

STAFF REPORT: Financial & Information Services

REPORT TO: Council
MEETING DATE: February 22, 2010
REPORT NO.: FIS.10.15
SUBJECT: Municipal Funding under the Ontario Disaster Relief Assistance Program
PREPARED BY: Elizabeth Thompson, Manager of Accounting & Budgets / Deputy Treasurer

A. Recommendations

THAT Council receive Staff Report FIS.10.15 "Municipal Funding under the Ontario Disaster Relief Assistance Program" for information purposes; and

THAT Council authorize the Mayor and Clerk to endorse the grant agreement between the Minister of Municipal Affairs and Housing and the Town of The Blue Mountains under the Ontario Disaster Relief Assistance Program.

B. Background

On August 20th, 2009, the Town of The Blue Mountains experienced a tornado, damaging homes and property and creating a disaster area in the Town along with other municipalities in Grey County. On September 2nd, 2009, the Ministry of Municipal Affairs and Housing met with Town Council and Staff to review the criteria of a Provincial program, the "Ontario Disaster Relief Assistance Program".

Provincial staff explained the general status of emergencies, noting that a loss in an emergency relies first with the affected families for small losses, larger events with the community, significant events with the Province and catastrophic events would be under the responsibility of the Federal government for emergency assistance. The August 20th, 2009 tornado was determined to be a significant event and would be considered for provincial funding.

The Ontario Disaster Relief Assistance Program (ODRAP) is twofold, allowing for funding of eligible costs for individuals, farmers, small businesses and non-profit organizations that have sustained damage and secondly providing assistance to municipalities for 100% of municipal expenses incurred while responding to the emergency and costs incurred for cleanup of the damage to public property.

The Town has submitted claims to the Province in the amount of \$106,615. The claims consist of such costs as stump removal; chipping of brush and wood from Delphi Point Park damage and other parks, trails, roadways; heavy equipment time, truck time and

man power for emergency response costs and Staff time to review and assistance provided to residents for damage evaluation.

Council has appointed autonomous members of the community to the Disaster Relief Committee to consider compensation claims to the Town residents who have submitted claims for relief. The Province will match fundraising efforts 2 to 1. The Grey County Tornado Disaster Relief Committee process has accepted applications and is still accepting fundraising efforts.

C. The Blue Mountains' Strategic Plan

To ensure long-term financial sustainability of the Town of The Blue Mountains

D. Environmental Impacts

n/a

E. Budget Impact

The Province has granted a maximum funding of \$106,615.00 towards extraordinary costs incurred by the Municipality as a result of the tornado on August 20, 2009. An interim grant in the amount of \$53,000 is anticipated to be delivered to the Town very soon.

F. Attached

1. Ontario Disaster Relief Assistance Program – Grant Agreement

Respectfully submitted,

Signature

For more information, please contact:

Elizabeth Thompson, Manager of Accounting & Budgets / Deputy Treasurer
ethompson@thebluemountains.ca
519-599-3131 extension 250

GRANT AGREEMENT

THIS AGREEMENT ("the Agreement") made in triplicate on the day of
February, 2010

B E T W E E N:

HER MAJESTY THE QUEEN
in Right of Ontario as represented by
the Minister of Municipal Affairs and Housing

(referred to as "the Ministry")

AND

THE CORPORATION OF THE
TOWN OF THE BLUE MOUNTAINS

(referred to as "the Municipality")

WHEREAS subsection 302(2) of the *Municipal Act, 2001* empowers the Minister, upon such conditions as may be considered advisable, to make grants and loans and provide other financial assistance to municipalities;

AND WHEREAS the Municipality has asked the Ministry for assistance under the Ontario Disaster Relief Assistance Program (ODRAP) for the eligible incremental or extraordinary costs the Municipality incurred as a result of a tornado which occurred in the Municipality on August 20, 2009;

AND WHEREAS the Ministry has agreed to provide ODRAP assistance to the Municipality to assist the Municipality for its incremental costs related to the tornado.

