

**FINANCE DEPARTMENT ADDENDUM TO  
FINANCE & ADMINISTRATION COMMITTEE  
August 13, 2020**

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**INFORMATION**

**13. Social Services Relief Funding – COVID-19 Funding**

Attached as Appendix XVI is a letter dated August 12, 2020 to Warden Debbie Robinson advising that as part of the federal-provincial Safe Restart Agreement, the Ontario Government announced that it had secured up to \$4 billion in emergency assistance to provide Ontario's 444 municipalities with the support they need to respond to COVID-19. As a result, Phase 1 of this funding will be allocated on a per household basis and the County of Renfrew will receive a payment of \$2,780,100 to support our COVID-19 operating costs and pressures. In order to receive this funding, Mr. Jeffrey Foss, Treasurer has signed and returned the letter by email on August 12, 2020.

Also attached as Appendix XVII is an AMO Policy Update dated August 12, 2020 providing additional details on the Social Services Relief Funding.

**Ministry of  
Municipal Affairs  
and Housing**

Office of the Minister  
777 Bay Street, 17<sup>th</sup> Floor  
Toronto ON M7A 2J3  
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234-2020-3359

August 12, 2020

Warden Debbie Robinson  
County of Renfrew  
9 International Drive  
Pembroke ON K8A 6W5

Dear Warden Robinson:

On July 27, 2020, as part of the federal-provincial Safe Restart Agreement, the Ontario government announced that it had secured up to \$4 billion in emergency assistance to provide Ontario's 444 municipalities with the support they need to respond to COVID-19. I am writing to you today to provide further details on this funding investment.

Municipalities play a key role in delivering critical services that Ontarians rely on and are at the frontlines of a safe reopening of the economy. This investment will provide support to municipalities and public transit operators to help them address financial pressures related to COVID-19, maintain critical services and protect vulnerable people as the province safely and gradually opens. It includes:

- Up to \$2 billion to support municipal operating pressures, and
- Up to \$2 billion to support municipal transit systems.

The Honourable Caroline Mulroney, Minister of Transportation, will provide more information on the transit stream of this funding.

I would also like to acknowledge the Federal government in their role in this historic agreement. As Premier Ford has indicated, "by working together, we have united the country in the face of the immense challenges brought on by COVID-19 and secured a historic deal with the federal government to ensure a strong recovery for Ontario and for Canada".

Under the municipal operating stream, \$1.39 billion will be available to Ontario's municipalities to address operating pressures and local needs. This funding will be allocated in two phases: 50% allocated in Phase 1 for all municipalities, and 50% allocated in Phase 2 for municipalities that require additional funding.

The Safe Restart Agreement also includes a second phase of Social Services Relief Funding (SSRF) totalling \$362 million. This is in addition to significant investments made earlier to the SSRF and in support of public health. Details will be outlined in a letter to Service Managers in the coming days.

#### Municipal Operating Funding Phase 1: Immediate Funding for Municipal Pressures

Phase 1 of this funding will be allocated on a per household basis and I am pleased to share that the **County of Renfrew will receive a payment of \$2,780,100** to support your COVID-19 operating costs and pressures.

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 exceeds your municipality's 2020 COVID-19 operating costs and pressures, the province's expectation is that your municipality will place the excess funding into reserves to be accessed to support COVID-19 operating costs and pressures that you may continue to incur in 2021. Your municipality will be expected to report back to the province in March 2021 with details on your 2020 COVID-19 operating costs and pressures, your overall 2020 financial position, and the use of the provincial funds in a template to be provided by the ministry. More details on this reporting will be shared in the coming weeks.

**In the meantime, I am requesting that your municipal treasurer sign the acknowledgement below and return the signed copy to the ministry by email by September 11, 2020 to [Municipal.Programs@ontario.ca](mailto:Municipal.Programs@ontario.ca).** Please note that we must receive this acknowledgement before making a payment to your municipality. We intend to make payments to municipalities in September, subject to finalizing details.

#### Phase 2: Funding for Additional Municipal Pressures

I anticipate that the funding our government is providing through Phase 1 of the municipal operating stream will be sufficient to address COVID-19 costs and pressures for most municipalities. However, we recognize that some municipalities have experienced greater financial impacts arising from COVID-19 than others. As a result, we are offering a second phase of funding to those municipalities that 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, municipalities will be required to submit reports outlining their COVID-19 operating costs and pressures in a template to be provided by the ministry. **These reports will be due by October 30, 2020.** Municipalities that require additional time to submit their report are asked to reach out to their Municipal Services Office contact by October 30, 2020 to request an extension to November 6, 2020. **Please note that the ministry is unable to consider municipal requests for Phase 2 funding if the municipality has not submitted its report by November 6, 2020.**

A template for this municipal report and request for consideration for Phase 2 funding will be provided shortly and will require:

1. Information about measures the municipality has undertaken to reduce financial pressures (e.g. use of reserves, cost saving measures);
2. Explanation of how the municipality applied or plans to spend Phase 1 funding towards COVID-19 operating costs and pressures;
3. A year-end forecast of COVID-19 operating costs and pressures;
4. Actual COVID-related impacts as of the end of Q3 of the municipal fiscal year (September 30, 2020);
5. Treasurer's statement as to accuracy of reporting;
6. Resolution of Council seeking additional funding.

Municipalities who are eligible and approved to receive funding under Phase 2 will be informed before the end of the calendar year and can expect to receive a payment in early 2021.

Our government will continue to be a champion for communities as we chart a path to a strong economic recovery. We thank all 444 Ontario municipal heads of council for their support through our negotiations with the federal government. Working together, we will ensure Ontario gets back on track.


