

Overview:

This report is to provide Council an update on the financial impact that the Covid-19 pandemic is having on Township finances. A previous report was presented to Council at the June 16, 2020, the data in the report includes the previous information and runs until approximately July 28, 2020. Please note that some of these numbers are based on data from 2019 in regards to lost revenue. This report is based on the information that was available from the Township’s financial system, estimates and a review of 2019 data for the same time frame.

Corporate and Finance Departments	
Lost Revenues	
Interest on Tax Payments	\$35,000.00
Town Hall Rentals	\$480.35
Commissioning/Printing/Other	\$300.00
Savings:	None at this time
Extra Expenses	
IT Support	\$989.53
Cleaners and Disinfectants	\$911.67
Hand Sanitizer Bought in Bulk	\$356.08
Signage	\$150.00
Disposable Face Coverings	\$ 22.85
Cloth Face Coverings for all staff	\$487.41
Barrier and Rearranging of Front Counter (in progress)	\$5,600.00
Re-keying of front entrance of municipal office and installation of intercom and buzzer	\$3,250.00

Payroll Assigned to Covid-19 for Whole Corporation	\$24,062.83
Legal Advice	\$924.49
Total Impact	\$72,535.21

Waiving of Interest on Tax Payments: Over half of the impact to the general corporation and the Finance Department is the waiving of interest penalty on late tax payments. If Council choses to waive the interest on Tax Payments for August that will add another \$11,000.00.

Staff costs and Savings: Three staff across the corporation have had childcare obligations. While not a direct financial cost, this pandemic has put additional pressure on staff as they have worked through this new reality and have found ways to provide the level of service and customer service expected by the public, this has been a success.

User Fees: Staff have not been able to provide commissioning services, document printing, faxing, book sales and merchandise sales to the public, while these did not generate large amounts of revenue, it is revenue that the Township is now going without

General Costs:
 There has been an increase in cleaning practices to meet the new requirements, new cleaning supplies such as enhance cleaning sprays and disinfectant wipes had to be purchased across the corporation and the Township had an increased reliance on contract IT services to ensure that staff can work remotely where possible. There will be future costs to install a permanent plexiglass barrier at the front counter along with changes to ensure physical distancing can take place between patrons and staff while still ensuring an accessible environment. The Township has also ordered handheld decontamination units will be used to sanitize common areas and high touch zones. There will also been an increase in signage costs as they office prepares to reopen under the stage 3 regulations to inform the public on distancing, intercom and mask wearing.

Clerk’s/ Planning Department:

Lost Revenue	
Planning Fees	Unknow
Savings	
Unknown at this time	

Extra Expenses:	
Zoom	\$202
Teleconferencing	\$717.00
Headsets	\$120
Survey Monkey	\$99
Phone Charges	\$141.27
Total Impact	\$2,084.10

The Department had experiencing a loss of planning fees but planning applications have recently resumed and we have seen a strong interest from the public. While there has been a decreased number of staff available to the Department, staff have experienced an increase in productivity while working from home as the distraction of the office are minimized. Staff have also investigated digital signatures for minor variance decisions and that will have a small monthly cost to subscribe to the program but this cost will be off set by the savings in mileage what will not need to be paid out to Committee of Adjustment members who were previously driving to the office to sign decisions.

Parks and Recreation:

Given the closure of our community centres, parks, trails and playgrounds, COVID-19 has had an impact on the community, the staff, and the revenue to the municipality. This is captured from the Bookings in our system to date. There is also the possibility of additional bookings that were not taken due to the suspension of the parks and facilities.

Revenue loss:

The following table presented multiple revenue loss scenarios based on the length of time that rentals are not able to take place because of Provincial Orders and Peterborough Public Health directives.

March - May 31st	Hrs	Sub	Tax	Total
Harvest Rm	38	\$490.37	\$63.75	\$554.12
Wellington Rm	27	\$773.86	\$100.60	\$874.46
Ice Surface	106	\$13,500.08	\$1,755.01	\$15,255.09
Dry Floor Surface (DCC)	56	\$2,211.00	\$287.44	\$2,498.44
Dry Floor Surface (WCC)	75	\$2,802.00	\$434.26	\$3,166.26
South Park (Season)	6	\$400.00	\$52.00	\$452.00
				\$22,800.37
March - June 30	Hrs	Sub	Tax	Total
Harvest Rm	46	\$510.37	\$66.35	\$576.72
Wellington Rm	27	\$773.86	\$100.60	\$874.46
Ice Surface	106	\$13,500.08	\$1,755.01	\$15,255.09
Dry Floor Surface (DCC)	94	\$4,377.00	\$569.04	\$4,946.04
Dry Floor Surface (WCC)	88	\$3,452.00	\$448.76	\$3,900.76
South Park (Season)	18	\$400.00	\$52.00	\$452.00
				\$26,005.07
March - July 31st	Hrs	Sub	Tax	Total
Harvest Rm	46	\$510.37	\$66.35	\$576.72
Wellington Rm	27	\$773.86	\$100.60	\$874.46
Ice Surface	106	\$13,500.08	\$1,755.01	\$15,255.09
Dry Floor Surface (DCC)	152	\$6,465.00	\$840.50	\$7,305.50
Dry Floor Surface (WCC)	145	\$4,802.00	\$624.26	\$5,426.26
South Park (Season)	33	\$400.00	\$52.00	\$452.00
				\$29,890.03
March - August 31st	Hrs	Sub	Tax	Total
Harvest Rm	46	\$510.37	\$66.35	\$576.72
Wellington Rm	27	\$773.86	\$100.60	\$874.40
Ice Surface	106	\$13,500.08	\$1,755.01	\$15,255.09
Dry Floor Surface (DCC)	259	\$9,804.00	\$1,274.58	\$11,078.58
Dry Floor Surface (WCC)	145	\$4,802.00	\$624.26	\$5,426.26
South Park (Season)	45	\$400.00	\$52.00	\$452.00
				\$33,663.05

Savings:

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This is estimate of the savings that have been a result of the closure. At this time the savings are still outweighing the lost revenue costs. With the re-opening of community centres and indoor recreation opportunities on the horizon staff are working closely with Peterborough Public Health and other recreation providers to determine the best way to offer access to the facilities while keeping the public and staff safe and compliant with Provincial regulations.

