



STAFF REPORT

DATE: November 6, 2020

FILE: 0550-04 Board

TO: Chair and Directors
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: SAFE RESTART (COVID-19) FUNDING

PURPOSE/PROBLEM

To consider information from the Province of BC regarding funding provided under the Safe Restart program to address financial impacts on local governments as a result of COVID-19.

EXECUTIVE SUMMARY

The attached correspondence and backgrounder have been received regarding funding to address the financial impacts of COVID-19. According to the UBCM media release the funding is intended to support facility reopening and operational costs along with local emergency response. Details on additional funding to address the needs of vulnerable populations and improve development approval processes will be provided as information becomes available.

Based on the allocation formula used for disbursing the initial \$425 million, the Strathcona Regional District (SRD) will be receiving \$539,000. This funding may be used at the discretion of the SRD but must be fully allocated to the respective services not later than December 31, 2021. There is also a requirement to report on the actual use of the funds until fully spent.

At this time it is recommended that a further report be prepared for the Board that looks at how best to apportion the Safe Restart funding based on the impact that COVID-19 had (and continues to have) on the various Regional District services.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT a further report be prepared for the Board's consideration that examines the most appropriate method for allocating the funds received under the 'COVID-19 Safe Restart Grants for Local Governments' program.

Respectfully:



Dave Leitch
Chief Administrative Officer

Attachments: November 2, 2020 correspondence and backgrounder



November 2, 2020

Ref: 257735

David Leitch
Chief Administrative Officer
Strathcona Regional District
301 - 990 Cedar St
Campbell River BC V9W 7Z8

Dear David Leitch:

The provincial government understands the fiscal impacts that COVID-19 has placed on local service providers. To help address these challenges, in September the Province of British Columbia announced nearly \$2 billion in joint federal/provincial spending, including: \$540 million for local governments, \$418 million for community infrastructure, and \$1 billion for transit, TransLink and ferries.

The \$540 million for local governments was further divided into three funding streams. Two streams ("Development Services" for \$15 million and "Strengthening Communities" for \$100 million) will be application-based funding. More information on these funding streams will be forthcoming.

The third stream will provide direct grants to local governments. This funding stream is called the "COVID-19 Safe Restart Grants for Local Governments" and will provide up to \$425 million for local operations impacted by COVID-19. This funding will support local governments as they deal with increased operating costs and lower revenue due to COVID-19. It will also ensure local governments can continue to deliver the services people depend on in their communities. Eligible costs will include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

.../2

As you may recall, during the early months of COVID-19, the provincial government required all municipalities to fully remit requisitions to regional districts by August 1, 2020, despite any shortfalls in municipal tax collection. This was designed to ensure regional district requisitions were kept whole in 2020. Because of this earlier action, the COVID-19 Safe Restart Grant for Local Governments will place a funding emphasis on municipalities. However, there is still considerable funding under this grant program for regional districts.

I am pleased to advise you that **Strathcona** is the recipient of a **\$539,000** grant under the COVID-19 Safe Restart Grant for Local Governments. This amount will be directly transferred to your regional district in the coming days.

Under section 36 of the Local Government Grants Regulation, the amount of the grant to each local government is set by Minister of Municipal Affairs and Housing. The determination of this amount was based on a formula that applies to all regional districts. The funding formula for regional districts is based on three components: a flat funding amount plus two per capita amounts. The flat amount will be \$300,000 to each regional district.

The first per capita amount will be based on the total regional district population (rural and municipal). This will provide \$3.10 per person. There will be a funding limit on this first per capita amount. The limit is \$1.8 million for Metro Vancouver and \$900,000 for all other regional districts. The higher limit for Metro Vancouver is in recognition of their larger population. The overall purpose of these limits is to ensure that the very largest regional districts do not receive a disproportionate share of funding compared to smaller and mid-sized regional districts.

The second per capita amount will be based on the rural population of a regional district (i.e. the population outside the boundaries of an incorporated municipality). This second per capita amount will provide \$8.13 per rural population. This second per capita amount is in recognition of the additional burden on regional districts because they are the primary local service provider in rural parts of British Columbia.

This overall formula is designed to ensure that larger regional districts receive more money than smaller ones, but that smaller and rural regional districts receive higher per capita funding than larger ones. This is in recognition that small regional districts often lack a diverse revenue base and the economies-of-scale to easily restart their operations.

An example of the funding formula (for a regional district of 65,000 people) is provided as an attachment to this letter. If you wish, you can apply this formula to your 2018 total population of **48,227** and rural population of **10,985** to determine your total funding amount. 2018 population data was used because it is the last year in which we have complete financial and demographic data for each regional district.

David Leitch
Page 3

Before December 31, 2021, (a little over a year from this letter) the regional board must fully allocate the grant funds to the appropriate services. This allocation will be entirely at the discretion of the board. Ministry staff are available to assist regional district staff should they have any questions on allocation.

To ensure optimal transparency on the use of funds, there are two reporting requirements for regional districts. **First**, as part of the 2021 audited financial statements, the regional district must provide a report on how the funds were allocated to various regional and local services.

The **second** reporting requirement is an annual report on how the grant funds were spent in that year. This will be a schedule to your audited financial statements, under section 377 of the Local Government Act. The schedule will include the amount of funding received, the use of those funds, and the year-end balance of unused funds. This report may be consolidated for the entire regional district, rather than reporting on a service-by-service level. Your regional district must continue to annually report on the use of grant money until the funds are fully drawn down.

If you have questions or comments regarding this letter, please feel free to contact Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch, by email at: Jennifer.Richardson@gov.bc.ca, or by phone at: 778-698-3243.

The provincial government welcomes this opportunity to support COVID-19 restart and recovery throughout British Columbia. We believe that this funding will contribute to the long-term recovery of local governments who are both critical service providers and crucial drivers in the British Columbia economy.

Sincerely,



Kaye Krishna
Deputy Minister

Attachment

pc: Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch
Mike Harmston, Chief Financial Officer, Strathcona Regional District

Attachment 1: Example Calculation for a Regional District with 65,000 People

Rockridge Regional District

Variables:

	Population	Per Capital Amount	Funding Limit	Flat Funding Amount
Total RD	65,000	\$3.10	\$900,000	n/a
Rural Part of RD	20,000	\$8.13	n/a	n/a
Other	n/a	n/a	n/a	\$300,000

Calculation:

	A	B	C=AxB	D	E=min(C or D)
Cost Item	Population	Per Capital Amount	Pop-Based Funding	Ceiling	Funding
Total Population	65,000	\$3.10	201,500	900,000	201,500
Rural Population	20,000	\$8.13	162,600	n/a	162,600
Flat Amount	-----				300,000

TOTAL

664,100

Funding is based on a flat amount (**\$300,000**) plus two per capita amounts.

One per capita amount is based on total RD population times \$3.10 per person. This first per capita amount is subject to a funding ceiling of \$0.9M (or \$1.8M for Metro). In the above example, this amount equals **\$201,500**.

The second per capital amount is based on the rural population (i.e. outside municipal boundaries) times \$8.13 per person. In the above example, this equals **\$162,600**.

The total funding is the sum of these three amounts. In the above example, this equals **\$664,100**.

The RD population data is for 2018 (from BC Stats as at Oct 1, 2020)
<https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates>
 "Municipal and sub-provincial areas population, 2011 to 2019.xls"



Safe Restart funds for local government operations distributed

Nov. 5, 2020

The province has fulfilled a commitment made in its Economic Recovery Plan by distributing \$425 million under the federal Safe Restart Agreement to B.C.'s local governments. This federal/provincial funding will support facility reopening and operational costs along with local emergency response. The province has provided UBCM with complete information on the funding allocations that have been provided to each of British Columbia's municipalities and regional districts.

UBCM, working in partnership with Federation of Canadian Municipalities (FCM), voiced support for federal funding from Canada and an allocation delivery approach in April of this year. This followed upon UBCM's outreach to the provincial government on the financial impacts on local governments due to COVID-19, and the decision by the province to provide liquidity to local government through a package of amendments to the property tax framework. UBCM engaged in continuing discussions with the Province over the summer with regard to revenue streams impacted by COVID-19 as well as new expenditures that local government face as a result the pandemic.

"I am very pleased to see the speed at which the federal and provincial governments have delivered this funding to local governments in B.C.," said Councillor Brian Frenkel, UBCM president. "Since the beginning of the pandemic, local governments have taken steps to manage costs and rethink budgets, but communities are contending with significant revenue shortfalls. These funds will be available for immediate use and provide greater clarity as budgets are developed for the coming year. I want to personally thank FCM for the thoughtful advocacy it has provided on behalf of local governments at a federal level, and readiness of the province to match the significant funding provided by the Government of Canada."

Funding details are still being developed for additional funding through the Safe Restart Agreement. This includes additional funding for BC local governments, including \$100 million to support local governments as they address the needs of vulnerable populations and \$15 million to improve development approval processes. UBCM will be communicating details on these programs as they become available.

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Summary of Municipal Allocations: COIVD-19 Safe Restart Grant

