

FINANCIAL IMPACT UPDATE: COVID-19 BY REVENUE AND EXPENDITURE

1. Revenue losses for Recreation Centres & Programs 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. The estimated revenue loss is \$2,047,268 (previously \$1,782,249).
2. From mid-March to May 19 revenue for parking tickets were lost. Ticketing for parking being reinstated May 19 and updated actual results has reduced the estimated revenue loss to \$168,395 (previously \$174,205).
3. From mid-March to May 19 revenue for parking meters, permits, and residential time limits were lost. Reinstatement along with updated actual results has increased the estimated revenue loss to \$159,752 (previously \$159,054).
4. 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 for July to December. The loss is estimated to be \$194,344. The reluctance to use public transit may increase the loss in revenue. Reduced ridership may carry into 2021.

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.
5. No change. Effective April 1, 2020, the City ceased charging penalties on water accounts in arrears and this will continue until September 30, 2020. The estimated revenue loss is \$185,310.
6. 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 projected revenue loss is \$27,008 (previously \$129,174).
7. No change. Most of the revenue at the Sask Polytech Parking Lot will be lost due to the closure of secondary schools in 2020. This revenue loss is estimated at \$79,602 (previously \$79,286).
8. From mid-March to May 19 revenue at the Downtown Parking Lots have been lost. Ticketing for parking was reinstated May 19 and the adjustment to the revenue loss is estimated at \$31,225 (previously \$36,455).
9. Building permit and business licence revenue was adjusted to reflect the current and estimated market conditions. This loss is estimated to be \$75,000 (previously \$50,000).

10. Airport usage is down and the updated projected revenue loss is \$54,486 (previously \$52,339). For 2020, usage could be 35% less than budget.
11. No change. The Property Tax deadline of June 30th has been extended to September 30, 2020 for impacted taxpayers by the passing of Bylaw No. 10 of 2020 on April 8, 2020. Property owners must submit a signed declaration to the City by no later than June 15, 2020 at 4:00 p.m. The signed declaration declares that the criteria of financial hardship has been met.

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.

12. No change. Estimated reduced staffing savings are estimated at \$1,474,814.
13. Some fixed costs for Recreation facilities were still incurred even with facilities being closed. This includes maintenance, electricity and some operating supplies in applicable facilities and programs. Saved operational expenses are estimated to be \$687,918 (previously \$712,986). Savings have been reduced as a result of a review of actuals results to date.
14. No change. There has been a projected reduction in the grant to Tourism and Marketing due to the tourism office closure. This is estimated to be \$70,000.
15. Due to the requirement for Council & Executive Committee meetings to be undertaken by teleconferencing during the emergent period of the pandemic, various additional expenses were required, such as SaskTel connection, technical services being provided and additional equipment. The additional cost is estimated to be \$7,353 (previously \$9,800).
16. No change. COVID-19 has resulted in the additional supply costs for PPE, cleaning, disinfectants and shields. These costs are being tabulated, but Administration is continuing to do their best to absorb these costs and remain on budget by reducing other expenses.

17. 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 these borrowing facilities 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).

18. 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.