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Message from the City Treasurer

I am pleased to present the 2021 Draft Operating Budget for the City of Richmond Hill. In a year of unprecedented challenge and change, Council and City staff worked tirelessly to help protect the health and safety of our community while minimizing the financial impact of the pandemic on taxpayers. As a result of our efforts, we are able to achieve a 0% tax increase for 2021, while continuing to maintain important services for our community and working to implement key projects supporting Council's four Strategic Priorities.

- David Dexter, Director, Financial Services and Treasurer

Council Strategic Priorities | 2020-2022



Balancing
Growth and
Green



Getting
Around
the City



Strong
Sense of
Belonging



Fiscal
Responsibility

2020 Accomplishments

Throughout 2020, City staff across the organization contributed to managing the impacts of the global pandemic.

The Operating Budget supported City staff in delivering a variety of programs and services for the community. Examples of significant projects include:



Office of the City Manager

- Facilitated the development of Council's 2020-2022 Strategic Priorities
- Led the City's transformation initiatives, including changes to the organizational structure and digitization of services
- Initiated the accommodation review of East Beaver Creek and Operations Centre locations to free up space for leasing to generate revenue, enable a more remote work culture and develop a modern ground floor customer service area
- Led corporate city-building and technical input into the Yonge North Subway Extension representing Richmond Hill's interests with Metrolinx and York One Window to prepare for the tens of thousands of new residents and jobs at Richmond Hill Centre
- Advised the Emergency Operations Centre and provided various services to all departments in implementing services during the COVID-19 pandemic under government constraints (development applications; electronic meetings; construction projects; camps, etc.)

Community Services

- Led the organization's response to COVID-19 with Fire and Emergency Services leading the Emergency Operations Centre team
- Instituted a pilot project using new artificial intelligence technology (Rover) to enhance the inspection of road infrastructure
- Developed the City's first Urban Forest Management Plan, which strengthens our ability to manage and maintain a healthy urban forest until 2040
- Celebrated the first full season of the City-wide snow windrow clearing service
- Introduced Pay Parking at Lake Wilcox Park for non-residents to ensure all park users contribute to maintenance
- Implemented new Noise and Idling By-laws to better reflect modern life
- Opened the expanded Ed Sackfield Arena with an NHL-sized ice rink, renovated fitness centre and the City's first indoor walking track



Corporate and Financial Services

- Moved Access Richmond Hill to a fully virtual environment for phone and email service, and extended service to 7 days per week for the initial months of the pandemic to address significant increases in public inquiries due to COVID-19
- Implemented Phase 2 of the RHhub (Enterprise Resource Planning) system including Payroll, Learning Management System (LMS); Performance Management; Succession Planning; and Labour Relations modules
- Presented a Financial Sustainability Strategy to Council which was adopted
- Led communications response to the COVID-19 pandemic to support the community and City staff, including executing the #doingourpart and community thank you campaigns
- Launched a monthly e-newsletter and bi-annual print newsletter to provide residents more choice in how they receive information
- Completed eight Digitization Program Projects including Water Bill Payment, Waste and Recycle Bins, Requesting Infrastructure Drawings and Tow Truck Licence Renewals



Access Richmond Hill

Planning and Infrastructure

- Implemented Phase 1 of the Planning and Regulatory Management (PRM) System to facilitate operational efficiency and delivery of e-services
- Introduced online building permit and tree permit applications to increase staff efficiency and improve customer service
- Received Council endorsement of the updated Yonge and Bernard Key Development Area (KDA) Secondary Plan
- Launched an Enterprise Asset Management (EAM) System to effectively manage the maintenance of the City's 50,000 traditional infrastructure assets, 45,000 street trees and nearly 700 hectares of natural forest



Tree Permits

2021 Priorities

The 2021 Budget includes funding for the following initiatives to be commenced or completed in 2021:

Office of the City Manager

- Implement the Council Strategic Priorities framework, measure progress and develop an annual report
- Develop Organizational Management framework, launch Continuous Improvement Program with Lean Framework, continue Digital Transformation of public services and internal processes and complete accommodation review
- Develop the Brand Partnership Strategy and framework
- Finalize the Richmond Hill Centre Secondary Plan and establish an Investment Attraction Strategy to position Richmond Hill Centre as a premier investment opportunity
- Implement the Innovation Centre through a post-secondary partnership

Community Services

- Update the Recreation and Culture Master Plan
- Develop and implement an education program to support reduction of single use plastic
- Finalize recommendations on Updated Master Fire Plan
- Create new Parks Use By-law
- Create a Community Standards Strategy

Corporate and Financial Services

- Implement Phase 3 of the Information Governance Program - Electronic Document and Records Management System Implementation
- Develop and implement Manager focused “just in time” training and HR guides on practical Richmond Hill specific matters
- Work towards update of City Development Charges and Community Benefits Charge to reflect updated Growth forecasts, Transportation Master Plan, UMESP, and Parks/ Recreation Plan
- Complete more equitable Stormwater Management Rate structure (to be applied in 2022)
- Continue digitization program, IT Security Program training, education and awareness

Planning and Infrastructure

- Commence public engagement for components/hot topic issues associated with the Comprehensive Zoning By-law project
- Continue the community engagement and research phases of the Official Plan update
- Continue work on new Parks Plan, Community Energy and Emissions Plan and Affordable Housing Strategy
- Begin comprehensive Building Permit Fees Review study
- Implementation of the PRM system Phase 2
- Conduct a Lean review to Integrate Asset Management Strategies and EAM with City’s Capital Budgeting Process
- Develop a Corporate Asset Management Plan for Core+ assets such as roads, bridges and watermains
- Update EAM to include all remaining assets, which include infrastructure such as parks, libraries, fire halls, IT hardware and software, fleet and equipment

Planning for today and tomorrow

What is an operating budget?

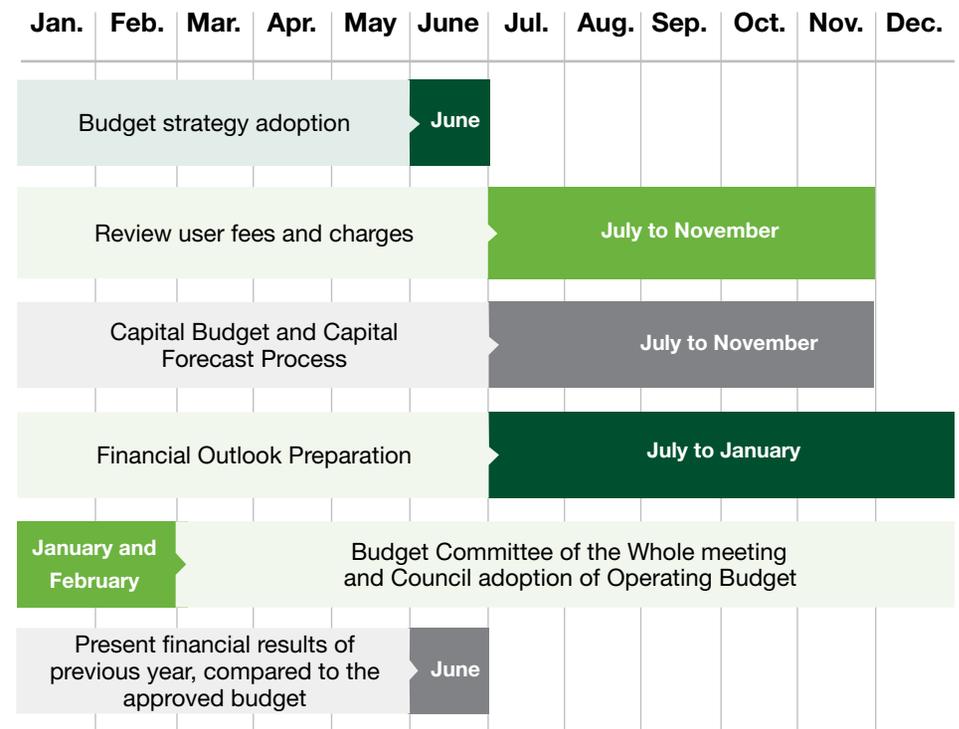
The City creates an operating budget to plan for the day-to-day operations residents rely on, such as road repair, fire services, parks maintenance, snow clearing and more. The budget includes costs for salaries, materials and supplies to provide those services. It is largely funded by tax dollars and user fees, such as charges for recreation programs and planning fees.

By law, municipal governments are not allowed to have a deficit. This makes the annual budgeting process important to ensure services and initiatives are planned and carried out in a financially responsible way. In addition to the operating budget, the City also creates a capital budget to plan for infrastructure costs related to City buildings, land and other capital projects.

It is important to note that less than one third of the taxes collected by Richmond Hill are used for City services. The majority of your tax payment is collected on behalf of the York Regional government and your school board.

How the budget cycle works

Richmond Hill's annual budget is a continuous, year round process.



Operating Budget Strategy

For the 2021 operating budget, Council adopted the budget strategy endorsed by the Budget Committee of the Whole (BCW) recommendations from the June 23, 2020 meeting to:

1. Support Council priorities;
2. Introduce a low tax rate increase of no more than 0.5%;
3. Reflect the operating budget considerations outlined in Staff Report SRCFS.20.015 (2021 Capital & Operating Budget Strategy) as a guideline in the development of the 2021 Operating Budget.

Tariff of Fees Update

As part of the operating budget process, staff annually review the list of fees charged for services, called a Tariff of Fees, to identify potential areas for revenue increases. This year, staff were directed to increase user fee revenues by up to the Consumer Price Index (1.1%), while keeping in mind cost recovery, comparability to other municipalities and affordability to residents/businesses given the financial hardships caused by COVID-19. Council adopted the updated by-law on November 25, 2020, and the 2021 Draft Operating Budget reflects these new rates.

How to read the budget documents

Each City department has its own operating budget. The City's budget also includes the budget for Richmond Hill Public Library and corporate accounts.

The budget summary is presented in a number of formats: by budget pressure category, by expense and revenue categories and by department services.

There are three categories to explain why a department may experience an increase in their budget:

1) Base:

Providing the same level of service with inflationary impacts. Any identified efficiencies and savings will be reflected here.

2) Legislated:

Incremental costs from new legislation imposed on how we provide municipal services.

3) Growth/Service Enhancements:

Incremental costs from providing the same / enhanced levels of services to a growing community.

4) Unsustainable Revenue Sources:

Revenue items that have been historically unachievable, or that are unsustainable going forward.

The tables will also identify the type of expense or revenue source the department expects to experience over the year:

Expenditures categories are Personnel (permanent or casual), Contracts/Services, Materials/Supplies, Other Expenditures, and Contributions to Reserve/Reserve Funds.

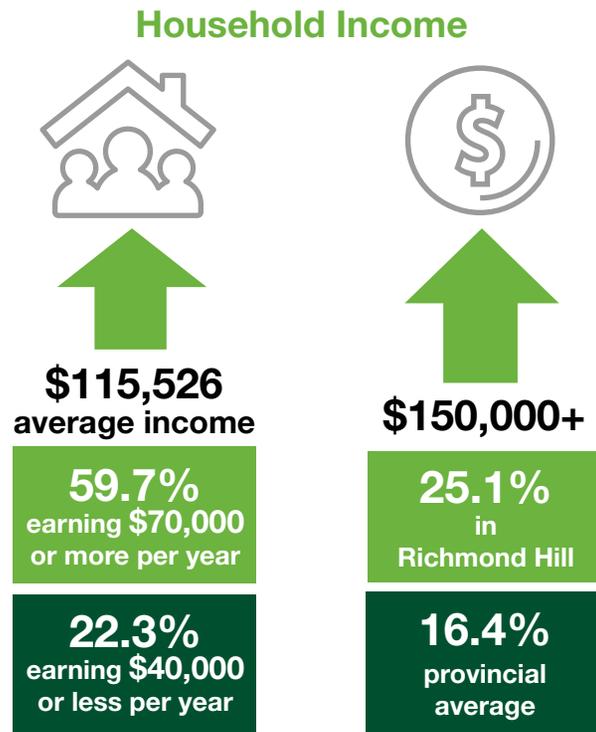
Revenue categories are Taxation, User Fees and Fines, Investment Income, Grants, Revenues from Reserve/Reserve Funds, and Transfers from Other Internal Sources.

Demographics and Economy

Income

Based on the 2016 Census, the average 2015 Richmond Hill household income was \$115,526, with 59.7% of households earning \$70,000 per year or more, and only 22.3% of households reported an income of \$40,000 or less. In Richmond Hill 25.1% of households earn more than \$150,000 compared to the 16.4% provincial average. The median age of a Richmond Hill resident is 42.4, with 14.6% over the age of 65. The unemployment rate in Richmond Hill was 6.9%, compared to the Ontario rate of 7.47% in 2016. 77% of the population has attained a minimum post-secondary education.

Census information is updated every 5 years, with the next update in 2021.



Based on the 2016 Census.



Financial Indicators

In developing the City of Richmond Hill's operating budget, staff considered economic pressures facing the average Richmond Hill household, balanced with the economic pressures facing the municipality. Predicting the future is always difficult especially given the uncertainty surrounding COVID-19. Where feasible, staff have considered historical financial indicators and economic forecasts.



The Province of Ontario's 2020 Economic Outlook and Fiscal Review (Fall Statement) projects:

- The unemployment rate to be at around 7.0%
- The Canadian Dollar to be about \$0.75 compared to the American Dollar at the end 2021
- The economy to grow 4.9% in 2021.

The annual Consumer Price Index (CPI) is projected to reach 1.7% in 2021. The CPI measures year-over-year price increases and is based on an average household's spending habits. It should be noted, however, that the inflationary pressures faced by a municipality are higher than consumer inflation. The table below provides examples of inflationary and investment pressures experienced by the municipality.

Price Indices	2020 (%)	Investment Rates	2021 (%) Forecast
Construction Price Indices (non-residence)	2.29	Bank of Canada Overnight Rate	0.25
Commercial	2.38	Three-Month Treasury Bill Rate	0.20
Industrial	2.29	10-Year Bond Rate	1.05
Institutional	2.03		
Electricity	0.10		
Natural Gas	11.60		
Gasoline	(12.00)		
Water (York Region Wholesale rate increase)	0.00		

Source: RBC Economics Research, Financial Markets Forecast

Source: Statistics Canada unless otherwise noted

Growth Indicators

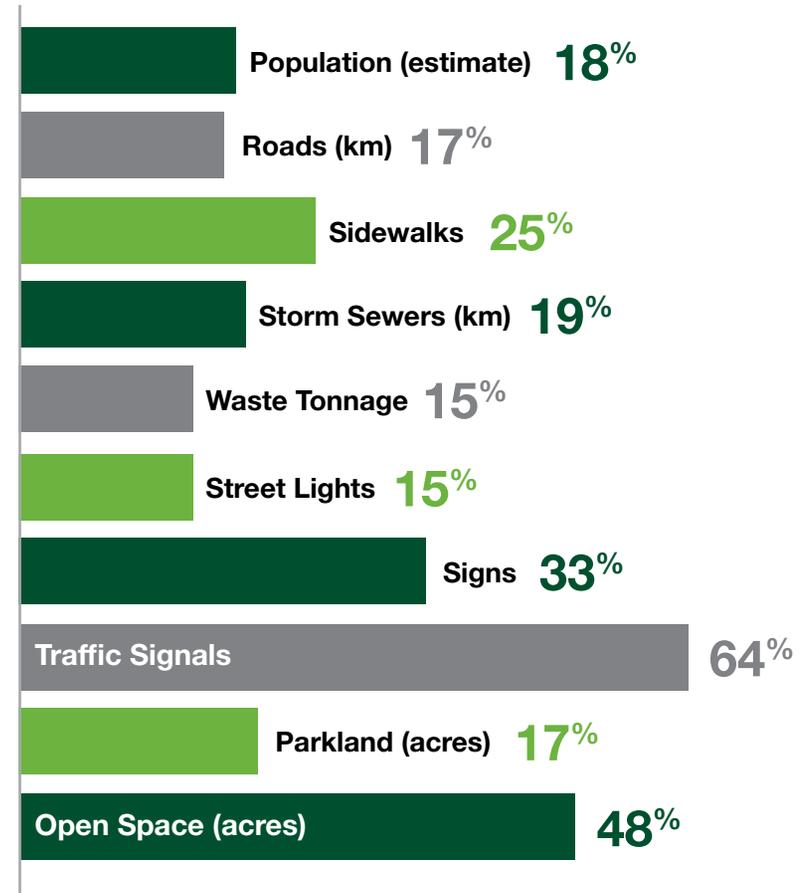
In addition to inflationary and contractual rate increases, the City of Richmond Hill's population also continues to grow. This results in increased costs for City services and the operation and maintenance of infrastructure. The table below shows how many of these costs have grown since 2007.

	2007	2012	2017	2021
Population (estimates)	177,600	191,600	199,000	210,300 *
Roads (km)	520	540	555	609
Sidewalks (km)	565	620	670	706
Storm Sewers (km)	473	504	524	564
Waste Tonnage	52,591	57,797	53,745	60,514
Street Lights	14,650	15,413	16,305	16,879
Signs	9,346	11,571	12,600	12,415
Traffic Signals	22	29	30	36
Parkland (acres)	726	763	814	852
Open Space (acres)	1,616	2,024	2,076	2,396

* Forecast from York Region long range planning

Additional Growth pressures for 2021 include the Public Works Enhancement Program (including snow windrow clearing), IT Microsoft Enterprise Agreement and other software applications and maintenance as well as the Special Assistant to the Mayor.

% Growth since 2007



Property Assessment Growth

Every four years, the Municipal Property Assessment Corporation (MPAC) updates all the property assessment values in Ontario, with the changes phased-in over four years. The last MPAC reassessment was in 2016 , with values phased in for the taxation years 2017 to 2020.

Due to COVID-19, MPAC delayed the 2020 reassessment until 2021. As a result, property assessments for the 2021 taxation year will remain the same as 2020. The average residential property assessment value for 2021, excluding multi-residential properties, is \$1,045,900.



The 2021 Budget

2021 Tax Levy Impacts

The 2021 Draft Operating Budget proposes a \$0 increase (i.e. 0% tax levy increase). The following schedule compares the incremental change of the 2021 Draft Operating Budget from the 2020 Budget:

Operating Budget – Tax Levy Impacts	2020 Budget	2021 Draft Budget
Base	\$ (730,000)	\$(373,500)
Legislated	5,500	113,700
Annualization	1,059,500	-
Growth/Service Enhancements	1,489,200	732,400
Property Tax/Supplementary Tax	(2,093,300)	(1,472,600)
Unsustainable Revenue Sources	1,114,800	1,000,000
Tax Levy Increase	\$ 845,700	-

Total City Budget

If approved, the City of Richmond Hill's 2021 Total Expenditure Budget will be \$320.6 million, including the Operating, Capital Asset Sustainability, Water and Wastewater, Stormwater Management and Capital Budgets.

Total Expenditure Budget	2020 Budget	2021 Budget	Inc/(Dec)
Operating	\$184,530,800	\$184,087,700	\$ (443,100)
Capital Asset Sustainability	5,392,100	6,571,700	1,179,600
Water and Wastewater Services	89,976,800	87,579,000	(2,397,800)
Stormwater Management	4,595,100	4,406,000	(189,100)
Capital	37,381,600	37,979,600	598,000
Total Budget	\$321,876,400	\$320,624,000	\$(1,252,400)

Operating Budget

The 2021 Draft Operating Budget proposes a \$0 increase over the 2020 budget. Base pressures present a net \$373,500 decrease compared to 2020, as staff made considerable efforts in identifying efficiencies and savings opportunities. The budget also aims to phase out reliance on several unsustainable revenues, totaling \$1,000,000. Legislated pressures account for \$113,700 budget increase, while Growth pressures contribute a budget reduction of \$740,200. Also included in the budget is the funding of resources towards Strategic Priorities previously approved by Council, including implementation of the Lean Program, Asset Management Plan and the Public Works Enhancement Program.

At the November 25, 2020 Council meeting, staff were directed to continue to accept new requests for installation of recycling containers at super mailbox locations and to report back on an education plan for residents regarding recycling at super mailbox locations. Based on the current outstanding as well as anticipated additional requests, staff recommend an additional 60 installations in 2021. The total program cost will be \$82,000 – \$1,200 per location plus \$10,000 for the education plan. The pickup from these recycling containers will not generate additional costs from Miller Waste Company. Given the timing of the Council motion, the anticipated cost of the program is not included in the 2021 Draft Operating Budget. Should Council decide to proceed, there will be a tax rate impact of \$82,000 or 0.07%.

Operating Budget Pressures

Expenditures Personnel	2020 Budget	Base	Legislated	Growth/ Service Enhancements	Unsustainable Revenue Sources	2021 Draft Budget	Inc/(Dec) from 2020
Personnel - Permanent	\$113,180,000	\$265,800	-	\$138,400	-	\$113,584,200	\$404,200
Personnel - Casual	10,596,200	(171,600)	113,700	-	-	10,538,300	(57,900)
Total Personnel Expenditures	\$123,776,200	\$94,200	\$113,700	\$138,400	-	\$124,122,500	\$346,300

Expenditures Non-personnel	2020 Budget	Base	Legislated	Growth/ Service Enhancements	Unsustainable Revenue Sources	2021 Draft Budget	Inc/(Dec) from 2020
Contracts/Services	\$22,970,100	\$(181,100)	-	\$125,000	-	\$22,914,000	\$(56,100)
Materials/Supplies	22,248,500	(117,600)	-	(56,000)	-	22,074,900	(173,600)
Other Expenditures	5,478,800	(85,100)	-	150,000	-	5,543,700	64,900
To Reserve and Reserve Funds	10,057,200	(624,600)	-	-	-	9,432,600	(624,600)
Total Non-Personnel Expenditures	\$60,754,600	\$(1,008,400)	-	\$219,000	-	\$59,965,200	\$(789,400)
Total Expenditures	\$184,530,800	\$(914,200)	\$113,700	\$357,400	-	\$184,087,700	\$(443,100)

Operating Budget Pressures continued...

Revenues	2020 Budget	Base	Legislated	Growth/ Service Enhancements	Unsustainable Revenue Sources	2021 Draft Budget	Inc/(Dec) from 2020
User Fees and Fines	\$(38,783,600)	\$(698,500)	-	-	-	\$(39,482,100)	\$(698,500)
Investment Income	(5,050,000)	-	-	-	850,000	(4,200,000)	850,000
Grants/Donations	(1,653,900)	(115,000)	-	-	-	(1,768,900)	(115,000)
From Reserve and Reserve Funds	(13,072,300)	1,315,600	-	375,000	150,000	(11,231,700)	1,840,600
From Other Internal Sources	(7,646,500)	38,600	-	-	-	(7,607,900)	38,600
Non-Taxation Revenue	(66,206,300)	540,700	-	375,000	1,000,000	64,290,600	1,915,700
Taxation	(118,324,500)	-	-	(1,472,600)	-	(119,797,100)	(1,472,600)
Total Revenues	\$(184,530,800)	\$540,700	-	\$(1,097,600)	\$1,000,000	\$(184,087,700)	\$443,100
Total Overall Levy Requirement	-	\$(373,500)	\$113,700	\$(740,200)	\$1,000,000	-	-

Operating Budget Pressures by Department

	2020 Budget	Base	Legislated	Growth/ Service Enhancements	Unsustainable Revenue Sources	2021 Draft Budget	Inc/(Dec) from 2020
Community Services	\$62,442,300	\$(836,100)	\$113,700	\$500,000	-	\$62,219,900	\$(222,400)
Corporate and Financial Services	24,600,500	216,900	-	232,400	-	25,049,800	449,300
Planning and Infrastructure	23,816,900	(100,300)	-	-	-	23,716,600	(100,300)
Office of the City Manager	6,433,400	6,400	-	-	-	6,439,800	6,400
Corporate Accounts	(6,704,100)	297,600	-	-	1,000,000	(5,406,500)	1,297,600
Taxation	(118,324,500)	-	-	(1,472,600)	-	(119,797,100)	(1,472,600)
RH Public Library Board	7,735,500	42,000	-	-	-	7,777,500	42,000
Net Budget Requirement	-	\$(373,500)	\$113,700	\$(740,200)	\$1,000,000	-	-

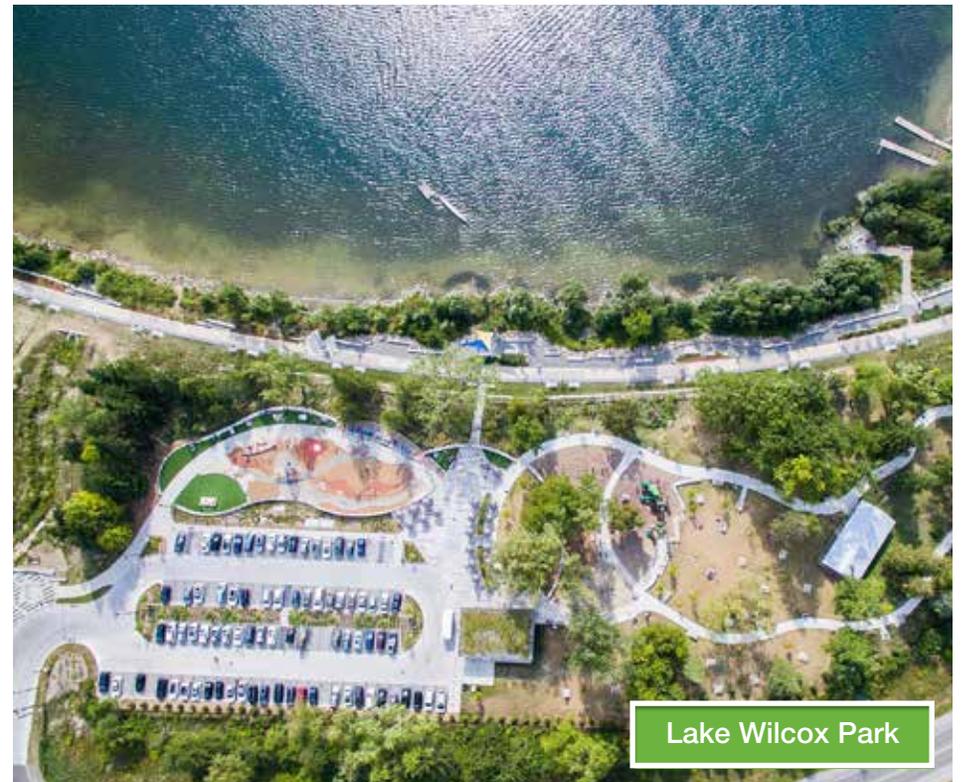
A. Base Pressures

This chart shows the inflation-related budget pressures where it costs more to maintain the same level of service. Efficiencies and savings are also reflected.

Expenditures Personnel	2020 Budget	2021 Draft Budget	Inc/(Dec)
Personnel - Permanent	\$113,180,000	\$113,445,800	\$265,800
Personnel - Casual	10,596,200	10,424,600	(171,600)
Subtotal - Personnel	\$123,776,200	\$123,870,400	\$94,200

Expenditures Non-personnel	2020 Budget	2021 Draft Budget	Inc/(Dec)
Contracts/ Services	\$22,970,100	\$22,789,000	\$(181,100)
Materials/ Supplies	22,248,500	22,130,900	(117,600)
Other Expenditures	5,478,800	5,393,700	(85,100)
Transfers to Other Funds	10,057,200	9,432,600	(624,600)
Subtotal - Non-personnel	\$60,754,600	\$59,746,200	\$(1,008,400)
Total Expenditures	\$184,530,800	\$183,616,600	\$(914,200)

Revenues	2020 Budget	2021 Draft Budget	Inc/(Dec)
User Fees and Fines	\$(38,783,600)	\$(39,482,100)	\$(698,500)
Investment Income	(5,050,000)	(5,050,000)	-
Grants/Donations	(1,653,900)	(1,768,900)	(115,000)
Reserves and Reserve Funds	(13,072,300)	(11,756,700)	1,315,600
Other Internal Sources	(7,646,500)	(7,607,900)	38,600
Non Taxation Revenues	\$(66,206,300)	\$(65,665,600)	\$540,700
Net Base Pressure	\$118,324,500	\$117,951,000	\$(373,500)



Base Expenditure Pressures

Personnel expenditure pressures include cost of living adjustment provisions, adjustments to benefit rates and step-rate increases.

During the fall months of 2020, the City reorganized to deliver more effective services while improving the efficient use of existing resources. The new organizational structure streamlines operations, with a focus on continuous improvement, leveraging technology through digitization of work and innovative space planning at the main Municipal Offices in order to provide a better customer experience. For the 2021 Operating Budget, the reorganization identified a savings of \$1.6 million in personnel costs. This new organizational structure is a step towards better ways to fulfil our mandate to the community.

The Refuse and Recycling contracts, along with telephone, data communications and cellular costs have contributed to the majority of the savings in the Contracts and Services section. Fuel, winter material supplies and equipment maintenance costs from the Public Works Enhancement program provided savings in Materials and Supplies. There is a reduction in transfer to reserves for non-growth capital salaries as well, and the Richmond Hill Public Library reduced the amount of transfer to fund their collection development costs, consistent with prior years. For the 2021 Draft Operating Budget, almost \$1 million in non-personnel savings have been proposed.



Water Services

Base Revenue Pressures

User fees and fines revenues are budgeted to increase by \$698,500. Approximately \$590,000 of the increase is related to property tax interest and penalties revenues, which have been increased based on historical trend. Additional revenues are the results from the Tariff of Fees update however this is partially offset by the Library discontinuing late penalty charges to be consistent with neighbouring municipalities.

Grants and Donations increased \$110,000 as a result of York Region funding the small business recovery grant program.

Transfers from Reserves have been reduced by \$1,315,600 due in part to the decreased reliance on reserves for funded positions, reduction in transfer from capital for non-growth capital salaries and Richmond Hill Public Library phased reduction of transfer from Library Reserves.

Transfers from internal sources have been reduced by \$38,600 due to the reduction of internal chargebacks from the sign shop being outsourced.



Central Library

B. Efficiencies/Savings

Included as part of total base pressures, staff have identified and incorporated \$2,941,000 of efficiencies/savings from the various departments. The list below provides the breakdown of the savings from the various categories.

	Efficiencies
Savings from Reorganization	
• Salary savings related to reorganization	\$(1,583,500)
Savings from Technology and related contracts	
• Reduced/Renewed IT contracts (cellular, communication, photocopier maintenance)	(203,000)
• Eliminated ADP charges due to transition to new ERP system	(115,000)
• Clerk's Office - Discontinued regular advertising in Liberal, more focus on website	(55,000)
• Fire additional revenue by replacing Mobile Data Terminals with Tablet Command	(6,500)
Subtotal	(379,500)
Savings from cancelled or reduced programs	
• Home delivery for the community recreation guide has been discontinued	(20,900)
• Public Works week	(5,000)
Subtotal	(25,900)
Administrative Efficiencies and Savings	
• Casual staffing savings in Recreation	(113,200)
• Casual staffing and overtime savings in Community Standards division	(92,500)
• Animal Services contract changes	(80,000)
• Savings from health and dental benefits rates	(64,300)
• Fire vehicle and equipment fuel/lubricants	(10,000)
Subtotal	(360,000)
Savings on Facilities and Buildings Cost	
• Parks Hydro savings	(20,000)
Subtotal	(20,000)
Savings from Richmond Hill Public Library	
• Savings from staff changes	(344,700)
• Transfer to R&R Reserve Fund	(227,400)
Subtotal	(572,100)
Total Savings/Efficiencies	\$(2,941,000)

C. Legislated Pressures

Legislated requirement to account for the increase in minimum wage.

Legislated Pressures	2021 Draft Budget
CSD - Minimum Wage increase	\$113,700
Total Legislated Pressures	\$113,700

D. Net Growth Pressures

The net growth pressure contributes to a budget reduction of \$740,200. These are pressures from providing the same level of service but to a growing community due to larger volumes or higher level of activities. Growth pressures include new resources and programs as well as the taxation revenue increase from property assessment and supplementary tax growth summarized below:

Growth/Services Enhancement	2021 Draft Budget
New Resources Requested in 2021	
New Programs	\$732,400
Property Assessment Growth	(1,061,800)
Supplementary Taxes Growth	(410,800)
Total Growth Pressures	\$(740,200)

E. New Program Resources Growth Pressures

In supporting a growing community, the City incurs costs to expand a number of programs to a larger population. The financial impact of new programs is \$732,400. The following table provides a list of incremental programming costs for providing services to a growing community:

Dept	New Programs	2021 Draft Budget
CSD	Public Works Enhancement (includes Windrow Program)	\$500,000
CFS	Microsoft Enterprise Agreement and other software needs	150,000
CFS	Special Assistant to the Mayor	82,400
Total Growth - New Programs		\$732,400

F. New Property Assessment and Supplementary Taxation Growth

In 2021, the property assessment growth due to new residential and commercial/industrial buildings, is expected at 0.91%, generating an additional \$1,061,800 in taxation revenue. The supplementary taxes growth will generate an additional \$410,800 in taxation revenue based on historical trend.

The net impact of Growth pressures including new resources, property assessment and supplementary taxes growth is a budget reduction of \$740,200.

G. Unsustainable Revenue Sources

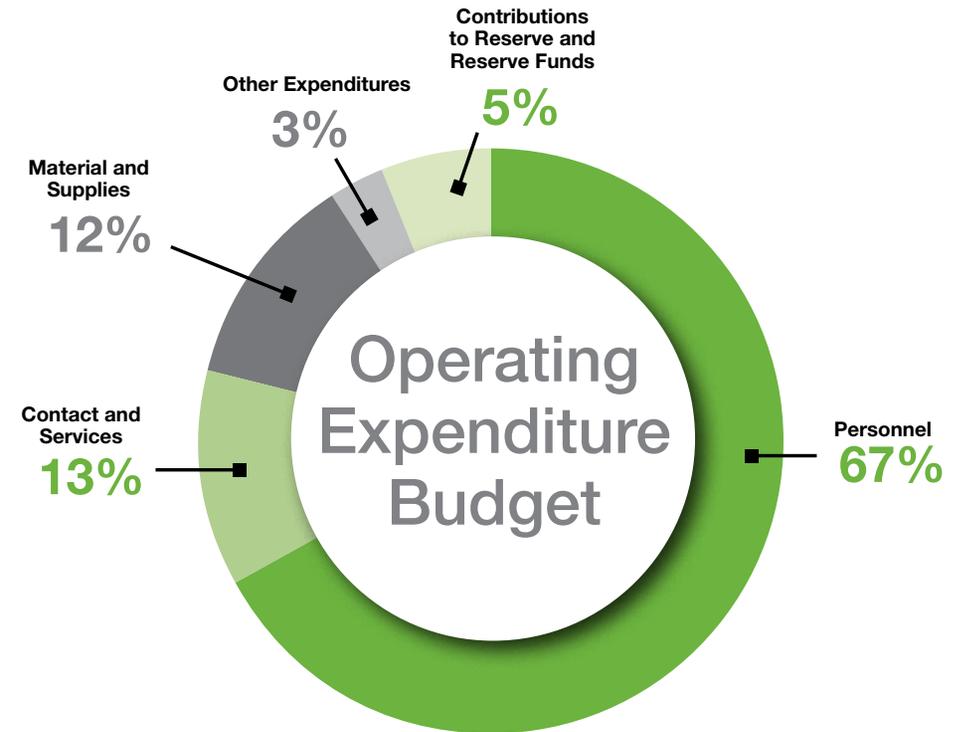
With the continued low interest rate environment, the draft budget reflects a decrease in investment income by \$850,000, which represents year two of a three-year phase-in plan to reduce Investment Income by \$2.52 million. This is in an effort to align the current \$4.2 million investment income budget to a level that is closer to actual short-term returns.

The \$150,000 reduction in funding from the Training and Development Reserve is to reduce the reliance on tax-supported reserve accounts for ongoing annual programs.

Unsustainable Revenue Sources	2021 Draft Budget
Investment Income – Year 2 of a 3-year reduction	\$850,000
Reduce funding from Training and Development Reserve	\$150,000
Unsustainable Revenue Sources	\$1,000,000

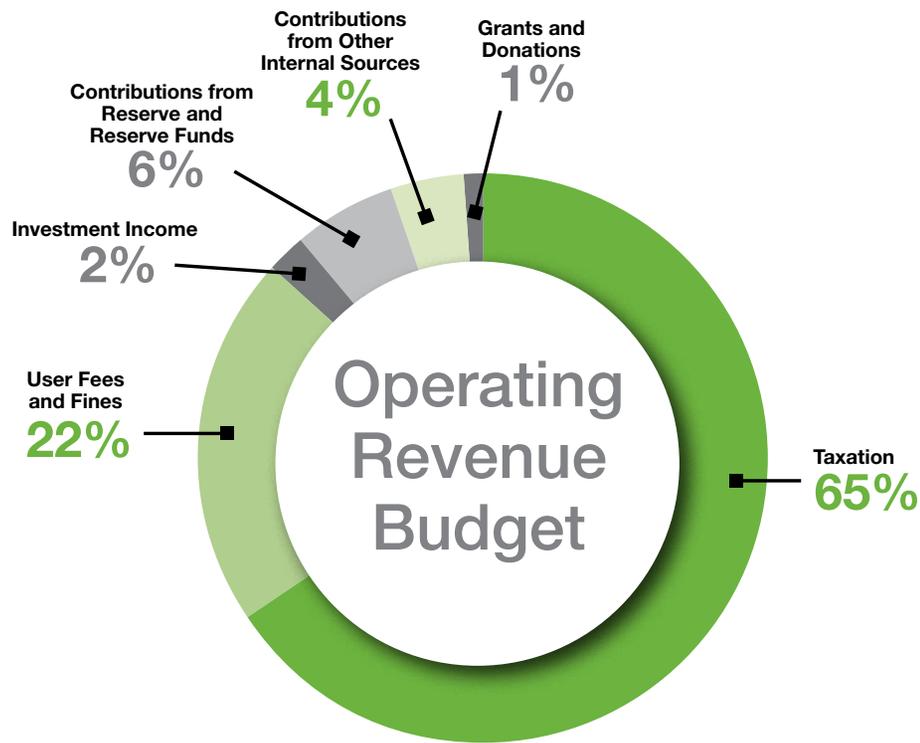
H. Operating Expenditures

Operating Expenditures is comprised of personnel expenditures representing 67% of the budget. Contracts and Services and Materials and Supplies represent 25% of the total expenditure budget.



I. Revenue Sources

The most significant portion of the revenue is property taxation which represents 65% of the total revenue budget. User Fees and Fines represent 22%, Contributions from Reserve and Reserve Funds and Other Internal Sources are 10%, Investment Income contributes 2% and Grants and Donations make up another 1%.

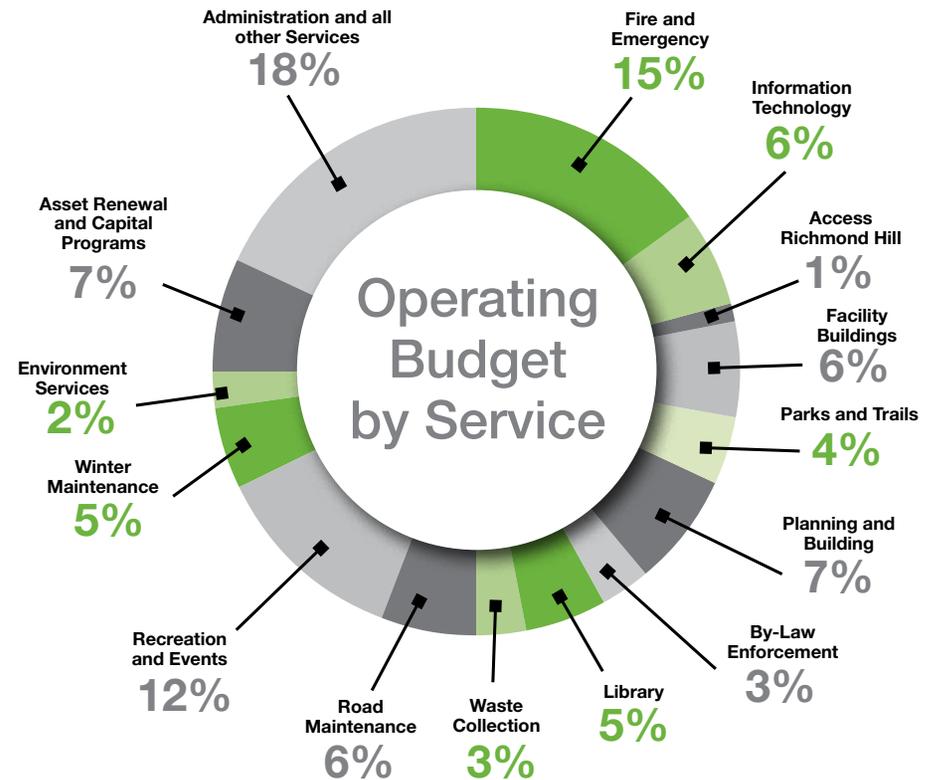


Operating Budget – Capital Asset Sustainability

Continuing with the Capital Asset Sustainability Strategy adopted by Council as part of the 2016 Operating Budget, the City will charge a Capital Asset Sustainability Fee to support the repair and replacement of capital assets as outlined in the City's Asset Management Plan. The 2021 increase of 1% tax rate equivalent will generate an additional \$1,179,600 for future capital asset funding for a total revenue budget of \$6,571,700. All of these funds are allocated to the City's Tax-Supported Capital Reserve Funds.

Operating Budget Summary by Services

The combined operating budget proposes a \$184,087,700 in total expenses for the 2021 budget. The budget supports various municipal services, with the largest proportion in Administration and Other Services as well as Fire and Emergency Services.



Financial Outlook

As part of the budget process, staff have forecasted the expected pressures for 2022-2024. Below is an updated Financial Outlook.

Tax Levy Increases and Financial Outlook

City Services	2021 Draft Budget	2022 Outlook	2023 Outlook	2024 Outlook
Base	\$(373,500)	\$1,384,300	\$1,643,900	\$1,647,100
Legislated	113,700	-	-	-
Growth	732,400	981,700	1,100,000	1,150,000
Property Tax/ Supplementary Tax	(1,472,600)	(1,769,300)	(1,878,200)	(1,958,800)
Unsustainable Funding Sources	1,000,000	850,000	400,000	-
Tax Levy Increase	-	\$1,446,700	\$1,265,700	\$838,300
Tax Rate Increase	0.00%	1.21%	1.00%	0.63%
COVID-19 Related Impact	4,644,500	-	-	-
Funded - Safe Restart Agreement	(4,347,000)	-	-	-
Funded - Tax Rate Stabilization Reserve	(297,500)	-	-	-
Tax Levy Increase	-	\$1,446,700	\$1,265,700	\$838,300
Tax Rate Increase	0.00%	1.21%	1.00%	0.63%
Public Works Enhancement	-	500,000	500,000	500,000
Tax Levy Increase (incl. Public Works Enh.)	-	\$1,946,700	\$1,765,700	\$1,338,300
Tax Rate Increase	-	1.63%	1.39%	1.01%
Recreation Programs - COVID-19 impact	-	\$3,540,300	\$1,830,100	-
Tax Levy Increase (incl. Rec Programs - COVID-19)	-	\$5,487,000	\$3,595,800	\$1,338,300
Tax Rate Increase	-	4.58%	2.83%	1.01%
Capital Asset Sustainability	\$1,179,600	\$1,197,300	\$1,270,900	\$1,325,500

For the purpose of Outlook calculations, it is assumed that the User Fees increase 2% per year, CPI is 2% and the Assessment Growth is 1.5%.

2022 Outlook

The 2022 Financial Outlook projects a tax levy impact of \$1,946,700, before COVID-19 related impacts. The incremental staff to be added is approximately \$250,000 starting mid-year. The financial impact includes the incremental expenditure for Public Works Enhancement Program, IT Strategy, regular business as well as phased reduction to investment income. The outlook also includes a potential deficit of \$3,540,300 in Recreation Programs with the assumption that COVID-19 will continue to be a factor into 2022 and public participation in group activities is not expected to fully return to pre-COVID-19 levels. The total tax levy impact is \$5,487,000 (or 4.58%) after consideration of COVID-19 related impacts.

2023 Outlook

The 2023 Financial Outlook projects a tax levy impact of \$1,765,700, before COVID-19 related impacts. The incremental staff to be added is approximately \$500,000, plus another \$250,000 annualized impact from prior year. The financial impact mainly includes the incremental expenditure for IT Strategy, Public Works Enhancement Program, regular business as well as phased reduction to investment income. The outlook also includes a potential deficit of \$1,830,100 in Recreation Programs with the assumption that COVID-19 will have lasting effects into 2023 and public participation in group activities will be much different than pre-COVID-19 levels. The total tax levy impact is \$3,595,800 (or 2.83%) after consideration of COVID-19 related impacts.

2024 Outlook

The 2024 Financial Outlook projects a tax levy impact of \$1,338,300. The incremental staff to be added is approximately \$500,000, plus another \$250,000 annualized impact from prior year. The financial impact includes the incremental expenditure for IT Strategy, Public Works Enhancement Program and regular business.



Financial Impact from COVID-19

The 2021 Draft Operating Budget reflects the financial impact of mainly a business as usual environment while also considering the effects of a new normal. However, as the City continues towards a recovery path from COVID-19 in 2021, there will be new data and corresponding regulations that may substantially change how the City operates. The situation will be fluid and it is imperative that the City remains flexible in order to adapt.

In the middle of March 2020, the World Health Organization upgraded the COVID-19 outbreak from a global health emergency to a pandemic. It was around this time that the City began to close facilities and encouraged staff to work from home, where feasible. As a result of the current lockdown, this arrangement has continued to be the mandate to date (January 2021). All throughout 2020, multiple lines of business have been affected and none moreso than the Recreation and Culture division. Many recreation programs and theatre events were cancelled, postponed or offered virtually because of social distancing requirements. This has resulted in significant losses in program revenues, which were partially mitigated by savings in casual staffing and facility costs. Other impacted revenue streams include reduced parking fines and park permits as a result of social gathering restrictions. Investment income was also forecasted significantly below expectations due to the continued low interest rate environment and Bank of Canada's consecutive interest rate cuts. Further details on the COVID-19 impact on 2020 operations can be found in staff report (SRCFS.21.003 - 2020 Operating Forecast, COVID-19 Pressures and Updated Outlook).

Looking forward, a lot of the same issues encountered in 2020 will also affect the City in 2021. Under the Recreation and Culture section, the uncertainty of program start dates contribute

to a projected \$3,365,900 operating loss, partially offset by savings in facility costs of approximately \$673,000 highlighted under the Infrastructure and Engineering section. Under the Corporate Accounts section, investment income is estimated to be approximately \$1,674,200 below expectations due to the continued low interest rate environment. The following summaries and tables highlight some of the larger or known financial impacts at this time, totaling a \$4,644,500 deficit, that the City anticipates may occur as a result of continued recovery from COVID-19 in 2021.

The estimated \$4.6 million deficit is based on the various factors highlighted in the following department summaries. Throughout 2021, the City will first look to mitigate any deficit by implementing different mitigating measures as was done in 2020. For example, the City implemented a full-time hiring freeze and generated savings from discretionary training and conference costs in 2020, amongst other measures. After first taking this proactive approach to finding savings, the City will then look to utilize the provincial and federal funding from the Safe Restart Agreement and then from the Tax Rate Stabilization Reserve to subsidize any further deficit in 2021.



Financial Impact from COVID-19 continued...

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Office of the City Manager	Community Services	Corporate and Financial Services	Corporate	Planning and Infrastructure	2021 Draft Budget (with COVID-19 related impact)	Variance (Fav)/Unfav
Personnel Costs - Full Time	\$113,584,200	-	\$70,700	-	-	-	\$113,654,900	\$70,700
Personnel Costs - Casual	10,538,300	-	(4,431,900)	-	-	(81,700)	6,024,700	(4,513,600)
Contract/Services	22,914,000	(30,000)	(1,405,600)	(52,600)	-	(8,000)	21,417,800	(1,496,200)
Material/Supplies	22,074,900	-	(602,100)	(45,700)	-	(690,000)	20,672,100	1,402,800
Other Expenditures	5,543,700	-	(44,700)	-	(65,000)	20,000	5,516,000	(27,700)
Transfers to Other Funds	9,432,600	-	(126,000)	-	(3,000)	-	9,306,600	(126,000)
Total Expenditures	\$184,087,700	\$(30,000)	\$(6,539,600)	\$(98,300)	\$(68,000)	\$(759,700)	\$176,592,100	\$(7,495,600)
Revenues	2021 Draft Budget	Office of the City Manager	Community Services	Corporate and Financial Services	Corporate	Planning and Infrastructure	2021 Draft Budget (with COVID-19 related impact)	Variance (Fav)/Unfav
User Fees and Fines	\$(39,482,100)	-	\$9,940,800	\$104,400	-	\$335,500	\$(29,101,400)	\$10,380,700
Taxation	(119,797,100)	-	-	-	-	-	(119,797,100)	-
Investment Income	(4,200,000)	-	-	-	1,674,200	-	(2,525,800)	1,674,200
Grants/Donations	(1,768,900)	-	64,400	-	-	-	(1,704,500)	64,400
Reserve and Reserve Funds	(11,231,700)	-	8,200	-	-	12,600	(11,210,900)	20,800
Other Internal Sources	(7,607,900)	-	-	-	-	-	(7,607,900)	-
Total Revenues	\$(184,087,700)	-	\$10,013,400	\$104,400	\$1,674,200	\$348,100	\$(171,947,600)	\$12,140,100
Net Budget	-	\$(30,000)	\$3,473,800	\$6,100	\$1,606,200	\$(411,600)	\$4,644,500	\$4,644,500

Office of the City Manager

The City Manager's Office provides corporate leadership to the City's four departments and includes Strategy and Government Relations, Transformation and Brand Partnerships, and Legal Services. Due to the variability in legal, property acquisition and insurance claim costs, no identified COVID-19 financial impact has been noted. Under Economic Development and Richmond Hill Centre, it is anticipated that savings of \$30,000 may be realized through reduced consulting, workshops and marketing event costs.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	City Manager's Office	Economic Development	Legal Services	2021 Draft Budget (with COVID-19 related impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$4,572,300	-	-	-	\$4,572,300	-
Personnel - Casual	88,400	-	-	-	88,400	-
Contract/Services	2,159,200	-	(30,000)	-	2,129,200	(30,000)
Material/Supplies	242,600	-	-	-	242,600	-
Other Expenditures	624,800	-	-	-	624,800	-
Transfers to Other Funds	272,000	-	-	-	272,000	-
Total Expenditures	\$7,959,300	-	\$(30,000)	-	\$7,929,300	\$(30,000)
Revenues	2021 Draft Budget	City Manager's Office	Economic Development	Legal Services	2021 Draft Budget (with COVID-19 related impact)	Variance (Fav)/Unfav
User Fees	\$(339,400)	-	-	-	\$(339,400)	-
Grants/Donations	(365,800)	-	-	-	(365,800)	-
Reserve and Reserve Funds	(814,300)	-	-	-	(814,300)	-
Total Revenues	\$(1,519,500)	-	-	-	\$(1,519,500)	-
Net Budget	\$6,439,800	-	\$(30,000)	-	\$6,409,800	\$(30,000)

- Economic Development and Richmond Hill Centre - additional savings in consulting, workshops and marketing event costs may be further realized.

Community Services

Community Services is a front line service department, involved in ensuring the safety of Richmond Hill residents. COVID-19 has affected service levels – daily operations are modified and special procedures are in place to carry out these City services. The Community Services department is anticipating a net impact of \$3,473,800 from COVID-19 in the 2021 Draft Operating Budget. The net loss in the Recreation and Culture division is mainly due to the inability to offer complete programming as a result of facility closures. Fire and Emergency Services and the Community Standards division are both anticipating a net loss as a result of fewer user fees collected. The anticipated savings in Public Works Operations is mainly due to the reduction in hiring of summer students. The detailed breakdown by division is included in the table below.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Recreation and Culture	Public Works Operations	Fire Services	Community Standards	2021 Draft Budget (with COVID-19 related impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$56,897,700	\$(1,800)	\$(2,500)	\$75,000	-	\$56,968,400	\$70,000
Personnel - Casual	9,596,500	(4,258,700)	(173,200)	-	-	5,164,600	(4,431,900)
Contract/Services	15,566,700	(1,433,600)	28,000	-	-	14,161,100	(1,405,600)
Material/Supplies	8,700,000	(546,700)	(31,400)	(18,000)	(6,000)	8,097,900	(602,100)
Other Expenditures	312,800	(45,200)	500	-	-	268,100	(44,700)
Transfers to Other Funds	901,700	(126,000)	-	-	-	775,700	(126,000)
Total Expenditures	\$91,975,400	\$(6,412,000)	\$(178,600)	\$57,000	\$(6,000)	\$85,435,800	\$(6,539,600)
Revenues	2021 Draft Budget	Recreation and Culture	Public Works Operations	Fire Services	Community Standards	2021 Draft Budget (with COVID-19 related impact)	Variance (Fav)/Unfav
User Fees	\$(24,465,600)	\$9,713,500	\$53,500	\$150,000	\$23,800	\$(14,524,800)	\$9,940,800
Grants/Donations	(970,500)	64,400	-	-	-	(906,100)	64,400
Reserve and Reserve Funds	(3,014,800)	-	8,200	-	-	(3,006,600)	8,200
Other Internal Sources	(1,304,600)	-	-	-	-	(1,304,600)	-
Total Revenues	\$(29,755,500)	\$9,777,900	\$61,700	\$150,000	\$23,800	\$(19,742,100)	\$10,013,400
Net Budget	\$62,219,900	\$3,365,900	\$(116,900)	\$207,000	\$17,800	\$65,693,700	\$3,473,800

Recreation and Culture

In preparing for the COVID-19 impacts in the 2021 Operating Budget, there is a projected net loss of \$3,365,900 for the Recreation and Culture budget. The assumptions used in preparing this 2021 operating financial information varies between the different sections, as they are dependent on factors such as participant age groups, participation levels within the programs, public demand, nature of the facilities, type of programs, and varying operating restrictions imposed by the government.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Admin	Events and Marketing Services	Facilities and Client Services	Aquatic, Fitness and Skating	Recreation and Culture Programs and Services	Richmond Hill Centre for the Performing Arts	Arena	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$10,166,600	-	-	\$(1,300)	\$(500)	-	-	-	\$10,164,800	\$(1,800)
Personnel - Casual	7,969,100	-	(56,700)	(377,400)	(2,118,100)	(752,400)	(702,100)	(252,000)	3,710,400	(4,258,700)
Contract/ Services	2,677,700	-	(166,200)	(8,500)	(52,800)	(468,500)	(737,600)	-	1,244,100	(1,433,600)
Material/ Supplies	1,938,000	(2,500)	(18,400)	(136,900)	(164,300)	(91,600)	(130,100)	(2,900)	1,391,300	(546,700)
Other Expenditures	143,200	(8,000)	-	(5,000)	(19,800)	(8,900)	(3,500)	-	98,000	(45,200)
Transfers to Other Funds	130,000	-	-	-	-	-	(126,000)	-	4,000	(126,000)
Total Expenditures	\$23,024,600	\$(10,500)	\$(241,300)	\$(529,100)	\$(2,355,500)	\$(1,321,400)	\$(1,699,300)	\$(254,900)	\$16,612,600	\$(6,412,000)
Revenues	2021 Draft Budget	Admin	Events and Marketing Services	Facilities and Client Services	Aquatic, Fitness and Skating	Recreation and Culture Programs and Services	Richmond Hill Centre for the Performing Arts	Arena	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(18,300,500)	-	\$49,100	\$634,300	\$4,068,000	\$1,695,700	\$2,501,400	\$765,000	\$(8,587,000)	\$9,713,500
Grants/ Donations	(210,000)	-	12,300	-	-	31,500	19,400	1,200	(145,600)	64,400
Total Revenues	\$(18,510,500)	-	\$61,400	\$634,300	\$4,068,000	\$1,727,200	\$2,520,800	\$766,200	\$(8,732,600)	\$9,777,900
Net Budget	\$4,514,100	\$(10,500)	\$(179,900)	\$105,200	\$1,712,500	\$405,800	\$821,500	\$511,300	\$7,880,000	\$3,365,900

The COVID-19 impacted 2021 operating budget for the Recreation and Culture division was prepared assuming most facilities will open for a portion of the year. The financial impact of COVID-19 could change due to extended lockdowns or other restrictions. Facilities will be opened when it is safe to do so.



Administration Impact

- \$2,500 savings in mileage as travelling between various facilities will be reduced as a result of work from home arrangements.
- Recreation grant is expected to reduce by \$8,000 as fewer community programs will be running so less subsidization will be required by families.

Events and Marketing Services

Assumptions:

The delivery of 2021 events reflect a drive in/drive thru model or virtual format. Recreation and Culture Marketing Services are needed to support the promotion of these events and the virtual and in-person recreation and culture programs that the City will offer.

- Canada Day will be delivered as a blended virtual and drive-in event at Richmond Green with limited capacity and vehicle registration; there will not be a live fireworks display.
- Santa Claus Parade will be delivered as a drive-thru event along the ring road at Richmond Green with limited capacity and vehicle registration.
- Ribfest will be delivered as a drive-thru event at Richmond Green with limited capacity and vehicle registration.
- First Night and the Volunteer Achievement Awards will be delivered in a virtual event format.

Impact

- The Recreation and Culture Marketing Services, as well as the virtual or drive-in/thru format of events in 2021 has created a savings of \$56,700 in casual wages and \$184,600 in the operating expense; however, there is also a reduction of \$61,400 in revenue, resulting in an overall savings of \$179,900.

Facilities and Client Services

Assumptions:

Building rental revenue from the Richmond Hill facilities will be impacted from the period the facilities are closed as a result of COVID-19. Client Services is needed to support the daily operation of the facilities and to ensure the program registration and permitting is carried out.

- Client Services has a direct relationship with all the program registration and permit tasks.
- Similar birthday party booking requests as pre-COVID-19 are expected.
- Similar demand as pre-COVID-19 for facility permitting is expected, once each facility is re-opened.
- Additional facility maintenance/cleaning supplies are included for the number of months each facility is expected to be open.
- Janitorial spending remains consistent even while facilities are closed as they are used for parks staff to access.

Impact

- As a result of the closure of some of the facilities, there is a savings of \$352,900 in administrative and facility casual staffing and \$135,000 savings in building maintenance/repairs. Building rental revenue has also been reduced by \$634,300.
- The client services casual wages and armored car pick up services from the different facilities have a further savings of \$41,200.
- These all lead to a net budget impact of \$105,200.

Aquatics, Fitness and Skating

Assumptions:

The participation rate for pools is projected at 40% per pool.

Impact

- There is a savings of \$2,355,500 in casual wages, program materials and honorarium spending; the program revenue has also reduced by \$4,068,000 for the aquatic and fitness programs, leading to a net budget increase of \$1,712,500.

Recreation and Culture Programs and Services

Assumptions:

There are in-person and virtual programs planned in 2021.

Virtual programs

- Will be offered for all age groups, including preschool, children, youth, adult and seniors.
- Virtual programs represent a small portion of the overall revenue (5%-10%).
- Revenue and expense will at least breakeven.



In-person programs

- Are offered for all ages, preschool to Adult 55+. Includes general programs, outdoor recreation and heritage programs. Summer Camps will operate indoors and outdoors.
- Participation rate has been reduced by 40%-60%, depending on the nature of the program.
- When preparing the 2021 Draft Operating Budget, the number of participants per cohort and number of cohorts varies for each facility depending on the provincial guidelines, facility capacity, number of program rooms, washrooms and general physical layout of the facility.
- The requirement for program space and physical distancing between participants limits the capacity of the programs.
- Personal protective equipment for staff is included in all the program budgets.

Impact

- There is a savings of \$1,321,400 in casual wages, program materials and honorarium spending. The program revenue has also reduced by \$1,695,700 for the recreation and culture programs and grant revenue from the Heritage and Inclusion budgets have reduced by \$31,500. There is a net budget impact of \$405,800.

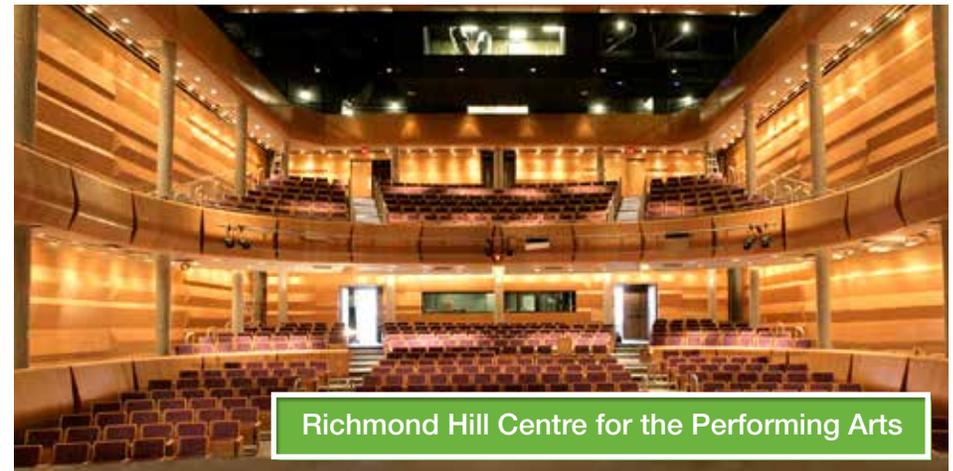
Richmond Hill Centre for the Performing Arts

Assumptions:

- Richmond Hill will be adhering to stage 3 guidelines established by the Province, which permits a maximum of 50 patrons, indoors, per event.
- Budget is based on four film screenings per week.
- Box office will open with limited hours.
- Bar and coat check service will remain closed for the entire year.
- Each event will require two stage hands and up to six ushers.

Impact

- With a different operating format for the Theatre in 2021, there is a savings of \$702,100 in casual wages and \$997,200 in the theatre operating expenses and artist fees; there is also a reduction of \$2,520,800 in revenue, leading to a net impact of \$821,500.



Richmond Hill Centre for the Performing Arts

Arenas

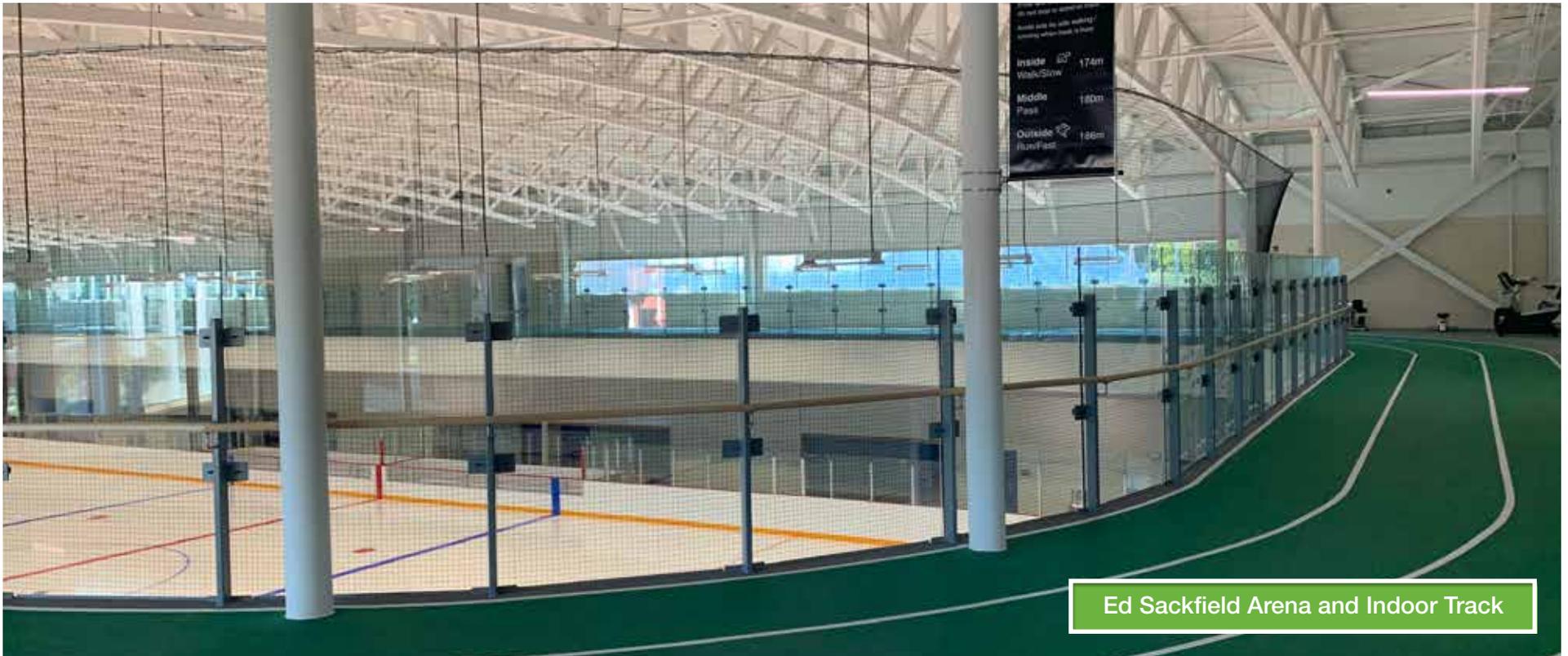
Assumptions:

Program offerings, administrative support and ice rental revenue will be impacted from the period the arenas are closed as a result of COVID-19.

- The participation rate for the arena program is projected at 40%.
- Administrative support is based on the dates that arenas are safe to re-open.
- Additional COVID-19 related maintenance/cleaning supplies is included for the re-opening months of the arenas.
- Similar ice-booking demand as pre-COVID-19 is expected

Impact

- There is a savings of \$157,800 in casual wages and \$1,000 in program materials; the revenue has also been reduced by \$329,900 for the arena programs, leading to a net loss of \$171,100.
- There is a \$94,200 savings in the administrative casual staffing and \$1,900 in materials; the ice rental revenue has reduced by \$436,300, creating a net loss of \$340,200.
- These all lead to a net budget impact of \$511,300.



Ed Sackfield Arena and Indoor Track

Public Works Operations

Throughout the pandemic, the provision of public works operation services continued. However, there was significant pressure on staff daily routines, requiring additional protective equipment for workers while ensuring the social distancing guidelines are adhered to. The following table presents a projected savings of \$116,900 for the division. The financial impact of COVID-19 could change due to extended lockdowns or other restrictions.

COVID-19 Related Impact (Favourable)/Unfavourable									
Expenditures	2021 Draft Budget	Business and Technical Services	Road Traffic Operations	Fleet and Supplies	Public Works Enhancement	Parks Operations	Energy and Waste Management	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$15,908,400	-	-	-	-	\$(2,500)	-	\$15,905,900	\$(2,500)
Personnel - Casual	1,408,300	(35,100)	(27,600)	-	-	(110,500)	-	1,235,100	(173,200)
Contract/Services	11,569,100	(7,000)	-	37,500	-	(2,500)	-	11,597,100	28,000
Material/Supplies	5,742,100	-	-	(20,000)	(8,200)	(3,200)	-	5,710,700	(31,400)
Other Expenditures	111,800	-	-	-	-	-	500	112,300	500
Transfers to Other Funds	754,200	-	-	-	-	-	-	754,200	-
Total Expenditures	\$35,493,900	\$(42,100)	\$(27,600)	\$17,500	\$(8,200)	\$(118,700)	\$500	\$35,315,300	\$(178,600)
Revenues	2021 Draft Budget	Business and Technical Services	Road Traffic Operations	Fleet and Supplies	Public Works Enhancement	Parks Operations	Energy and Waste Management	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(1,712,300)	-	-	-	-	\$53,500	-	\$(1,658,800)	\$53,500
Grants/Donations	(758,000)	-	-	-	-	-	-	(758,000)	-
Reserve and Reserve Funds	(3,014,800)	-	-	-	8,200	-	-	(3,006,600)	8,200
Other Internal Sources	(1,304,600)	-	-	-	-	-	-	(1,304,600)	-
Total Revenues	\$(6,789,700)	-	-	-	\$8,200	\$53,500	-	\$(6,728,000)	\$61,700
Net Budget	\$28,704,200	\$(42,100)	\$(27,600)	\$17,500	-	\$(65,200)	\$500	\$28,587,300	\$(116,900)

Business and Technical Services

- There is a savings of \$35,100 in school crossing guard wages due to difficulties in filling these casual positions during the pandemic.
- There is a reduction of \$7,000 in general contracts that reflects less reliance on staffing services to fill crossing guard vacancies.

Roads and Traffic Operations

- There is a reduction of \$27,600 in summer students for Road Operations.

Fleet and Supplies

- There is a \$37,500 increase in outsourced vehicle maintenance expenses to cover staff absences during COVID-19 leading to a \$50,000 savings in in-house materials and supplies.
- There is a \$30,000 increase in janitorial spending for the library branches in response to COVID-19.

Public Works Enhancements

- The additional limitation during COVID-19 has reduced the ability to run training sessions by \$8,200, which is offset by a reduction of transfer from the Economic Vitality Reserve Fund.

Parks Operations

- There is a \$2,500 savings related to the full time overtime.
- There is a reduction of \$110,500 for summer students in Parks Operations.
- There is a savings of \$6,700 in pausing the Front Garden Recognition event as a result of COVID-19.
- The \$1,500 savings in mileage is offset by the \$2,500 additional expenses for personal protective equipment.
- There is a \$53,500 reduction in sportsfield and picnic permit revenue to reflect extended restrictions and less anticipated bookings as a result of COVID-19.

Energy and Waste Management

- There is a \$500 increase in waste related COVID-19 public education materials.



Fire and Emergency Services

The nature of Fire and Emergency Services work requires additional personal protective equipment and added costs for overtime due to firefighters being off duty as a result of COVID-19 exposure (on and off duty). The gathering restrictions and the requirement for social distancing affect the level of community-based activities, limiting the opportunity for the Fire division to achieve the annual expected revenue. The following table presents the additional \$207,000 financial pressure for the division. The financial impact of COVID-19 could change due to extended lockdowns or other restrictions.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Administration	Fire Operations	Fire Training	Fire Prevention	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$26,696,300	-	\$75,000	-	-	\$26,771,300	\$75,000
Contract/Services	671,400	-	-	-	-	671,400	-
Material/Supplies	701,400	(2,500)	34,500	(45,000)	(5,000)	683,400	(18,000)
Other Expenditures	57,800	-	-	-	-	57,800	-
Transfers to Other Funds	17,500	-	-	-	-	17,500	-
Total Expenditures	\$28,144,400	\$(2,500)	\$109,500	\$(45,000)	\$(5,000)	\$28,201,400	\$57,000
Revenues	2021 Draft Budget	Administration	Fire Operations	Fire Training	Fire Prevention	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(154,000)	-	\$100,000	\$40,000	\$10,000	\$(1,390,000)	\$150,000
Grants/Donations	(2,500)	-	-	-	-	(2,500)	-
Total Revenues	\$(1,542,500)	-	\$100,000	\$40,000	\$10,000	\$(1,392,500)	\$150,000
Net Budget	\$26,601,900	\$(2,500)	\$209,500	\$(5,000)	\$5,000	\$26,808,900	\$207,000

Administration

- \$2,500 savings related to office supplies as there are less staffs in the office.

Fire Operations

- \$75,000 additional overtime to cover time off requests for staff absences.
- \$34,500 increase in materials/supplies from additional cleaning supplies and personal protective equipment needs.
- The \$100,000 lower emergency response revenue is the result of closed buildings and less people travelling.

Fire Training

- The \$40,000 lower than expected training centre rental revenue as there are less rentals from colleges and other neighbouring municipalities. This partially offset by the \$25,000 savings on the training centre materials costs.
- Reduction of \$20,000 in specialized training expense for firefighters.

Fire Prevention

- Less in person public education events will be held, reducing the public education material needs by \$5,000.
- File searches and inspections revenue have decreased by \$10,000 as businesses will be operating at limited capacity and because of social distancing and concerns for the safety of staff, Fire and Emergency Services will be limiting the inspections to critical and complaint inspections only.



Community Standards

It is expected that the Community Standards division will experience some impacts to its revenue and expense streams with an overall net \$17,800 financial pressure for the division. The financial impact of COVID-19 could change due to extended lockdowns or other restrictions.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Administration	Adjudication	By-law and Licensing	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$3,726,000	-	-	-	\$3,726,000	-
Personnel - Casual	219,100	-	-	-	219,100	-
Contract/Services	608,500	-	-	-	608,500	-
Material/Supplies	145,400	(6,000)	-	-	139,400	(6,000)
Total Expenditures	\$4,699,000	\$(6,000)	-	-	\$4,693,000	\$(6,000)

Revenues	2021 Draft Budget	Administration	Adjudication	By-law and Licensing	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees and Fines	\$(2,903,200)	-	\$4,800	\$19,000	\$(2,879,400)	\$23,800
Total Revenues	\$(2,903,200)	-	\$4,800	\$19,000	\$(2,879,400)	\$23,800

Net Budget	\$1,795,800	\$(6,000)	\$4,800	\$19,000	\$1,813,600	\$17,800
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Administration

- There is \$6,000 savings in materials and supplies. This includes \$2,000 related to the savings from office supplies as staff are working from home most of the time. The balance is related to a reduction in training costs.

Adjudication

- There is a reduction of \$4,800 in no show fees as screening reviews will continue to be conducted entirely online or by phone.

By-law and Licensing

- The \$19,000 lower business licence revenue is the result of small business remaining closed due to COVID-19 restrictions.

Corporate and Financial Services

The Corporate and Financial Services department includes the Clerk's Office, Human Resources, Information Technology, Strategic Communications and Financial Services. A decrease in revenue from lottery, marriage licenses and FOI requests is anticipated due to continued social distancing, contributing to loss revenues of approximately \$104,400. A \$45,700 savings in postage and courier expenses is anticipated due to a greater reliance on digital channels.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Clerk's Office	Corporate Supplies	Human Resources	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$21,572,600	-	-	-	\$21,572,600	-
Personnel - Casual	266,100	-	-	-	266,100	-
Contract/Services	2,094,300	-	-	(52,600)	2,041,700	(52,600)
Material/Supplies	1,368,500	-	(45,700)	-	1,322,800	(45,700)
Other Expenditures	3,360,000	-	-	-	3,360,000	-
Transfers to Other Funds	200,000	-	-	-	200,000	-
Total Expenditures	\$28,861,500	-	\$(45,700)	\$(52,600)	\$28,763,200	\$(98,300)
Revenues	2021 Draft Budget	Clerk's Office	Corporate Supplies	Human Resources	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(1,614,400)	\$104,400	-	-	\$(1,510,000)	\$104,400
Reserve and Reserve Funds	(517,200)	-	-	-	(517,200)	-
Other Internal Sources	(1,680,100)	-	-	-	(1,680,100)	-
Total Revenues	\$(3,811,700)	\$104,400	-	-	\$(3,707,300)	\$104,400
Net Budget	\$25,049,800	\$104,400	\$(45,700)	\$(52,600)	\$25,055,900	\$6,100

- Clerk's Office – decrease in revenues (lottery licenses, marriage licenses/ceremonies, FOI requests) of \$104,400 may be realized if there are further COVID-19 restrictions.
- Corporate Supplies – decrease of \$45,700 in office suppliers and postage costs as a result of continued head office shutdown and increased work from home arrangements.
- Human Resources – potential cost savings in service awards and health club subsidy.

Corporate Accounts

Corporate accounts comprise of revenues and expenses that are corporate-wide rather than department specific. Some of the main line items include investment income, corporate transfers to and from reserves as well as tax penalties and interest revenues. The City also offers corporate grants to the community in support of various initiatives. Lastly, the municipal property tax levy and capital asset sustainability levy are included under the Taxation section of Corporate Accounts.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Corporate Revenues	Corporate Expenses	Grants	Taxation	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$307,900	-	-	-	-	\$307,900	-
Contract/Services	272,500	-	-	-	-	272,500	-
Material/Supplies	65,000	-	(65,000)	-	-	-	(65,000)
Other Expenditures	1,050,600	-	(3,000)	-	-	1,047,600	(3,000)
Transfers to Other Funds	13,947,100	-	-	-	-	13,947,100	-
Total Expenditures	\$15,643,100	-	\$(68,000)	-	-	\$15,575,100	\$(68,000)

Revenues	2021 Draft Budget	Corporate Revenues	Corporate Expenses	Grants	Taxation	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(5,034,400)	-	-	-	-	\$(5,034,400)	-
Taxation	(126,368,800)	-	-	-	-	(126,368,800)	-
Investment Income	(4,200,000)	1,674,200	-	-	-	(2,525,800)	1,674,200
Reserve and Reserve Funds	(1,165,700)	-	-	-	-	(1,165,700)	-
Other Internal Sources	(4,077,800)	-	-	-	-	(4,077,800)	-
Total Revenues	\$(140,846,700)	\$1,674,200	-	-	-	\$(139,172,500)	\$1,674,200

Net Budget	\$(125,203,600)	\$1,674,200	\$(68,000)	-	-	\$(123,597,400)	\$1,606,200
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- Corporate Revenues – decrease in investment income as a result of continued low interest environment.
- Corporate Expenses – potential savings from reduced in-person City functions and staff transit subsidy costs.

Planning and Infrastructure Department

The Planning and Infrastructure department is anticipating a net savings of \$411,600 predominantly from utilities cost reductions due to facility closures and reduced revenue streams from COVID-19 in the 2021 Draft Operating Budget. The breakdown by division is included in the table below.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Planning and Building	Infrastructure and Engineering	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$23,369,200	-	-	\$23,369,200	-
Personnel - Casual	587,300	(29,400)	(52,300)	505,600	(81,700)
Contract/Services	1,468,500	-	(8,000)	1,460,500	(8,000)
Material/Supplies	10,928,600	(15,000)	(675,000)	10,238,600	(690,000)
Other Expenditures	195,500	20,000	-	215,500	(20,000)
Transfers to Other Funds	383,500	-	-	383,500	-
Total Expenditures	\$36,932,600	\$(24,400)	\$(735,300)	\$36,172,900	\$(759,700)

Revenues	2021 Draft Budget	Planning and Building	Infrastructure and Engineering	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(7,345,800)	\$311,600	\$23,900	\$(7,010,300)	\$335,500
Reserve and Reserve Funds	(4,842,400)	-	12,600	(4,829,800)	12,600
Other Internal Sources	(545,400)	-	-	(545,400)	-
Other Revenues	(482,400)	-	-	(482,400)	-
Total Revenues	\$(13,216,000)	\$311,600	\$36,500	\$(12,867,900)	\$348,100

Net Budget	\$23,716,600	\$287,200	\$(698,800)	\$23,305,000	\$(411,600)
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Planning and Building Services

It is expected that the Planning and Building Services section will continue to experience some impacts to its revenue and expense streams, resulting in an overall net \$287,200 financial pressure. The financial impact of COVID-19 could change due to extended lockdowns or other restrictions.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Administration	Development Planning	Policy	Building Services	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$11,044,900	-	-	-	-	\$11,044,900	-
Personnel - Casual	385,500	-	-	(29,400)	-	356,100	(29,400)
Contract/Services	434,700	-	-	-	-	434,700	-
Material/Supplies	328,300	(15,000)	-	-	-	313,300	(15,000)
Other Expenditures	18,000	20,000	-	-	-	38,000	20,000
Total Expenditures	\$12,211,400	\$5,000	-	\$(29,400)	-	\$12,187,000	\$(24,400)
Revenues	2021 Draft Budget	Administration	Development Planning	Policy	Building Services	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(7,200,100)	-	\$311,600	-	-	\$(6,888,500)	\$311,600
Reserve and Reserve Funds	(1,588,600)	-	-	-	-	(1,588,600)	-
Total Revenues	\$(8,788,700)	-	\$311,600	-	-	\$(8,477,100)	\$311,600
Net Budget	\$3,422,700	\$5,000	\$311,600	\$(29,400)	-	\$3,709,900	\$287,200

Administration

- Materials/Supplies decreased \$15,000 due to savings from office supplies as staff are working remotely.
- Other Expenditures increased \$20,000 in minor capital due to greater work from home requirements.

Development Planning

- It is anticipated that revenue loss could be approximately 12.5% of budget (or \$311,600) due to the uncertainty surrounding COVID-19 and the possibility of extended lockdowns.

Policy

- There is cost savings of \$29,400 due to the reduction of a part-time student position due to ongoing COVID-19 restrictions.



Infrastructure and Engineering Services

It is expected that the Infrastructure and Engineering Services section will experience impacts to its revenue and expense streams with an overall net savings of \$698,800.

COVID-19 Related Impact (Favourable)/Unfavourable

Expenditures	2021 Draft Budget	Infrastructure and Engineering Administration	Infrastructure Delivery	Facility Management	Infrastructure Planning and Development Engineering	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
Personnel - Full Time	\$12,324,300	-	-	-	-	\$12,324,300	-
Personnel - Casual	201,800	-	-	-	(52,300)	149,500	(52,300)
Contract/Services	1,033,800	-	-	-	(8,000)	1,025,800	(8,000)
Material/Supplies	10,600,300	-	-	(673,000)	(2,000)	9,925,300	(675,000)
Other Expenditures	177,500	-	-	-	-	177,500	-
Transfers to Other Funds	383,500	-	-	-	-	383,500	-
Total Expenditures	\$24,721,200	-	-	\$(673,000)	\$(62,300)	\$23,985,900	\$735,300
Revenues	2021 Draft Budget	Infrastructure and Engineering Administration	Infrastructure Delivery	Facility Management	Infrastructure Planning and Development Engineering	2021 Draft Budget (with COVID-19 impact)	Variance (Fav)/Unfav
User Fees	\$(145,700)	-	-	-	\$23,900	\$(121,800)	\$23,900
Reserve and Reserve Funds	(3,253,800)	-	-	-	12,600	(3,241,200)	12,600
Other Internal Sources	(545,400)	-	-	-	-	(545,400)	-
Other Revenues	(482,400)	-	-	-	-	(482,400)	-
Total Revenues	\$(4,427,300)	-	-	-	\$36,500	\$(4,390,800)	\$36,500
Net Budget	\$20,293,900	-	-	\$(673,000)	\$(25,800)	\$19,595,100	\$(698,800)

Facilities Management

- There is an estimated savings of \$673,000 as a result of facilities remaining closed for a significant portion of 2021. The savings is due to reduced consumption of hydro and water. Technical maintenance will continue as necessary and extra security costs are incurred to patrol vacant buildings.

Infrastructure Planning and Development Engineering

- The section may defer the hiring of interns by using redeployed City staff. It is estimated that this will result in \$52,300 savings.
- Virtual meetings will reduce travel and material/supplies requirements \$2,000.
- General Consulting work may also be deferred leading to savings of \$8,000.
- Various user fees are however expected to be lower in this scenario due to lower permit/fee activity.

