



Subject: 2022 Q1 COVID-19 Impact Report

Report Number: FIN 22-15

Department: Finance Department

Submitted by: Renato Pullia, Interim Director of Finance/Treasurer

Meeting Type: Council Meeting

Meeting Date: Monday, June 27, 2022

RECOMMENDATION

THAT Report # FIN 22-15 2022 Q1 Covid-19 Impact Report be received as information.

BACKGROUND

During budget deliberations, Council discussed Covid-19 and its impact in relation to the draft 2022 budget. Subsequently, at its regular meeting on January 27, 2022, Council passed the following resolution:

Resolution # 2022-037

Moved By: Councillor Gilvesy

Seconded By: Councillor Parker

THAT staff provide Council with a quarterly report which provides a financial update pertaining to expenses, income and losses in revenue due to COVID with a breakdown for each department

Carried

DISCUSSION

Staff have previously reported that the 2021 budget had reflected an approximate \$715,759 Covid-19 impact by way of 6 months of reduced revenues (less recreational admission fees, fewer memberships, reduced attendance at seasonal programs, fewer transit riders, etc.) or increased expenditures (masks, cleaning supplies and contractor

costs, etc.), as shown in the adjacent table. During 2022 budget deliberations, staff noted that the revenues and expenses impacted by Covid-19 in 2021 were anticipated to be similarly impacted for 6 months in 2022, given the then continuation of COVID-19 measures.

To measure the impact of COVID-19 on transit ridership revenues, the Ministry of Transportation (MTO) looks to the difference in actual revenues received in 2020 or 2021 against the revenues budgeted for in 2020, as that budget would have been developed in 2019 and represents pre-COVID activity levels. Similarly, since COVID-19 measures first took effect late March 2020, the first quarter actuals of 2020 can be compared with the first quarter results of 2021 and 2022 to assess differences in activity levels.

Covid Impact of...		
		6 month
460	Rec - Programs	\$ (535,800)
465	Rec - Bldg Maint	\$ (139,000)
475	Museum	\$ (3,200)
475	PPE	\$ (92,40)
Complex	PPE	\$ (1,170)
Facilities	PPE	\$ (24,000)
Cemetery	PPE	\$ (446)
		\$ (703,263)
Roads	PPE	\$ (854)
Fleet	PPE	\$ (576)
Water	PPE	\$ (309)
Hydro	PPE	\$ -
CSC	PPE	\$ (395)
Corp	PPE	\$ (461)
Fire	PPE	\$ (802)
		\$ (3,396)
480	Transit	(9,100)
		\$ (715,759)

Appendix A includes Q1 actuals for 2020, 2021 and 2022 for the departments of Corporate Services, Finance, Fire, Operations (separate Building & By-law), Recreation, Culture & Parks (RCP), and Economic Development & Marketing. As noted in prior reports, the impact was felt mostly in user fees. But other than Permit Fees in Building & By-law being much higher in Q1 2022 vs 2020, most other departments show minor variations, with the exception of RCP, where Q1 actuals show \$369K for 2020, then dipping to \$146K in 2021 and coming back up to \$261K for 2022. RCP's 2022 Q1 is still just over \$108K less than 2020, while expenditures stayed relatively stable over the same time period.

Just to note in Building & By-law, License Fees (line 3410), there was a delay in receiving the revenue which was not posted before the Q1 cut off. But there has been a reduction in licensing and suspect that COVID has been an impact, seeing other provincial licensing agencies (motor vehicle licensing) have provided breaks, and it is suspected that this has created a false impression on the requirement to licence pets. Staff's plan is to complete some additional marketing for this in the future.

Other expenditures in terms of supplies, masks, etc. tracked specific to COVID-19, show Q1 2021 costs of \$11,346 and Q1 2022 costs of \$5,427. MTO also released Phase 3 Supplementary funding to the Town of \$2,406. This is to support the Town's eligible COVID-19 municipal transit pressures and costs related to transit initiatives from January 1, 2022 to January 31, 2022.

FINANCIAL IMPACT/FUNDING SOURCE

Most of the Provincial funding received over the last two years, including \$49K net for the vaccine clinic, \$92K Safe Restart funding, \$295K Recovery funding, and Safe Restart Transit funding of \$8K, have offset some of the impacts of reduced revenues. Barring any further COVID-19 measures being re-instituted that would impact user fee activity, the trend of increased revenues from user fees should continue.

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- ☐ Lifestyle and amenities
- ☒ Customer service, communication and engagement
- ☐ Business attraction, retention and expansion
- ☐ Community growth
- ☐ Connectivity and transportation
- ☐ Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient services, information, and opportunities to shape municipal initiatives.

Strategic Direction – N/A

Priority Project – N/A

ATTACHMENTS

1. Appendix A – Departmental 2020 to 2022 Q1 Actuals Comparison