



## COVID-19 Safe Restart Grant for Local Governments



November 30, 2020



## COVID-19 Financial Navigation

- Developed the Financial Response and Recovery Framework (April)
  - Revenue Anticipation Borrowing Bylaw Adopted
  - Extended the discount/due date for Utility billings (30 to 90 days)
  - Provided Lease and Rental Relief for organizations who rent from the City (during closures)
  - Extended the penalty due dates on property taxes from July 2 and Aug 12 to Oct 1 and Nov 12
  - Investment in capital infrastructure projects to help support accelerated economic recovery (Ongoing)
- Postponed tax sale to 2021 (July)
- Reserved \$2.8 million from the 2019 general surplus to fund Pandemic related shortfalls (March)

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## COVID-19 Financial Navigation

- Operational expense savings
  - Suspended non-essential training
  - Hiring freeze for non-essential positions
  - Minimized layoffs with redeployment of staff to other departments
  - Reduced contracted services utilizing existing staffing
  - Expense saving measures at VICC


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## Key Steps Taken to Reduce Property Taxes

- Funding From General Financial Stability Reserve
- Reduced Project Funding
- Delayed Reopening of Beban Pool to January 2022
- Realign Start Date of New RCMP Members
- Delayed Start Date of 3 Previously Approved New Positions
- Reduced Operating Expenditures
- Business Case Treatment


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## FUNDING RECEIVED AFTER COMPLETION OF DRAFT FINANCIAL PLAN

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## COVID-19 Safe Restart Grant for Local Governments - Recap

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November 3<sup>rd</sup> – Received notification that Nanaimo will receive \$6.693 M

- Eligible costs will include:
  - addressing revenue shortfalls;
  - facility reopening and operating costs;
  - emergency planning and response costs;
  - bylaw enforcement and protective services like fire protection and police;
  - computer and other electronic technology costs (to improve interconnectivity and virtual communications);
  - services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
  - other related costs.
  
- To ensure full transparency regarding the use of funds, we are required to annually report on how the grant is spent until it is fully drawn down.

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## COVID-19 Safe Restart Grant for Local Governments - Framework


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**Must Meet Eligibility Criteria**

- Draw down \$6.693 M fully in 2020
- Budget variance to be transferred to Special Initiatives Reserve for future use

- **Eligible 2020 Costs:**
  1. Revenue Shortfalls
    - a) Casino Revenues
    - b) Parking Revenues
    - c) Parks, Recreation and Culture – aquatic, arenas and program revenue
  2. Expenditures
    - a) Pandemic Internal Order
    - b) Parks Ambassador Internal Order
    - c) Water Safety Team
    - d) Facility Ambassadors
    - e) Increased Custodial
    - f) Increased Operating Costs for Nanaimo Aquatic Centre
    - g) Sanitation – Increased Tipping Fees and Wages for Increased Volume

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## COVID-19 Safe Restart Grant for Local Governments - Framework

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**Special Initiatives Reserve**

- Currently \$2.8M allocated to address pandemic related issues
- Plus 2020 budget variance


- **Potential Allocation**
  - \$1.4 M to reduce 2021 Property Taxation (in place of General Financial Stability Reserve)
  - 2021 Pandemic Internal Order
  - Reinstate 3 new positions to January 1, 2021
  - Extension of Clean Team to December 31, 2021
  - Downtown Public Safety
  - Contingency for 2021 revenue shortfalls, unanticipated pandemic costs that exceed IO
  - Reinstatement of 2021 projects delayed or cancelled

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## Items for Council Decision

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## #1 Allocation of Grant


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**Option 1:**  
Allocate total Grant to offset revenue losses and Pandemic expenditures in 2020.

Rationale:  
This would create a budget variance for 2020 that could be transferred to the Special Initiatives Reserve. This would provide Council with maximum flexibility in allocating funds for Council priorities.

**Option 2:**  
Allocate a portion of Grant to offset revenue losses and Pandemic expenditures in 2020 and defer the remaining funds to be used for Council priorities in 2021 that meet the eligibility criteria.

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## #1 Allocation of Grant – Discussion

Potential revenue shortfalls that could be offset by allocation of the Grant

Revenue	General	Reserve	Total	Notes
Casino	\$ 655,132	\$1,330,117	\$1,985,249	Strategic Infrastructure Reserve
Parking	\$209,029	\$379,241	\$588,270	Parking Reserve
PRC	\$3,169,840	\$790,000	\$3,959,840	Facility Development Reserve
<b>Total</b>	<b>\$4,034,001</b>	<b>\$2,499,358</b>	<b>\$6,533,359*</b>	

\*Estimate – Balance to be offset by Pandemic Expenses (Next Slide)

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## #1 Allocation of Grant – Discussion

Examples of expenditures that could be offset by Grant

Expenditures	General
Pandemic Internal Order	\$ 500,000
Parks Ambassadors	\$106,100
Water Safety Team	\$26,400
NAC Re-opening Increased Staffing Costs	\$100,000
Sanitation Costs	\$453,820


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## 2020 VARIANCE – IMPACT ON 2021 SPECIAL INITIATIVES RESERVE

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## Special Initiatives Reserve Projected Balance

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Based on Q3 Operating Report a minimal shortfall BEFORE Grant is projected.

COVID - 19 Restart Grant	6,693,000	
Less: Transfer to Parking Reserve	(379,241)	estimate pending year-end results
Less: Transfer to Facility Development Reserve	(790,000)	estimate
Less: Transfer to SIR	<u>(1,330,117)</u>	
<b>Transfer to Special Initiatives Reserve</b>	<b>4,193,642</b>	
Current balance in Special Initiatives Reserve	2,768,073	2019 surplus allocation to address COVID
Less: 2020 Operating Deficit	<u>(388,200)</u>	estimate pending year-end results
<b>Projected Revised 2020 Closing Balance Special Initiatives Reserve</b>	<b>6,573,515</b>	
<b>Less: 2021 Property Tax Reduction</b>	<b>(1,408,806)</b>	<b>eliminating need to use funding from General Financial Stability Reserve in 2021</b>
<b>Projected Unallocated Special Initiatives Reserve Balance</b>	<b>5,164,709</b>	

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## CURRENT DECISIONS POINTS FOR DECEMBER 4<sup>TH</sup>

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## #1 General Financial Stability Reserve

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Currently \$1.4 million in General Financial Stability Reserve funding is used to reduce property taxes in 2021

Option for Council consideration

- Fund the \$1.4 million from Special Initiatives Reserve instead of the General Financial Stability Reserve
  - No impact to property taxes
  - Maintains balance in General Financial Stability Reserve and funding above minimum could be used to reduce property taxes in 2022 if:
    - Revenue recovery extends over a longer period
    - Global and/or local economic recovery extends over a longer period

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## #2 COVID Internal Order

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Allocate \$500,000 to a 2021 COVID Internal Order to cover continuing and potential new costs related to pandemic:

- Personal protective equipment for staff
- Security at SARC and City Hall
- Additional or extension of facility ambassadors
- Other related COVID costs

Potential Funding Source:

- Special Initiatives Reserve

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## #3 Art Gallery Next Phase

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At the June Finance and Audit Committee, Council was provided with options to support the Nanaimo Art Gallery's plan for phased development at the Arts Centre at 150 Commercial

Request:

1. Increase operating grant by \$50,000/yr – total 2021 operating grant if approved \$221,111
  - a) Operating grant increases 2% annually under current agreement
2. Allocate \$10,000 annually to the Nanaimo Art Gallery for capital expenditures
3. Allocate \$25,000 in 2021 for the development of a feasibility report of the concept of an Arts Centre and Nanaimo Art Gallery's Phase 3 facility project

Funding Source:

- Currently in 2021 – 2025 Draft Financial Plan funded from general revenue

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## #4 Sanitation

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Recommendations from November Governance and Priorities Committee

1. Recommendations of the Residential Curbside Collection Post-Implementation Review
  - a) Create a 0.5 FTE cart administrator position
  - b) Incorporate an additional non-collection day in the annual calendar for training
  - c) Purchase and install an additional on-board computer
2. Ten Zone Waste Collection Plan – January 1<sup>st</sup> Implementation
  - a) Accelerate new refuse collector from July 2022 to January 1, 2021
  - b) Transition to new routing program over two weekends in January
  - c) Move a spare unit into full time service until new unit arrives in 2022

Funding Source:

- Sanitation User Fees
  - Option #1 \$2 per user increase for 2021
  - Options #2 \$6 per user increase for 2021
  - Total impact – increase proposed 2021 user fee from \$181 to \$189

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## #5 Community Connect

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Request from Community Connect to cost share continuation of enhanced neighbourhood safety program between January 1 - June 30, 2021

Property Owners	\$ 36,750 (20%)
City Grant	\$147,000 (80%)

Potential Funding Sources:

- General Revenue
  - Impact on 2021 property taxes ~ 0.13%
- Special Initiatives Reserve

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## #6 Start Date of New Positions Delayed

To reduce 2021 Property Taxes the start dates of the three (3) new positions approved in the 2020 – 2024 Financial were delayed to late Summer

Option for Council Consideration:

Reinstate January 2021 start date for one or more approve positons

1. Manager, Facility Assets - Current Start Date: Sept 1, 2021  
Financial Impact of Jan 1, 2021 Start Date ~ \$98,346
2. Junior Financial Analyst - Current Start Date: Aug 15, 2021  
Financial Impact of Jan 1, 2021 Start Date ~ \$57,774
3. Assistant Accountant - Current Start Date: Sept 1, 2021  
Financial Impact of Jan 1, 2021 Start Date ~ \$61,628

Potential Funding Source:

Special Initiatives Reserve

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## #7 Reinstate Projects

To reduce 2021 Property Taxes projects where delayed, cancelled or scope was reduced.

Option for Council Consideration:

Reinstate select projects from list of projects adjusted to reduce property taxes

Potential Funding Source:

Special Initiatives Reserve

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## #7 Reinstate Projects Continued

Potential projects to reinstate


Section	Category	Project Name (SAP)	2021 Budget	Notes
Nanaimo Fire Rescue	Renewal	Fire Services: Emergency Pre-Emption Devices	55,080	
Engineering Services	Renewal	Integrated Survey Control Monuments	5,000	
Drainage	Renewal	Drainage: Infrastructure Condition Assessment Program	100,000	
Engineering Services		ENGW Contingency: Projects	50,000	
Engineering Services	New	ENGW Contingency: Developer Cost Shares	50,000	
Transportation		ENGW Contingency: Transportation Projects	50,000	
Transportation	Renewal	Railway Crossing Repairs	34,000	
Public Works Yard	Renewal	PW Yard: Paving	25,680	
Transportation	Upgrade	Bowen Corridor Traffic Signal Management Hardware Upgrade	250,000	Projected moved to 2022. Total budget 2022 - \$500k
Transportation	New	Bowen Park Trailway Lighting	100,000	Reduced budget from \$200k to \$100k
Facilities	Renewal	Civic Facilities: Condition Assessment Program	100,000	
Parks	Renewal	Bleacher Replacement Program - Portable	18,360	
Parks	Renewal	Park Amenities Condition Assessment Program	10,000	
Parks	Renewal	Park Amenities: Investigation/Pre-Design	10,000	
Parks	New	Parks/Facility Accessibility	25,000	
<b>Total</b>			<b>883,120</b>	

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## # 8 Business Cases Not Included in Draft Plan

Business Case	Projected Impact to 2021 Property Taxes
<b>Corporate Services</b>	
Corporate Asset Management System – Implementation Phase (\$787,400 (2021), \$773,100 (2022), \$648,800 (2023), \$600,600 (2024) Ongoing \$450,900 (2025))	0.04% - majority of implementation phase to be funded from Community Works Fund. Potential to fund balance from Special Initiatives Reserve or General Revenue.
Buyer	0.06% - July 1 <sup>st</sup> Implementation
Digital Forensic Technician	0.09%
Major Case File Specialist	0.09%
<b>Council Request</b> - Police Mental Health Outreach Team Feasibility Study (2021)	0.09% - once fully implemented annual cost would be approx. \$0.61 to \$1.35 million, ~0.54% to 1.19%
<b>Development Services</b>	
<b>Council Request</b> – Annual Community Watercourse Restoration Grant	0.02%
<b>Council Request</b> – Manager, Social Planning	0.15%
<b>Council Request</b> – Manager, Sustainability	0.05% - July 1 <sup>st</sup> Implementation and confirmation of BC Hydro grant
<b>Council Request</b> - Indigenous Engagement Specialist	TBD
Municipal Enforcement Officers Change in Schedule	0.02%


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## #8 Business Cases Not Included in Draft Plan Continued

Business Case	Projected Impact to 2021 Property Taxes
<b>Engineering and Public Works</b>	
<b>Council Request – Ebikes Rebate</b>	Fund from Emission Reduction Reserve
Community Clean Team (formerly the Social Disorder Response Team) – Extend pilot to December 31, 2021	Fund from Special Initiatives Reserve
Municipal Services Inspector – includes vehicle purchase	0.11% - partially funded by sewer and water
Project Engineer	0.11% - partially funded by sewer and water

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## Questions?

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