



REQUEST FOR DECISION

To: Board of Directors

From: Teri Fong, CPA, CGA, Chief Financial Officer

Meeting Date: March 24, 2021

Subject: Additional Provincial COVID-19 Safe Restart Grant for Local Governments

Recommendation:

That the Alberni-Clayoquot Regional District Board of Directors direct staff to bring back a report outlining eligible options for use of the additional \$166,000 of Provincial COVID-19 Safe Restart Grant for Local Governments to the Board of Directors on or before May 12, 2021.

Desired Outcome:

To allocate the additional COVID-19 grant funding.

Summary:

On March 22, 2021 the Ministry of Municipal Affairs sent the attached letter announcing an additional \$166,000 worth of COVID-19 Restart Funding for the ACRD. The letter outlines the criteria of the funding and the reporting requirements moving forward. Staff need time to determine a recommended allocation of these funds and as a result, do not recommend any changes to the draft 2021-2025 Alberni-Clayoquot Regional District Financial Plan prior to adoption. New initiatives will need to be explored and considered and this will take time and a collective approach by staff. Once initiatives are developed a Financial Plan amendment could be done to reflect the approved use of funding.

Background:

The original funding announced in the fall of 2020 has been allocated by the Board and covers the 2020 COVID related impacts as well as anticipated impacts to 2021.

Financial:

This Provincial grant does not need to be spent in 2021 but must be allocated by the Board of Directors by the end of year.

Strategic Plan Implications:

This funding will assist with the implementation of Strategic Focus Area #1 The Economy and COVID-19 Recovery. Staff will be cognizant of the entire ACRD Strategic Plan in developing the allocation options for the Board.

Submitted by: 
Teri Fong, CPA, CGA, Chief Financial Officer

Approved by: 
Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer



March 22, 2021

Ref: 265703

Doug Holmes
Chief Administrative Officer
Regional District of Alberni-Clayoquot
3008 Fifth Ave
Port Alberni BC V9Y 2E3

Dear Doug Holmes:

The provincial government understands the fiscal impacts that COVID-19 has placed on local service providers. To help address these challenges, 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 of the streams (Development Services for \$15 million and Strengthening Communities for \$100 million) are application-based funding. For more information on these two funding streams, please visit the following program webpages:

- **Development Services** – <https://www.ubcm.ca/EN/main/funding/lgps/local-government-development-approvals.html>
- **Strengthening Communities** – <https://www.ubcm.ca/EN/main/funding/lgps/strengthening-communities-services.html>

The third stream provides direct grants to local governments. This funding stream is called the "COVID-19 Safe Restart Grant for Local Governments" and provides \$425 million for local operations impacted by COVID-19. This funding supports local governments as they deal with increased operating costs and lower revenue due to COVID-19.

Of this \$425 million, \$415 million was paid out in November 2020 to local governments and the Province is now in a position to allocate the remaining \$10 million to continue to support local service providers. Of the \$415 million allocated to local governments in November, \$21 million was allocated to regional districts. This amount was relatively small (compared with the allocation to municipalities) because municipalities faced revenue risks and expenses, and the Province and municipalities ensured that regional requisitions would be fully remitted in 2020.

.../2

While the regional tax base was kept whole in 2020, the Province acknowledges that regional districts have developed other COVID-related financial shortfalls and pressures. For this reason, the Province has decided to allocate the \$10 million holdback to the 27 regional districts.

Under section 36 of the *Local Government Grants Regulation*, the amount of the grant to each regional district is set by the Minister of Municipal Affairs. The determination of this amount was based on an allocation formula that applies equally to all regional districts. The allocation is as follows: 20 percent of the holdback will be allocated on total regional population, and the remaining 80 percent was allocated on rural population (i.e. population in electoral areas). This was done in recognition of the additional costs associated with servicing remote rural areas.

For the Regional District of Alberni-Clayoquot, the Province provided **\$485,000** in November 2020. The Province is providing an additional **\$166,000** in March 2021, which represents a **34 percent** increase over the initial installment. The total of both installments is **\$651,000**.

Like the November payment, this funding will also ensure regional districts can continue to deliver the services people depend on in their communities. COVID related 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.

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.

For the purpose of reporting, the two payments (November 2020 and March 2021) may be treated as one pooled grant. Thus, a regional district is **not** required to report on the two payments separately.

If you have a 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 telephone at: 778 698-3243.

Doug Holmes

Page 3

The provincial government welcomes this opportunity to support COVID-19 restart and recovery throughout British Columbia.

Sincerely,



Okenge Yuma Morisho

Deputy Minister

pc: Teri Fong, Chief Financial Officer, Regional District of Alberni-Clayoquot
Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch