



The Corporation of the City of Cornwall
Regular Meeting of Council
Report

Department: Financial Services
Division: Finance
Report Number: 2021-81-Financial Services
Prepared By: Paul Scrimshaw, Accounting Manager and Deputy Treasurer
Meeting Date: August 9, 2021
Subject: Second Quarter Financial Report 2021

Purpose

The purpose of this report is to provide Council with an update on the City's financial activity for the second quarter of 2021 and compare that activity with the 2021 Financial Plan.

Recommendation

That Council receive the Second Quarter Financial Report for the period ending June 30, 2021

Financial Implications

Managers have reviewed their respective financial reports for the period ending June 30, 2021. Variances known to-date as well as the expected departmental results to the end of the year are included in the departmental commentary.

Financial impacts in the form of increases in costs, savings in costs, and revenue losses as a direct result of the ongoing COVID-19 pandemic are included in this report. The effect of the pandemic on operations for the first half of 2021 can be seen most clearly in the variances to revenues throughout many City departments. Administration will continue to monitor and assess the evolving situation and take appropriate actions to respond to the financial situation.

The attached reports summarize the operations of the City for the period ending June 30, 2021.

1. Interim financial statements by Department for the period ending June 30, 2021 including comments from Managers with respect to their business unit operations.
2. Capital Report as at June 30, 2021.
3. Schedule of Reserves and Reserve Funds as at June 30, 2021.
4. Summary of Progress Funds as at June 30, 2021.

Further financial detail will be provided to Council in the next quarterly financial report to Council.

Strategic Priority Implications

This report addresses Council's accountability and transparency to the ratepayers of the City of Cornwall.

Background / Discussion

Since the pandemic began the City, like other municipalities, has taken measures to mitigate the financial impact.

The pandemic caused significant impacts to the City's 2020 operations and continues to have an impact on City operations in 2021. The most significant impact on City finances is related to the loss of revenues. The City continues to have revenue loss from Transit, Parking, Recreation, and other traditional sources of revenue. This variance in revenues is partially offset by savings in operational expenditures due to reduced levels of service.

The City has incurred additional expenditures as a result of the pandemic, such as, the purchase of additional personal protective equipment (PPE), cleaning supplies and equipment, public advertisements, and in technology and telecommunication expenses.

As reported in 2020, the City received Safe Restart funding (\$2,686,300) and Transit Safe Restart funding (\$714,792) from the Province to be used to address COVID-19 related operating pressures. At Year End, the City contributed unused funding (\$684,011 and \$68,846 respectively) to a temporary reserve to help offset ongoing COVID-19 financial challenges in 2021.

In March 2021, the Ontario government announced that it would provide an additional \$500 million to help the province's 444 municipalities address ongoing COVID-19 operating costs. The 2021 allocation to the City is an additional \$1,432,263 in Safe Restart funding to help ensure the delivery of critical services. In addition, the Ministry of Transportation has provided another \$1,528,916 for Transit to help mitigate the effects of COVID-19.

All departments are proactively managing their respective budgets to ensure the City collectively meets budget at Year End. While the full financial impact of COVID-19 on municipal operations won't be known for some time, City Administration will continue to monitor and adapt its fiscal planning where necessary.

Municipal Works Yard Update

As reported in the first quarter report for the Municipal Works Yard redevelopment, the project continues to progress with the detailed design of the Administration Building and the Multi-Use/Garage Building. The engineering design consultant the City retained for the project, J.L. Richards & Associated Limited, is currently in the midst of preparing the Schematic Design Report for both facilities which includes various schematic design alternatives, a sustainable design feasibility study and associated cost estimates for both the Administration Building and Multi-use/Garage Building.

Upon completion, the Schematic Design Report and the Sustainable Design Feasibility Study will be presented to Council by Administration and J.L. Richards. The presentation will include an overview of both reports, the recommended schematic designs for both facilities, a review of the sustainable design alternatives which can be included in each facility, and the associated cost estimates for both facilities.

Once the preferred schematic design alternative is selected for both facilities, the detailed design will continue to progress such that the project can be issued for tender in early 2022. Administration has not completed a second quarterly report for the Municipal Works Yard project as there are currently no further updates to provide to Council until the Schematic Design Report is completed.

Document Title:	Second Quarter Financial Report 2021 - 2021-81-Financial Services.docx
Attachments:	<ul style="list-style-type: none">- Operating June 30 2021.pdf- Capital Report June 2021.pdf- Reserves Jun 30 2021.pdf- Progress Fund June 30 2021.pdf
Final Approval Date:	Aug 4, 2021

This report and all of its attachments were approved and signed as outlined below:

Tracey Bailey - Aug 4, 2021 - 7:13 AM

Maureen Adams - Aug 4, 2021 - 4:14 PM