
HALDIMAND COUNTY

Report FIN-13-2021 Municipal Disaster Recovery Assistance Funding Transfer Payment Agreement – Storm of 2019

For Consideration by Council in Committee on June 22, 2021



OBJECTIVE:

To provide an update on the October 31, 2019 storm damages financial recovery from the Provincial Financial Assistance through the Municipal Disaster Recovery Assistant Fund (MDRA), and to seek authorization from Council to execute of the Transfer Agreement.

RECOMMENDATIONS:

1. THAT Report FIN-13-2021 Municipal Disaster Recovery Assistance Funding Transfer Payment Agreement – Storm of 2019 be received;
2. AND THAT the Mayor and Clerk be authorized to execute the Transfer Payment Agreement with Municipal Disaster Recovery Assistant Fund, through the Ministry of Municipal Affairs and Housing.
3. AND THAT the Rate Supported Capital Budget for the Storm Event Repairs be amended as outlined in report FIN-13-2021.

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Respectfully submitted: Mark Merritt, CPA, CA, General Manager of Financial & Data Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

The County experienced a significant and unexpected flooding event along the Lake Erie lakeshore on October 31, 2019 that impacted both private property and municipal infrastructure. Haldimand County requested the activation of Municipal Disaster Recovery Assistance (MDRA) program funding on January 14, 2020, for eligible costs, to repair damaged infrastructure.

Haldimand County received correspondence from Ministry of Municipal Affairs and Housing on March 30, 2021 indicating that our request for activation of the MDRA program has been approved with financial support for eligible costs up to \$4,570,000. In order to receive the funds from the MDRA program, the County is required to enter into a Transfer Payment Agreement, as per Report CAO-01-2020 Storm Event Update.

BACKGROUND:

The County experienced a significant sudden, unexpected and extraordinary storm event along the Lake Erie lakeshore on October 31, 2019. The combination of high lake water levels and high winds resulted in 35 sites that incurred damage to County infrastructure. Staff investigated the work required to address the damage to bring the infrastructure back to its pre-storm condition. The repair work primarily involved varying degrees of road and bridge repair, bank stabilization, repair of retaining and

block walls, installation of armor stone/rip rap stone/gabion baskets, culvert repair/replacement and may include guide rail systems.

In the intervening timeframe the County had been tracking its costs through a separate ledger to capture incremental capital and operating costs required to address the response to the storm event. After discussions with appropriate Provincial Staff, to discuss the eligibility of the County's expenditures under the MDRA program and based on this discussion, staff recommended and Council submitted a formal request to the Province to activate the program. This occurred and on March 30, 2021 the Province notified the County that our request for activation of the MDRA program has been approved with financial support for eligible costs up to \$4,570,000.

ANALYSIS:

Cumulatively, the costs to respond to the event and bring municipal infrastructure back to its previous condition are estimated to be \$5,212,862 which exceeds the program threshold of 3% of the municipality's own purpose taxation levy, being approximately \$2.0 million.

The repair work associated with the event involved 35 reported sites for damage to municipal infrastructure with varying degrees of road and bridge repair including bank stabilization, repair of retaining and block walls, installation of armor stone/rip rap stone/gabion baskets, culvert repair/replacement and may include guide rail systems. It should be noted, that the repairs completed reflect the Ministry requirement to return the County's infrastructure to pre-storm condition and do not include any enhancements.

FINANCIAL/LEGAL IMPLICATIONS:

In keeping with the principle of shared responsibility for disaster management, the Municipal Disaster Recovery Assistance program is based on a sliding scale cost-sharing formula. The formula is applied when eligible costs are at least equal to three per cent (3%) of the municipality's own purpose taxation levy or \$2,016,232. For the purpose of this program, the \$2,016,232 is based on the information included on the 2018 Financial Information Return submitted by the municipality.

Once the eligible municipal costs reach the 3% threshold and the program is activated, the province will reimburse the municipality 75% for expenses up to the first 3% of the municipality's own purpose taxation levy. The municipality would be responsible for the remaining 25% of these expenses. For eligible expenses incurred beyond 3% of a municipality's own purpose taxation levy, the province will reimburse the municipality at 95% and the municipality would be responsible for the remaining 5%.

Provincial Cost Sharing Summary

Cost Sharing Formula Applied (if eligible costs meet 3% threshold)	Provincial Contribution	Municipal Contribution
Eligible costs up to 3% of Taxation levy	75%	25%
Eligible costs exceeding 3% of Taxation levy	95%	5%

The following outlines the program's cost sharing based on the claim submission:

Provincial and Municipal Cost-Sharing

Cost Sharing Formula Applied (if eligible costs meet 3% threshold)	Expenditure for the Storm Damage Repairs	MDRA Fund Request	CRR Roads Infrastructure Reserve
Eligible costs up to 3% of Taxation levy	2,016,232	1,512,174	504,058
Eligible costs exceeding 3% of Taxation levy	3,196,630	3,036,799	159,831
TOTAL SUBMITTED CLAIM	5,212,862	4,548,973	663,889
2020 Capital Budget based on Preliminary Estimates	4,863,000	4,216,600	646,400
Projected Increase	349,862	332,972	17,489

It should be noted that the 35 sites are based on preliminary estimates and could change based on the site works required.

The Total Submitted Claim costs exceed the budget by \$349,862 of which 95% or \$332,972 would be funded through the MDRA grant and the balance of \$17,489 would require additional funding through CRR Roads Infrastructure Reserve.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: Yes

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. Municipal Disaster Recovery Assistant Fund Transfer Payment Agreement.