

Minutes - The Blue Mountains Special Council Meeting



MEETING DATE: September 2, 2009, 2:00 pm

LOCATION: Thornbury Firehall No. 1

PREPARED BY: Stephen Keast, Clerk

A. Call to Order

- Chair called the special meeting to order with all members in attendance save Mayor Anderson, absent due to a family matter, Deputy Mayor McKinlay and Councillor McKean, absent due to work commitments and Councillor Martin, absent due to a previous commitment.

As quorum was not achieved, it was agreed to proceed for information and reporting purposes.

Also in attendance was CAO Paul Graham, Director of Financial & Information Services Rob Cummings, Deputy Treasurer Liz Thompson, Director of Recreation Shawn Everitt, Fire Chief Ron Doherty, Director of Engineering and Public Works Reg Russwurm, Director of Special Projects (Sustainability) Peter Tollefsen and Communications and Economic Development Coordinator Rob Potter.

- The meeting then paused for a moment of Personal Prayer or Reflection.
- Approval of Agenda:

Moved by: John McGee Seconded by: Cameron Kennedy

THAT the special meeting Agenda of September 2, 2009 be accepted as circulated, including any items added to the Agenda.

- No member declared a pecuniary interest with any matter as listed on the Agenda.

B. Deputations

Roger Moyer, Luanne Phair, Tim Ryall, Ministry of Municipal Affairs and Housing - Ontario Disaster Relief Assistance Program

Roger then thanked Council and staff for the meeting opportunity and introduced the Ministry staff as well as Paul Fenelon and Gail Simkas of Agricornp, a Provincial agency supporting a sustainable agricultural industry and Mary Ann Hilton and Kelly Ward of the Ministry of Agriculture, Food and Rural Affairs.

Roger then noted the recent tornado event was significant and Luanne toured the area with Community Emergency Management Coordinator Steve Conn on August 21, noting Council had earlier passed a Resolution requesting the Minister declare the Town a disaster area.

Tim then reviewed the Ontario Disaster Relief Assistance Program, noting responsibility for small events first rests with the affected families, larger events

the community, significant events the Province and catastrophic events the Federal government.

Tim then stressed that ODRAP is not an alternative to adequate private insurance coverage and sound risk management practices, with any claims first directed to insurance companies to determine the policy holder's coverage.

Tim then reviewed a "decision tree" the Province utilizes as guidelines for financial assistance under ODRAP, being:

- is it a natural or non-natural disaster
- was it a large event with wide impacts
- determination of the magnitude of the disaster and frequency of occurrence
- was damage cost unforeseen and unbudgeted by the municipality
- was property damage not covered by insurance
- what are the incremental costs attributed to the disaster event
- what is the financial capacity of the municipality

Tim then reviewed the realities of ODRAP, being:

- it alleviates financial hardship caused by damage to essential property due to natural disaster with private and public programs
- restores property to pre-disaster condition, not improved
- does not replace private insurance and deductibles are not covered
- covers damage only within declared disaster area
- provides financial assistance for private claims up to \$2.00 for every dollar raised locally by the Disaster Relief Committee, to an amount necessary to settle all eligible claims, up to 90% of all eligible costs

Reg then questioned if the Town donates funds would they be matched, Tim replying yes with tax receipts provided for private donations.

Tim noted the entire Town was noted in the Council Resolution and funding would be available across the Town for any damages.

Tim then noted those eligible for funding include municipalities, individuals and farmers, small businesses and non-profit organizations, again noting it is up to individuals to do their due diligence and after all other insurance and support programs have been exhausted does ODRAP apply.

Tim further noted damage due to high winds is often covered by standard home insurance.

Tim then reviewed coordination, noting the municipality first requests the Minister to declare a disaster area and information and evidence is submitted for consideration. If declared, the municipality then appoints a Disaster Relief Committee to consider compensation claims. Tim noted members of Council are not eligible for Committee membership, nor are staff or anyone with an interest in a claim, adding the Committee is completely autonomous from Council.

