



**City of
Peterborough**

To: Members of the General Committee

**From: Sandra Clancy
Chief Administrative Officer**

**Richard Freymond
Commissioner of Corporate and Legislative Services**

Meeting Date: May 11, 2020

**Subject: Report CLSFS20-026
COVID-19 Response and Financial Impact – Update for the City
of Peterborough**

Purpose

A report to provide an update on the City's response and preliminary financial impacts of the COVID-19 pandemic.

Recommendations

That Council approve the recommendations outlined in Report CLSFS20-026 dated May 11, 2020, of the Chief Administrative Officer and the Commissioner of Corporate and Legislative Services, as follows:

- a) That the COVID-19 Response and Financial Impact – Update for the City of Peterborough, outlined in Report CLSFS20-026, dated May 11, 2020 of the Chief Administrative Officer and Commissioner of Corporate and Legislative Services, be received for information;
- b) That in collaboration with the Federation of Canadian Municipalities, the Association of Municipalities Ontario and other municipal governments, the City of Peterborough, request that the Federal and Provincial governments provide municipalities with an operating grant to help fund current operations including the

financial impact of revenues lost and additional costs incurred in order to maintain appropriate service levels both during and after the COVID-19 crisis;

- c) That the Federal and Provincial governments be requested to accelerate approval of the remaining ICIP project grant applications submitted by the City of Peterborough in May 2019 and November 2019 to facilitate the economic recovery after the period of emergency is over;
- d) That in keeping with prior years, Council approve setting the final tax due dates for 2020 property taxes to July 31 and September 30, but waive the application of penalty on current property tax payments for each instalment due date for a period of 60 days respectively;
- e) That requests received for financial assistance from the Electric City Culture Council, the Chamber of Commerce and Mr. Sam McKnight, and inclusive of any other similar requests, be referred to the Mayor's and Warden's Joint Task Force for Economic Recovery for consideration by the Finance Committee.

Budget and Financial Implications

There will be substantial impacts to the 2020 Budget in terms of revenues lost and unanticipated costs incurred related to the COVID-19 pandemic. Given the ongoing nature of the pandemic response, the financial estimates totalling \$6.9 million for the period commencing mid March to June 2020 and contained in Appendix B of this report are appropriately interpreted as preliminary and incomplete but are included nonetheless to give the reader a sense of the breadth and magnitude of the impact. Should the pandemic response continue past June 2020, additional financial impacts will be incurred.

The schedule does not contain any estimates for financial impacts related to recommendation e) of this Report.

From a legislative perspective, the City is permitted to incur a budget deficit when comparing the approved 2020 Budget in relation to the actual financial results incurred, however, under current legislation the City is not permitted to budget for a deficit in the upcoming 2021 budget year.

Background

In January 2020, a new coronavirus (COVID-19) was identified as the cause of an outbreak of pneumonia originating in Wuhan, China. The situation evolved rapidly and on March 11, 2020, the World Health Organization (WHO) classified COVID-19 as a global pandemic. Since that time, the number of cases has continued to change daily with some countries more impacted than others. In Canada, the federal government, along with all

provinces and territories, have taken unprecedented measures to minimize the risk of exposure and spread of the virus.

In Peterborough, the City's Emergency Management Office has been working closely with Peterborough Public Health who is continually monitoring the COVID-19 situation, in collaboration with provincial and national health stakeholders, and providing updates to the community as information becomes available. Peterborough Public Health (PPH) is mandated through the Health Protection and Promotion Act of Ontario to track and control the spread of infectious diseases in the City and County of Peterborough. As such, PPH is the lead agency on the COVID-19 pandemic and the City's decisions are made in close consultation with Peterborough Public Health. As much as possible, the City directs residents to PPH for health advice.

During the first week following the March 11 WHO announcement, the City focused on measures to reduce public exposure to the virus and on March 13, 2020, the Municipal Emergency Control Group, in an effort to help protect the health and safety of people in the community, suspended operations of several municipal programs and facilities for an initial three week period including the Peterborough Sport and Wellness Centre, the Peterborough Museum and Archives, the Peterborough Public Library, the Art Gallery of Peterborough, and community arenas. All events and programs in these facilities, including March Break camps, were affected by this closure. The City also postponed all non-essential public meetings.

On March 17, the Province declared a state of emergency which included a mandated closure of restaurants, bars, nightclubs, theatres and childcare centres. Delivery and pick-up services for restaurants were able to continue to operate. Grocery stores, pharmacies, and other businesses continued to remain open. The City advised the city-funded childcare centres of this mandated closure. During that same week, numerous other facilities were closed to the public including City Hall, 210 Wolfe Street, the Public Works Operations Centre on Webber Avenue. and the Provincial Offences Administration Offices. In Transit, the overall schedule was modified in order to match the almost 90% reduction in ridership associated with mandated school closures. The City maintained a modified transit service to support those travelling to work in essential businesses and to necessary appointments. Offices at 178 Charlotte Street for Social Services remained open with limited access whereas the Peterborough Employment Resource Centre was closed.

After careful consideration of the increasing impacts of the COVID-19 pandemic and the corresponding need for people to take necessary precautions, at 3 p.m. on March 23, Mayor Diane Therrien declared a State of Emergency for Peterborough to help contain the spread of COVID-19. This decision was aligned with steps the Province of Ontario was taking in response to the pandemic as well as with PPH. The declaration of an emergency, under Section 4 (1) of the **Emergency Management and Civil Protection Act**, allows the City to use all available options to protect the health, safety and welfare of

its residents. With evidence of community spread of COVID-19 in the Peterborough region, it was determined that an emergency exists that places residents at risk.

All departments and services that the City provides, have in some way been impacted by the pandemic. This report outlines the more significant actions taken, the preliminary financial impacts and potential future actions.

Emergency Procurement - By-law 18-084

Part 8 of the City's Procurement By-law authorizes that certain actions may be taken during an emergency, including that:

- a. i. The Chief Administrative Officer or the requesting Commissioner, shall approve the purchase of Deliverables deemed necessary to remedy the emergency;
- ii. Procurement shall take place by the most expedient and economical means given the relevant circumstances
- b. As soon as possible after the Emergency, if an Emergency purchase greater than \$50,000 has been made pursuant to this Part, and where the expenditure would normally have been subject to a Competitive Process, a report shall be prepared by the requesting Commissioner, explaining the action taken and reasons therefore, and submitted as follows:
 - ii. For amounts equal to or greater than \$100,000, to Council.

Since the COVID-19 pandemic is ongoing and there is uncertainty as to when it will be resolved, this staff report will form part of the ongoing requirement to report to Council.

Communications

The City is following the lead of public health officials on messaging about health and wellbeing through the COVID-19 pandemic while at the same time ensuring the information is consistent with the local context, such as physical distancing guidelines in public spaces. In addition to public health messaging, the City is communicating about how the COVID-19 pandemic is affecting City services and facilities.

City Communications staff and Emergency Management staff are meeting twice weekly with PPH and Peterborough Police to discuss key issues and coordinate common messaging. City communications is mostly being done through the City website, media releases, engaging with local media, creating videos, and providing graphics that illustrate the messaging. Limited paid media has been used for specific programs or activities and the City has contributed to Peterborough Public Health's marketing campaign. With the activation of the Emergency Control Group, Mayor Diane Therrien is the primary spokesperson.

Information on affected municipal services and facilities is being consolidated on the City website since March 17 with a dedicated webpage for COVID-19 matters that includes links to PPH and business-related information through Peterborough and the Kawarthas Economic Development. Between March 17 and April 17, the page was the third highest viewed page on the City website with about 12,000 views.

Media organizations are important partners through the situation. They are telling stories and sharing information on the COVID-19 pandemic. The City issued about 40 media releases related to COVID-19 over the first six weeks.

On social media, the City's Twitter impressions increased by 44% to 624,000 over the four weeks following the local emergency declaration on March 23, compared to the previous four-week period. The statistics were similar on Facebook with people reached increasing by 31% to 78,258 and post engagement increasing by 46% to 27,613 between March 23 and April 19.

Homelessness

Public health and safety is a priority and staff recognized an immediate need for the homeless population to have access to a place which enables safe physical distancing, and support to cope with the effects of this pandemic. Staff worked diligently with community partners to find options for individuals in shelters and to alleviate the burden on partner shelter agencies.

On March 25, a new temporary shelter was opened at the Peterborough Sport and Wellness Centre as it was deemed to have the amenities necessary such as showers, washrooms, appropriate space for social distancing, and multiple room configuration options for isolation. The space is designed for 60 persons and nightly occupancy has fluctuated between 40 and 55 persons.

In addition to the physical shelter being opened at the Wellness Centre, an intake screening process was initiated in consultation with Peterborough Public Health to ensure this temporary shelter as well as the other remaining operating shelters in the city were able to remain COVID-19-free. This has included use of motel rooms to ensure those awaiting COVID-19 testing are able to isolate properly and moving all families to motels and/or into housing. Supports to those staying at motels from community paramedics, shelter staff, City case management staff, and health agencies is included in this overall emergency shelter plan as is food provision coordinated by the Social Services Division.

Food Security

City staff have been working with the various local organizations who deliver food security programs (i.e. food banks, meal programs, hamper programs) to support and understand their changing circumstances during the pandemic. Staff have also participated on the Peterborough Food Action Network, led by Peterborough Public Health, to remain informed and share the actions being taken by the City to support vulnerable populations.

Client levels at food banks in the City are slowly increasing. They are currently managing their service by reducing the number of volunteers and supplying prepared hampers to clients.

The City has provided \$60,000 in financial assistance from the Social Services Relief Funding to the following local agencies:

Agency	Purpose	Amount
Good Neighbours Care Centre	General operations	\$7,500
St. Vincent DePaul	General operations	\$7,500
Salvation Army	General operations	\$7,500
Kawartha Food Share	Agency food supply	\$15,000
One Roof Community Centre	Meal program	\$7,500
Community Care Peterborough	Meals on Wheels	\$7,500
Nourish\YWCA	Emergency Hampers	\$7,500
TOTAL		\$60,000

Emergency Child Care for Essential Workers

While all child care centres in the City were required to close by Provincial order, the Province recognized that access to child care was a barrier to maintaining various emergency services. The Province allowed municipal service managers to prepare a plan for approval and funding to open child care spaces for essential workers. The City's plan approved by the Province was to open up 114 spaces at four child care sites as well as through licensed home day cares. This was initially opened to hospital and Peterborough Public Health staff on March 30 and eventually expanded to include all emergency worker's children as allowed for in the provincial legislation. There is no cost to users and is entirely paid for by the Province.

General Child Care Funding Continuation

The City is the municipal service manager for children's services in the City and County. The funding provided to child care centres in the City and County is provided via an operating grant from the City. This operating grant is made possible through funding from the Ministry of Education. Through direction from the Ministry, the City is continuing to provide operating grant funding to licensed child care centres in the City and County even though they are currently not operating to ensure that these day care centres remain viable and available once the emergency is over.

Personal Protective Equipment

The global reach of COVID-19 has created significant pressures on the availability of clinical and other Personal Protective Equipment (PPE) for health, emergency and other essential service workers around the world. Many organizations are experiencing supply and equipment shortages. The Provincial and Federal Governments have successfully

procured some of the much-needed supplies and equipment to protect health workers and critical service providers against COVID-19, but there remain concerns about the ongoing availability of supplies given high system usage and uncertainty of new shipments. City PPE procurement efforts have been ongoing since January. Peterborough Fire Services and Emergency Management are actively working with local health system, emergency services partners and other city Divisions to monitor PPE supplies, to identify needs, and to procure available supplies through manufacturers and suppliers. When possible, staff are sourcing local manufacturers who have adapted their business to support the PPE supply chain. For instance, the CAO recently signed a waiver permitting Peterborough Fire Services to purchase face shields through Harco Enterprises Ltd. There have also been bulk purchases of hand sanitizer from local distilleries such as Blacks Distillery and Persian Empire Distillery.

Transit

Transit made changes to the service schedule on most routes, that became effective Tuesday, March 31, to reflect ridership reductions, early cancellation of Trent and Fleming services, and to manage available resources.

In an effort to support physical distancing and slow the spread of COVID-19 Peterborough Transit made several changes:

- Communicated non-essential trips should be avoided;
- Customers to board at the rear of the bus (except riders with accessibility requirements);
- Fare boxes were closed;
- Delineated area to keep space between driver and passengers;
- Reduced numbers per bus and added buses to routes if necessary;
- Restricted seating on buses to ensure riders are spaced appropriately;
- Transit customer counter and terminal waiting area closed to ensure people are not congregating and reduce interactions;
- Increased sanitization practices;
- Specialized service (Handivan) start remains unchanged, with an adjustment to the end time to 7:20 p.m. The Community Bus operates from 9 a.m.- 4:50 p.m., seven days a week.

On March 31, 2020, Peterborough Transit began to deliver dedicated by-reservation evening service for riders travelling to and from work at essential workplaces as identified in the list of essential workplaces by the Province. The service is limited to 2 riders per van to ensure physical distancing.

Parking

During the period of the provincial emergency declaration, the City covered parking meters and is not requiring people to pay for on-street parking or parking in municipal surface lots. The City is encouraging citizens to donate to Kawartha Food Share in lieu of parking fees.

Landfill

The landfill had been temporarily closed to the general public from March 20 - April 14, 2020 due in part to more people using the landfill, which created concerns about people being too close to each other and interacting with employees during the COVID-19 pandemic

On April 14, 2020 the Peterborough County-City Landfill re-opened to the general public with new restrictions on how people use the landfill, including the number of people allowed on the site, the types of materials that can be dropped off, acceptable payment methods, limited services, and hours of operation.

Wastewater Collection

Response to emergency calls and priority preventative maintenance continues. Staff schedules have been staggered to maintain physical distancing and the City's ability to respond to critical and emergency work. COVID-19 related additional costs are being tracked but are expected to be nominal and can be accommodated within the operating budget.

Waste Diversion

Recycling collection and processing continues. However, recycling revenues are based on commodity prices which are at record lows. These levels are expected to continue throughout 2020 and possibly into 2021.

Public Works

Since the introduction of the legislated requirements surrounding COVID-19, Public Works has experienced a reduction in efficiencies. This mainly due to the requirement of physical distancing and/or increased PPE. The restrictions have resulted in less efficiency but at similar cost levels.

As the requirements for physical distancing continues, the City will incur increased costs for vehicle expenses, as one person is assigned per vehicle where normally staff would travel in "crews". More vehicles are being deployed and, in some cases, staff may utilize personal vehicles to safely travel to work areas. Additional cleaning and PPE costs are expected as well. One area of temporary reduced costs is fuel, as a result of decreased fuel prices.

Planning & Building Services

The Planning Division temporarily suspended receipt of new applications under the Planning Act and no revenues resulting from application fees are being collected for:

- Official Plan and Zoning By-law amendments;
- Plans of Subdivision and Condominium;
- Site Plan Approval;
- Committee of Adjustment applications.

Without receiving, processing and approving new applications, detailed engineering plans cannot be submitted for approval which means development engineering review fees are also not being earned.

Planning staff is researching ways to receive and process applications under the **Planning Act**, in accordance with Ontario Reg 149/20. Some applications that do not require a public meeting under the **Planning Act**, e.g. site plans, could be processed to approval to facilitate some development to begin construction when permitted to do so. A process to coordinate pre-consultation meetings and accept new applications is underway. Once in place, staff will continue to process submissions to the point where a report can be submitted Council.

Public meetings under the **Planning Act** have been deferred which will create a backlog of planning business to be considered by City Council once the COVID-19 emergency is lifted. Applications which were submitted prior to the pandemic, continue to be processed to the point of the required public meeting. The backlog of development applications may result in a delay of new development and construction activity.

Initially, the provincially declared state of emergency allowed for construction to continue in Ontario. In order to protect residents and staff, City of Peterborough building officials and enforcement officers discontinued inspections within occupied dwellings for building permits or property standards. Building permit plan reviews continued during this time. However, on April 3, the province announced further business closures which affected many construction projects:

- Commercial and industrial - With a few exceptions, construction projects were closed;
- Residential construction – Sites that obtained a building permit by April 4 could continue with construction. After April 4 construction, as outlined by the Provincial restrictions, is not able to proceed until the Order is lifted. City staff worked with developers to communicate changes and restrictions;

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- Provincial Infrastructure – Projects related to health care, transportation, transit and critical infrastructure continue. Institutional projects such as schools have been suspended.

As of May 4, the Province has allowed certain businesses and workplaces to reopen as long as they comply with strict public health measures and operate safely during the COVID-19 outbreak. Those permitted to start up include seasonal businesses and some essential construction projects.

Enforcement of Provincial Orders

Under the **Emergency Management & Civil Protection Act (EMPCA)** and the declared emergency OReg 50/20 of March 17, 2020, the Province issued a number of orders intended to provide the best opportunity to slow the spread of the virus and support public safety efforts.

- 1) OReg 51/20 (March 17 and subsequent revisions): Called for the Closure of Establishments: e.g. Indoor recreation, schools, bars, restaurants, theatres
- 2) OReg 82/20 (March 24 and subsequent revisions): Called for the Closure of Non-Essential Workplaces and provided a reference list.
- 3) On March 25, the federal government issued an order under the Quarantine Act that requires any person entering Canada by air, sea or land to self-isolate for 14 days whether or not they had symptoms of COVID-19.
- 4) OReg 52/20 (March 28): For Organized Public Events & Gatherings, reduced the number of people who could gather from 50 to 5 (exceptions: gatherings of members of a single household, funerals – 10 persons).
- 5) OReg 104/20 (March 30): Called for the Closure of Outdoor Recreational Amenities; shared outdoor recreational amenities, such as sports fields, courts, community gardens and picnic areas. Green spaces, parks and trails remain open for walk through and bicycle access only. Walkers and cyclists are to maintain the safe physical distance of at least two metres apart from others.

Current orders issued by the province under the **Emergency Management & Civil Protection Act (EMCPA)** declared emergency, would be enforceable by all police forces within Ontario. On March 27, the provincial government issued a ministerial designation that provides all municipal by-law enforcement officers with the authority to enforce all provincial orders made under the EMCPA. City staff, Police Service and Public Health representatives meet weekly to review enforcement of the orders. Police are leading in the business sector, contravention of social gathering restrictions and quarantined households.

Municipal by-law officers, parking enforcement and external security services (from Parks & Facilities by-law) focus on enforcement of prohibited use of an outdoor recreational and park amenities in Peterborough. School Boards have granted police services and municipal enforcement permission to address their properties in relation to the orders.

Council & Committee Meetings

Meetings of Council are required to be open to the public, unless as otherwise specified by the **Municipal Act, 2001** Provisions in the **Municipal Emergency Act, 2020** enable municipal Councils to meet by electronic means during an emergency and have its members considered part of quorum. On March 30, a special meeting of Council was held electronically and the public was able to view the live streaming of the special meeting on the city's web site. At this meeting, Council amended the Council Procedure By-Law to allow for Electronic Meetings. The changes are in effect during the time period associated with the declaration of an emergency by the province or the city. Council members may participate in the meeting remotely, using available technology and would be able to debate, vote and have their electronic participation counted toward quorum. Delegations are permitted at a Council meeting. The delegate may either submit written comments to the Clerks Office for distribution to Council prior to the meeting or provide their comments via telephone during the meeting, where technologically feasible. The proposed amendments to the Procedure By-law are associated with Standing Committees of Council and Council meetings and do not apply to advisory committee meetings.

Municipal Infrastructure

Municipal Infrastructure – All City construction projects have been reviewed and most will continue based on stage of construction and safety. Construction works on the following 2 projects have or will temporarily cease:

Holy Cross Sports Fields;

Cleantech Commons (internal servicing).

The City has received several letters from contractors, indicating that they will be submitting claims for increased costs to execute ongoing contracts under the new legislative requirements related to COVID-19. IPS and legal services staff collaborated on correspondence to the contractors reminding of their contractual obligations and the requirement to mitigate to the best of their ability any such extra costs. Any claims will be reviewed for applicability against contract language.

The status of these projects will be reevaluated considering the recent announcement by the Province to allow certain businesses and workplaces to reopen.

Peterborough Regional Health Centre - PRHC

City staff are working with PRHC and volunteers on the community PPE donation drive. A trailer was placed at PRHC to collect donations of items such as N95 and surgical masks, gloves, gowns and face shields. Items that are not required or suitable for PRHC purposes are redistributed to other local health care and community support organizations. City staff are also helping to align organizations with suppliers and facilitate bulk purchases when possible.

Emergency Management and Arenas Division staff have been working closely with PRHC to prepare surge capacity plans to provide support to the hospital, should their current infrastructure become overwhelmed. Planning discussions have also included community agencies that play a key role in certain hospital functions that may be especially impacted due to the pandemic. Plans identify use of City arena facilities for services such as transitional care and other support, when / if the need arises.

Funding Announcements

In addition to Canada's COVID-19 Economic Response Plan, as summarized in Appendix A, which is aimed at providing financial relief to individuals, businesses and industry who are facing financial hardship as a result of the COVID-19 outbreak, the following funding announcements have been directed towards municipalities:

1. Financial Help for Basic Needs – COVID-19 Emergency Assistance - Ontario Works and ODSP recipients can access additional discretionary benefits by calling their caseworker. Emergency benefits for COVID-19 related expenses are the same for both programs: up to \$100 for single individuals and up to \$200 for families;
2. Emergency Assistance - individuals needing assistance who are/were awaiting federal benefits or are not eligible for other income can apply through Social Services for Emergency Assistance. Eligibility criteria for this benefit and the duration of this assistance is set by the Province. This emergency assistance is fully funded by the Province;
3. Social Services Relief Funding – Funding to Service Managers - The Province committed \$1.1 Million to the City to provide additional financial assistance to people who have been impacted by COVID-19. While the focus of this funding is on serving individuals who are homeless, Service Managers will determine local needs and how best to use this funding, ensuring people are receiving the support they need;
4. Reaching Home – the federal government has announced it is doubling its homelessness funding under their Reaching Home program to respond to COVID-19 related need. For Peterborough this equates to an additional \$632,000. Reaching Home funding is administered through the United Way and City Social

Services staff have been coordinating with the United Way to determine how this funding can be used in Peterborough for those experiencing homelessness, including covering the additional shelter system costs incurred during the emergency;

5. Long Term Care – for March – April 2020, Fairhaven had received \$37,500 for emergency funding to assist with providing resources for screening, staffing relief, and PPE;
6. On March 22, the Province announced free emergency childcare for essential workers. The City, in partnership with Licensed Child Care Operators has opened licensed spaces for emergency childcare services. The service is provided at no costs to families, funded by the Province of Ontario, for children from birth to age 12.

Additional Provincial Financial Relief

Electricity Rate Relief - lowering residential and small-business hydro prices to the off-peak rate for 45 days, effective March 25.

City of Peterborough – Financial Relief

At the Council meeting of March 30, 2020, Council approved measures to provide short term property tax relief to assist residents and commercial taxpayers experiencing financial pressures by automatically deferring the March 31 and May 29 penalty on all 2020 interim tax arrears for 60 days respectively;

At the Council meeting of March 30, 2020, Council approved providing funding for all community investment grants, community project grants, and service grants even if the organization's event or project needed to be cancelled or delayed in 2020. These grant programs cover over 50 organizations in total.

Staffing

Like many employers, the City has not been able to operate normally through the COVID-19 pandemic. As a result of the closure of City facilities and service level reductions, approximately 321 part-time staff and five full-time staff have either taken a Declared Emergency Leave or layoff. A Declared Emergency Leave accounts for about two thirds of the affected employees. Examples of areas affected include Arenas, the PSWC, the Library, Crossing Guards, and Children's Services (although some early childhood educators have been recalled with the start-up of the Emergency Child Care Plan program).

Human Resources staff have been monitoring new federal and provincial programs that are available to support workers and are sharing that information with affected employees to help them connect with the available support through this crisis. In addition, every effort

is being made to redeploy staff to other program areas when there is a requirement for more staff to support COVID-19 related activities. An example includes several Arena Operators being redeployed to Public Works.

The City continues to reach out to all affected employees to get a sense of their desire to perform alternate work.

Other staffing related actions include:

- Review of recruitment of all non-critical positions;
- Summer students are being hired on a case by case basis;
- The delay of start dates for new hires

Other Considerations

The COVID-19 pandemic is an unprecedented event which will have financial impacts on the City in many ways, including short-term cash flow challenges, a potential deficit for 2020, as well as longer term impacts on the budget for 2021 and future years.

The following cost containment actions are ongoing:

- All discretionary staff training, conferences, professional development and travel are being critically reviewed;
- Continued review the need for service level reductions as a result of reduced service demands in various program areas.

Cash Flow Challenges

In the short-term, there are cash flow implications as a result of measures taken due to the pandemic, such as extending the application of penalties for tax instalments due in March and May. This provides relief for rate payers but results in decreased inflow of cash receipts for the City without a corresponding decrease in the outflow of cash for expenditures.

One tool in place for managing cash flow is the Borrowing Bylaw #20-022 that was approved with report CLSFS20-016 on March 30, 2020. As the pandemic continues and operating and capital expenditures are incurred, staff will continue to monitor cash flow requirements. Although the City passes a Borrowing By-law each year, it has not had to borrow against it for at least the last 30 years.

Potential Deficit for 2020

The daily operations of the City have been altered in many ways in response to the COVID-19 pandemic that were not anticipated when the 2020 budget was approved in January 2020. As the pandemic is still ongoing, it is too early to quantify the full financial

impacts that the City will experience, however if the current trend of decreased revenues without equal offsetting savings in expenditures continues, there is an increasing possibility of a deficit at the end of the current fiscal year.

A summary of the significant revenue and expenditure impacts to date are provided below along with a financial analysis in Appendix B.

Corporate and Legislative Services Department

Facilities - Reduced costs in all facilities for electricity due to the change in time of use rates as well as reduced consumption with closed facilities and staff working remotely.

Investment Income - Decreased interest rates by the Bank of Canada will decrease income earned on the general bank account as well as less cash on hand from the March due Date (approximately \$4 Million). The 2020 COPHI dividend may also be decreased due to reduced revenues for Peterborough Utilities Group with the change in time of use rates.

Information Technology - Increased costs for Peterborough Technology Services staff to support City staff who are working remotely, as well as additional hardware costs for staff to work remotely.

Provincial Offences Act (POA) – By order of the Chief Justice of Ontario, all Provincial Offences Act courts are closed until at least May 29, 2020. Enforcement and collection of fines are suspended. The number of tickets issued has decreased significantly due to lighter traffic volumes and the redeployment of officers from traffic duty to other enforcement areas.

Infrastructure and Planning Services Department

Public transit – decreased fare revenue estimated in excess of \$1M. Increased costs estimated in excess of \$100,000. Loss of revenue and increased costs will continue to build the longer the pandemic restrictions are in place. Savings in fuel costs due to reduction in use and reduction in cost of fuel.

Traffic - due to the mandated school closures there have been savings with the lay off of Crossing Guards from mid March; future cost savings will depend on approach to re-opening schools or whether school year extended.

Airport - Due to decreased customer traffic, staffed hours of operation were reduced, and the restaurant was closed on March 17; lost revenues due to reduction in traffic affecting landing, parking, fuel and restaurant fees.

Landfill - revenue lost from temporary closure to public has been replaced by additional tonnes from curbside collection and contaminated soil from on-going construction projects.

Wastewater - decrease in revenue estimated to be between \$100,000-\$400,000 resulting from:

- Reduced commercial lab testing;
- Reduced hauled waste (commercial holding tanks, portable toilets, etc.);
- Reduced septage (residences postponing routine septic tank maintenance);
- Reduced flow (from industrial sewer use agreements).

Recycling revenues - decreased due to record-low commodity prices.

Public Works - increased costs for PPE and vehicle costs to ensure proper physical distancing for staff.

Parking - downtown parking enforcement staff have been redeployed to assist with security and social distancing at the Transit Terminal; Reduced fine revenue due to reduced parking enforcement and reduced paid parking revenue due to free meter parking and free parking in surface lots; garage permits have been extended to recover lost time.

Building Division - a decrease in permit and inspection revenue, the majority of which is delayed due to the interruption of construction, not lost. The impact of financial markets on the larger projects and future projects is unknown at this time.

Community Services Department

Social Housing – reduction of rent revenue for RGI as tenants lose jobs or have their incomes reduced therefore increased subsidies required from either the City or the social housing provider.

City Directly Operated Child Care - centres closed, with costs only partially offset by the Province essential day care funding.

Recreation and Arts, Culture and Heritage – facilities closed, decreased revenues from facility rentals and lost program user fees; some savings due to required layoff of part time staff.

Social Services - Additional funding of \$1.1 million from Province will be used to offset substantial increased costs related to the Emergency Shelter System; including motel rooms, shelter staff costs, building improvements and utilities at the Wellness Centre, transportation costs and food provision. These costs are projected to exceed the emergency funding from the Province if the situation continues. Social Services is also seeking to use federal Reaching Home funding in conjunction with the United Way to cover these additional system costs.

There will be savings across all departments for expenditures such as cleaning and utilities in facilities that are closed, or where the majority of staff are working remotely. Travel and training costs may also be lower than budgeted as many courses and conferences are cancelled for 2020.

Potential Long-term Impacts

The likelihood and extent of long-term financial impacts will not be known until the pandemic has ended. Some of the possible impacts that the City may experience include:

- Impact on 2021 Budget - If a deficit is incurred in 2020, it must be funded in the 2021 budget through increased property taxes or other revenues, decreased expenditures or use of reserves;
- Replenishment of Reserves - Any use of reserves during 2020 to minimize a potential deficit may take several years to replenish reserves to an appropriate level;
- Development activity - Building activity may be lower in future years as the economy recovers, which may result in reduced supplementary taxes and development charges;
- Capital Programs - Projects planned for the capital program in 2021 and future years may have to be deferred, depending on how the construction season of 2020 is impacted as well as the revenues available;
- Property Taxes - There may be increased tax write-offs and net assessment growth depending on the recovery of the economy;
- Additional Costs – There will be additional costs as operations adapt to the new requirements after the quarantine period of the pandemic such as additional PPE for customer service staff, changed facility cleaning needs and increased social services case loads due to economic changes.

Long-term Relief for Ratepayers

On March 30, 2020, Council passed this motion:

Due to the declaration of a state of emergency by the Province and the City, that staff report to General Committee in May 2020 on further options for a long-term plan to provide relief for rate payers of the City of Peterborough.

Recommendation d) provides an initial response, but as the COVID-19 pandemic is ongoing and the full timeline and implications are not able to be predicted at this time, a long-term plan for relief for ratepayers is premature. Once the pandemic has passed, staff will be able to provide a targeted approach to assist those ratepayers who have the greatest need. At this time, staff recommend providing financial relief to ratepayers by continuing to waive NSF fees and deferring the application of penalty on current taxes for 60 days. This approach is consistent with that of other municipalities.

Financial Requests

Staff have received correspondence from several community organizations requesting financial assistance in dealing with the impacts of the pandemic. Requests from EC3, Mr. Sam McKnight and Peterborough Chamber of Commerce are attached to this report in Appendix C – E respectively. Staff recommend that these, and any other similar requests received, be referred to the Mayor and Warden’s Joint Task Force for Economic Recovery for consideration by the Finance Committee.

Staff will work with the Task Force as necessary to ensure that budget impacts are appropriately quantified and fully understood as well as ensure compliance with other relevant pieces of legislation.

Summary

The COVID-19 pandemic will have significant financial impacts on the City of Peterborough throughout 2020 and possibly into 2021. This report provides preliminary information for Council about the actions taken to date, as well as preliminary information about the financial impacts expected to affect the City. Staff will provide updates to Council as the pandemic progresses and when new information is available.

Submitted by,

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Attachments:

Appendix A – Canada’s COVID-19 Economic Response Plan – Summary

Appendix B – Financial Analysis

Appendix C – Correspondence from Electric City Culture Council

Appendix D – Correspondence from Mr. Sam McKnight

Appendix E – Correspondence from Peterborough Chamber of Commerce