

Recommendation Report Summary

SUBJECT: Establishment of the City's Emergency Relief Reserve Fund

TO: Committee of the Whole

FROM: Finance
N/A

Report Number: FIN-12-25

Wards Affected: All

Date to Committee: April 7, 2025

Date to Council: April 15, 2025

Recommendation

Approve the creation of the Emergency Relief Reserve Fund; and

Approve an Emergency Relief Reserve Fund substantially in the form attached as Appendix A to finance department report FIN-12-25, and in the form satisfactory to the Commissioner, Legal and Legislatives Services/ City Solicitor; and

Direct the Chief Financial Officer to recommend annual provisions to the Emergency Relief reserve fund, as part of the annual retained savings report up to a maximum of \$1 million.

Executive Summary

Purpose of report:

- The purpose of this report is to respond to the recommendation, as approved by Council, in report [CM-09-24](#), *Options and Recommendations on establishing a Burlington Resiliency Fund to support the community during natural disasters or emergencies*, on October 15, 2024.
- The recommendation approved is as follows:
Direct the Chief Administrative Officer and Chief Financial Officer to do further analysis to develop a comprehensive Burlington Resiliency Fund and report back to Committee of the Whole in February 2025 on how the fund would be established including the proposed administration framework, the parameters/triggers of use, a financial analysis and proposed eligibility criteria.
- Understanding that Council has requested the establishment of a resiliency reserve fund, staff have proposed changing the reference to the reserve fund to “emergency relief”, to

more accurately reflect the intent of the reserve fund. The reserve fund is not providing funds towards building household resilience to our changing weather, but providing compassionate relief in the event a natural hazard occurs.

Key findings:

- Single-tier municipal disaster relief programs are limited to floods.
- The objective of Burlington's Emergency Relief reserve fund is to provide compassionate relief to eligible residents to supplement funding from other levels of government. Similar to the provincial and existing municipal disaster relief programs, the city's Emergency Relief reserve fund is not meant to replace homeowner or tenant insurance requirements and is also not intended to replace regional or provincial support.
- The provincial Disaster Recovery Assistance for Ontarians (DRAO) program is generally activated when a natural disaster leads to significant uninsured losses for primary residences, small businesses, farms and/or non-profit organizations. Eligible natural disasters include flooding, tornadoes, landslides and earthquakes. Flooding must be caused by a waterway (such as a creek) overflowing, as urban overland flooding and sewer backup flooding are insurable. The DRAO program is not intended to replace insurance.
- The eligible natural hazards under the Burlington Emergency Relief reserve fund will be limited to flooding and tornadoes, which often result in immediate, severe displacement or damage, creating an urgent need for financial support.

Implications

- Financial Impact: Establishment of an Emergency Relief reserve fund. This fund and the Severe Weather reserve fund requires a strategy for seed funding, as well as on-going funding to replenish reserve funds, as required.
- Human Resource Impact: dedicated staff time would be required for damage intake and assessment process, as well as during and following the natural hazard.
- Governance Impact: City program is not intended to replace upper-level government programs such as Disaster Recovery Assistance for Ontarians program but to supplement the program with funds in an expedited manner until such time provincial programs are approved. Furthermore, the program is not intended to replace the necessity for homeowner or tenant insurance.
- Climate Impact: While the Emergency Relief reserve fund addresses compassionate relief, it does not help to reduce the future risk of flooding or increase household resilience to our changing weather.

Recommendation Report

Background

Between July 10 and July 16, 2024, Halton Region experienced a series of intense rainfall events, leading to significant stormwater flooding and wastewater system surcharging, particularly in the northwest and southeast areas of Burlington. In response to this severe weather event, Council approved a Flood Relief grant of \$1,000 to help homeowners and tenants with reported and confirmed in-home flooding as a result of the intense rainfall event who were ineligible for the Region's Ex-Gratia grant. In this instance, the City was able to administer the funds efficiently and readily as the City relied on the Region's established program for both intake and flooding assessment.

The City's Flood Relief grant program ran up until December 20, 2024. At the time of writing this report, the City has issued grants in the amount of \$674,000 (674 grants), funded from the City's Severe Weather reserve fund.

On November 29, 2024, the Ontario government activated the Disaster Recovery Assistance for Ontarians (DRAO) program. The program is administered by the Ministry of Municipal Affairs and Housing (MMAH) which announced that designated areas in Burlington are eligible to apply for funding for up to \$250,000.

In response to the recommendation in staff report CM-09-24, this report provides at a high level a proposal to the establishment of an Emergency Relief reserve fund, and high-level parameters in case of a future natural hazard.

