

Memorandum

Date: March 30, 2021

Submitted by: Finance and Technology Department – Financial Services Division

Subject: COVID-19 Response Budget Request – Provincial COVID-19 Safe Restart Grant

As the City enters into the second year of responding to the Covid-19 pandemic, it has become apparent that there will be an ongoing need to provide financial and other resources to departments for the foreseeable future to address pandemic related costs. There are many situations related to the pandemic that cannot be predicted, as the response has been evolving and broadening, and departments need a steady source of funding to respond accordingly.

Previously, City Council had provided staff with a specific project budget to meet the pandemic resource demands. Submitted expenses required financial analysis to determine if they met the project budget criteria prior to approval. This process meant departments had to predict what resources they anticipated at the time the project budget was established. Subsequent unanticipated events required them to continuously seek further funding approvals as they arose. This lag in funding approval led to service delivery delays in many situations.

Since the response to the pandemic is quickly becoming a more normal course of business that is expected to continue well into the future, it is recommended that Covid-19 related expenses be operationalized like other expenses versus charging expenses to a set project budget. The preferred approach is to simply charge all expenses to their appropriate accounts, similar to other budgeted expenses as they arise, with funding applied at year-end to offset any deficits as a result of any extraordinary COVID-19 related costs.

The recommended process is no different than the process followed by all operational budgets; budgets are estimate based on anticipated operational needs, and are then adjusted as situations arise, keeping an eye on the bottom line. The only difference is that COVID-19 expenses can be offset by the Provincial COVID-19 Safe Restart Grant (the Grant), whereas other expenses require an adjustment to the bottom line or a further funding request of Council. The Grant was provided to allow for the continuity in delivery of services affected by the pandemic, and therefore, is being recommended to be applied with this purpose in mind for 2021.

However, there needs to be a level of oversight over these COVID-19 related expenses as the Grant is not a limitless funding source and needs to be managed carefully as the duration of the pandemic is unknown. Therefore, regular running account updates to Council on the projected uses of the Grant are warranted. Staff have prepared an estimate (\$318,000) of potential 2021 expenses (**Attachment 1**) to give Council an order of magnitude. Staff are asking Council that \$500,000 be set aside from the Grant to meet these anticipated expenses plus an additional approximate \$180,000 contingency to allow for expenses not contemplated at the time of this report. The list of activities planned for spring and summer is in **Attachment 2**.

The amount of the Grant provided by the Province to the City was \$4.6 million. It is estimated that \$1.2 million will be need to balance the 2020 budget as result of revenue losses and expenses related to COVID-19, and a further \$1.4 million was incorporated into the 2021 budget to offset anticipated COVID -19 related net revenue losses. Factoring in these amounts totalling \$2.6 million, it leaves an estimated remaining balance of \$2 Million (\$4.6 million less \$1.2 million less \$1.4 million) available to address the \$500,000 request. The potential \$500,000 in expenses will be approved and tracked through the Emergency Operations Centre (EOC).

The recommendation is:

THAT Council approve the utilization of up to \$500,000 of the Provincial COVID-19 Safe Restart Grant to address anticipated 2021 COVID-19 related expenses as recommended in the memo dated March 30, 2021 from the Finance and Technology Department – Financial Services Division regarding COVID-19 Response Budget Request – Provincial COVID-19 Safe Restart Grant.

Attachment(s)

1. COVID-19 Response Budget Requests 2021.
2. Summary of Spring and Summer Planning.

Report Approval Details

Document Title:	COVID-19 Response Budget Request - Provincial COVID-19 Safe Restart Grant.docx
Attachments:	- Attachment 1 – COVID-19 Response Budget Requests 2021.pdf - Attachment 2 - Summary of Spring and Summer Planning.pdf
Final Approval Date:	Apr 12, 2021

This report and all of its attachments were approved and signed as outlined below:

Dorothy Shermer, Corporate Officer - Apr 12, 2021 - 2:27 PM

Rosemary Lodge, Manager of Communications and Engagement - Apr 12, 2021 - 3:51 PM

Tim Savoie, City Manager - Apr 12, 2021 - 5:06 PM