIRPERSON

  
\_\_\_\_\_  
DEPUTY CITY CLERK

<b>NOTIFICATION :</b>				
Name	Address	Email Address	Telephone	FAX
Lieut. Col. Lee Graves Salvation Army	371 King St., London, ON N6B 1S4	<a href="mailto:lee_graves@can.salvationarmy.org">lee_graves@can.salvationarmy.org</a>	519-443-6106	866-554- 4379
Major Pat Phinney	371 King St., London, ON N6B 1S4	<a href="mailto:Pat_phinney@can.salvationarmy.org">Pat_phinney@can.salvationarmy.org</a>	(519) 873- 2983	(519) 433- 0250
Marian Fantetti c/o Sandra Pupatello's Office	Sandra Pupatello's Office	<a href="mailto:mfantetti@liberal.ola.org">mfantetti@liberal.ola.org</a>	519-977-5036	
MCSS Peter Steckenreiter	P.O. Box 5217 London, ON N6A 5R1	<a href="mailto:peter.steckenreiter@css.gov.on.ca">peter.steckenreiter@css.gov.on.ca</a>	+1 (519) 438- 5111 #3184	+1 (519) 858-8407
Joyce Zuk, Chair of Homeless Coalition of Windsor Essex County	235 Eugenie St. W. Suite 105A Windsor, Ontario N8X 2X7	<a href="mailto:jzuk@citizen-advocacy.ca">jzuk@citizen-advocacy.ca</a>	(519) 966- 5010	(519) 256- 5258

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Social Development & Culture Standing Committee –**  
**Administrative Report**

**MISSION STATEMENT:**

*"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"*

<b>LiveLink REPORT #: 15477 SSI/1857</b>	<b>Report Date: August 26, 2011</b>
<b>Author's Name: Debbie Cercone Lucy Sobczyk</b>	<b>Date to Standing Committee: September 14, 2011</b>
<b>Author's Phone: 519-255-5200 x 6239 519 255-5200 x 5411</b>	<b>Classification #:</b>
<b>Author's E-mail: dcercone@city.windsor.on.ca lsobczyk@city.windsor.on.ca</b>	

**To: Mayor and Members of City Council**

**Subject: The Salvation Army – Closure of Residential Programs**

**1. RECOMMENDATION: City Wide:  Ward(s): \_\_\_\_\_**

THAT City Council **APPROVE** the allocation of up to \$200,000 per year in each of 2011 and 2012 to the Salvation Army Windsor Community & Rehabilitation Centre for the provision of enhanced employment services. The funding will draw upon unexpended Employment funding earned in 2009 and carried over to the 2011 fiscal year. This funding allocation will have no budget impact on the 2011 Approved Budget; and further

THAT the Community Development and Health Commissioner **BE AUTHORIZED** to execute a contract with The Salvation Army Windsor Community & Rehabilitation Centre and The Corporation of the City of Windsor provided the agreement is in form and content satisfactory to the City Solicitor, satisfactory in financial content to the City Treasurer and satisfactory in technical content to the Executive Director of Employment and Social Services.

**EXECUTIVE SUMMARY:**

N/A

**2. BACKGROUND:**

The Salvation Army currently supports men over the age of 16 who require emergency shelter and men who require domiciliary hostel care. Male individuals who are experiencing a homelessness crisis and present at the Salvation Army, are given food (3 meals per day) and shelter. They may also qualify for personal needs allowance (PNA) of \$4.30 per day during their approved stay. Families, who present as homeless, are referred to a Motel where food and shelter are provided. The Domiciliary Hostel area of the Salvation Army provides 24 hour care for individuals that are unable to care for themselves. Individuals

must be medically deemed to require Rest Home Care. The Salvation Army also provides a food bank year round and a soup kitchen during the winter months for those in need in the community; as well as offers day treatment programs such as Men's Addiction Support Treatment (MAST).

Over the last year the following were the number of individuals who were supported by the Salvation Army in both programs, the breakdown of statistics is as follows:

**Emergency Shelter Program**

An average of 15 beds is occupied on a nightly basis. Over the last year, the Shelter assisted an average of 55 individuals per month. In 2010, the Shelter assisted an average of 71 individuals per month.

**Domiciliary Hostel Program**

An average of 18-19 beds is occupied on a nightly basis. The licensed capacity for this program is 26 individuals.

Both the Emergency Shelter Program and the Domiciliary Hostel Program receive funding on a "per diem" basis, which is based on occupancy (beds being filled). The rates are set by the Ministry of Community and Social Services (MCSS).

