



Subject: Small and Medium Business Recovery Support Funding

APPROVALS:

Bob Couture, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendations:

1. That Council approve the transfer of \$10M uncommitted funds from the Capital Infrastructure Reserve to the Emerging Issues Reserve.
2. That Council approve the allocation of \$15 Million from the Emerging Issues Reserve to *Small and Medium Business Recovery Support*.

Summary:

In response to the 3,900 plus businesses impacted by the 2016 Alberta Fire, *Small and Medium Business Recovery Support* is being developed to support Small to Medium Enterprises (SME) within the Regional Municipality of Wood Buffalo (RMWB). Businesses will benefit substantially from a \$15 million RMWB contribution to ensure appropriate supports are available to them during this recovery phase.

Background:

As a result of the 2016 Alberta Wildfires, 100% of all businesses within the region have been impacted at some level by the disaster (e.g., fire and smoke damage, loss of revenue, employment issues, cash flow issues, etc.) and require help to recover their operations.

Small and Medium Business Recovery Support was initiated post-fire and will benefit SME's within the RMWB, defined as 50 employees or less. Details are currently being structured to best suit the needs of the business community and to achieve the mandate of providing support to business recovery efforts and economic viability, a key pillar in community sustainability.

Through the Wood Buffalo Business Recovery Hotline (attachment 1), stakeholder meetings, and during Government of Alberta Ministry Roundtables in May and July; the overall challenges many businesses are currently facing include:

- Cash flow;
- Stable employee base;
- Reluctance to take on additional debt in the form of a loan, due to the risks of operating in a post-disaster environment; and
- Challenges of Alberta's economic slowdown prior to the disaster.

As identified in the *Business and Economic Recovery Plan* approved by Council May 25, 2016, providing ‘emergency relief for business’ is a priority. To date, the Canadian Red Cross has issued Phase 1 of their business funding program, giving qualifying businesses \$1,000.00. Although this has already benefited many businesses, additional and greater monetary supports are needed.

Alternative:

Do not approve the allocation of \$15 million from the Emerging Issues Reserve to *Small and Medium Business Recovery Support*.

Budget/Financial Implications:

A transfer of \$10M of uncommitted funds from the Capital Infrastructure Reserve to the Emerging Issues Reserve is required prior to the consideration of the \$15 million allocation from the Emerging Issues Reserve to the 2016 Operational Budget in order to retain the minimum balance of \$50M as per the Fiscal Management Policy FIN -160.

Rationale for Recommendation:

SME’s within the region play a critical role in economic recovery by providing services and products to our residents and other businesses, and providing employment opportunities. This is especially crucial in a remote northern community, where access to products and services is a challenge. During this post-fire environment, providing business support to SMEs is essential in spurring recovery efforts and achieving economic viability for the region.

Strategic Plan Linkages:

- Pillar 1 – Building Responsible Government
- Pillar 2 – Building Balanced Regional Services
- Pillar 3 – Building a Vibrant Economy Together
- Pillar 6 – Building a Sustainable Region

Attachment:

1. Wood Buffalo Business Recovery Hotline Survey Results, July 23, 2016