

City Council Information Items

May 22, 2020

Items for information is a weekly publication for the public and members of City Council. Members of City Council may request that any item appearing on this publication be placed onto the next available Committee of the Whole meeting for discussion.

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Information Report

Service Area	Corporate Services
Date	Friday, May 22, 2020
Subject	First Quarter 2020 Operating Variance Report

Executive Summary

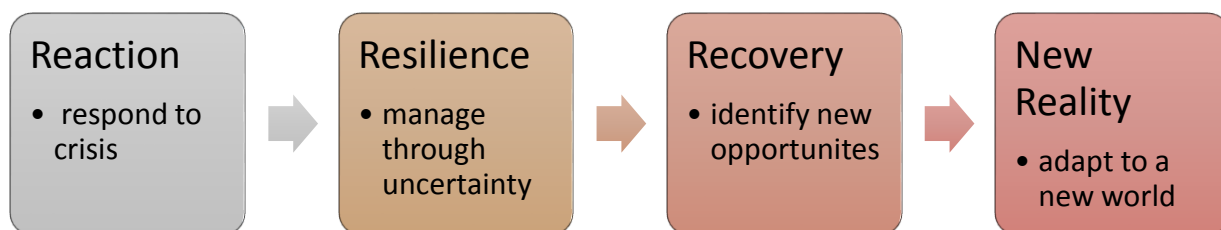
Purpose of Report

The purpose of this report is to provide Council notice of any financial risks that could affect the 2020 year-end position based on actual financial information as of March 31, 2020, which is the end of the first quarter (Q1) for the tax supported and non-tax supported budgets. As Council is aware, the greatest risk to the 2020 financial results is the ongoing COVID-19 pandemic.

Key Findings

Due to the COVID-19 pandemic, the City is projecting to be in a deficit position for both the tax and non-tax supported budgets at year-end. Preliminary year-end deficit projections indicate between \$2 million to \$4 million for each of the two budgets; however, as the situation is changing on a daily basis, health authorities are not certain when the pandemic will end, and no timeline has been provided by the Provincial Government on when Ontario will return to business as usual, staff are continuing to update and monitor financial projections.

While there will be operating deficits in the current year, Council should start to consider the longer-term financial recovery journey, looking beyond the “Reactionary” period as the economy enters a recession. In a recent webinar by KPMG LLP, they describe the financial future four-phases:



As a City, we are moving into the “Resiliency” period where strategy and evaluation become critical with much uncertainty. The business landscape that we have known and operated within is changing, and we need to manage our diverse organization through this evolving environment with an eye on financial sustainability and resiliency. There is an opportunity to leverage the great work of the City’s Strategic Plan to prioritize recovery efforts and stimulus programming with very deliberate

outcomes that will keep the City focused on delivering to be Future Ready. The City cannot afford to be everything to all people and businesses; other governments and associations also have their role. Staff are actively planning for the future and starting to consider the three-year budget implications that may unfold from this emergency. An updated multi-year budget planning report will be forthcoming to Council in June 2020, followed by a joint workshop on the City Strategic Plan and Multi-year budget

Council has been very responsive and proactive in making decisions to mitigate the City's current financial impact as well as provide relief for businesses and citizens who may be facing financial challenges due to the pandemic. In response to the emergency declaration, and fiscal difficulties brought by the pandemic, the City implemented several measures including; closure of facilities, service delivery changes, modified working environment for employees, redirected resources, casual and seasonal part-time layoffs, halted non-critical hiring, and placed some full-time employees on declared emergency leave. Actions taken to date are resulting in an estimated \$11.8 shortfall in revenue and increased expenses related to COVID-19 of \$1.5 million. Council and staff have recognized the need to mitigate the impact of these losses and the estimated cost savings is projected in the range of \$7.8 to \$9.8 million from the mitigation measures implemented.

Internally the City has established various working tables in collaboration with partnering agencies who are reporting to Council monthly to ensure Council and staff remain connected and address financial and service changes quickly and efficiently for the citizens of Guelph.

