

FINANCIAL IMPACT UPDATE: COVID-19 BY AREA

The financial information presented are estimates as of September 11, 2020. Previous estimates noted are as of July 30, 2020.

The following numbers match to the 'Financial Impact Update: COVID-19 Quarterly Summary', Appendix A2.

Analysis / Estimates

The following have been updated and changes noted from the forecast presented August 10, 2020 to Executive Committee. Note that the forecast is based on updated actual results and revised assumptions.

General Government

1. No change. Property tax penalties lost from July 1 to September 30 due to the deferral of property taxes is estimated at 25% of the budgeted amount or \$35,940.

Property tax arrears on prior year taxes will still be charged, therefore this revenue should not be effected.

2. Total cost of borrowing \$20M to stabilize cash flow until December 31, 2020 was initially estimated at \$176,250. The initial estimate was based on an increase to the line of credit of \$10M and a short term loan of \$10M. As of the date of this report, Administration does not believe that borrowing will be required for the following reasons:

- Tax revenues were received in a timely manner as less than 50 taxpayers applied for an extension due to COVID-19.
- The Provincial government disbursed the annual Municipal Revenue Sharing grant totalling \$7,245,008 for 2020/2021 by June 30, 2020 in order to assist municipalities with potential cash flow challenges due to COVID-19. This resulted in additional cash flow received of approximately \$4.1M by June 30, 2020 compared to disbursement frequency in prior years.
- The City received \$5,163,587 of Municipal Economic Enhancement Program (MEEP) funding from the Provincial government in July 2020 to assist with funding for capital projects. Due to the financial impact of COVID-19, approved capital projects for 2020 may not have proceeded without this funding.

The estimated cost of borrowing has been reduced to \$14,000 (previously \$162,250).

Financial Services

No impact to impound lot.

3. From mid-March to May 19 enforcement for parking meters, permits, tickets and residential time limits was put on hold. Reinstatement of enforcement for parking has reduced revenue losses and the updated revenue loss is estimated at \$438,974 (previously \$449,000).
4. No change. Estimated reduced staffing costs for Financial Services is \$59,270.

Community Services

The impact of COVID-19 on Community Services has been updated based on the Re-Open Saskatchewan plan and decisions made by Council. The assumption is that most facilities will be able to return to modified operations in September or October. Reduced revenues have been assumed for certain facilities till the end of December (i.e. Alfred Jenkins Fieldhouse, Art Hauser Centre, Kinsmen Arena, Dave G. Steuart Arena, EA Rawlinson Centre, and Margo Fournier Centre) due to decreased demand or limitations on allowed capacity.

If facility usage and demand does not return to normal at most locations by September or October there could be additional costs. There is a point where cost could substantially exceed revenue if attendance is limited and fails to bring in corresponding budgeted revenue. Community Services was analyzed on a month by month basis by facility and program.

5. Revenue losses were calculated based on the Re-Open Saskatchewan plan and decisions made by Council. The updated estimated revenue loss is \$2,047,268 (previously \$1,782,249). Estimated revenue losses have been increased to be conservative as limitations on capacity have not been lifted yet.
6. Some fixed costs for facilities were incurred even with facilities being closed. This includes maintenance, electricity and some operating supplies in applicable facilities and programs. Estimated saved operational expenses have been updated to \$687,918 (previously \$712,986).

No existing contracts and agreements have been cancelled or postponed. This includes janitorial services, operating agreements with Community Clubs, sponsorship, leases, etc. Existing contracts and agreements have been reviewed and some have been identified which would require legal advice in order to take action.

7. No change. Estimated reduced staffing costs for Community Services has been estimated at \$1,194,844.

Public Works

8. No change. March bus passes being used for April, May & June passes sold at a reduced rate of \$25 resulted in transit revenue losses. Low ridership has been estimated from July to December. The estimated loss is \$194,344.

Transit loss includes the revised contract with First Bus to eliminate the rush bus for a few weeks which resulted in estimated savings of \$35,000.

9. No change. Estimated reduced staffing costs for Public Works has been estimated at \$195,325.

Planning and Development

10. Building permit and business license revenue was adjusted to reflect current and estimated market conditions. This loss is estimated to be \$75,000 (previously \$50,000).

11. No change. Estimated reduced staffing costs for Planning and Development has been estimated at \$15,930.

Corporate Services

12. No change. Estimated reduced staffing costs for Corporate Services has been estimated at \$29,445.

Other Fund Budgets

13. No Change. Reduction in grant to Tourism and Marketing due to tourism office closure. The estimated savings are \$70,000.

14. Utility penalty and interest was suspended from April 1 to September 30. The updated projected net cost is \$355,310 (previously \$205,310). The level of tagging has increased substantially due to the increased number of active overdue water accounts. The increase of \$150,000 is due to an expected increase in bad debt expense related to an expected required increase in the allowance for doubtful accounts for utilities. The amounts owing will not be written off with the hopes that the City can collect from the customer in the future.

15. Landfill usage was down from April to June but revenues exceeded budget in July and August indicating that the impact from COVID-19 may not be as significant as initially estimated. The updated projected revenue loss is \$27,008 (previously \$129,174).

16. Airport usage is down. The updated projected revenue loss is \$54,486 (previously \$52,339).