

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Office of the Chief Administrative Officer
Date	Tuesday, September 7, 2021
Subject	<b>Managing the Impacts of COVID-19: Update 9</b>

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## Recommendation

That the report "Managing the Impacts of COVID-19: Update 9" dated September 7, 2021 be forwarded to the local Member of Parliament and Member of Provincial Parliament, Federation of Canadian Municipalities, Association of Municipalities Ontario, Ontario Big City Mayors and the Federal Minister of Finance and the Ministers of Municipal Affairs and Housing and Minister of Finance for the Province of Ontario.

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## Executive Summary

### Purpose of Report

This report outlines the City of Guelph's work managing the impacts of COVID-19 since staff's last update to Council on June 7, 2021.

### Key Findings

The City continues working with its partners on Guelph's Emergency Operations Control Group (EOCG) to recover and reopen following the third wave of COVID-19 and respond to the fourth wave.

Since the last update to City Council, programs, services and facilities have reopened and resumed following provincial direction to end the stay-at-home order on June 2, 2021. The Province moved into step one reopening based on [Ontario's Roadmap to Reopen](#). Guelph entered step two on June 30 and step three on July 16. At the time of writing, plans to move beyond step three have yet to be announced.

The City developed and announced a COVID-19 vaccination policy for all staff. Staff are required to submit proof of full vaccination or present a valid exemption for medical, religious or Human Rights Code reasons by October 15, 2021. Unvaccinated staff will be required to get tested for COVID-19 at least twice a week. The policy is in effect August 27, 2021.

The City is also working on a plan for staff to return to physical workspaces in January 2022 (following a pilot with staff at various City facilities), maintaining tourism and economic recovery efforts and supporting and sharing information from Wellington-Dufferin-Guelph Public Health. At the time of writing, just over 80 per cent of Guelph residents 12-years-old and up are fully vaccinated. Mass vaccination clinics have closed, transitioning vaccination efforts to local pop ups and primary care physicians. The clinic located at the University of Guelph closed August 6,

Linamar's Skyjack location closed August 11 and West End Community Centre closed August 20, 2021.

## **Financial Implications**

The City continues to actively monitor and respond to the fiscal implications of COVID-19. From an operating budget perspective, the City is projecting a year-end deficit of \$8.4 million before applying any Safe Restart grant funding we've received to date. The City has available \$17.2 million of Safe Restart grant funds to offset these pressures in 2021, except for the ongoing advocacy relating to the Phase 2 Transit Stream of funding.

The City has been successful in securing \$798,000 of Investing in Canada Infrastructure Program (ICIP) COVID-19 relief funding for two Active Transportation capital projects and has also now received the additional special payment of \$8.0 million from the Canada Community-Building Fund (previously Federal Gas Tax) bringing the 2021 total to \$16.4 million to help advance capital investment in the local economy. The City continues to respond to all known grant opportunities and joining others in the municipal sector advocating for additional community-focused recovery funding.

From a capital budget perspective, capital spending and purchase order commitments totaled \$81.6 million as of June 30, 2021 and continue to increase as construction season is well underway and the City moves forward on several large infrastructure projects. Capital spending has returned to pre-COVID-19 levels, however, challenges are starting to surface with above-inflation construction pricing increases and some supply delays on certain products impacting project schedules.

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## **Report**

### **Taking care of our community**

#### **Supporting COVID-19 vaccinations**

The City continues to promote accurate and reliable information about COVID-19 vaccines, encouraging vaccinations ahead of the re-opening of schools and post-secondary institutions across the province.

Guelph-Wellington Paramedic Service (GWPS) paramedics have been delivering vaccinations at local clinics and to homebound patients in the community, in addition to a pop-up clinic in downtown Guelph on Friday, July 30. The clinic resulted in 91 total doses given, including 46 first doses. A second pop-up clinic on Friday, August 21 resulted in 106 total doses given, with another 46 first doses.

#### **Recreation and parks amenities reopen**

The City reopened outdoor pools and splash pads, sports fields, recreation amenities, activation stations and facility bookings in parks in June, which happened to coincide with warmer weather. By July, the City worked to reopen Sleeman Centre to 600 spectators over five Nighthawk home games, summer camps at eight locations for 1,300 campers and access to indoor exhibits at Guelph Museums.

## **Investing in active transportation**

Pedestrian and cyclist use of the Speedvale Avenue lane closure at Woolwich Street is seeing increased use over the same period last year. The average daily use has increased from 637 pedestrians and cyclists in 2020 to 980 in 2021.

The City has received \$798,000 of Investing in Canada Infrastructure Program (ICIP) COVID-19 relief funding to proceed with improvements to Guelph's Active Transportation Network (ATN) in two locations. The first project is a pedestrian crossing on College Avenue to better align with the ATN alongside Centennial Collegiate Vocational Institute (CCVI) and W.E. Hamilton Park. The second project is a paved multi-use path through Hanlon Creek Business Park. The City will complete both projects by the end of 2021.

## **Rapid response: Collecting experiences as they are lived**

Guelph Museums has launched an exhibit that displays and preserves the stories and experiences of Guelph living through COVID-19 and the fight against racial injustice. The exhibit shares hundreds of images, creative expressions and physical objects collected by Guelph Museums since April 2020 to document the local story of this historic time.

## **Supporting Guelph businesses and economic recovery**

### **Awarding Emergency Grant Funds**

The City awarded \$340,000 in COVID-19 Emergency Grants in June to over 40 not-for-profit organizations, unincorporated groups and individuals to adapt services or programs or strengthen capacity and resiliency in response to COVID-19.

The City will announce recipients of the second phase of grants by the end of September. The third phase will open to applications in October, with a likely shift to support recipients as they adapt and emerge post-pandemic.

### **Seasonal patio program**

With the City's help, local businesses successfully launched the seasonal patio program on June 11, with 36 public patios downtown and 25 on private property, following the province's Roadmap to Reopen.

One-on-one support from City staff enabled every applicant to be compliant with safety and accessibility needs, ensuring approval of every application submitted.

The City made improvements to patio accessibility, installing platforms and ramps using Tourism Recovery Funding.

Having learned from last year's seasonal patio program, the City has improved how it shares important information to businesses using weekly e-blasts to issue reminders about noise, upcoming holidays and extended closure times and COVID-19 vaccination pop-ups.

### **Guelph Shops**

Since March 2021, [Guelph Shops](#) published seven business spotlight profiles, featuring local businesses to support them and encourage local purchases where possible, with a focus on diversity and inclusion initiatives.

City staff are working on a Guelph Shops holiday campaign to promote supporting local businesses ahead of the holidays in November.

### **Tourism Recovery Initiative**

Since Council's investment of \$700,000 for the Tourism Recovery Initiative, the City has launched a Tourism Recovery Funding program, using \$470,000 in funding to sponsor 50 Guelph tourism operations through two streams: emergency operating expense relief (rent, utilities and payroll) and physical and technological adaptation support (patio beautification, safety modifications and digital upgrades).

Staff have used the remaining funds for other programs designed to recover tourism in Guelph, including:

- See you in Guelph – A visitor incentive program to entice locals and visitors to book a two-night stay and receive a \$100 gift card to shop, dine and experience what Guelph has to offer.
- Tourism Collaborative Support Opportunity – A support program for tourism operators to collaborate with local businesses to create or enhance tourism-related initiatives that encourage visitors and economic recovery.
- Clicks Support Bricks – A recovery program that supports online sales for and customer engagement for destination retail businesses through \$1,000 investments. A small version of the campaign ran in 2020 generating \$40,140 from a \$13,000 investment.

### **Transit recovery and regional connectivity**

To advance the City's interests during the current recovery period, a delegation of City representatives, including Mayor Guthrie, Councillor O'Rourke and Councillor Downer, participated at the 2021 Association of Municipalities of Ontario (AMO) Virtual Annual Conference from August 15-18 alongside members of the City's Executive Team and Intergovernmental Services staff.

Key topics raised with provincial ministers included Safe Restart Agreement Transit Funding with a focus on the City's projected \$1.3 million deficit for Guelph Transit in 2021 and inter-regional connectivity issues arising from pandemic-related transit service reductions. The advocacy meeting with Minister Mulroney focused on the creation of an express route between Toronto and Guelph to address gaps created by the closure of Greyhound as per a July 6, 2021 joint advocacy letter signed by the City of Guelph, the Guelph Chamber of Commerce and the University of Guelph.

### **Delays and costs of construction material**

Roughly 28.5 per cent or approximately \$40 million annually of the City's contracted procurement is sourced from businesses within Guelph, supporting our local economic recovery efforts. The City continues to prioritize the execution of the capital plan, as well as employing over a thousand employees in the local area as one way to kickstart the economic recovery. Approval of significant projects like the Baker District Redevelopment and the South End Community Centre are a good example of this investment commitment.

However, the City is starting to experience supply delays and price increases on key construction materials beyond the usual annual rate of inflation.

Price increases across industry associations and other municipalities for PVC piping and fabricated steel have increased by 10 to 15 per cent since the start of the pandemic. Staff have adapted their 2022 capital budget requests to include contingencies for price increases that may last into the COVID-19 recovery period.

Staff have also experienced delays related to utility locates and deliveries of materials which affect a contractor's ability to complete work, contributing to delays in construction start up and completion. Staff continue to adapt to the changing procurement-related impacts with the goal of advancing spending in the community as quickly as possible.

## **Supporting the organization**

### **Implementation of the COVID-19 Vaccine Policy**

Starting August 27, 2021, the City's new COVID-19 vaccination policy is in effect. This policy requires staff to disclose their vaccination status and share proof full vaccination (two doses plus 14 days) by October 15, 2021.

Staff can request an exemption for medical, religious or other reasons under the Human Rights Code. Staff with valid exemptions will be accommodated and may be required to get tested for COVID-19 at least twice a week.

Staff who choose to be unvaccinated without an exemption will be required to take educational training on the effectiveness, benefits and safety of COVID-19 vaccines. Staff still choosing not to get vaccinated after training must get tested for COVID-19 at least twice a week.

### **Ontario requires proof of vaccination for high-risk, indoor settings**

The Province of Ontario announced on September 1 that it will require proof of vaccination for people to access high-risk, indoor businesses and services. Starting September 22, 2021, proof of vaccination will be required for places like restaurants and bars, meeting and event spaces, gyms and recreation facilities, sporting events, theatre venues and more with an enhanced vaccine certificate and verification app. Children under 12 years of age and people with medical exemptions will not be required to have proof of vaccination. Staff are working to understand the implications for City facilities and patrons including recreation centres, Sleeman Centre, River Run Centre and bookable indoor spaces.

### **Return to in-person operations and Council meetings**

The Future Facility Space Needs Pilot project is underway with three departments at various work locations. The goal is to establish a hybrid work environment to meet the growing needs of the organization and employees, optimize how space in City facilities is used and defer investment in new facility space for a growing workforce. This offers the City a competitive advantage in staff recruitment and retention, while better balancing the vastly different needs of employees.

The results of the pilot project will inform the City's return to in-person operations and Council meetings, with a strategy expected by the end of November. The work from home arrangements that City employees and Council have undertaken has assisted with containing the spread of COVID-19, therefore, returning to in-person operations is not anticipated before January 2022.

## **Criteria to lift the City's State of Emergency order**

As the Emergency Operations Control Group (EOCG) monitors local circumstances, it has identified criteria that would need to occur before a change to the City's State of Emergency Order, instated by Mayor Guthrie on March 26, 2020. To lift the order, the EOCG has decided that Guelph must meet five public health criteria:

- Guelph's population is 75 per cent fully vaccinated;
- Incident rate of less than 10 cases for every 100,000 people;
- Reproduction rate of less than one;
- Test positivity rate of less than 0.5 per cent for 14 days;
- Health system capacity is maintained as adequate.

## **Changes to eye protection requirements**

On July 29, the Ministry of Labour, Training and Skills Development (MLSTD) advised that it would no longer be enforcing the use of eye protection when a worker is within two metres of an appropriately-masked person. The requirement for masks and eye protection remains when a worker is within two metres of an unmasked/improperly-masked person, whether indoors or outdoors.

## **Updates to self-isolation criteria for fully-vaccinated employees**

On August 11, the province updated guidelines for people exposed to COVID-19. Employees who are fully vaccinated or have already had COVID-19 should follow Provincial guidelines for 10 days after the exposure:

- wear a mask and maintain physical distancing when outside of the home to reduce the risk of transmission to others in the event they become a case;
- self-monitor for symptoms daily and self-isolate immediately if symptoms develop.

Employees who are fully vaccinated or were previously positive with COVID-19 should report their exposure to their leader. If an employee has COVID-19 symptoms, or develops them, they are required to get tested as soon as possible and self-isolate until they receive their test results. Wellington-Dufferin-Guelph Public Health may direct otherwise in certain cases, and their advice will take precedent.

Individuals who are not fully vaccinated are still required to get tested and self isolate until 10 days after the exposure.

## **Financial Implications**

### **Budget Monitoring**

The City's [Second Quarter Budget Monitoring Report](#) describes in detail the evolving financial implications in the second fiscal year of COVID impacts. Overall, from an operating budget perspective, the City is projecting a year-end deficit of \$8.4 million before applying any Safe Restart grant funding. The City has available \$17.2 million of Safe Restart grant funds to offset these pressures in 2021, except for the ongoing advocacy relating to the Phase 2 Transit Stream of funding.

<b>Revenue and Expenditure Impact</b>	<b>Projected Year-end Position \$</b>
Lost Revenue	19,145,000
Other Revenue Impacts	(514,000)
Expenditure Savings	(12,470,800)
COVID Expenditure Increase	2,279,000
<b>Total City Forecasted Year-end Deficit</b>	<b>8,439,200</b>

Budget pressures are primarily being experienced in Parking, Culture and Recreation, Information Technology, Legal, Realty and Court Services and Guelph Transit. These are largely the result of lost revenues from lower use of services as well as COVID-related operating expenses due to enhanced cleaning and sanitization, increased staffing costs and increased use of medical and protective equipment supplies.

Facilities and Energy Management, Environmental Services (including Water and Wastewater Services), Operations, Parks, Guelph Police Services are projecting favourable year-end positions due to COVID-19 related expenditure savings—mainly compensation and associated staff training and reduced operating supplies.

From a capital perspective, capital spending and purchase order commitments totaled \$81.6 million as of June 30, 2021 and continue to increase as construction season is well underway and the City moves forward on several large infrastructure projects. Capital spending has returned to pre-COVID levels, and Council’s recently approved Capital Program Resourcing Strategy will bolster spending moving forward, however challenges are starting to surface with above-inflation construction pricing increases and some supply delays on certain products impacting project schedules.

**Treasury Management**

Early in the pandemic response, cash flow management was a primary focus due to uncertainty around primary revenue sources including property tax and rate revenues. At that time, the City put in place a \$25 million line of credit which expired at the end of 2020. Staff were confident the City did not require an extension based on performance at that time. Cash and investment holdings through 2021 remain strong due to the City’s fiscal policies, corporate reserve position, and unexpected COVID-related grants received in-year. Beyond the \$17.2 million in Safe Restart grant funding available for use, the Federal government almost doubled the 2021 allocation of Canada Community-Building Fund (previously Federal Gas Tax) providing an additional \$8.0 million for capital projects, and the City has been successful in the COVID-relief ICIP stream as previously discussed for active transportation projects.

COVID has also made it favourable to access low-cost debt, making large capital projects more affordable to the tax and rate payers. The City successfully issued a [10-year \\$49.125 million debenture](#) at 1.917 per cent, the City’s lowest cost of debt

ever achieved, which is directly attributed to the COVID-impacted market. Staff are monitoring the markets to decide when it is most advantageous to market the remaining \$65.9 million of Council-approved debt.

However, as indicated in the 2021 [Mid-Year Investment Report](#), the COVID-impacted market is not creating a favourable investment environment. Not only is this impacting City portfolio returns, but this also has implications on the insurance market, and other commodity pricing including fuel, steel and plastics. The City is monitoring these costing trends and addressing where possible through the 2022 budget.

## **Consultations**

This report was written in consultation with general managers, strategic business advisors and the executive team.

## **Strategic Plan Alignment**

The content of this report aligns with the Strategic Plan, Guelph. Future Ready. The City's response to COVID-19 is aligned with each of the priority areas of the Strategic Plan. That work is in support of our community and our employees during the pandemic and through recovery, while not losing sight of long-term sustainability.

## **Attachments**

None

## **Departmental Approval**

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## **Report Author**

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## **This report was approved and recommended by:**

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