



P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 2**  
**Halifax Regional Council**  
**December 1, 2020**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:**

Original Signed

Jane Fraser, Chief Financial Officer, Director of Finance, Asset Management & ICT

Original Signed by 

Jacques Dubé, Chief Administrative Officer

**DATE:** November 17, 2020

**SUBJECT:** Federal Safe Restart Funding

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**INFORMATION REPORT**

**ORIGIN**

On November 4, 2020 the Provincial Government announced that they would be advancing the federal Safe Restart Funding to Nova Scotia municipalities.

**LEGISLATIVE AUTHORITY**

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79A (1), subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Administrative Order 2014-015 Respecting Reserve Funding Strategies - No reserve funds will be expended without the CAO's recommendation and Council approval.

**BACKGROUND**

In June 2020, the Nova Scotia Federation of Municipalities (NSFM) and the Nova Scotia Association of Municipal Administrators (AMA) conducted a survey of all municipalities in Nova Scotia. The purpose of the survey was to gather information on the financial impact of COVID on municipalities (see Attachment 1 Survey Report), municipalities were asked to detail the revenue loss they were anticipated incurring.

The report estimated an impact of \$66.5M in lost revenue across the province, HRM accounted for \$45M of that amount. The survey was used by the NSF, through FCM, to lobby the federal government for funding to offset the financial impact of COVID. On September 16, 2020 the province announced the level of federal support for Safe Restart Funding, the amount allocated to NS Municipalities is \$67.5M, \$1.0M more than the survey total.

## **DISCUSSION**

On November 4<sup>th</sup> the Province announced that they were forwarding the federal funding from the Safe Restart fund to municipalities. HRM's share is \$46.09M with \$21.5M directed to Transit. One of the conditions of the funding is a requirement for municipalities to demonstrate where they have incurred increased costs or decreased revenues from COVID through an accountability framework.

Executive Members of the AMA and NSF met with staff from the Department of Municipal Affairs and Housing (MAH) on Tuesday November 10<sup>th</sup> to begin the dialogue on what the accountability framework would look like. Staff from MAH have indicated that they are not looking for a rigorous accounting of the funds and they are supportive of using the funds over two years given that most municipalities would have "recast" their budgets and will continue to incur costs in fiscal 2021/22.

The Province has indicated that the Safe Restart funding is to help the Municipalities:

- address increased operating costs resulting from a reduction in revenue due to COVID-19;
- continue to implement social distancing and infection prevention and control protocols required to operate facilities, public spaces and effectively deliver services to citizens;
- support safe transit operations and innovative solutions required to adjust to modified capacity; and
- acquire additional PPE.

Members from the AMA, NSF and MAH staff will be getting together to finalize the accountability framework within the next few weeks.

The CFO is recommending that the Safe Restart funding be used to offset any deficit that may occur in 2020/21 resulting from COVID. It is expected that there will be funds remaining after this is done. The remaining funds will be used to reinstate the reductions that were incurred as part of the June Recast Budget in the 2021/22 budget process. These funds will offset pressures in the upcoming year, however they are not sustainable as the funding is one time.

The dollar amount of Safe Restart funding was determined through a survey that had been conducted by the AMA and NSF in June. Both Associations have been dedicating resources to respond to requests for information and to lobby both orders of government for funding, at the same time they are experiencing reduced revenues through the inability to hold conferences as well as in person training. Like a number of groups, they have pivoted and moved to online services where possible.

The amount of the Safe Restart funding the province received was actually \$1.06M more than the amount gathered through the survey, HRM is receiving almost \$600K more than we had submitted in the survey.

AMA and NSF are continuing their research and lobbying work, which to date has proven to be extremely valuable. To allow that ongoing work to continue, and cover the Covid-related revenue losses they have experienced, Municipalities have been asked by the AMA and NSF to provide 15% of the **extra** funding received under safe restart to AMA and NSF. In HRM's case this would be approximately \$90K. The CAO is supportive of the request and has authorized the payment. Neither the CAO or CFO believe that donating \$90K to AMA and NSF will have a negative impact on HRM's fiscal position.

### **FINANCIAL IMPLICATIONS**

The \$46.09M Safe Restart funding is a one-time funding source from the federal government that is to offset the financial implications of COVID on HRM. Funding was received from the Province on November 4, 2020. It has been taken into revenue for this fiscal year.

Funding will be used in 2020/21 to offset any deficit that is the result of COVID, remaining funds will be deposited into the contingency reserve Q421 and used to offset decreased revenue and increased expenses related to COVID in the 2021/22 budget. As part of the fiscal budget presentation staff will detail how the funds are being allocated.

Staff are assuming the impact of COVID will be felt for 18 months and the impact on the assessment role will begin to be realized in 2022/23 and beyond. Both of these coupled with the fact the Safe Restart funding is one-time, fiscal pressure will arise in years two to four of the four year fiscal timeframe.

### **COMMUNITY ENGAGEMENT**

Citizens have an opportunity to provide feedback on the budget through a citizen survey through the Shape Your City portal.

