

Report to Council

Report Title: COVID-19 2020 Budget Impacts
Prepared By: Trish Serratore, Chief Financial Officer
Department: Finance
Date: April 28, 2020
Report Number: FIN2020-15 **File Number:** C11FIN, P03
Attachments: Estimated Revenue Losses to June 30 as of April 30

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2020-15 – COVID-19 2020 Budget Impacts, prepared by Trish Serratore, Chief Financial Officer for information purposes.

Report:

Background:

On March 13, 2020 the Municipality of Brockton was faced with a number of operational changes due to COVID-19 which has had a financial impact on the municipality. This report provides an early estimate of the initial financial impact on the municipality’s 2020 budget at the end of April 2020.

Analysis:

While it is still early to quantify all of the potential impacts resulting from COVID-19, some of the more significant anticipated variances, both (favourable) and unfavourable, are outlined below:

Department	Comments	Financial Impact
Daycare	Due to the closure of the Daycare on March 13 th there has been a reduction in their revenue and expenses due to temporary staff layoffs (12 full-time and 9 part-time) and credit of facility rent to the Catholic School board for half of March and all of April. Fixed costs (i.e. debt repayment and insurance) will continue even though the centre is closed at this time.	Revenue loss: \$127,884 *Expense saving from closure: \$142,071 *does not include fixed costs

Department	Comments	Financial Impact
Recreation	<p>Reduced revenues due to cancelled programming projected to the end of June.</p> <p>Reduced expenses due to delaying summer student hires, delay in filling the Facilities and Parks Coordinator Position until July and additional utility savings due to the cancelation of ice rentals, as well as those costs associated with various events that have been cancelled.</p>	<p>Projected lost revenue to the end of June 30th, details attached - \$260,050</p> <p>(Total refunds issued as of April \$34,022)</p> <p>Total savings in expenses are still being determined. Additional information will come in future reports. Currently delays in hiring till the end of June would be approximately \$29,000 + benefits.</p>
General Government/ Treasury	<p>Waiving penalty and interest for April, May and June has a cash flow impact on the interim tax billing. Also, the Municipality is without the additional penalty and interest revenue from the prior year outstanding taxes.</p> <p>Increase in COVID-19 essentials, cleaning supplies, legal, signage and IT services and supplies.</p>	<p>Lost revenue from waiving Penalty and Interest - \$10,087/month total of \$30,260 for the three month term</p> <p>COVID-19 expenses currently \$15,068 with ongoing expenses being processed.</p>
Public Works	<p>No changes at this time – essential services continue</p>	<p>\$0</p>
Waste Management	<p>Increase in the overall revenue due to the centralized location of the Brant landfill. All of the waste is being weighed and there is no transfer fee expenses for transfer of waste from Greenock site.</p>	<p>Increase of \$16,598 from the Brant/Greenock Landfill compared to prior year as of April 22nd.</p> <p>Decrease in the operating costs from the Walkerton/Hanover</p>

Department	Comments	Financial Impact
		landfill for the savings utilized from the expansion. – this was funded from long-term borrowing
Cemetery	<p>The cemetery was required to open earlier than except due to the mandate of the province due to COVID-19.</p> <p>There is currently an increase in our revenue due to the early internment.</p> <p>Minimal increase in staff wages due to timing of start date and increase in supplies for the PPE required.</p>	
Economic Development	No changes at this time – essential services continue	\$0
Building/Permit	No changes at this time – essential services continue	\$0
Protective Services (Fire)	No changes at this time – essential services continue	\$0

Staff are continually reviewing the 2020 budgeted capital projects to ensure we are moving forward with those projects that are essential to the municipality and within the budgeted amount. Staff will continue to provide updates to Council on any changes that may occur with the planned capital projects.

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? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- 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? N/A

All financial impacts on the municipality that are known as of April, or projected amounts have been included in the above report.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer

Budget Area	2020 Budgeted Revenues	Estimated Gross Revenue Losses to June 30 as of April 30	Actual Refunds to Date	Comments
Programs	\$ 90,000.00	\$ 28,300.00	\$ 16,472.51	
Day Camps	\$ 60,000.00	\$ -		
Arena Ice	\$ 233,000.00	\$ 51,100.00	n/a	Balance of ice season cancelled to May 14
Concession Booth	\$ 45,000.00	\$ 5,100.00	n/a	Closed with ice season
Lobies Campground	\$ 47,000.00	\$ 15,500.00	\$ 5,377.00	
Walkerton CC	\$ 43,200.00	\$ 14,200.00	\$ 6,460.78	
Cargill CC	\$ 157,500.00	\$ 110,250.00	\$ 5,615.25	
Elmwood CC	\$ 26,600.00	\$ 8,800.00	\$ -	To be determined by Board
Soccer	\$ 7,000.00	\$ 2,000.00	\$ -	To be determined starting in May
Pool	\$ 61,000.00	\$ 20,000.00	\$ -	To be determined starting in June
Parks - Ball Diamonds	\$ 16,000.00	\$ 4,000.00	\$ 96.05	To be determined starting in May
Parks - Community Garden	\$ 800.00	\$ 800.00	\$ -	Bed sales suspended due to closure
	\$ 787,100.00	\$ 260,050.00	\$ 34,021.59	

*Revenue losses to date without netting to expenses or fixed costs as follows