Senior staff in the Community and Health Services area have been raising the issue of the inadequate funding formula with the Province for some time. In comparison other full day per diems for residential care are over \$200 per day. In addition, the Ontario Municipal Social Services Association (OMSSA) conducted an Emergency Shelter Survey among the 47 Consolidated Municipal Service Managers (CMSMs) in 2005. Their findings identified that "The current maximum per diem rate established by MCSS for cost-sharing purposes is inadequate to fund the required services". The per diem has increased by \$3.85 in the past 6 years. Through the Human Services Integration meetings senior municipal staff were able to convince the Provincial Government staff that these per diems are inadequate and that there needs to be one Ministry responsible for housing. In 2013 municipalities will be given more flexibility through a block funded approach to address local housing needs in their communities including emergency shelters and hostels.

Below are the current per diem rates and bed utilization levels for the shelters:

	<b>Emergency Shelter Program</b>	<b>Domiciliary Hostel Program</b>
<b>2011 Operating Data</b>		
Per Diem Rate	\$ 43.00	\$ 47.75
Current Year Avg # of Beds Filled per Day	15	19
Licensed Capacity	51	26
% Operating Capacity	29%	72%

In addition to per diem funding, the Salvation Army also receives other sources of funding (private donations, United Way, Red Shield and Christmas Kettle Campaign) which offsets Administrative and other programs. These sources of funding will be utilized in 2011 and 2012 to cover the cost of Family Services Programs such as the soup kitchen and food bank.

The City had been using shelter funding from the Province for a substance abuse program until February 2010. This is not allowed under the emergency shelter guidelines and consequently we stopped approving these requests. Substance abuse programs should be adequately funded by the Ministry of Health to

ensure quality control. The Salvation Army has been advised by our Erie St Clair Local Health Integration Network that it would not fund them on an ongoing basis for addictions services.

In 2010, when issues were being raised by the Salvation Army about their funding shortfall we conducted an operational review that included program and financial components. The review covered fiscal years 2009/10 and 2010/11 with the focus of the review being limited primarily to the Emergency Shelter Program and the Domiciliary Hostel Program.

The 2010 review confirmed that the primary financial challenge facing the Salvation Army was lost revenues from declining utilization in the shelters. Currently operating capacity is at 29% for the Emergency Shelters, while the Domiciliary Hostel program operates at 72%. The per diem revenue generated at existing occupancy levels was insufficient to cover the cost of providing care in a large building. Declining utilization has been a trend since at least 2007 with the sharpest decline in 2010 with the closure of the Substance Abuse program.

Recommendations to address operational issues and accounting practices were made, and included the following:

- Salvation Army needed to take a more active role in engaging community partnerships to enhance service delivery. Since 2007, with a number of changes in leadership, community partnerships and networking was at a minimum.
- Salvation Army was to review and revise their method of allocating costs and revenues (administration, food costs, occupancy costs, and donations). This would improve financial projections and more quickly highlight areas of concern specific to each program.
- Salvation Army was to explore other options to address the projected deficit such as joining with another service provider offering shelter services, selling the existing building, and moving to a smaller location.

After the review the Salvation Army restructured and reduced their staffing. This netted a savings of approximately \$80,000 to \$100,000. A senior staff from London was on site at the time and he continued to mentor the new leaders who arrived in Windsor in August of 2010. We have been informed he is no longer able to do so as he has been transferred.

### **3. DISCUSSION:**

On August 11, 2011, the Community Development and Health Commissioner received a letter from the Divisional Commander of The Salvation Army advising that they will be closing their residential operations effective October 11, 2011 but maintaining their day programs that currently operate out of their site at 355 Church Street. (See attached).

Over the last several years the Army has been utilizing increased funding from the Provincial Red Shield Allocation to offset the increasing deficit.

Many emergency shelters across the province struggle financially. Some receive top up funding from the City and the City of Toronto operates many shelters directly. Also most have had to fund raise to remain viable.

At this time, the Salvation Army needs stable ongoing operating funding (outside of the per diem that we provide them for both the emergency shelter and lodging home programs) of \$200,000 per year in order to remain in operation in Windsor.

The City provides the Well Come Shelter (women's 11- bed shelter) with \$57,000 of municipal funding each year to maintain their operations. Council approved this on-going funding in 2006.

Should the program close City staff would not have difficulty with moving the domiciliary hostel clients as the other rest homes have space to accommodate these individuals. However if the emergency shelter were to close we would not have a men's shelter in the community and we would need time to address this and implement a replacement plan in our community. It would be very difficult to find another provider at the per diem rate without top up funds. Families requiring shelter are placed in motels and we do receive cost sharing from the province for this.

Further to the letter received on August 11, 2011 from the Salvation Army, meetings were held with Senior Management from the Salvation Army on August 16<sup>th</sup> and 25<sup>th</sup> to discuss potential options that may be available to avoid closure of the residential programs. Should Council approve the allocation of \$200,000 for years 2011 and 2012, the Salvation Army has agreed to enter into a contract with the Corporation of the City of Windsor to deliver enhanced employment services to the participant's in the residential programs. This program change would allow us to use Provincial funds to help with base costs. The Salvation Army is also committed to having a senior representative work with Housing Services and our Community Partners in developing the Long-Term Affordable Housing Strategy for our community. This planning process will look at the need for emergency shelter for youth, men, women and families. A sustainable program and financial model will need to be developed.

#### **4. FINANCIAL MATTERS:**

Both the Emergency Shelter Program and the Domiciliary Hostel Program receive funding on a "per diem" basis, which is based on occupancy (beds being filled). The rates are set by the Ministry of Community and Social Services (MCSS). The \$47.75 per diem for the Domiciliary Hostel program is cost shared at 80% provincial and 20% municipal. The \$43.00 per diem for the Emergency Shelter program is cost shared at 81.2% provincially and 18.8% municipally in 2011 and for 2012 is cost shared at 82.8%/17.2%. The municipal cost of the Emergency Shelter is further shared by the County using the weighted assessment formula.

The Salvation Army has indicated that stable ongoing operating funding (outside of the per diem revenue received for both the emergency shelter and lodging home programs) of \$200,000 is required in order to remain in operation in Windsor. Based on our interpretation of the Emergency Hostel and Domiciliary Hostel 2011-2012 budget prepared by the Salvation Army, and based on a review of past audited financial statements the need for the funds is confirmed.

The funding would draw upon unexpended Employment funding earned in 2009 that was carried over to fiscal 2011. These "carryover" funds were cost shared by the Province at 80% / 20% and further cost shared with the County. Allocating these funds to the Salvation Army will have no impact on the 2011 approved budget. Administration will continue to conduct annual reviews of Salvation Army's financial statements to verify their continued need for funding.

Should Council not approve additional funding and the Salvation Army continues their residential programs to their year-end of March 31, 2012, the Salvation Army has advised the continued deficit may cause closure of their Windsor site including the soup kitchen and family services programs.

#### **5. CONSULTATIONS:**

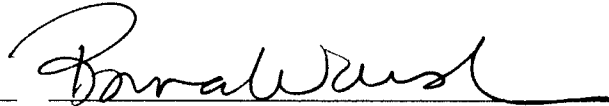
The Community Development and Health Services Commissioner has consulted with staff of the Ministry of Community and Social Services and staff from Sandra Papatello's, MPP Windsor West, office. Several staff across this department including financial staff have been involved in finding a solution to this.

6. CONCLUSION:


Stabilizing the Salvation Army with available funds is necessary to ensure that supports in homelessness are available. Staff in Community Development and Health Services are confident that the Salvation Army and its staff will be actively involved in ongoing meetings to develop the new Long-Term Affordable Housing Strategy. We will continue to work with them to ensure employment programs are available throughout this transition period. The feasibility of stabilizing the organization and continuing the residential programs is contingent upon Council's approval to allocate the funds identified in this report



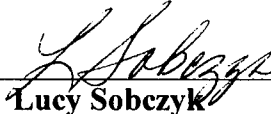
**Debbie Corcone**  
Executive Director of Housing and  
Children's Services



**Ronna Warsh**  
Community Development and Health  
Commissioner and Corporate Leader Social  
Development, Health, Recreation and  
Culture



*for* **Onorio Colucci**  
Chief Financial Officer/City Treasurer  
and Corporate Leader Finance and  
Technology



