

Finance & COVID-19 Discussion Forum – March 26, 2020

General Feedback:

- Is it possible to capture all of the participants in this chat so we can all continue to use this chat forum in the days and weeks to come?

Zoom Registration: What's your question for the moderators?

What challenges are you facing right now? (from registration)	TYPE
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(Note: we put all these questions in the individual sections for reference.)

TOPICS FOR DISCUSSION

DUE DATES AND OTHER REQUIREMENTS FOR GRANTS, ETC.

- Prompt payment rules - any word if these might get suspended? Any chance Infrastructure Ontario might be looking at providing temporary operating loans?
 - As far as we are aware, nothing confirmed by the Province to date. Lawyers, however, have weighed in. Refer to [Denton's](#) summary.
- Temporary Operating loans from Infrastructure Ontario:
 - Nothing seen to date.
- Will the Service Delivery Review deadlines be extended by MMAH beyond Sept 18? We just signed Transfer Payment Agreement agreeing to that but won't be able to meet it. Our RFP just closed March 12 and have not met to award as we do not wish to proceed at this time since cannot properly complete the review without the consultants being onsite and conducting some face to face interviews.
 - On MFOA's list to be shared with the Province
- Will requirements to complete the Financial Plan for Water Licencing be extended? We were just about to start that work for completion later in the year and due to heavy workload COVID has placed on us and inability to meet with consultants, that may be delayed.
 - On MFOA's list to be shared with the Province
- Will the various grant reporting be extended? Eg. AMO gas tax (addressed in yesterday's Provincial Economic update), OCIF, source water protection. Due to the heavy workload COVID has placed on us, we've been unable to get to the regular day to day work.
 - On MFOA's list to be shared with the Province
- Also payments of EHT, WSIB, OMERS, HST collected - will payment dates be extended → **MFOA - WSIB payments extended to August 31, EHT also extended (not 100% clear if municipalities are included as Schedule 2 group)** - fiscal update last night
 - Refer to CRA re: GST deferral to June 30, 2020 (to confirm if includes municipalities?)
 - OMERS – no word yet
- Any chance Province will defer OPP billings?
 - On MFOA's list to be shared with the Province
- Any talk of extending NDMP deadline of March 31,2020 - currently a hard cap as program has ended?
 - None seen to date

YEAR END AND AUDIT

What challenges are you facing right now? (from registration)	TYPE
Year End; Potential delays in capital funding	YE
Fiscal year reporting deadline	YE
Completing year-end while majority of staff work remotely.	YE
Finishing year end remote when most of our processes paper based	YE
Completing year end audit, FIR and Financial statements, gas tax reporting by March 31, CBC ERO, responding to COVID	YE
Deadlines re: financial statements	YE
COVID-10 impact on year end close, audit, reporting, funding concerns	YE
Year-end & audit, Q1 variance projections (should we bother?)	YE
Year end and FIR	YE
We are just starting County audit this week and working remotely with auditors - statements may be delayed	YE
Completing year end audit and reporting requirements remotely	YE
completion of year-end audit, consolidated financial statements, FIR	YE
Completing year end audit	YE
Need to finalize the financial statements and have external auditors complete their audit.	YE
Year end	YE
How can we wrap up financials? Need to get Council working virtually.	YE

- Will the May 31 FIR deadline be extended?
 - On MFOA's list to be shared with the Province
- One participant said they reached out to MMAH and the deadline may be extended
- Our auditors are unable to audit onsite this week, and may have challenges auditing remotely.

BUDGET

What challenges are you facing right now? (from registration)	TYPE
Budget Deliberations	BUDGET
budgets	BUDGET
Mid-audit, 2020 budget not passed	BUDGET
Delayed product manufacturing holding up completion deadlines for grant funding.	BUDGET
Trying to pass a budget with uncertainty of revenues from fees and service charges	BUDGET
Possible impact to upcoming budget cycle	BUDGET
Budget has not been approved for 2020	BUDGET
In the midst of our 2020 Budget, should we proceed or postpone?	BUDGET

We do not have an approved budget for 2020.	BUDGET
Impacts on the regular budget process, what type of budget should be submitted (e.g. streamlined or usual process)	BUDGET

- Impact on capital budgeting and planning? Impact on other long-term planning 2020 budget?
- budget is complete, but not working on variance report!
- Thinking ahead to the 2021 budget process and what that may look like under the current state of affairs
- norm in Northern Ontario small municipalities is to pass budget after audit process.
- Most of might have completed budget but need to update for COVID
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- Hard to wrap thoughts around what to propose for 2021 budget at this time. yesterday's fiscal update reduced OMPF - **MFOA** - clarify it was not a reduction in OMPF, announced at ROMA and in October 2019 that OMPF would be \$500M, last night reported at \$501.9M
 - OMPF on page 36 of the Fiscal Update document.
 - Link to MFOA's summary of the economic and fiscal update - https://www.mfoa.on.ca/mfoa/Main/MFOA_Policy_Projects/2020_Provincial_Fiscal_Update.aspx
- Are municipalities able to take advantage of the 10% offer by the Feds
 - From the Department of Finance's webpage: "To support businesses that are facing revenue losses and to help prevent lay-offs, the government is proposing to provide eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration. Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities."

CASHFLOW

What challenges are you facing right now? (from registration)	TYPE
Lack of revenue from facility rentals and staffing shortages especially in water/wastewater as people are in self-isolation.	CASHFLOW
late taxes, no big deal, now, but tomorrow?	CASHFLOW
managing cash flow	CASHFLOW
Evaluation of fiscal impact and preparing a contingency plan	CASHFLOW
Could be cash flow if there is an economic decline.	CASHFLOW
Liquidity concerns	CASHFLOW
Cash Flow shortage due to potential property tax payment delay	CASHFLOW
Cash flow issues in terms of tax deadline extensions and payments to upper-tiers/education	CASHFLOW
Political concerns about potential cash flow	CASHFLOW

property tax deferrals, cash flow, is provincial/federal funding at risk, i.e. FGT/PGT, etc.	CASHFLOW
How to financially quantify the impact of COVID-19 on municipality?	CASHFLOW
Projecting our pressures	CASHFLOW
Cashflow for lower tier when people stop paying taxes	CASHFLOW

- In regards to hardship of some ratepayers, what is suggested/recommended for municipalities?
 - Refer to March 24th MFOA webinar for context: (1) immediate need; (2) longer term management tools; (3) hardship relief. Important to ensure municipality can fund relief options provided to residents and businesses.
- As interest rates are essentially zero, increased debt use may be an option to defer impacts on ratepayers.
 - Will depend on local circumstances.

MANAGING CHANGE

What challenges are you facing right now? (from registration)	TYPE
Being a tourism town the border being closed indefinitely will be a challenge to business owners	CHANGE
Staying up to date on information and changes.	CHANGE
Balancing supporting essential services with desire to conform with social distancing	CHANGE
staff capacity to respond to pandemic and ongoing routine financial/yearend reporting, with retirements/vacancies	CHANGE
Business Continuity while working from home, reduced cash flows and revenue loss, uncertainty in general and reassuring staff.	CHANGE
Staff Anxieties	CHANGE
Keeping staff separated & healthy	CHANGE
How do we continue with business as usual in such a changing environment	CHANGE
Managing internal and external deadlines in light of COVID	CHANGE
Uncertainty at this time of year and how much work there will be for finance in the recovery stages	CHANGE
different meetings but have more time to focus as less demands from all directions	CHANGE
COVID-19 Uncertainty	CHANGE
Faced with a lot of uncertainty at this time. would like to hear how others are dealing with uncertainties and plans for future.	CHANGE
Keeping up with the ever changing landscape	CHANGE
Assisting Local government during this time	CHANGE

Should we be coding everything re:covid19 to different accounts?

- We have created a new code to track all COVID-19 expenses. Right now, loss of revenue is much more important and impactful than the additional expenses we have incurred thus far
- We are tracking extraordinary only in separate accounts. Everything else will be a budget variance in the respective areas.
- We have also created a separate code to track COVID 19 costs and revenues are the largest concern for us also.
- Expectation is that if Province provides assistance it will not be on a claim basis but rather an allocation basis.
 - It is recommended to keep track of expenses. Some municipalities are using the frameworks they developed during previous natural disasters to take advantage of available funding.

Is MFOA going to advocate for the Ministry to defer (indefinitely) the Development Charges Act and Planning Act changes as they relate to growth and community service benefits?

- MFOA is in communication with MMAH about changes to the Development Charges Act and the Planning Act.
- Can organize something for investment at this point of time ? Thanks

PROCESS

What challenges are you facing right now? (from registration)	TYPE
Trying to determine what/how to help our residents who are losing pay to meet their financial obligations to the municipality.	FORECAST
What revenue/costs should departments be tracking?	FORECAST
Accurately forecasting the impact of shutdowns	IMPACT
No major issues. Our doors are closed to the public - we do have all methods available for taxes to be collected except one.	POSITIVE
the unknown, continuity if isolation is ordered	PROCESS
alternative payment arrangements (esp. development charges, building permits etc.) where a CC surcharge is too expensive	PROCESS
Processing Payroll and AP payments	PROCESS
Accounts Payable/Accounts Receivable/Payroll - generating, posting, delivering - few remote workstations & limited internet	PROCESS
paying invoices, getting pandemic supplies	PROCESS
Converting from paper based to electronic AP processes, high AP volumes, finishing year-end audit	PROCESS
reduced hrs in office to avoid entire team being self isolated, trying to key payables/obtain signatures if people not in office	PROCESS

- DETAILS

WORKING REMOTELY

What challenges are you facing right now? (from registration)	TYPE
remote access, process changes, audit / yearend prep, working in the office and social distancing	REMOTE
Day to day paperwork - while working from home	REMOTE
Staff wanting to work remotely	REMOTE
Working in a virtual environment (staff/colleagues working remotely while still managing business operations)	REMOTE
working from home	REMOTE
Having most staff working from home.	REMOTE

- anyone have a good work from home policy they could share?
- How are municipalities planning to handle staff that are home and are not deemed critical to operations? Will you continue to keep them on the payroll?
- we are forbidden to take any paper home so we have to work with PDF and staff are going in 2x a week
- how do we manage wi-fi capability and costs when we ask staff to work from home, albeit with a work issued laptop?

TAX ISSUES

What challenges are you facing right now? (from registration)	TYPE
Many including our office being closed to the Public. Questions from Rate Payers asking for relief during this time.	TAX
Residents wanting to delay tax payments	TAX
How to determine what proportion of my taxpayers may default on taxes as a result of rail blockages, Covid-19 and recession.	TAX
Tax due dates/cash flow	TAX
Taxpayers requesting tax deferrals	TAX
Waiving interest, pap payments, working from home	TAX
everything	WOW

- I was wondering if there has been any decision by the Province to delay the due date for the first quarterly payment (currently scheduled for March 31st) to the school boards?
 - None that we are aware of.
- Is MPAC going to look at the valuation date of Jan 1, 2019 which will now be 2 years beyond the taxation year and will be 6 years out of date by the time the four-year cycle is completed. This could have significant implications for municipal tax rate setting on values that are not reflective of market values
- **MFOA** re: Reassessment - I believe that there no definite plans at this point in time and the Province is still evaluating next steps.
- I reached out to my Account Manager at MPAC last night, and that was one of my questions too. He had no further details at the moment, but said we'd be informed when they do know.

- I am getting questions from commercial landlords about extending the vacancy rebate program to cover businesses forced to close due to Covid-19. Any talk about this?
- Check out S.357 and 365 for residential- 365 is more flexible according to MTE- having been involved at the drafting stage I would agree; on vacancy rebate check regulation wording under Assessment Act
- Midland to deal with tax due date deferral next week. Agenda report will be live this afternoon.
- Ford government announced “\$1.8 billion to pay for the 3 month deferral of property tax payments municipalities are required to make to school board for 3 months” “Municipalities urged, but not required, to provide deferrals to municipal taxpayers”. Can you provide further clarification of this statement? is this \$1.8 directly for the education tax levy? or are we going to see subsidy from the government to offer a deferral program?
 - Our understanding is that the \$1.8 billion is to ensure the education deferral does not have a financial impact on school boards. The Province is adjusting payments to school boards to offset the deferral.
- as ex MOF the levy subsidy will go directly to the boards just gives you room for deferrals

PURCHASING AND PROJECTS UNDERWAY

Are municipalities continuing with construction tenders or delaying for 2020 to help with cash flows, etc?

- We are working on procurement language to cover the possibility of canceling projects, addressing revised contractor H&S around Covid issues but are currently planning on going out to quote on projects
- construction was identified as essential service, so we are continuing with tenders that we would issue at this time of the year for grass cutting, line painting, etc
- Are municipalities continuing with the Service Delivery Review funded by the Mun Modernization funding announced recently?