Fire Department:

Loss of Revenue:	None
Savings:	None
Additional Expenses:	
Enhanced Station Cleaning	\$ 480.00
Additional PPE	\$ 1910.87
Total Impact	\$ 2,390.87

Public Works and Hall's Glen Transfer Station:

Loss of Revenue	
Tipping Fees	\$449
Savings:	
Delay of Summer Staff Hiring	\$10,000.00

Extra Expenses	
Debit Machine for Transfer Station	\$165.00
Additional PPE	\$1,469.12
Additional Cleaning Supplies	Captured under corporate expenses
Had staff member from Transfer station complete deep clean of work sites and equipment	Captured in Payroll expenses
Transfer of 1 part-time staff from Parks and Rec to Public Works	Captured in Payroll expenses
Added Use of Vehicles	\$111.00
Plexiglass and signs for Transfer Station	\$ 193.19
Total Known Impact	(\$7,612.69)

There had been an increase in overtime hours as seasonal staff have not yet been put in place. The assistance of a part-time staff member from the Parks and Recreation Department had assisted in keeping projects on schedule until seasonal hiring was completed. One seasonal member joined the Department on June 1 and the second seasonal staff member joined at the beginning of July.

Building and Sewage Department:

Loss of Revenue:	
Building Permit Fees	\$75,500.00
Savings:	
Reduction in Legal Costs	\$30,000.00

Additional Expenses	None
Total Known Impact:	\$ 45,500.00

Financial Impact of COVID-19 anticipated for 2020 as of July 28th, 2020 as provided by Building Department Staff.

Two departments:

- 00-04-0440 – Building Department
- 00-04-0445 – Sewage Department

Expenses are generally split between the departments on a 75%/25% ratio, with the larger portion of expenses going to Building Department. Specific expenses are allocated to each of the departments still, such as equipment. Contracted Services and Materials/Supplies are allocated by the ratio.

It is anticipated, due to the reduction in Court time, that our legal expenses (budgeted at \$40,000), should be significantly reduced. We have one large active file, but it likely won't see Court time this year. I would anticipate a budget of \$10,000 to be adequate.

Our anticipated Capital expenditures were already significantly underway prior to the pandemic, so those expenses cannot be postponed.

With respect to Revenue, Building Permit issuance is reduced at this time. We are presently experiencing a year over year reduction of approximately 25% less permits, with 70% less revenue.

Last year, by the end of July, we had issued 112 building permits and received about \$160,000 in revenue. This year we have processed 42 building permits in the same period with only \$77,000 in revenue received, and about \$7500 in receivables.

With global investment portfolios having been impacted, and a larger number of our clientele are often those with significant financial resources, I would not be hopeful that our revenue will return to normal this year as those individuals will likely be postponing expenditures on their recreational properties. Further to my June 8th report, I would continue to anticipate a year end reduction of about 40% of our budgeted revenue, but it may be as high as 60%.

We have continued with the Septic Re-inspection program this year, which is anticipated to bring about \$52,000 in revenue.

To provide summation, our expenses will likely be \$30,000 less than budgeted, while I would anticipate a reduction in building permit revenue of 40-60%. Our Sewage Department expenses nor revenue are not likely to be impacted during this time.

Our budgeted expenses were \$266,000, less the \$30,000 would be \$236,000, plus indirect costs of \$60,000 for a total of \$296,000. It is generally anticipated that our revenue equals our expenses, therefore we would have budgeted \$326,000 for revenue, but will likely see a reduction of 40-60%, or \$130,000 to \$196,000.

Our Sewage Department expenses are stationary and should be \$93,000. Our permit revenue plus re-inspection program would be \$93,000.

For the total, our expenses should be \$389,000 for both departments with a combined revenue of \$289,000.

Department	Budgeted Expenses	Anticipated Expenses	Budgeted Revenue	Anticipated Revenue
Building	\$326,000	\$296,000	\$326,000	\$196,000
Sewage	\$93,000	\$93,000	\$93,000	\$93,000
Total	\$419,000	\$389,000	\$419,000	\$289,000
	Difference:	\$30,000	Difference:	\$130,000

Therefore, our anticipated net loss at 40% would be \$100,000. At 60% reduction in building permit revenue, our net loss would be \$166,000. At this time, year over year, we are currently at a \$75,500 reduced revenue, plus \$30,000 in savings for a total reduction of \$45,500.

Conclusion:

Corporate and Finance	\$ 72,535.21
Clerk's/ Planning	\$ 2,084.10
Parks and Recreation	(\$1,159.97)
Fire Department	\$ 2,390.87
Public Works/Transfer Station	(\$7,612.69)
Building and Sewage Department	\$ 45,500.00
Total Impact:	\$ 113,737.52

This is an increase of \$39,818.32 from the first Covid-19 financial impact report.

Recommendation:

That the C.A.O.-2020-36 report, dated June 5, 2020 regarding the financial impact of Covid-19 be received, that staff continue to monitor the impact of Covid-19 on the Township finances and that an updated report be brought back to second regular Council meeting in September.

Financial Impact: \$113,737.52 at the present time.

Strategic Plan Applicability:

To ensure and enable an effective and efficient municipal administration.

Sustainability Plan Applicability: N/A