

To:	Warden McQueen and Members of Grey County Council
Committee Date:	October 22, 2020
Subject / Report No:	FR-CW-25-20
Title:	Federal-Provincial Safe Restart Agreement - Municipal Operating Funding
Prepared by:	Kevin Wepler, Director of Corporate Services
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW184-20; Endorsed by County Council November 12, 2020 per Resolution CC87-20;

Recommendation

1. **That Report FR-CW-25-20 regarding the Federal-Provincial Safe Restart Agreement – Municipal Operating Funding be received; and**
2. **That based on the Municipal Operating Funding Phase 1 allocation, in the amount of \$3,088,500 and the eligibility criteria for the Phase 2 application, that the Phase 1 allocation is deemed to be sufficient to support the County’s 2020 COVID-19 operating costs and pressures; and,**
3. **That as a result, a Phase 2 application will not be submitted to the Province requesting additional financial assistance.**

Executive Summary

- 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.
- Under the municipal operating stream, \$1.39 billion was made available to Ontario’s municipalities to address operating pressures and local needs.
- 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.

Background and Discussion

Municipal Operating Funding Phase 1: Immediate Funding for Municipal Pressures

The Ministry of Municipal Affairs and Housing provided confirmation on August 12, 2020 that as part of Phase 1 of this funding, the County of Grey would receive a payment of \$3,088,500 to support the County's COVID-19 operating costs and pressures.

The County will be accountable for the use of this funding and will be required to report back to the province in March 2021 with details on the County's 2020 COVID-19 operating costs and pressures, the County's overall 2020 financial position, and the use of the provincial funds in a template to be provided by the ministry.

The municipal treasurer was required to sign an acknowledgment of this funding 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 be put into reserve to support potential COVID-19 costs and pressures in 2021. This signed acknowledgement, due by September 11, 2020 has been provided to Ministry of Municipal Affairs and Housing.

Phase 2 – Funding for Additional Municipal Pressures

Phase 2 of this 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. The reporting for Phase 2 funding will require the following:

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

Phase 2 – Requesting Additional Financial Assistance

Requests for Phase 2 funding are due on October 30, 2020 and detailed information about how to apply was made available to municipalities in October through the Transfer Payment Ontario (TPON) system.

One of the requirements under Phase 2 is a council resolution requesting financial assistance. The Province has emphasized that proceeding with an application under Phase 2 should only occur if further assistance is needed to address COVID-19 pressures in 2020. Municipalities that cannot demonstrate 2020 COVID-19 financial pressures in excess of their Phase 1 funding allocation will not be considered for additional funding under Phase 2.

In addition to a resolution from council, a reporting template must be completed by the municipal treasurer as part of a municipality's Phase 2 application package. This report is designed to provide an overall picture of the municipality's 2020 financial position and information about service adjustments, use of reserves, and other measures being taken to manage 2020 COVID-19 operating impacts.

Based on departmental financial reviews and year-end projections, along with additional COVID-19 funding that has been announced, staff anticipate that the Municipal Operating Funding Phase 1 of \$3,088,500 will be sufficient to support the County's 2020 COVID-19 operating costs and pressures. Therefore, a resolution from council requesting additional funding under Phase 2 is not required and an application will not be submitted.

A corporate financial update and year-end projection as of September 30, 2020 will be provided to Council on November 12th, which will include the application of the \$3,088,500 in Municipal Operating Funding Phase 1.

Legal and Legislated Requirements

None

Financial and Resource Implications

The Municipal Operating Funding Phase 1 of \$3,088,500 will be sufficient to support the County's 2020 COVID-19 operating costs and pressures. Any funding that exceeds the County's 2020 COVID-19 operating costs and pressures, will be placed into reserves to be utilized in the 2021 budget to support COVID-19 operating costs and pressures that are budgeted to be incurred in 2021.

Relevant Consultation

- Internal – Finance staff
- External – Ministry of Municipal Affairs and Housing

Appendices and Attachments

[SRA Phase 2 Hon Steve Clark October 1 2020](#)

[SRF Phase 1 Allocation - County of Grey](#)