



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	October 21, 2020
SUBJECT/REPORT NO:	Safe Restart Provincial Funding Agreement, Phase 2 (FCS20088) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Cyrus Patel (905) 546-2424 Ext. 7698 Duncan Robertson (905) 546-2424 Ext. 4744
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That staff be authorized and directed to prepare, execute and submit any required documentation to support the City's application for Phase 2 funding under the Safe Restart Agreement;
- (b) That the General Manager, Finance and Corporate Services, be authorized and directed to execute and submit any required documentation to support the City of Hamilton's application for funding under the Safe Restart Agreement;
- (c) That staff report back to the General Issues Committee with details of the City of Hamilton's application for funding under the Safe Restart Agreement, Phase 2 for municipal operating pressures related to COVID-19.

EXECUTIVE SUMMARY

In a letter dated August 12, 2020 (attached as Appendix "A" to Report FCS20088), the Province advised the City of Hamilton of its Phase 1 funding allocation of \$27,614,200 under the Safe Restart Agreement to support the operating costs and pressures related to COVID-19.

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In the same letter, the Province has further indicated that if the Phase 1 funding provided is insufficient, then the Province may further provide additional Phase 2 funding if the City can demonstrate that 2020 COVID-19 operating costs and pressures exceed their Phase 1 per household allocation.

In a letter dated October 1, 2020 (attached as Appendix “B” to Report FCS20088), the Province provided information on applying for Phase 2 funding.

To be considered for this Phase 2 funding, the City is required to submit reports outlining the COVID-19 operating costs and pressures in a template to be provided by the Ministry of Municipal Affairs and Housing (the “Ministry”). These reports are due by October 30, 2020 or November 6, 2020, if an extension is requested. The City is eligible to submit a claim for Phase 2 funding support.

Report FCS20088 seeks Council approval to authorize City staff to submit the Phase 2 funding application to the Province in an expedient manner.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City’s share of Phase 1 funding under the Safe Restart Agreement is \$27,614,200. The City is eligible for potential Provincial funding for under the Safe Restart Agreement, Phase 2 subject to the City submitting a report outlining its COVID-19 operating costs and pressures in the prescribed manner with the Province by October 30, 2020 or November 6, 2020, if an extension is requested.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

At its meeting on September 9, 2020, the General Issues Committee approved Report FCS20071, “Federal and Provincial Government Municipal Funding Announcements Update”, which outlined the potential funding support for the City of Hamilton in relation to the pandemic response from the Provincial and Federal governments.

In a letter dated August 12, 2020 (attached as Appendix “A” to Report FCS20088), the Province advised the City of Hamilton of its Phase 1 funding allocation of \$27,614,200 under the Safe Restart Agreement to support the operating costs and pressures related to COVID-19.

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In a letter dated October 1, 2020 (attached as Appendix “B” to Report FCS20088), the Province provided information on applying for Phase 2 funding.

As a condition for receiving the financial support, the City is accountable for using this funding for the purpose of addressing the COVID-19 related operating costs and pressures. If the amount of the funding allocated exceeds the City’s 2020 COVID-19 operating costs and pressures, the Province’s expectation is that the City will place the excess funding into reserves to be accessed to support COVID-19 operating costs and pressures that it may continue to incur in 2021. Further, the City is expected to report back to the Province in March 2021 with details of the 2020 COVID-19 operating costs and pressures, overall 2020 financial position and details how the provincial funds were utilized in a template to be provided by the Ministry.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable

RELEVANT CONSULTATION

Staff in all City of Hamilton departments will be participating in ensuring the timely submission of the Safe Restart Funding report due to the Ministry of Municipal Affairs and Housing on October 30, 2020 or November 6, 2020, if requested.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The City of Hamilton has suffered a serious adverse financial impact as a result of the COVID-19 pandemic. The Province has developed plans and strategies to help municipalities deal with the resulting issues through substantial funding support, subject to the municipalities complying with the Province’s rules and regulations. The City is eligible to seek additional Phase 2 funding support under the Safe Restart Agreement to help mitigate the COVID-19 financial impact and it is in the City’s interest to comply with those regulations and obtain the maximum funding support that it may be eligible for.

In the letters from the Ministry of Municipal Affairs and Housing (Appendix “A” and Appendix “B” to Report FCS20088), the Province has further indicated that if the Phase 1 funding provided is insufficient, then the Province may further provide Phase 2 funding if the City can demonstrate that 2020 COVID-19 operating costs and pressures exceed their Phase 1 per household allocation.

To be considered for this Phase 2 funding, the City is required to submit reports outlining the COVID-19 operating costs and pressures in a template to be provided by the Ministry of Municipal Affairs and Housing. These reports are due by October 30, 2020 or November 6, 2020, if an extension is requested.

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Report FCS20088 seeks Council approval to authorize City staff to submit the Phase 2 funding application to the Province in an expedient manner as soon as the template is released by the Province.

Once the City has submitted the request to the Province for Phase 2 funding support related to COVID-19, staff will report back to Council with full updated details including:

- Information about measures the City has undertaken to reduce financial pressures (e.g. use of reserves, cost saving measures);
- Explanation of how the City has 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; and
- Actual COVID-related impacts as of the end of Q3 of the municipal fiscal year (September 30, 2020).

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20088 – Letter from Province dated August 12, 2020 confirming Phase 1 funding allocation and framework for applying for Phase 2 funding

Appendix “B” to Report FCS20088 – Letter from Province dated October 1, 2020 providing information on applying for Phase 2 funding

CP/DR/dt