

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG
	STAFF REPORT
TO:	Mayor and Council Members
FROM: TITLE:	Ian D. Davey, BBA CPA CA Treasurer / Director of Corporate Services
DATE OF MEETING:	October 20, 2020
TITLE / SUBJECT:	COVID-19 Financial Update - #2
REPORT DATE:	October 15, 2020

1.0 STRATEGIC PLAN
N/A

2.0 PUBLIC ENGAGEMENT
N/A

3.0 RECOMMENDATION
That the COVID-19 Financial Impact report be received by Council for information purposes.

4.0 ORIGIN
A report was presented to Council on May 21, 2020 to provide an update on the financial impact that the response to the COVID-19 pandemic has had and is expected to have on the Town of Cobourg for the 2020 fiscal year.

This report is a follow-up to that initial report.

5.0 BACKGROUND
On March 11, 2020 the World Health Organization (WHO) declared that COVID-19 was a Pandemic. This was followed by a State of Emergency being declared by the Province of Ontario on March 17, 2020. The declaration by the Province of Ontario resulted in the closure of all Libraries and Recreational Centres.

The Town of Cobourg, at the request of the local Medical Officer of Health, opened our Emergency Operations Centre (EOC) and ultimately a local State of

Emergency was declared. The Emergency Control Group (ECG) has been active since that time. The local State of Emergency was ended on July 27, 2020 and the Emergency Control Group continues to meet on a regular basis to monitor the ongoing situation.

The result of the Pandemic and the efforts to “flatten the curve” have resulted in both significant revenue losses and some anticipated expenditure savings. The response, both during the Response phase and the current Recovery phase, has resulted in some new and additional expenditures.

The information contained in this second update report builds on the initial report dated May 15, 2020 and relies on actual financial results to the end of September 2020.

The financial information that follows does not contemplate any impacts on the Cobourg Police Service budget as that is the responsibility of the Cobourg Police Services Board to monitor or on the Environmental Services budget as that is funded through rates.

6.0 ANALYSIS

This updated report consists of a series of Schedules attached under the following headings:

- Schedule A – Impact on Revenue
- Schedule B – Impact on Operating Expenditures
- Schedule C - Listing of Conferences and Conventions by department
- Schedule D - Staffing Suggested Actions and Actual Results (Confidential)
- Schedule E – Transfers to Vehicle Replacement Reserve by department
- Schedule F - Actual Expenditures to October 15, 2020 for COVID-19 Costs
- Schedule G – Status report on 2020 Capital Budget Projects
- Schedule H – Provincial Funding Allocation

The purpose of this updated series of schedules is to provide Council with background information for their discussions on October 20, 2020 and to provide a level of understanding of the impact that the Pandemic has had and will continue to have on municipal finances and the ability of the municipality to deal with these impacts in a reasonable manner.

As first reported on May 15, 2020 it continues to be the case that to date the financial impacts as noted throughout this report have not had a significantly negative impact on cash flow during the 7 months from March 15, 2020 through October 15, 2020. The cash position remains strong in comparison to last year at this date.

In addition, as indicated in the report to Council dated February 25, 2020 regarding the Annual Repayment Limit as determined by the Ministry of Municipal Affairs and Housing, the Town of Cobourg has significant capacity to undertake any borrowings contemplated in either the 2020 or prior year capital budgets.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

The financial impacts of the COVID-19 Pandemic have been outlined in the attached schedules. As indicated in the financial summary, revenue shortfalls for 2020 are now estimated to be \$1,988,000 at this time. A series of reductions in operating expenditures and staffing measures have been employed to offset this revenue shortfall. In addition, it appears that the full transfer to vehicle reserves approved in the 2020 operating budget can now be maintained.

The financial summary also includes an analysis of expenses directly attributable to the additional costs which have been incurred to October 15, 2020 in dealing with the pandemic in the amount of \$323,834. These costs have been broken down between Police, Transit, Environmental Services and all other segments of the municipality.

These costs have been further grouped by type such as Cleaning, Communications, Facility Modifications, First Responders, Information Technology and Personal Protective Equipment to provide an understanding of the nature of these costs.

In the earlier report we had estimated \$100,000 for facility improvements plus an additional cost of \$100,000 for personal protective equipment and cleaning supplies for enhanced cleaning.

While it is expected that these expenses will be lower in the remaining two and a half months of 2020, the analysis does include an estimate of a further \$75,000 for the rest of the year as a contingency.

As of this date, the municipality has received federal-provincial funding in the amount of \$678,347 to assist with the financial burden caused by the pandemic as itemized in Schedule H.

8.0 CONCLUSION

THAT Council receive this second report on the financial impacts of the COVID-19 Pandemic and that the situation continue to be monitored and a further update be provided to Council as required and;

FURTHER that based on this analysis, the Municipality will not be submitting an application for PHASE 2 funding under the FEDERAL-PROVINCIAL SAFE RESTART program.

9.0 POLICIES AFFECTING THE PROPOSAL
N/A

10.0 COMMUNICATION RESULTS
The report to be made available to the public

11.0 ATTACHMENTS
Financial Summary
Schedules A,B,C,E,F, G and H
(Note: Schedule D contains confidential salary information)

12.0 AUTHORIZATION ACKNOWLEDGMENT



Ian D. Davey, BBA CPA CA
Treasurer / Director of Corporate Services

TOWN OF COBOURG

COVID-19 FINANCIAL UPDATE - #2

FINANCIAL SUMMARY

AS OF OCTOBER 15, 2020

SCHEDULE

A	IMPACT ON REVENUE	1,988,000
B	IMPACT ON OPERATING EXPENDITURES	-880,285
C	REDUCED SPENDING CONFERENCES	-80,100
D	STAFFING (CONFIDENTIAL)	-1,009,547
E	REDUCED TRANSFER TO VEHICLE RESERVE	0
F	COVID-19 EXPENSE ACCOUNT ANALYSIS	323,834
	COVID-19 EXPENSE CONTINGENCY for OCT to DEC	75,000
	NET FINANCIAL IMPACT PRIOR TO FUNDING	<u>416,902</u>
H	FEDERAL-PROVINCIAL FUNDING TO DATE	<u>-678,347</u>
	NET ESTIMATED POSITION AS OF OCTOBER 15, 2020	<u><u>-261,445</u></u>

TOWN OF COBOURG

COVID-19 FINANCIAL UPDATE - #2

SCHEDULE A

IMPACT ON REVENUE

Budget Page		Description	Amount
5	Penalties and interest	waiving April and May	70,000
11	Interest income	lower cash in bank	50,000
22	Clerk's	lottery licence reduce by 25%	27,500
30	Finance	recoveries from transit	0
30	Finance	recoveries from parking	10,000
1415	Transit	provincial safe restart fund	0
151	Parking	reduce revenue by 75%	515,600
164	Parks	reduce trf from parking by 75%	75,000
164	Parks	remove DBIA baskets	5,000
164	Parks	Victoria Beach Canteen rental	20,000
204	Campground	contribution to town by 25%	31,650
218	Cobourg Community Centre	reduce total revenue by 70%	980,000
237	Market Building	reduce total revenue by 75%	16,500
241	Concert Hall	reduce total revenue by 90%	163,000
286	Venture 13	reduce transient tenants by 50%	23,750

			1,988,000
			=====

IMPACT ON OPERATING EXPENDITURES

Budget Page		Description	Additional Amount	Reduced Amount
5	Tax Cancellations	increase to \$650,000	175,000	
33	Information Technology	existing budget should be fine	0	
43	Personnel	additional legal expenses	10,000	
77	Fire	reduce gasoline x one-third		-5,000
104	Engineering Admin	reduced travel expense		-1,000
108	GIS	remove Air Photos		-500
113	Roads and Sewers	reduce cost for gasoline		-10,000
144	Transit	training		-1,500
		reduced service		-250,000
151	Parking	reduce trf to parks & marina x 75%		-164,500
		reduce trf to parking reserve		-157,575
154	Parking	reduce transfer to finance		-10,000
166	Parks	reduce gasoline		-5,000
170	Parks	reduce garbage removal		-10,000
172	Horticulture	downtown beautification		-10,000
178	Athletic Facilities	field maintenance & prop improv		-10,000
182	Centennial Pool	reduced seasons to be open		-12,000
184	Acquatics Lifeguards	beach closed, splash pad open		-105,000
186	Outdoor Rink	butterfly wings		-10,000
		reflecting pool not setup		-7,000
208	Beach Washrooms	reduce transfer from parking x 75%	52,000	
210	Harbour	eliminate transfer from marina	17,500	
		reduce transfer from parking x 7500	7,500	
			262,000	-769,075

