



**The Corporation of the City of Stratford
Committee of the Whole In-camera Session
Minutes**

A meeting of the Committee of the Whole was held in In-camera Session on Tuesday, April 14, 2020 in the Council Chamber, City Hall, 1 Wellington Street, Stratford and with electronic participation at 1:01 p.m.

Present in

Council Chambers: Mayor Mathieson - Chair presiding

Council Present Electronically: Councillors Beatty, Bunting, Burbach, Clifford, Gaffney, Henderson, Ingram, Ritsma, Sebben and Vassilakos.

Regrets:

Staff Present

in Council Chambers: Joan Thomson – Acting CAO, Jacqueline Mockler – Director of Human Resources, Tatiana Dafoe – Acting Clerk

Staff Present Electronically:

Michael Humble – Director of Corporate Services, Ed Dujlovic – Director of Infrastructure and Development Services, David St. Louis – Director of Community Services, John Paradis - Fire Chief, Kim McElroy - Director of Social Services, Paula Lombardi - City Solicitor, *Jeff Leunissen - Manager of Development Services [Item 4.1]

Prior to going to In-camera session, Item 1.0 was dealt with in open session.

Call to Order by Mayor Mathieson

"Strengthening Our Community: Attracting People and Investment"

1.0 Adjournment into In-camera Session

Motion by Councillor Vassilakos and Councillor Ingram

THAT the meeting adjourn to an In-camera Session to discuss:

■ [REDACTED]

**5.1 COVID-19 Financial Position Update
[Personal matters about an identifiable individual(s) including
municipal employees or local board employees (section 239.(2)(b)),
And
Security of municipal property of the municipality or local board
(section 239.(2)(a))];**

■ [REDACTED]

■ [REDACTED]

Carried

The meeting then adjourned to an In-camera session.

■ [REDACTED]

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5.0 Report of the Director of Corporate Services

- 5.1 COVID-19 Financial Position Update
(Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)), And Security of municipal property of the municipality or local board (section 239.(2)(a)))

Objective: To review the financial position of the City.

Attachments: Library Update
Police Services Update

Background: At the in-camera Council meeting of 30th March 2020, the Treasurer identified several areas of financial risk to the City as a result of the Covid-19 response plan.

With two weeks of time elapsed, it is now possible to review whether these projections are being borne out in reality and whether any update to projections is warranted.

Since staff were directed to use primarily one-time sources of funding to offset ongoing operational revenue deficiencies, we will also present the list of capital projects that have been selected for deferral until 2021, to be used successively as monthly revenue shortfalls require.

Analysis: Specific recommendations and direction given to staff were the following:

1. "Waiver of penalty and interest related to the 9th April property tax instalment due date and stop all progressive collection activities until 30th August 2020"

With no history of such an event to draw upon staff suggested that 10% - 20% of the instalment amount could be at risk of default (\$1.9million to \$3.7million)

On 10th April, the actual amount of default was approximately \$4million (usually around \$1million). So the additional \$3m can be loosely attributed to Covid-19.

The penalty waived was on 10th April was approximately \$50,000 (compared to \$46,000 projected in our estimated impact)

2. "Waive penalties, interest, late payment charges and other fees related to water and sewer billing and suspend all progressive collection activities until August 30, 2020"

This direction is now in place for the April 30th billing cycle

3. "Provide free parking until May 31, 2020 or the commencement of the Festival Theatre season"

| Paid Parking | Mar-20 | Apr-20 | May-20 |
|---------------------|---------------|---------------|---------------|
| Original Projection | 52,000 | 205,000 | 205,000 |
| Revised Actual | 75,000 | | |
| Revised Projection | | 205,000 | 205,000 |

4. "Waive interest on any general invoices from the City until 31st May 2020"

1st April interest waived was \$250

5. "Suspend the non-sufficient fund administration fee for returned payments until 31 May 2020"

Eight NSF fees waived to date @\$40

6. "Provide credits or refunds for cancelled city-run community programs and services"

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\$1,995 refunded in Daycare and \$3,375 hall rental refunds in Community Services.

It is still early days and we expect to see number of requests for refunds increasing in April and May.

