



Making a difference...together

REPORT TO GOVERNANCE AND FINANCE COMMITTEE MEETING OF WEDNESDAY, DECEMBER 02, 2020

SUBJECT **COVID-19 Safe Restart Grants for Local Governments**

ISSUE SUMMARY

To provide recommendations on the allocation of the grant received by the Capital Regional District (CRD) from the COVID-19 Safe Restart Grants for Local Governments.

BACKGROUND

In September 2020, the Province announced joint Provincial and Federal funding to support local government operations as part of BC's Economic Recovery Plan. This plan identified a number of initiatives to help support communities and local governments in responding to COVID-19, including \$540 million summarized below.

The Safe Restart Funding for Local Governments includes:

1. Development Services: \$15 million
 - i. for work identified through Development Approvals Process Review
 - ii. application based
 - iii. details expected to be released before year end
2. Strengthening Communities: \$100 million
 - i. addressing the needs of vulnerable populations
 - ii. application based
 - iii. details expected to be released before year end
3. COVID-19 Safe Restart Grants for Local Governments: \$425 million
 - i. for local government operations impacted by COVID-19

This staff report details the CRD's portion of the \$425 million COVID-19 Safe Restart Grants for Local Governments, which totals \$1.4 million. The allocation letter from the Ministry of Municipal Affairs and Housing is provided in Appendix A, which further outlines the Province's formula, eligible expenses, and reporting requirements. The funding is unconditional and was received on November 19, 2020. Appendix B details grant allocations for other Regional Districts (RD) and Municipalities across the Province.

Eligible Expenses

The Province provided the following eligible expense categories for the COVID-19 Safe Restart Grant:

1. Addressing revenue shortfalls;
2. Facility reopening and operating costs;
3. Emergency planning and response costs;
4. Bylaw enforcement and protective services like fire protection and police;
5. Computer and other electronic technology costs (to improve interconnectivity and virtual communications);

6. Services for vulnerable persons (i.e., persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
7. Other related costs.

Program Stipulations

The funding must be fully allocated (not expensed) to services by December 31, 2021. Funding can be used for expenses in 2020 and beyond; there is no deadline by which the funds must be spent. The CRD is required to track and report use of funds. The Province has provided two reporting requirements:

1. Include how the funds were allocated as part of the audited financial statements.
2. Complete an annual report (as a schedule of the audited financial statements), to include funding received, how the funds were used, and balance of any unspent funds. The CRD will continue to provide annual reporting until funds are fully expended.

Province Funding Allocation Formulae for Regional Districts

The Ministry of Municipal Affairs and Housing sets the amount of the grant to each local government using various formulae. The grant for Regional Districts is based on three components: a flat rate of \$300,000, plus two per capita formulae; \$3.10 per capita for total RD population (with a cap of \$900,000) and \$8.13 per capita for total Unincorporated Areas (UA) within the RD. Table 1 summarizes the CRD calculations.

Table 1 – CRD Grant Funding Calculation per Provincial Formulae

Basis of Formula	Population	\$ Per Capita	Funding Formula	Funding Ceiling	Grant
Flat Rate					\$300,000
RD Population	412,220	\$3.10 ²	\$1,277,000	\$900,000	\$900,000
UA Population	27,211 ¹	\$8.13	\$221,000		\$221,000
Total Funding					\$1,421,000

¹ UA population includes JDF, SSI, SGI, and First Nation Reserves.

² Funding ceiling results in an effective per capita rate of \$2.18 for the RD population.

Population was derived through BC Stats and Statistics Canada data from 2018. Appendix C details population for each municipality and unincorporated area within the CRD from the same source data. Following the Provincial formulae, Table 2 summarizes the per capita funding to each unincorporated area.

Table 2 – Unincorporated Area (UA) Grant Funding per Provincial Formula

\$8.13 Per Capita	%	Population	Grant
Juan de Fuca (JDF)	19.5%	5,309	\$43,000
Salt Spring Island (SSI)	41.8%	11,374	\$92,000
Southern Gulf Islands (SGI)	17.9%	4,865	\$40,000
First Nation Reserves	20.8%	5,663	\$46,000
Total UA Funding	100.0%	27,211	\$221,000

Refer to Appendix D for the summary of the grant funding distribution to both Regional Services and Local Area Services.