FORWARD from Page 1			262,000	-769,075
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215	Furnace Street Arenas	projected utilities to be at budget		0
216	Furnace Street Arenas	building reserve used to decomm		0
220	Cobourg Community Centre	reduce utilites x 10%		-56,000
		eliminate retrofit payback for 1 yr		-50,000
		reduce special events		-20,000
		reduce consumable supplies		-40,000
227	Seniors Activity Centre	reduce net cost to town x 50%		-43,610
243	Concert Hall	reduce materials portion of budget		-60,000
252	Special Events	Canada Day reduce to \$7,000		-20,000
253	Special Events	remove transportation		-7,000
		remove porta-potties		-3,500
		remove garbage removal		-8,000
262	Planning	reduce travel		-1,600
266	Committee of Adjustment	reduce travel		-1,000
290	Venture 13	eliminate Venture Kids program		-5,000
		reduce advertising & promotion		-7,500
293	Tourism	reduce advertising		-50,000
			-----	-----
			262,000	-1,142,285
			=====	=====
NET PROJECTED SAVINGS				-880,285
				=====

TOWN OF COBOURG

COVID-19 FINANCIAL UPDATE - #2

SCHEDULE C

Conferences and Conventions

Budget Page		Description	Additional Amount	Projected Savings
13	Council	Conferences & Travel	24,000	21,000
16	CAO	Conferences	2,100	1,100
19	Communications	Conferences	2,400	2,400
24	Clerk's	Conferences	2,000	1,200
29	Finance	Conferences	4,500	3,500
43	Personnel	Conferences	2,500	800
77	Fire	Conferences	9,000	1,500
83	Emergency Management	Conferences	3,500	3,000
87	Building Department	Conferences	2,600	2,100
91	Building By-Law	Conferences	1,600	1,600
107	GIS	Conferences	2,500	2,500
111	Roads and Sewers	Conferences and Training	21,500	11,500
166	Parks	Training and Courses	10,000	9,000
192	Marina	Conferences	2,000	2,000
262	Planning	Conferences	4,250	3,000
266	Committee of Adjustment	Conferences	6,000	6,000
269	Heritage	Training Courses Travel	4,800	3,300
280	Economic Development	Conferences	2,600	2,600
293	Tourism	Conferences	2,000	2,000
			----- 109,850 =====	----- 80,100 =====

Note: Assumption is that all conferences, conventions and training will be done remotely which eliminates the need for travel, meals and accomodation and many of these sessions were offered at reduced rates or at no cost.

TOWN OF COBOURG

COVID-19 FINANCIAL UPDATE - #2

SCHEDULE E

TRANSFERS TO VEHICLE REPLACEMENT RESERVE

Budget Page	Description	Amount	Reduced Amount
36 Victoria Hall	Building Maintenance	2,473	
78 Fire	Administrative Vehicle	8,600	
78 Fire	Large Vehicle	50,000	
112 Roads & Sewers		224,362	
137 Transit		160,000	
166 Parks		70,000	
221 Cobourg Community Centre		8,175	

		523,610	
		=====	
	Reduce transfer to reserve for 2020 should not be required		0
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Note: Original report indicated a 50% reduction in the budgeted 2020 transfer to reserves but it is expected that the full transfer can be made.



The Corporation of the Town of Cobourg
COVID-19 Expense Account Analysis
As at: Oct 15, 2020

Schedule F

Type	Police	Transit	WPCP	General	Grand Total
Cleaning	\$ 13,599.32	\$ 164.85	\$ 745.05	\$ 19,950.87	\$ 34,460.09
Communication	\$ 865.37			\$ 34,097.80	\$ 34,963.17
Facility Modifications	\$ 2,569.57	\$ 12,536.83	\$ 2,846.70	\$ 151,975.39	\$ 169,928.49
First Responders	\$ 6,884.37				\$ 6,884.37
IT	\$ 4,896.31		\$ 58.38	\$ 14,143.82	\$ 19,098.51
PPE	\$ 7,210.90	\$ 503.09	\$ 1,512.31	\$ 49,272.82	\$ 58,499.12
Grand Total	\$ 36,025.84	\$ 13,204.77	\$ 5,162.44	\$ 269,440.70	\$ 323,833.75

Cleaning supplies	Cleaning supplies, wipes, aegis, contracts to clean facilities
IT- Hardware/Software	Computers, keyboards, printers at home/ink, keyboards, zoom memberships, headphones, Police remote work from home
PPE	Masks, gloves, hand sanitizer, thermometers
Communication	Signs for public, press, Facebook, decals for social distancing, facility signage
Building Modifications	Plexiglas, beach fencing, market building repairs for cooling center, public port-a-potties, marina gates, office furniture changes, non IT supplies, changing locks
First responders	Police: meals and accommodation for quarantine, supplies for police covid19 trailer

TOWN OF COBOURG

2020cpbud

2020 Capital Budget

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GENERAL GOVERNMENT

INFORMATION TECHNOLOGY

	TOTAL COST	TAX BASE	RESERVE	OTHER REVENUE	DEBENTURE	FEDERAL GAS TAX	DEV CHG RESERVE	BUILDING EFFICIENCY	PRIOR YEAR	PROJECT STATUS
Computerization	35,000		-35,000							Ongoing
New Server - Theater Manager, Vailtech et al	35,000	-35,000								Completed
Council Chamber Microphones	15,000	-15,000								Completed

VICTORIA HALL

Plaster Work - East and West Back staircase	18,500	-18,500								Completed
Sandstone Repair at front doors	270,000			-20,000	-250,000					Completed
Elevator Pit Waterproofing	70,000				-70,000					Completed

TOTAL GENERAL GOVERNMENT SERVICES

443,500	-68,500	-35,000	-20,000	-320,000	0	0	0	0
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PROTECTION

FIRE

Heating / Cooling Unit Replacement	15,000		-15,000							Completed
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BUILDING

Fleet replace - new hybrid vehicles	80,000		-67,000	-13,000						Completed
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TOTAL PROTECTION

95,000	0	-82,000	-13,000	0	0	0	0	0
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COMMUNITY DEVELOPMENT

VENTURE 13

Private Offices Expansion	20,000							-20,000		Completed
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TOURISM

Wayfinding Signage	5,000	-5,000								Deferral to 2021
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TOTAL COMMUNITY DEVELOPMENT

25,000	-5,000	0	0	0	0	0	-20,000	0
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ROADS & SEWERS

		TOTAL COST	TAX BASE	RESERVE	OTHER REVENUE	DEBENTURE	FEDERAL GAS TAX	DEV CHG RESERVE	BUILDING EFFICIENCY	PRIOR YEAR	SCHEDULE G PAGE 2 OF 4
Sidewalks		200,000					-200,000				Deferred to 2021
Terry Fox Stormwater Management Pond Rehab		350,000				-350,000					Deferred to 2021
Bridge and Culvert Improvements		325,000					-325,000				Deferred to 2021
Matthew Street Reconstruction	OCIF	820,000		-140,000	-623,141		-56,859				Substantially Complete
Nagle Road Interchange		115,935	-28,984					-86,951			Ongoing
Sanitary Sewer Rehabilitation		1,000,000		-1,000,000							On hold
Kerr St Extension - Division to D'Arcy	LUSI	2,720,000			-13,600		-621,280	-2,085,120			Constructon in progress
Shoreline Management Program		10,000	-10,000								Ongoing
Albert Street Reconstruction		15,000	-15,000								Design work proceeding
Storage Building		80,000		-80,000							Deferred to 2021 - using 390 King St W
Traffic Signal Upgrade		50,000					-50,000				Committed
Street Light Replacement Program		355,000				-355,000					Ongoing
Pavement Resurfacing		317,793		-17,793			-300,000				Ongoing
HVAC Improvements - Building 7	BEF	70,000							-70,000		Completed
Reversible Vibrating Compactor		14,500	-14,500								Deferred to 2021
Division St S - Storm Pump Generator		55,000	-55,000								Completed
Parking Metre Replacement		15,000		-15,000							Committed
Transit Shelters	OCIF	15,000			-15,000						Completed
Wheels Bus Replacement	ICIP	160,000		-42,672	-117,328						Proceeding
TOTAL PUBLIC WORKS		6,688,228	-123,484	-1,295,465	-769,069	-705,000	-1,553,139	-2,172,071	-70,000	0	

PARKS & RECREATION

PARKS & RECREATION

	TOTAL COST	TAX BASE	RESERVE	OTHER REVENUE	DEBENTURE	FEDERAL GAS TAX	DEV CHG RESERVE	BUILDING EFFICIENCY	PRIOR YEAR	SCHEDULE G Page 3 of 4
Parks Service Vehicle	55,000		-55,000							Deferred to 2021
F350 Crew Cab #50 - 11	40,000		-40,000							Deferred to 2021
Playspace Equipment	60,000		-60,000							Deferred to 2021
Cooley Park Development	100,000		-40,000						-60,000	Deferred to 2021
Brush Hog Replacement	15,000	-15,000								Completed
Water Bottle Filling Stations	15,000	-15,000								Deferred to 2021
Waterfront Spray Pad	15,000	-15,000								Completed
Tennis Court Resurfacing	53,000					-53,000				Completed
Donegan C Diamond Resurfacing	35,000	-35,000								Committed
Public Washrooms Design	20,000				-20,000					Deferred to 2021
	408,000	-80,000	-195,000	0	-20,000	-53,000	0	0	-60,000	
WATERFRONT OPERATIONS										
Waterfront Plan - East Pier	275,000				-275,000					Work in Progress
Waterfront Plan - Campground	127,000				-127,000					RFP Issued
Harbour Improvements - Phase 1	88,000				-88,000					RFP Issued
Paver Stone Walkway Replacement	25,000	-25,000								Deferred to 2021
Harbour Seawalls and Breakwaters	200,000				-200,000					Work in Progress
Harbour Electrical System	310,000				-310,000					Completed
	1,025,000	-25,000	0	0	-1,000,000	0	0	0	0	
CCC and ARENAS										
CCC Street Sign Replacement	50,000		-50,000							Deferred to 2021
CCC Compressor	35,000		-35,000							Committed
CCC Video Surveillance System	55,000		-40,000						-15,000	Completed
	140,000	0	-125,000	0	0	0	0	0	-15,000	
TOTAL CCC and ARENAS										
TOTAL PARKS & RECREATION	1,573,000	-105,000	-320,000	0	-1,020,000	-53,000	0	0	-75,000	

	TOTAL COST	TAX BASE	RESERVE	OTHER REVENUE	DEBENTURE	FEDERAL GAS TAX	DEV CHG RESERVE	BUILDING EFFICIENCY	PRIOR YEAR
TOTAL CAPITAL PROJECTS	8,824,728	-301,984	-1,732,465	-802,069	-2,045,000	-1,606,139	-2,172,071	-90,000	-75,000

SUMMARY:

TOTAL CAPITAL PROJECTS, per above 8,824,728
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SOURCES OF FUNDING

Prior year capital budget 75,000

Tax Base 301,984

Federal Gas Tax 1,606,139

Building Efficiency Fund 90,000

Other Revenue

Victoria Hall Volunteers	20,000	
Vehicle Trade In	13,000	
OCIF	638,141	
LUSI	13,600	
ICIP	117,328	
	-----	802,069

Reserves

Building Dept Reserve	67,000	
IT Reserve	35,000	
Parkland reserves	100,000	
Development charge reserve	2,172,071	
Sanitary Sewer reserve	1,145,338	
Vehicle Depreciation reserve	137,672	
Parking	15,000	
Northam reserve	232,455	
	-----	3,904,536

Debenture Debt

Victoria Hall	320,000	
Public Works	705,000	
Parks	20,000	
Waterfront	1,000,000	
	-----	2,045,000

Capital Levy from the Operating Budget

TOTAL FUNDING 8,824,728
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TOWN OF COBOURG

COVID-19 FINANCIAL UPDATE - #2

SCHEDULE H

FEDERAL - PROVINCIAL FUNDING ANNOUNCED TO DATE

Federal - Provincial Safe Restart - Phase 1	571,800
Federal - Provincial Safe Restart - Transit Operations	97,780
Provincial Enhanced Public Transit Cleaning	8,767

678,347
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