

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?

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| • 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