



Committee Report

To:	Warden McQueen and Members of Grey County Council
Committee Date:	April 23, 2020
Subject / Report No:	FR-CW-11-20
Title:	Preliminary Overview of Potential Financial Impacts of COVID-19
Prepared by:	Kevin Weppler, Director of Corporate Services
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW80-20; Endorsed by Council May 14, 2020 per Resolution CC50-20;

Recommendation

1. **That Report FR-CW-11-20 regarding Preliminary Overview of Potential Financial Impacts of COVID-19 be received for information.**

Executive Summary

- Report provides an early indication of the potential financial impacts of the COVID-19 pandemic for the County of Grey.

Background and Discussion

County staff have been assessing the potential financial impacts to the County as a result of the COVID-19 pandemic and the state of emergency that has been declared. This pandemic is anticipated to have an impact on various County operations revenues, expenditures and cash flows. It is early into this pandemic and therefore it is difficult to quantify the potential impacts, however staff have tried to list some of the expected impacts that are anticipated to occur and have listed these below.

Corporate Services

General Administration – Reduced interest income due to bank rate reductions and reduced level of cash balances.

Tax and Other -County property taxes – potential increase in tax write-offs and lower supplementary taxes resulting in reduced 2020 net revenue.

Delay in receipt of County levy due to property tax deferral programs and interest penalties being waived.

If construction activity is reduced, anticipate lower amount of assessment growth for 2021 and reduced level of development charge collections, potentially impacting future growth-related projects.

Provincial Offences – Reduced Provincial Offences revenues due to lower ticket volumes and court closure, with some related expenditure reductions.

Health Unit – Anticipate increased staffing, overtime, and supplies. Province has announced the extension of the one-time 2020 mitigation funding through the 2021 fiscal year.

Planning and Community Development

Planning and Community Development – Potential decrease in planning application fees.

Agriculture, Forestry and Trails – No known impacts at this time.

Economic Development – Renovations were underway in Sydenham Campus in order that the building could be used by tenants, now potentially as a back-up emergency location. With the current emergency orders in place, both revenues and expenses will be reduced while we are unable to rent this space or offer programs.

Several programs from the attraction & retention, local agri-food and investment portfolios are expected to pivot for recovery or be placed on hold once recovery planning is confirmed and needs are properly assessed.

The Community Transportation Project has currently been placed on hold.

The Local Immigration Partnership program has been delayed but will continue.

The Business Enterprise Centre's Summer Company program has been cancelled. Funds provided by the Province for this program are anticipated to be approved to be allocated to the Starter Company program. Still seeking Ministry confirmations and approvals on these programs.

Tourism – Several planned programs from marketing, stakeholder engagement and research are now on hold so focus can be pivoted once recovery needs can be properly assessed. Work on the ‘gather’ campaign is continuing in preparation for recovery. Wayfinding and the trails brochure are expected to be placed on hold.

Grey Roots – Majority of Grey Roots admissions and education programs revenue occurs in the summer months; revenues will be greatly reduced. Offset expenditure savings are being realized with the building being closed, such as expenditures for cleaning, maintenance, advertising, along with no summer students being hired for 2020.

Capital projects are being reviewed and many placed on hold. The roof will continue as awarded once restrictions are lifted.

Social Services

Ontario Works – New Emergency Assistance Benefit being provided by the Province for Ontario Works clients and for non-clients. For Ontario Works recipient’s they can access emergency benefits for Covid-19 related expenses up to \$100 for single individuals and up to \$200 for families through Discretionary Benefits.

Discretionary Benefit Cap has been lifted for the months of April and May and this will be 100% Ministry funded.

Anticipate over the coming months that Ontario Works caseloads will increase. The client benefit portion of these expenditures are funded by the Province. All Administration costs which include salaries and benefits are shared at 50/50 with the Province up to a capped amount.

Children’s Services – County has provided Fee Subsidy for March and Wage Enhancement Grants and Operating Grants for the month of April to Child Care Operators to assist with overhead costs that are still being incurred. Expansion Funding and Early Learning and Child Care General Operating Grants are being prepared to support Providers who had expanded operations prior to the pandemic. Licensed Home Child Care Providers are to receive Fee Subsidy, Wage Enhancement Grants and Licensed Home Child Care Base Funding for the month of April. These funds are being flowed based on a memo received from the Ministry of Education, but future changes to this directive are being discussed by the Ministry.

Housing – The Province has announced that the County of Grey will be eligible to receive \$2,312,900 under the Social Services Relief Fund. This funding is being provided through the Community Homelessness Prevention Initiative (CHPI). This funding will follow the CHPI guidelines.

Revenues from tenants could decrease for those who experience loss of income. Increased cleaning and supply costs at Housing units in relation to common spaces is being incurred.

Long Term Care – Increased costs related to staffing, overtime, supplies (including personal protective equipment), and cleaning supplies. Each Long Term Care Home has received notice of support funding from the Ministry of Long Term Care totaling \$75,000 per LTC Home or a total of \$225,000.

Transportation and Public Safety

Paramedic Services – Increased costs related to staffing, personal protective equipment and cleaning materials. As of this date, no additional funding has been announced by the Ministry of Health for Paramedic Services. Offsetting some of these costs are lower fuel costs.

Transportation Services – Reviewed 2020 construction projects as approved in the 2020 budget and have moved forward with those that staff believe are critical infrastructure projects. The following tenders that had been released that have now been cancelled:

- RFT-TS-09-20 Structure Replacement Grey Road 9

The following tenders that had been released that have now been delayed until further notice:

- RFT-TS-01-20 Grey Roads 11/15 Pulverize/Pave/Reconstruction
- RFT-TS-06-20 Grey Road 2 Pulverize and Pave
- RFT-TS-07-20 Grey Road 2 Microsurfacing

Staff are continuing to monitor the situation and if the state of emergency and/or its restrictions are lifted, Grey County may repost some or all the tenders later in the year and consider an extended construction season.

Projects that have been awarded will continue. Grey County is working with successful bidders on revised schedules, if necessary, that is both reasonable and fair to both parties.

Cash Flow Implications

County Finance staff will continue to monitor and analyze the impacts on cash flow. This will be done in conjunction with reviewing construction projects that were approved as part of the 2020 budget.

Legal and Legislated Requirements

None

Financial and Resource Implications

It is difficult at this time to quantify the impact of individual items as well as the overall impact to the County. It is difficult to make projections without knowing when the recovery stage of this pandemic will occur. Staff are of the opinion that this pandemic will result in 2020 operating deficits. Discussions have commenced with respect to reducing discretionary spending in operating and capital budgets. Staff will also continue to review capital projects, contributions to reserves and the use of reserves.

Any additional financial assistance provided from senior levels of government will be explored and updates will be provided to Council on these as they are announced.

Relevant Consultation

- Internal – Senior Management Team and Finance staff.
- External (list)

Appendices and Attachments

None