

Meeting Date: April 19, 2021
Department: Finance / Treasury
Report No.: FIN-2021-02
Submitted by: William Dakin, Director of Finance / Treasurer
Approved by: Fred Tranquilli, Chief Administrative Officer / Clerk
SUBJECT: **COVID-19 Recovery Funding**

RECOMMENDATION: THAT: Finance Report FIN-2021-02 be received for information and filed.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities of seamless, responsive service and an exceptional experience for every customer.

BACKGROUND:

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.

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

Please note that each municipality is accountable for using this funding for the purpose of addressing our priority COVID-19 operating costs and pressures. If the amount of the funding exceeds our municipality's 2020 COVID-19 operating costs and pressures, the province's expectation is that the municipality would place the excess funding into reserves to be accessed to support COVID-19 operating costs and pressures that may continue to incur in 2021.

On October 28, 2020, Ontario announced the COVID-19 Resilience Infrastructure Stream ("COVID stream") under the Investing in Canada Infrastructure Program (ICIP) in Ontario.

Under the new COVID stream, \$250 million in combined federal-provincial funding would be dedicated to local governments across the province.

The federal government has indicated that investments under this stream are to support public infrastructure, defined as tangible capital assets, including temporary infrastructure related to pandemic response, primarily for public use and/or benefit. According to federal parameters, eligible projects include (see Appendix B for full details):

- **Retrofits, Repairs and Upgrades** for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure;
- **COVID-19 Response Infrastructure**, including measures to support physical distancing;
- **Active Transportation Infrastructure**, including parks, trails, foot bridges, bike lanes and multi-use paths; and
- **Disaster Mitigation and Adaptation**, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

Municipalities worked with the federal eligibility criteria to identify projects to address COVID-19 responses and resilience, including in municipal/regional owned long-term care homes. Municipalities are also able to partner with not-for-profit and broader public sector organizations (e.g. any public sector body) and submit projects on their behalf, using their municipal allocations. This will be subject to the municipality's own project evaluation prior to submission to the province. Not-for-profits and broader public sector organizations are not eligible to apply on their own.

On December 16, 2020 the Ontario government was allocated an additional \$695 million to provide financial relief for municipalities and help ensure they do not carry operating deficits into 2021. This investment builds upon the first phase of the federal-provincial Safe Restart Agreement announced this summer and will help municipal partners deliver critical services during COVID-19.

"This joint funding will help Ontario's municipalities recover from the impacts of COVID-19 faster, by helping them to enter into 2021 without operating deficits from this year," said Steve Clark, Minister of Municipal Affairs and Housing. "By ensuring our municipal partners are in a sound financial position to begin the new year, they can focus on keeping their capital projects on track while continuing to provide the critical services their residents rely on."

Of the \$695 million announced, \$299 million was allocated across all 444 municipalities to help provide more financial relief, as 2021 operating budgets were finalized. An additional \$396 million was also allocated to 48 municipalities that have been hardest hit by COVID-19 and have demonstrated a need for additional assistance in covering their 2020 operating deficits. This is in addition to funding being provided to municipalities to help with local transit pressures.

Then on March 4, 2021 the Ontario Government announced it had heard directly from the municipal sector that operating impacts due to the pandemic will continue in 2021. In order to respond to municipal need and to further strengthen our communities an additional \$500 million to help municipalities respond to ongoing and unprecedented 2021 COVID-19 operating pressures was announced. While the actual extent of municipal impacts for 2021 are uncertain at this time, the province expects that this funding will help municipalities continue to deliver the high-quality local services that residents and business rely on, as well as help municipalities proceed with planned capital projects in 2021. All municipalities in Ontario are eligible for this program and the level of funding is based on the proportion of COVID-19 cases in the Public Health Unit for respective municipalities during the period of January 1, 2021 to February 18, 2021. The province realizes that

municipalities are facing financial impacts due to the COVID- 19 pandemic and that in some instances, this provincial funding will not be sufficient to cover all municipal operating impacts due to COVID-19. The province expects municipalities to do their part by continuing to find efficiencies in their operating services and using existing reserves and reserve funds that have been specifically put aside for such unforeseen circumstances.

COMMENTS:

The Chart below outlines the funds received by Strathroy-Caradoc under each of these funding initiatives:

Date	Amount	Stream
Aug 12,2020	\$553,200	Safe Restart (Prov.-Fed)
Nov. 17, 2020	\$221,098 (pending approval)	COVID-19 Resilience Infrastructure (Prov. - Fed)
Dec 16, 2020	\$111,000	Safe Restart (Prov.-Fed)
Mar 4, 2021	\$353,942	CCOVID-19 Recovery Fund (Provincial)
Total	\$1,239,240	

Chart 1.1

CONSULTATION:

- Fred Tranquilli, Chief Administrative Officer

FINANCIAL IMPLICATIONS:

Grants to offset increased cost or lost revenue due to COVID-19 in 2020 and going forward

ATTACHMENTS:

NONE