

COVID 19 Financial/Budget Considerations

Presentation to Council

April 20, 2020

Financial Impact Analysis

- Impacts are reflective of the period to June 30
- Council will be provided with monthly updates
- Future updates will include scenario planning based on length of pandemic and recovery rates
- Reports for the May Committee meeting:
 - reviewing further operating and capital budget expenditure mitigation measures
 - March 31st financial status report with year-end projections, including projected financial impacts for Local Boards

Service Impacts

- Closure of city facilities resulting in the cancellation of recreation programs and rentals
- Rear-boarding of buses resulting in the elimination of transit fare collection
- Reductions in parks and horticulture maintenance activities
- Free parking in the downtown and the relaxation of enforcement (except to ensure resident safety)
- Penalty free property tax deferral program

Tax-Supported Revenue Impacts (To June 30)

• Penalty & Interest on Taxes	\$ 450,000
• Recreation Revenues	\$ 2,700,000
• Transit Revenues	\$ 1,400,000
• Parking By-law Revenues	\$ 550,000
• Licensing Fees	\$ 280,000
Total	\$ 5.4 M

Non-Tax Supported Revenue Impacts (To June 30)

• Parking District Revenues	\$ 750,000	(Parking District Reserve Fund \$9.82M)
• Planning Revenues	\$ 600,000	(Planning Fee Reserve Fund \$3.39M)
• Building Permit Revenues	\$ 860,000	(Building Permit Fee Reserve Fund \$3.32M)
Total	\$ 2.2 M	

Expenditure Restraint Program Savings (To June 30)

- Utilities savings re: facility closures (\$292,000)
 - Part Time wage savings (\$2,300,000)
 - Other discretionary operating savings (\$1,200,000)
 - **Additional costs (COVID related) \$300,000**
- Total (\$3.5 M)

Other Operational Savings (To June 30)

- Diesel & Gasoline price savings (\$375,000)
 - Gapping – new positions 2020 budget (\$560,000)
 - Mild winter 1st Q of 2020 (\$800,000)
- Total (\$1.7 M)

Estimated Net Financial Impact (To June 30)

Revenue losses (tax-supported)	\$5.4M
Revenue losses (non-tax-supported)	\$2.2M
Total Revenue Losses	\$7.6M
Draw from Program Specific Reserves	(\$2.2M)
Expenditure restraint program savings	(\$3.5M)
Other operational savings	(\$1.7M)
Projected Shortfall	\$0.2M

COVID 19 Cash Flow Considerations

Cash Flow Projections

	2020	2018/2019
April 30 th	\$42.4M	\$41.9M
May 31 st	\$30.2M	\$32.7M
June 30 th	\$20.3M	\$40.1M

Region deferral of April tax remittance to June 30th as well as deferral of June & Sept school board remittances by 90 days has/will assist the city's future cash flow.

COVID 19 Future Scenario Financial Planning

- Overall year end financial position contingent on length of imposed restrictions and recovery pattern.
- Staff will consider future modelling that will include various scenarios reflecting required lead times and phased service resumption based on the Province's decision on loosening restrictions.