



# Our Actions Count



## COVID UPDATE OCTOBER 21, 2020



Let's Flatten the Curve  
& keep our community safe





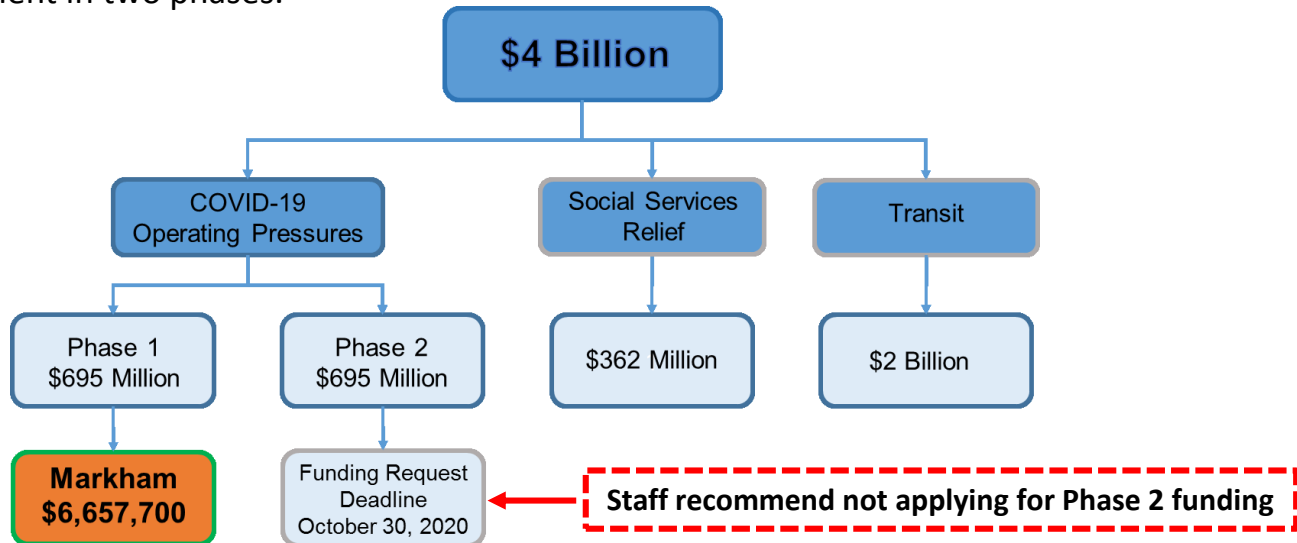
### Agenda

1. Financial Assistance Update: Safe Restart Agreement
2. Property Tax Collection Results
3. Cash Flow Update
4. City Relief Measures Update
5. 2020 Tax Funded COVID-19 Impact
6. 2020 Non-Tax Funded COVID-19 Impact
7. 2021 Outlook
8. Recommendations



### 1. Financial Assistance Update: Safe Restart Agreement

On July 27, the Federal and Provincial Governments announced the provision of up to \$4 billion as part of the Safe Restart Agreement in two phases.





### 2. Property Tax Collection Results

Property Tax Bill Instalment Type	% Collected of the 2020 <u>Interim</u> Property Tax Bills (pre-COVID)	% Collected of 2020 <u>Final Residential</u> Tax Bills (as of Oct 19)	% Collected of 2020 <u>Final Non-Residential</u> Tax Bills (as of Oct 19)	YTD Total Taxes % Collected (as of Oct 19)
Regular Tax Instalment	96.4%	86.9%	83.2%	91.6%
Pre-authorized Tax Instalment (PTP)	98.1%	98.6%	99.9%	98.4%
<b>Total % Collected</b>	<b>96.9%</b>	<b>89.7%</b>	<b>86.3%</b>	<b>93.4%</b>

- YTD results are significantly better than previously reported to Council
- Year-end collection forecasted to be between 92% and 95% (3-year average 96.5%)



### 3. Cash Flow Update

- The current forecast indicates that the City will have sufficient cash flows until year-end which mitigates the need to borrow
- Should the City need to borrow in 2021, staff will advise Council in December
- Reinstatement of late payment charges on January 1, 2021 will encourage property owners in arrears to make tax payments by December 31, 2020, which will reduce early 2021 cash flow risks



### 4. City Relief Measures Update

The City of Markham implemented a number of property tax and fee relief measures to help residents and businesses experiencing financial hardship due to the COVID-19 pandemic which included:

#### Residents

- Waived late payment charges for residential property taxpayers to Dec 31<sup>st</sup>, 2020
- Eliminated of the 2020 Stormwater fee
- Maintained the April 1<sup>st</sup>, 2019 water rate

#### Businesses

- Waived late payment charges for non-residential property taxpayers to Dec 31<sup>st</sup>, 2020
- Eliminated of the 2020 Stormwater Fee, *(\$560 for a property valued at \$2M)*
- Maintained the April 1<sup>st</sup>, 2019 water rate
- Suspended the Municipal Accommodation Tax (MAT) to Dec 31<sup>st</sup>, 2020
- Providing the opportunity to defer development charges and application fees until Dec. 31<sup>st</sup>, 2020

- **Measures provided \$16.8M in relief to residents and businesses in 2020**
- **Reinstatement of property tax and fees will commence January 1<sup>st</sup>, 2021**
- **Continue suspension of the MAT tax to December 31<sup>st</sup>, 2021**

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## ONGOING RESPONSE FINANCIAL PERFORMANCE

### 5. 2020 Tax Funded COVID-19 Impact

	2020 Forecast
<b>1. TAX FUNDED COVID IMPACTS (\$Millions)</b>	
Recreation programs & rentals (cancelled)	(17.00)
Culture shows, programs & rentals (cancelled)	(3.76)
Library programs & fines (cancelled)	(0.78)
Late payment charges on property taxes (foregone), Supplemental Tax revenue & Finance user fees (foregone & reduced collection)	(3.90)
Parking fines, permits & licences (reduced collection)	(2.63)
Additional COVID related expenditures	(2.61)
<b>TAX FUNDED COVID IMPACTS</b>	<b>(30.68)</b>
<b>2. TAX FUNDED MITIGATING ACTIONS (\$Millions)</b>	
Recreation expenditure savings	13.00
Culture expenditure savings	2.75
Library expenditure savings	3.94
Other Personnel & Non-Personnel Savings (excluding Rec, Culture, Library)	4.43
<b>TAX FUNDED MITIGATING ACTIONS</b>	<b>24.12</b>
<b>TAX FUNDED IMPACT RELATED TO COVID (1+2)</b>	<b>(6.56)</b>
Safe Restart Funding - Phase 1	6.66
<b>TAX FUNDED IMPACT - AFTER SAFE RESTART FUNDING - PHASE 1</b>	<b>0.10</b>



### 6. 2020 Non-Tax Funded COVID-19 Impact

	2020 Forecast
<b>NON-TAX FUNDED COVID IMPACTS (\$Millions)</b>	
Deferred Stormwater fee	(9.70)
Deferred Building, Engineering, Planning & Design revenues	(1.10)
Maintain Water/wastewater rate at 2019 level	(1.00)
Suspended MAT tax	(3.30)
<b>NON-TAX FUNDED COVID IMPACTS</b>	<b>(15.10)</b>

**Stormwater, Water, and Development revenues will be collected in the future and due to uncertainty around eligibility of MAT tax it is recommended to not apply for Phase 2 funding**





### 7. 2021 Outlook

#### 2021 Capital Budget

- Preliminary 2021 project submission includes 177 projects totaling \$100.2M, a decrease of 33% in projects and 10% in dollars from the 2020 Capital Budget (263 projects totaling \$111.5M)

#### 2021 Operating Budget

- Strategic actions will continue to be implemented to mitigate known impacts of COVID-19
- The 2021 operating budget currently reflects a shortfall that necessitates a tax rate increase



### 8. Recommendations

1. That the presentation entitled COVID-19 Impact Update be received;
2. That the City not apply for Phase 2 funding as part of the Safe Restart Agreement;
3. That the City suspend the Municipal Accommodation Tax from January 1st, 2021 to December 31st, 2021, and if required, request endorsement of this action from the Destination Markham Corporation;
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution