



INFORMATION REPORT

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	March 24, 2021
SUBJECT/REPORT NO:	Safe Restart Provincial Funding Agreement, Phase 2 Update (FCS20088(a)) (City Wide) (Outstanding Business List Item)
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:	

COUNCIL DIRECTION

In October 2020, Council approved the recommendations in Report FCS20088, “Safe Restart Provincial Funding Agreement, Phase 2” and directed staff to 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.

INFORMATION

Pursuant to the application made by the City of Hamilton for Phase 2 funding under the Safe Restart Provincial Funding Agreement, on December 16, 2020, the City received confirmation of its allocation of \$11,677,000 attached as Appendix “A” to Report FCS20088(a). The funds are intended to provide flexible support to the City with ongoing COVID-related costs in 2021. Under the terms of funding approval, the City was initially required to report back to the Province in March 2021 with information about the City’s COVID-related 2021 operating pressures and the application of all the funding allocations under this program. These requirements have since been amended with a communication from the Province on March 4, 2021, attached as Appendix “B” to Report FCS20088(a).

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The Province has further advised the City of its additional funding commitment to municipalities of \$500 million under the 2021 COVID-19 Recovery Funding for Municipalities Program (CRFMP). The additional allotment will help municipalities respond to ongoing and unprecedented 2021 COVID-19 operating pressures. The allocation to the City of Hamilton under the CRFMP for 2021 is \$18,681,919 and will be received in two equal instalments, one on or before May 1, 2021 and the other on or before November 1, 2021.

The City is expected to provide two reports to the Province on the COVID-19 operating impacts and the use of the funds as follows:

1. An interim report in June 2021, which will include:
 - a) Use of funds provided last year under the Safe Restart Agreement – Operating funding stream; and
 - b) 2021 estimated COVID-19 operating impacts and how the municipality plans to use the funding under the 2021 program.
2. A final report back in Spring 2022.

The Province has not yet provided the reporting template to be used.

Table 1 provides a summary of funding announced, received and used to date under the Safe Restart Agreement, Municipal stream for Phase 1 and 2, as well as, the 2021 COVID-19 Recovery Funding for Municipalities Program.

TABLE 1
City of Hamilton
General Municipal Funding for COVID-19 Operating Pressures

Funding Program	Allocated Amount (\$)	Amount Received to Date (\$)	Amount Used to Date (\$)	Remaining (\$)
Safe Restart Agreement - Phase 1 Municipal	27,614,200	27,614,200	17,371,698	10,242,502
Safe Restart Agreement - Phase 2 Municipal	11,677,000	11,677,000	-	11,677,000
COVID-19 Recovery Funding for Municipalities	18,681,919	-	-	18,681,919
Total	57,973,119	39,291,200	17,371,698	40,601,421

BACKGROUND

In a letter dated August 12, 2020, 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. In the same letter, the Province 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.

The Province invited the City to apply for additional Phase 2 funding in cases where the initial funding provided was insufficient to meet the 2020 COVID-related operating pressures in a letter dated October 1, 2020. The City applied for the Phase 2 funding before the deadline in November 2020.

The Province's letter to the City dated December 16, 2020 was received as correspondence at the January 20, 2021 City Council meeting (Item 5.29) and notes that:

“While your application for additional funding did not demonstrate 2020 operating pressures in excess of the initial amount your municipality received, this funding is being provided to help your municipality with ongoing COVID-related costs in 2021.”

Under the terms of the letter dated December 16, 2020:

- the City will be able to apply the Phase 2 funding against ongoing COVID-related costs in 2021;
- the City is required to report back to the province in March 2021 with information about the COVID-related operating pressures and use of funding allocations under Phases 1 and 2; and,
- the City is also be expected to report back on 2021 operating pressures due to the pandemic at a later date.

As required under the terms of the letter, the City has acknowledged that:

- the Phase 2 allocation of \$11,677,000 is provided to City of Hamilton for the purpose of assisting with COVID-19 operating costs and pressures and that the Province expects that any funds not required for this purpose in 2020 will be used to support COVID-19 operating costs and pressures in 2021; and
- that the City is expected to report back to the province on 2020 and 2021 COVID-19 operating costs and pressures and the use of this funding.

The second letter from the Province dated March 4, 2021 allocates to the City a further \$18,681,919 to address the 2021 COVID-19 operating pressures. Under the terms of this second letter, the City has acknowledged that:

- the allocation of \$18,681,919.00 is provided to the City of Hamilton for the expected purpose of assisting with COVID-19 costs and pressures and that the Province expects any funds not required for this purpose in 2021 will be put into a reserve fund to support potential COVID-19 costs and pressures in 2022; and
- that the City will report back to the province on 2021 COVID-19 costs and pressures and the use of this funding in the prescribed manner and schedule.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20088(a) – Letter from the Ministry of Municipal Affairs and Housing dated December 16, 2020, regarding funding allocation of \$11,677,000 under the Safe Restart Provincial Funding Agreement, Phase 2

Appendix “B” to Report FCS20088(a) – Letter from the Ministry of Municipal Affairs and Housing dated March 4, 2021, regarding additional funding allocation of \$18,681,919 under the 2021 COVID-19 Recovery Funding for Municipalities Program

DR/CP/dt