



TO: Mayor Caul & Members of Council

FROM: Dawn Galusha, Treasurer

DATE: July 23, 2020

SUBJECT: Financial Projections for 2020

BACKGROUND

We were fortunate to have completed our Budget meetings by the beginning of March this year, as mid-March we were impacted greatly by the COVID-19 pandemic. As a result of knowing that there will be less revenue coming in in certain areas, the senior management team has tried to ensure we do not spend where it is not necessary.

Tax dollars (Municipal, Education and Payment in Lieu) account for 63.14%, and OMPF accounts for 15.18% of our revenue budget for a total of 78.32%. In addition, Operations & Facilities revenue accounts for 9.80% and will not change significantly from the budget, except for Airport Revenue. Community Services Revenues accounts for 5.82% of the total budgeted revenue and this division will see the majority of the impact of COVID.

INFORMATION

Attached you will find the Summary Year to Date information which provides you with comparatives for 2019 as well as monthly comparatives for April, May and June 2020. Year over year you can see that we have a smaller surplus than we did on June 30, 2019, by \$165,550. This is made up of many variances within the 2020 actuals such as, a significant drop in revenue at the Memorial Sports Centre, a drop in interest rates and therefore interest revenue and a reduction in other revenues such as POA fines and rent, and Airport Fuel and Landing Fees. There is also a large savings in Wages and benefits throughout the organization.

Each Senior Manager was tasked with going through their Division's financial situation to June 30th to determine what they would project for the December year to date information based on two scenarios: 1) If the Division Returns to Regular Operation on October 1, 2020; 2) If the Division DOES NOT Return to Regular Operations in 2020. This information is presented to you in the attached Projections spreadsheet. The only information contained on the spreadsheet is specific operating lines that are projected to have a budget variance of \$5,000 or more. There are instances where you will see less of a variance, but this is where the sum of many lines within a budgeting division has a significant effect on that budget.

The projected surplus/(shortfall) by division is as follows:

	<u>(1)</u>	<u>(2)</u>
• Corporate	(47,119)	(58,053)
• Administration & Finance	9,806	8,170
• Emergency Services	7,000	7,000
• Planning and Development	(1,982)	(482)
• Community Services	(176,324)	(131,353)
• Operations & Facilities	<u>152,516</u>	<u>152,516</u>
Total	<u>(56,103)</u>	<u>(22,202)</u>

As you know, these are projections for 2020. It is my opinion that based on the decisions made thus far: removing arena ice earlier, laying off staff who were not able to work while the Province shut everything down and not hiring students, we have nearly outweighed the losses in revenue from the various areas.

We are of the opinion that there are many scenarios that we could consider in determining what the revenues and expenses will be for 2020. With the uncertainty of the Province's COVID-19 directions in the fall and the reception from the Community to join or host organized Sports before a vaccine is in place, we have provided best case scenario considerations with some additional COVID specific cleaning and supplies costs.

This year has proven to be a challenge to date, and we will continue to monitor the financial situation of the Town. Updated monthly information will be provided to Council.

Recommendation

That Council receive this report as information on the Town's financial situation under the COVID-19 pandemic and further that financial implications be considered with the opening plans.