NOW THEREFORE in consideration of their respective agreements set out below, the parties covenant and agree as follows:

ARTICLE 1 GRANT

1.1 The Ministry shall pay to the Municipality a grant of a maximum total amount of \$106,615.00 (Dollars).

ARTICLE 2 USE OF THE GRANT

2.1 The Municipality agrees that the grant received from the Ministry under the Agreement in accordance with and subject to the following conditions:

- (1) The Municipality acknowledges that the total amount of the grant received is to be used solely for the purposes of assisting the Municipality for the ODRAP eligible incremental municipal costs the Municipality incurred directly as a result of the August 20, 2009 tornado which occurred in the Municipality.
- (2) The eligible incremental costs of the Municipality for this Agreement include the Municipality's costs of debris clean-up, emergency response costs and repairing the Municipality's property and infrastructure damaged by the tornado to the same condition as prior to August 20, 2009.

2.2 The Municipality further agrees that the grant received from the Ministry under the Agreement is subject to the following conditions:

- (1) The Municipality agrees to allow the Ministry full access to any records or materials it requires and authorizes the Ministry to inspect

and copy any financial records or any other documents in the possession or under the control of the Municipality;

- (2) The Municipality shall provide any information to the Ministry when requested by the Ministry; and
- (3) The Municipality agrees to provide any and all assistance required by the Ministry in order for the Ministry to fulfill the above functions.

ARTICLE 3 INTERIM GRANT AND OTHER PARTIAL GRANT PAYMENTS

- 3.1 The Ministry shall pay an interim grant of \$53,000.00 to the Municipality upon the signing of this Agreement by both parties.
- 3.2 The Ministry shall pay the balance of the grant amount of up to \$53,615.00 (Dollars) upon submission by the Municipality to the Ministry's satisfaction of a final claim form, such form to be provided by the Municipality, supported with appropriate receipts and documentation to support all costs incurred as a result of the August 20, 2009 tornado.
- 3.3 The detailed cost claims of the Municipality shall be verified and authorized by the Municipality's Treasurer.

ARTICLE 4 REPORTS

- 4.1 The Municipality shall by March 31, 2010 submit to the Ministry an interim financial report detailing the current status of the expenditure of any grant amount received by the Municipality to that date.
- 4.2 The Municipality shall by December 31, 2010 submit to the Ministry a final financial report detailing the expenditure of all grants received under this Agreement.
- 4.3 The financial report under article 4.2 shall:
 - (1) be signed by the municipal Treasurer and include the municipal Treasurer's representation as to compliance by the Municipality with the Agreement;
 - (2) be supported by a resolution of council; and
 - (3) be audited by the municipal auditor in the Municipality's audit for the year the grant or a portion of the grant was received.

ARTICLE 5 REPAYMENT

- 5.1 The Municipality shall repay to the Ministry at the Ministry's sole discretion, any amount of grant received by the Municipality, if used by the Municipality in contravention of article 2.1 of this Agreement or if any of the other conditions of the Agreement are not met.
- 5.2 If the Municipality fails to repay any amount owing to the Ministry under the Agreement, including interest, the Municipality acknowledges and agrees that the Ministry or the Minister of Finance may deduct any unpaid amount from any money payable to the Municipality by the Province of Ontario, or may exercise any other remedies available to the Ministry or the Minister of Finance to collect the unpaid amounts.
- 5.3 The provisions of this article will survive the performance or termination of the Agreement.

ARTICLE 6 BUDGET

- 6.1 The Ministry shall not be obligated to make any payments under the Agreement except to the extent that sufficient funds are provided in the votes and estimates of the Province of Ontario for the Ministry of Municipal Affairs and Housing and allocated for such purpose.

