

Municipality Of Chatham-Kent

Finance, Budget & Information Technology Services

Administration

To: Mayor and Members of Council

From: Gord Quinton, MBA, CPA, CGA
Chief Financial Officer / Treasurer

Date: June 14, 2020

Subject: Update – Financial Resiliency & Covid-19

Recommendation

If, as a result of the provincial government's reopening strategies in Phase 2 of the pandemic, it is the will of Council to restore certain services previously decided upon to be closed for the entirety of the spring/summer seasons, then it is recommended that Council approve the following, understanding this reduces the \$450,000 savings that were attached to these closures:

1. Opening of Library curbside pick-up at Chatham followed by Wallaceburg, Tilbury then Ridgeway.
2. Increased level of service at marinas and campgrounds as outlined in Chart 1.
3. Increased level of service at beach parks as outlined in Chart 1.
4. Increased level of service at sports fields, tennis and skateboard parks as outlined in Chart 1.
5. Opening of John D. Bradley Convention Centre while following provincial regulations for social distancing as described in Chart 1.

Background

At the May 11th, 2020 meeting, Council approved motions related to the report on Financial Resiliency and Covid-19. Recommendation #2 is copied below:

Council approve the following actions to recover \$2 million of tax dollars to responsibly respond to the financial pressures on municipal operations not directly impacted by Covid-19:

Close or adjust the following services for the duration as recommended by Dr. David Colby MOH of Chatham-Kent and Dr. David Williams CMOH for the province of Ontario where it is feasible:

- a. *Arenas for ice and non-ice activities*
- b. *Outdoor pools*
- c. *Reduced service level of grass cutting for all sports fields and parklands*
- d. *Reduced service levels of grass trimming*
- e. *Elimination of horticultural flower planting and maintenance*
- f. *Recreation programming – except virtual recreation programming for all ages*
- g. *Summer Camp Programs*
- h. *Cancellation of hiring summer students across the organization with the exception of Public Health, Riverview Gardens and Engineering*
- i. *Cancellation of computer desktop replacement program for 2020*
- j. *Capture of travel and conference training savings due to cancellations*
- k. *Capture of employee benefit savings related to closure of non-essential service providers*
- l. *Capture of utility savings of closed facilities and changes to electricity costing*
- m. *Indoor Pools*
- n. *Outdoor Soccer fields and baseball facilities*
- o. *Splash pads, tennis courts, skateboard parks and playground equipment*
- p. *Marinas and campgrounds*
- q. *Special events on municipal property*
- r. *Banner hanging in downtowns*
- s. *Museums, theatres and cultural facilities*
- t. *Libraries*
- u. *John D. Bradley Convention Centre (except for temporary shelter)*
- v. *Recreation halls / meeting room rentals*

This report is seeking the direction from Council on previous decisions regarding the reduction of services and/or closing of services now that we are entering Phase 2 of the pandemic which permits some openings under the Ministry of Health (MOH) and our local Medical Officer of Health (MOH) guidelines.

Comments

Under updated provincial orders and reviewed by Dr. Colby, Chatham-Kent's MOH, some municipal operations may come back into services as indicated in Chart 1 below:

Chart 1: Items for Council to Consider

Items presented to Council on May 11, 2020 as cost saving measures	Ontario Opening Guidelines Stage 2	EMT Recommendations for Council to Consider	Cost
Libraries	Curb-side pick up is allowed. Library facilities can be open but patrons are not allowed to handle any books or materials on shelves; strict guidelines and limitations are in place regarding physical distancing, sanitizing spaces, environmental barriers to ensure safety of staff and patrons.	Curb-side pick-up to begin immediately following council approval and will be implemented slowly over the next 4-6 weeks beginning in Chatham, followed by Wallaceburg and then Tilbury and Ridgeway. Reassessment will take place once curb-side is running smoothly. Library facilities to remain closed at this time until we are able to ensure the safety of staff and patrons and assess the environmental modifications required in the branches to open.	\$295,000
Tennis courts and skateboard parks	Tennis courts and skateboard parks are allowed to be open	Tennis courts and skate parks have been opened.	\$155,000 impact to Recreational
Outdoor soccer fields and baseball facilities	Allowed to be open with strict guidelines and limitations. Team sports can resume for training only, no scrimmages, no games, 10 or fewer in numbers, physical distancing of 2 meters is required, no access to any locker rooms, change rooms or showers, indoor access only for washrooms, first aid, and equipment management	Recommend opening. Re-implement previous level of grass cutting and ball diamond infield maintenance only, no line chalking or net installations as games and scrimmages are not permitted. Hiring of summer students required.	Facilities' student staffing, vehicles, garbage, maintenance and signage costs.
Marinas and campgrounds	Allowed to be open with strict guidelines and limitations. Stage 2 allows for more amenities to open, campers must remain physically distanced from anyone not in their household and while off their campsite. Groups must remain at 10 or less.	Marinas and campgrounds have been opened. Hiring of summer students required.	
Beach Parks	Allowed to open with physical distancing. Groups must remain 10 or less.	Beaches have been opened with maintenance of washrooms and garbage. Hiring of summer students required.	
John D Bradley Convention Centre (except for temporary shelter)	Allowed to be open for events / meetings with 10 people or less. Food and alcohol restrictions apply.	Recommended to open as there may be minimal revenue opportunities in the small meeting rooms and have no impact on temporary shelter operations.	\$0 (positive impact unknown)

Other services were analyzed and no changes are currently recommended. The items identified in the May 11, 2020 report and comments for each are attached in Appendix A to this report.

This report is written through a financial lens and therefore focuses on the cost implications of re-opening services and facilities. Through just a financial lens, administration would not be recommending the openings as outlined above in the recommendation section. That said, the executive management team also recognizes the social and economic recovery needs of the community and therefore recommended certain openings. These openings require the re-implementation of \$450,000 of budgeted costs which reduces the savings Council otherwise could have used to offset pandemic costs.

The executive management team will continue to monitor the re-openings associated with Phases 2 and 3 and return to Council as services adjust.

Areas of Strategic Focus and Critical Success Factors

The recommendation in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report supports the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The Executive Management team and applicable Directors were consulted.

Financial Implications

The potential 2020 operating deficit was estimated at \$3.3M in the May 11th, 2020 report on Financial Resiliency which was to be offset with \$2M of savings by closing facilities and operations. There have been no further substantial announcements from upper levels of government to assist with the deficit.

Reopening of services and the corresponding maintenance, staffing, vehicle, garbage and signage requirements will cancel out an estimated \$450,000 of the savings approved at the May 11th meeting. During this emergency, administration has been required to move quickly and implement the decisions of Council while we all wait to receive information from upper levels of government with respect to where the funding will come from. As the emergency evolves we will be coming back to Council with sources of in year variance and reserve funding. The next expected financial status report is the June Variance Report which presented to Council at the August 10th Council meeting.

Prepared by:

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer

Attachments: Appendix A – May 11, 2020 Reduced Services

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Items presented to Council on May 11, 2020 as cost saving measures for 2020	Ontario Opening Guidelines Stage 2	Additional Orders by Medical Officer of Health	EMT Recommendations
Arenas for ice and non-ice activities	Municipal indoor recreational facilities must remain closed at this time. Indoor recreational activities remain prohibited other than indoor golf driving ranges and gun clubs.		Remain closed at this time
Outdoor pools	Province has indicated outdoor pools can reopen with strict guidelines and limitations	Municipal pools to remain closed as per MOH order June 10, 2020	Remain closed at this time
Reduced service level of grass cutting for all sports fields and parklands	Not applicable to Ontario's Stage 2		See outdoor soccer fields and baseball facilities below
Reduced service level of grass trimming	Not applicable to Ontario's Stage 2		Service levels as planned (May 11, 2020 Council meeting)
Elimination of horticulture flower planting and maintenance	Not applicable to Ontario's Stage 2		Service levels as planned (May 11, 2020 Council meeting)
Recreation programming – except virtual recreation programming for all ages	Any outdoor recreational activities that cannot ensure a 2-metre distance are not permitted. Indoor recreational activities remain prohibited other than golf	Any programming and organized activities that allow close interaction amongst children and youth are prohibited as per MOH Order June 10, 2020	Staff to continue working on virtual recreational programming

Items presented to Council on May 11, 2020 as cost saving measures for 2020	Ontario Opening Guidelines Stage 2	Additional Orders by Medical Officer of Health	EMT Recommendations
	driving ranges and gun clubs.		
Summer camp programs	Are allowed to be open with strict guidelines and limitations	Day camps are prohibited as per MOH order June 10, 2020	Remain closed as indicated
Cancellation of hiring summer students across the organization with the exception of Public Health, Riverview Gardens and Engineering	Not applicable to Ontario's Stage 2		Summer students may be required to fill positions as staff return from redeployment. Summer students required for area beach and sports field maintenance
Cancellation of computer desktop replacement program for 2020	Not applicable to Ontario's Stage 2		Continue as planned
Capture of travel and conference training savings due to cancellations	Not applicable to Ontario's Stage 2		Continue as planned
Capture of employee benefit savings related to closure of non-essential service providers	Not applicable to Ontario's Stage 2		Continue as planned
Capture of utility savings of closed facilities and changes to electricity costing	Not applicable to Stage 2		Continue as planned

Items presented to Council on May 11, 2020 as cost saving measures for 2020	Ontario Opening Guidelines Stage 2	Additional Orders by Medical Officer of Health	EMT Recommendations
Indoor pools	Are allowed to be open with strict guidelines and limitations	Municipal pools to remain closed as per MOH order June 10, 2020	Remain closed as indicated
Outdoor soccer fields and baseball facilities	Are allowed to be open with strict guidelines and limitations. Team sports can resume for training only, no scrimmages, no games, 10 or fewer in numbers, physical distancing of 2 metres is required, no access to any locker rooms, change rooms or showers, indoor access only for washrooms, first aid, and equipment management		Suggest opening, field maintenance to grass cutting and ball diamond infield maintenance only, no line chalking or net installations as games and scrimmages are not allowed. Summer students required
Splash pads, tennis courts, skateboard parks and playground equipment	Playgrounds, play structures, and outdoor fitness equipment remain closed. Tennis courts, skateboard parks, and splash pads are allowed to be open	Splash pads are to remain closed until play grounds and play structures are allowed to open as per MOH Order June 10, 2020	Tennis courts and skate parks are open. Splash pads to remain closed
Marinas and campgrounds	Are allowed to be open with strict guidelines and limitations. Stage two allows for more amenities to open, campers must remain		Marinas and campgrounds have opened.

Items presented to Council on May 11, 2020 as cost saving measures for 2020	Ontario Opening Guidelines Stage 2	Additional Orders by Medical Officer of Health	EMT Recommendations
	physically distanced from anyone not in their household and while off their campsite. Groups must remain at 10 or less.		
Special events on municipal property	Small outdoor events (10 people maximum) are permitted with strict guidelines and limitations		Continue as planned. Will revisit when permissible group size increases.
Banner hanging in downtowns	Not applicable to Stage 2		Continue as planned
Museums, theatres and cultural facilities	<p>Museums and galleries are permitted to be open with strict guidelines and limitations.</p> <p>Any Performing Arts facilities, concert halls or cinemas are prohibited from opening.</p>		Chatham and Ridge House Museums and Milner House to remain closed due to difficulties maintaining social distancing and a “no-touch” environment. To ensure first exhibit can meet all Public Health measures, staff will begin plans for the opening of Thames Art Gallery for September.
Libraries	Curb-side pick up is allowed. Library facilities can be open but patrons are not allowed to handle any books or materials on shelves; strict guidelines and limitations are in place		Curb-side pick-up to begin immediately following council approval and will be implemented slowly over the next 4-6 weeks beginning in Chatham, followed by Wallaceburg

Items presented to Council on May 11, 2020 as cost saving measures for 2020	Ontario Opening Guidelines Stage 2	Additional Orders by Medical Officer of Health	EMT Recommendations
	regarding physical distancing, sanitizing spaces, environmental barriers to ensure safety of staff and patrons.		and then Tilbury and Ridgetown. Reassessment will take place once curbside is running smoothly. Library facilities to remain closed at this time until we are able to ensure the safety of staff and residents and assess the environmental modifications required in the branches to open.
John D Bradley Convention Centre (except for temporary shelter)	Allowed to be open for events / meetings with 10 people or less. Food and alcohol restrictions apply.		Recommend Centre be permitted to host meetings/events of 10 or less
Recreation halls / meeting room rentals	Weddings and Funerals (limit of 10 people) are permitted; food and alcohol restrictions apply		Continue as planned