### **ATTACHMENTS**

Attachment 1: NSFM Survey Report

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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902.717-0443

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NOVA SCOTIA FEDERATION  
OF MUNICIPALITIES

# COVID-19: LOST REVENUE REPORT

June 18<sup>th</sup>, 2020

## About Us

The Nova Scotia Federation of Municipalities (NSFM) has been the collective voice for municipal governments across the province since 1906. With 376 members comprising Mayors, Wardens, and councillors, NSFM represents the interests of municipalities on policy and program matters that fall within provincial jurisdiction. Members include all 49 of Nova Scotia's municipalities.

## NSFM Board of Directors, 2019-2020

Mayor Pam Mood, Town of Yarmouth – President

Deputy Mayor Emily Lutz, County of Kings – Vice-President

Councillor Wayne Mason, Halifax Regional Municipality – Past President

Mayor Brenda Chisholm-Beaton, Town of Port Hawkesbury – Towns Caucus Chair

Deputy Mayor Geoff Stewart, County of Colchester – Rural Caucus Chair

Councillor Clarence Prince, Cape Breton Regional Municipality – Regional Caucus Chair

Councillor Russell Walker, Halifax Regional Municipality, Regional Caucus Representative

Councillor George MacDonald, Cape Breton Regional Municipality, Regional Caucus Representative

Warden Jim Smith, District of East Hants, Rural Caucus Representative

Councillor Patti Durkee, Municipality of the District of Yarmouth, Rural Caucus Representative

Mayor Jeff Cantwell, Town of Wolfville, Towns Caucus Representative

Mayor Lennie White, Town of Westville, Towns Caucus Representative

Alain Muise, CAO, District of Argyle, AMANS Representative

## NSFM Staff

Juanita Spencer – Chief Executive Officer

Will Brooke – Policy Advisor

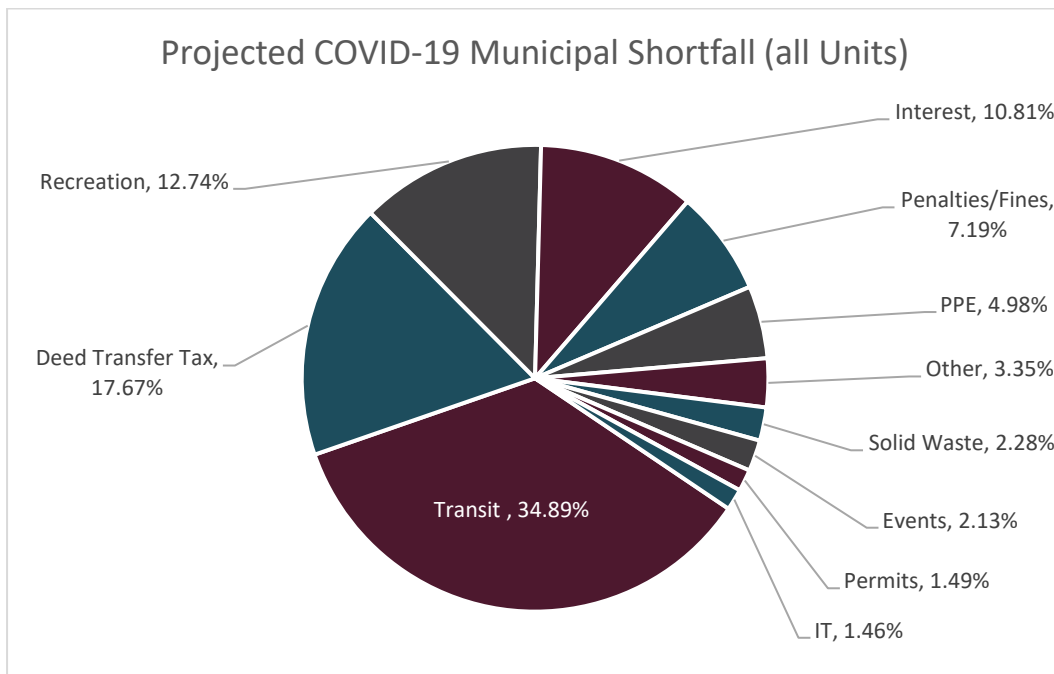
Amy Pugsley Fraser – Communications Advisor

Judy Webber – Event Planner / Financial Officer

Debbie Nielsen – Infrastructure and Sustainability Officer

## Executive Summary

- Municipal shortfalls could total nearly \$67 million this year across Nova Scotia
- Transit is the biggest shortfall area, followed by deed transfer and recreation
- 76% of losses are in regional municipalities, 15% in rural, and 9% in towns
- The property tax financing loan must be repaid, and is not for shortfalls
- Without alternate funding, shortfalls will impact next year’s property tax rates
- On average, covering shortfalls would require a 7.1% residential tax rate hike
- Municipalities have cut 143 FTEs, and have put off hiring another 116 FTEs, not including Halifax Regional Municipality (1 FTE = 1,820 hours per year)
- The Province of Nova Scotia and Government of Canada can help prevent tax hikes and further cuts by transferring funds to municipalities