Financial Implications

Forecasting these financial impacts to year-end, the City will likely experience deficits in both the tax supported and non-tax supported budgets. It is difficult to forecast these deficits at this early stage, however they are expected to be in the range of \$2 to \$4 million for each of the tax supported and non-tax supported budgets. The City's contingency reserves are sufficient to mitigate through deficits in this range, however, wherever possible, continued actions to reduce these losses to protect the City's long-term sustainability is recommended.

On April 23, 2020, The Federation of Canadian Municipalities (FCM) made urgent federal recommendations to the Government of Canada to inject \$10 to \$15 billion over the next six months to address the financial crisis in our cities and communities due to COVID-19.

Subsequently, the Large Urban Mayors' Caucus of Ontario (LUMCO) has passed a resolution stating that Ontario's big-city mayors are united in their position that running deficits as a way to manage municipal financial challenges as a result of the pandemic is not in the public interest.

At this time, the City has not received any formal announcements from the Federal or Provincial Government that financial aid will be transferred to the City. The City must continue to mitigate costs wherever possible to offset losses and protect the financial sustainability of the City.

Report

Background

The COVID-19 pandemic has caused an unprecedented public health crisis, creating uncertainty in the economy. Municipalities as frontline service providers are particularly impacted and the City is not an exception.

City departments were provided financial information as of March 31, 2020. Actual expenditures, revenues and related commentary were analyzed and any significant budget deviations, challenges, and risks that are expected to have an impact on the year-end financial position were identified with Finance staff support.

In addition, departments were asked to assess the impact of the pandemic and provide commentary assuming potential disruption into the second quarter. It is however too early to quantify the full impact without knowing the timeframe for a return to some form of normalcy. With the help of department management, Finance staff is monitoring and assessing the financial impact to the City taking into consideration all measures taken by the City and will continue to update Council as more information becomes available as the year progresses.

Through Council-approved fiscal relief measures and declaring a state of emergency, broad economic impacts, deferring non-essential spending, and halting non-critical hiring, currently the City is projecting a year-end deficit position in each of the tax and non-tax supported budgets.

COVID-19 Variance Highlights

The impact on revenues related to operations during the COVID-19 crisis is an estimated \$11.8 million shortfall, a cost increase of \$1.5 million and a corresponding cost reduction of \$7.8 to \$9.8 million for a net impact of \$2 to \$4 million deficit at the time of writing this report. This is a very early projection and the final COVID-19 financial impacts on the City will not be fully known until City programming and services return to normal (or a new form of normal). Likely, the impacts will continue for years as the businesses and employment in our community change, working-from-home becomes much more prevalent and the Province enacts new legislation to help mitigate pandemic emergencies in the future.

Further, not all impacts were known and analyzed at the time of writing this report. Staff continue to monitor and will provide updates through the monthly COVID-19 Council reporting as more information becomes available.

Revenue Impact

Public Services

- Transit estimated revenue loss is \$3.5 million mainly due to waived transit fares which includes the U-pass, late night fares, and cancelled advertising revenues. There is a risk of an additional unfavourable variance from the U-pass if the University of Guelph continues to offer only online courses in the fall, and as a result looks for forgiveness on the existing contract, and reduction in late night fees if retail and restaurant establishments do not return to normal. There is risk

of lower monthly passes and reduced ridership if the crisis leads to significant job losses and/or a change to a work-from-home culture.

- Parks and Recreation estimated revenue loss is \$1.1 million through the second quarter due to closure of facilities, cancellation of programs, memberships, and events and bookings.
- Culture, Tourism, and Community Investment estimated revenue loss is \$783 thousand due to cancellation of shows and events through the second quarter at the Sleeman Centre and River Run Centre. In addition, the closure of the Farmer's Market is also impacting revenue. There is risk of further revenue loss if there are provincial restrictions on group sizes when facilities reopen, and attendance may be reduced if households' finances are significantly impacted. The tourism industry will take some time to return to normal as surveys have shown the general population will be slow to resume life as it was prior to the pandemic and physical distancing. Staff predict it may not be until summer 2021 when tourism returns to pre-pandemic levels.
- Operations estimated revenue loss is \$436 thousand due to suspension of parking ticket fines for 2am to 6am, the downtown two-hour limit, and other infractions. Further, this area of business is deferring revenue collection for animal tags and business licenses as digital process for revenue collection is not yet available. There is risk of potentially refunding some business licenses to compensate for business closure, and this cannot be quantified at the time of writing the report.