Sincerely,



Steve Clark  
Minister of Municipal Affairs and Housing

c. Municipal Treasurer and Municipal CAO

By signing below, I acknowledge that the per household allocation of \$2,780,100 is provided to the County of Renfrew for the purpose of assisting with COVID-19 costs and pressures and that the province expects any funds not required for this purpose in 2020 will be put into reserves to support potential COVID-19 costs and pressures in 2021. I further acknowledge that the County of Renfrew is expected to report back to the province on 2020 COVID-19 costs and pressures and the use of this funding.

Name: JEFFREY FOSS  
Title: TREASURER  
Signature:   
Date: AUGUST 12, 2020

**Subject:** FW: AMO Policy Update – Municipal Emergency Fiscal Relief, Quarter 1 Fiscal and COVID-19 Action Plan Updates

**From:** AMO Communications <[Communicate@amo.on.ca](mailto:Communicate@amo.on.ca)>

**Sent:** August 12, 2020 3:09 PM

**Subject:** AMO Policy Update – Municipal Emergency Fiscal Relief, Quarter 1 Fiscal and COVID-19 Action Plan Updates

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August 12, 2020

## **AMO Policy Update – Municipal Emergency Fiscal Relief, Quarter 1 Fiscal and COVID-19 Action Plan Updates**

### **1st Round of Municipal Emergency Funding Coming Soon – Safe Restart Agreement**

The Province today [announced](#) how up to \$4 billion in federal-provincial financial assistance for municipalities and transit operations will be made available to municipalities. The Province is employing an immediate allocation-based distribution, followed by a distribution based on an assessment of COVID-19-related financial impacts.

“The Province has taken a commonsense approach to the distribution of financial assistance to municipalities”, said AMO President Jamie McGarvey. “A straightforward phase 1 allocation formula will ensure every municipality and municipal transit provider will benefit from immediate assistance, while a later assessment of actual costs will ensure those hardest hit by COVID-19 are able to fulfill their role in the economic recovery.”

### **\$2B in Operational Funding Assistance**

New operational funding assistance of \$1.39 billion will be delivered in two equal phases, and an additional \$212 million will be invested in the \$350 million Social Assistance Relief Fund (SSRF):

#### Phase 1:

**\$695 million** will be distributed immediately on per household basis. All 444 municipalities will receive a letter from the Minister of Municipal Affairs and Housing setting out their Phase 1 allocation. Where there is a two-tier system, the allocation will be shared equally between the lower and upper tier.

#### Phase 2:

**\$695 million** will be available to all 444 municipalities but will require an assessment of actual COVID-19 related costs and losses.

In addition, **\$212 million** will be added to existing \$350 million Social Services Relief fund, which is available to the 47 Service Managers, i.e. municipalities and DSSABs delivering provincial health and social services programs.

The total new investment listed above is \$1.6 billion. This new funding is in addition to \$350 million already invested in the SSRF (announced March and July) and \$100 million already invested in municipal long-term care, bringing the total to more than \$2 billion.

#### **\$2B Transit Funding Assistance:**

Up to \$2 billion in financial assistance for transit costs and losses will be provided to transit operating municipalities through two separate investments.

1. An immediate distribution of more than \$660 million to 110 municipalities operating transit based on ridership data plus a base amount that ensures smaller transit operations will receive substantial funding.
2. A second distribution will be provided to municipal transit operators based on an assessment of actual COVID-19 fiscal pressures.

#### **Ontario 2020-21 First Quarter Finances and Update on Ontario's COVID-19 Action Plan**

The Honourable Rod Phillips, Minister of Finance, has [released Ontario's 2020-21 First Quarter Finances](#) and provided an [update](#) to *Ontario's Action Plan: Responding to COVID-19*.

The Minister outlined Ontario's direct support to the COVID-19 pandemic and noted a projected budget deficit of \$38.5B – an increase from his March update of \$20.5B. The increased deficit is accounted for through reduced provincial revenues, additional investments, and financial contingency planning.

Highlights from the Minister's update include:

- Total revenues fall to \$150.6 billion for 2020-21. This is \$5.7B lower than projected and expenses are projected to increase by \$13.1B higher than forecasted in March.
- In March, the government outlined a \$17B plan to support Ontario's response to COVID-19. Today, the Minister announced additional investments that will

bring the government's COVID-19 response action plan to a projected \$30B. These additional investments include:

- Increased support for health care from \$4.4B to \$7.7B. This will assist hospital capacity, manage COVID-19 in long-term care homes, increased testing, and procuring PPE and medical supplies.
- Increased support from \$7.3B to \$11B for people and jobs, which includes temporary pandemic pay for eligible workers (\$1.5B), up to \$4B in targeted funding for municipalities and transit agencies, and temporary immediate relief for residential, farm, small business, industrial and commercial electricity consumers.
- The government is also extending provincial tax deferrals for businesses to October 1st, 2020. This additional cash flow is estimated to be \$7.5B over a six-month period.

Minister Phillips stressed that fiscal flexibility was prudent and necessary to help guard against potential impacts of a "second wave". To this end, he announced that the government is ensuring \$9.6 billion is available in reserves and several contingency funds.

The Province's next fiscal update will be a multi-year provincial Budget and will be delivered no later than November 15th, 2020.

AMO's [COVID-19 Resources](#) page is being updated continually so you can find critical information in one place. Please send any of your municipally related pandemic questions to [covid19@amo.on.ca](mailto:covid19@amo.on.ca).

\*Disclaimer: The Association of Municipalities of Ontario (AMO) is unable to provide any warranty regarding the accuracy or completeness of third-party submissions. Distribution of these items does not imply an endorsement of the views, information or services mentioned.



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