Transit	\$23,184,740	Other	\$2,223,806
Deed Transfer Tax	\$11,743,732	Solid Waste	\$1,516,200
Recreation	\$8,464,679	Events	\$1,416,567
Interest	\$7,183,438	Permits	\$990,622
Penalties/Fines	\$4,775,640	IT/Comms	\$968,786
PPE	\$3,311,403	Total	\$66,459,684

## Overview

Over the past months Canadians and Nova Scotians have achieved admirable results in combatting COVID-19. Throughout these difficult times, most of us have seemed willing to accept that a good public health payoff has been worth the economic and social difficulties implicit in widespread shutdowns. Nova Scotia's municipalities have been supportive of the policy decisions made at every step on this journey at both the provincial and federal levels. But we also know that these shutdowns have compromised the financial well-being of Nova Scotia's municipalities.

This year, the Nova Scotia Federation of Municipalities (NSFM) has worked in partnership with the Association of Municipal Administrators, Nova Scotia (AMANS)<sup>1</sup> to make it easier for struggling businesses and households to dutifully observe public health orders and enroll in a property tax financing program. This program enables them to pay little in the way of property taxes for six months, until the worst of COVID-19 is over. After it is safer to resume normal economic activities, they can pay their property taxes from the months of COVID-19 shutdown over a multi-year installment period. NSFM and AMANS are proud that we have been able to arrange for the delayed payment of property taxes. Yet property taxes only make up a part of municipal budgets.

Each year, municipalities create their budgets based, at least in part, on data from past years. This year, municipalities operating transit systems assumed bus ridership would be predictable. Municipalities assumed that a typical number of homes would be bought and sold, and that the number of building and development permits that would be issued would be somewhere around the yearly average. We planned for a certain number of events to be held in municipal spaces, and we expected that people would get a normal number of parking tickets.

Even though these revenue streams fluctuate to some degree from year to year, nothing could have prepared municipalities for the shortfalls being experienced because of COVID-19. With so many Nova Scotians staying at home, municipalities' normal non-tax revenue streams have almost entirely dried up. In assessing these shortfalls across our province, NSFM and municipal finance staff estimate that municipal losses in these categories could total nearly \$67 million this year.

Nova Scotian municipalities have scrambled to make cuts over these past months, axing programs and laying off hundreds of staff. But without additional funding to cover the shortfalls identified in this report, the lost revenues that municipalities budgeted to receive will be carried forward into next year's budgeting process, causing next year's tax rates to increase. On average, covering the shortfalls reported in this survey would require a 7.1% residential tax rate hike next year.

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<sup>1</sup> AMANS is a professional non-profit organization with over 250 members from Nova Scotia Municipalities, the Province of Nova Scotia, and other professionals in the field of local government. AMANS members include CAOs, Clerks, Deputies, Directors, Administrative Assistants, and other administrators from within local government.

## Method

Chief Administrative Officers, Clerk-Treasurers, and/or their designates in every Nova Scotian municipality were invited to participate in the NSFM/AMANS Lost Revenue survey on May 15<sup>th</sup>, 2020. The survey was crafted in cooperation with the Federation of Canadian Municipalities (FCM) and AMANS. A copy of the distributed survey questions is attached as *Appendix A*.

Municipal respondents were invited to report on a variety of topics. They were asked to estimate the total net shortfall that they expected considering the COVID-19 pandemic. We also asked that they break this total net shortfall number down into itemized areas to facilitate more detailed analysis. In asking these questions, we requested that respondents assumed a scenario in which the current distancing measures were in place for a total of six months (i.e., from March 15<sup>th</sup>, 2020 to September 15<sup>th</sup>, 2020.)

The survey officially closed on June 1<sup>st</sup>, 2020. Data quality checks began immediately, with queries being made to seek clarification on outliers in the responses. At the time of writing this report, 47 of 49 municipalities had submitted responses, with these 47 municipalities representing some 99.84 per cent of the population of Nova Scotia.

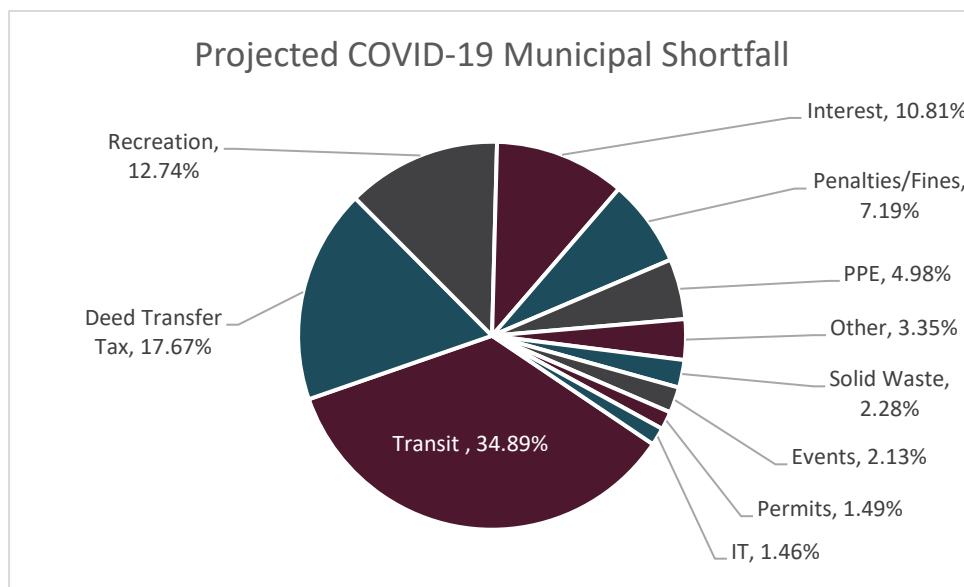


## Overall Results

Nova Scotia’s municipalities are in dire financial straits. Without some form of relief, an estimated \$66.5 million dollars of shortfall will need to be brought forward into next year’s budgeting process. The unique fiscal structure of municipalities only permits this loss to be carried forward into next year, not any future year beyond that. Any lingering shortfall from this year will require next year’s tax rates to be raised by a similar and corresponding amount.

The average shortfall estimated by municipalities in this survey is equivalent to 2.94 per cent of their total operating budgets. Based on submitted numbers, covering this year’s shortfalls would require the equivalent of a 7.1% residential tax rate hike next year.

Given that municipalities will continue to face inflationary cost pressures, we should expect next year’s operating budgets to be larger, even before we bring this year’s shortfall forward. These larger budgets must be considered in concert with diminished ability to pay, given expected decreases in GDP, as well as a likely decrease in assessment values.



Transit	\$23,184,740	Solid Waste	\$1,516,200
Deed Transfer Tax	\$11,743,732	Events	\$1,416,567
Recreation	\$8,464,679	Permits	\$990,622
Interest	\$7,183,438	IT/Comms	\$968,786
Penalties/Fines	\$4,775,640	Did not categorize	\$578,500
PPE	\$3,311,403	Did not report (est.)	\$101,570
Other	\$2,223,806	Total	\$66,459,684

Transit losses constitute the largest component—some 35 per cent—of the \$66.45 million shortfall. Collectively, municipalities across Nova Scotia are reporting an expected loss of transit revenue amounting to \$23,184,740. Expected losses from deed transfer taxes are next, with reduced activity in the housing market, amounting to \$11.74 million. Recreation revenues are also down significantly, though cuts to staffing, maintenance, and other expenditures brings this loss total to a more manageable \$8.46 million (net).

Along with providing a property tax installment payment program, many municipalities across Nova Scotia have delayed property tax due dates to help homeowners and businessowners cope with the difficulties of COVID-19. Delays in these collections leave municipalities coming up short on paying the bills for essential services like fire, police, water, and sewer, and accordingly, many are pulling investments to help with cash flow, or running overdrafts in their operating accounts.

Most municipalities budget for a small amount of interest each year on their cash deposits, on their short- and medium-term investments, as well as some amount of interest on outstanding taxes. Municipalities told us that they were expecting to take at least \$10.8 million out of reserves to address operating shortfalls, and many others told us that discussions about drawing on reserves were underway. Collectively, along with decreased interest rates, expected losses in these areas are anticipated to amount to some 10.81 per cent of the overall \$66.45 million total, or \$7,183,438.

With more Nova Scotians staying home, municipalities are expecting fewer by-law infractions, parking tickets, and other penalties, fines, and fees than they had previously budgeted to receive. The expected provincial total for this is \$4.77 million. Unexpected additional expenses for personal protective equipment (PPE), the addition of Plexiglas service kiosks, and other health and safety measures, are expected to total another \$3.31 million.

Although municipalities have done their best to provide detailed shortfall projections, many have indicated that the uncertainty of COVID-19, and they have included a buffer of as-yet uncategorized expected losses. To capture these uncategorized expectations, we have included an ‘other’ column. Across the 49 municipalities, reports allocate a total of \$2.22 million to this ‘other’ category. This equates to 3.3 per cent of the \$66.45 million total, or approximately \$45,383 per municipality.

There is an expected loss of \$1.51 million in solid waste management, although because this service is often coordinated through intermunicipal service agreements, this number could be significantly larger after actual losses are determined by regional authorities. There are projected losses of \$1.41 million for events no longer being held, and because housing starts are expected to be down, losses of \$990,622 are expected due to unbudgeted decreases in the issuance of building and development permits. Additional expenses in investments in IT technology to support remote work and communications to advertise public hearings are also expected, with an anticipated total of \$968,786 across the province.

Non-responsive municipalities were not excluded from the survey results. We approximated total shortfalls in these municipalities, together accounting for less than 0.16 per cent of Nova Scotia's population, by examining the reports provided by similar municipal units. After expressing reported shortfalls in these similar cases as percentages of reported operating budgets, we then determined the average of those ratios and applied the resulting average ratio to the most recently available operating budgets for each non-responsive municipality. The total estimated shortfall for these cases is \$101,570. One further municipality was able to provide an overall loss number without further categorization.

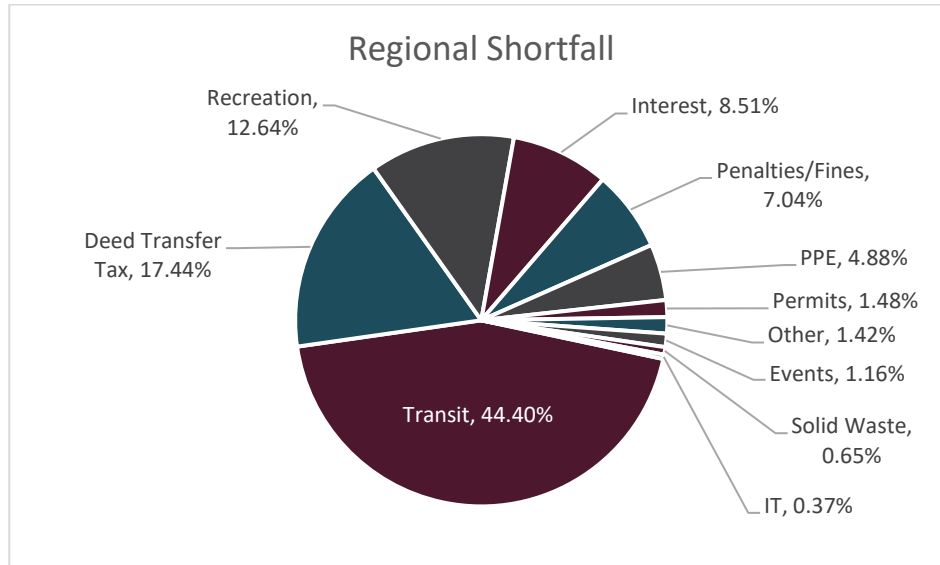
Municipalities were also asked to report on expected staffing impacts. Thus far, municipalities have reported that 142.91 FTEs have been cut, and that another 116.41 FTEs that had previously been planned to be hired will no longer be hired because of COVID-19. For the purposes of the survey, we asked respondents to assume that one FTE was equivalent to 1,820 hours. It should also be noted that these numbers do not include cuts at Halifax Regional Municipality (HRM), where staffing impacts were still being determined at the time of writing this report.

Above and beyond all of this, municipalities reported on additional expected discretionary expenses of \$16,714,367 due to COVID-19. Municipalities said that, because of COVID-19, they expected to make decisions about offering tax forgiveness, including offering tax write-downs and tax write-offs, that would sum to approximately \$13.5 million.

Within this \$16.7 million, several municipalities reported that they expected that they would be increasing their contributions in pre-existing programs designed to support vulnerable populations due to COVID-19. Many indicated that they were deliberating how much to add, but those who had already made these determinations said that the difference due to COVID-19 amounted to \$1.14 million.

Although not included in the total \$66.45 expected shortfall, another component of this \$16.7 million are those expected costs resulting from rent forgiveness for the spaces that many municipalities lease to variety of voluntary sector organizations. In many cases, these organizations are no longer generating any kind of income due to COVID-19, and the expected need for relief in this area is expected to be \$1.38 million. Municipalities that provide funds for local public health measures are expecting to contribute an additional \$658,000 because of COVID-19.

## Regional Results



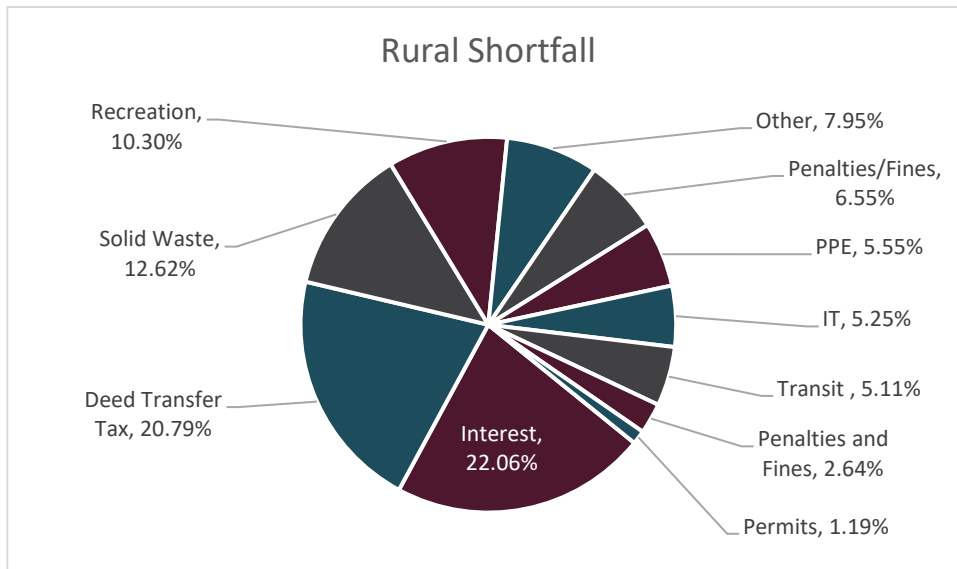
Transit	\$22,448,174	Permits	\$746,124
Deed Transfer Tax	\$8,817,694	Other	\$716,915
Recreation	\$6,389,579	Events	\$587,105
Interest	\$4,302,000	Solid Waste	\$330,000
Penalties/Fines	\$3,559,450	IT	\$188,928
PPE	\$2,467,663	Total	\$50,553,632

Survey results clearly indicate that Nova Scotia’s regional municipalities are bearing the brunt of shortfalls related to COVID-19. Regional municipalities account for approximately 76 per cent of the total estimated shortfall, or \$50.5 million of a province-wide municipal shortfall of \$66.45 million. The average regional shortfall is equivalent to 3.29 per cent of their operating budgets, which is a little higher than the total municipal average (2.94 per cent). Covering these shortfalls would require regional municipalities to raise their residential tax rates by an average of 6.97 per cent next year.

Across Nova Scotia, regional municipalities have the largest transit ridership numbers. Within the \$50.5 million shortfall posted by regional municipalities, transit losses make up some 44.4 per cent, or \$22.4 million, of that shortfall. Regional municipalities are estimating that deed transfer taxes will be their next largest loss, followed by recreation, interest, penalties and fines, and PPE.

Regional municipalities noted that they expect to see further difficulties emerging related to COVID-19 along several fronts. They expect a decreased demand for class A and B office space as firms become increasingly lean post-crisis, resulting in lower than normal commercial assessment growth over time. They also expect asset value declines in hotels and retail, as well as any other businesses directly affected by decreased consumption and tourism, likely resulting in an increased property tax burden.

## Rural Results

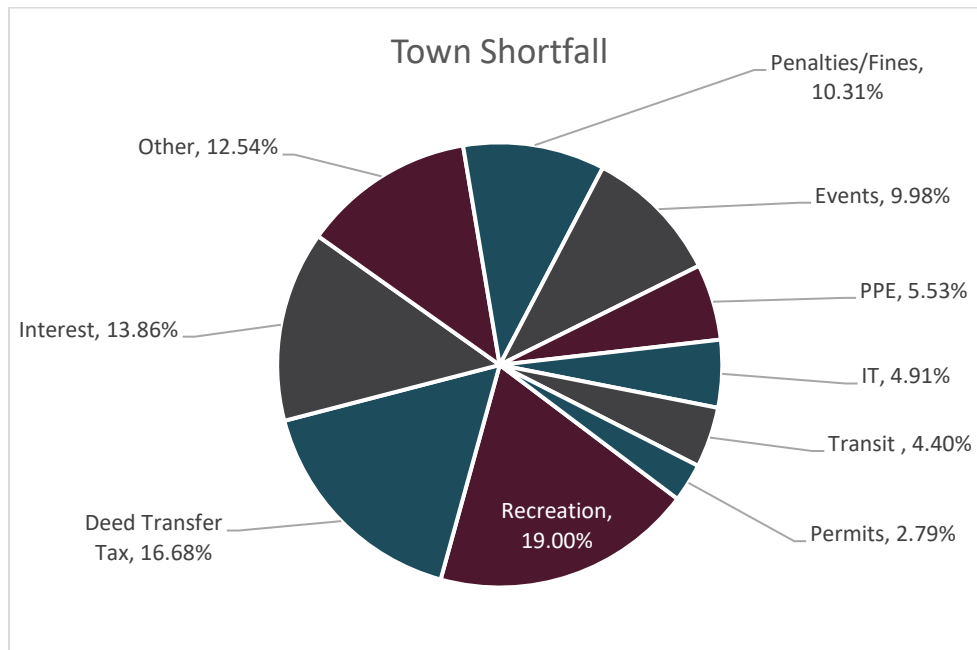


Interest	\$2,074,093	PPE	\$521,550
Deed Transfer Tax	\$1,954,038	IT/Comms	\$493,750
Solid Waste	\$1,186,200	Transit	\$480,199
Recreation	\$968,234	Events	\$248,007
Other	\$746,982	Permits	\$111,432
Penalties/Fines	\$615,744	Total	\$9,978,729
Did not categorize	\$578,500		

Rural municipalities reported a total of \$9.97 million in shortfalls due to COVID-19, equivalent to about 15.01 per cent of the \$66.45 million total for all municipalities. The average rural shortfall was equivalent to 2.66 per cent of their operating budgets, slightly below the total municipal average. Covering these shortfalls would require rural municipalities to raise their average residential tax rates by 5.53 per cent next year. The largest loss category for rural municipalities was interest, at a total of \$2.2 million, followed by deed transfer taxes at \$1.95 million, and solid waste at \$1.18 million.

Several rural municipalities noted that their cash accounts and reserves were in good enough shape to see them through the early weeks and months of the state of emergency. They also noted that they felt confident that their own resources should be sufficient to sustain them in the mid-term, pending no extreme developments. However, several expressed concern about the potential for assessment declines in both residential and commercial property, and the impact that these changes may have on taxation revenue going into the next fiscal period and beyond.

## Town Results



Recreation	\$1,106,866	PPE	\$322,186
Deed Transfer Tax	\$972,000	IT	\$286,108
Interest	\$807,345	Transit	\$256,368
Other	\$730,700	Permits	\$162,275
Penalties/Fines	\$600,446	Did not report (est.)	\$101,570
Events	\$581,455	Total	\$5,825,752

Towns reported \$5.82 million in expected shortfalls resulting from COVID-19. This accounts for approximately 8.9 per cent of the \$66.45 million total shortfall being estimated across Nova Scotian municipalities. Although this \$5.82 million total reported shortfall in towns may seem small, the residential tax rate changes that would be required to cover this shortfall in next year's budgeting process is, on average, equivalent to an 8.5 per cent hike.

Many respondents from towns indicated serious concern about the impacts of COVID-19 on tourism, hospitality businesses, and the retail sector, as well as their fisheries. Some municipal responses also included concerns about the cancellation of events and festivals. Although most indicated that the total impact of COVID-19 could not be quantified with certainty at this time, several expressed concern about the long-term sustainability of their commercial tax bases, especially depending on how hard subsequent waves of COVID-19 hit.

## Conclusions

COVID-19 is taking a toll on municipal finances across Nova Scotia. At first, the brunt of the total \$66.45 million burden may appear to be centralized in the regional municipalities, and particularly on those with large transit expenses. But the shortfalls being reported by municipalities of all sizes translate into significant tax burdens when carried forward to next year.

As we saw, if carried forward to next year, the \$66.45 million expected shortfall reported by our members would translate into an average residential tax rate hike of 7.1 per cent. This number is higher in our towns, where that average is 8.5 per cent, and although it is a little lower in rural municipalities, the expected impact would still be 5.53 per cent.

In addition to these pressures, it is almost certain that municipal operating budgets will need to be higher next year, even after making significant program and staff cuts this year. This is because the cost of providing fire, police, solid waste management, road maintenance and other services continues to escalate each year. Over the past decade, the costs of these services have steadily increased, often at two to three times the rate of inflation, as measured by the consumer price index. Many of these cost increases are driven by wage arbitration and rapidly increasing prices for raw materials.

The Canadian Mortgage and Housing Corporation (CMHC) has also projected decreases in home sale prices for the next two years. For Nova Scotia, CMHC expects the pre-COVID-19 average home sale price of approximately \$270,000 to drop to an average of between \$245,000 (in a good scenario) to \$230,000 (in a bad scenario) over the next year. These numbers translate into a projected 9.2 per cent to 14.8 per cent drop. Because assessment values being based on market prices, if CMHC's projections are correct, municipalities need to prepare for decreased assessment roll values for 2021, which will again require increases in tax rates.

In conclusion, if municipalities carry this year's shortfall into next year, it will have to be added to a mix that will already include steadily increasing cost pressures, as well as what will likely be an assessment base that is decreasing in value. With these three pressures threatening to drive tax rates up, municipalities need help from the Province of Nova Scotia and the Government of Canada.

Though most municipal expenses go towards providing services that are essential, many of our municipalities are working hard to make reductions to programs and staff. Work to find efficiencies will continue, but to prevent significant tax increases, non-repayable transfers are needed from other levels of government. This support can cover the lost revenues that municipalities had previously budgeted to receive, as well as the added expenses being incurred because of COVID-19.

## Appendix A

### NSFM/AMANS Lost Revenue Survey – COVID-19

The \$380 million that NSFM and AMANS have secured will help us all remain more stable in the months to come. But \$380 million is just a good start. The reality is that property taxes are only part of the picture. Beyond property taxes, municipalities across all of Nova Scotia continue to lose revenues because of COVID-19.

NSFM, together with AMANS, is now working on a second phase of relief efforts. Our plan is to advocate at the provincial level here in Nova Scotia, and at the federal level by working with FCM, to secure grant money to address revenue losses for municipalities.

In active consultations with members over the past two months NSFM and AMA have identified the following cost drivers related to COVID-19. We know that municipalities are experiencing dramatic revenue losses across all municipal services. The most prominent examples include transit and recreation.

But the effects of COVID-19 are far-reaching, and many of our revenue streams are changed, especially user-fee based streams. We hope that you will estimate the financial cost of the pandemic in terms of direct costs and lost revenues using the following criteria, and to forward the results to NSFM for our continued advocacy efforts.

In calculating answers for each of the questions in this survey, please assume a scenario in which the current distancing measures are in place for a total of six months (i.e., from March 15th, 2020 to September 15th, 2020.)

Please note that the questions in sections 2-5 may require research. Please consider whether you might wish to delegate this work or save and print this form to work offline before filling in the actual survey.

We would like to have responses from all 49 municipalities by Monday, June 1st, 2020.

If you have any questions or feedback about the survey, please email Will Brooke at [wbrooke@nsfm.ca](mailto:wbrooke@nsfm.ca).

#### Section 1: General Questions

- 1.) What is the name of your municipal unit?
- 2.) What is the current estimated population of your municipality?
- 3.) Do you consent to detailed aspects of the data collected being shared with the Government of Nova Scotia for provincial advocacy purposes?



- 4.) Do you consent to detailed aspects of the data collected being shared with the Federation of Canadian Municipalities for federal advocacy purposes?
- 5.) Do you consent to the data collected being shared with the general public, in aggregate form, for general advocacy purposes?
- 6.) Please indicate your operating budget for the 2020 year.
- 7.) How much revenue would you raise through a one-time 1% residential property tax levy?
- 8.) What is your total monthly operating expenditure, excluding contributions to reserves?

The following questions may involve research. Please save your work and assign this work accordingly.

**Section 2: General Finance Questions**

- 1.) For the past 12 months, please insert your total collections of all revenues:

Month	Collections
April 2019	
May 2019	
June 2019	
July 2019	
August 2019	
September 2019	
October 2019	
November 2019	
December 2019	
January 2020	
February 2020	
March 2020	

- 2.) What is the total amount of revenue that you expect to lose in 2020, assuming six months of physical distancing?

### Section 3: Revenue Losses in Fees and Service Areas

- 1.) What are your expected revenue losses from transit, recreation, parking, enforcement of provincial offences, and other municipal services reliant on user fees, and/or collection of penalties? If possible, please itemize your list for each service area instead of providing a total.
- 2.) What are your expected staffing impacts from transit, recreation, parking, and other municipal services reliant on user fees? If possible, please itemize your list for each service area instead of providing a total.
- 3.) What are your expected additional expenditures for personal protective equipment, enhanced cleaning, or other increased measures required as a result of COVID-19?
- 4.) What are your expected additional expenditures to implement service cuts?
- 5.) How many positions have you cut, or are planning not to hire? For these questions, assume that one FTE is equivalent to 1,820 hours per year.
  - a. Number of cuts of existing staff, in FTEs
  - b. Staff that you planned to hire but are no longer hiring, due to COVID-19, in FTEs
- 6.) What, if any, are your expected additional overtime costs?
- 7.) What, if any, are your expected additional 911/call centre costs?

### Section 4: Expected Short-Term Cash Flow Impacts

- 1.) How much of your tax collection do you expect will be delayed this year? Please express as a percent and as a numerical value. (This information was already requested in a previous NSF/M/AMA information request to inform our request for a \$380M loan. Please update your estimate at this time if a change is required, or simply share the same information here.)
- 2.) What is the expected cost of any tax payment deadline extensions or financing plans that you are offering?
  - a. What loss of penalties on taxes are you expecting, compared to what you would typically expect to recover in normal times?
  - b. What loss in fees are you expecting (e.g. building and other permits) compared to what you would typically expect to earn?
  - c. What is the expected value of the potential need for forgiveness, rather than deadline extensions or financing/installments, for some property taxpayers? (This includes tax write-downs/write-offs, and uncollected taxes.)

- d. What is your expected loss of interest income on short/medium-term investments (under normal revenue assumptions)?
  - e. Other
- 3.) What are your staff/technology costs related to implementing/expanding deadline extension or tax financing/installment programs? (For example: one municipality might have 3,500 residents to apply to participate in a tax installment program, choose to use a centralized application website shared with other municipalities, and then plan for municipal staff to spend 10 minutes on each application.)

### **Section 5: Other**

- 1.) What are your expected additional costs to support vulnerable persons, in excess of emergency funding being provided by federal and provincial governments?
- 2.) Regarding emergency operations, what are your expected additional costs for:
  - a. local public health measures
  - b. enforcement costs, such as non-compliance with quarantine orders
  - c. public communications
- 3.) What are your expected additional costs related to the information services and information technology investments required to support remote work?
- 4.) What are your expected additional costs regarding utility dividends and other revenues from municipal corporations?
- 5.) If your municipality serves as a landlord, what is the sum total of rent relief that you expect you will need to provide to not-for-profit and other tenants (or the closure of municipal facilities where space is rented)?
- 6.) How much money, if any, are you removing from your reserves this year in order to address operating cost shortfalls?
- 7.) How much money, if any, are you diverting from capital projects in order to address operating cost shortfalls?

### **Section 6: Submitted by User**

- 1.) Each region, town, and rural municipality may have specific economic sector impacts falling outside of the above questions that will affect municipal revenues in different ways. Please itemize and indicate these here. (As an example, some municipalities may be facing additional costs resulting from construction projects that have been delayed due to COVID-19.)