

Report to Council



Date: November 23, 2020
To: Council
From: City Manager
Subject: 2020 COVID-19 Safe Restart Grants for Local Governments
Department: Financial Planning

Recommendation:

THAT Council receives, for information, the report from the Financial Planning Manager, dated November 23, 2020 with respect to the COVID-19 Safe Restart Grants for Local Governments from the Province of British Columbia;

AND THAT Council approve the receipt of \$7,884,000 of conditional grant funding as part of the COVID-19 Safe Restart Grants for Local Governments program, and commit to the future annual reporting requirements;

AND THAT the 2020 Financial Plan be amended to include the grant revenue, allocated to fund the COVID-19 financial impacts of 2020, and remaining funds to be applied to expected COVID-19 financial impacts as part of the 2021 Financial Plan.

Purpose:

To provide Council with a report on the conditional grant fund provided by the Province of British Columbia to support local governments as they deal with increased operating costs and lower revenue due to COVID-19.

Background:

To help address the financial challenges of COVID-19, the Province of British Columbia has provided three funding streams to local governments. Two of the streams are application-based and directed towards strengthening communities and development services. Further information on these two streams is expected in the coming months.

The third stream titled "COVID-19 Safe Restart Grants for Local Governments," provides direct grants to local governments to help deal with the increased operating costs and reduced revenues due to COVID-19. The grant is intended to ensure local governments can continue to deliver the services the people in the community depend on.

Eligible costs include:

- addressing revenue shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement costs and protective services;
- computer and other electronic technology costs (to help improve interconnectivity and virtual communications; and
- services for vulnerable persons.

Discussion:

The City of Kelowna received notification on November 2, 2020 that the City is to receive \$7,884,000 from the Provincial COVID-19 Safe Restart Grants for Local Governments program. The funding formula was based on both a flat funding amount and an adjusted per-capita amount designed to ensure a fair distribution amongst the various sized local governments.

The timing of this announcement, for the conditional funding, provides the City of Kelowna the opportunity to use the funding to support 2020 financial impacts as well as to apply to the 2021 budget, aiding operations and programs which have had the strongest COVID-19 financial impact.

Staff are recommending that \$2.517 million of these funds be allocated to fund additional costs and revenue losses experienced in the 2020 fiscal year, including Corporate Preparedness Planning and Gaming Revenues as well as to support the Kelowna International Airport. Staff recommend the remaining \$5.367 million be allocated to fund expected costs and loss of revenue as part of the 2021 Preliminary Budget to be deliberated by Council on December 10, 2020.

To ensure full transparency on the use of the conditional grant, the City of Kelowna is required to report annually on the use of funds. The City will provide a schedule to the audited financial statements reporting the amount of grant funding received, the use of funds, and the balance at year end of unused funds. This reporting is a requisite until the funds are fully disbursed.

Conclusion:

In conclusion, staff request Council approval to receive the conditional grant funding with future annual reporting requirements, and that the 2020 Financial Plan be amended to include \$2,517,000 of the \$7,884,000 of grant revenue to be used to fund the financial impacts of COVID-19 in 2020 and the remaining \$5,367,000 to be allocated as part of the 2021 Preliminary Budget volume to be presented to Council on December 10, 2020.

Internal Circulation:

Controller
Manager, Corporate Finance

Financial/Budgetary Considerations:

Staff recommend the 2020 Financial Plan be amended to include \$2,517,000 of the \$7,884,000 of grant revenue to be used to fund the 2020 COVID-19 financial impacts including Corporate Preparedness Planning and Gaming Revenues as well as to support the Kelowna International Airport, and the remaining \$5,367,000 to be applied as part of the 2021 Preliminary Budget to fund expected costs and loss of revenue.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements: Financial reporting section 157, Community Charter

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Submitted by: K. Hughes, Manager – Corporate Financial Planning

Approved for inclusion:



GD

cc:

G. Davidson, Divisional Director, Financial Services

J. Dueck, Controller

S. Little, Manager, Corporate Finance

M. Antunes, Budget Supervisor