



April 30, 2020

Special Council Meeting

Re: COVID-19 2020 Budget Impacts

April 30, 2020 Special Council Meeting
Agenda Item B.2
Handout 1

REQUESTS FOR INFORMATION

Requests for information from the Standing Committee on Finance and Audit and from City Council were:

1. The revenue and expense impacts of closing the Four Seasons Leisure Pool for the remainder of 2020.
2. Opportunities for the reallocation of funding from Council Contingency, Collective Council Travel Budget, and Economic Development Travel Budget to the development of community grant(s).
3. Options for reducing the 2020 tax levy increase from 3.44% to (a) less than 2% and (b) less than 1%.
4. Further option to reduce the levy increase to 0%.

Revenue and Expense Impacts of Closing the FSLP for the Remainder of 2020

- The City is currently saving \$165,000/month with both pools closed
- Reopening the Aquatic Centre and not reopening the FSLP before the end of the year will reduce the savings by \$40,000 (to \$125,000/month savings). Costs at the Aquatic Centre will rise primarily due to increased staffing
- The City has, and will continue to, follow Public Health direction – unknown if the Province will allow modified aquatics operations this summer
- Continuing the closure of the FSLP will result in the cancellation of swim lessons for 2020
- Reopening the Aquatic Centre (if doing so can be done in alignment with Provincial Health direction) will increase leisure service options and contribute to residents' quality of life

Opportunities for Reallocation of Council Budgets

Function	2020 Budget	Potential for re-allocation
Council Contingency	\$50,000	\$50,000
Council's Collective Travel Budget	\$64,000	50,000
Council's Economic Development Travel Budget	\$40,000	\$25,000
Council's Committee Budget	\$25,500	\$10,500
Total	\$179,500	\$135,500

Options for Reducing 2020 Tax Levy Increase

- Tax levy increase option approved by Council pre-COVID-19 was 3.44%
- Tax levy increase proposed to Standing Committee on Finance and Audit Committee was 2.22%
- Request by Standing Committee on Finance and Audit to provide options to reduce tax levy increase to (a) less than 2% and to (b) less than 1%
- Request by City Council to provide option to reduce tax levy increase to 0%
- **Administration's recommendation (April 30th) – reduce tax levy increase to 1.75%**

2020 Budget Gap

Operational Financial Impacts from COVID-19	
Loss of Revenue	Per month
Gaming	\$ 225,000
Investment	100,000
Community Services (Aquatics, Arenas, Civic Centre, etc.)	580,000
- offset by part-time workers no longer being scheduled	(165,000)
Development Services (licensing, permitting, etc.)	130,000
Bylaw Enforcement	30,000
Off-Street Parking	160,000
BC Transit	100,000
Sewer Metered	40,000
Water Metered	40,000
Parks	8,000
	\$1,248,000
Expense Savings	
Travel, conferences, etc.	(72,670)
Fuel costs in Fleet Services	(100,000)
Hiring freeze on current vacancies	(64,682)
Reduction in summer season Limited Duration Labourers	(83,288)
Elimination of Exempt Cost of Living Increase (1.75%)	(20,417)
Elimination of Council Cost of Living Increase (1.23%)	(509)
	\$341,566
Estimated Financial Loss per Month	\$ 906,434

Staff Impacted by COVID-19 to Date

- Total employees laid off – 78
- Total casual employees not working – 22
- Total vacant positions not being filled – 41
 - Of the 41 positions not being filled, 14 are Labourers that would normally perform summer maintenance activities in Public Works

Required Staff Reductions to Further Reduce Levy

Levy	Required Levy Reduction From 1.75%	# of FTE's Based on Average Annual Cost	Pro-rated # of FTE's for July 1st
1.50%	\$ 274,629	2.63	5.27
1.25%	549,258	5.27	10.54
1.00%	823,886	7.90	15.81
0.75%	1,098,515	10.54	21.08
0.50%	1,373,144	13.17	26.35
0.25%	1,647,773	15.81	31.62
0.00%	1,922,402	18.44	36.89

1.75% Tax Levy Increase Option Impacts per Tax Class

Tax Class	Change in Municipal Tax (\$)	Change in School Tax (\$)	Total property Taxes from 2019 to 2020 Expressed as a Tax % Increase (Decrease)
Residential	39	35	1.75%
Major Industry	(9,329)	(29,590)	(4.08)%
Light Industry	2,273	(3,150)	(0.31)%
Business	499	(2,288)	(6.91)%

ADMINISTRATION'S RECOMMENDATIONS

THAT:

1. Council RECEIVES information concerning the revenue and expense impacts of closing the Four Seasons Leisure Pool for the remainder of 2020.
2. Council RECEIVES the 2020 Council Discretionary Expenses information.
3. Council APPROVES the 2020 1.75% tax levy increase option detailed in the report dated April 29, 2020 from Kathleen Soltis, City Manager titled “April 20, 2020 Standing Committee on Finance and Audit Information Requests.”