Infrastructure, Development and Enterprise Services

- Environmental Services estimated revenue loss is \$356 thousand due to closure of the public drop-off and reduced tipping fees resulting from lower construction and demolition tonnage. The implementation of spring residential yard-waste is also contributing to this loss as tonnage will no-longer be user pay. Additional losses are likely as staff estimate once restrictions are lifted, it may take up to three months for operations to return to normal.
- Planning and Building Services and Engineering and Transportation Services combined estimated revenue loss to June 30th is \$658 thousand. This is due to reduced development activity levels and pausing of subdivision and construction projects from the provincial closure order. For context, the previous recession resulted in a 16% decline in building permit revenues due to a decline in local construction and building project activity. This revenue risk will persist through the remainder of 2020 and likely for a number of years.
- Parking Services projected revenue loss is \$1.2 million through the second quarter due to waiver of all parking fees.
- Water and Wastewater Services were unable to provide a projection for consumption revenue due to limited data available at the time of this report. Data from Alectra in the coming months will provide a better indication of the impact from the pandemic which is likely to result in lower Industrial, Commercial, and Institutional consumption and increased residential demand. There will also likely be a variance related to the growth rates budgeted in these revenues that may not be realized.

Corporate Services

- The City Clerk's Office is projecting a revenue loss of \$70 thousand for fees, licenses and permits.
- Court Services is projecting revenue loss of \$1.0 million to June 30th due to mandated closure of courts, reduced charge base, and no enforcement or collection activities taking place for Provincial Offences Act. However, it should be noted that the revenue loss is shared between the City and the County, 56 per cent and 44 per cent respectively. The Ministry of Attorney General may be reluctant to return courts to normal operation due to group size and physical distancing requirements or may be reluctant to allow as many matters on a court docket thus requiring more court dates to deal with the same number of court matters. It may take until 2021 for business to return to normal for courts.

General Revenues

- Loss of investment income is projected at \$500 thousand for the year due to the Bank of Canada decreasing interest rates.
- Supplementary taxation revenue is projected at a loss of \$1.0 million for the year due to lower development activity and the waiver of penalty and interest revenue on taxes.

Local Boards and Shared Services

- Guelph Police Services has projected revenue loss of \$109 thousand through June 30th due to lower number of record checks. An overall year-end projection has not been provided and this will be updated in the second quarter operating variance report. Council approved an additional 30.5 positions as part of the 2020 budget approval phased-in throughout the year.
- Guelph Public Library has projected revenue loss of \$115 thousand through June 30th from lack of fines, room rentals, printing, and merchandise as a result of closure during the pandemic. An overall year-end projection has not been provided and this will be updated in the second quarter operating variance report.

Expenditure Impact

In response to the emergency declaration by various levels of governments, the City has been dedicated to managing through the crisis; balancing both the need to protect the economic well-being of the City and dedication to public safety while delivering essential services to the community. From the day the Province proclaimed a state of emergency on March 17, 2020, City staff created a cost centre to track expenses directly related to COVID-19 response, and all departments were instructed to monitor the financial impact of COVID-19 on their operations.

1. Compensation

To mitigate the lost revenues being experienced, the City implemented a hiring freeze for non-critical positions creating savings through vacancies. Further, action was taken through the month of April with temporary lay-offs of casual, part-time and full-time staff creating over \$1 million of savings per month. Early projections indicate a potential savings in compensation of \$4.3 million for the year based on these actions, however, this number is likely to change as

decisions are fluid and staff will be called back to work based upon changing Provincial orders.

2. Utilities

Overall energy and water expenditures are projected to be \$390 thousand below budget due to facility closures and reduced consumption. Staff will continue to monitor and update accordingly.

3. Fuel

Fuel prices have been lower than budgeted due to disruptions in crude oil markets resulting in estimated savings of \$750 thousand. Staff will continue to monitor and update accordingly.

