



**The Corporation of the City of St. Catharines
GENERAL COMMITTEE AGENDA
Wednesday, November 18, 2020
Electronic Participation, 6:00 PM**

As part of the City's commitment to safety during the COVID-19 pandemic, this meeting of General Committee will be held electronically.

This Meeting may be viewed online at www.stcatharines.ca/youtube

Public Comments: The public may submit comments regarding agenda matters to the Office of the City Clerk by contacting clerks@stcatharines.ca by Wednesday, November 18, 2020 before Noon. Comments submitted will be considered as public information and entered into public record.

Electronic Delegations: Those wishing to speak to an item on the agenda must complete the City's [Electronic Delegation Form](#) by Tuesday, November 17, 2020 before 11:59 p.m. and attend a test session with City staff on Wednesday, November 18, 2020 at 10 a.m.

Councillor Mat Siscoe takes the Chair and opens the meeting.

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- 1. Call the Meeting to Order**
- 2. Recognition of Traditional Territories**
- 3. Adoption of Agenda**
- 4. Declarations of Interest**
- 5. Chair's Report**
- 6. Motion to Move Reports on Consent**
- 7. Consent Reports**

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- 7.1 Financial Management Services, Director
2020 Third Quarter Operating Variance and Forecast Report

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| 14 - 16 | 7.2 | Financial Management Services, Corporate Asset Management
Capital Project Report for Third Quarter ended September 30, 2020 |
| 17 - 29 | 7.3 | Legal and Clerks Services, Clerks Services
General Committee Correspondence |

8. Discussion Items

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| 30 - 32 | 8.1 | Financial Management Services, Director
2021 Operating Budget - Funding One-Time / Non-Structural Items
with Reserves |
| 33 - 41 | 8.2 | Financial Management Services, Director
2021 Operating Budget – City Reserve Balances |
| 42 - 48 | 8.3 | Office of the Chief Administrative Officer
COVID-19 Corporate Adaptations and Enhancements
[Addenda] |
| | 8.4 | Legal and Clerks Services, Clerks Services
Correspondence, Hospice Niagara – Request for one-time
contribution for Hospice Expansion project
(Item 7.3, Sub-Item 1 moved from Consent) <ul style="list-style-type: none">• Delegation by Carol Nagy, Executive Director, Hospice
Niagara re. Sub-Item 1, Grant Request and Expansion Brief |

9. In-Camera Session

General Committee will meet In-Camera for the following purpose(s):

10. Motion Arising from In-Camera Session

11. Motions

12. Call for Notices of Motion

13. Report Requests and Directions for Staff

14. Adjournment




Corporate Report City Council

Report from: Financial Management Services, Director

Report Date: November 12, 2020 **Meeting Date:** November 18, 2020

Report Number: FMS-168-2020 **File:** 10.57.99

Subject: 2020 Third Quarter Operating Variance and Forecast Report

Strategic Pillar: 

Recommendation

That General Committee receive for information the year-to-date report for the third quarter of the year to September 30, 2020 and the year-end forecast for 2020.
FORTHWITH

Summary

This report provides the insight on the financial position of the City for the third quarter and the forecasted expenditures and revenues in the fourth quarter of the year. It also assesses the projected yearend position in comparison with the annual budget. The information included in this report provides useful and timely information to General Committee and Council to assist in decision-making, accountability and tracking of budget performance.

Relationship to Strategic Plan

Economic Sustainability is further enhanced with year-to date (YTD) variance reporting to Council. With these financial controls in place it improves the City's ability to be affordable for young people, families and retired older adults.

Background

The quarterly year-to-date reports are received initially by the Budget Standing Committee (BSC) throughout the fiscal year (January 1 – December 31). This report is intended to provide General Committee with the information and details pertaining to the operating budget performance.

The information contained within this YTD - 2020 third quarter report is general and summarized.

Report

To prepare this report and to also prepare the Safe Restart Agreement (SRA) Phase II Funding application to the Province of Ontario, City departments and outside boards and commissions are requested to review their third quarter (Q3) financial results and provide comments on their financial circumstances that would contribute to any significant shortcomings or overages. Any variances greater or less than 10% of the target (75%) have explanations for the discrepancy. Additionally, a forecast based on YTD actuals and planned expenditures for the fiscal year are also provided as an estimate of the City's financial position at year-end. These details by budget areas (Operating, Parking, Water and Wastewater Operations) can be found in Appendix 1, 2 and 3 of this report.

Tax Levy Supported Operating Budget

As of September 2020, the City's total expenditure including boards and commissions for fiscal 2020 is at 73% with 75% of the year complete. It is important to note that not all expenses are evenly expended throughout the year in the City, and departments have identified these operational situations in their comments (Appendix 1).

City Departments

As of the end of Q3 approximately \$705,000 has been spent in combating the COVID-19 pandemic which was not budgeted for in 2020. These are unbudgeted COVID-19 cost for personal protective equipment (PPE) purchases, staff overtime, additional temporary securities (at beaches, Morningstar Mill, City Hall, arenas, etc.), and the increased cleaning services at City facilities. The annual COVID-19 cost is estimated to be approximately \$1.2 million at this point.

With regards to the City departments, Planning and Building Services (PBS) has spent 45% of their annual budgeted expenditures as of Q3. Favourable variance is due to staff vacancies and operational savings such as cancellation of conferences and training. Unfavourable variance is expected for 2020 due to the COVID-19 impact in the building industry and significant revenue reductions.

Engineering, Facilities and Environmental Services (EFES) has spent 46% of their annual budgeted expenditures as of Q3. EFES is expecting a deficit at yearend in comparison with the 2020 budget due to the significant revenue losses at the arena facilities during COVID-19 pandemic; offset by favourable variance from COVID-19 temporary workforce reductions. The remaining budgeted construction cost for City infrastructure is to occur in Q4 2020.

Municipal Works (MW) has spent 57% of their annual budgeted expenditures as of Q3. The reduction of revenue in relations to the Municipal Golf Course was attributed to the opening of operations in July as opposed to earlier in the golf season. Parks operations have a reduction of revenue (sports park user fees, picnic permits, special events in parks, etc.) with minor savings from field maintenance fees. Overall MW is forecasting favourable yearend variance which is primarily due to contract cancellations in forestry, parks and

roads/sidewalk maintenance, staff vacancies, and other contract cancellations/ delays due to COVID-19.

Community, Recreation and Culture Services (CRCS) has spent 56% of their annual budgeted expenditures as of Q3. The COVID-19 pandemic resulted in temporary closures of some of the city facilities to ensure public safety. Facility closures have led to both utilities and personnel savings; however, many Spring/Summer programs have been cancelled which have affected program revenue generation. Specifically, the Kiwanis Aquatic Centre and Community Centres have been impacted the greatest. In addition, there has been a significant funding shortfall for SCCIP due to COVID-19; however Council continued its full commitment to these sector. The overall yearend variance is forecasted to be unfavourable.

Boards and Commissions

The Meridian Centre has spent 128% of their annual budget expenditures as on Q3. The Meridian Centre has been significantly impacted by the COVID-19 pandemic due to the cancellation/delays in sporting events. Meridian Centre is expected to remain closed till the end of 2020. The Canadian Elite Basketball League held for 15 days beginning July 24, 2020 generated revenue for the facility in August. Indirect expenses were significantly under budget as a result of the building's closure.

The Niagara IceDogs of the OHL (the primary tenant of the venue) have announced that they will not begin their season on December 1, 2020 and have postponed the start until February 2021. Therefore, no revenues have been forecasted for the remainder of 2020.

SMG Canada ULC was successful in their application to the Federal government under the Canadian Emergency Wage Subsidy (CEWS). Receiving this subsidy allows the return to work of employees impacted by reductions and improves the facility's cashflow position. The forecasted year-end position for Meridian Centre is estimated to be \$1.134 million, which is \$468,000 over the 2020 approved budget amount of \$666,000.

The St. Catharines Transit Commission is estimating a yearend surplus of approximately \$908,000. This is primarily due to the cost savings in fuel price in 2020. In addition, under the SRA provided by the Province of Ontario Transit Commission has received \$3.8 million Phase I funding. This will be sufficient to cover the financial impact of COVID-19. Any excess funding received will be transferred into a reserve that the Transit Commission to use to assist with their 2021 budget.

Both the First Ontario Performing Arts Centre (the PAC) and the St. Catharines Public Library (the Library) are forecasting positive yearend positions for 2020. PAC is estimating approximately \$10,000. The Library is forecasting a favourable yearend position of approximately \$716,000 with positive variances for both revenues and expenditures. The library received a Canada Emergency Wage Subsidy (CEWS) that covers 75% of employee wages federal government is extending this program until Dec 19 2020. The estimated surplus will be transferred into reserves at the PAC and the Library in order to assist with their 2021 budget and some of their other future year budget pressures.

Non-Tax Revenues

When looking at 2020 revenues at the end of Q3, the City has billed 100% of the 2020 tax levy, with tax instalments being due February 28, April 30, June 28 and September 30, 2020.

Contributions from other governments received as of the end of the third quarter are currently at 94% of the annual budget. Most contributions from other governments were received in the third quarter of the year due to invoicing for Payments in Lieu of Taxes occurring in the third quarter.

Tax appeals and tax write-offs are at 64% of annual budget as of Q3. Under the Provincial Emergency Order the processing of ARB and MOS decisions were paused. This restriction was lifted as of September 11 with City staff moving forward with the processing of tax adjustments and write-offs in the last couple of weeks of Q3 and processing continues in Q4. The City has encountered an increase in the settlement of multiple year legacy commercial appeals, appeals that were filed before the 2017- 2020 assessment cycle, which accounted for a significant tax write-off in Q4 of 2020. Therefore, there is an unfavourable variance in the tax write off account forecasted of \$2.6 million for 2020.

Penalties and interest revenues are projected to be under budget by \$763,000, this is due the COVID-19 pandemic and the city offered a grace period on interest and penalties for any outstanding property tax accounts interest and penalties from March – June 2020. On July 13, 2020 Council approved a tax and interest relief program for residential taxpayers until November 30, 2020. On September 14, Council approved the establishment of an application-based property tax deferral program for non-residential property owners to allow eligible non-residential properties and eligible owners to defer their final tax instalments until November 30, 2020.

POA revenues are projected to be under budget due to the Region forecasting a reduction in revenue that is shared amongst the LAMs, St. Catharines' share would amount to an approximate \$186,000 reduction. The POA revenue shortfall is due to the closure of POA courts, the decrease of travel, and the reduction of traffic fines issued.

Overall, in review of non-tax revenue accounts it is estimated at this time that there will be approximately \$2.83 million shortfall compared to the 2020 annual budget.

Parking Budget

The City's parking budget has been hit extremely hard by the COVID-19 pandemic. The City has offered a grace period for parking enforcement starting mid-March. As of July 1, 2020, the City has resumed charging for parking in City on-street, off-street, garages and monthly permits as well as the issuance of violations. The overall parking revenue loss in 2020 is approximately \$1.423 million.

At this time, the estimated year end position for parking services is a deficit of \$1.272 million. Cost containment of \$126,000 with enforcement and staffing reductions will

reduce the yearend deficit to \$1.146 million. And the allocation of the SRA Phase I funding of \$587,000 will further mitigate the yearend deficit down to \$559,000.

The uncommitted Parking reserve balance at end of 2019 was \$741,000. Therefore, the parking reserve is sufficient to cover the forecasted deficit for 2020.

Assuming parking services continues to run a deficit due to COVID-19, the 2021 parking services budget will need to be supported by the tax levy due to the depleted parking reserve, unless an alternative funding source is identified.

Water and Wastewater Budget

Water Budget

For Water Operations, the total expenditures are at 78% of the annual budget as of Q3, and the total revenues are at 69% of the annual budget. The Council approved the deferral of the 2020 water rate increase from April 1 to August 1. In addition, they waived water penalty and interest charges until June 30. The grace period offered has resulted in a revenue loss of \$875,000 in 2020 which is offset by revenue increase of \$456,000 due to sale volume increase due to the summer weather being very hot and dry. The cost of purchase water from Niagara Region is projecting an unfavourable variance of \$680,000 at yearend due to the higher than expected water volume purchased. There are COVID-19 related cost savings occurred due to temporary workforce reduction and delay in filling vacancies.

Water budget is projecting a deficit of \$905,000 at 2020 yearend. With the SRA Phase I funding allocation of \$276,000, the yearend deficit will be reduced to \$629,000.

Wastewater Budget

For Wastewater Operations, the total expenditures are at 80% of the annual budget as of Q3, and the total revenues are at 54% of the annual budget. The wastewater budget is projecting a total revenue loss of \$1.014 million at yearend which is primarily due to the wastewater reconciliation amount owed to Niagara Region which is the result of the City's wastewater flows for 2020 exceeded budgeted flows by \$1.113 million. On the expenditure side, it is estimated to generate a favourable variance of \$129,000 which is mainly due to the COVID-19 pandemic and the cancellation of work related to drainage cleaning, lateral replacement, etc.

Wastewater budget is projecting a deficit of \$885,000 at 2020 yearend. With the SRA Phase I funding allocation of \$318,000, the yearend deficit will be reduced to \$567,000.

COVID-19 Financial Impact

The City has been impacted financially by COVID-19 in multiple ways, through lost revenue due to service restrictions, facility closures and waiving of interest and penalties on outstanding tax and water accounts and delay of the annual water rate increase for

four months, and an increase in expenses related to providing a safe and healthy working environment for staff during the pandemic.

More specifically, the closure of community centres, arenas, and various services reduced the City's ability to generate revenue that typically supports the Operating Budget. The City also experienced a significant influx of patrons to our local beaches which created a need for the City to engage a security firm to manage crowds and ensure social distancing protocols were being followed.

Coupled with additional expenses to ensure staffed facilities remained safe to work in, and the availability of PPE, a number of cost mitigation measures were introduced to reduce the overall financial impact of COVID-19. These measures include:

- Temporary workforce and service reduction and reassignment, and deferred hiring of vacant staff positions
- Facility closures and reduction in utilities
- Discretionary expense reviews (travel, education, conferences, postage, and office supplies etc.)

In October 2020, the City has received from the Province of Ontario approximately \$3.6 million SRA Phase I Funding in emergency assistance to address operating costs incurred by COVID-19. Accounting for Phase I funding, the updated estimated unfavourable impact on the tax levy to the end of 2020 is expected to be \$2.5 million; unfavourable impact on the Parking budget to be \$0.6 million; and unfavourable impact on the Water and Wastewater budget combined to be \$1.2 million.

This information is in consistency with the 2020 yearend forecast information submitted to the Provincial Government as the SRA Phase II Funding Application on November 6, 2020.

Financial Implications

Based on YTD actuals, planned expenditures and departmental comments as of September 30, 2020, it's forecasted that the City's financial position will show as an unfavourable variance of approximately \$4.3 million (\$2.5 million on tax levy operating budget, \$0.6 million on Parking budget, and \$1.2 million on Water and Wastewater budget).

Environmental Sustainability Implications

There are no environmental sustainability implications associated with this report.

Conclusion

The quarterly variance report is an important financial management tool. It also provides

useful and timely information to Council to assist in decision-making, accountability and tracking of budget performance. Within the application package submitted to the Province of Ontario for SRA Phase II funding, staff have adequately illustrated the financial constraints the COVID-19 has placed on the City and expressed urgent needs for the Province to offer further assistance to the City in order to continue to operate and support the communities through the pandemic.

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Appendices

Appendix 1 – 2020 Operating Budget Variance as at September 30, 2020

Appendix 2 – 2020 Parking Budget Variance as at September 20, 2020

Appendix 3 – 2020 Water and Wastewater Budget Variance as at September 30, 2020

City of St. Catharines - 2020 Operating Expenditure Variance
as of September 30, 2020

75% of the Year

	Sept 2020 Actuals	2020 Budget	% Used	Variance	2020 Forecast	Budget to Forecast \$ Variance Favourable / (Unfavourable)	Comments
Office of Mayor and Members of Council	555,062	829,662	66.90%	274,600	810,886	18,776	Favourable Budget variance due to COVID-19 and the cancellation of conferences and celebratory events.
Grants and Committees	94	21,000	0.45%	20,906	20,309	691	Favourable budget variance due to COVID-19 and reduced grant activities in Q1 and Q2.
City Departments							
CAO	1,116,213	1,751,636	63.72%	635,423	1,745,493	6,143	Favourable variance due to COVID-19 savings from gapping and cancellation of conferences, offset by reduction in revenue from Advertising
COVID-19	704,795	0	0.00%	-704,795	1,222,506	-1,222,506	Unfavourable variance item not budgeted for in 2020. These are COVID-19 costs for personal protective equipment (PPE) purchases, staff overtime, additional temporary securities (at beaches, Morningstar Mill, City Hall, arenas etc.), and increased cleaning services at City facilities.
Legal Services and Clerks	1,293,714	1,667,751	77.57%	374,037	1,860,773	-193,022	Unfavourable variance in forecasted revenues due to the closure of City Hall to public during COVID-19 pandemic, specifically issuing licenses, canceled charities, service charges, and civil ceremonies revenues impacted.
Planning and Building Services	1,055,928	2,364,661	44.65%	1,308,733	2,096,265	268,396	Favourable variance due to staff vacancies and operational savings such as cancellation of conferences and training; Offset by unfavourable variance due to COVID-19 impact in the building industry and significant revenue reductions.
Fire Services	19,237,060	26,250,428	73.28%	7,013,368	26,470,783	-220,355	Unfavourable sick pay variances exist due to personnel on long-term sick leave. Overtime budget at higher variance to maintain minimum staffing requirements. Personnel off on vacation, statutory holidays, and parental leave also impacts overtime. Remaining expenditures expected to be on track.
Salaries/Wages-Overtime	1,101,461	1,099,998	100.13%	-1,463	1,526,616	-426,618	
Sick Pay	925,860	1,099,999	84.17%	174,139	1,174,826	-74,827	
Economic Development & Tourism	544,238	1,321,580	41.18%	777,342	1,332,372	-10,792	Unfavourable variance due to revenue loss from tourism promotion and advertising; offset by favourable variance due to cancellation of brochure printing and distribution.
Engineering, Facilities and Environmental Services	4,975,854	10,880,981	45.73%	5,905,127	12,078,184	-1,197,203	Unfavourable variance due to revenue losses at arena facilities during COVID-19 pandemic; offset by favourable variance due to temporary workforce reductions and operational savings. Remaining construction cost to occur in Q4.
Municipal Works	11,192,386	19,728,090	56.73%	8,535,704	17,907,991	1,820,099	Favourable variance due to contract cancellations in forestry, parks & roads maintenance, staff vacancies, and other contract cancellations/delays due to COVID-19; Partially offset by unfavourable variances due to revenue loss at golf course, cemetery, sports fields, etc.
Community, Recreation and Culture Services	3,818,253	6,858,878	55.67%	3,040,625	7,718,756	-859,878	Unfavourable variance due to revenue loss at KAC, Welland Canal Centre, and community centres during COVID-19 facility closures; In addition there was also an unfavourable variance due to a funding shortfall at SCCIP due to COVID-19; offset by favourable variance due to staff vacancies and operational savings.
Meridian Centre	898,611	700,449	128.29%	-198,162	1,178,434	-477,985	Unfavourable variance due to the cancellation/delays in sporting events. The shutdown of the Centre is now projected to last until the end of 2020, with the exception of the Canadian Elite Basketball League held for 15 days beginning July 24th, no other event income is anticipated for the remainder of 2020. SMG Canada ULC was successful in their application to the Federal government under the Canadian Emergency Wage Subsidy (CEWS). Indirect expenses were significantly under budget as a result of the building's closure.

City of St. Catharines - 2020 Operating Expenditure Variance
as of September 30, 2020

75% of the Year

	Sept 2020 Actuals	2020 Budget	% Used	Variance	2020 Forecast	Budget to Forecast \$ Variance Favourable / (Unfavourable)	Comments
Financial Management Services	2,676,741	3,768,034	71.04%	1,091,293	3,799,973	-31,939	Unfavourable variance due to revenue loss due to COVID-19 (tax certificate, new ownership fee, tax arrears fee, etc.) and higher than budgeted insurance liability cost; offset by savings in postage, copying and cancelled conferences.
Corporate Support Services	3,911,218	5,891,793	66.38%	1,980,575	5,886,914	4,879	In line with Budget
Contribution to Capital	1,751,000	1,751,000	100.00%	0	1,751,000	0	In line with Budget
Total City Departments & Commissions	53,731,167	83,785,943	64.13%	30,054,776	85,880,639	-2,094,696	
Debt Repayment	13,930,717	14,814,087	94.04%	883,370	14,814,087	0	In line with Budget
Total City Expenditures	67,661,884	98,600,030	68.62%	30,938,146	100,694,726	-2,094,696	
Outside Boards and Commissions							
First Ontario Performing Arts Centre	1,592,857	1,592,857	100.00%	0	1,592,857	0	Performing Arts Centre (the PAC) is forecasting a positive yearend position for 2020 of approximately \$10,000. The estimated surplus will be transferred into reserves in order to assist with their 2021 budget.
Library Board	5,677,708	5,677,708	100.00%	0	5,677,708	0	The library received a Canada Emergency Wage Subsidy (CEWS) that covers 75% of employee wages. The federal government is extending this program until Dec 19 2020. The Library is anticipating a \$599k favourable revenue variance and a \$117k favourable expenditure variance for a net yearend favourable variance of \$716k. The estimated surplus will be transferred into reserves in order to assist with their 2021 budget.
Transit Commission	11,097,451	12,924,768	85.86%	1,827,317	12,924,768	0	Transit is estimating a yearend surplus of approximately \$908,000. This is primarily due to the cost savings in fuel price in 2020. In addition, under the SRA provided by the Province of Ontario, Transit Commission has received \$3.8 million Phase I funding. This will be sufficient to cover the financial impact of COVID-19. Any excess funding received will be transferred into a reserve that the Transit Commission will use to assist with their 2021 budget.
Niagara District Airport	430,357	430,357	100.00%	0	430,357	0	in line with budget
Total Expenditures	86,460,257	119,225,720	72.52%	32,765,463	121,320,416	-2,094,696	
Total Non-Tax Revenues	-117,447,823	-119,225,720	98.51%	-1,777,897	-116,394,783	-2,830,937	Unfavourable variance primarily due to significant tax write-off expense expected in Q4 2020 from settlement of multi-year legacy commercial tax appeals; penalty and interest revenues are projected be much lower than budgeted due to COVID-19 and the grace period offered by the City Mar-Jun; POA revenue has an unfavourable variance due to COVID-19 and the Region's reduced revenue projection.
Net Tax Levy Budget	-30,987,566	0	100.00%	30,987,566	4,925,633	-4,925,633	
Safe Restart Funding Phase 1 - Operating Budget Portion					-2,442,614	2,442,614	The total phase 1 funding received was \$3,623,600 in October 2020. This line only shows the allocated amount to the operating budget. The remaining funding balance has been allocated to the Parking, Water, and Wastewater budget proportionately based on the projected cost increase related to Covid.
Net Tax Levy Budget After Funding					2,483,019	-2,483,019	

City of St. Catharines - 2020 Parking Variance
as of September 30, 2020

75% of the Year

	Sept 2020 Actuals	2020 Budget	% Used	Variance	2020 Forecast	Budget to Forecast \$ Variance Favourable / (Unfavourable)	Comments
Parking Services							
Meters	-182,023	-453,794	40.11%	-271,771	-73,792	-380,002	
Parking Violations	116,624	77,889	149.73%	-38,735	227,714	-149,825	
Off Street Parking	-51,579	-205,891	25.05%	-154,312	92,498	-298,389	
Ontario Street Garage	268,615	395,251	67.96%	126,636	455,380	-60,129	
Carlisle St Garage	632,588	717,052	88.22%	84,464	968,305	-251,253	
Investment Income	-9,904	-19,200	51.58%	-9,296	-12,454	-6,746	
Net Expenditures	774,321	511,307	151.44%	-263,014	1,657,651	-1,146,344	Parking revenue loss in 2020 is approximately \$1.423 million due the payments waived for municipal parking lots and garages mid-March to June. Parking enforcement was limited to safety-related issues such as fire-routes, accessible parking, no-parking areas and fire hydrants. This revenue loss is partially mitigated by our cost containment strategy with a reduction of enforcement contracts and staffing reductions of \$126,000. The allocation of the SRA Phase 1 funding of \$587,000 reduces our year end deficit to \$559,000.
Safe Restart Funding - Parking Portion					-587,432	587,432	
Net Expenditures After Funding	774,321	511,307	151.44%	-263,014	1,070,219	-558,912	

City of St. Catharines - 2020 Water Treatment Variance
as of September 30, 2020

75% of the Year

	Sept 2020 Actuals	2020 Budget	% Used	Variance	2020 Forecast	Budget to Forecast \$ Variance Favourable / (Unfavourable)	Comments
Water Treatment							
Net Expenditure	1,551,261	292,378	100.00%	-1,258,883	1,197,336	-904,958	There are COVID-19 related cost savings which are due to temporary workforce reduction and delay in filling vacancies. The City has deferred the 2020 water rate increase from April 1 to August 1. In addition, the City has waived water penalty and interest charges until June 30. The grace period offered has resulted in a revenue loss of \$875,000 in 2020 which is offset by revenue increase of \$456,000 due to sale volume increase. The cost to purchase water from Niagara Region is projecting an unfavourable variance of \$680,000 at yearend due to the higher than expected water volume purchased.
Safe Restart Funding - Water Treatment Portion					-275,660	275,660	The total phase 1 funding received was \$3,623,600 in October 2020. This line only shows the allocated amount to the Water budget. The remaining funding balance has been allocated to the Operating, Parking, and Wastewater budget proportionally based on the projected cost increase related to Covid.
Net Expenditure After Funding	1,551,261	292,378	530.57%	-1,258,883	921,676	-629,298	

City of St. Catharines - 2020 Wastewater Operations Variance
as of September 30, 2020

	Sept 2020 Actuals	2020 Budget	% Used	Variance	2020 Forecast	Budget to Forecast \$ Variance Favourable / (Unfavourable)	Comments
Wastewater Treatment & Disposal							
Net Expenditure	2,207,202	234,239	942.29%	-1,972,963	1,119,921	-885,682	Favourable expenditure variance is mainly due to the COVID-19 pandemic and the cancellation of work related to drainage cleaning, lateral replacement, etc. The wastewater budget is projecting a total revenue loss of \$1.014 million at yearend which is primarily due to the wastewater reconciliation amount owed to Niagara Region which is the result of the City's wastewater flows for 2020 exceeded budgeted flows by \$1.113 million.
Safe Restart Funding - Wastewater Treatment & Disposal Portion					-317,894	317,894	The total phase 1 funding received was \$3,623,600 in October 2020. This line only shows the allocated amount to the Wastewater budget. The remaining funding balance has been allocated to the Operating, Parking, and Water budget proportionally based on the projected cost increase related to Covid.
Net Expenditure After Funding	2,207,202	234,239	942.29%	-1,972,963	802,027	-567,788	
Water & Wastewater Combined	3,758,463	526,617	713.70%	-3,231,846	1,723,703	-1,197,086	




Corporate Report City Council

Report from: Financial Management Services, Corporate Asset Management

Report Date: November 10, 2020 **Meeting Date:** November 18, 2020

Report Number: FMS-165-2020 **File:** 10.57.10

Subject: Capital Project Report for Third Quarter ended September 30, 2020

Strategic Pillar: 

Recommendation

That Report FMS-165-2020, regarding the Capital Project Report for the Third Quarter ended September 30, 2020, be received for information. FORTHWITH

Relationship to Strategic Plan

Regular reporting of capital activity compared to budget demonstrates accountability and transparency. This financial control supports the City's commitment to building and growing a diverse and resilient economy through fiscal responsibility, urban regeneration and collaborative partnerships.

Background

At the February 29, 2016 Council meeting, Council approved the following motion:

That Staff report quarterly to Council on all completed infrastructure projects detailing budgeted costs, amounts the contract was awarded for, and the final project costs that are over \$100,000 in awarded costs.

The report on completed capital projects over \$100,000 will come forward to the BSC on a quarterly basis.

Report

The purpose of this report is to provide information to the BSC and to Council about the capital projects over \$100,000 that have been completed in the third quarter of 2020. Capital projects are capital expenditures for the City's linear and non-linear assets. These projects are funded by debentures, operating fund contributions, water and wastewater contributions, infrastructure levy, grants, reserves and donations. City staff expertise, market trends, industry and past experience, as well as various studies are used by staff to determine project budgets.

Where project costs exceed approved budget amounts, in accordance with the Delegation Bylaw 2019-163, authorized senior management can approve the transfer of additional budget from capital projects addressing similar needs. Alternatively, a report is written to Council to explain why the project is more than estimated and to obtain approval on how the overage will be funded. The details of the six capital projects completed during Q3 of 2020 are attached as Appendix 1. All projects were completed within the approved budgets.

When capital projects costs are lower than the approved budget:

- Funding requirements may be reduced, and consistent with the original funding sources, debt or reserve funding may be reduced. For example, the water/wastewater reserve funds will be returned to the applicable reserve. These reserves support the operation of the water and wastewater systems and assist in maintaining reasonable water and wastewater rates.
- Funds may be transferred to another project within the same infrastructure category that has an overage, in compliance with the Delegation Bylaw 2019-163 or with Council approval.
- If funds were from the operating budget, the funds remain in the operating budget and would be part of the year end surplus.

Therefore, the completion of these projects under the approved budget amount does not necessarily mean that there are additional funds available.

Financial Implications

There are no financial considerations associated with the preparation of the quarterly capital project report, other than those discussed within the report and related appendix.

Environmental Sustainability Implications

There are no environmental sustainability implications associated with this report.

Conclusion

FMS and EFES staff have worked collaboratively to complete the capital project report for capital projects over \$100,000 for Q3 2020. It is recommended that BSC receive for information purposes the capital project report.

Prepared and Submitted by: A. Tourigny, Corporate Asset Manager

Approved by: K. Douglas, Director, Financial Management Services/City Treasurer

Appendices: Appendix 1 Completed Projects in excess of \$100,000, Q3 2020

Capital Projects greater than \$100,000
Completed in Q3 2020

Project #	Project Name	Asset	Total Project Budget	Final Project Cost	Construction Award	Final Construction Cost	Favourable Variance between Project Budget & Actual	Report Comments
P17-008	BURNES DRIVE WATERMAIN & SEWER REPLACEMENT	WATERMAIN, SANITARY SEWER & STORM SEWER	\$ 1,081,883.49	\$ 1,041,356.54	\$ 924,575.84	\$ 957,230.18	\$ 40,526.95	Increased construction costs were accommodated within the approved total budget. Surplus operating funding contributes to annual operating results (2019 & 2020).
P15-007	FRANCIS CREEK DRAIN IMPROVEMENTS	STORM SEWER	\$ 1,512,000.00	\$ 696,352.98	\$ 1,009,501.13	\$ 604,971.74	\$ 815,647.02	Storm debenture funding will be reduced. Costs were lower than anticipated within the budget and the tendered amounts as required work was less than expected.
P18-178	PORT WELLER COMMUNITY CENTRE UPGRADES	BUILDING	\$ 750,000.00	\$ 689,303.87	\$ 569,512.00	\$ 586,548.23	\$ 60,696.13	Increased construction costs were accommodated within the approved total budget. Facilities debenture funding will be reduced.
P19-102	ARRAN/ DIXIE ROAD WATERMAIN	WATERMAIN	\$ 700,000.00	\$ 425,160.94	\$ 641,098.18	\$ 392,876.94	\$ 274,839.06	Unrequired watermain funding will be transferred to the Water/Wastewater Reserve.
P15-067	THIRD STREET LOUTH	ROAD, STORM SEWER & BRIDGE	\$ 4,010,000.00	\$ 3,426,647.07	\$ 2,440,713.60	\$ 2,175,623.73	\$ 583,352.93	Road debenture funding will be reduced.
P18-069	ST. DAVID'S ROAD MULTI USE PATH	PATHWAY	\$ 995,503.83	\$ 995,503.83		\$ 995,503.83	\$ -	Project tendered and managed by the Region, and funded from annual \$250,000 active transportation allocation for years 2015 to 2019.



Corporate Report

Budget Standing Committee

Report from: Legal and Clerks Services, Office of the City Clerk

Report Date: November 11, 2020 **Meeting Date:** November 18, 2020

Report Number: LCS-172-2020 **File:** 10.12.1

Subject: General Committee Correspondence

Recommendation

That General Committee receive and file the items listed within the report; and

That General Committee receive and file additional correspondence distributed for the meeting held November 18, 2020, which is available upon request. FORTHWITH

Report

The Office of the City Clerk is submitting, for the approval of General Committee, correspondence received during the period of November 10, 2020 to November 13, 2020.

Correspondence

1. Hospice Niagara – Grant Request and Expansion Brief
2. Faith Community Request – Public Washrooms
3. Margaret Kreuk – CIP Commitment in Future Years

Memorandums from Staff

4. Memorandum from Director of Municipal Works - re. Garden City Golf Course – Options to Cover COVID Related Costs
5. Memorandum from Director of Corporate Support Services – re. Update on Diversity, Inclusion and Equity Staff Position

Prepared and Submitted by

Rebecca Alfieri
Council and Committee Coordinator

Approved by

Kristen Sullivan
Deputy City Clerk

HOSPICE NIAGARA

helping you live well

October 13, 2020

Mayor Walter Sendzik
City of St. Catharines
PO Box 3012
50 Church St.
St. Catharines, ON
L2R 7C2

Request: Request for one-time contribution for Hospice Expansion project

Dear Mayor Sendzik,

Thank you for taking the time from your busy schedule to discuss this request last week.

As we discussed, the current Hospice site in St. Catharines has been serving the entire Region for over 12 years. Referrals continue to grow each year, with 60% of admissions being for people who reside outside of the immediate St. Catharines area. This significantly reduces bed capacity for local residents. Please find attached, a background brief, providing more information on why this is an important project for St. Catharines Council to support.

Through the support of yourself and Council, we are asking for one-time funding toward the capital build of 20 new hospice beds in Niagara. We are hoping St. Catharines Council will approve \$4.83 per capita investment based on this cities population (2016 Census), totaling \$646,351 over a designated period of time (up to 5-years). Options include delayed first payment to 2022 budget-year and/or varying payment amounts, versus equal amounts across several budget years.

All Municipalities in Niagara are being asked to support this capital project as one strong voice of support to the Ministry of Health, as Hospice Niagara advocates for expansion of critical hospice and in-home services in our Region. Mayors from the Towns of Fort Erie, Pelham and Wainfleet, along with the cities of Welland, Port Colborne and Thorold are in the process of working with their Councils to support the same per capita request, as part of their respective 2021 budget process.

I would be available, based on your suggested timeframe, to present this request to St. Catharines Council, to provide further information and answer any questions.

St. Catharine's commitment will add strength to Niagara's unified voice as we advocate for a provincial grant of \$4 million to support this expansion, and provide compassionate care for everyone.

In closing, on behalf of Hospice Niagara Board of Directors, Staff and Volunteers, thank you for your time in championing this request.

Sincerely,



Carol Nagy
Executive Director
Hospice Niagara

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info@hospiceniagara.ca | hospiceniagara.ca | Charitable Registration # 899716294RR0001

We rely on your donations to provide our programs and services throughout Niagara.
Official income tax receipts are provided for donations of \$20 or more.



Briefing Note: Hospice Palliative Care Expansion in Niagara Region

Hospice Niagara is currently in the planning phase with the Ministry of Health for expansion of 20 new hospice beds within Centers of Excellence in Hospice Palliative Care. These centres will be located in Fort Erie and Welland. Together with the existing site in St. Catharines, these new sites will provide exceptional end-of-life care for which Hospice Niagara has become known, along with expansion of in-home hospice care, education and volunteer support across the Region.

Why it's important for St. Catharines to Invest in Regional Hospice Palliative Care Expansion

This expansion will provide residents of St. Catharines increased care within their home, and increased accessibility to two hospices located in St. Catharines and north Welland.

It is important to invest in this expansion, given this Region's aging demographic, and limited hospital capacity for end-of-life care. St. Catharines hospital does not have any designated end-of-life care beds. Patients are often moved from St. Catharines hospital site to Niagara Falls, Fort Erie or Port Colborne, when hospice beds are at capacity. Although admitting over 300 people per year into the St. Catharines hospice, this represents only half of those people who request Hospice end-of-life services.

The hospice in St. Catharines has been serving the entire Region for over 12 years. Referrals continue to grow each year, with 60% of admissions being for people who live outside of St. Catharines. This significantly reduces bed capacity for local St. Catharines residents.

The future of existing end-of-life beds at Port Colborne, Fort Erie and Welland hospitals, are unknown. This could potentially add additional resource demand on the existing St. Catharines facility, a demand that 10 beds cannot accommodate.

Also, it is important to note the Ministry of Health has designated Hotel Dieu Shaver as a Rehabilitation hospital only, and will not be approving expansion of the end-of-life beds located within this hospital. This alone leaves Niagara short 17 hospital end-of-life beds within the next 5-years.

Currently, the hospice residence bed count in Niagara is 3 beds per 100,000 residents, excluding West Niagara. The Auditor General has recommended 7-10 beds per 100,000. The Ministry of Health agrees that the first step to addressing the issue of hallway medicine is to build effective community solutions, rather than locate more beds within hospitals. As such, the Ministry has approved operational funding for 20 additional Hospice residential beds; 10 in Fort Erie and 10 in Welland. This will better address our hospice bed shortage and open capacity for admissions at the St. Catharines site for residents in this community. This is of the upmost importance given that requests for hospice beds at the St. Catharines site have been over capacity for the past 10 years. Currently, this 10-bed residence accommodates only half of those who choose hospice care, and these requests continue to increase by at least 15% each year.

Hospice care is delivered at a fraction of the cost of hospital care. The average cost of a hospice bed is \$465 per day, while a hospital bed costs over \$1,100 per day, saving our health care system millions of dollars each year. While dying in hospital may be some people's preference, or due to

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necessity, hospices provide people and their families with individual care, input into all care decisions and most importantly, maintains their dignity at end-of-life.

Economical Planning

The typical cost of building a stand-alone hospice residence falls within the range of \$10M - \$14M. Building alongside the expansion of two larger not-for-profit long-term care homes decreases the build cost by half, as the hospice 10-bed portion advantages economies of scale.

Joining the already committed municipalities in supporting these builds allows Hospice Niagara a united voice of support in advocating for \$2 million capital grant from the Ministry of Health for each additional 10 beds.

Once approved, opening for both sites will occur in 2023.

Sustainable Growth

Hospice Niagara plans to manage increased operating costs of these two new facilities by integrating and/or contracting most of its infrastructure and back-end operating costs through its long-term care partners. In this way, the organization is ensuring that the services it provides today will be available for future generations.

Integration planning between Hospice Niagara and long-term care operators provides:

- Opportunity for shared use of amenities and services (where possible);
- Potential for shared services (laundry, housekeeping, grounds keeping, parking, utilities, building maintenance, etc.);
- Opportunity for back-end integration of administrative functions, such as Information Technology (IT), maintenance, payroll, communications, etc.

Capital Campaign Contributions

Hospice Niagara's capital campaign has launched, with a target of raising \$14M toward the build costs for the Fort Erie and Welland sites. Hospice Niagara is working to secure contributions from every municipality, along with the Region, not only because this expansion benefits all of Niagara, but this broad-based commitment will send a very strong message to the Province, as it considers allocating a provincial grant funding (\$4M in total) toward the project.

Maintaining Community Programs in St. Catharines

Hospice Niagara had expected over 7,000 square feet of community program space to be made available with the expansion of Linhaven Long-term care home. This space is now no longer an option, and puts significant pressure on community program space within the hospice in St. Catharines, which has reached its space capacity. Building in two other locations allows for non-program services to move from St. Catharines, allowing for much needed dedicated program space to remain on site, in this community.

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Although new buildings are not needed to deliver in-home programs, Wellness and Bereavement groups, which offer over 1100 groups per year, along with professional training programs, must be maintained in St. Catharines for easy access to this community and as a central training and development location in the Region.

Niagara's much needed Hospice expansion is important to every community. This expansion model creates a template for other communities in Niagara to plan alongside Hospice Niagara for future hospice resource expansions.

Most importantly, for people living in St. Catharines, expansion means:

- Increased local access to weekly Hospice Wellness programs, along with Caregiver and Bereavement support;
- Continued advanced training in palliative care for health care professionals working throughout the Region;
- Two new Niagara facilities that serve this geographic area that have the highest proportion of aging population (in all age categories over 65 years old), with complex health;
- The expansion of francophone programs and services;
- Onsite expert consultations to help people living in St. Catharines LTC homes to avoid hospital admissions due to pain crisis and complex end-of-life care needs and;
- Better planning, transitions and improved quality of life for patients and families, who will have local access to vital hospice and community palliative care services.

These projects are community and provincial investments that will maintain Hospice Niagara's proven record in providing exceptional care according to best practice standards, while ensuring sustainable expansion through partnerships and integration.

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November 10, 2020

Dear Mayor and City Councillors,

The communities we serve and lead may write to you on their own accord, but we write to you today as ministry colleagues who collectively wish to thank you for your public service; offer our prayers and encouragement as you face the daunting task of setting priorities and budgets; and to advocate for the vulnerable and marginalized in our community.

Our places of worship bring us to witness the too often untold story of society's failed response to the homeless during COVID-19. We can attest to the immense suffering of those in need of shelter, food, washrooms and other services and to the handful of faith communities that have been overwhelmed as they assist these individuals,"

The vulnerable and marginalized must not pay the cost of budget cuts. The poorest members of our society cannot break free of the cycles of poverty, hunger, homelessness, and poor medical care without opportunities and facilities that enable them to become healthy members of our communities. Reducing the hours of public facilities, such as libraries, might be a small inconvenience for many city residents but for the homeless it means more time spent seeking shelter from the elements and washroom facilities.

There are many issues that are of concern to us as faith leaders, but as you are considering capital and operating budgets, we insist that city departments provide a safe source of running water for drinking and handwashing, adequate washroom facilities, showers and laundry facilities at various locations throughout the downtown core. Public washrooms should be accessible 24 hours a day, seven days a week, 365 days a year. The location of these washrooms should be determined through consultation with agencies that serve the homeless as well as people with lived experience.

We are pleased that at a recent council meeting Mayor Sendzik raised the issue of the public washrooms at city hall, which have been closed since March because of the

pandemic. We echo his assertion the city should be providing this necessity and looking at self-cleaning systems that don't require staff.

There are costly consequences when there are no hygiene and sanitation facilities.

Where the homeless congregate, in parks, along creekbanks, beside houses of worship, has been replete with feces, urine, and rats in some cases. That comes at a cost not only to public works but to property owners, public health and people's dignity.

The city should look for ways to recoup the financial costs – perhaps through sponsorships or advertising revenue. And enjoy and appreciate the widespread societal benefits that come with providing such facilities.

The COVID-19 pandemic calls for creative solutions and unprecedented cooperation across levels of government, not only to stop the spread of the virus but to maintain and even improve upon our care for the vulnerable and marginalized.

Like generations of faithful people before us, we believe it is our mandate to protect life and ensure the dignity of every human. And so, as faith group leaders we are encouraging you to act boldly, like your civic leader heroes. Collectively our society has failed those most vulnerable and marginalized. As our civic leaders we call upon you to show true leadership in making St Catharines a compassionate city. Again, we offer our prayerful support and commitment to continue in our ministries of compassion.

Sincerely,

Michael Mondloch
Marion Tulk
Jessie Reid
St Barnabas Anglican Church
Stephen & Amanda Bedard
Queen Street Baptist

Karen Orlandi
Carol Bell
Merla Braithwaite
Kathy Dallaire
John Kumpf
David & Kathleen Reid

Margaret White
Silver Spire United Church
Bishop Gerard Bergie
Diocese of St Catharines
Penny & Roy Blake
Erdwin Huenikin
Anita Miecznikowski
Matt Virro
Unitarian Congregation of Niagara
Kevin Bothwell
St Thomas Anglican Church

June-Etta Chenard
Rose Marie Cipryk
Niagara Quakers

The Venerable Bruce McPetrie
Anglican Diocese of Niagara

Ann Monster

Caleb Ratzlaff
Westview Christian Fellowship

Rosalie Samosh
B'nai Israel

Sheila Van Zandwyk
Church of the Transfiguration

Ian Warner
Westminster United Church

Martha Tatarnic
St George's Anglican Church

From: Budget
Sent: Thursday, November 12, 2020 10:47 AM
To: Sullivan, Kristen; McGinty, Evan; Alfieri, Rebecca
Cc: Douglas, Kristine; Sorrenti, Trish; Ledda, Jacob; Chemnitz, Shelley; Oakes, David
Subject: FW: CIP commitment in future years

From: Margaret Kreuk
Sent: Thursday, November 12, 2020 10:30 AM
To: Budget <budget@stcatharines.ca>
Subject: CIP commitment in future years

Good morning,

After looking at the CIP report and hearing the results from the telephone townhall regarding CIP funding, I am very concerned as to how future operating budgets for the City will be affected.

The estimated forecast shows an ongoing increase to the annual CIP reserve commitments much higher than the rate of inflation that the BSC and Council like to adhere to. Is the CIP increase going to be excluded from the guidelines? Otherwise other City services will need to be reduced to accommodate the CIP increases.

Additionally, the CIP forecast is just an estimate and could change substantially depending on the brownfield properties that apply and the level of contamination that is found. Is there a firm upset limit for properties? i.e. 50% of the cleanup costs to a maximum of \$xxx. If not, these costs could escalate beyond control, drastically change the forecast and negatively impact future operating budgets.

Thank you for taking the time to consider these concerns.

Margaret
 St Catharines, ON

Click [here](#) to report this email as spam.

To: Chair Siscoe and Councillors

Cc: Department Heads, Bonnie Nistico-Dunk

From: Darrell Smith, Director of Municipal Works

Date: November 13, 2020

Subject: Garden City Golf Course – Options to Cover COVID Related Costs

At the November 10, 2020 General Committee, Councillor Porter requested additional information on options to cover COVID related costs at the Garden City Golf Course (GCGC).

The most significant driver impacting the GCGC in the 2021 budget is not a cost increase but a forecasted reduction in revenue by \$55,500. Staff are forecasting this reduction for the following reasons:

- It is in line with actual revenue numbers and, in our opinion, the increase we saw in last year's revenue is an anomaly due to the unique circumstances of 2020 and is not a sustainable trend;
- The Budget Standing Committee provided direction on April 27, 2020 not to increase fees in 2021; and
- Due to COVID restrictions, we must space out tee times to allow for physical distancing which reduces the maximum number of golfers on any given day.

Overall the expenditure budget has increased by 2.98% with the some of the drivers being:

- Wages and benefits;
- Cleaning supplies;
- Insurance; and
- Building repairs and maintenance.

In 2021, we anticipate that we will be able to return to our pre-COVID operating model, meaning using students for much of the staffing. We are not planning on any additional staff for COVID related cleaning, as the increased times between tee offs will allow for proper cleaning and sanitization. That means that staff costs are in line with contractual obligations for wages and benefits.

There are only two options to address the budget shortfalls, reduce operating costs or increase revenues. Staff have carefully reviewed the operating costs and made reductions where possible. In our opinion, operating costs cannot be significantly reduced further.

Revenues can be increased by raising rates (green fees, cost of memberships, and pro shop rentals). There are many factors that are considered in setting golf rates including location, perceived quality of the course, and the amenities provided to the golfers. When we look at courses that would be considered our comparators, our rates in general, tend to be lower. If we substantially increase our rates, we run the risk of pricing ourselves out of the market.

Prior to the direction on rates and fees from the BSC in April, staff were going to recommend multi-year increases to the golf rates to bring them more in line with our comparators.

If the Committee were to direct an increase in rates, the following estimated additional revenues can be generated:

Percentage Rate Increase	Estimated Revenue
10	\$20,700
15	\$31,050
20	\$41,400

As an example, a ten percent increase to play 18 holes on a weekend during peak season would be an increase of \$2.67.

If you have any questions, please contact me at your convenience.

Darrell Smith, P. Eng.,
Director Municipal Works

To: Mayor and Council

Cc: Senior Leadership Team

From: Cindy Pfeffer, Organizational Development Consultant and
Jeanette Pillitteri, Director Corporate Support Services

Date: November 13, 2020

Subject: Update on Diversity, Inclusion and Equity Staff Position

Human Resources staff prepared a report regarding a diversity, inclusion and gender equity staff person in February 2020. At that time, staff envisioned the position as a 21-month contract beginning in the second quarter of 2020. It was to be funded by the City's Tax Stabilization Reserve and Organizational Effectiveness Task Force in 2020, with pre-approval of \$115,500 for funding in the 2021 operating budget.

At its March 11, 2020 meeting, the Budget Standing Committee deferred consideration of the position until there was greater certainty of the impact that COVID-19 will have on the City's finances. As the pandemic and its impact on the City's finances is ongoing, funding for the position has not been included in the draft 2021 operating budget.

Funding is available in the Tax Rate Stabilization Reserve (\$27,750) and Organizational Effectiveness Task Force (\$30,000) funds, to enable recruitment in the third quarter of 2021, with a hire date in fourth quarter. Pre-approval of \$115,000 in 2022 operating budget would also be required. Although this is a shorter duration contract than originally envisioned, extending the contract term would require pre-approval for the 2023 budget, which would be a new term of Council.

Moving the contract start to later in 2021 will allow staff more time to consider how the City can move forward with the position considering the changing landscape of equity and inclusion work, and anti-institutional racism efforts. This delay will allow for the review of the role and responsibilities, and to possibly widen the scope of the position based on the lessons learned from the pandemic and other incidents in Canada and the United States.

Additionally, as part of a review of the success of the Anti-Racism, Equity and Inclusion and LGBTQ2+ advisory committees, staff are considering how this new position may support the committees, and how the equity-seeking committees can further the Corporation's diversity, inclusion and equity goals.

Despite not yet having a staff position in place, work to advance diversity, inclusion and equity continues. The City's equity-seeking advisory committees have continued their

work through the ongoing pandemic, bringing issues and concerns to the attention of City Council. The committees are also available to provide staff with insight on City policies, procedures and services from an equity lens.

Human Resources staff are versed on matters relating to Human Rights and Employment Standards and continue to apply these to the workplace. New employees receive respect in the workplace training as part of the onboarding process. Employees who are new to managing and supervising employees also receive training on how to support inclusive workplaces.




Corporate Report City Council

Report from: Financial Management Services, Director

Report Date: November 12, 2020 **Meeting Date:** November 18, 2020

Report Number: FMS-177-2020 **File:** 10.57.12

Subject: 2021 Operating Budget - Funding One-Time / Non-Structural Items with Reserves

Strategic Pillar: 

Recommendation

That Report FMS-177-2020, regarding Funding One-Time / Non-Structural Items with Reserves in 2021 Operating Budget, be received for information. FORTHWITH

Summary

This report outlines the pre-approved revisions to the draft 2021 Operating Budget, proposed budget amendments including funding one-time/non-structural items with reserves and other budget reductions. It also provides an update on the 2021 tax increase on the median residential household.

Relationship to Strategic Plan

Economic Prosperity would be enhanced through fiscal responsibility balanced with taxpayers' affordability through the annual budget process.

Background

At its meeting on November 10, 2020 General Committee approved the motion that the Tax Stabilization Reserve, the Hydro Reserve Fund and the Civic Project Fund be identified as the funding sources for the one-time / non-structural items outlined in Report [FMS-160-2020](#) in the Draft 2021 Operating Budget for consideration.

Report

Table 1 below summarizes the revised net tax levy for 2021 with funding from reserves and budget amendments.

TABLE 1

<i>Proposed 2021 Total Net Expenditures</i>		
Description of Item	Dollar (in 000's)	% Change from 2020
Draft 2021 City Departmental Operating Expenditures	\$102,345.5	3.80%
ABCs 2021 Budgets		
St. Catharines Transit Commission	13,636.6	5.51%
St. Catharines Public Library Board	5,677.7	0.00%
Niagara District Airport	436.8	1.51%
FirstOntario PAC (includes \$50K for property insurance responsibility of City as owner of the facility)	1,658.1	4.09%
Total Estimated City's 2021 Expenditure Budget	123,754.7	3.80%
Non-Tax Revenues	(9,684.8)	-9.53%
Net Tax Levy for 2021	\$114,069.9	5.11%
<i>Amendments from Nov 10 Budget Meeting</i>		
Add: Expense Policy for Advisory Committee and Task Force Members	5.0	
Deduct: Accessory Dwelling Unit Grants in CIP	(30.0)	
Deduct: Amendments from budget review (Item #34 in Appendix 1 FMS-160-2020)	(28.4)	
Deduct: Level A Reductions in Appendix 1 FMS-143-2020 (unrelated to using Hydro Reserve Fund)	(12.6)	
Revised Net Tax Levy for 2021	\$114,003.9	5.05%
Deduct: Funding from Tax Stabilization Reserve	(157.7)	
Deduct: Funding from Hydro Reserve Fund	(160.0)	
Deduct: Funding from Civic Project Fund	(2,674.0)	
Net Tax Levy for 2021 with Funding from Reserves	\$111,012.2	2.30%

Based on the revised net tax levy amount for 2021 in Table 1 above, Table 2 below displays the updated impact on the median residential home for 2021 with an assessed value of \$254,000.

TABLE 2

	2021	2020	\$ Change	% Change
CVA – Median Household	<u>\$254,000</u>	<u>\$254,000</u>	<u>\$0</u>	<u>0.00%</u>
City	\$1,587.07	\$1,557.74	\$29.33	1.88%
Hospital	<u>31.50</u>	<u>\$31.63</u>	<u>(\$0.13)</u>	<u>(0.41%)</u>
Sub-Total City	\$1,618.57	\$1,589.37	\$29.20	1.84%
Infrastructure Levy@1.5%	\$23.21	\$22.46	\$0.75	3.34%
Total City	<u>\$1,641.78</u>	<u>\$1,611.83</u>	<u>\$29.95</u>	<u>1.86%</u>

Financial Implications

The information provided in this report is for the General Committee's consideration of 2021 Operating Budget.

Environmental Sustainability Implications

There are no environmental sustainability implications associated with this report.

Conclusion

The updated annual impact on the median household based on the revised net tax levy amount for 2021 is \$29.95 or 1.86%.

Prepared and Submitted by

Lucia Chen CPA, CMA
Manager, Budgets and Procurement, FMS

Approved by

Kristine Douglas CPA, CMA
Director of Financial Management Services / City Treasurer, FMS




Corporate Report City Council

Report from: Financial Management Services, Director

Report Date: November 12, 2020 **Meeting Date:** November 18, 2020

Report Number: FMS-176-2020 **File:** 10.57.12

Subject: 2021 Operating Budget – City Reserve Balances

Strategic Pillar: 

Recommendation

That Report FMS-176-2020, regarding 2021 Operating Budget – City Reserve Balances, be received for information. FORTHWITH

Summary

This report provides the insight on the financial position of the City's reserve balances and commitments. This report provides useful information to General Committee and Council with regards to the City's reserves and reserve funds.

Background

On November 10, 2020, General Committee requested staff to provide details on each reserve and the intended purpose to determine if there are any reserves that could be used to mitigate the 2021 budget pressures. Report FMS-177-2020 provides further information with regards to reserves that would be applicable for utilization towards 2021 budget pressures.

Report

The City has two major types of reserves which are Reserve and Reserve Funds.

- **Reserve:** A reserve is an allocation of accumulated net revenue. It has no reference to any specific asset and does not require segregated funds.
- **Reserve Fund:** A reserve fund differs from a reserve in that reserve fund assets are segregated and restricted to meet the purpose of the reserve fund. In addition, reserve funds earn interest.

For ease of comprehension, these reserves and reserve funds have been broken in to six categories. The figures presented in Appendix 1 outlines 6 categories that the City's reserves fall into: Capital Related, Contingency, Discretionary, Non-Discretionary,

Working Capital, and Tax Rate Stabilization Reserve. Below you will find more details about each of these categories.

Capital Related

The capital related reserves are committed to fund capital projects, building maintenance & improvements, and equipment/vehicle replacements. And therefore, the funds are not available for operational usage. Below is a list of each reserve that fits under the capital related category:

- Fire Equipment Replacement
- Motor Vehicle Replacement
- Building Improvement
- Cemetery
- Infrastructure Levy Reserve
- FirstOntario Performing Arts Centre - Capital Sustainability Reserve
- Port Dalhousie Piers Reserve
- Meridian Centre Capital Reserve
- Future Mausoleum
- Sewer Capital Reserve
- Water Capital Reserve

Contingency

The contingency reserves are used to fund unforeseen or future commitment to specific purposes in the budget such as unused sick leave pay on IAPFF Local 485 employee retirement, higher than anticipated incidents of inclement weather, and to pay legal expenses / damages below the City's deductible. The other reserves included in this category are used to fund municipal elections, the community improvement plan (CIP), events that have a significant benefit to the community that will generate additional revenue, and parking operations. Below is a list of each reserve that belongs under the contingency category:

- Accumulated Sick Leave
- Encumbrances
- Community Improvement Plan Reserve
- Winter Control
- Election Reserve
- Litigation/Insurance Reserve
- Meridian Centre Event Fund Reserve
- Actifest
- Parking Operations
- Water & Wastewater Surplus Reserve

Parking Operations Reserve

The City of St. Catharines offers a complete range of parking facilities for both the visitor and the downtown employee. On-street parking spaces are regulated with parking

meters to ensure a turnover of parkers and accommodate short term use. Off-street lots and parking garages provide the parker with longer time limits. The parking garages, in addition, have no risk of penalties for extended stays. A gradation of monthly parking is also provided from the parking garages to fringe lots.

The objectives of the City's parking program are:

1. To ensure sufficient parking spaces will be available for present and future needs.
2. To provide parking within acceptable and reasonable walking distance of the parker's destination.
3. To make the parking accessible, safe and attractive.

The City has established a Parking Meter Reserve Fund into which the net revenue derived from the operation of all parking facilities is deposited and the accumulated funds are then used for the payment of any outstanding debentures on parking facilities, maintenance of existing facilities and for the acquisition, and establishment, of future parking facilities. The City's parking operations in the early 2000's and until 2012 had substantial positive annual operating results such they parking operations supported the tax levy budget between \$75,000 to \$500,000 annual. For the time period of 2005 to 2012, parking operations contributed \$2.57 million towards the tax levy budget. This has changed in more recent years until now in 2021 the parking operations requires support from the tax levy.

The uncommitted parking reserve balance as of December 31, 2019 was \$741,678. Based off the 2020 Q3 yearend projection (see FMS-177-2020 appendix 2) parking operations is anticipating a yearend 2020 deficit of \$558,912, in which the reserve will be required to fund. After considering the reserve balance, commitments, and yearend deficit; the parking reserve will contain an uncommitted reserve balance of \$182,766 at the end of 2020. The city's parking reserve has been significantly impacted by COVID-19.

The net parking operating expenditure for 2021 is forecasted to be \$1.3 million which is largely due to the estimated revenue loss as a result of less patrons working and visiting downtown areas, thus declining the usage of parking spaces. The expenditures are expected to decline slightly but not at the same rate that revenues are forecasted to decline. There is still an obligation for the City to meet objectives of the City's parking program. Therefore the 2021 draft operating included tax levy support of parking operations of \$1.25 million. If this amount were reduced this would place pressure on the City's parking operations and increase the risk of 2021 parking operations ending the year in a deficit position.

Discretionary

Within the discretionary reserve category is the Civic Project Fund Reserve (CPF). The CPF is used to fund community projects, external cultural and community improvement initiatives, significant new facility construction and/or purchases and other initiatives approved by Council.

The establishment and operation of the CPF complies with the Municipal Act and the contributions to and from the reserve fund since its inception have been approved by Council either within the annual budget process or in separate reports to Council.

Report FMS-177-2020 provides further information with regards to the usage of this reserve to assist with the COVID-19 pressures in the City's 2021 operating budget.

Non-Discretionary/Obligatory

The Non-Discretionary also known as the Obligatory reserves are used to segregate revenue received for special purposes. Below is a list of each reserve that belongs under the non-discretionary category:

- Building Code
- Gas Tax Reserve - Provincial
- Gas Tax Reserve – Federal
- Future Sidewalks
- Payment in Lieu of Parkland
- Subdivider Deposits
- Residential Development Charges

The provincial gas tax reserve funded by the provincial government and used for upgrades to the public transportation infrastructure. The federal gas tax reserve is funded through Association of Municipalities of Ontario on behalf of the Federal Government; these funds are used for infrastructure that supports cleaner air, cleaner water or reduced greenhouse gas emissions in accordance with Federal Gas Tax Agreements.

The future sidewalks reserve is funded when sidewalk requirements are waived by Council; the funds are held in a reserve for a period of 20 years.

Subdivider Deposits, Residential Development Charges, and Payment in Lieu of Parkland are funded through developer payments and held by the municipality to be refunded back to the developer (Subdivider Deposits), to fund growth related capital costs (Residential Development Charges), or for Parkland acquisitions, construction and/or improvements (Payment in Lieu of Parkland).

The majority of these items are required for capital projects and these reserves are already specifically committed and are not available to be used for operational purposes.

Working Capital

The working capital reserve contains the Hydro Funds reserve. The hydro fund reserve was funded by a one-time Hydro dividend and the funds are available to support the operating budget.

Report FMS-177-2020 provides further information with regards to the recommended amount to be used in the 2021 budget.

Tax Rate Stabilization

The Tax Rate Stabilization reserve is used to minimize the fluctuation of tax rate increases due to extraordinary or unforeseen events. This reserve provides an alternative to raising total tax levies.

Report FMS-177-2020 provides further information on with regards to usage of the Tax Rate Stabilization reserve to mitigate the 2021 budget pressure.

Financial Implications

Due to the limited balance in the Parking Reserve, a reduction in the amount of tax levy support from the operating budget to parking operations in the 2021 budget creates pressure on an already strained parking budget. With there being uncertainties around the COVID-19 pandemic and how parking operations may be impacted in 2021, reducing the tax levy support for parking operations does increase risk of a deficit for its 2021 operations. Any deficit in 2021 parking operations would need to be funded by the 2022 tax levy budget.

Conclusion

This is an information report which provides additional information regarding the purpose and usage of the City's reserve and reserve funds.

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Appendices

Appendix 1 – Reserve Balance Listing

Reserve Name	Purpose	Revenues	Expenditures	Reserve Balance	Commitments	Available Balance	Targeted Balance	Basis for Targeted Balance	Basis for Target Maximum Level of Funding
CAPITAL RELATED									
Fire Equipment Replacement	Replacement of major equipment	- Annual operating budget contribution - Gain on disposition of major fire fighting equipment - Proceeds on disposition of major fire fighting equipment	- Purchase of major fire fighting equipment	\$ 1,421,553	\$ 930,455	\$ 491,098	\$ 9,548,250	- Maximum balance of 75% estimated replacement cost of major fire fighting equipment	- Maximum balance of 5 years worth estimated replacement cost of major fire fighting equipment
Motor Vehicle Replacement	Replacement of major equipment	- Annual operating budget contribution - Gain on disposition of motor vehicle equipment - Proceeds on disposition of motor vehicle equipment	- Purchase of motor vehicle equipment	\$ 5,005,635	\$ 2,241,000	\$ 2,764,635	\$ 11,433,750	- Maximum balance of 75% of total estimated replacement cost of motor vehicle equipment owned by the City Estimated replacement cost as at December 31, 2019: \$15,245,000 x 75% = \$11,433,750	- Maximum balance of 50% of total estimated replacement cost of motor vehicle equipment owned by the City Estimated replacement cost as at December 31, 2014: \$14,407,214 x 50% = \$7,203,607
Building Improvement	Provide for commitments to building improvement projects	- Annual operating budget contribution - Grants/rebates on building improvement expenditures	- Building improvement projects	\$ 2,180,693	\$ 1,891,154	\$ 289,539	\$ 47,639,600	- Maximum balance of 10% of total estimated replacement cost of buildings owned by the City Estimated replacement cost as at December 31, 2019: \$476,396,000 x 10% = \$47,639,600	- Maximum balance of total estimated replacement cost of buildings
Cemetery	Net cemetery activity to be used for capital items	- Transfer of annual net cemetery revenues - Surcharges on cemetery transactions	- Capital items used in cemetery operations	\$ 19,437	\$ -	\$ 19,437	\$ 361,500	- Maximum balance of 25% of annual Cemetery revenues 2019 budgeted Cemetery revenues: \$1,446,000 x 25% = \$361,500	- Maximum balance of total estimated replacement cost of cemetery capital assets
Infrastructure Levy Reserve	Infrastructure Levy to support capital projects to address infrastructure gap	-1.5% annual tax levy	-as per Infrastructure levy policy	\$ 1,233,535	\$ 1,085,668	\$ 147,867	-No upper funding level as infrastructure gap is significant	-No upper funding level as infrastructure gap is significant	
FirstOntario Performing Arts Centre - Capital Sustainability Reserve	To offset the capital needs of the PAC for the next 25 years to ensure that the building remains in good status with modern equipment without tax base support or debt financing	- \$2 surcharge added to each ticket sold at the PAC	- Capital items used in PAC operations (replacement of existing capital and/or upgrades) - Unforeseen or unbudgeted/new expenditures	\$ 367,081	\$ -	\$ 367,081	\$ 6,075,000	- Maximum balance of 10% of total estimated replacement cost of PAC the Project Budget for the PAC: \$60,757,101 x 10% = \$6,075,710	
Port Dalhousie Piers Reserve	To assist for future maintenance and capital rehabilitation or improvements at piers and harbour	- Annual operating budget contribution of \$100,000 per year	capital expenditures required following the completion of the Port Dalhousie Pier replacement project	\$ -	\$ -	\$ -	\$ 30,000,000	Target Balance represents the replacement cost based on the project's estimated value	
Meridian Centre Capital Reserve	To fund capital replacements and upgrades	- Surplus funds from annual operating budgets	-capital expenses based on capital plan approved as part of the City's annual capital upgrade program	\$ 195,338	\$ 163,753	\$ 31,585	\$ 5,662,000	- Maximum balance of 10% of net facility assets. Net facility assets as at December 31, 2019: \$56,620,000 x 10% = \$5,662,000	
Future Mausoleum	Fund debt repayment and future mausoleum construction	- Surcharges on cemetery transactions - mausoleum plot sales include a surcharge used to fund future mausoleum	- Expenditures related to new mausoleum construction	\$ 386,193	\$ 386,193	\$ -	\$ 1,500,000	- Projected cost of future mausoleum construction incorporating construction price index	- Projected cost of future mausoleum construction incorporating construction price index

City of St. Catharines - Reserves and Reserve Funds

Reserve Name	Purpose	Revenues	Expenditures	Reserve Balance	Commitments	Available Balance	Targeted Balance	Basis for Targeted Balance	Basis for Target Maximum Level of Funding
Sewer Capital Reserve	To support wastewater capital needs	- annual net wastewater account activity	-wastewater capital improvements	\$ 2,700,000	\$ 2,700,000	\$ -		Fluctuates as Balance is dependent on obligations for which payment is outstanding at year end	- Total unspent dollars required to fund Council approved expenditures that have not yet been spent on sewer projects
Water Capital Reserve	To support water capital needs	- annual net water account activity	- water capital improvements	\$ 5,599,000	\$ 5,599,000	\$ -		Fluctuates as Balance is dependent on obligations for which payment is outstanding at year end	- Total unspent dollars required to fund Council approved expenditures that have not yet been spent on water projects
TOTAL CAPITAL RELATED				\$ 19,108,464	\$ 14,997,223	\$ 4,111,241			
CONTINGENCY									
Accumulated Sick Leave	IAPFF Local 485 employees can accumulate unused sick leave which could be taken as cash on termination	- Annual operating budget contribution	- Sick leave paid out upon termination/retirement for eligible employees	\$ 2,987,931	\$ 2,987,931	\$ -	\$ 5,956,512	\$5,956,512 - Total accumulated sick leave calculated as at December 31, 2019	- Maximum balance sufficient to pay all accumulated sick leave for eligible employees
Encumbrances	Fund unliquidated encumbrances or commitments	- Annual operating budget contribution - Annual water and wastewater budget contribution	- Obligations that were included as part of the operating or water and wastewater budget for which payment is outstanding at year end.	\$ 7,742,417	\$ 7,742,417	\$ -	N/A	Fluctuates as Balance is dependent on obligations for which payment is outstanding at year end	- Total unspent dollars required to fund Council approved expenditures that have not yet been spent
Community Improvement Plan Reserve	To fund the City Community Improvement Plan	-Annual operating budget contribution	-Council Approved CIP projects	\$ 5,938,418	\$ 5,938,418	\$ -		No upper limit as this program is paid out over several years (3,5 or 10)	
Winter Control	Fund potential shortfalls in the winter control budget due to higher than anticipated incidents of inclement weather	- Transfer of annual winter control surplus (if any)	- Transfer to cover annual winter control deficit (if any)	\$ 500,000	\$ -	\$ 500,000	\$ 2,409,828	- Maximum balance equating to 100% of the previous five year rolling average of Winter Control Program expenditures - Rolling average for 2015 to 2019 \$2,409,828 - Target Balance should be updated annually to the current rolling average of program expenditures	- Maximum balance of one year's worth of winter control expenditures - Sufficient to cover future potential winter control deficits
Election Reserve	To fund the cost of the municipal election	- Annual operating budget contribution equal to 25% of anticipated election costs	- election expenses in election year	\$ 99,573	\$ 99,573	\$ -	\$ 500,000	-Target Balance represents the cost of the municipal election which occurs every four years.	
Litigation/Insurance Reserve	To fund "unknown matters" and to provide additional amounts to pay legal expenses and damages below City's deductible.	-Unspent funds in the City's Legal and Court Cost; and Self-Insurance expenditures -allocations from year end surplus	-unknown litigation matters and legal cost and claims below City's insurance premium deductible	\$ 567,419	\$ 205,070	\$ 362,349	\$ 900,000	-Target balance represents approximately 50% of the annual self-insurance; and legal & court cost expenditures; and potential OMB appeals	
Meridian Centre Event Fund Reserve	To support events that have significant benefit to the community and create additional revenue generating potential	- Surplus funds from annual operating budgets -Portion of additional revenues generated from events that this fund was used to support	-capital or other expenses related to the attraction of events to the facility, subject to approval of the Governance Committee	\$ 229,997	\$ 50,000	\$ 179,997	\$ 150,000	-\$150,000 for event fund portion.	
Actifest	Legacy fund from Senior Games for programmes promoting healthy lifestyles for Seniors 55+	- Transfer of surplus from 2004 Ontario Senior Games - Grants - Interest on reserve fund balance	- Expenditures related to the promotion of healthy lifestyles for citizens aged 55+ years	\$ 5,658	\$ 5,658	\$ -	- N/A - One-time legacy fund to be drawn down over time	- N/A - One-time legacy fund to be drawn down over time	- N/A - One-time legacy fund to be drawn down over time

City of St. Catharines - Reserves and Reserve Funds

Reserve Name	Purpose	Revenues	Expenditures	Reserve Balance	Commitments	Available Balance	Targeted Balance	Basis for Targeted Balance	Basis for Target Maximum Level of Funding
Parking Operations	Net revenue from parking operations	- Transfer of annual net parking operations revenue - Interest on reserve fund balance	- Parking lot acquisition, construction and improvements - Purchase of parking control equipment	\$ 1,252,992	\$ 511,309	\$ 741,683	\$ 5,837,700	- Maximum balance of 10% of total estimated replacement cost of parking infrastructure owned by the City Estimated replacement cost as at December 31, 2019: \$58,377,000 x 10% = \$5,837,700	- Maximum balance of total estimated replacement cost of parking capital assets
Water & Wastewater Surplus Reserve	To support water and wastewater capital needs	- annual net water and wastewater account activity	- water and wastewater capital improvements	\$ 4,804,089	\$ -	\$ 4,804,089	\$ 89,480,000	Upper limit based on 4% of the current estimated water replacement value of \$1,317M and wastewater replacement value of \$920M	
TOTAL CONTINGENCY				\$ 24,128,494	\$ 17,540,376	\$ 6,588,118			
DISCRETIONARY									
Operating Project Fund	Fund community projects, external cultural and community improvement initiatives. Used to fund significant new facility construction and/or purchases	- Proceeds from St. Catharines Hydro Inc. / Hamilton Hydro Inc. merger in 2005 - Interest income - internal loan re: construction of Seymour Hannah - Interest on reserve fund balance - Sale of land	- Community grants - Interest paid to support Operating Fund - Cultural Investment Program - Physician Recruitment - Heritage Grant Program - Habitat for Humanity - Contributions towards major capital projects	\$ 9,122,956	\$ 4,946,739	\$ 4,176,217	\$ 75,440,000	- Maximum balance of 10% of net City assets. Net City assets as at December 31, 2018: \$754,400,000 x 10% = \$75,440,000	- Maximum balance of estimated replacement cost of major City facilities including: First Ontario Performing Arts Centre, Meridian Centre, Seymour Hannah, Kiwanis Aquatic Centre
NON-DISCRETIONARY (OBLIGATORY)									
Building Code	Net building permit fees - Provincial legislation	- Transfer of annual net building permit income (if any) - Interest on reserve fund balance	- Transfer to cover annual net building permit deficit (if any)	\$ 2,487,536	\$ 100,289	\$ 2,387,247	\$ 2,729,994	- Maximum balance of one year's worth of building permit department's revenues. Balance represents 2020 budgeted revenues for Building & Plumbing department - Sufficient to cover future potential net building permit deficits	
Gas Tax Reserve - Provincial	Public transportation	- Payments from Provincial Government to fund public transportation - Interest on reserve fund balance	- Transfers to St. Catharines Transit for upgrades to public transportation infrastructure	\$ 2,209,642	\$ 2,209,642	\$ -	- N/A - funding levels set by Ministry of Transportation	- N/A - funding levels set by Ministry of Transportation	- Transit priorities set by St. Catharines Transit. Funds received are flowed through to Transit as per their approved Capital Budget and Forecast
Gas Tax Reserve - Federal	Infrastructure projects - roads sewers, watermain	- Payments through Association of Municipalities of Ontario on behalf of the Federal Government - Interest on reserve fund balance	- Eligible project costs for infrastructure supporting cleaner air, cleaner water or reduced greenhouse gas emissions in accordance with Federal Gas Tax Agreements	\$ 6,458,682	\$ 6,458,682	\$ -	- N/A - funding levels set by Infrastructure Canada (Federal Government)	- N/A - funding levels set by Infrastructure Canada (Federal Government)	- Project priorities set by City Council and staff and are approved as part of the Capital Budget and Forecast.
Payment in Lieu of Parkland	5% cash-in-lieu of parkland dedication - Sec 542(15) Planning Act	- Cash payments made by the developer to the municipality in lieu of conveyance of land - Interest on reserve fund balance	- Parkland construction and improvements	\$ 2,512,341	\$ 184,205	\$ 2,328,136	- N/A - Contributions dependent upon development activity therefore upper limit not applicable	- N/A - Annual contributions dependent upon development activity - Funds should be utilized in a timely manner in accordance with the Planning Act upon receipt rather than remaining in reserve indefinitely	- N/A - Contributions dependent upon development activity therefore upper limit not applicable

City of St. Catharines - Reserves and Reserve Funds

Management Services, Director 2021 Operating Budget	Reserve Name	Purpose	Revenues	Expenditures	Reserve Balance	Commitments	Available Balance	Targeted Balance	Basis for Targeted Balance	Basis for Target Maximum Level of Funding
	Future Sidewalks	When sidewalk requirements are waived by Council the funds are placed in a reserve for a period of 20 years	- Transfer of sidewalk deposits - Interest on reserve fund balance	- Sidewalk construction and improvements	\$ 1,207,107	\$ 1,207,107	\$ -	- N/A - Contributions dependent upon development activity therefore upper limit not applicable	- N/A - Annual contributions dependent upon development activity - Funds should be utilized in a timely manner upon receipt rather than remaining in reserve indefinitely	- N/A - Contributions dependent upon development activity therefore upper limit not applicable
	Subdivider Deposits	Fund expenditures for the specific subdivision	- Payments from developers held by the municipality as a deposit	- Refund of deposit back to developer upon successful completion of project - Amount taken from deposit and moved into revenue if developer unable to complete work and City is required to complete works	\$ 696,156	\$ 696,156	\$ -	- N/A - Contributions dependent upon development activity therefore upper limit not applicable	- N/A - Annual contributions dependent upon development activity - Funds should be utilized in a timely manner upon receipt rather than remaining in reserve indefinitely	- N/A - Contributions dependent upon development activity therefore upper limit not applicable
	Residential Development Charges	Fund growth-related net capital costs for which the Development Charge was imposed - Sec 16(1) <i>Development Charge Act</i>	- Payments from developers collected to fund growth related capital expenditure - Interest on reserve fund balance	- Eligible project costs for capital projects defined and listed in the approved Development Charge Background Study and By-Law	\$ 3,990,203	\$ 1,295,648	\$ 2,694,555	N/A	- Development Charges set in accordance with the approved Development Charge Background Study and By-Law - Balance collected sufficient to fund growth related expenditures as per Development Charge Background Study and By-Law	- Development Charges set in accordance with the approved Development Charge Background Study and By-Law
	TOTAL NON-DISCRETIONARY (OBLIGATORY)				\$ 19,561,667	\$ 12,151,729	\$ 7,409,938			
WORKING CAPITAL										
	Hydro Funds	One time hydro funding source	-One time special dividend received from Hydro	-Operating Budget support	\$ 520,217	\$ 313,000	\$ 207,217	- N/A - One-time funding	- N/A - One-time funding. Usage to be determined by Council within this report	
TAX RATE STABILIZATION RESERVE										
	Tax Rate Stabilization Reserve	Minimize the fluctuation of tax rate increases due to extraordinary or unforeseen events. Provides an alternative to raising total tax levies	- Annual operating budget contribution - Transfer of annual operating budget surplus	- Annual operating budget contribution - Unforeseen expenditures that may occur - Unbudgeted/new expenditures	\$ 844,197	\$ 686,457	\$ 157,740	\$ 10,837,000	- Maximum balance of 5% to 10% of annual total tax levies. 2020 budgeted tax levies: \$108,373,220 x 10% (maximum) = 10,837,000	- Three years worth of inflation x total operating expenditures - Three years worth of total tax levy increases
TOTAL RESERVE AND RESERVE FUNDS					\$ 73,285,996	\$ 50,635,524	\$ 22,650,471			



Corporate Report City Council

Report from: Office of the Chief Administrative Officer

Report Date: November 13, 2020 **Meeting Date:** November 18, 2020

Report Number: CAO-180-2020 **File:** 10.4.19

Subject: COVID-19 Corporate Adaptations and Enhancements

Strategic Pillar: 

Recommendation

That Report CAO-180-2020, regarding COVID-19 Corporate Adaptations and Enhancements, be received for information. FORTHWITH

Summary

The COVID-19 pandemic continues to alter the way staff think about providing service to residents. Throughout the pandemic, staff have worked on implementing innovative ways to deliver services to residents. These measures have improved the efficiency of service delivery in a number of areas and have improved safety for staff and residents. This report provides detail regarding the Corporate enhancements and efficiencies implemented by City staff as a response to the COVID-19 pandemic.

Relationship to Strategic Plan

City staff are responding to the ongoing COVID-19 pandemic as it has affected the economic, social, environmental and cultural sustainability of the City. Staff are focusing on mitigating the impact COVID-19 has had on the community, staff and the City, and are supporting the delivery of the Strategic Plan through new and innovative ways. As the pandemic continues, staff will continue to adapt that delivery and react to future issues.

Background

On March 12, 2020, the City of St. Catharines partially activated its Emergency Operations Centre (EOC), to support the work of the Municipal Emergency Control Group (MECG) in their response to COVID-19 pandemic and the provision of essential services.

Throughout the pandemic, the City, through the MECG, has had to adapt its service delivery model to adhere to constantly changing restrictions and guidelines issued by the Province of Ontario with respect to the safe operation of facilities and safe service

delivery. These restrictions range from offering essential services only (Phase 1 of Ontario's Framework for Reopening) to offering almost all services with social distancing restrictions and guidelines in mind (Phase 2: Stage 3 of Ontario's Framework for Reopening).

Over the past nine months, staff have implemented a number of strategies throughout the corporation that emphasize our ability as a City to rethink what we do, and how we do it, and to retool our systems and services to continue to provide exceptional service to all residents.

Report

Staff have implemented a number of efficiencies, adaptations and enhancements throughout the corporation during the COVID-19 pandemic in an effort to address:

- **Service Delivery:** How can we continue to provide as many services as possible to residents?
- **Staffing:** How can we reallocate and relocate staff to adapt to the City's changing needs during the pandemic?
- **Safety:** How can we ensure residents and staff are safe while providing service delivery?
- **Financial Stability:** How can we ensure the City is being left in the strongest financial position possible while providing an acceptable level of service to residents?
- **Preparation:** How can we better prepare the City for a second wave, or a future pandemic of this scale?

The goal of each of these measures is to enable our ability to provide service to residents while ensuring safe and sustainable operation. Many of the measures below have been implemented with the intention of retaining them permanently as part of the City's ongoing service delivery. Details regarding each efficiency, adaptation or enhancement have been included below:

Service Delivery

Remote Customer Service Expansion

Providing services remotely allows staff to deliver exceptional service while promoting a safe environment for residents and staff by minimizing the need for residents to visit a facility in person. In cases where follow-up with residents is required, staff can facilitate contact via phone, or in-person via appointment.

Staff have ensured several services can now be accessed partially or fully online through the City website, including:

- Building Permit Applications
- Licensing
- Commercial Permit Applications
- By-law Enforcement Inquiries

For services that cannot be fully completed online, staff have arranged for alternatives to be available including mail-in and scheduled drop off for required documentation.

Staff are continuously looking for opportunities to add additional services to this list, and have begun initial discussions with the Region to leverage some of the work they have invested in with respect to software.

Online Booking Application

In an effort to mitigate foot traffic at City facilities, staff developed an application to allow residents to book appointments remotely, rather than having to do so in person. This application has helped reduce traffic and improve safety for staff and residents by promoting social distancing. This application also makes it more convenient for residents to schedule time to speak with City employees about concerns, questions or any service needs they may have.

Additionally, the application has improved the efficiency of several services as staff have access to appointment information, which allows for preparation prior to the interaction, and appointment volumes which encourages appropriate staffing levels.

Virtual Experience Portal

In conjunction with the City's Communications department, CRCS has created a Virtual Experiences Portal on the City's website to provide a user-friendly one-stop location to discover all of the virtual programming that the City offers. The portal will also include virtual programming provided by the Library, FirstOntario Performing Arts Centre and Meridian Centre.

The Community, Recreation and Culture Services (CRCS) department is specifically focused on delivering services within three areas: Community Engagement and Development, Virtual Programming and Innovation.

These activities include programming and classes from Community Centres and Senior Centres, including the Senior Centres without Walls program.

Online Tax Certificates Platform

Staff are currently working on launching an online tax certificates platform called Tax Certificates Online (TCOL). The platform provides interested parties the ability to acquire tax certificates through an online portal, alleviating the need to do so in person, and saving time and effort for users and staff.

The platform will offer users the ability to securely request a tax certificate electronically and includes the ability to pay for the service online. This platform reduces the previous wait time for a tax certificate (days) to near instant service delivery.

EDTS Online Service Enhancements

As a response to the COVID-19 pandemic and the resulting public health restrictions, EDTS staff adapted their services by shifting to online meetings and consultations with clients to ensure a timely response to ongoing investment inquiries. In addition to this,

the St. Catharines Business Enterprise Centre moved its services to an online focus, offering regular webinars to the business community on a range of relevant topics. The Digital Service Squad funded through the Digital Main Street program also shifted to weekly webinars and online consultations while also offering a regular “Virtual Markets” and other virtual events to highlight and encourage support for local business.

With the rapid changes coming as a result of the COVID-19 pandemic, EDTS staff worked to further enhance communications to local businesses by establishing a COVID-19 resources page on www.investinstc.ca, providing a centralized source for up-to-date information for the business community inclusive of public health guidelines as well as supports and programming provided to businesses from all levels of government and other agencies.”

Staffing

Temporary Workforce Reduction and Reassignment

As part of the City’s response to Provincial orders to further reduce services, the City initiated workforce reductions within the full-time employee population. Identifying that some employees may be interested in stepping away from the workplace during the pandemic, staff from CUPE Locals 150 and 157 were also offered the option to volunteer to be included in pending workforce reductions.

The restrictions created by COVID-19 and the provincial response necessitated a review of staffing levels throughout the corporation. Throughout the pandemic, staff have been brought back to work as the province has progressed through its Framework for Reopening.

Safety

Staff Screening Tool

Provincial directives require employers to pro-actively screen employees reporting to workspaces for COVID-19 risk every day.

As a result, the City worked with the Region and developed an online form in-house which allows staff to perform a daily screen prior to arriving at work. Staff can access the online form via an app on their phone, or via www.stcatharines.ca/screening.

Supervisors receive reporting that details completed surveys for direct reports which allows them to follow up with staff who have not completed their daily screen, and to identify any potential concerns by highlighting failed screens.

Remote Work Policy

Due to the pandemic and the closure of City facilities, a number of staff were displaced and began working remotely out of necessity. Given the immediate need, the corporation created a remote work policy, and the IT team has developed a time keeping portal to capture the status of staff and better understand the volume of remote staff at any given time.

These tools allow City staff to easily work remotely or in the office, and have better prepared the City and the systems we use to facilitate remote work for any future facility closures that would necessitate a mass migration to remote work.

Physical Safety Protocol

During the widespread facility closures, the recovery team prepared a PPE strategy that would improve safety for staff, residents and service providers upon facility reopening.

This strategy included:

- Increased cleaning of surfaces
- Designated staff/resident entrances
- Newly designated staff only areas within facilities
- A greeter/screener at main entrances for large facilities
- Hand sanitizer at key locations throughout facilities
- Policy & Procedure regarding the use of masks

These measures were implemented as facilities began to reopen. Staff continue to review and refine these measures as necessary, and continue to follow the direction of Public Health.

Financial Stability

Temporary Facility Closure

During Phase 1 and Phase 2 of the Provinces Framework for Recovery, staff made a number of decisions regarding the closure of facilities due to changing restrictions that impacted the City's ability to deliver services to residents. The temporary closure of these facilities allowed staffing levels to be temporarily reduced or reallocated, and reduced utility costs to mitigate the loss of revenue.

As the Province has progressed through its Framework for Recovery, staff have continued to bring facilities and the services they provide back on line as necessary.

Discretionary Expense Reviews

In an effort to mitigate the financial impact of COVID-19, staff initiated a Discretionary Expense Review with all departments to reduce the amount of discretionary spending in 2020. This exercise resulted in operational savings relating to travel, office supplies, meeting expenses, conferences and mileage due to office closure, travel restrictions and cancelled conferences and events that assist towards mitigating the financial impact of COVID-19 on the City's 2020 budgets.

Funding Applications

Staff have been proactively engaging with upper levels of government and reiterating the need for financial assistance to mitigate the impact of COVID-19. To date, staff have applied to several grants that provide financial assistance for COVID-19 related expenses and lost revenue:

Safe Restart Agreement Phase 1

In August, 2020, The City was awarded \$3,623,600 to alleviate COVID-19 operating costs and pressures. Additionally, the St. Catharines Transit Commission was awarded \$3,849,909 to support all COVID-19 related transit pressures.

Safe Restart Agreement Phase 2

An additional submission window was created for the Safe Restart Agreement where the initial award did not fully cover the expenses and lost revenue related to COVID-19. Staff submitted an application for additional funding under Phase 2 on November 6, 2020, and are awaiting a response from the Province.

Investing in Canada Infrastructure Program (ICIP) – COVID-19 Resilience Stream

The City has been allocated up to \$1,030,936 to be used towards eligible projects under the ICIP COVID-19 Resilience Stream, including:

- Retrofits, Repairs and Upgrades for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure;
- COVID-19 Response Infrastructure, including measures to support physical distancing;
- Active Transportation Infrastructure, including parks, trails, foot bridges, bike lanes and multi-use paths; and
- Disaster Mitigation and Adaptation, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

Staff are in the process of preparing an application in time to be submitted by the December 21, 2020 deadline.

Museums Assistance Program (MAP): COVID-19 Emergency Fund for Heritage Organizations

On May 8, 2020, the Federal Government of Canada announced up to \$53 million in relief funding would be made available to museums through the Museums Assistance Program (MAP) to address the challenges and impacts of the COVID-19 pandemic.

The City of St. Catharines submitted an application to the MAP and was successful in securing \$82,524 in funding for the St. Catharines Museum and Welland Canal Centre.

Small Business Support

Economic Development and Tourism (EDTS) staff continue to advance several marketing and outreach supports for local small businesses. Staff have successfully secured \$264,000 in co-operative funding to enhance program offerings to assist our local businesses.

Preparation

Advanced Planning Team

Early on in the pandemic, the MCEG designated an Advanced Planning Team to focus on the resurgence, or “second wave” of COVID-19 and how to navigate that challenge. As a result, the Advanced Planning Team published “Our COVID-19 Resurgence Plan” which focuses on the City’s response to a resurgence, challenges, along with an

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offensive plan (which involves reclosing facilities and programming) and a defensive plan (which involves preventive measures including risk management and mitigation).

As we continue to see a spike in cases globally, staff are closely monitoring local COVID-19 statistics, following the guidance of public health, and are prepared to act on strategies outlined by the Advanced Planning Team.

Financial Implications

While there are no direct financial implications for this report, the measures detailed above have been implemented in an effort to put the City in the strongest financial position possible.

Staff will continue to explore ways to effectively manage City budgets and mitigate the costs and impacts of COVID-19 moving forward. Additional updates to Council regarding the financial status of the City will be made available as required.

Conclusion

The City continues to face the reality of the COVID-19 pandemic as it relates to the health and safety of our residents and staff, and our financial stability as a corporation. While financial mitigation measures have been implemented, and while financial assistance is coming, the reality is the City will experience the impacts of COVID-19 and its associated financial challenges for years to come.

Throughout the pandemic, staff have worked on implementing innovative ways to deliver services to residents. These measures have improved the efficiency of service delivery in a number of areas and have improved safety for staff and residents. They have also allowed staff to minimize any service interruptions and will assist in providing more consistent and timely service in the future. Moving forward, staff will continue to find and implement new solutions for service delivery, and operation of the corporation.

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