

Caledon Council considers impact COVID-19 pandemic has had on Town's 2020 budget

Written By ALYSSA PARKHILL

Caledon Council collectively discussed revised year-end budget projections on Tuesday (Aug. 25), with municipal staff indicating the Town has been hit hard by the ongoing COVID-19 pandemic.

Town Treasurer Heather Hare presented a staff report regarding the year-end projection and operating variance analysis, saying municipal revenues for the year are expected to be down several million dollars.

Overall, the Town is reporting a net favourable variance of \$2.4 million at the end of June, with major variances including a loss of revenue from facility closures at the end of June, incremental expenditures relating to the Town's response to COVID-19 including enhanced cleaning, digitalization of services and more control in waving accounting interests for those financially impacted by COVID-19, Hare said.

The COVID-19 has impacted the 2020 operating budget considerably and continues to do so.

Last December, Council approved a balanced budget of \$104 million in expenses and \$104 million in revenues.

Staff then reported net favourable variances of \$2,429,327 as of June 30.

We took the June 30 results and management and finance staff forecasted to the end of the year. What this resulted in was a projected year end forecasts of \$154,000, Hare explained.

Revenues have been reported to be unfavourable, meaning down, by a total of \$3.7 million.

Council waived penalties and interest on taxes until December 31, which resulted in a \$1.2 million revenue loss.

Included in these projections were also any of the recommendations from the Community Recovery Team, such as waiving the reduction fees. There's also revenue losses expected due to facility closures, Hare presented. What we are also projecting are modest revenue projections for the winter.

She added, (These numbers) are potentially at risk if there is another wave of the pandemic.

Additional expenditures were required to ensure municipal staff was able to effectively work remotely during the pandemic, while the purchase of personal protective equipment, such as face masks, has also mounted up. The installation of plexiglass at Town Hall, and enhanced cleaning services have also come at an added cost.

Hare describes that if a second wave of the COVID-19 pandemic happens this year, the revenue and expenditures will be adjusted again in order to manage the balanced budget and deficits.

The town has reserves to support the 2020 operating budget, along with the future operations and any impacts the pandemic continues to have to (ensure the Town can operate as normal). The Town will receive space restart funding of almost \$1.5 million that can be used in 2020, or in 2021, to offset any operating deficits and impacts of the pandemic and operations.

Hare recommends that Council watch for other needs that local businesses and organizations will have as the pandemic continues.

We'll have to look at those organizations and continue to reassess whether there's anything we can do in terms of grants to help

those not-for-profit,? she said. ?If the impact from the pandemic is that severe and actually starts impacting development, then that's something that will obviously drastically change what our budget would look like.?

A report will be provided in the fall with another quarterly financial update.