4. Delayed implementation of projects

During the 2020 budget deliberations, Council approved the transit route enhancements and some operating impacts to previously approved capital projects. Due to the pandemic an estimated \$1.4 million of expenses are projected to be realized by delaying the implementation of these initiatives.

5. Mitigation measures and other cost savings

In addition to the corporate variance drivers explained above, departments were encouraged to defer discretionary expenses to 2021 as well as operating impacts from capital that were approved as part of budget but may not be required in 2020 due to project timing. Operational savings are estimated to be \$1.8 million and will be required in future years as business returns to the new normal.

6. Additional COVID-19 related expenditures

The City is currently projecting \$1.5 million in additional, unplanned expenses for responding to the COVID emergency. These costs include additional cleaning and sanitizing supplies, personal protective equipment for frontline staff, and information technology solutions for a digital workforce. Specifically for the Guelph-Wellington Paramedic Services, the City received correspondence from the Ministry of Health and Long-term Care requesting a forecast of COVID-19 related expenses. The City provided an estimate of \$714 thousand with anticipation of additional funding for these costs. It is unknown at this time if the City will receive funding from the Province for these increased costs.

Other Considerations

County Provided Social Services

- At the time of writing, the County had not provided estimates of the full impact of COVID-19 costs to the City. The Province has provided enhanced funding for these programs due to the pandemic including funding for emergency benefits as a one-time payment to Ontario Works recipients. Funding has also been provided to support additional resources required to help prevent the spread of the virus amongst those experiencing or at risk of experiencing homelessness and others who require social services supports including community housing, people with low incomes and social services recipients. There is a risk of

increased costs for the City-portion of these services if the pandemic closures are prolonged and as the province enters into a recession.

Wellington-Dufferin-Guelph Public Health

- As the Public Health Unit is at the frontlines of fighting the pandemic, it is expected that costs will increase, but there is expectation that the Province will provide emergency funding because of these pressures.

Corporate Variance Risks

Looking ahead beyond COVID-19, the City remains to have business-driven variance pressures from the lasting effects of COVID-19 or other external factors.

- Winter control costs are currently trending over budget. Depending on the number of winter weather events in November/December 2020, a transfer from reserve may be required to offset this shortfall.
- There is concern that the University will continue virtual classes through the fall semester because of the COVID-19 pandemic. If this occurs, transit revenues will be further negatively impacted by an additional \$3.5 million.
- Information within the report will change significantly if the guidance from Public Health or the Province of Ontario changes due to COVID-19.
- How consumers react to the new normal as the government gradually reopens the economy may further impact the overall financial picture of the City.

A Long-term Road to Recovery

While there will be operating deficits in the current year, Council should start to consider the longer-term financial recovery journey, looking beyond the “Reactionary” period as the economy enters a recession. In a recent webinar by KPMG LLP, they describe the financial future four-phases:

- Reaction – respond to the crisis
- Resilience – manage through uncertainty
- Recovery – identify new opportunities
- New Reality – adapt to a new world

As a City, we are moving into the “Resiliency” period where strategy and evaluation become critical with much uncertainty. The business landscape that we have known and operated within is changing, and we need to manage our diverse organization through this evolving environment with an eye on financial sustainability and resiliency.

As an example of a longer-term impact, the recession may lead to capacity in the commercial real estate market as businesses downsize due to the economic market realities. Assessed value of these businesses and properties will naturally follow as the Municipal Property Assessment Corporation uses these factors in determining property value for taxation purposes. This may cause taxation shifts to residential properties because of the lowered commercial values creating significant limitations for future budgets. A work-from-home culture across the province may change transportation patterns (including the use of parking structures and transit services) and facility space requirements further reducing the need for industrial and commercial space. The City relies heavily on growth revenues to fund the

expansion of our services to a growing population and plans will need to be adjusted to reflect slowed growth experience.

