



Corporate Report

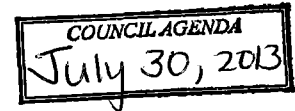
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R-1

DATE: July 30, 2013

TO: Mayor and Members of Council
Special Council Meeting Date: July 30, 2013



FROM: Martin Powell, P.Eng.
Acting City Manager and Chief Administrative Officer

SUBJECT: Ontario Disaster Relief Assistance Program Application

- RECOMMENDATION:**
1. That the Report from the Acting City Manager and Chief Administrative Officer dated July 30, 2013 titled "Ontario Disaster Relief Assistance Program Application" be received.
 2. That staff are directed to take the steps necessary to forward the resolution to the Minister of Municipal Affairs along with all supporting documentation required by the ODRAP Guidelines.

**REPORT
HIGHLIGHTS:**

- The Province of Ontario under the Ontario Disaster Relief Assistance Program (ODRAP) provides financial assistance to individuals, small businesses and others, including municipalities.
- The ODRAP helps in situations where essential property has been damaged in a sudden and unexpected natural disasters such as a windstorm, tornado or flood. The rain and flooding event experienced in the City of Mississauga on July 8th may qualify as a natural disaster.
- The likelihood of the requested declaration being granted is slim.
- There are two components to the Program, each with strict criteria as to eligibility. There is a public component and private

component to the Program. The public component is intended to alleviate financial hardship experience by municipalities whose essential public property and infrastructure have been damaged in a disaster. The private component is matched with community fund raising up to 2:1 by the Province.

- ODRAP is not an alternative or substitute for adequate insurance coverage.
- The ODRAP does not provide full cost recovery for all damages resulting from a disaster: it helps eligible recipients restore essential furnishings and property only to pre-disaster condition.
- ODRAP assistance is provided when damages are so extensive that they exceed the financial resources of the affected individuals, the municipality and community at large.
- The Minister of Municipal Affairs and Housing is authorized to declare a "disaster area" for the purposes of the ODRAP program. Where a municipal council wishes to ask for ODRAP assistance it is required to adopt a resolution outlining the following:
 - The municipality's request for a disaster area declaration;
 - Whether all, or a specified portion, of the municipality is to be declared a disaster area.
- The request for a disaster area declaration must be submitted to the Ministry by the municipality within 14 working days of the disaster. That was the reasoning behind the resolution signed by the Acting Mayor on Friday which was submitted to the Ministry, along with a summary of the impact of the flood.
- In addition to the municipal council resolution, a municipal disaster information report containing at least a preliminary estimate of public damage losses within 14 working days from the date of the disaster (see Appendix 1). Staff are now working to compile the information report.
- When and if the Minister declares a disaster area which includes private damages, Council will be required to establish a Disaster Relief Committee to implement the Program locally. All funds raised for victims of the disaster event are channeled to the Disaster Relief Committee. The Province may match funds up to a 2 to 1

ratio to settle the claims, up to 90 per cent of the estimated eligible amount. (See Appendix 2 for a description of the Committee's duties).

BACKGROUND:

On July 8th Mississauga and other parts of the GTA experienced a severe weather event. The significant rainfall event brought large amounts of rainfall over the span of a few hours. This intense downpour of precipitation resulted in extensive flooding, including roadways, parks, other City infrastructure and private residences and businesses. Since the 9th of July the City and Region of Peel have received thousands of telephone calls and e-mails to report flooding. For example over 1400 claims have been received by the City's Risk Management office as a result of the event. City infrastructure has also been damaged and impacted and the costs of same are being tabulated, but it includes roads, trail systems, destruction of trees and flooding of the West Acres Pool and other City buildings.

PRESENT STATUS:

A source of funding for assisting with private and public costs of a disaster is available through the Ministry of Municipal Affairs and Housing's Ontario Disaster Relief Assistance Program (ODRAP). The ODRAP provides financial assistance to individuals, small businesses and others, including municipalities.

The ODRAP helps in situations where essential property has been damaged in sudden and unexpected natural disasters such as a windstorm, tornado or flood.

The rain and flooding event experienced in the City of Mississauga on July 8th may qualify as a natural disaster; however a resolution asking the Province to declare the City or part thereof a disaster area is required and must be submitted to the Province within 14 working days of the event along with the Disaster Information Report. To that end a resolution was prepared and signed by the Acting Mayor and forwarded to the Province on Friday July 26 along with preliminary information about the impact of the flooding on Mississauga residents and the City.