Municipalities	Total Funding
100 Mile House	752,000
Abbotsford	8,338,000
Alert Bay	315,000
Anmore	882,000
Armstrong	1,608,000
Ashcroft	659,000
Barriere	730,000
Belcarra	380,000
Bowen Island	1,273,000
Burnaby	9,827,000
Burns Lake	732,000
Cache Creek	461,000
Campbell River	4,618,000
Canal Flats	381,000
Castlegar	2,184,000
Central Saanich	3,455,000
Chase	879,000
Chetwynd	955,000
Chilliwack	6,488,000
Clearwater	894,000
Clinton	373,000
Coldstream	2,623,000
Colwood	3,476,000
Comox	3,067,000
Coquitlam	8,293,000
Courtenay	4,149,000
Cranbrook	3,765,000
Creston	1,648,000
Cumberland	1,312,000
Dawson Creek	2,793,000
Delta	7,059,000
Duncan	1,570,000
Elkford	938,000
Enderby	1,062,000
Esquimalt	3,538,000
Fernie	1,597,000
Fort St. James	666,000
Fort St. John	3,778,000
Fraser Lake	485,000
Fruitvale	787,000
Gibsons	1,512,000
Gold River	557,000
Golden	1,263,000
Grand Forks	1,359,000
Granisle	264,000
Greenwood	381,000
Harrison Hot Springs	675,000
Hazelton	268,000
Highlands	897,000
Hope	1,833,000
Houston	1,066,000
Hudson's Hope	499,000
Invermere	1,181,000
Jumbo Glacier	-

Municipalities	Total Funding
Kamloops	6,680,000
Kaslo	480,000
Kelowna	7,884,000
Kent	1,826,000
Keremeos	659,000
Kimberley	2,087,000
Kitimat	2,176,000
Ladysmith	2,343,000
Lake Country	2,947,000
Lake Cowichan	1,158,000
Langford	4,878,000
Langley (C)	4,151,000
Langley (D)	7,608,000
Lantzville	1,220,000
Lillooet	880,000
Lions Bay	603,000
Logan Lake	816,000
Lumby	764,000
Lytton	248,000
Mackenzie	1,244,000
Maple Ridge	6,417,000
Masset	429,000
McBride	366,000
Merritt	2,005,000
Metchosin	1,540,000
Midway	377,000
Mission	4,964,000
Montrose	485,000
Nakusp	692,000
Nanaimo	6,693,000
Nelson	2,613,000
New Denver	323,000
New Hazelton	357,000
New Westminster	6,052,000
North Cowichan	4,419,000
North Saanich	2,711,000
North Vancouver (D)	6,484,000
North Vancouver (C)	5,434,000
Northern Rockies	1,507,000
Oak Bay	3,589,000
Oliver	1,591,000
Osoyoos	1,539,000
Parksville	2,861,000
Peachland	1,650,000
Pemberton	987,000
Penticton	4,711,000
Pitt Meadows	3,656,000
Port Alberni	3,536,000
Port Alice	386,000
Port Clements	259,000
Port Coquitlam	5,622,000
Port Edward	317,000
Port Hardy	1,376,000
Port McNeill	888,000

Municipalities	Total Funding
Port Moody	4,647,000
Pouce Coupe	426,000
Powell River	2,928,000
Prince George	6,110,000
Prince Rupert	2,799,000
Princeton	1,013,000
Qualicum Beach	2,359,000
Queen Charlotte	435,000
Quesnel	2,503,000
Radium Hot Springs	459,000
Revelstoke	2,105,000
Richmond	9,331,000
Rossland	1,257,000
Saanich	7,453,000
Salmo	533,000
Salmon Arm	3,598,000
Sayward	268,000
Sechelt	2,563,000
Sechelt (IG)	387,000
Sicamous	927,000
Sidney	2,758,000
Silverton	231,000
Slocan	262,000
Smithers	1,656,000
Sooke	2,981,000
Spallumcheen	1,604,000
Sparwood	1,282,000
Squamish	3,760,000
Stewart	366,000
Summerland	2,724,000
Sun Peaks	387,000
Surrey	14,769,000
Tahsis	249,000
Taylor	644,000
Telkwa	602,000
Terrace	2,728,000
Tofino	822,000
Trail	2,115,000
Tumbler Ridge	827,000
Ucluelet	764,000
Valemount	501,000
Vancouver	16,371,000
Vanderhoof	1,438,000
Vernon	4,997,000
Victoria	6,522,000
View Royal	2,613,000
Warfield	710,000
Wells	241,000
West Kelowna	4,602,000
West Vancouver	5,068,000
Whistler	2,685,000
White Rock	3,769,000
Williams Lake	2,618,000
Zeballos	200,000

Summary of Regional District Allocations: COVID-19 Safe Restart Grant

Regional Districts	Total Funding
Alberni-Clayoquot	485,000
Bulkley-Nechako	583,000
Capital	1,421,000
Cariboo	837,000
Central Coast	340,000
Central Kootenay	760,000
Central Okanagan	1,107,000
Columbia Shuswap	645,000
Comox Valley	723,000
Cowichan Valley	903,000
East Kootenay	641,000
Fraser Valley	1,362,000
Fraser-Fort George	747,000
Kitimat-Stikine	559,000
Kootenay Boundary	489,000
Metro Vancouver	2,325,000
Mount Waddington	367,000
Nanaimo	1,169,000
North Coast	390,000
North Okanagan	741,000
Okanagan-Similkameen	773,000
Peace River	700,000
Qathet	424,000
Squamish-Lillooet	502,000
Strathcona	539,000
Sunshine Coast	521,000
Thompson-Nicola	947,000