There is an opportunity to leverage the great work of the City's Strategic Plan to prioritize recovery efforts and stimulus programming with very deliberate outcomes that will keep the City focused on delivering to be Future Ready. The City cannot afford to be everything to all people and businesses; other governments and associations also have their role. Staff are actively planning for the future and starting to consider the three-year budget implications that may unfold from this emergency. An updated multi-year budget planning report will be forthcoming to Council in June 2020, followed by a joint workshop on the City Strategic Plan and Multi-year budget

Financial Implications

Forecasting these financial impacts to year-end, the City will likely experience deficits in both the tax supported and non-tax supported budgets. It is difficult to forecast these deficits at this early stage, however they are expected to be in the range of \$2 to \$4 million for each of the tax supported and non-tax supported budgets. The City's contingency reserves are sufficient to mitigate through deficits in this range, however, wherever possible, continued actions to reduce these losses to protect the City's long-term sustainability is recommended.

The year-end operating position is important in determining the City's overall fitness as assessed by an external credit rating agency. This credit rating affects the price in which the City can issue debt and therefore impacts the affordability of long-term capital projects for the City tax and rate payers.

Consultations

Departments are responsible for managing their programs according to municipal standards and within the approved budget. The responsibility of monitoring the operating budget is shared by the operating departments and the Finance department. Department managers were provided financial reports based on their actual revenue and expenditures to March 31, 2020 with which they provided commentary in consultation with the Finance department.

Strategic Plan Alignment

Reporting quarterly on the operating variance along with a year-end forecast supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

Departmental Approval

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OPEN MEETING

MINUTES – APRIL 16, 2020

An Open meeting of the Guelph Police Services Board was held by teleconference call on April 16, 2020, pursuant to Guelph Police Services Board By-Law 164 (2020), on April 16, 2020 commencing at 2:30 p.m.

Present: D. Drone, Chair
R. Carter, Member
C. Guthrie, Member
C. Billings, Member
R. Curran, Member
C. Polonenko, Executive Assistant
G. Cobey, Chief of Police
P. Martin, Deputy Chief of Police
J. Sidlofsky Stoffman, Legal Services
L. Pelton, Financial Services

Guests: Peter Tonin and Greg Kloepfer of Tonin & Co., Constable Kyle Grant, Constable Matt Jotham, Jessica Abra, Judy Sorbara (former board member)

1. WELCOME AND INTRODUCTIONS

D. Drone noted that the Board did not meet in March due to the COVID-19 crisis and welcomed everyone to this meeting.

2. MEETING CALLED TO ORDER

Chair D. Drone called the meeting to order at 2:34 p.m. via teleconference call between the attendees in the City of Guelph.

3. DECLARATION OF CONFLICT OR PECUNIARY INTEREST

Although not stated at this point in the meeting, at Item 7.15, Selection of Chair of the Board, Robert Carter declared a conflict as his name had been put forward as Chair.

4. CLOSED SESSION RESOLUTIONS

The following three Closed session resolutions were reported in open session:

Moved by R. Curran
Seconded by C. Guthrie

THAT the Guelph Police Services Board support the Guelph Neighbourhood Support Coalition in the amount of \$ 4,000.00, the KidsAbility Foundation in the amount of \$2,500.00, and Torchlight Services in the amount of \$300.00, with funds to be paid from the Community Account. *(From March 19, 2020); and*

THAT the Guelph Police Services Board ratifies the tentative five-year agreements (January 1, 2019 - December 31, 2023) reached between the Guelph Police Services Board and the Guelph Police Association for the Uniform and Civilian Collective Agreements as negotiated by the Board's Negotiating Committee. *(From April 9, 2020); and*

THAT the Guelph Police Services Board support the Julien Project in the amount of \$250.00 with funds to be paid from the Community Account and subject to their ability to reopen and meet after the COVID-19 crisis. *(From April 16, 2020)*

-CARRIED-

5. PRESENTATIONS/DELEGATIONS

5.1 Review Engagement of the Community Account for 2019 Tonin & Co. LLP – Peter Tonin, Greg Kloepfer

Peter Tonin and Greg Kloepfer from Tonin & Co. provided a review of the Financial Statements of the Guelph Police Services Board Community Account for 2019. After a review of the Community Account Financials, they stated that the representation of the account was accurate. D. Drone thanked them for being thorough and for taking time to attend and thanked Cheryl Polonenko, Executive Assistant, for administering the account. He also stated that it is important to invest back into the community.

Moved by R. Carter

Seconded by C. Billings

THAT the Guelph Police Services Board receive the Financial Statements of the 2019 Community Account presented by Tonin & Co. LLP.

-CARRIED-

Peter Tonin and Greg Kloepfer left the meeting at 2:52 p.m.

6. APPROVAL OF MINUTES

6.1 Open Meeting of February 20, 2020

Moved by C. Billings

Seconded by R. Curran

THAT the Minutes of the Open Meeting held Thursday, February 20, 2020 be approved as presented.

- CARRIED –

6.2 Special Open Meeting of April 9, 2020

Moved by R. Carter

Seconded by C. Guthrie

THAT the Minutes of the Special Open Meeting held Thursday, April 9, 2020 be approved as presented.

- CARRIED –

7. APPROVAL OF AGENDA

Moved by C. Billings

Seconded by R. Curran

THAT the Guelph Police Services Board approve the Open Meeting agenda as presented.

- CARRIED –

Moved by C. Billings

Seconded by R. Curran

THAT the Guelph Police Services Board adopt **Part 1 – Consent Agenda**, as identified below.

- CARRIED –

7.1 Headquarter Renovation and Expansion Report

That the Reports titled “Police Headquarters Renovation and Expansion Project” and dated March 19, 2020 and April 16, 2020, be received for information.

7.2 Freedom of Information Annual Report (2019)

That the report titled “2019 Freedom of Information Statistics” and dated March 19, 2020 be received for information.

7.3 Public Salary Disclosure Annual Report (2019)

That the report titled “Public Sector Salary Disclosure for 2019” and dated March 19, 2020 be received for information.

7.4 Use of Force Annual Report (2019) and Quarterly Use of Force Report 2020

That the report titled “2019 Annual Use of Force Report” and dated March 19, 2020 and the report entitled “Quarterly Use of Force Report – Jan 1 – Mar 31, 2020” and dated April 16, 2020 be received for information.

7.5 Professional Standards Annual Report (2019) and First Quarter Report 2020

That the report titled “Professional Standards 2019 Year End Report” and dated March 19, 2020 and the report titled “Professional Standards First Quarter Report 2020” and dated April 16, 2020 be received for information.

7.6 Disability Management Services Report – Ratification of Motion from March 19, 2020

THAT the Guelph Police Services Board enter into a new agreement with TRAC Group for disability management services, effective May 1, 2020 to the end of April 2021, following a successful pilot program ending April 30, 2020. The services will be reviewed annually and where meeting the objectives of the Service, the terms of the agreement will be renewed.

7.7 Human Resources Report

THAT Erin White be appointed as a full-time civilian member of this Service effective March 9, 2020; and

THAT Shannon Britton and Jeff Reid be appointed as a full-time members of this Service effective March 16, 2020; and

THAT Lynn Hellinga be appointed as a full-time civilian member of this Service effective March 23, 2020; and

THAT Samantha Franken be appointed as a full-time civilian member of this Service effective March 30, 2020.

7.8 Board Correspondence Report

That the report titled “Open Meeting – April 16, 2020 Board Correspondence Report” be received for information.

7.9 Guelph Police Service Charity Gala Update

That the report titled “Chief’s Gala” and dated March 6, 2020 be received for information.

7.10 Community Account Quarterly Report

That the report titled “Community Account Quarterly Report – January 1 – March 31, 2020” and dated April 16, 2020 be received for information.

Part 2 – Discussion Agenda

7.11 Crime, Calls and Public Order Semi-Annual Report

Chief Cobey acknowledged Jessica Abra who prepared the report. He provided the following highlights of the report.

- Call volume has increased for the fourth consecutive year, and this year by 3.4% with 73,908 calls for service in 2019.
- Calls to check well-being or compassion to locate, where someone is concerned about the status of another person, were the largest volume of calls, a great proportion being mental health issues or substance abuse. This indicates a growing pressure of mental health on the resources of the Service.
- Suspicious people is the second highest in number of calls. There was a significant increase in fraud calls, and a significant decrease in indecent acts.
- As call volumes increase, so have the response times, and this trend continued in 2019. It is anticipated that the staffing increases approved during the budget will slow or reverse those trends.
- Break and enters decreased last year contrary to general perception. This could be due to the BEAT team pilot project in 2019. However theft from vehicles increased.
- Administrative calls increased in 2019 with 3,050 more calls. The major factor

behind this growth was a 90% increase in unintentional mistakes calling 9-1-1 made by adults, up by 2,082 calls to 4,393 in 2019. Chief G. Cobey explained that all 911 calls have to be followed up. If the person hangs up, dispatch must check to see if it is a true emergency and will involve a response. The issue of mistaken 911 calls is often messaged to the community through the media office. It is difficult and time consuming to extract data that would indicate how many are followed up by police presence, so going forward, the Board request that if possible, an operational change be made to start collecting that data for the future.

There was discussion regarding the increase of calls in Neighbourhood 1 and how many of those calls were close to the border of Neighbourhoods 1 and 4, which is the downtown. Chief Cobey noted that N4 is the smallest geographical area but has relatively the most calls, but the fastest response time due to the proximity to headquarters. Investigation clearance rates will also be included in future reports.

D. Drone thanked the Chief and J. Abra for the excellent work.

7.12 Major Case Management Annual Report

Chief Cobey noted that it is a high level report that the Service is required to submit each year. In 2019, there was one attempted homicide, and a total of 101 sexual assaults investigated. Overall, trends were similar to last year and no large increases.

Deputy Chief Martin reported that the recommendations that were made during the Major Case Management audit last year were followed up and resolved by Investigative Services.

7.13 2019 Year End Preliminary Financial Variance Report

Lisa Pelton, Supervisor, Financial Services, reported that the preliminary year-end financial variance report for 2019 indicated a surplus of \$12,547. The final results will be presented in July. The surplus represents a positive 0.03% variance to the full year operating budget and is primarily due to higher than budgeted revenues and surpluses recorded in Internal Charges/Recoveries.

In consultation with City Finance staff, GPS staff are recommending that the 2019 year-end operating surplus be allocated to a Police Operating Contingency Reserve in order to offset budget deficits arising from unforeseen events or extraordinary expenditure and fund one-time operating budget impacts that would otherwise cause a tax rate fluctuation. Additionally, from a forward-looking perspective, operating contingency reserves will become more critical as the City moves towards a multi-year budget methodology in the years to come.

In past consultation with the City Treasurer, it was recommended that a target reserve balance of up to a maximum of 1% of Guelph Police Service's annual operating budget would be established. In 2020, this would make the target reserve balance equal to \$456,415. The recommendation is that the 2019 year-end surplus

be allocated to the Police Operating Contingency Reserve and should surpluses arise in future years, a recommendation would be made to continue contributing to this reserve until the target balance is met.

In 2019, \$6.7M was spent on capital expenditures. Approximately 80% of the spending was on the Headquarters renovation and expansion project. The next largest area of expenditure was the Information Technology (9%) followed by Vehicle Replacement (6%).

Vehicle Based Equipment ended the year with a \$109K surplus. This capital project includes life cycle replacement of vehicle equipment such as light bars, prisoner partitions as well as outfitting costs to ready a vehicle for the road, which includes installation of parts, and striping. The surplus is attributable to the delay in the hybrid vehicles as well as extending the other planned replacements to 2020. 25 vehicles were budgeted for, but only 15 were needing replacement. Three hybrid vehicles were due in 2019 and were just received in 2020. Any surplus will be utilized in the Hybrid conversion to keep the project within budget.

D. Drone thanked Lisa Pelton for the excellent report.

Moved by R. Carter

Seconded by R. Curran

THAT the Guelph Police Services Board forward a request to City Council that 2019 year-end surplus, estimated to be in the amount of \$12,547, be transferred to the Police Operating Contingency Reserve.

-CARRIED-

7.14 Approval of Policy Statement BD-4T-001 Accessing and Managing COVID-19 Status Information

Chief G. Cobey introduced the new temporary Policy Statement, effective April 3, 2020, relating to accessing COVID-19 status information of individuals for frontline emergency services personnel. J. Sidlofsky Stoffman provided the background information; more specifically, that an All Chiefs Memo had been issued by the Ministry of the Solicitor General, requiring Police Services Boards to enact a temporary policy that allowed for disclosure to frontline first responders information about persons with COVID results, for the safety of personnel. The Service will also prepare Procedures governing how and to whom this information is disseminated. A list of individuals in the communications room who would be accessing this information was provided and approved. It was also required that the Service ensure that this information does not get put into the CPIC system and there is an obligation to remove the information within 6 months after the declaration of the ceasing of state of emergency. It was noted that in Guelph, currently there were only 69 positive cases, and many were in long term care facilities; therefore, the number of individuals that this relates to would be very small.

Moved by R. Curran

Seconded by C. Billings

THAT the Guelph Police Services Board adopt Policy Statement BD-4T-001, Accessing and Managing COVID-19 Status Information, be approved and implemented, effective April 3, 2020.

-CARRIED-

7.15 Selection of Chair of the Board

D. Drone reported that his term is concluding on April 25, 2020 and the Board is required to appoint a new Chair of the Board. R. Carter declared a conflict of interest and will not participate in the discussion or vote.

Moved by C. Billings

Seconded by R. Curran

THAT the Guelph Police Services Board nominate R. Carter as the Board Chair and that nominations be closed.

-CARRIED-

Moved by C. Billings

Seconded by R. Curran

THAT the Guelph Police Services Board appoints Robert Carter as the Board Chair, effective April 25, 2020, when the appointment of the current Chair, Don Drone, expires.

-CARRIED-

The Board made the decision not to appoint a new Vice-Chair until a new Provincial board member is appointed.

7.16 Chief's Monthly Report

- Chief Cobey thanked our frontline workers, police service members, and essential workers for their work during this COVID-19 pandemic. He and Senior Leaders meet daily with the City CAO, and work with Public Health regarding implementing measures to ensure the health of our people. Call volumes decreased at the beginning of the pandemic, but slowly, are returning to more normal. He reported that Headquarters has been closed for non-emergency matters, but the Service is open and available 24/7. Citizens should call 9-1-1 in emergencies but for other matters, citizens can call the administrative line or report online. Despite the COVID-19 crisis, the Drug Unit, Intelligence Unit and the High Enforcement Action Team continue to make a lot of arrests and seizures.
- The Downtown Resource Unit began operations on April 1st. They are making inroads with businesses and individuals, while maintaining physical distancing.
- Public engagements have decreased but he is finding ways to remain connected and engaged while managing operations during the COVID-19 crisis.

7.17 New Business

With this being the last meeting that Don Drone would be acting as Chair of the Board, Robert Carter, incoming Chair, thanked Mr. Drone for his committed leadership as Chair. He noted that Mr. Drone had led the Selection Committee for the new Chief, led the cause for an increase to the police service budget, and has been championing a project to have an art object funded by donations installed at the entrance to the newly renovated and expanded Headquarters. He wished Mr. Drone all the best in his future endeavours. Mayor Cam Guthrie, Chief Gord Cobey and Deputy Chief Paul Martin each expressed their appreciation to Mr. Drone for his leadership with integrity, dignity, a cool head, professionalism and commitment to his responsibilities. He was wished all the best for his future endeavours.

Mr. Drone thanked everyone for the kind words, stating that he constantly learned from them. He expressed his confidence in Mr. Carter as incoming Chair and also thanked Cheryl Polonenko, the Executive Assistant, for her support for him as Chair.

8. INFORMATION ITEMS

- Next Open Meeting: Thursday, May 21, 2020, 2:30 p.m., via teleconference call (all bookings at City facilities are cancelled through July 5, 2020)
- Inaugural Guelph Police Service Charity Gala: Postponed, date to be determined
- OAPSB Annual General Meeting – Conference was cancelled, but a virtual meeting is being set up to conduct the AGM – details coming.
- CAPG Annual Conference: Postponed to October 29 – November 1, 2020, Victoria, B.C.

9. ADJOURNMENT

Moved by C. Billings

Seconded by C. Guthrie

THAT the Open meeting of the Guelph Police Services Board adjourn as at 3:41 p.m.

- CARRIED -

The minutes of this meeting were adopted this 21st day of May, 2020.

“R. Carter”

R. Carter, Chair

“C. Polonenko”

C. Polonenko, Executive Assistant