Paul then questioned how long it typically takes to respond to a request for declaration, Tim noting typically a Resolution with proper supporting evidence is responded to promptly.

Tim then noted it is important to get a quantum of the uninsured damage, Roger adding the Minister knows the matter is time-sensitive and it is important to be able to initiate the local fund-raising.

Tim then noted a declaration can also be requested by an upper-tier municipality but must be accompanied by a lower tier request, or two or more lower tier municipalities could make a joint request with a single Disaster Relief Committee.

Tim then noted requests for declaration can be amended following the initial request.

Tim then noted damage reports and reliable estimates of damage are important, as well as cost-breakdowns, but are not required to be precise.

John McGee then noted reference to uninsured damage but that would not be known until final settlement with the insurance company, Tim noting it is not an ODRAP role to become involved in insurance negotiation and by the time the DRC is struck and fund-raising commenced, insurance settlements may be complete and often insurance pays more than was expected.

John then noted if settlements are not reached and uninsured damage not determined the Minister may not be able to make a decision.

Steve Conn then questioned if future loss of income is part of ODRAP, Tim noting future income is not part of the program.

Tim noted Council would appoint the Disaster Relief Committee as unpaid volunteers with expenses paid, with the all administrative costs of the DRC including hiring of coordinators and adjusters 100% funded by the Province. Tim further noted the Province has a short list of experienced and recommended coordinators and adjusters should the DRC wish it.

Tim then reviewed the role and functions of a DRC, noting on average it takes six months to a year for a DRC to wrap up operations following an event.

Tim then reviewed examples of eligible private costs, including repair or replacement to pre-disaster condition of a principal residence, farm buildings, business enterprises and essential furnishings and appliances of a principal residence.

Reg then questioned orchard replacement costs, Tim noting all insurance and support program assistance would have to be exhausted first, with clean-up costs eligible, Roger noting per tree purchase amount is only about \$15.00 and does not replace a mature tree.

The Clerk then forwarded a question from Mayor Anderson, being if an orchard is lost and no crop could be expected for several years would ODRAP or the Province provide any kind of mortgage support in the event of foreclosure, Tim replying no, noting ODRAP is not an income replacement program.

Paul then noted significant tree loss in some public areas and questioned if this was covered, Tim replying the cost of clean-up is eligible, adding tree replacement is offered only for agricultural trees.

Roger then noted cost claims will be weighed against the municipal financial status and ability to absorb the costs, Tim noting the Minister could choose to declare a disaster on both private and public damage or one or the other.

Cam then noted damage in Vaughn was mostly houses and buildings and probably all covered by insurance but The Blue Mountains may represent a

heavier loss in terms of uninsured damage, Roger noting most residential insurance policies address wind damage and ODRAP may not have to apply in urban areas, adding the financial position and fund-raising potential in Vaughn for example would far exceed that in The Blue Mountains.

Cam then noted there may be challenges in Town fundraising given the significant non-resident population and questioned if the Town can transfer funds for the 2:1 matched fundraising, Tim replying yes, however, that may indicate the Town is in a financial condition to support the private damage claims.

Cam then questioned if damage along the Georgian Trail would qualify, Tim noting yes, once insurance is exhausted, as it would fall under the public damage component.

Gail Simkas of Agricorp then recounted agricultural support programs, being Production insurance which might include a tree replacement rider, the AgriStability benefit program based on whole farm income and production and reference margins and the Orchards and Vineyards Transition Program.

Gail then noted Agricorp encourage operators to contact them.

Paul Graham then questioned if all 14 of the affected producers were eligible under Agricorp programs, Paul Fenelon replying of the 14, 9 have Production Insurance and it appears the other 5 do not but may be covered under the AgriStability program. Paul further noted each instance will be different and it was important for operators to contact Agricorp to determine and identify individual situations. Paul further noted a producer may have Production Insurance but not have the tree insurance rider.

Paul then noted producers have until December 31 to file applications for AgriStability but determination of orchard stock late in the year would be difficult.

