

Report to Council

Report Title: 2020 Year-End COVID-19 Financial Impact

Prepared By: Trish Serratore, Chief Financial Officer

Department: Finance

Date: May 11, 2021

Report Number: FIN2021-13

File Number: C11FIN, P03

Attachments:

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2021-13 – 2020 Year-End COVID-19 Financial Impact, prepared by Trish Serratore, Chief Financial Officer for information purposes.

Report:

Background:

During 2020, the Municipality was required to make several operational changes due to the Covid-19 pandemic. This included cancellation of programs, closure of multiple locations, staffing changes and additional cleaning protocols to ensure the safety of the community and staff.

On October 27, 2020, Report FIN2020-36 was presented to Council to outline our projected financial impact due to Covid-19. At that time, staff did not seek additional funding from the government to off-set the increased costs and/or revenue loss as there was a projected operating surplus.

Analysis:

The Municipal year-end audit took place in April 2021. At this time staff were required to provide an outline of the financial impact on the Municipality due to COVID and how the Safe Restart Funding was allocated for COVID related financial pressures. As mentioned in Report FIN2020-36, any unused funds were required to be set aside in a dedicated Reserve Fund to assist with 2021 financial pressures due to COVID. Below is a summary of the overall financial impact on the Municipality and how departments were affected:

COVID-19 Financial Impact		
Department	Financial Savings/(Loss)	Description
General Government/Administration	(\$289,830.72)	A majority of this loss was contributed from unbudgeted COVID expenses for all of Brockton, which amounted to \$109,286.13. This account included items such as PPE, signage, safety enhancements & equipment. However other COVID increases were realized in other expense accounts. In addition, to increase in expenses, there was a financial loss in revenue from waiving Penalty and Interest for three months in the amount of \$50,143.74
Brockton Child Care Centre	(\$40,878.56)	The overall financial hardship on the Brockton Child Care centre does not truly represent the overall impact due to COVID-19 on the centre and staff. This amount represents the financial impact on Brockton after the generous support from the County of Bruce in the amount of \$196,331.44 and the significant operational decisions made to reduce expenses due to children not attending the centre for an extended period.
Recreation	\$42,835.79	The overall impact for all of Recreation was a cost savings of \$42,835.79. This includes financial loss in one area with some savings in others. Netted, there was an overall savings due to the difficult decisions related to closures made by staff and Council.
Total Financial Loss	\$287,873	
Safe Restart Funding Received	\$267,100	
Financial Loss assumed by Municipality	(\$20,773)	This financial loss will be off-set by any surplus realized by the Municipality

Staff are awaiting the final report and adjusting entries to complete their analysis of the municipality's financial position at the end of the year. Currently, staff are projecting a surplus for 2020 and will bring forward a final report with additional details once the audit is finalized.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? Yes
- Do the recommendations contribute to achieving Cultural Vibrancy? Yes
- Do the recommendations contribute to achieving Economic Prosperity? Yes
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The Safe Restart Funding provided financial relief to the Municipality for COVID related expenses.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer