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Town of Aurora

General Committee Report

No. FIN20-023

Subject: Safe Restart Funding

Prepared by: Laura Sheardown & Tracy Evans, Financial Management Advisor

Department: Finance

Date: September 8, 2020

Recommendation

1. That Report No. FIN20-023 be received.

Executive Summary

This report provides information regarding the Safe Restart Agreement and associated funding from the Province, including guidelines for use of the funds and reporting requirements.

- Municipalities deliver critical services that require support during COVID-19
- Municipal Operating Funding Provided as Part of Phase 1
- A record of COVID-related spending and revenue losses must be maintained
- Municipal Operating Funding Phase 2: Additional support if required

Background

On July 27, 2020, as part of the federal-provincial Safe Restart Funding, the Ontario government announced that it had secured emergency assistance funding to provide Ontario's 444 municipalities with the support that they need to respond to COVID-19. This funding will give municipalities the support and flexibility they need to protect the health and well-being of their communities, while continuing to deliver critical public services.

Analysis

Municipalities deliver critical services that require support during COVID-19

Municipalities play key roles in the delivery of critical services that are relied upon and are also at the frontlines of a safe reopening of the economy. This funding will provide much needed support to municipalities and transit operators to help them address financial pressures related to COVID-19, maintain critical services and protect vulnerable populations as the province gradually and safely reopens. It includes:

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

Municipal Operating Funding Provided as Part of Phase 1

In September, Ontario's municipalities will receive Phase 1 funding for municipal operating pressures. This funding will be allocated on a per household basis and will be shared 50/50 between upper and lower tier municipalities. The Town of Aurora will receive \$1.298M to support its COVID-related operating costs and pressures, while The Regional Municipality of York will receive funding for not only operating pressures but also in support of the transit system.

A record of COVID-related spending and revenue losses must be maintained

The Town of Aurora is accountable for the use of this funding for the purposes of addressing its priority COVID-19 operating costs and pressures. If the amount of funding exceeds the Town's expected COVID-related pressures for 2020, the additional funds are to be placed in a reserve and used to cover any COVID-related expenses and pressures that are experienced in 2021. There are several reporting deadlines that the Town must meet in order to maintain this funding.

Municipal Operating Funding Phase 2: Additional support if required

Phase 2 of this funding will provide additional funding for the municipalities that require more support for COVID-related financial impacts that exceed the initial per household allocation provided under Phase 1.

Advisory Committee Review

Not applicable

Legal Considerations

In order to receive this funding, the Town will enter into an agreement with the Province. The agreement will be reviewed by Legal Services. Council has delegated to staff the authority to enter into and sign these types of agreements.

Financial Implications

The Safe Restart funding is expected to be received by the Town in September. This funding will help the Town mitigate any cost pressures or lost revenue as a result of the COVID-19 pandemic this year and next year. For this year, the last forecast reported to Council showed that the Town is expected to essentially break even, however the nature of this pandemic is unpredictable and should the Town have a COVID-related deficit, this funding will be used to offset the impact.

Any of these funds that are not used in 2020 can be set aside and used to manage the impact of COVID-related costs that the Town experiences in 2021. Staff are currently working on the update of the multi-year budget approved last year. This funding will provide an offset so that COVID-19 will not require staff to find alternative sources of funding or reduce services.

The next in-year forecast, including actual results to the end of August will be brought forward to a General Committee meeting in October.

Communications Considerations

The Town of Aurora will use 'inform' as the level of engagement for this project. There are five different levels of community engagement to consider, with each level providing the community more involvement in the decision making process. These levels are: Inform, Consult, Involve, Collaborate, and Empower. Examples of each can be found in the Community Engagement Policy. These options are based on the International Association of Public Participation (IAP2) Spectrum and assist in establishing guidelines for clearly communicating with our public and managing community engagement.

Link to Strategic Plan

Management of grant funds for specific purposes contributes to achieving the Strategic Plan guiding Principle of “Leadership in Corporate Management” and improves transparency and accountability to the community.

Alternative(s) to the Recommendation

Not applicable.

Conclusions

Staff continue to monitor and provincial orders and other guidelines and as they provide more flexibility, we will adjust operations and process enabling us to collect more revenues.

Attachments

None

Previous Reports

None

Pre-submission Review

Reviewed by CAO on August 26, 2020

Approvals

Approved by Rachel Wainwright-van Kessel, Director, Finance/Treasurer

Approved by Doug Nadorozny, Chief Administrative Officer