ALTERNATIVES

Alternative 1

The Governance and Finance Committee recommends to the Capital Regional District Board:

1. That staff allocate the \$1.4 million CRD COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix D;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget;
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage EA Directors to determine allocation to specific services.

Alternative 2

The COVID-19 Safe Restart Grants for Local Governments report be referred back to staff with specific amendments.

IMPLICATIONS

Financial Implications – Alternative 1

On March 18, 2020, Emergency Management BC (EMBC) issued an event task number for the COVID-19 pandemic and confirmed funding would be available to local governments for eligible emergency response expenses. Eligible expenditures incurred by the CRD have and will be claimed through EMBC. Reimbursement claims are based on a comprehensive set of guidelines with detailed eligibility requirements. Due to the overwhelming quantity of claims EMBC is processing, it is unknown to what extent or when funds will be reimbursed. The estimated total EMBC claim for the CRD is approximately \$300,000 for 2020 expenses.

Based on initial review and in alignment with eligible categories of the COVID-19 Safe Restart Grant, staff recommends Regional Funds be allocated to support CRD's regional emergency management service and the Emergency Operations Center (EOC, which includes support of Electoral Areas). Table 3 below summarizes the estimated 2020 expenses and grant balance to be carried forward into future years.

Table 3 – Grant Allocation for Regional and Sub-Regional Services

Service	Eligibility Category	2020 Estimated Net Impact ¹
1.025 Corporate Emergency	Corporate EOC costs	\$302,200
Balance Remaining for Future Years		\$943,800

¹ Excludes EMBC claims of approximately \$300,000.

The 2020 estimated impact is driven by incremental EOC operations and COVID-19 related costs including labour, vehicle and equipment rentals, operating supplies, computer and other

technology costs to enhance interconnectivity and virtual communication, protective equipment and facilities management. Staff will continue to consult with Electoral Area directors on impacts and allocation to specific Local Area services.

CONCLUSION

As part of BC's Economic Recovery Plan, the Province has made a commitment to help local governments and their recovery from the impacts of COVID-19. The CRD is receiving an unconditional grant of \$1.4 million through the COVID-19 Safe Restart Grant for Local Governments. The allocation is based on per capita, with differing amounts for the total CRD population and unincorporated population. The allocation of the grant to the specific service is at the discretion of the Board within the eligible parameters set by the province.

RECOMMENDATION

The Governance and Finance Committee recommends to the Capital Regional District Board:

1. That staff allocate the \$1.4 million CRD COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix D;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget;
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage EA Directors to determine allocation to specific services.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

- Appendix A: Ministry of Municipal Affairs and Housing Allocation Letter for Safe Restart Funding
Appendix B: Regional and Municipal Allocations for Safe Restart Funding
Appendix C: Demographics, Population Estimates, July 1 Capital Region
Appendix D: Summary of the Grant Allocation

REPORT TO CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, APRIL 14, 2021

SUBJECT Additional COVID-19 Safe Restart Grants for Local Governments

ISSUE SUMMARY

To provide recommendations on the additional grant provided to the Capital Regional District (CRD) from the COVID-19 Safe Restart Grants for Local Governments program.

BACKGROUND

In November 2020, the province of BC distributed \$415 million of the \$425 million of the Safe Restart Grants for Local Governments. The program was intended to assist local government operations that had been impacted by COVID-19. In March 2021, the province announced the remaining \$10 million would be allocated to Regional Districts (RD). This \$10 million has been provided to RDs specifically to recognize that while RDs were kept whole due to tax requisitions in 2020, they faced other significant hardships and financial shortfalls.

The CRD has been allocated \$575,000 of the final \$10 million. Previously, the CRD received \$1.4 million in November 2020 for a grand total of \$1.9 million through this program. Included in Appendix A is the letter received from the Ministry of Municipal Affairs and Housing detailing the additional grant allocation. Eligible expenses under the Safe Restart program are detailed in Appendix B, and all grants have been received as of March 2021. All reporting requirements remain unchanged, including allocation of total funding to services must be completed by December 31, 2021.

Provincial Funding Allocation for Regional Districts

The Ministry of Municipal Affairs and Housing determines the amount of Safe Restart funding to each local government. For March 2021, the Province's allocation to RDs followed a different methodology from the November 2020 grant, which was originally based on differing per capita values and a funding ceiling (Appendix C). For March 2021, the Province followed a proration calculation; 20 percent for regional population and 80 percent for the rural population (Appendix D). The provincial calculation is also based on % population against the total Province. The higher allocation to rural areas recognizes the impact of COVID-19 in delivering services in rural areas.

Following the Province's formulae in Appendix D, Table 1 summarizes CRD's \$575,000 allocation.

Table 1 – Grant Funding Calculation for March 2021

Area	Total Capital Population	Total BC Population ¹	CRD % of Total BC Population	Holdback	Total CRD allocation
Regional ²	412,220	4,995,275	8.25%	\$2,000,000	\$165,000
Rural	27,211 ³	531,547	5.12%	\$8,000,000	\$410,000
Total				\$10,000,000	\$575,000

¹ The province used BC Stats 2018 Population Estimates as of Oct. 2020 for source data.

² Regional includes rural and urban populations.

³ This population numbers refers to Unincorporated Areas (UA) in the CRD, which includes JDF, SSI, SGI, and First Nation Reserves.

Table 2 summarizes the funding to each UA in the CRD based on population. Appendix E summarizes the total grant funding distribution.

Table 2 – UA Grant Funding per New Allocation

UA	%	Population ¹	Grant
Juan de Fuca (JDF)	19.5%	5,309	\$80,000
Salt Spring Island (SSI)	41.8%	11,374	\$172,000
Southern Gulf Islands (SGI)	17.9%	4,865	\$73,000
First Nation Reserves	20.8%	5,663	\$85,000
Total UA Funding	100.0%	27,211	\$410,000

¹ Population was derived through BC Stats and Statistics Canada data from 2018. Appendix F details population for each municipality and UA within the CRD from the same source data.

ALTERNATIVES

Alternative 1

1. That staff allocate the additional \$575,000 COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix E;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget; and
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage Electoral Area Directors to determine allocation to specific services.

Alternative 2

The Additional Allocation of COVID-19 Safe Restart Grants for Local Governments report be referred back to staff with specific amendments.

IMPLICATIONS

Financial Implications

At the December 9, 2020, CRD Board meeting, it was resolved that the grant would be allocated to services in alignment with the provincial formulae. The regional and First Nations portion was allocated to the Regional Corporate Emergency Service's budget while the Electoral Area (EA) portions was allocated to specific local area services following engagement with EA Directors.

In alignment with the Board resolution of December 9, 2020, staff recommend the Provincial funding formulae continue to be followed in determining grant allocation between regional and EA services. The regional portion would continue to support the Corporate Emergency Service's budget, which includes the Emergency Operations Centre (EOC). Staff will continue to engage with EA Directors to determine allocation to specific services for the rural portion. When an allocation is approved, staff will prepare Financial Plan amendments to incorporate the grant revenue and eligible expenditures into each service's 2021 budget.

CONCLUSION

As part of BC's Economic Recovery Plan, the Province has made a commitment to assist local governments and their recovery from the impacts of COVID-19. The CRD is receiving a grant of \$1.9 million through the COVID-19 Safe Restart Grant for Local Governments. The grant was received through two allocations — March 2021 and November 2020 — using two different methodologies for each allocation. The allocation of the grant to the specific service is at the discretion of the Board within the eligible parameters set by the Province.

RECOMMENDATION

1. That staff allocate the \$575,000 CRD COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix E;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget;
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage Electoral Area Directors to determine allocation to specific services.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

- Appendix A: Ministry of Municipal Affairs and Housing Allocation Letter for Safe Restart Funding
Appendix B: Safe Restart Grant Eligible Expenses
Appendix C: Provincial Grant Calculation for November 2020
Appendix D: Provincial Grant Calculation of the \$10 million Holdback
Appendix E: CRD Safe Restart Summary of Grant Funding Allocation
Appendix F: Demographics, Population Estimates, July 1 Capital Region