



## FINANCE DEPARTMENT MEMORANDUM

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**TO:** MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

**FROM:** C. MILLAR, DIRECTOR OF FINANCE AND TREASURER, Ext. 5130

**NOTED:** D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES  
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

**RE:** SAFE RESTART PHASE 2 FUNDING APPLICATION

**DATE:** OCTOBER 26, 2020

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### Purpose

The purpose of this Memorandum is to provide members of Council with an update concerning the Federal-Provincial Safe Restart Phase 2 Funding related to COVID-19 municipal financial exposures and identify the requirements of an application.

### Background

Under the federal-provincial Safe Restart Agreement, the Ontario government has secured up to \$4 billion in emergency assistance to provide Ontario's 444 municipalities with COVID-19 financial support. The program includes two streams: the municipal operating stream and the transit stream. Under the municipal operating stream, up to \$1.39 billion is available to Ontario's 444 municipalities to provide supports needed to respond to 2020 COVID-19 impacts and address operating pressures. The municipal operating stream is to be allocated in two phases, with 50% allocated in Phase 1 for all municipalities and up to 50% allocated in Phase 2 for municipalities that require additional funding for 2020.

Under Phase 1 of the municipal operating stream, the City of Barrie received \$6.6 million. This is in addition to the \$2.6 million received under the transit stream, for a combined total of \$9.2 million. The province's expectation is that the municipality will place any excess funding not needed in 2020 into reserves to be accessed to support COVID-19 operating costs and pressures that may occur in 2021. The City will be required to report back to the province in Spring 2021 with details of the 2020 COVID-19 operating costs and pressures, the City's overall 2020 financial position, and the use of the provincial funds.

At this time, no funding programs for 2021 have been announced.

### Phase 2 Funding Application

The deadline for the Phase 2 funding application is November 6th, 2020.

To be considered for Phase 2 funding, municipalities are required to submit a comprehensive application package that is designed to provide an overall picture of the municipality's 2020 COVID-19 related financial operating pressures and an understanding of the municipality's overall financial position. The application requires municipalities to provide the following:

- Information about and the dollar amount of measures the municipality has undertaken to mitigate financial pressures (e.g. staffing reductions, deferral of capital projects, cuts to discretionary spending, service adjustments, use of reserves, other cost saving measures);
- Reserve balances at the beginning of the year and forecasted year end balances;



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- Year-end forecast of COVID-19 related cost savings, cost increases, revenue increases and revenue losses along with explanations for each, for each service area;
- Breakdown of COVID-19 related revenue increases/decreases by revenue type;
- Description of strategies the municipality is employing to modernize services and find efficiencies and information about achievements to date;
- Treasurer's statement as to the accuracy of reporting; and
- Resolution of Council requesting additional provincial funding.

### Financial

The City took swift action to mitigate COVID-19 related costs and pressures by finding efficiencies, closing facilities, reducing staffing, implementing a hiring freeze, and adjusting service levels. However, substantial losses of revenues such as recreation fees, rental revenue, permits, interest and penalty charges, and parking fees have also occurred, and some are ongoing.

Based on the Business Plan Status as of June 30, 2020 staff report (EMT003-20), a year end deficit of \$2.2M was projected. This was before Phase 1 Safe Restart funding. Staff are currently working on the September 30 quarterly report which is planned to be received by Council in mid-November.

There is some uncertainty around the criteria the Province will use in allocating the Phase 2 funding. As a result, staff are recommending the City submit an application for phase 2 funding by the required deadline of November 6.

As noted above, a resolution of Council is required to submit an application. Should City Council wish to proceed with an application for funding from the Federal-Provincial Safe Restart Phase 2 Funding, the following direct motion would address the requirements of the application process:

### **"CITY OF BARRIE REQUEST FOR PHASE 2 SAFE RESTART FUNDING RELATED TO COVID-19 FINANCIAL IMPLICATIONS**

1. That the Province of Ontario be requested to provide additional funding to the City of Barrie to address the financial implications associated with COVID-19 through Phase 2 of the Safe Restart Program
2. That the Director of Finance and Treasurer be authorized to prepare and submit an application for Phase 2 funding under the Safe Restart Program."