

Report to Council

Report Title:	Safe Restart Grant Funding		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	October 27, 2020		
Report Number:	FIN2020-36	File Number:	C11FIN, P0
Attachments:	2020 Financial Statements Forecast, Municipality of Brockton – Child Care Funding and Reconciliation Letter 2020		

Recommendation:

That the Council of the Municipality of Brockton hereby accepts report FIN2020-36 prepared by Trish Serratore, Chief Financial Officer and in doing so approves not submitting an application for Phase II Safe Restart Grant Funding.

Report:

Background:

The Municipality of Brockton has received \$267,100 under Phase 1 of the Safe Restart program to address our 2020 Covid-19 financial related operating pressures. Municipalities that have 2020 Covid-19 financial operating pressures over and above their Phase 1 allocation may apply for Phase 2 funding.

The Province has indicated that municipalities will be required to report back to the Province on how these funds were used to support COVID-19 operating pressures, including:

- Measures undertaken to reduce financial pressures (i.e. cost saving measures);
- How phase 1 funding was spent;
- A year-end forecast of COVID-19 operating costs and pressures;
- Actual COVID-19 impacts as of September 30, 2020 (end of fiscal 3rd quarter);
- A Treasurer's statement as to the accuracy of reporting; and
- A Council resolution seeking additional funding (if applicable).

On Oct 21, 2020 the Municipality also received notification of financial funding for the Municipal Child Care Centre from Bruce County. The Municipality will receive \$196,331.44 to assist with financial hardships experienced due to COVID.

Analysis:

The purpose of this report is to provide Council with an overall picture of Brockton's financial pressures in order to determine eligibility under Phase 2 of the grant. Staff has prepared a budget-to-actual variance analysis up to the period ending September 30, 2020, as well as a forecast for October – December 2020 in order to provide a complete picture of the total annual impact of Covid-19 using best estimates. The attached Schedule A summarizes this information.

After a thorough review of each departments current finances as of September 30th, 2020 as well as a forecast for October – December 2020, staff are projecting an operating deficit of \$7,940. The attached schedule A summarizes the impact to each department and the overall impact to the Municipality. Below is a departmental summary of the projected financial position for each department. Staff have done their best to forecast the revenue and expense till the end of 2020, however with continued changes happening due to COVID-19, there could be some year-end variances in which staff will report to Council.

General Government:

There is an increase in revenue of \$318,782, this is due to some unexpected revenue received in 2020, including the \$267,100 Safe Restart Funding. Additional expenses have also been incurred or projected to be incurred by the end of the year, an estimate department increase in expenses of \$135,532 which includes \$85,168 in COVID related expenses, such as additional PPE, technology, cleaning supplies, signage, etc.

Protective Services:

Due to COVID, has projected a decrease in revenue of \$23,177 due to reduced calls and inspections being completed at this time and a decrease in the by-law fines. Currently, there is a projected increase in spending of \$207,618; this is mostly attributed to the Court Security Prison Transportation Grants (CSPGT) being allocated to the expense account during the budget process, however, to ensure proper accounting processing the grant has been allocated to the grants revenue account.

Planning Services:

The planning department has an increase in revenues due to three municipal drains completed in 2020 and the cost recovery for those drains has been invoiced and will be distributed by the end of October. The increase in expenses is for the transfer to reserve fund to re-pay 2019 expenses incurred (please refer to 2019 Year-end report)

Transportation Services:

The transportation department is projecting a decrease in their miscellaneous revenue due to reduction in equipment disposal recoveries and department equipment recoveries. However, the transportation department is projecting a reduction in their overall expenditures, due to reduced training and decrease in road maintenance.

Utilities:

Utilities is full cost recoverable and has no impact on the financial impact of the Municipality. Currently, based on the projections, utilities will have a surplus in their revenue of \$16,967 which is transferred to the Reserve Fund for future capital and operating costs.

Environmental Services:

Within the environmental services there is a decrease of \$202,813 in revenue which is attributed to the decrease in long-term debt. This is in relation to the decrease in expenses for the Walkerton/Hanover Landfill expansion which was significantly lower than projected.

Child Care:

The child care centre has been impacted significantly. The centre was closed from March 13th – July 6th, upon opening there has been an increase in cleaning requirements, PPE and increased staffing. In addition, the class sizes have been restricted due to Provincial mandated limits. On October 21, 2020 the municipality received an email from the County providing notice of increased financial support of \$196,331.44. These funds are to assist in the following areas:

- COVID-19 Child Care Sustainability
- CEWS Salary and Wage Enhancement Grant
- Safe Restart Funding
- Play-based Material and Equipment Funding
- Capacity Building Allocation

This increase in funding has a significant positive impact on the child care centre to support the changes in operations that were a result of COVID.

Recreation:

Recreation has also been significantly impacted by COVID-19. With cancellation of programs and increased protocols in place to ensure the safety of staff and residents. There is a projected decrease in revenue of \$425,584, however, there is also a project operating savings of \$431,842.

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? | 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

Staff and Council have been diligent in managing the overall finances of the Municipality. The Safe Restart Grant Funding and Bruce County Grant Funding has had a significant impact on the financial success of the Municipality through COVID. Based on the projected year-end forecast, staff feel they are able to proceed without applying for additional COVID funding for 2020.

Reviewed By:

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Sonya Watson, Chief Administrative Officer



Statement of Operations for the period ending September 30, 2020

	2020 YTD Actual	October - December Forecasted Amount	Estimated Year-end Total	2020 YTD Budget	2020 Budget	% of Annual Budget Remaining	2020 Budget vs Actual Variance
Revenue							
General Government	11,835,745	1,213,362	13,049,107	9,547,744	12,730,325	-7%	318,782
Protective Services	145,389	247,420	392,810	311,990	415,987	-65%	- 23,177
Planning/Building & Development	309,393	928,575	1,237,968	705,187	940,250	-67%	297,718
Transportation Services	18,223	200,600	218,823	246,450	328,600	-94%	- 109,777
Utilities	1,561,078	950,335	2,511,414	2,475,546	2,494,447	-37%	16,967
Environmental Services	442,234	39,063	481,297	513,082	684,110	-35%	- 202,813
Child Care	489,220	490,618	979,838	1,128,079	1,504,105	-67%	- 524,267
Recreation	333,456	95,010	428,466	640,538	854,050	-61%	- 425,584
Total Revenue	15,134,739	4,164,983	19,299,723	15,568,617	19,951,875	24.14%	- 652,152
Expenses							
General Government	2,023,933	1,632,768	3,656,701	2,640,877	3,521,170	-43%	- 135,532
Protective Services							
Fire	563,538	472,445	1,035,983	782,769	1,043,692	-46%	7,709
Emergency Management	9,305	18,822	28,127	24,136	32,182	-71%	4,055
Police	1,778,592	595,677	2,374,269	1,619,031	2,158,708	-18%	- 215,561
Animal Control	42,264	18,358	60,621	42,601	56,801	-26%	- 3,820
	2,393,698	1,105,302	3,499,001	2,468,537	3,291,383	-27%	- 207,618
Planning/Building & Development	495,059	1,078,272	1,573,332	940,587	1,254,116	-61%	- 319,216
Transportation Services	2,222,511	1,978,295	4,200,806	3,267,316	4,356,422	-49%	155,615
Utilities	1,221,754	1,289,659	2,511,414	2,494,447	2,494,447	-51%	- 16,967
Environmental Services	588,872	229,853	818,724	750,824	1,001,099	-41%	182,375
Child Care	620,299	460,633	1,080,932	1,190,732	1,587,643	-61%	506,711
Recreation	1,120,075	657,471	1,777,546	1,657,041	2,209,388	-49%	431,842
Total Expenses	10,686,202	8,432,254	19,118,456	15,410,363	19,715,668	-46%	804,829
Transfer to Capital funding	236,207		236,207		236,207		
Less: Tax Funded Capital Projects delayed due to COVID			47,000				
Operating Surplus (deficit)	4,448,537	- 4,267,270	(7,940)	158,254	(0)		

Corporation of the County of Bruce

Human Services Department

30 Park Street, PO Box 399, Walkerton ON N0G 2V0

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Toll free (800) 265-3005

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October 21, 2020

Sonya Watson
Municipality of Brockton
P.O. Box 68
Walkerton, Ontario N0G 2V0

RE: 2020 Funding and Reconciliation

Thank you for your ongoing partnership and dedication to serve Bruce County children and families during the COVID-19 pandemic. We greatly appreciate all the work and information you have provided to us in a timely manner to navigate the funding support provided by the Ministry of Education.

This letter serves to provide detailed information on funding received and reconciled up to September 30, 2020, as well as new funding being allocated.

COVID -19 Child Care Sustainability Reconciliation March 16 – June 30

At the onset of the COVID-19 pandemic, Bruce County continued to flow funding to support the financial sustainability across the child care sector. The total amount of Child Care Sustainability Funding your centre received is \$52,721.92.

On May 9, 2020, the Ministry of Education announced that funding provided during the closure period was to be used on Fixed Overhead Costs. Based on your provided information your fixed overhead costs between March 16 and June 30 totaled \$55,251.70.

Therefore, your total top up for COVID-19 for Child Care Sustainability is \$2,529.78.

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Wage Enhancement Grant Reconciliation January 1 – May 31

On May 9, 2020, the provincial government announced that child care centres were required to apply for Canada Emergency Wage Subsidy (CEWS) and the Federal COVID-19 Economic Response Plan funding to support staffing costs retroactively to March 15, 2020.

At that time, the County of Bruce had already flowed Wage Enhancement Grant funding from January 1 to May 31, 2020 to your centre in the amount of \$16,070.55.

We appreciate you sending in your Wage Enhancement Grant Reconciliation for the two time periods of January 1 to March 15 and from March 16 to May 31, 2020 for a total of \$9,009.65.

Therefore, your total recovery for Wage Enhancement Grant is **\$(7,060.90)**.

CEWS Salary and Wage Enhancement Grant Top Up June 1 – August 31

As per Ministry direction, child care operators are required to apply for CEWS to maximize all federal supports for salary and wages. When applying for CEWS, operators should submit their salary and wages inclusive of the eligible Wage Enhancement Grant amount for eligible staff.

Child Care Operators will receive provincial Wage Enhancement funding (distributed through the County) for the portion of Wage Enhancement not covered by CEWS. These two sources combined provide eligible staff with their full Wage Enhancement Grant allocation.

Operators that apply for CEWS but are ineligible will be supported with full provincial Wage Enhancement funding distributed through the County for their eligible staff.

Thank you for providing information regarding your actual salary hours and costs during the closure period, as well for the reopening period up to August 31. Based on the information provided, you will be allocated the following to cover the salary and Wage Enhancement Grant that was not covered by the CEWS support. As your

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municipal program was not eligible for CEWS the full salary amounts were covered, as follows:

CEWS Salary Top up = \$134,133.52
CEWS WEG Salary Top up = \$3,856.80
CEWS WEG Benefits Top up (17.5%) = \$674.94
Total CEWS Top Up = \$138,665.26

Moving forward, The County will require staffing numbers and actual hours submitted monthly to determine revised Wage Enhancement allocations. This will allow Bruce County to flow funding without the need to reconcile later. More information and timelines will be provided soon, and we will support you through the process.

Safe Restart Funding

On August 14, 2020, the Ministry of Education announced the Federal Safe Restart Fund (SRF). The SRF Funding can be used for additional personal protective equipment (PPE, such as gloves, gowns, etc.), enhanced cleaning, additional staff to meet health and safety requirements, support for short term vacancies as operators transition to return to full capacity, and minor capital required in accordance with Ministry's reopening operational guidance or local public health requirements.

Safe Restart funding has been allocated to operators based on your current licensed capacity. Safe Restart funds can be utilized by March 31, 2021.

You will receive **\$47,236.06** in Safe Restart Funding.

Play-Based Material and Equipment Funding

Play-Based Material and Equipment funding is intended to help licensees create enriching environments both indoors and outdoors with open-ended materials that promote children's learning and development through exploration, play and inquiry consistent with the views, four foundations and pedagogical approaches of *How Does Learning Happen? Ontario's Pedagogy for the Early Years*.

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Your Play-Based Material and Equipment allocation is based on your centre's operating capacity.

You will receive **\$12,928.42** for play-based material and equipment.

Capacity Building Allocation

Capacity Building funding is intended to support professional learning and development opportunities that build the capacity of licensees, supervisors, program staff/caregivers, home visitors, home child care providers and non-profit volunteer board members to support the provision of high quality programs for children ages 0 to 12.

Your Capacity Building allocation is based on your staff full time equivalency (FTE).

You will receive **\$2,032.82** for capacity building.

Total Amount Being Allocated

Based on all the funding and reconciliation identified above, the total amount that will be deposited in your account within 30 days is: **\$196,331.44**.

Please note that this is the net amount based on your recovery and allocations outlined above.

Please refer to the above funding allocations for the individual amounts that must be utilized and reconciled according to the guidelines.

Reconciliation Process

Any funding not used for its intended purposes will be recovered. To reconcile this funding, you will need to enter all your expenses in the applicable tabs in your operator's workbook.

Further, a signing officer for your centre will need to sign an attestation stating the funding was used for its intended purposes. Attestation Forms will be provided near year end.

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Be an explorer.

Child Care operators are required to keep all receipts on file for seven years (as per our Service Agreement) related to this funding for auditing purposes. Additionally, Bruce County requires copy of receipts for all purchases \$3,000 and above.

Please refer to Section 7 *Financial Records and Reports* in your Service Agreement for more information regarding financial records and auditing.

If you have any questions or concerns, please feel free to contact Gillian Andrews at 226-909-2737 or gandrews@brucecounty.on.ca, or you can reach me directly at 226-909-3071 or tmetcalfe@brucecounty.on.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tina Metcalfe', written in a cursive style.

Tina Metcalfe
Children's Services Manager