**Lucy Sobczyk**  
Acting Manager Residential Support  
Services



**Diane Quinn**  
Acting Executive Director of Employment  
and Social Services

DC/LS:kk

**APPENDICES: A: Letter from Salvation Army to R. Warsh**

**DEPARTMENTS/OTHERS CONSULTED:****Name: Linda Higgins, Manager of Intergovernmental Subsidies and Financial Administration****Phone #: 519 255-5200 ext. 5222****Phone #: 519 ext.****NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX
Lieut. Col. Lee Graves Salvation Army	371 King St., London, ON N6B 1S4	<a href="mailto:lee_graves@can.salvationarmy.org">lee_graves@can.salvationarmy.org</a>	519-443-6106	866-554- 4379
Major Pat Phinney	371 King St., London, ON N6B 1S4	<a href="mailto:Pat_phinney@can.salvationarmy.org">Pat_phinney@can.salvationarmy.org</a>	(519) 873- 2983	(519) 433- 0250
Marian Fantetti c/o Sandra Pupatello's Office	Sandra Pupatello's Office	<a href="mailto:mfantetti@liberal.ola.org">mfantetti@liberal.ola.org</a>	519-977-5036	
MCSS Peter Steckenreiter	P.O. Box 5217 London, ON N6A 5R1	<a href="mailto:peter.steckenreiter@css.gov.on.ca">peter.steckenreiter@css.gov.on.ca</a>	+1 (519) 438- 5111 #3184	+1 (519) 858-8407
Joyce Zuk, Chair of Homeless Coalition of Windsor Essex County	235 Eugenie St. W. Suite 105A Windsor, Ontario N8X 2X7	<a href="mailto:jzuk@citizen-advocacy.ca">jzuk@citizen-advocacy.ca</a>	(519) 966- 5010	(519) 256- 5258





**The Salvation Army**

Canada and Bermuda Territory  
Ontario Great Lakes Division

Office of the Divisional Commander

371 King Street London ON N6B 1S4  
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Received

AUG 11 2011

Social Services Dept.

www.salvationarmy.ca

08 August 2011

**CONFIDENTIAL**

Ronna Warsh  
Community Development and Health Commissioner  
Suite 301, 400 City Hall Square East  
P.O. Box 427  
Windsor, ON N9A 6L7

Dear Ms. Warsh:

I am writing to advise you of an important announcement regarding the residential services at The Salvation Army Windsor Community & Rehabilitation Centre, namely the Hostel Services and the Community Care Program. After extensive consideration and deliberation, the decision has been made by The Salvation Army to conclude its residential operations at the WCRC, located at 355 Church Street in Windsor, Ontario as of 11 October 2011. This letter will serve the required 60 day notice period outlined in the funding contracts for these programs.

The Salvation Army WCRC has faced, and continues to face, serious resource issues. We have determined that we can no longer continue to offer the residential services at this facility. I assure you that the current day programming at WCRC will continue to operate. Our goal moving forward is to enhance these services to better serve individuals and families requiring such support. I also commit to you that the residents of the Community Care Program will be assisted in finding suitable alternate accommodation and will not be discharged until placements are found.

I would request that this information be held in the **strictest of confidence** until a public announcement is made by The Salvation Army scheduled for August 25<sup>th</sup>, 2011.

The Salvation Army values its partnership with the City of Windsor Social Services Department and regrets the need to take this action. The Salvation Army has always been and will remain committed to serving the citizens of Windsor through its existing Day Programs

Sincerely,

Lee Graves  
Lieut.-Colonel  
Divisional Commander  
The Ontario Great Lakes Division

c - Major Rene Loveless  
Major Don Feltham  
Major Pat Phinney

Linda Bond  
General

William and Catherine Booth  
Founders

Brian Peddle  
Territorial Commander



**The Salvation Army**

Canada and Bermuda Territory  
Ontario Great Lakes Division

Divisional Headquarters

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c: L. Sobczyk ✓  
D. Carroll ✓

Received

SEP - 1 2011

Social Services Dept.

August 29, 2011

Ronna Warsh  
Community Development and  
Health Commissioner  
The Corporation of the City of Windsor  
Social Services Department  
400 City Hall Square East, Box 428  
Windsor, ON N9A 6L7

Dear Ms. Warsh

Further to my email communiqué of Friday, August 26, 2011, this official letter will serve to convey the decision of The Salvation Army to defer making a public announcement regarding the future of its residential work in Windsor until after City Council has had an opportunity to consider a request for additional funding. It is anticipated that this presentation will be made to City Council in the month of September, 2011.

As you are aware, The Salvation Army is projecting continuing deficits in the operation of this program. Should the City not be able to assist with covering operating deficits for the 11/12-12/13 periods, The Salvation Army will announce closure of the Community Care and Shelter programs on April 1, 2012.

The Salvation Army remains committed to providing resource to our Day Programs. I am hopeful that a solution can be found to sustain our residential work. Serving those in community who are vulnerable and requiring support in a dignified way remains our priority. Our partnership with the City of Windsor historically and currently is valued and important to our Organization.

Thank you for working with The Salvation Army toward the above objective. I, along with my colleagues, am looking forward to ongoing dialogue with you in due course.

Sincerely,

Lee Graves,  
Lieut.-Colonel  
Divisional Commander  
Ontario Great Lakes Division

cc: Major Pat Phinney

William and Catherine Booth  
Founders

Linda Bond  
General

Lee Graves  
Divisional Commander