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# **Ontario's New Disaster Recovery Assistance Programs**

*Ontario East Municipal Conference*  
*September 15, 2016*

# Purpose

- This presentation is intended to provide an overview of the **Disaster Recovery Assistance for Ontarians** and **Municipal Disaster Recovery Assistance** programs.
- For guidelines and further details on these programs, including eligibility and application requirements, visit [www.ontario.ca/disasterassistance](http://www.ontario.ca/disasterassistance) or contact your Municipal Services Office.

# Disaster Recovery Assistance in Ontario

- Like all provinces in Canada, Ontario offers financial assistance to help support recovery after natural disasters.
- On March 1, 2016, the province introduced two new disaster recovery programs:
  - **Disaster Recovery Assistance for Ontarians**, to help disaster victims repair or replace essential property and cover other eligible emergency costs.
  - **Municipal Disaster Recovery Assistance**, to reimburse municipalities for eligible extraordinary emergency response and repair costs.

# What's new? (if you are familiar with ODRAP)

## Disaster Recovery Assistance for Ontarians

- Minister activates and province administers program.
- Claims are processed by a professional firm.
- No Disaster Relief Committees. Payments made directly by the province.
- No fundraising. Assistance amounts addressed by guidelines.

## Municipal Disaster Recovery Assistance

- Application deadline extended to 120 calendar days from 14 days.
- Costs must be  $\geq 3\%$  of Own Purpose Taxation levy\*.
- Municipal-provincial cost-sharing.

# Common components

Both **Disaster Recovery Assistance for Ontarians** and **Municipal Disaster Recovery Assistance**:

- Apply to **sudden, unexpected natural disasters** with costly impacts.
- Cover eligible **essential, basic** costs connected to disaster response and recovery. The programs are **not** intended to replace insurance.
- Are delivered by the Ministry of Municipal Affairs (MMA).



# How it works:

## Disaster Recovery Assistance for Ontarians

### 1. Natural disaster occurs

*MMA monitors the province for disasters, with info from local partners.*

### 2. Disaster assessed onsite by MMA

*Assessment informs recommendation on whether to activate the program.*

### 3. Activation Decision

*Made by minister, informed by results of assessment.*

### 4. Claims accepted for 120 calendar days

*Claimants apply directly to the province after the program is activated.*

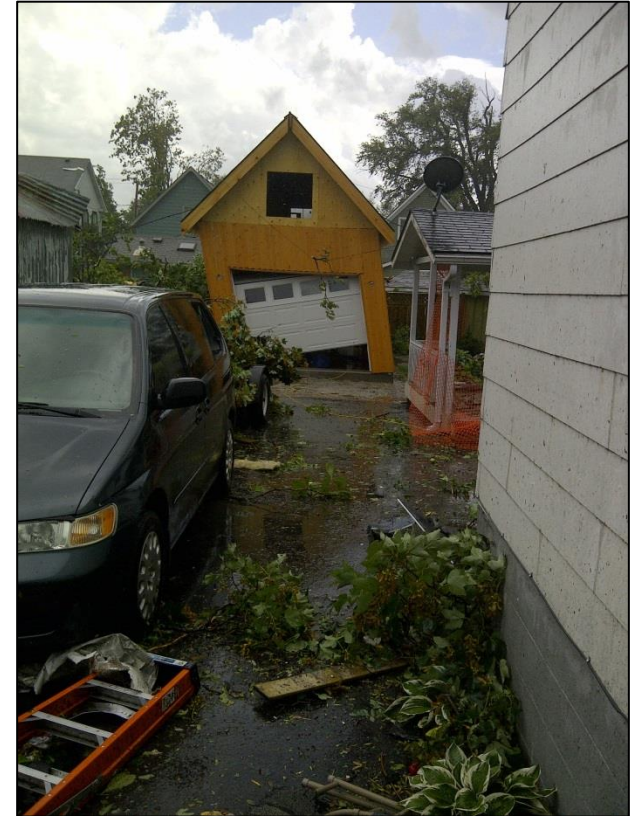
### 5. Ministry issues decision on claim

*Applications are assessed by a professional adjustment firm. May include site visits and/or reconsiderations after payment decision.*

# Program Features:

## Disaster Recovery Assistance for Ontarians

- Minister's decision to activate program. Municipalities do not request assistance.
- Provincial delivery model. Claims made directly to the province, administered by adjustment firm.
- Payments are made by the province based on program guidelines.
- Clear documentation about program caps and deductibles is available online.





# How it works:

## Municipal Disaster Recovery Assistance

### 1. Natural disaster occurs

*MMA monitors the province for disasters, with info from local partners.*

### 2. Disaster assessed onsite by MMA

*MMA staff will provide information and outreach to the municipality.*

### 3. Ongoing recovery

*Municipality tracks incremental disaster-related costs, with MMA to advise.*

### 4. Municipality requests assistance

*Deadline is 120 calendar days from onset of the disaster.*

### 5. Activation decision

*MMA reviews information from municipality and may enter into grant agreement if the municipality is eligible for assistance.*



# Program Features:

## Municipal Disaster Recovery Assistance

- Municipalities have 120 calendar days from the onset of a disaster to apply for assistance.
- Clear eligibility rules: eligible disaster-related costs must be  $\geq 3\%$  of municipality's Own Purpose Taxation levy.
- Province and municipality share costs if the municipality is eligible. Costs up to 3% OPT: province pays 75%, municipality pays 25%. Costs beyond 3% OPT: province pays 95%, municipality pays 5%.



# How does a municipality apply?

- Within **120 calendar days** from the date of the onset of the disaster, the municipality is required to submit a council resolution requesting assistance along with an initial claim and supporting documentation.
- **Step One: Prepare the Initial Claim**
  - Enter incremental operating and capital costs into the **Municipal Disaster Recovery Assistance** program claim forms.
  - This includes costs already incurred and paid out, and future estimated costs based on damage assessments, cost appraisals and other applicable documentation.
- **Step Two: Resolution of Council**
  - Submit a resolution of council requesting program assistance.

# Submitting a claim

## Step Three: Submit Claim

**Municipal Disaster Recovery Assistance** applications must be submitted electronically to your Municipal Services Office.

The initial claim package must include:

1. Program claim forms in an active Excel format.
2. All pieces of supporting documentation scanned into a page-numbered PDF and individually referenced in the claim forms.
3. A municipal council resolution requesting program activation.
4. A signed attestation form from the person who has been delegated authority to submit the claim (located in the claim forms package).

Claim forms and a detailed Claim Forms User Guide are available from your Municipal Services Office.

# How is the program activated and delivered?

- The Minister of Municipal Affairs makes the decision to activate **Municipal Disaster Recovery Assistance** based on evidence demonstrating that the event meets the program's eligibility criteria.
- The time required to review the initial claim to determine the municipality's eligibility under the program will depend on the clarity and completeness of the claim forms and supporting documentation provided by the municipality.
- If the Minister of Municipal Affairs makes the decision to activate the program, the province and municipality enter into a grant agreement. All payments under the grant agreement will be based on eligible costs actually incurred by the municipality.

# Program eligibility criteria:

## Municipal Disaster Recovery Assistance

To be eligible, a municipality must:

1. Have experienced a sudden and unexpected natural disaster with certain costly impacts.
2. Incur eligible incremental costs **that can be demonstrably linked to the event**, and meet or exceed 3% of the municipality's Own Purpose Taxation levy.
3. Submit the following within 120 calendar days of the event:
  - A resolution of council requesting assistance
  - Initial claim with costs incurred and future estimated costs
  - Detailed supporting documentation

# Sliding scale cost-sharing formula

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.

If the program is activated, the following formula is applied	Provincial Funding	Municipal Funding
First 3% of Own Purpose Taxation levy	75%	25%
Beyond 3% of Own Purpose Taxation levy	95%	5%

# Eligible costs:

## Municipal Disaster Recovery Assistance

- All disaster-related expenditures are divided into operating costs and capital costs.
- **Eligible operating costs** are special measures taken to protect the public's health, safety, and access to essential services, typically immediately following a natural disaster.
- **Eligible capital costs** are expenditures incurred to restore essential municipal assets such as infrastructure and public facilities to pre-disaster condition.
- Costs incurred to improve property and infrastructure beyond pre-disaster condition are **ineligible**.



# Eligible Costs

- For the purposes of this program, all eligible disaster-related expenditures are divided into two broad categories: **operating costs and capital costs**.
- For both operating and capital costs, only incremental costs –costs that would not have been incurred had the disaster not occurred and are above the amount the municipality normally budgets and spends – are eligible under the program.
- Within the operating and capital categories, costs are separated into the following sub-categories: **Goods & Services, Employee Costs, Claimant-Owned Equipment and Future Estimated Costs**.
- Municipalities must also report any disaster-related revenue, if applicable.

# Determining the eligibility of an expense

Ask these questions when considering an individual expense:

1. Is it directly related to the natural disaster associated with my claim?
2. Was it incurred to protect access to essential services or public health and safety, or for other purposes set out in the guidelines?
3. Is it incremental to standard operating or capital budgets?
4. Has it been paid? Or, are there reasonable estimates of future costs that are supported by documentation?
5. Is there supporting documentation to substantiate my responses?

If the answer is **yes to all**, the expense may be eligible.

Otherwise, you should remove the expense from your claim or consult MSO staff.

# Examples of Eligible Operating Costs

Eligible operating costs arise from actions taken to respond to the disaster and to protect the public's health, safety and access to essential services.

Examples of **eligible operating costs** resulting from a natural disaster may include but are not limited to:

- ✓ Providing essential services and ensuring the operability of public infrastructure during and in the immediate aftermath of a disaster.
- ✓ Temporary employees hired specifically for work related to the natural disaster.
- ✓ Rescue and transportation for evacuated persons.
- ✓ Measures taken to reduce the extent of damage or danger to the community (e.g. removing hazardous debris such as tree limbs, rocks, ice).

# Examples of Ineligible Operating Costs

Examples of **ineligible operating costs** include but are not limited to:

- x Regular salaries and benefits of municipal employees, even if the employee has been diverted to disaster related work.
- x Normal operating expenses a municipality would have incurred without the occurrence of the natural disaster.
- x Emergency services costs related to routine incident management functions (e.g., responding to a medical emergency).
- x Decorative landscaping activities.

# Examples of Eligible Capital Costs

Capital costs refer to expenditures incurred to restore essential municipal assets such as infrastructure and public facilities to pre-disaster condition.

Examples of **eligible capital costs** resulting from a natural disaster include but are not limited to:

- ✓ Purchase of materials and procurement of external service providers for capital projects.
- ✓ Repair or restoration of municipal property and infrastructure (e.g. municipal roads, buildings, sidewalks) to pre-disaster condition.
- ✓ Engineering appraisals and recovery cost estimates for municipal property and infrastructure.
- ✓ Incremental employee and equipment costs for capital repairs.

# Examples of Ineligible Capital Costs

Examples of **ineligible capital costs** resulting from a natural disaster include but are not limited to:

- x Tree replacement or tree canopy restoration.
- x Purchase of non-consumables that will remain assets of the municipality (e.g., dump trucks, chainsaws, power cords, laptops)
- x Infrastructure or property repairs when there is no evidence of damage attributable to the natural disaster.
- x Improvements to property and infrastructure.

# Considering an application: key items

- Activation of **Municipal Disaster Recovery Assistance** is based on documented costs and well-supported future estimates, **not preliminary assessments**.
- Program eligibility is based on a municipality's Own Purpose Taxation (OPT) levy, which is **SLC 10 0299 01 ("Taxation-Own Purposes")** on the most recent Financial Information Return on record with MMA.
- Municipalities should **self-assess eligibility** before requesting assistance. If eligible costs reach at least 3% of the municipality's OPT levy, the municipality may be eligible for assistance.



# Organizing at the onset of a disaster

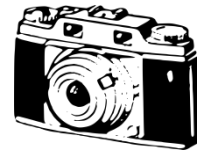
- **Collect documentation.** The success of a **Municipal Disaster Recovery Assistance** claim largely rests on a municipality's ability to demonstrate that costs incurred are linked to an associated natural disaster.
- **Separate incremental costs.** Ensure that disaster-related costs are separate from regular municipal costs and are recorded in a segregated General Ledger account.
- **Contact your Municipal Services Office.** Staff can provide information about program guidelines.
- **Contact your insurance provider** to determine what damage is covered by insurance.
- **Read Chapter 2 of the Claim Forms User Guide** for step-by-step technical instructions as to how to organize supporting documentation and practical tips to help substantiate a claim.

# Documenting costs

Municipalities are encouraged to substantiate claims by attaching **as much supporting documentation as possible**. Examples may include:



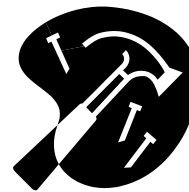
Reports from staff or external experts on specific damage to property or infrastructure.



Photos or videos of pre-disaster and post-disaster conditions.



Invoices, procurement and employee contracts, equipment logs and/or purchase requisitions.



Engineering reports documenting pre-disaster condition of assets and future estimated costs.

# Practical Supporting Documentation Tips

**Goods and Services:** Invoices should include a clear description of work completed and how it relates to the disaster. Contractors working on multiple activities, should separate disaster-related work from regular municipal work.

**Employee Costs:** Maintain detailed timesheets, with dates, illustrating that employee costs being claimed are related to the disaster. Overtime wages must be paid in a dollar value and not as time in lieu.

**Claimant-Owned Equipment:** Keep accurate equipment logs. These logs should include the type of equipment (e.g., make and model number), hours, dates the equipment was used and how it relates to the disaster.

**Future Estimated Costs:** Typically certified by a professional engineer, a well-rounded damage report should include a detailed assessment of damage incurred as well as estimates for repair costs, including labour, materials and equipment to restore property or infrastructure to pre-disaster condition.

# Products available to assist municipalities preparing a claim

Available at [Ontario.ca/disasterassistance](https://Ontario.ca/disasterassistance)

- **Guidelines** provides a roadmap for municipalities to determine their eligibility under the program, what documentation and evidence is necessary to support a claim, how to request assistance, and how to submit claims.

Available from your Municipal Services Office

- **Claim Forms User Guide** provides step-by-step technical instructions regarding organizing documentation and inputting data into the claim forms.
- **Claim Forms**
- **Questions and Answers**

# How can a municipality prepare for a natural disaster?

- We recommend that municipalities make **financial preparations** for a natural disaster. How will the municipality address essential, unexpected costs arising from an emergency?
- Plan for accessing **Municipal Disaster Recovery Assistance** by taking steps including:
  - Establishing a segregated General Ledger account so disaster-related costs can be tracked separately.
  - Retaining documentation that shows how costs are directly related to the disaster and are incremental to normal budgets.
  - Ensuring that staff are familiar with program guidelines.
- Remember, each municipality is responsible for demonstrating that eligible costs meet the program activation threshold!

# Finding more information

- Find program guidelines, Q&As, and more at [www.ontario.ca/disasterassistance](http://www.ontario.ca/disasterassistance).
- Print copies of program guidelines are available from your Municipal Services Office.





# Contact Information

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