Analysis

In appendix A, of report CM-09-24, staff provided a jurisdictional scan of other municipalities for Council to gauge the possibility of a City disaster relief program and to provide some alignment. Flood prevention and mitigation were the focus of all programs, and all were administered by single-tier municipalities. Flood relief and prevention programs are primarily offered by single-tier or upper-tier municipalities because they handle wastewater services and can directly implement fixes or mitigation measures, unlike lower-tier municipalities. Specifically, the City of Ottawa offers a relief program called the Residential Compassionate Grant, however, it is only provided if the same resident has been impacted by three or more floods over 15 years. Furthermore, the provincial DRAO program is also broadly considered to focus its relief effort on unexpected natural weather events, most commonly relating to floods and tornadoes.

Staff provide the following high-level framework for Council's consideration in case of an eligible natural hazard that impacts Burlington residents. The objective of the City's Emergency Relief reserve fund is to provide early financial relief to eligible residents and to supplement funding from other levels of government. It is not meant to replace regional or provincial support or homeowner or tenant insurance.

Natural Hazard Definition (*from Emergency Management Ontario*):

A naturally occurring event such as a forest fire, flood, and/or severe weather that has the potential to harm people, property, the environment, the economy, and/or service.

Eligible Natural Hazards:

For the purpose of the City's Emergency Relief reserve fund, natural hazards for which the program may be activated are limited to floods and tornadoes.

Use of Funds:

The City may use the funds designated in the Emergency Relief reserve fund in one of two ways as listed below. The fund would be activated by XLT or the Emergency Control Group as appropriate, based on an assessment of households impacted and extent of damage.

1. Private component: Funds are provided directly to a registered non-profit organization. The non-profit organization would be determined by XLT in coordination with the City's Community Emergency Management Specialist and would be dependent on the relief assistance required. The selected non-profit organization would be responsible for distribution of funds based on priority need.
 - This option is suitable for a tornado where the damage is widespread across Burlington, and the municipality and community at large are expected to provide support in a manner that provides needed resources.
 - In this instance it would be expected that broader support would be required from other levels of government.
 - The funding would cover eligible costs related to the support provided by the non-profit organization, examples may include, food/water, medical supplies, shelter.
 - In addition to the direct financial support, the city would continue to provide service related to debris clean-up, emergency communication, repair of public infrastructure, as a few examples.
 - The maximum eligible city contribution would be \$1 million.
2. Public component: Financial assistance may be provided by the City directly to households impacted, by way of no-fault grants.
 - This option is suitable for flooding where damage is localized to certain areas in Burlington and, where residential damage costs exceed what households could reasonably be expected to bear on their own, above and beyond insurance coverage.

- Damage can be more readily assessed on a per household basis, and funds are provided to help impacted homeowners with repair and damage costs.
- The City, in coordination with the Region of Halton, would be responsible for clearly defining all areas damaged by the natural hazard and estimation of households impacted.
- Eligible costs could be related to repair or improve the dwelling because of the damage directly caused by the event, and/ or insurance deductibles, or measures for flood protection.
- Eligible properties would be residential dwelling units only, including rental properties. Commercial properties would be ineligible as this would constitute bonusing.
- The maximum eligible City funds would be \$1 million, up to maximum of \$1,000 per household.

Having the above options allows the City to maximize reach to residents and provides flexibility to the City depending on the natural hazard (tornado or flooding). In both instances, the City has control over the fund, determination of when to release funds for an emergency, and will require staff resources for management and oversight. With respect to the no-fault flooding grant, staff will continue to rely on the Region's damage and intake assessment, as an efficient use of City's resources and tax dollars. In all cases, residents should rely on homeowner insurance first and continue to apply to regional or provincial programs if they exist.

Administrative Framework: Staff propose the initiation of a multi-disciplinary task force including Finance, Legal, Communications, Roads, Parks and Forestry, Service Burlington, and the Community Emergency Management Specialist/CEMC. This task force will oversee the administrative framework for the relief program.

As mentioned above, staff will rely on the Region's existing process for the Ex-gratia grant flood program for damage assessment and intake process as done for the 2024 flood event, to assess and verify household damage. Piggybacking on the Region's process creates process synergies, takes advantage of mechanisms already in place, preventing duplication of service, and using City resources in a way that ensures the City's program objective of expediting funds in case of a natural hazard is achieved. Finance and Legal staff will meet with the Region to ensure they agree to collaborate in a similar manner for future flooding incidents and propose entering into a data licensing agreement with Halton Region as this was a requirement for the 2024 flood and ensures seamless data sharing.

Overall, this also has the advantage of using tax dollars efficiently to assess, monitor, and fund homeowners through a pre-existing process as the City is not intending to replace the protection of homeowner property as provided by insurance. Any funds provided through a City-program

will be duly audited to ensure funds are provided to those who have been directly impacted by the natural hazard.

Recommendation Details

In October 2024, staff provided the following options on proceeding, with the establishment of a Burlington Emergency Relief reserve fund in report CM-09-24.

1. Establish a no-fault grant or loan program, referred to as the Burlington Resiliency Fund
2. Partner with an external organization for adjudication and management of funds.
3. Status Quo, no fund established.

Based on Council's recommendation to establish a Resiliency Fund (Option 1), the report herein establishes a high-level framework to assist impacted residents for future unforeseen natural hazards.

Key Dates & Milestones

With respect to the 2024 flood event, City staff relied on Halton Region's existing Flood Relief grant process in place to undertake the flood assessment and management of applications, which required a data licensing agreement. This process is expected to continue in the case of flooding. Upon Council's approval, next steps would be for staff to communicate any process changes as required because of lessons learned from the 2024 flood, in order to ensure a seamless process between the Region, the City, and eligible homeowners/tenants with the objective of expediting funds.

Implications

Financial Impacts:

- The December 2024 balance in the Severe Weather reserve fund is projected to be approximately \$4.8 million, this includes draws because of the July 2024 Flood Grant program.
- The Severe Weather reserve fund target is currently \$6 million, and this is based on a one-year operating budget for severe weather events.

Staff will prioritize 2024 retained savings towards this reserve fund.

Furthermore, staff have committed to come forward with a reserve fund review this year. As part of this review, staff will be reviewing reserve fund targets to ensure they are appropriate, as well as providing a comprehensive strategy on replenishing reserve funds. This future report will

address how to most appropriately replenish the Severe Weather Reserve Fund and Emergency Relief reserve fund, should there be future draws based on natural hazards. Based on the jurisdictional scan in report CM-09-24, most dedicated reserve funds related to assistance programs are funded through on-going budget contributions.

Resource Impacts:

Should financial assistance be provided by the City directly to households impacted, by way of no-fault grants, this would have a greater impact on the City's staff resources. Resources would be impacted in the following instances:

- Staff resources for management of the program, oversight, and audit
- Deployment of dedicated staff time;
 - Development of communication strategy (internal and external)
 - Manage increased call volume, and answer questions
 - Intake and review of applications
 - Processing of payments

Governance Impacts:

- Establishment of the Emergency Relief reserve fund is related to the Ex-gratia grant flood program offered by the Halton Region in the event of flooding, but not related to any other funding provided by upper levels of government.
- As part of the July 2024 flood, the provincial government, announced the eligibility of Burlington's residents for the DRAO program for up to \$250,000. The provincial DRAO program is intended to help citizens recover costs after an eligible natural hazard, including but not limited to tornadoes and floods. Costs covered include clean up expenses, cost to repair essential property, and basic emergency expenses.

Climate Impacts:

Our climate is changing. The Climate Projections Report for Burlington ([EICS-03-21](#)) noted intense and extreme rainfall events are increasing. The Climate Resilient Burlington plan, approved by City Council in 2022 ([EICS-12-22](#)), identifies 32 actions to manage the highest projected local risks associated with our warmer, wetter and wilder weather. Many actions within the plan are currently unfunded.

While the Emergency Relief reserve fund addresses compassionate relief, it does not help to reduce the future risk of flooding or increase household resilience to our changing weather. The programs offered by Burlington and Halton Region are proactively promoted via the [Take Action Burlington blog](#). The Better Homes Burlington concierge program delivered by the City's sustainability staff can also assist with sharing this information with homeowners

It is important to note that programs exist from upper levels of government that support Ontarians in the event of natural hazard, and a City program is intended to supplement, not replace these programs or homeowner/ tenant insurance.

References

- [CM-09-24; Options and recommendation on establishing a Burlington Resiliency Fund to support the community during natural disasters or emergencies](#)
 - [CM-09-24; Appendix A Burlington Resiliency Fund Research](#)
 - [Motion Memorandum ADM-10-24; Relief fund for future community emergencies](#)
-

Strategic Alignment

- ☐ Designing and delivering complete communities
 - ☒ Providing the best services and experiences
 - ☒ Protecting and improving the natural environment and taking action on climate change
 - ☒ Driving organizational performance
-

Author:

Craig Millar
Chief Financial Officer
Craig.millar@burlington.ca

Appendices:

- Appendix A: Bylaw to establish the Emergency Relief reserve fund

Draft By-laws for Approval at Council:

- Bylaw XX-2025 to establish the Emergency Relief Reserve Fund
 - Council: April 15th, 2025
 - Enactment: April 15th, 2025

Notifications:

Not Applicable.

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.