Steve Conn then referred to orchard clean-up costs with some producers requesting heavy equipment to remove and pile damaged trees and would this cost be ODRAP eligible, Tim replying yes up to 90% under the agricultural component and again would be dependent on local fundraising.

Reg then questioned if the DRC could cap fundraising to maximize the 2:1 matching Provincial funds and then distribute any excess funds, Roger noting the locally raised funds are dispersed first and then matched up to 2:1 by the Province.

Reg then questioned if fundraising could occur outside the program, Tim replying yes, noting DRC fundraising would be tax deductible with no administrative costs. Reg then questioned if volunteer hours could be funded with cash, Tim replying no, as in-lieu services are difficult to evaluate.

Rob Potter then noted initial clean-up of the secondary residences in the Georgian Peaks area required chainsaw work and tree and limb removal and questioned if the clean-up work would be eligible if not covered by insurance, Tim replying the initial clean-up and road clearing would be eligible but structure and landscaping damage would not.

Tim then noted should the Minister declare a disaster Ministry staff will come back up to assist with the first meeting and afterwards if requested.

The Clerk then noted Mayor Anderson asked if the Province would assist in retaining assistance from the military if required and if any associated costs would be eligible, Tim noting clean-up of agricultural lands would be eligible, further noting private claims for assistance with clean-up costs would be processed by the DRC and the military would be considered as a contractor retained for clean-up in terms of any costs. Tim further noted Ministry of Natural Resources staff are at present assisting in public land clean-up.

Roger then noted a broad request for assistance is beyond the scope of ODRAP and direct contact could be made with the Premier or Prime Minister.

Chair Gamble then questioned if the Agricorp representatives had an additional information, Paul Fenelon noting the priority is to have any producer contact Agricorp to determine what position they are in.

Bob then questioned if there was any program that would allow a gross average claim, Gail replying the AgriStability uses the average of five years of production excluding the highest and lowest to trigger a benefit when production drops below 85% of this reference margin.

Bob then questioned if crop insurance and tree insurance are the same thing, Gail noting crop insurance adds an automatic rider on trees, Paul Fenelon noting unless you are a first year producer with no harvest history.

Bob then questioned if the tree rider could be transferred to a new purchaser in a case where the former owner would retain the crop for a period of years, Paul noting insurance is not transferable.

Bob then questioned if there was any coverage for extreme losses for the 14 affected growers, Paul replying if they have AgriStability they would be protected for future years.

Gail then noted producers could also consider the Orchard to Vineyard Transition Program and in order, should consider the OVTP, Production Insurance, AgriStability and the distress funding option under AgriStability.

Paul Fenelon then noted for those without any insurance or benefit coverage there would be no assistance program in place, other than OVTP.

Bob then noted there was a hint prices will fall due to the volume of the overall crop and questioned if there was any chance a crop could be considered by poundage, Gail replying they cannot amend or change any programs.

Paul Graham then noted the orchard producers have their own committee, Kelly noting Agricorp and OMAFRA representatives have met with the Committee.

Paul Fenelon then noted Agricorp will continue to remain in close contact with affected producers and determine what if any coverage is available.

Rob Potter then noted there may be a negative economic spin-off within the community due to the loss of the orchard crop and possible downturn in local apple processing plants and questioned if there was any programs that might address this, Kelly replying no.

Rob further noted there was a first year grower without crop insurance, Gail noting the grower had Production Insurance but being a first year grower did not qualify for the tree rider, Paul Fenelon noting AgriStability would also have been

available, adding the OVTP program would provide more funding than if the grower had tree insurance.

Chair Gamble then questioned if there was anything available from the Federal level, Tim replying not from the Provincial perspective, a disaster on the scale of the eastern Ontario ice storm qualifying for Federal assistance.

Chair Gamble then thanked all those who made the trip to attend the meeting and tour the affected areas of the Town.

C. Adjournment

As there was nothing further before the Chair, Chair Gamble declared the meeting to be adjourned.

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R.J. Gamble, Chair

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Stephen Keast, Clerk