7. "Provide free transit until August 30, 2020"

| Free Transit | Mar-20 | Apr-20 | May-20 |
|---------------------|---------------|--------|--------|
| Original Projection | 40,000 | 76,000 | 76,000 |
| | | | |
| Revised Actual | 47,000 | | |
| Revised Projection | | 76,000 | 76,000 |

Revenue Streams That Received No Council Direction But Are Impacted By Facility Closure

8. Closure of Landfill to the Public

The debit machines at the Landfill Office have been fully tested and are working as intended. Understand that the Landfill Site will be opening to the public Tuesday 14th April 2020 and now accepting chip and PIN / contactless payments.

Finance will be ordering two wireless units that may be more convenient to use than the current corded hardware.

The forecasts for April and May have been duly revised.

| Landfill Closure to the Public | Mar-20 | Apr-20 | May-20 |
|--------------------------------|---------------|--------|--------|
| Original Projection | 15,000 | 40,000 | 40,000 |
| | | | |
| Revised Actual | 14,300 | | |
| Revised Projection | | 25,000 | - |

9. Closed Community Centres

| Recreation Facilities Rental | Mar-20 | Apr-20 | May-20 |
|------------------------------|----------------|---------|---------|
| Original Projection | 90,000 | 180,000 | 180,000 |
| | | | |
| Revised Actual | 151,950 | | |
| Revised Projection | | 180,000 | 180,000 |

10. Closed Anne Hathaway Day Care

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| Anne Hathaway Day Care | Mar-20 | Apr-20 | May-20 |
|-------------------------------|---------------|---------------|---------------|
| Original Projection | 40,000 | 54,000 | 54,000 |
| Revised Actual | 45,504 | | |
| Revised Projection | | 54,000 | 54,000 |

The re-opening of Anne Hathaway to service the children of essential service workers would be provincially funded if approved, but the loss of budgeted public childcare fees would still be a loss to the City.

There are many other smaller sources of revenue which are declining due to facility closures and the general economic slowdown. Many are still currently small in dollar terms, but will progressively grow as the situation continues.

For example:

| Description | GL Line | 2020 YTD | 2019 YTD | Difference |
|---------------------|---------|----------|----------|------------|
| Service Charges | 1360 | 2,250 | 11,698 | - 9,448 |
| Tax Certificates | 1380 | 3,805 | 6,205 | - 2,400 |
| Zoning Applications | 1420 | 4,432 | 10,696 | - 6,264 |
| Rentals & Leases | 1470 | 318,110 | 333,925 | - 15,815 |

Summary of Revenue Projections vs Actuals YTD March 2020

Our projected loss from identified revenue streams for March 2020 was \$237,000

Our actual revenue loss from those identified revenue streams for March 2020 was \$333,750

Projections for future loss of revenue have not changed significantly from original estimates, remaining in the \$500,000 to \$600,000 range per month for April and May.

Removal of the non-union COLA 1.5%, not hiring temporary seasonal positions and reducing the use of part time transit staff have not had time to represent in current YTD expenses, and should have a savings of approx. \$190,000 per month for April and May.

Operating revenue shortfalls are most appropriately addressed by reductions in operating expenditures, and since payroll expenses are 37% of total operating expenses, this is typically an area to consider reducing costs in a meaningful and significant way.

Gapping vacant positions has been mentioned as one method of addressing revenue shortfalls, but

- YTD 2020 payroll costs are 2.83% higher than 2019 levels
- YTD 2020 payroll costs are right on budget at 25.04% after three months to end of March 2020

Suggesting positions may have been backfilled by contract or part time staff

In place of meaningful expenditure reductions, staff have been asked to consider one-time sources of funding to offset monthly operating shortfalls.

1. There is \$641,362.02 surplus from the 2019 fiscal year that can be used to offset revenue reductions for as long as that sum lasts.
2. Staff have been asked to review and recommend deferral of approved 2020 capital projects and use the allocated funding to offset revenue shortfalls. Note, this is DEFERRAL of a project which will certainly reappear in the 2021 fiscal year. It is not addressing CURRENT revenue shortfalls with CURRENT real expenditure reductions.

Staff have identified the following approved capital projects that could be deferred until 2021. The funding (reserve transfers) would then be freed up in 2020 to offset current revenue shortfalls.

They have been sorted into Group One, Two and Three.

We would start with deferring group one projects. Once the one-time funding is used up on recurring shortfalls, we would move on to defer projects in Group Two and Group Three, as needed.

Once all capital funding is exhausted in this manner, and if the revenue situation still continues, then another strategic approach would be required.

| Capital Project Deferrals To Offset Revenue Losses | | | | | |
|---|---------------|-----------|--------------|---------------------|------------|
| | Budget | | | City Reserve | |
| | Approved | Revised | Deferral | | |
| Group One Capital Deferrals | | | | | |
| Linear Infrastructure | | | | | |
| Queen Street Storm Trunk Sewer | \$ 14,470,000 | \$ - | \$ 1,580,000 | \$ (1,580,000) | R-R11-STRM |
| | | | \$ 220,000 | \$ (220,000) | R-R11-PWCA |
| Parking | | | | | |
| Mobile Parking Payment System | \$ 20,000 | \$ - | \$ 20,000 | \$ (20,000) | R-R11-PRKG |
| Pay by Plate Enhancements | \$ 57,000 | \$ - | \$ 57,000 | \$ (57,000) | R-R11-PRKG |
| Smart Parking Project | \$ 150,000 | \$ - | \$ 150,000 | \$ (150,000) | R-R11-PRKG |
| Fire | | | | | |
| Aerial Apparatus Replacement | \$ 400,000 | \$ - | \$ 400,000 | \$ (400,000) | R-R11-FIRE |
| | | | TOTAL | \$ 2,427,000 | |
| Group Two Capital Deferrals | | | | | |
| Fleet | | | | | |
| Sidewalk Tractor | \$ 150,000 | \$ - | \$ 150,000 | \$ (150,000) | R-R11-FLET |
| Supervisor Truck | \$ 60,000 | \$ - | \$ 60,000 | \$ (60,000) | R-R11-FLET |
| Wheel Loader | \$ 200,000 | \$ - | \$ 200,000 | \$ (200,000) | R-R11-FLET |
| 4" Pump Trailer | \$ 50,000 | \$ - | \$ 50,000 | \$ (50,000) | R-R11-FLET |
| Shop Hoist | \$ 50,000 | \$ - | \$ 50,000 | \$ (50,000) | R-R11-FLET |
| Engineering Vans (2) | \$ 90,000 | \$ - | \$ 90,000 | \$ (90,000) | R-R11-FLET |
| Fuel Tanks | \$ 30,000 | \$ - | \$ 30,000 | \$ (30,000) | R-R11-FLET |
| City Buildings | | | | | |
| City Hall - Front Stair Maintenance | \$ 25,000 | \$ 15,000 | \$ 10,000 | \$ (25,000) | R-R11-FACI |
| City Hall - Painting | \$ 20,000 | \$ - | \$ 20,000 | \$ (20,000) | R-R11-FACI |
| Justice Building - Ventilation for Drug Room | \$ 10,000 | \$ - | \$ 10,000 | \$ (10,000) | R-R11-FACI |
| Justice Building - Flooring Replacement | \$ 10,000 | \$ - | \$ 10,000 | \$ (10,000) | R-R11-FACI |
| Justice Building - Accessible Ramp Study & Design | \$ 30,000 | \$ - | \$ 30,000 | \$ (30,000) | R-R11-FACI |
| Library - Second Floor Washroom | \$ 10,000 | \$ 5,000 | \$ 5,000 | \$ (10,000) | R-R11-FACI |
| Library - Basement Washroom | \$ 15,000 | \$ - | \$ 15,000 | \$ (15,000) | R-R11-FACI |
| 47 Downie Building - Masonry Repairs | \$ 65,000 | \$ - | \$ 65,000 | \$ (65,000) | R-R11-FACI |
| Annex - Masonry Repairs | \$ 15,000 | \$ - | \$ 15,000 | \$ (15,000) | R-R11-FACI |
| Normal School - HVAC Unit Replacement | \$ 25,000 | \$ 40,000 | \$ (15,000) | \$ (25,000) | R-R11-FACI |
| Perth & Stratford Housing Corporation | | | | | |
| Card Lock Systems | \$ 300,000 | \$ - | \$ 300,000 | \$ (300,000) | R-R11-SSCA |
| Fire Alarm System Equipment | \$ 268,000 | \$ - | \$ 268,000 | \$ (268,000) | R-R11-SSCA |
| | | | TOTAL | \$ 1,363,000 | |
| Group Three Capital Deferrals | | | | | |
| Community Services Facilities | | | | | |
| Water Fountains at SERC, Upper Queens, Pool | \$ 24,000 | \$ - | \$ 24,000 | \$ (24,000) | R-R11-RECR |
| Rotary Lot Patch Work | \$ 30,000 | \$ - | \$ 30,000 | \$ (30,000) | R-R11-RECR |
| Lions Pool Condition Assessment | \$ 30,000 | \$ - | \$ 30,000 | \$ (30,000) | R-R11-RECR |
| Scissor Lift | \$ 40,000 | \$ - | \$ 40,000 | \$ (40,000) | R-R11-RECR |
| Ice Resurfacers at Dufferin | \$ 95,000 | \$ - | \$ 95,000 | \$ (95,000) | R-R11-RECR |
| | | | TOTAL | \$ 219,000 | |

Financial Assistance From Outside Boards

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The financial challenges facing the City also has an impact on our ability to fully fund the approved budgets of our outside Boards.

In the spirit that all funded budgets need to be reviewed in light of changed circumstances all have been asked to update Council on revised budget requirements and any financial strategies that may be implemented to reduce costs in the short to medium term.

Responses from the Stratford Police Services Board and Stratford Public Library Board are attached as Appendix One and Two for Council's consideration.

Responses from InvestStratford or Stratford Tourism Alliance have not been received at time of writing, but are considered critical to demonstrate a shared response to our financial challenges.

Financial impact: As noted

Alignment with Strategic Priorities: Strengthening our Plans, Strategies and Partnerships

Staff Recommendation: THAT the report of the Director of Corporate Services dated 14th April 2020 regarding a financial update of the City be received,

AND THAT further response actions to reduce the financial impact to the City be considered by Council,

AND THAT responses be sent to the Stratford Police Services Board and Stratford Public Library Board,

AND THAT InvestStratford and Stratford Tourism Alliance be requested to submit budget reviews by 17th April 2020 for Council consideration,

AND THAT a reassessment be undertaken by 31st May 2020 to evaluate the effectiveness and ongoing need for temporary response measures that have been implemented.

In-camera Discussion: The Director of Corporate Services provided an overview of the report and advised of the actual loss of revenue for the month of March. The projected loss from identified revenue streams for March 2020 was \$237,000 and the actual revenue loss was \$333,750.

The Corporate Leadership Team completed a review of 2020 Capital Projects and identified the projects to be deferred in three phases.

Outside boards were also contacted to review their budgets and to provide efficiencies. To date, Stratford Police Services and the Stratford Public Library responded. Direction is requested to seek a response from investStratford and Stratford Tourism Alliance by April 17, 2020.

Whether the surplus can be kept in the Tax Stabilization Reserve was questioned. The Director advised Council can decide how a surplus is used.

The calculations for the loss of transit revenue were questioned. The Director advised the amount budgeted is divided by 12. It was noted seasonality does affect the monthly revenue but that this is the best projection.

A request was made for advisory committee budgets to be reviewed. The Director advised they can be although it will be a small amount for reduction.

It was questioned whether the Redford Crescent project and the Lion's Pool condition assessment are being deferred. Mayor Mathieson advised the provincial declaration of emergency was extended for 30 days. It is anticipated more information will be known on social distancing measures in May. The Director of Infrastructure and Development Services advised the Redford Crescent project is proceeding as funding is from the gas tax.

In-camera Direction: Motion by Councillor Clifford and Councillor Ritsma
THAT the report of the Director of Corporate Services dated 14th April 2020 regarding a financial update of the City be received;

AND THAT further response actions to reduce the financial impact to the City be considered by Council;

AND THAT acceptance of the offers be sent to the Stratford Police Services Board and Stratford Public Library Board;

AND THAT InvestStratford and Stratford Tourism Alliance be requested to submit budget reviews by 17th April 2020 for Council consideration;

AND THAT a reassessment be undertaken by 31st May 2020 to evaluate the effectiveness and ongoing need for temporary response measures that have been implemented. Carried

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