



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: August 25, 2020
Report Number: FAF.20.129
Subject: Federal-Provincial Safe Restart Agreement Funding
Prepared by: Ruth Prince, Director of Finance and IT Services

A. Recommendations

THAT Council receive Staff Report FAF.20.129, entitled "Federal-Provincial Safe Restart Agreement Funding" for information purposes;

B. Overview

The Blue Mountains will receive \$493,500 as part of the federal-provincial Safe Restart Agreement, Municipal Operating Funding Phase 1: Immediate Funding for Municipal Pressures.

C. Background

On July 27, 2020 as part of the federal-provincial Safe Restart Agreement, the Ontario government announced that it has secured up to \$4 billion in emergency assistance to provide Ontario's 444 municipalities with COVID-19 financial support. Under the municipal operating stream, \$1.39 billion is available to Ontario's municipalities to address operating pressures and local needs. This funding will be allocated in two phases: 50% allocated in Phase 1 for all municipalities and 50% allocated in Phase 2 for municipalities that require additional funding.

D. Analysis

On August 12, 2020, The Ministry of Municipal Affairs and Housing provided confirmation of the Town's allocation under the Municipal Operating Funding Phase 1 (Attachment 1). The Town has been allocated \$493,500 to support our COVID-19 operating costs and pressures. It is anticipated that this money will be received in September 2020. The Town is expected to report back to the province in March 2021 with detail on our 2020 COVID-19 operating costs and pressures, our overall 2020 financial position, and the use of the provincial funds in a template that will be provided by the ministry.

The Director of Finance and IT Services has delegated authority to sign agreements to accept grants, or funding agreements where no municipal contribution has been required and as such a signed acknowledgement has been returned to the ministry.

Phase 2 of funding will be for those municipalities that can demonstrate that the 2020 COVID-19 operating costs and pressures exceed their Phase 1 per household allocation. To be considered for the Phase 2 funding, a report needs to be submitted outlining the COVID-19 operating costs and pressures in a template to be provided by the Ministry by October 30, 2020. The reporting for Phase 2 will require the following:

- Information and measures the municipality has undertaken to reduce financial pressures (i.e. used reserves, cost savings measures)
- Explanation of how the municipality applied or plans to spend Phase 1 funding
- A year-end forecast of COVID-19 operating costs and pressures
- Actual COVID-19 related impacts as of the end of Q3 (September 30, 2020)
- Treasurer's statement as to the accuracy of reporting
- Resolution of Council seeking additional funding

Municipalities who are approved to receive funding under Phase 2 will be informed by the end of the calendar year and can expect to receive a payment in early 2021.

E. The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

N/A

G. Financial Impact

Staff report FAF.20.100, entitled "2020 Year End Variance Analysis" identified a potential short fall of \$699,025 throughout 2020 due to COVID-19. The \$493,500 will assist with the shortfall due to COVID-19 operating costs and pressures. Staff will be providing Council with an updated report at the September 22, 2020 Committee of the Whole. This will assist in Council's decision for a Phase 2 funding application.

H. In consultation with

Katherine Dabrowa, Budget Analyst

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Ruth Prince, Director of Finance and IT Services at directorfit@thebluemountains.ca.

J. Attached

1. Federal-Provincial Safe Restart Agreement

Respectfully Submitted,

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
Ruth Prince
directorfit@thebluemountains.ca
519-599-3131 extension 228

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister
777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

Bureau du ministre
777, rue Bay, 17^e étage
Toronto ON M7A 2J3
Tél. : 416 585-7000



234-2020-3359

August 12, 2020

Mayor Alar Soever
Town of the Blue Mountains
32 Mill Street P.O. Box 310
Thornbury ON N0H 2P0

Dear Mayor Soever:

On July 27, 2020, as part of the federal-provincial Safe Restart Agreement, the Ontario government announced that it had secured up to \$4 billion in emergency assistance to provide Ontario's 444 municipalities with the support they need to respond to COVID-19. I am writing to you today to provide further details on this funding investment.

Municipalities play a key role in delivering critical services that Ontarians rely on and are at the frontlines of a safe reopening of the economy. This investment will provide support to municipalities and public transit operators to help them address financial pressures related to COVID-19, maintain critical services and protect vulnerable people as the province safely and gradually opens. It includes:

- Up to \$2 billion to support municipal operating pressures, and
- Up to \$2 billion to support municipal transit systems.

The Honourable Caroline Mulroney, Minister of Transportation, will provide more information on the transit stream of this funding.

I would also like to acknowledge the Federal government in their role in this historic agreement. As Premier Ford has indicated, "by working together, we have united the country in the face of the immense challenges brought on by COVID-19 and secured a historic deal with the federal government to ensure a strong recovery for Ontario and for Canada".

Under the municipal operating stream, \$1.39 billion will be available to Ontario's municipalities to address operating pressures and local needs. This funding will be allocated in two phases: 50% allocated in Phase 1 for all municipalities, and 50% allocated in Phase 2 for municipalities that require additional funding.

The Safe Restart Agreement also includes a second phase of Social Services Relief Funding (SSRF) totalling \$362 million. This is in addition to significant investments made earlier to the SSRF and in support of public health. Details will be outlined in a letter to Service Managers in the coming days.

Municipal Operating Funding Phase 1: Immediate Funding for Municipal Pressures

Phase 1 of this funding will be allocated on a per household basis and I am pleased to share that the **Town of the Blue Mountains will receive a payment of \$493,500** to support your COVID-19 operating costs and pressures.

Please note that your municipality is accountable for using this funding for the purpose of addressing your priority COVID-19 operating costs and pressures. If the amount of the funding exceeds your municipality's 2020 COVID-19 operating costs and pressures, the province's expectation is that your municipality will place the excess funding into reserves to be accessed to support COVID-19 operating costs and pressures that you may continue to incur in 2021. Your municipality will be expected to report back to the province in March 2021 with details on your 2020 COVID-19 operating costs and pressures, your overall 2020 financial position, and the use of the provincial funds in a template to be provided by the ministry. More details on this reporting will be shared in the coming weeks.

In the meantime, I am requesting that your municipal treasurer sign the acknowledgement below and return the signed copy to the ministry by email by September 11, 2020 to Municipal.Programs@ontario.ca. Please note that we must receive this acknowledgement before making a payment to your municipality. We intend to make payments to municipalities in September, subject to finalizing details.

Phase 2: Funding for Additional Municipal Pressures

I anticipate that the funding our government is providing through Phase 1 of the municipal operating stream will be sufficient to address COVID-19 costs and pressures for most municipalities. However, we recognize that some municipalities have experienced greater financial impacts arising from COVID-19 than others. As a result, we are offering a second phase of funding to those municipalities that can demonstrate that 2020 COVID-19 operating costs and pressures exceed their Phase 1 per household allocation.

To be considered for this Phase 2 funding, municipalities will be required to submit reports outlining their COVID-19 operating costs and pressures in a template to be provided by the ministry. **These reports will be due by October 30, 2020.** Municipalities that require additional time to submit their report are asked to reach out to their Municipal Services Office contact by October 30, 2020 to request an extension to November 6, 2020. **Please note that the ministry is unable to consider municipal requests for Phase 2 funding if the municipality has not submitted its report by November 6, 2020.**

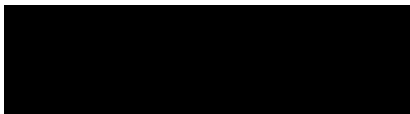
A template for this municipal report and request for consideration for Phase 2 funding will be provided shortly and will require:

1. Information about measures the municipality has undertaken to reduce financial pressures (e.g. use of reserves, cost saving measures);
2. Explanation of how the municipality applied or plans to spend Phase 1 funding towards COVID-19 operating costs and pressures;
3. A year-end forecast of COVID-19 operating costs and pressures;
4. Actual COVID-related impacts as of the end of Q3 of the municipal fiscal year (September 30, 2020);
5. Treasurer's statement as to accuracy of reporting;
6. Resolution of Council seeking additional funding.

Municipalities who are eligible and approved to receive funding under Phase 2 will be informed before the end of the calendar year and can expect to receive a payment in early 2021.

Our government will continue to be a champion for communities as we chart a path to a strong economic recovery. We thank all 444 Ontario municipal heads of council for their support through our negotiations with the federal government. Working together, we will ensure Ontario gets back on track.

Sincerely,



Steve Clark
Minister of Municipal Affairs and Housing

c. Municipal Treasurer and Municipal CAO

By signing below, I acknowledge that the per household allocation of \$493,500 is provided to the Town of the Blue Mountains for the purpose of assisting with COVID-19 costs and pressures and that the province expects any funds not required for this purpose in 2020 will be put into reserves to support potential COVID-19 costs and pressures in 2021. I further acknowledge that the Town of the Blue Mountains is expected to report back to the province on 2020 COVID-19 costs and pressures and the use of this funding.

Name:

Title:

Signature:

Date: