

Staff Report



To	City Council
Service Area	Office of the Chief Administrative Officer
Date	Wednesday, July 15, 2020
Subject	Managing the Impacts of COVID-19: Update #4

Recommendation

1. That report “Managing the Impacts of COVID-19: Update #4” dated July 15, 2020 be forwarded to the local MP and MPP, FCM, AMO, LUMCO and the Federal Minister of Finance and the Minister of Municipal Affairs and Housing and Minister of Finance for the Province of Ontario.
 2. That a one-time total transfer of \$300,000 from the Tax Rate Operating Contingency Reserve to Innovation Guelph in the amount of \$125,000 and the Business Centre of Guelph Wellington in the amount of \$175,000 be approved for the purpose of delivering core business support programming that will assist in pandemic economic recovery efforts for 2020.
 3. Whereas cities have continued to provide essential services directly to the public during the pandemic, and recognizing that cities will continue to be at the heart of community recovery from health and well-being to supporting the local economy. Therefore, the City of Guelph Council calls on the provincial and federal government to urgently negotiate a municipal support package to assist cities to deal with the impacts of COVID-19.
 4. That the September – December 2020 City Council Meeting Schedule, included as Attachment-2 to report titled “Managing the impacts of COVID-19: Update #4”, dated July 15, 2020, be approved.
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Executive Summary

Purpose of Report

This report provides Council with an update on the work the City has undertaken in response to COVID-19 in the last four weeks. It highlights how the City continues to manage through the uncertainty of the pandemic, while identifying opportunities and laying the groundwork for recovery.

Key Findings

- To support fiscal recovery, the City is preparing to conclude its interest and penalty waiver period; coordinating and planning the 2021-24 budget; and

calling on the provincial and federal governments for emergency municipal funding.

- The City is advancing work in support of modernizing service, and to help make local government simpler, faster, and more efficient. Staff have several proposals with the Minister of Municipal Affairs and Housing to advance this work further.
- Responding to COVID-19 has revealed ways the City can carry out business differently, and staff are optimistic about applying what we've learned to provide even better public services in the future.
- Investing in our critical partnerships will enhance our community's collective response when the need arises in future.
- To support Guelph's economic recovery, staff are recommending one-time funding for key business service partners; administering more than \$100,000 in recently-granted funding for the local tourism industry; supporting a shop-local campaign; implementing Grow Back Better; and preparing for stimulus funding.
- To support Guelph's social and community recovery, staff are implementing short and long-term initiatives to support the delivery of public services that allow for people to physically distance.
- To support organizational recovery, staff are updating City facilities to allow for the safe return of employees and the public, and have developed training, processes, and new practices to support our employees as they navigate our new reality.

Financial Implications

- Staff recommend transferring \$300,000 in funding to Innovation Guelph (\$125,000) and the Business Centre of Guelph Wellington (\$175,000) from the Tax Supported Operating Contingency Reserve. The current balance of the City's tax supported contingency reserves is approximately \$19.5 million before accounting for the estimated projected deficit of \$4 million in tax-supported expenditures related to COVID-19. This will leave approximately \$15.2 million or 61% of targeted balances in contingency reserve holdings once the projected deficit and recommended transfer to Innovation Guelph and the Business Centre of Guelph Wellington are accounted for.
- Staff caution that the current projected deficit does not include impacts beyond June 30, 2020. Impacts are expected to be felt well into the future, including those from reduced transit ridership and lack of participation in other programming, ongoing new costs related to cleaning, health and safety of staff and the community, and impacts from Local Boards and Shared Services. Staff are now reviewing the second quarter operating variance and will provide a full update on COVID-19-related costs and projected operating deficits as part of the August report.
- Contingency reserves may be severely impaired beyond 2020 if emergency municipal funding from other levels of government are not forthcoming.

- June 30 marked the City's third property tax installment due date; the City has collected approximately \$12.2 million less in taxes to date than the same time in 2019 due primarily to the non-residential sectors using the interest and penalty waiver period.
 - Alectra Utilities Corporation has restated its 2020 planned dividend schedule to GMHI by approximately \$660,000 due to COVID-19 energy pricing changes. The GMHI Board as reviewed its ability to mitigate this one-time decline in dividends and has declared a special dividend in the amount of \$400,000 to the City to offset this loss. The remaining \$260,000 shortfall from budgeted dividend revenue will be managed through a reduction in the amount transferred to the Infrastructure Renewal Capital Reserve Fund.
 - The City's cash flow remains strong; in addition to another strong property tax collection month, we have received the accelerated Federal Gas Tax payment of \$8 million, and \$750,000 from the Ministry of Health and Long-term Care for the special one-time Pandemic-Pay for our front-line Paramedics.
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Report

This report summarizes important work that staff and our partners have advanced over the past four weeks, since the last report to Council on this topic.

Last month, we reminded Council that organizational response to crisis is sometimes characterized as occurring in the following sequence: reaction, resilience, recovery, and new reality. We pointed out that there is often overlap between stages. We continue to manage through uncertainty (resilience) and identify new opportunities (recovery).

As we manage through the uncertainty caused by COVID-19, the need for emergency funding relief from other levels of government has never been more apparent. Municipal revenues have been hit hard, and it's widely understood they will not rebound quickly. Costs to the municipality to respond to COVID-19 are significant.

At the same time, we're deep into preparations for the 2021-24 budget, where Council and the community will see the impacts of COVID-19 in the short- and medium-term. Further, as Council will read in this report, there is a substantial amount of work that staff planned to undertake in 2020, that will no longer be delivered when originally intended because staff capacity and resources were diverted to address the pandemic.

As we begin to find our way back towards more normal operations and recover from the initial emergency, staff have identified the practices that have served us particularly well during our response, and plan to sustain them beyond recovery. Those include swifter decision-making and greater focus on fewer priorities in order to bring work to fruition in response to community need quickly.

Responding to COVID-19 has also revealed several lessons, and staff are optimistic about applying what we've learned to provide even better public services in the future.

Among the lessons COVID-19 has revealed are the need for the organization to place greater emphasis on research and innovation; the imperative to cultivate strategic organizational partnerships that enable rapid response when the need arises; and how to break down policy development processes so they're less protracted and more nimble.

Fiscal recovery

Call for emergency municipal funding

Emergency COVID-19 relief funding is becoming more and more urgent for Ontario's municipalities. On June 22, Mayor Guthrie on behalf of LUMCO sent a letter to the Prime Minister and Premier urging them to accelerate negotiations on municipal relief, and underscoring the need for relief to come to municipalities with no municipal share, and 'no strings attached'. Additionally, LUMCO coordinated a joint meeting with MARCO, GTHA Mayors and Chairs, and AMO on July 6 to demonstrate solidarity of the sector in the urgent call for financial support.

This report includes a recommendation that underscores the urgency for municipal funding from other levels of government in recognition that cities like Guelph continue to provide essential services during the pandemic, with little or no revenue being generated while assuming enhanced operational costs. Cities will be at the heart of community recovery from health and well-being to supporting the local economy and they require support from the federal and provincial governments in order to continue to fulfill these mandates.

On June 29, 2020 the City was notified that it would be eligible for up to \$128,368 from the Province of Ontario to support enhanced cleaning of public transit to slow the spread of COVID-19. Since March, the City has spent approximately \$145,000 on enhanced cleaning of Transit and these costs are expected to continue for the foreseeable future. At the time of writing, additional details about the application process and eligibility criteria were unclear.

Conclusion of waiver period

The interest and penalty waiver period for property taxes, rates and user fees—as approved by Council in April 2020—will come to an end on August 1, 2020, at which time proactive revenue collection will be reinstated. As the City moves towards recovery, and business slowly returns to a normalized state, revenue collection and management of outstanding accounts receivable become important to mitigate mounting deficits.

2021-24 budget planning

The Finance department continues to oversee and coordinate budget planning and financial reporting, having absorbed that work from the Fiscal Recovery Table. A special workshop is planned with Council on July 27, 2020 to provide a more in-depth opportunity to discuss the impacts of COVID-19 on the long-term capital plan, the City's reserves and the four-year operating budget horizon.

Making local government simpler, faster, and more cost-efficient

At Premier Ford's daily news conference on June 15, he identified the need to work closely and collaboratively with municipalities to address regulations and "red-tape" which result in inefficiencies. With that in mind, the City has begun identifying a list

of proposals for the Province that would make municipal government, simpler, faster and more cost efficient.

Staff have written to the Minister of Municipal Affairs and Housing and the Associate Minister of Small Business and Red Tape Reduction to advocate for these red-tape reduction proposals. Intergovernmental staff have also engaged with AMO staff and other municipal partners to advance the City's advocacy work. Red-tape reduction proposals shared with the Province to date include:

- Modernizing the Municipal Freedom of Information and Protection of Privacy Act to update the cost-recovery fee structure and to allow for online transactions;
- Centrally digitizing public access to the property tax Assessment Roll so that property tax payers can view assessment information from home;
- Continuing to grant municipal bylaw officers the power to request identification when issuing fines beyond the COVID-19 crisis; and
- Continuing to digitize municipal reporting requirements.

Staff have also written to the Minister of Municipal Affairs and Housing on COVID-19-related issues negatively impacting the City. These include:

- Fees related to marriage licenses that expired during the Declaration of Emergency; and
- Continuing to allow full electronic participation in Council and committee meetings to promote safety and public access as the risk of COVID-19 gradually subsides.

New COVID-19-related legislation impacting municipal governments

On July 7, 2020, the Honourable Sylvia Jones, Solicitor General of Ontario, introduced Bill 195, *the Reopening Ontario (A Flexible Response to COVID-19) Act, 2020*. Bill 195 impacts emergency orders made under *the Emergency Management and Civil Protection Act* (EMCPA) to allow COVID-related emergency orders to remain in effect under this new legislation once Ontario's formal Declaration of Emergency has expired. This includes emergency orders allowing municipal bylaw officers to request identification and enforce rules under the EMCPA. This provincial action aligns with recent advocacy by the City of Guelph to Minister of Municipal Affairs Steve Clark and Solicitor General Sylvia Jones requesting an extension of COVID-19-related bylaw powers.

On July 8, 2020, the Honourable Steve Clark, Minister of Municipal Affairs and Housing, introduced Bill 197, *the COVID-19 Economic Recovery Act, 2020*. This legislation contains a number of proposals of impact to the City of Guelph. On a positive note, it responds to our municipal advocacy calling on the province to allow Council and committees to convene electronically and enables proxy voting. If passed, the bill would also extend the validity of marriage licenses issued by the City that expired during the Declaration of Emergency—another City of Guelph ask.

Other key provisions in the legislation include proposals to allow municipal courts to convene remotely, and granting municipal governments authority to approve or reject local landfill site development. Finally, the bill sets out the Province's Community Benefits Charge Framework.

Other proposals in the bill intended to promote economic growth during the COVID-19 recovery phase include:

- The strengthening of Ministerial zoning order authority to fast-track the development of transit-oriented communities;
- Provisions to promote building code harmonization Canada-wide;
- The creation of a new office of the Provincial Land and Development Facilitator; and
- Provisions updating the environmental assessment framework.

In the coming days and weeks, staff will continue to review the impacts of these changes and provide comment as appropriate.

Modernizing service

As an outcome of the Technology and Digital Master Plan, staff have established the Customer Service and Digital Steering Committee just as the importance of providing digital access to services becomes even more apparent. The aim of this group will be to support the vision to significantly expand the number and quality of digitally enabled services that the City offers to customers, providing them through a consistent user experience that rivals the best online services in government and the private sector.

This initiative will support the Strategic Plan priority of working together for our future, specifically improving how the City communicates and delivers services to residents. There will be measures of success for this goal that will directly link to the Strategic Plan's Performance Measurement Framework, allowing for transparent reporting on progress.

Economic Recovery

There are several working tables advancing important, interconnected work in support of helping Guelph's economy to rebound and recover from the impacts of COVID-19. For its part, the Economic Recovery Table continues to explore and implement initiatives that contribute to the recovery of Guelph's economy, through three interconnected work streams: the Mayor's Task Force on Economic Recovery; economic development and tourism activities; and financial considerations.

Critical Partnership Investment

The impacts of the pandemic have highlighted underfunding of Guelph's business support agencies from all levels of government, which impacts their ability to deliver critical programs to our local business community. The City of Guelph is positioned help address this funding gap through increased investment.

The City alone isn't resourced to provide all of the services businesses need, and it relies heavily on community agencies to deliver vital services that cultivate a thriving business community and local economy. Staff therefore recommend transferring \$300,000 to Guelph's local regional innovation centre—Innovation Guelph (\$125,000) and its small business enterprise centre—Business Centre Guelph Wellington (\$175,000)—from the City's Tax Rate Operating Contingency Reserve as a short-term measure to support COVID-19 economic recovery services for small and medium sized businesses in Guelph.

Formalized core funding relationships with these and other specialized business service organizations is a practice that many municipalities across the country have adopted. The size and structure of these organizations allows for more flexible and agile local service delivery to respond to economic shifts and market changes. Core services offered by the Business Centre and Innovation Guelph include training, mentorship and seed funding for early stage, scaling, high-growth and medium sized enterprises. This operating funding will support more one-on-one business consultations for residents in Guelph and Wellington County who are looking to create their own business. It will also support the ongoing provision of targeted coaching and mentorship for youth, those who are 55 years or older, female entrepreneurs and established agriculture-based, circular food, and female-operated businesses. Both organizations are well-respected community partners and have been pivotal in providing COVID-19-related support for Guelph's recovering economy.

The City presently provides about \$25,000 per year in program funding for both organizations through event and program sponsorships. These organizations struggle to source sustainable operating funding for rent, utilities, insurance, administrative staff, IT assets and furniture.

The City currently has one annual operating funding agreement in place with the Business Centre of Guelph Wellington in the amount of \$35,000, and does not have an annual operating funding agreement with Innovation Guelph. Neighbouring communities provide annual funding to entities that offer the same services in amounts well over \$175,000 and in some cases upwards of \$400,000. Typically, this core funding from municipalities is then leveraged to provide these organizations with a leg-up when competing for additional programming dollars from provincial and federal funding.

This gap in local operating support has become more evident now as these organizations have not been eligible for many of the COVID-19-related operating relief funds being made available through federal and provincial governments. Limited local operating funding jeopardizes their ability to adequately resource core programming that is crucial to businesses' economic recovery and long-term resilience-building efforts.

In line with Guelph's Strategic Plan, business service partners require greater support to accelerate Guelph's innovation economy; grow and sustain small business; enhance the downtown; and develop the workforce. The services provided by these agencies is directly associated with the City of Guelph's economic development strategic objectives and are complementary to the programs and initiatives the City delivers.

As part of the Powering Our Future action plan, the City will establish longer-term agreements to solidify ongoing services delivered to Guelph businesses.

About Guelph's small businesses and business service partners

Small business statistics (Source: Canadian Business Counts, Dec. 2019):

- Guelph has 13,000 businesses
- About 9,000, or 70 per cent, of those businesses do not have employees
- Of the 4,000 that do have employees, just over 90 per cent have fewer than 50 employees

Innovation Guelph

- 174 active Guelph clients
- 66 per cent of the core funds currently supporting companies within Guelph
- Guelph's Regional Innovation Centre contributes to multiple City projects and initiatives in addition to direct business support
- The growth of Innovation Guelph helps build Guelph's visibility, which contributes to investment attraction and immigration and program dollars from both federal and provincial governments

Business Centre of Guelph Wellington

- One full-time employee and three contract employees
- Serviced almost 10,000 business inquiries in the 2019/2020 fiscal year
- Assisted almost 400 local businesses in starting, purchasing or expanding their business in 2019/2020 fiscal year
- Created almost 350 new jobs in 2019/2020 fiscal year
- Has seen an increase in interest from Guelph residents to start their own business in response to current pandemic impacts

\$100,000 in Tourism Recovery Funding

Immediately following the federal announcement of the Tourism Regional Recovery Relief Fund at the end of May, Guelph Tourism Services began work on an application for a destination marketing grant for local tourism support and successfully secured just over \$100,000.

The funding will augment the response plan that is already in the works, which will target local customers first and then expand into opportunities and partnerships to explore Ontario. The plan's projects include destination marketing, branding, digital supports, place making, partnerships, enhanced visitor experiences and more, all designed to support recovery across the entire tourism sector—arts and culture, attraction providers, festivals, accommodations and others.

This funding opportunity aligns well with the City's recently adopted principles for post-COVID-19 stimulus programs: 1. Recovery and stimulus programs should support the priorities identified in our Strategic Plan (help businesses succeed and adapt to change); and 4. Further enhance long-term recovery and resilience by encouraging collaboration with businesses, community organizations and other municipalities.

GuelphShops Launches

GuelphShops will launch on July 18. Economic Development staff in partnership with the Guelph Chamber of Commerce and University of Guelph are hosting and centralizing local businesses' shopping platforms on guelph.ca as part of Guelph's own shop local campaign. The campaign is also engaging local businesses in reciprocal promotions—each receiving a package with logos, digital assets, sample messaging and social media posts, downloadable store front sticker, website badge, and more to get the word out and rally support for shopping in Guelph.

Updates on Grow Back Better: Our Food Future's 10-point recovery plan in response to COVID-19

Emergency Food Relief–Harve\$t Impact Community Donation Platform

On May 21, Our Food Future and 10C launched the Harve\$t Impact Community Donation Platform, [an online funding platform](#) to support the SEED's Emergency Food Home Delivery Program (EFHD). So far, the portal has raised over \$15,000 in cash donations through the online platform and an estimated value of \$100,000 in in-kind donations of non-food products, equipment rentals, and warehouse rent. The SEED has also received \$50,000 in food donations, and \$27,000 in private donations. The organization has also generated an additional \$413,000 in granted funds and reallocated \$134,000 in internal funds toward this program.

Seeding Our Food Future

The Circular Food Economy iHub organized by Innovation Guelph launched the online application portal for the Seeding Our Food Future Micro Grant program. The program offers \$5,000 grants for new and existing businesses to support a green economic recovery. So far, 46 entrepreneurs have attended the live information sessions. Applications were due June 30 and the successful grant recipients will be announced by iHub on July 15, 2020.

Business Tools and Services for Food Sector to Reduce Waste

Provision Coalition launched R-Purpose Micro, a 12-week virtual program with weekly two-hour intensive sessions. The program kicked off with 10 enthusiastic businesses from Guelph-Wellington. The program is offered free of charge over the next 18 months for up to 50 small food and beverage businesses based in Guelph-Wellington.

Last Mile Distribution and Delivery Project

On June 15th, Biomimicry Frontiers, The Cornerstone and Annex Market launched the Last Mile Distribution and Delivery project. Annex Guelph is an online market experience and innovative new food delivery system in Guelph. Through Annex Guelph, residents can now order local produce, baked goods, beverages, other grocery items and household essentials, and have them delivered to their doorstep by zero-emission electric bikes.

Online Community Innovation Platform

Our Food Future is planning to launch a new open innovation and community engagement platform within the next month. This will be a space for members of the community to contribute ideas to various Our Food Future work streams, connect with neighbours, respond to open innovation challenges, and help turn the smart city initiative into a broader community-led movement.

The role of capital works and construction in economic recovery

The Capital and Construction Table continues to operationalize the delivery of capital and construction projects that are prioritized based on considerations such as finances, staffing resources, and other COVID-19-related matters.

During this reporting period, the table focused on assessing the fiscal impacts of capital project deferrals on both capital and operating budgets. The table found that approximately \$225,000 in operating costs planned for 2021 have been deferred as a result of having to prioritize the City's planned capital work. The City's Finance department will review the operating impacts for future years based on the capital plan during the budget process.

The Capital and Construction Table has also focused on supporting development of the capital budget and preparing for stimulus opportunities with the Information and Intergovernmental Hub. This work includes preparing a preliminary project list for discussion with the City's Executive Team so that the City is positioned to respond quickly when funding opportunities arise.

Moving forward, the team will focus on further operationalizing the Table's work through:

- ongoing project prioritization work, including future reporting through capital budget and variance reporting processes
- capital budget planning strategy, including supporting the preparation of the July 27 Special Council Meeting
- reviewing the capacity of existing city staff to deliver the capital program over the coming years

Social and Community Recovery

Emergency Operations Control Group (EOCG)

Guelph's EOCG—which met for 87 consecutive days from March 13 to June 8, and which continues to meet at least twice a week—has been central to Guelph's response to the COVID-19 pandemic. In its initial phase, the EOCG focused on protecting residents, businesses and visitors from the emergency at hand. The EOCG has evolved in step with this emergency; its role now includes informing and supporting our response to a rapidly changing policy environment, and our overall recovery.

Public communications

The City's approach to informing and engaging with its stakeholders throughout the COVID-19 pandemic has been rapid, responsive, multi-channel and purposeful.

Public information is a pre-existing priority in the City of Guelph's emergency preparedness approach. Since the EOCG convened on March 13, the City has kept its stakeholders informed through continuous website updates (often several in one day); multiple, daily social media posts; public signage; media relations; tools for Councillors and staff; and advertising across multiple channels.

Building Community Resilience

The Community Resilience Table is coordinating the cross-functional short and long term work to plan and implement physical distancing measures in public spaces to support resilience in the community.

The Downtown Curbside Pick-up Program and the Temporary Seasonal Patio Program are examples of short-term measures to address immediate needs of businesses and their customers. This group supports the ongoing work associated with these projects in collaboration with City departments and the Economic Recovery table. Collectively, this group supports businesses with policy or process changes to allow for physical distancing in public spaces.

Downtown Curbside Pick-up Program

This program was implemented June 3, 2020, following consultation with the Downtown Business Association. There are four on-street curbside pick-up parking spots for customer use. Early monitoring indicates that the program has been working, as businesses are using these curbside pick-up spaces.

Signs have been posted at these temporary parking spaces (designated as loading only zones) where people can park for 20 minutes.

Temporary Seasonal Patio Program (to September 7, 2020)

This program came into effect on June 12, 2020 to support local restaurants and other licensed establishments by allowing them to expand outdoor seating and dining areas, while ensuring compliance with COVID-19 health and safety measures. The program allows for temporary patio expansion on private and City-owned property.

Within the program's first week, a total of 24 applications were received (10 within the downtown and 14 outside of downtown). General feedback on the program has been positive. Staff have worked with establishments as they complete their applications and plan their patio layout.

Dining Districts Update: City staff are working with the Downtown Guelph Business Association (DGBA) further to Council's direction on June 17, 2020 with respect to Guelph's first dining district. At the time of the writing of this report, staff have heard positive feedback from participating businesses, and are moving to a dining district seasonal closure beginning July 10 until Labour Day.

Celebrating community events during COVID-19

Guelph shows its collective resilience by adapting to the limitations of COVID-19 and enabling the community's celebration of milestone days or events in unconventional ways while allowing for physical distancing.

National Indigenous Peoples Day

In previous years, City staff worked with local elders and leaders to plan for the celebration of the rich culture, unique heritage and notable achievements of First Nations, Inuit and Metis peoples. Without being able to gather this year, we were invited to share in truth and reconciliation in a number of personal and private ways.

Guelph Museums reminded us that reconciliation starts with truth, and shared links to First Nations, Inuit and Metis music, film and books intended to start the conversation of truth.

Canada Day Virtual Fireworks

Guelph residents were invited to join their neighbours virtually in a variety of online activities to enjoy the holiday at a safe distance.

The City supported the Rotary Club of Guelph with promotional support, which modified its Canada Day plans to become lead sponsor of the Snapd Guelph celebration.

The online event started with My Canadian Moments that brought together Canada's celebrities, like Olympic medalist skater Dave Pelletier and musician Tom Cochrane, who shared their favourite sports memories. The evening culminated in a spectacular virtual fireworks experience that began with a countdown by Chris Hadfield.

A longer-term view towards enabling physical distance

The City's longer-term approach to delivering services and building or modifying public spaces that allow for physical distancing will continue to be coordinated through the Community Resilience Table. Among our starting points: staff are reviewing master plans that are in development with a view towards service delivery and public spaces that allow for physical distancing.

The Parks and Recreation Master Plan, the Transportation Master Plan, and the Economic Development Strategy are among the strategies staff are considering through this lens.

Organizational Recovery

The City continues to advance a substantial amount of work in support of the gradual recovery of the organization and the staged reopening of City facilities. The Corporate Management Team continues to focus on normalizing operations as staff return to work and programs of work resume according to business resumption phases as outlined by the Province.

Bringing our employees back to work safely

The Human Resources Table continues to develop the people-focused practices, policies and procedures that support the safe return to work for our employees, and allow the organization to respond quickly when impacts from COVID-19 occur in the future.

While the work of other tables and of the Corporate Management Team focus on ensuring the organization can deliver public services through COVID-19, this table has been working through pandemic-related developments through the lens of a large employer to 2,100 unionized and non-unionized employees deployed across the city.

Organizational leadership has committed to lead in harmony with our values. We know our employees are counting on us to help them return to City worksites safely; that has been a guiding principle of the work of this table.

The City has now recalled most employees who were placed on declared emergency leave. Employees who support services that resumed first were recalled earliest.

To protect the health and safety of our employees, and to avoid the spread of COVID-19, the City will continue to direct employees who can work from home to do so into the foreseeable future.

Leadership continues to assess vacancies carefully before posting vacant positions as a good management practice, and in light of organizational fiscal pressures.

Resumption of City services

This Business Resumption Table continues to work on updating City facilities to allow for the safe return of employees and the public. Those visiting City facilities will notice changes, including the presence plexiglass, directional signs and decals to ensure one-way directional traffic flow, and more.

In addition to facilitating physical changes in City buildings, the Business Resumption Table has created a plan that allows the organization to safely bring City employees back to work. There are four stages to this plan; stages reflect the various phases of community recovery, right up until the majority of the population is vaccinated. Each of these stages allow the organization to make adjustments based on direction from the Province or Public Health and allows the organization to respond in the event of a spike in cases among employees.

As mentioned earlier in this report, staff have also planned and implemented the augmentation of bus cleaning protocols, at a cost of about \$145,000. The Province has announced Guelph is eligible for \$128,368 to support this enhanced cleaning.

Supporting good governance

As noted in the June Special City Council COVID-19 Update report, the Governance Table has been focusing primarily on two bodies of work for City Council's awareness. These include a summary and reporting on Projects and Bodies of Work Impacted by the COVID-19 Pandemic, and 2020 City Council scheduling.

Attached to this report as Attachment-1, the Projects and Bodies of Work Impacted by the COVID-19 Pandemic summary provides City Council and the public with an analysis of the financial, project timeline and service level impacts of various City projects and bodies of work as a result of COVID-19.

All projects and bodies of work impacted by COVID-19 which meet one of the following criteria are included in Attachment-1:

- A significant financial impact; or,
- A significant change to publicly communicated timelines or outcomes; or,
- A significant impact to multiple City departments and services (both internal and/or external); or
- A significant change to work previously directed by City Council.

It is important to note that not included in this analysis and reporting are capital and construction projects already prioritized by the Capital and Construction Table or operating losses which will be reported through traditional operating variance reporting processes.

With respect to the scheduling of City Council and associated committee meetings during the period of September to December 2020, attached to this report as Attachment-2 is a proposed schedule for City Council's consideration. This schedule offers a return to the traditional schedule of City Council and committee meetings that existed prior to the onset of the COVID-19 pandemic with some modifications. Service Area designations have been removed from Committee of the Whole meetings to provide operational flexibility. In addition, updated budget meeting dates as noted in report [2020-70 2021 Multi-year Budget and Strategic Plan Update](#) have been included. For the time being, consistent with advice from public health

officials, all meetings of City Council and committees will continue to take place remotely.

The Governance Table will bring forward a proposed 2021 City Council meeting schedule to the August 2020 Special City Council COVID-19 Update meeting.

Financial Implications

At this time, the projected operating deficit and cost of COVID-19 remains unchanged from the past report, as staff work to review and update these variances through July 2020. Total operating deficits are in the range of \$2 to \$4 million in each of the tax supported and non-tax supported businesses at this time. Staff caution that the current projected deficit does not include impacts from Provincial Phase 2 reopening or COVID-19 impacts beyond June 30, 2020. Impacts are expected to be felt well into the future, including those from reduced transit ridership and lack of participation in other programming, ongoing new costs related to cleaning, health and safety of staff and the community, and impacts from Local Boards and Shared Services.

In addition, there have been significant changes to City business in June as a result of the Provincial Phase 2 announcement. These include the recall of staff and resumption of some City businesses such as those delivered by ServiceGuelph in City Hall, the Farmers' Market, and some recreational swim facilities.

The University of Guelph's announcement of a hybrid fall semester will likely also have impacts on the City's projected financial position.

Staff are now reviewing these projections as part of the second quarter operating variance process and will provide a full update on COVID-19-related costs and projected operating deficits in August.

Even with this financial uncertainty, staff recommend transferring \$300,000 in funding to Innovation Guelph (\$125,000) and the Business Centre of Guelph Wellington (\$175,000) from the Tax Supported Operating Contingency Reserve. The current balance of the City's tax supported contingency reserves is approximately \$19.5 million before accounting for the estimated projected deficit of \$4 million in tax-supported expenditures related to COVID-19. This will leave approximately \$15.2 million or 61% of targeted balances in contingency reserve holdings. The remaining contingency reserves are required to mitigate losses in addition to expected long-term impacts of COVID-19 including legal and insurance matters, winter and other environmental events, and ongoing market-related losses including supplementary taxes, investment market returns and recyclables revenues.

Other notable COVID-19 financial updates include:

- Alectra Utilities Corporation has restated its 2020 planned dividend schedule to GMHI by approximately \$660,000 due to COVID-19 energy pricing changes. The GMHI Board has reviewed its ability to mitigate this one-time decline in dividends and has declared a special dividend in the amount of \$400,000 to the City to offset this loss. The remaining \$260,000 shortfall from budgeted dividend revenue will be managed through a reduction in the amount transferred to the Infrastructure Renewal Capital Reserve Fund.
- In addition to the newly leveraged grants of \$413,000 as part of the Smart Cities Emergency Food Relief Harve\$t program, Guelph has been awarded

\$100,000 for tourism recovery and is eligible for \$128,368 for Guelph Transit enhanced cleaning requirements.

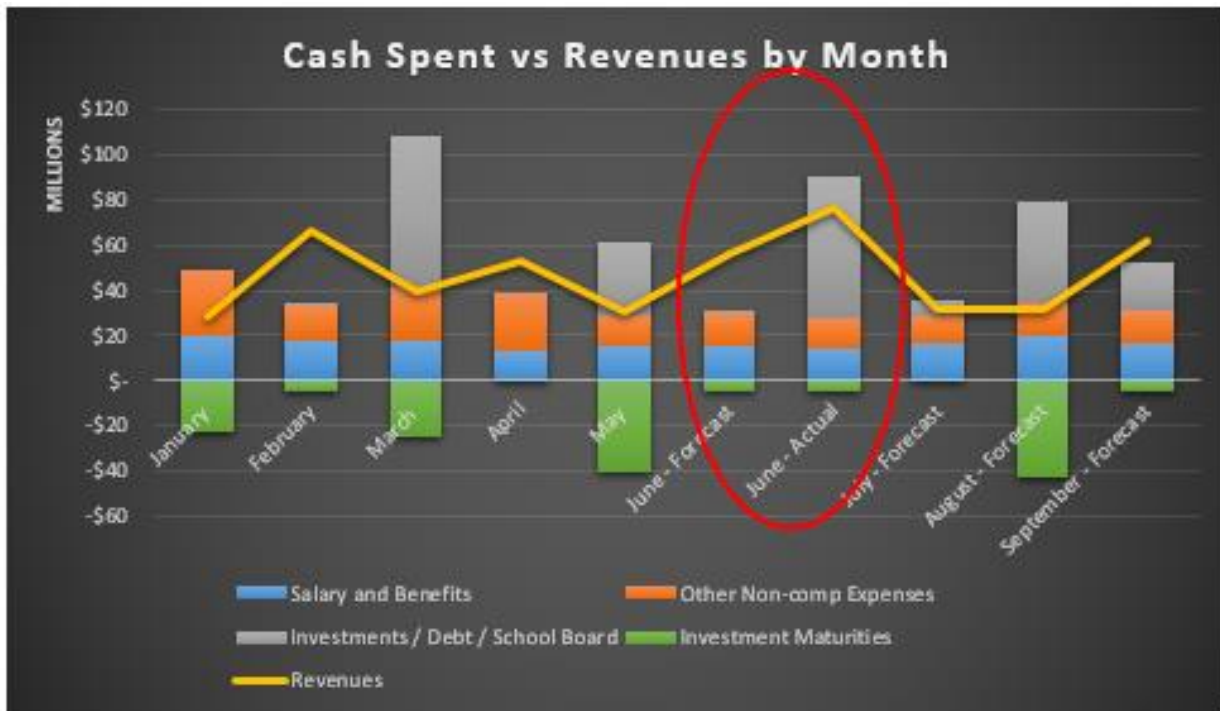
- As part of the Province’s initiative to provide front-line workers with Pandemic Pay, the City recently received \$750,000 to be distributed to our paramedics working for Guelph-Wellington Paramedic Services.

Cash flow

The City’s cash flow remains strong. In addition to another strong property tax collection month, we received the accelerated Federal Gas Tax payment of \$8 million, and \$750,000 from the Ministry of Health and Long-term Care for the special one-time Pandemic Pay for our front-line Paramedics. The City still awaits the 2019-2020 Provincial Gas Tax installment, which was expected in April 2020.

June 30 marked the City’s third property tax installment due date. The City has collected approximately \$12.2 million less in taxes to date than the same time in 2019, due mainly to the non-residential sectors using the interest and penalty waiver period. The increased property tax receivable is merely a cash flow timing difference, and will not impact the year-end projected operating deficit or future budgets. Interestingly, even though tax collection is down year-over-year, staff have processed over 1,500 additional transactions compared to 2019.

The June forecasted cash activity compared to actual experience as demonstrated below was consistent with expectation on the expenditures. Revenues, however, were higher than expected. Staff have updated property tax and other revenue projections for the remainder of the year now that there is more confidence in collection experience. The most significant difference from forecast is the level of reinvestment that was achieved in the City’s investment portfolio; this will enable the City to mitigate the losses expected from the market declines over the remainder of the year.



Consultations

This report was written in consultation with working table leads and the Executive Team.

Strategic Plan Alignment

These recommendations align with the Strategic Plan, Guelph. Future Ready. As a whole, the City's response and ongoing work towards preparing for economic, social and organizational recover are 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

Attachment-1 Projects and Bodies of Work Impacted by the COVID-19 Pandemic

Attachment-2 September – December 2020 City Council Meeting Schedule

Attachment-3 Managing the Impacts of COVID-19 Update #4

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