

 <b>COBOURG</b>	<b>THE CORPORATION OF THE TOWN OF COBOURG</b>
	<b>STAFF REPORT</b>
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
	<b>NET FINANCIAL IMPACT PRIOR TO FUNDING</b>	<u>416,902</u>
H	FEDERAL-PROVINCIAL FUNDING TO DATE	-678,347
	<b>NET ESTIMATED POSITION AS OF OCTOBER 15, 2020</b>	<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 reduced service	-1,500 -250,000
151	Parking	reduce trf to parks & marina x 75% reduce trf to parking reserve	-164,500 -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 reflecting pool not setup	-10,000 -7,000
208	Beach Washrooms	reduce transfer from parking x 75%	52,000
210	Harbour	eliminate transfer from marina reduce transfer from parking x 7500	17,500 7,500
		262,000	-769,075

	FORWARD from Page 1		262,000	-769,075
			-----	-----
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
			=====	=====
	<b>NET PROJECTED SAVINGS</b>			<b>-880,285</b>
				=====



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	2,473	
78	Fire	8,600	
78	Fire	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
			=====

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
<b>Grand Total</b>	<b>\$ 36,025.84</b>	<b>\$ 13,204.77</b>	<b>\$ 5,162.44</b>	<b>\$ 269,440.70</b>	<b>\$ 323,833.75</b>

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

2020 Capital Budget

Page 1

GENERAL GOVERNMENT

INFORMATION TECHNOLOGY

TOTAL COST	TAX BASE	RESERVE	OTHER REVENUE	DEBENTURE	FEDERAL GAS TAX	DEV CHG RESERVE	BUILDING EFFICIENCY	PRIOR YEAR	PROJECT STATUS
35,000		-35,000							Ongoing
35,000	-35,000								Completed
15,000	-15,000								Completed

VICTORIA HALL

18,500	-18,500								Completed
270,000			-20,000	-250,000					Completed
70,000				-70,000					Completed

TOTAL GENERAL GOVERNMENT SERVICES

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

PROTECTION

FIRE  
Heating / Cooling Unit Replacement

15,000		-15,000							Completed
--------	--	---------	--	--	--	--	--	--	-----------

BUILDING

Fleet replace - new hybrid vehicles Trade IN

80,000		-67,000	-13,000						Completed
--------	--	---------	---------	--	--	--	--	--	-----------

TOTAL PROTECTION

95,000	0	-82,000	-13,000	0	0	0	0	0	0
--------	---	---------	---------	---	---	---	---	---	---

COMMUNITY DEVELOPMENT

VENTURE 13

Private Offices Expansion BEF

20,000							-20,000		Completed
--------	--	--	--	--	--	--	---------	--	-----------

TOURISM

Wayfinding Signage

5,000	-5,000								Deferral to 2021
-------	--------	--	--	--	--	--	--	--	------------------

TOTAL COMMUNITY DEVELOPMENT

25,000	-5,000	0	0	0	0	0	-20,000	0	0
--------	--------	---	---	---	---	---	---------	---	---

	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	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	2,720,000			-13,600		-621,280	-2,085,120			Construction 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	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	15,000			-15,000						Completed
Wheels Bus Replacement	160,000		-42,672	-117,328						Proceeding
<b>TOTAL PUBLIC WORKS</b>	<b>6,686,228</b>	<b>-123,484</b>	<b>-1,295,465</b>	<b>-769,069</b>	<b>-705,000</b>	<b>-1,553,139</b>	<b>-2,172,071</b>	<b>-70,000</b>	<b>0</b>	

**PARKS & RECREATION**

**PARKS & RECREATION**

	TOTAL COST	TAX BASE	RESERVE	OTHER REVENUE	DEBENTURE	FEDERAL GAS TAX	DEV CHG RESERVE	BUILDING EFFICIENCY	PRIOR YEAR	
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
Coosey 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

**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

**TOTAL CCC and ARENAS**

	140,000	0	-125,000	0	0	0	0	0	0	-15,000
--	---------	---	----------	---	---	---	---	---	---	---------

**TOTAL PARKS & RECREATION**

	1,573,000	-105,000	-320,000	0	-1,020,000	-53,000	0	0	0	-75,000
--	-----------	----------	----------	---	------------	---------	---	---	---	---------

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

TOTAL CAPITAL PROJECTS

SUMMARY:

8,824,728

TOTAL CAPITAL PROJECTS, per above

SOURCES OF FUNDING

75,000  
301,984  
1,606,139  
90,000

Prior year capital budget  
Tax Base  
Federal Gas Tax  
Building Efficiency Fund

Other Revenue

20,000  
13,000  
638,141  
13,600  
117,328  
802,069

Victoria Hall Volunteers  
Vehicle Trade In  
OCIF  
LUSI  
ICIP

Reserves

67,000  
35,000  
100,000  
2,172,071  
1,145,338  
137,672  
15,000  
232,455  
3,904,536

Building Dept Reserve  
IT Reserve  
Parkland reserves  
Development charge reserve  
Sanitary Sewer reserve  
Vehicle Depreciation reserve  
Parking  
Northam reserve

Debtenture Debt

320,000  
705,000  
20,000  
1,000,000  
2,045,000

Victoria Hall  
Public Works  
Parks  
Waterfront

Capital Levy from the Operating Budget

8,824,728

TOTAL FUNDING

**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**  
=====