

Report to Council – February 23, 2021

SR2020-30 2021 Budget Community Partners

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Director of Finance

RECOMMENDED

THAT report SR2020-30, 2021 Budget Community Partners be received and the following be approved:

1. 2021 Operating Budget for the Aquatarium, including \$60,000 in-kind, of \$660,000 be funded as follows:
 - \$111,165 from 2020 Collected Municipal Accommodation Tax.
 - \$105,570 from Safe Restart funds.
 - \$443,265 from the Tax Levy.
2. 2021 Capital Budget for the Aquatarium of \$17,000 be funded from Federal Gas Tax.
3. 2021 Cataraqui Region Conservation Authority budget of \$206,565 be funded on the Tax Levy.
4. 2021 St. Lawrence Lodge budget of \$1,427,715 be funded on the Tax Levy.
5. 2021 Brockville Library identified COVID 19 budget pressures of \$22,262 be funded through Safe Restart funds.
6. Council provides direction with respect to the 2021 Brockville Library Operating Budget request of \$823,536 with an increase of \$41,282 to be funded on the Tax Levy.
7. 2021 Capital Budget for the Brockville Library of \$40,815 for shelving be funded through Federal Gas Tax and the computer replacement and elevator repairs of \$31,200 be funded on the Tax Levy.
8. 2021 Brockville Police Services budget of \$8,242,411 be funded on the Tax Levy.
9. 2021 Frontenac Arch Biosphere request of \$5,900 be funded on the Tax Levy.
10. 2021 Leeds, Grenville & Lanark District Health Unit budget of \$429,378 be funded on the Tax Levy; and,

THAT Council provide direction with respect to the funding amount up to but no more than \$100,000 for SLX-Life to be funded from the Modernization Fund; and,

THAT Council provide direction with respect to a one-time funding amount for 2021 for the Brockville YMCA to be funded from Fiscal Policy; and,

THAT Contribution Agreements be executed for the Aquatarium, Brockville Library and Brockville Police Services for the 2021 funding.

BACKGROUND

Similar to the 2020 budget process, Community Partners were invited to present to Council their 2021 budget request.

A consolidated budget will be presented to Council on March 9, 2021 for final approval taking into consideration all changes approved by Council throughout the budget process.

The total 2020 budget for the Community Partner's was \$14,732,820 or 40% of the 2020 City levy. The chart below shows the status of the Community Partners funding requests as staff have recommended in this report:

Community Partners	2020	2021	Change	Percent Chang
Cataraqui Regional Conservation Authority	\$203,756	\$206,565	\$2,809	
Library Operating	782,254	823,536	41,282	
Library Capital	0	31,200	31,200	
Library COVID 19 increase		0	0	
Police	7,827,036	8,282,411	455,375	
Police Capital	204,259	0	(204,259)	
Aquatarium *includes the \$60,000 in-kind	443,265	443,265	0	
Aquatarium Capital		0	0	
St. Lawrence Lodge	1,384,585	1,427,715	43,130	
Leeds, Grenville & Lanark District Health Unit	429,378	429,378	0	
Net Effect on the Tax Levy	\$11,274,533	\$11,644,070	\$369,537	3.28%
Frontenac Arch Biosphere		5,900		
Total Levy-with Recommended Funding	\$33,113,344	\$33,734,627	\$621,283	1.88%
Direction to be Determined				
SLX-Life		60,000		
YMCA		250,000		
Total Levy-With Additional Community Partner	\$33,113,344	\$34,044,627	\$931,283	2.81%

To date, the Joint Services budget has not yet been approved and the Committee is scheduled to meet on March 3. It is unknown at this time what effect the Joint Services Budget will have on the Tax Levy.

Provincial Safe Restart Funds

The City received a total of \$1,576,900 of Safe Restart funds in 2020.

The purpose of the Safe Restart funds was specifically to assist municipalities in the financial pressures on the budget caused by the COVID 19 pandemic such as:

- Lost revenue.
- Additional cleaning requirements including wages and supplies.
- Costs relating to the Assessment Centre.

Of the Safe Restart funds received Council approved \$1,024,108 to be utilized for COVID 19 pressures on the 2021 City Operating budget, leaving a balance of \$552,792 to be used for further pressures directly relating to the pandemic, such as the following not already included in the City Operating Budget:

- Expenses in relation to 3 additional seasonal staff and cleaning expenses for additional public washrooms as referenced in the COVID Conscious Service Delivery Plan \$65,000
- Additional costs, lost revenue or costs to modify services related to COVID Conscious Service Delivery Plan. Staff will report back on this shortly.

As the effects of the pandemic continue into 2021, staff are proactively managing 2021 expenses, and watching closely how the effects of the pandemic progress with the opening up of the Province, and the roll out of the vaccines. The COVID Conscious Service Delivery Plan will be reviewed in relation to the Public Health Unit guidelines and Provincial regulations. Safe Restart funds may be required to offset any additional costs in the delivery of these services.

The Safe Restart funds may also be applied to pressures on the City's tax levy caused by COVID 19 pandemic specific pressures on the Community Partners' budgets. These pressures will have to be specifically identified. Detailed reporting is required on the use of the Safe Restart Funds. Community Partners have been requested to provide details of their COVID 19 pandemic pressures.

To date the specific expenses that can be directly related to the effects of the COVID 19 Pandemic total \$127,832 and include:

- \$22,262 for the Library
- \$80,570 for reduced MAT revenue
- \$25,000 for the Aquatarium

This leaves a balance of \$424,960 from the \$552,792 to be utilized for further COVID 19 related pressures.

ANALYSIS

Brockville Public Library

It is recommended that the increased expenses directly relating to increased cleaning requirements in relation to Public Health Unit's recommendations for reducing the spread of COVID 19 be funded through the Safe Restart Funds.

Federal Gas Tax has been recommended to fund the shelving for \$40,815.

It is also recommended that Council provide direction regarding the Library's increase in their operating budget.

Aquarium

The Aquarium has presented a budget with a \$25,000 increase in its request. This increase can be directly contributed to pressures caused by the pandemic. It is recommended that this increase be funded through the Safe Restart funds.

The Aquarium also includes revenue through the Canada Emergency Wage Subsidy (CEWS) program of about \$175,000, projecting that the program will be in place until October. This does present a risk if the CEWS program ends before October, and the admissions revenues do not directly offset at the same level.

The proposed replacement of 2 HVAC units for \$17,000 can be funded through Federal Gas Tax as the City does own the building.

SLX-Life and the Brockville YMCA

Both SLX-Life and the Brockville YMCA presented new requests of the City that could impact future City budgets. For this reason, it is requested that Council provide direction for these requests.

SLX-Life has requested \$60,000. There is available in the Modernization Funds about \$100,000 that might provide funding to SLX-Life for 2 years if Council wishes to support this initiative.

The Brockville YMCA has requested \$250,000 in on-going support. As the request is on-going, the relevant funding source would be the tax levy.

POLICY IMPLICATIONS

Council has the responsibility of approval of the City's annual budget.

The Brockville Public Library and the Brockville Police Services are governed by individual Acts. As such they are different than the City's operating departments and report to their respective boards.

Both partners are funded by public funds that fundamentally require a high level of transparency and accountability. Though seemingly similar in nature they are treated differently in terms of financial accountability.

The Library, with a City levy of \$823,526, which is about 5% of the Community Partner levy has its own financial audit and financial statements.

The Brockville Police Services, with a net budget of \$8,282,411, or about 55% of the Community Partner levy does not. They are audited as if they were a City Department. This does not provide the same level of accountability and transparency as is required by the Library, which is operating within a much smaller budget.

FINANCIAL CONSIDERATIONS

If the Community Partners are approved, as set out in this report's recommendations, the levy increase would be \$621,283 or 1.88%.

If the additional requests are included directly on the tax levy, the increase would be \$931,283 or 2.81%.

Any increase for Joint Services is unknown at this time and could further increase the effect on the tax levy.

CONCLUSION

The City of Brockville's annual budget includes funding requests from various Community Partners.

Council must consider each budget submission and approve the amounts that will be funded.

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