ARTICLE 7 NOTICES

7.1 Notices by Prescribed Means

Notices shall be in writing and shall be delivered by postage-prepaid envelope, personal delivery or facsimile and shall be addressed to, respectively, to

The Ministry of Municipal Affairs and Housing
Municipal Services Office - West
659 Exeter Rd
London Ontario
N6E 1L3
Attention: Micheline Riopelle, Director

and to the Municipality at:

The Corporation of The Town of the Blue Mountains
26 Bridge Street,
P.O. Box 310
Thornbury, Ontario
N0H 2P0
Attention: Corrina Giles, Acting Town Clerk

Notices shall be deemed to have been given (a) in the case of a postage-prepaid envelope, five (5) Business Days after such notice is mailed; or (b) in the case of personal delivery or facsimile, one (1) Business Day after such notice is received by the other party.

ARTICLE 8 GENERAL TERMS

8.1 The Municipality's Power to enter into Agreement

The Municipality represents and warrants that it has the full right and power to enter into the Agreement and that it is not party to any other agreement that would in any way interfere with the rights of the Ministry under the Agreement. The parties both represent that their respective representatives have the authority to legally bind them.

8.2 The Municipality Not a Partner or an Agent

Nothing in the Agreement shall have the effect of creating a partnership or agency relationship between the Ministry and the Municipality.

8.3 Responsibility of the Municipality

The Municipality agrees that is liable for the acts and omissions of its officers, employees, agents, partners, affiliates, volunteers and subcontractors. The Municipality shall be liable for all damages, costs, expenses, losses, claims or actions arising from any breach of the Agreement resulting from the actions of the above mentioned individuals and entities.

8.4 Agreement Binding

The Agreement shall operate to the benefit of and be binding upon the parties and their successors, executors, administrators and their permitted assigns.

8.5 Condonation Not a Waiver

Any failure by the Ministry to insist in one or more instances upon strict performance by the Municipality of any of the terms or conditions of the Agreement shall not be construed as a waiver by the Ministry of its right to require strict performance of any such terms or conditions, and the obligations of the Municipality with respect to such performance shall continue in full force and effect.

8.6 Changes by Written Amendment Only

Any changes to the Agreement shall be by written amendment signed by the parties.

8.7 Entire Agreement

The Agreement embodies the entire agreement between the parties with regard to the matters addressed in the Recitals of the Agreement and supersedes any prior understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution of the Agreement.

8.8 Severability

If any term or condition of the Agreement is to any extent invalid or unenforceable, the remainder of the Agreement shall not be affected thereby.

8.9 Force Majeure

Neither party shall be liable for damages caused by delay or failure to perform its obligations under the Agreement where such delay or failure is caused by an event beyond its reasonable control.

8.10 Document Retention and Audit

For six (6) years after the date upon which any amount paid under Article 2 of the Agreement is fully expended, the Municipality shall maintain all necessary records to substantiate (a) all payments to the Municipality and all disbursements made by the Municipality under the Agreement and (b) that they were made in accordance with the Agreement and with Requirements of Law. For six (6) years after the date upon which any amount paid under Article 2 of the Agreement is fully expended, the Municipality shall permit and assist the Ministry in conducting audits of the operations of the Municipality to verify (a) and (b) above. The Ministry shall provide the Municipality with at least ten (10) Business days prior notice of its requirement for such audit. The Municipality's obligations under this paragraph shall survive any termination or expiry of the Agreement.

IN WITNESS WHEREOF the parties hereto have executed and affixed their seals to the Agreement, the _____ day of February, 2010.

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO as represented by the Minister of
Municipal Affairs and Housing**

Per: _____
The Honourable Jim Bradley

Date:

**THE CORPORATION OF THE TOWN OF THE
BLUE MOUNTAINS**

Name: _____
Ellen Anderson
Title: Mayor

I have authority to bind the Corporation

Name: _____
Corrina Giles
Title: Acting Town Clerk

I have authority to bind the Corporation