

Report to Council

Report Title:	Municipal COVID Operating Funding Announcement – Phase 1		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	August 25, 2020		
Report Number:	FIN2020-26	File Number:	C11FIN, P03
Attachments:	Letter from the Honourable Steve Clark		

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number FIN2020-26 – Municipal COVID Operating Funding Announcement – Phase 1, prepared by Trish Serratore, Chief Financial Officer, and in doing so, authorizes the CFO to establish a COVID Safe Restart Reserve Fund to transfer additional funding for future cost and operating pressures as required by the Federal/Provincial Government.

Report:

Background:

On July 27, 2020, the Ontario Government announced \$4 billion in emergency assistance to support municipalities in response to COVID-19. The funding, as part of the Safe Restart Agreement, will help local governments address financial pressures related to COVID-19, maintain critical services and provide protection as Ontario safely and gradually opens.

Analysis:

On August 12, 2020, the Municipality received details on the Federal/Provincial Safe Restart Agreement - Municipal Operating Phase 1 funding. Under the municipal operating stream, \$1.39 billion will be available to address operating pressures and local needs. The 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.

Phase 1 funding will be allocated on a per household basis and the Municipality of Brockton will receive \$267,100 to support increased operating costs and pressures due to COVID-19. Staff will be required to provide a financial report on the use of these funds for the 2020 fiscal year in March 2021. If the amount of the funding exceeds the municipality's 2020 COVID-19 operating costs and pressures, the municipality is expected to place the funds in reserve to offset 2021 operating costs and pressures. Should the municipality require additional funding, application to the Phase 2 funding requires the municipality to submit a report and request for consideration to the ministry by October 30, 2020. More information related to requirements for

this report will be provided shortly and staff will evaluate the criteria and determine eligibility in advance of the deadline.

The Municipality is expected to receive Phase 1 payment in September, on the condition that the treasurer sign and return the provincial funding acknowledgement. Staff will provide Council with a detailed report outlining the allocation of the funds received.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? N/A
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? Yes
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The grant funding will have a positive impact on the increased municipal operating costs and lost revenues due to COVID-19 while we continue to ensure that services are offered to residents in a safe manner.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer

**Ministry of
Municipal Affairs
and Housing**

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234-2020-3359

August 12, 2020

Mayor Chris Peabody
Municipality of Brockton
100 Scott Street PO Box 68
Walkerton ON N0G 2V0

Dear Mayor Peabody:

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 **Municipality of Brockton will receive a payment of \$267,100** 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 \$267,100 is provided to the Municipality of Brockton 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 Municipality of Brockton 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: