

READY, RESILIENT AND RESOURCEFUL COMMITTEE - MARCH 10, 2021

STAFF COMMUNICATIONS

Distributed March 5, 2021

SC1. Memorandum from the Deputy City Manager, Chief Financial Officer & Treasurer, dated March 10, 2021.

Subject

Additional Financial Support for the City of Vaughan During COVID-19

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Please note there may be further Communications.



**STAFF COMMUNICATION
FOR INFORMATION ONLY**

**SC 1
Staff Communication
RRR – March 10, 2021**

DATE: March 10, 2021

TO: Mayor and Members of Council

FROM: Michael Coroneos, Chief Financial Officer & Treasurer

RE: **STAFF COMMUNICATION – March 10, 2021**
Additional Financial Support for the City of Vaughan During COVID-19

1. Purpose

The purpose of this Staff Communication is to provide Mayor and Council information regarding additional financial support during COVID-19 from the Province of Ontario to the City of Vaughan.

2. Analysis

Background

On March 4, 2021, the Ontario government announced it is providing an additional \$500 million to help the province's 444 municipalities address ongoing COVID-19 operating costs.

This funding is prioritized to help municipalities hardest hit by the pandemic and can be used to address the unique needs of each community based on COVID-19 related operating pressures. This funding is being allocated based on a combination of a base amount using Municipal Property Assessment Corporation (MPAC) household data and an amount based on the proportion of provincial COVID-19 cases (from January 1, 2021 to February 18, 2021) in the municipality's respective Public Health Unit.

A letter from the Minister of Municipal Affairs and Housing was received on March 4, 2021 confirming the City of Vaughan will receive an additional **\$8,311,944** based on the above criteria. The new financial relief will help ensure the delivery of critical services.

Previous Funding Received

In October 2020, the City received \$6.153 million as part of Phase 1 funding under the Federal Government's Safe Restart Agreement (SRA). This funding helped mitigate pressures mainly in forgone revenues in 2020 due to COVID-19.

On December 16, 2020, the Province announced Phase 2 funding allocations, of which Vaughan received \$2.602 million in January 2021 to help provide additional financial relief to support operating budgets in 2021.

Reporting Requirements

Although the additional funding is not contingent on report backs, the City is expected to provide two report backs on the COVID-19 operating impacts and the use of these funds as follows:

1. An interim report in June 2021, which will include:
 - a) Use of funds provided in 2020 under the Safe Restart Agreement – Operating funding stream; and
 - b) 2021 estimated COVID-19 operating impacts and how the City plans to use the funding under the 2021 program.
2. A final report back in Spring 2022.

3. Conclusion

The confirmed additional funding of \$8.312 million brings the total support for operating pressures due to COVID-19 to \$17.067 million for the City of Vaughan, including \$10.914 million for 2021. This 2021 funding along with any operating surplus from 2020 will help mitigate potential unanticipated pressures not already included in the 2021 Budget.

Staff will continue to monitor the situation of the COVID-19 pandemic closely as it evolves and will provide regular updates to Council. Staff will also continue to advocate for more assistance from senior levels of government in 2021, if required.

For more information, contact Michael Marchetti, Director, Financial Planning and Development Finance / Deputy Treasurer, ext. 8271

Attachments

1. Letter from the Minister of Municipal Affairs and Housing Confirming Additional Funding for the City of Vaughan

Respectfully submitted,



Michael Coroneos, Deputy City Manager, Chief Financial Officer & Treasurer

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister
777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
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234-2021-1005

March 4, 2021

Mayor Maurizio Bevilacqua
City of Vaughan
2141 Major Mackenzie Drive
Vaughan ON L6A 1T1

Dear Mayor Bevilacqua:

Ontario has heard directly from the municipal sector that operating impacts due to the pandemic will continue in 2021. In order to respond to municipal need and to further strengthen our communities, we are now investing an additional \$500 million to help municipalities respond to ongoing and unprecedented 2021 COVID-19 operating pressures. While the actual extent of municipal impacts for 2021 are uncertain at this time, the province expects that this funding will help municipalities continue to deliver the high-quality local services that residents and business rely on, as well as help municipalities proceed with planned capital projects in 2021.

I am pleased to inform you that the Government of Ontario has committed financial support to the **City of Vaughan** through the 2021 COVID-19 Recovery Funding for Municipalities program in order to support your COVID-19 operating costs and pressures. All municipalities in Ontario are eligible for this program and the level of funding is based on the proportion of COVID-19 cases in the Public Health Unit for your respective municipality during the period of January 1, 2021 to February 18, 2021. I have reviewed the eligibility criteria for provincial assistance under the program and have determined that accordingly, your municipality will receive **\$8,311,944.00**, subject to your municipality returning a copy of this letter, signed by your municipal treasurer, to the ministry by March 31, 2021. You will receive these funds in two equal instalments – one instalment on or before May 1, 2021 and the other on or before November 1, 2021.

Please note that your municipality is accountable for using this funding for the purpose of addressing your priority COVID-19 operating costs and pressures. If the amount of the funding your municipality receives exceeds your 2021 COVID-19 operating costs and pressures, the province's expectation is that your municipality will place the excess

funding into a reserve fund to be accessed to support any future COVID-19 operating costs and pressures.

The province realizes that municipalities are facing financial impacts due to the COVID-19 pandemic and that in some instances, this provincial funding will not be sufficient to cover all municipal operating impacts due to COVID-19. The province expects municipalities to do their part by continuing to find efficiencies in their operating services and using existing reserves and reserve funds that have been specifically put aside for such unforeseen circumstances.

Your municipality will be expected to provide two report backs on your COVID-19 operating impacts and the use of these 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 your municipality plans to use the funding under the 2021 program.
2. A final report back in Spring 2022.

We had previously indicated that Safe Restart Agreement reporting would be expected in March 2021. However, we have decided to streamline this reporting and the new 2021 COVID-19 Recovery Funding for Municipalities program. The template for this report back will be provided by the ministry with more details to follow in the coming months. While the province expects your municipality to complete this report, your second instalment under the 2021 COVID-19 Recovery Funding for Municipalities program is not contingent on the province receiving your interim report.

At this time, I am requesting that your municipal treasurer sign the acknowledgement below and return the signed copy to the ministry by email to: Municipal.Programs@ontario.ca. If the province has not received your letter on or before March 31, 2021, you will not be eligible for this program and your municipality's allocation will not be paid. In order to allow for processing time, please provide your signed letter to the ministry on or before March 24, 2021.

Our government continues to stand with our municipal partners as we have throughout the pandemic, advocating for funding for communities from the federal government to support local economic recovery. Communities may need more COVID-19 related operating funding in the coming year, and we will continue to advocate on your behalf to the federal government. I encourage you to contact your local Member of Parliament to seek further federal support in order to help municipalities deal with their operating impacts due to COVID-19.

The government thanks all 444 Ontario municipal heads of council for their support throughout the pandemic and our ongoing partnership in Ontario's economic recovery.

Sincerely,



Steve Clark
Minister of Municipal Affairs and Housing

c. Municipal Treasurer and Municipal CAO

By signing below, I acknowledge that the allocation of **\$8,311,944.00** is provided to the **City of Vaughan** 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. I further acknowledge that the **City of Vaughan** is expected to report back to the province on 2021 COVID-19 costs and pressures and the use of this funding.

Name:

Title:

Signature:

Date: