

Information Report



Service Area	Office of the Chief Administrative Officer
Date	Friday, July 24, 2020
Subject	Safe Restart Agreement Funding for Municipalities

Executive Summary

Purpose of Report

The purpose of this report is to provide information on the Federal/Provincial Safe Restart Agreement in Ontario with a focus on potential impacts for the City of Guelph. Total provincial and federal funding unlocked by the Safe Restart Agreement for municipal governments across Canada is \$7.6 billion for use over the next six to eight months. Ontario's portion of the federal funding for use across seven priority areas, including municipal governments and public transit, is \$7 billion. According to the CBC, \$1 billion in funding from the federal government is reserved for public transit in Ontario, for a total of \$2 billion should the province match the federal offer. As a next step, Ontario is required to outline how it will use the funds in order to access federal dollars. Further details on funding for Ontario's municipalities is therefore expected in upcoming days.

Key Findings

How much Ontario municipalities will receive remains unknown (the province has not been clear about the amounts they will be matching), as do allocations for individual municipal governments. Another outstanding detail is the funding formula that will be used to distribute the funding across Ontario's municipalities. It is also unclear whether municipal governments will be able to access funding earmarked for other priority areas where they are the frontline service provider.

Staff continue to seek out information and advocate for funding for the City. It is important that the funding be flexible, equitably distributed and transferred to municipal governments without strings attached. Given the funding is intended to support municipalities for six to eight months, the City should also prepare to advocate for funding in future rounds of provincial and federal negotiations. Further, staff will continue to seek out details about and advocate for proposed economic stimulus supports from the anticipated COVID-19 stream of the Investing in Canada Infrastructure Program (ICIP) and other funding opportunities available.

Financial Implications

Although it remains unclear how much funding the City will receive from the Safe Restart Agreement, it is unlikely that the amount will be sufficient to fully offset the lost revenues and increased costs resulting from the City's response to the COVID-19 pandemic to date. This funding is nonetheless welcome, and will be helpful in

reducing the projected deficit for 2020 and to help the City prepare to respond to a potential second wave of COVID-19 infections in the months ahead.

The financial impacts of the pandemic will impact the City's revenues and costs beyond 2020 and these emergency funds will help to maintain the City's contingency reserves through this extended period of uncertainty.

Report

Details

The federal government's announcement of the \$19 billion Safe Restart Agreement follows extensive negotiations with the province and territories and months of municipal advocacy. This is an additional \$5 billion from the initial proposal announced by the Prime Minister in early June. As part of the Agreement, funding is earmarked for use by the provinces in specific categories, although some flexibility is retained.

The seven categories are:

- Funding for municipalities to support operational and COVID-19 costs (\$2 billion Canada-wide to be matched by the provinces for a total of \$4 billion), plus investments in public transit (federal matching of provincial investments up to \$1.8 billion)
- Support for increasing COVID-19 testing, contact tracing and collecting public health data (\$4.2 billion)
- Personal protective equipment for health care workers and other essential workers (\$4.5 billion)
- A national paid sick leave program (\$1.1 billion)
- Childcare supports (\$625 million)
- Support for vulnerable populations, including in long-term care, home care and palliative care;
- And investments in health services, including for those experiencing challenges with substance abuse, mental health and homelessness.

As Chair of LUMCO, Mayor Cam Guthrie joined other municipal associations to support the Federation of Canadian Municipalities' call for \$10 billion in emergency relief funding for municipalities from the federal government. The estimated shortfall Canada-wide is \$10-15 billion. The Canadian Urban Transit Association also projected a \$2.4 billion shortfall nation-wide for public transit. These figures suggest that the total \$7.6 billion federal and provincial funding envelope for municipal governments across Canada will be insufficient to address the total municipal need in 2020. In acknowledging the need for further funding in six to eight months, you may assume that the federal government recognizes more supports will be necessary, especially in the event of a second wave.

Since the Declaration of Emergency, the City has lost approximately \$20 million in revenues and accumulated \$4 million in unplanned costs to respond to COVID-19. The projected deficit for 2020 is between \$10 to \$13 million. These figures are currently being updated and revised figures will be released in August.

Further to the Safe Restart Agreement, the province and federal government have yet to release details about stimulus funding under the proposed ICIP COVID-19 stream. Stimulus supports that invest in critical municipal infrastructure are necessary to ensure the community's economic recovery. Additional information about this new stream, future intakes under the Green stream, and decisions under the Recreation and Community Stream are outstanding. Staff are preparing to advocate for shovel-worthy projects for provincial and federal consideration once further details are known.

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Consultations

Finance

Strategic Plan Alignment

This report aligns to each of the priority areas in the Strategic Plan.

Securing emergency operating relief funding from the federal and provincial governments is critical in maintaining the City's delivery of core services, including public transit. Investments in critical municipal infrastructure will also be necessary to get our local economy back on track as we recover from the COVID-19 pandemic, respond to the needs of our local economy and build a more resilient community for the future.

Attachments

None.

Departmental Approval

None.

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