COMMENTS:

Staff have spoken to Ministry officials about the disaster area declaration and the ODRAP assistance and staff are of the view that the likelihood of the requested declaration are slim. Although not

explicitly set out in the ODRAP Guidelines, the intent of the program is to assist smaller, northern or less financially capable municipalities. The Ministry provides a checklist and has strict guidelines that apply when determining if there is a disaster. Of particular concern to the Ministry in determining whether a disaster has occurred is the extent of the damages relative to the financial resources of the affected area; and the ability of the municipality to cope and fully recover.

ODRAP is not an alternative or substitute for adequate insurance coverage. The ODRAP does not provide full cost recovery for all damages resulting from a disaster: it helps eligible recipients restore essential furnishings and property only to pre-disaster condition. ODRAP does not cover damage resulting from sewage backup. ODRAP assistance is provided when damages are so extensive that they exceed the financial resources of the affected individuals, the municipality and community at large.

The Ministry has the option of declaring a disaster for public and private assistance or just private assistance. There are two components to the Program, each with strict criteria as to eligibility. There is a public component and private component to the Program. The public component is intended to alleviate financial hardship experience by municipalities whose essential public property and infrastructure have been damaged in a disaster. The private component is matched with community fund raising up to 2:1 by the Province.

If the Minister declares a disaster area which includes private damages, Council will be required to establish a Disaster Relief Committee to implement the Program locally. All funds raised for victims of the disaster event are channelled to the disaster relief committee. The province may match funds up to a 2 to 1 ratio to settle the claims, up to 90 per cent of the estimated eligible amount. (See Appendix 2 for a description of the Committee's duties).

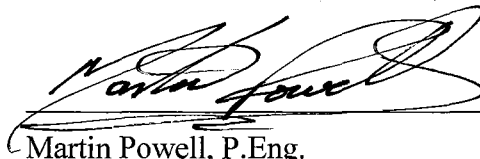
The Disaster Relief Committee is responsible for the fundraising required to receive matching funds from the Province. The Committee must be appointed by Council but cannot be composed of Members of Council. Committee members should have no conflict of interest in the collection and distribution of funds and the Committee should not be composed of members who will likely be submitting claims for

damages. The Committee must appoint a treasurer and a secretary, if one is required. The treasurer should not be a member of the Committee but should be a municipal staff person or, depending on the scale of the emergency, a paid contract position. The secretary can also be a municipal employee. Generally the Committee is composed of local business people, non-for profit sector leaders, retired politician and bureaucrats, religious leaders and others who have time and resources to assist with community fundraising.

FINANCIAL IMPACT: Unclear at this time, however initial estimates of the damage to City infrastructure are likely to exceed \$1,000,000. The cost of private damage is also unknown at this time but it is estimated that it will be in the multi-millions, however all of these costs may not be eligible under the program.

CONCLUSION: A resolution is required to be adopted and submitted to the Province, along with the required disaster information report.

ATTACHMENTS: Appendix 1: Assistance to Private Individuals
Appendix 2: Information Regarding the Disaster Relief Committee



Martin Powell, P.Eng.

Acting City Manager and Chief Administrative Officer

Prepared By: Kelly G. Yerxa, Acting City Solicitor

Appendix 1

Assistance to Private Individuals¹

- List of Costs Covered by ODRAP
- Costs Not Covered by ODRAP

Individuals have a responsibility to take reasonable precautions to ensure their own safety and protection, including their property. **The Ontario Disaster Relief Assistance Program (ODRAP) is not an alternative or a substitute for adequate private insurance coverage and sound risk management.** Damage claims should be directed first to insurance companies to determine coverage of individual policies.

Should the minister declare a disaster area, the local municipal council will appoint a disaster relief committee (DRC) as soon as possible. A disaster relief committee must be established as quickly as possible for each disaster area declared by the Minister of Municipal Affairs and Housing. The purpose of the committee is twofold: to raise funds for the benefit of disaster victims, and to settle the eligible claims of these victims as efficiently as possible.

The province tops up private funds raised by the Disaster Relief Committee to the amount that is needed to pay eligible claims at 90 per cent, up to a maximum of a 2:1 ratio.

To ensure that all the funds raised locally and matched by the province are used to help victims of the disaster event, the documented administration costs of the local disaster relief committee will be shared by the Ministry of Municipal Affairs and Housing and the municipality or designated municipalities that appointed the disaster relief committee as follows:

- A tender must be issued for the use of an insurance adjuster for claims greater than \$500. The ministry will pay 100 per cent of the costs for the insurance adjuster; and
- Other administrative costs of the disaster relief committee e. g. telephone, postage, office space, etc. will be paid for, or provided directly by, the municipality or designated municipalities.

When disasters strike in geographically isolated areas, the minister is authorized to declare a disaster area where appropriate for purposes of the program and may alter funding arrangements.

¹ Excerpt from the Assistant to Private Individuals Guide, Ministry of Municipal Affairs and Housing Website
<http://www.mah.gov.on.ca/Page240.aspx#>

Eligible Losses and Costs:

- restoration, repairs, or replacement to pre-disaster condition of a principal, year-round residence, farm buildings and principal business enterprise building
- essential furnishing of a private residence including refrigerator, freezer, furnace, stove, clothes washer and dryer, television
- tools or other items essential to the claimant's livelihood, including farm machinery and equipment
- for farms, replacement cost only of orchard trees
- for business enterprises, replacement of inventory at cost
- livestock fencing
- restoration, repair, or replacement to pre-disaster condition of churches, cemeteries, private schools, private clubs and other associations
- emergency expenses (e. g. evacuation costs, food and shelter, essential clothing)
- perishable food
- heat and light supplies (e. g. fuel for light and heat, heaters)

Sample of Costs Not Covered by ODRAP

Ineligible Losses and Costs:

- losses covered by insurance
- insurance deductible
- secondary residences e. g. cottages
- non-essential furniture (e. g. stereos, recreation room furniture)
- landscaping, fencing, driveways and retaining walls
- recreational vehicles (e. g. boats, snowmobiles)
- antiques and collections
- loss of revenue or wages
- losses recoverable at law
- personal injury
- private roads/bridges and erosion
- sewage backup

Appendix 2

Disaster Relief Committee²

As soon as possible after a disaster area has been declared by the minister, the local council appoints a disaster relief committee by resolution. Where a disaster affects more than one municipality, all councils should participate in the appointment of representatives to a common disaster relief committee.

The disaster relief committee and its sub-committees act as an autonomous body operating within provincial guidelines to raise funds and settle claims. The committee ensures that all claims are dealt with fairly and equitably. The scope and nature of damages will help determine how many committee members are required.

The disaster relief committee's work could usually take anywhere from six months to about one year to complete. Council appoints the committee members from among its citizens, preferably from an unaffected area if possible, and should choose persons with varying backgrounds as it is desirable to obtain a variety of expertise for the committee.

The committee members may not be members of council and should have no potential conflict of interest in the collection or distribution of funds. If two or more municipalities are involved, equitable representation on the committee is encouraged. In unincorporated areas, the committee should be appointed by the group which made the request for disaster area declaration (e. g. local service board).

Further advice on setting up the disaster relief committee and other information pertinent to the operation of the committee is contained in the ministry publication Guidelines for Disaster Relief Committees which can be obtained from Municipal Services Offices.

Disaster Relief Committee Responsibilities

- To appoint from among its members a chairperson and, if sub-committees are established, the appropriate number of vice-chairpersons.

² *The Disaster Relief Committee*, Ministry of Municipal Affairs and Housing Website:

<http://www.mah.gov.on.ca/Page1570.aspx>

- To appoint a treasurer, who should not be a member of the committee and, if necessary, to appoint a secretary. The treasurer could be a municipal staff person or a paid contract position.
- To set up a disaster relief fund and bank account.
- To register the fund as a charity with Revenue Canada.
- To solicit donations to the fund and to organize fund-raising activities.
- To establish guidelines and procedures for the receipt, appraisal, review and settlement of claims for losses and damages.
- To advertise the existence of the fund, the availability of assistance, and the terms on which assistance will be provided.
- To hire professional adjuster(s) for claims greater than \$500 and appraise damages for claims less than \$500.
- To distribute claim forms.
- To approve payments in a consistent manner based on reports from the adjuster in accordance with the program guidelines and the committee's procedures.
- To make payments to claimants.
- To hire auditors to review the activities of the fund and prepare an audit report.
- To submit an audited report to the local Municipal Services Office for review and payment of the provincial contribution.