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# HALDIMAND COUNTY

## Report CAO-04-2020 Pandemic Pay Update

For Consideration by Council in Committee on October 6, 2020

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### OBJECTIVE:

To provide Council with an update on municipal COVID-19 financial impacts, including the total provincial “Pandemic Pay” program costs and to seek authorization to provide financial recognition towards a specific staff group that was excluded from the provincial program.

### RECOMMENDATIONS:

1. THAT Report CAO-04-2020 Pandemic Pay Update be received;
2. AND THAT the lump sum payments as outlined in Report CAO-04-2020 be authorized to the identified individuals for the purpose of recognition and appreciation of their efforts during the COVID-19 pandemic.

**Respectfully submitted:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

Haldimand County was responsible for administering the Provincial Pandemic pay program to eligible municipal staff identified as “front line” to the COVID-19 pandemic. Total cost of this program is now being reported as approximately \$545,230 and is fully funded by the Provincial Government. In a previous memorandum to Council, staff identified a small group of staff who were deemed ineligible for the pandemic pay, but who meet many of the criteria and may warrant financial recognition. At this time, staff are putting forth a recommendation to pay a one time lump sum to this group as recognition for their efforts. This recommendation is being put forth with awareness to the financial situation of the County, including known COVID-19 related expenses thus far, and anticipated corporate savings and funding.

### BACKGROUND:

On June 16, 2020, Council received Memorandum CAO-M03-2020 Pandemic Pay, outlining information about Ontario’s highly publicized “Pandemic Pay” program and its impact on Haldimand County. The provincial funding program was applied to hours worked between April 29 – August 16, 2020 and this report provides an update on total costs and impact.

Memorandum CAO-M03-2020 also sought support, in principle, of recognizing a specific staff group (10 people) who were not included in the provincial program but meet criteria for acknowledgement and recognition of their efforts related to the COVID-19 pandemic and specifically towards the risk of spread in municipal congregate settings. Attachment 1 includes the list of the positions previously identified. Council provided support and the CAO was directed to report back to Council with costing details of the recommended option, once total municipal COVID-19 financial impacts are known. The purpose of this report is to provide that information and recommendations.

## ANALYSIS:

### *Statutory Pandemic Pay*

As detailed in Memorandum CAO-M03-2020, the province of Ontario funded a “temporary pandemic pay” initiative for eligible front line workers in congregate care settings or working primarily with vulnerable sector populations where physical distancing is difficult or impossible. The pay consisted of two components regarding hours worked between April 24, 2020 – August 13, 2020 inclusive:

- \$4.00 per hour worked, in addition to regular wages;
- \$250 monthly lump sum, when worked at least 100 hours in a defined 4 week period, equating to a potential maximum of \$1,000 paid for the inclusive period.

Haldimand County met the definition of eligible workplaces, with respect to various positions at Grandview Lodge and Paramedics. Costs of this program, as outlined below, are fully funded through existing transfer agreements from the Province related to Emergency Services and Long Term Care revenues. Reconciliation of funding will be done through formal reporting measures. To date the County has expensed the following related to the provincial pandemic pay initiative:

<b>Pandemic Pay Type</b>	<b>Grandview</b>	<b>EMS</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Hourly*	291,780	96,180	387,960
Lump Sum*	115,570	36,740	152,310
Third Party Payments	4,960	0	4,960
<b>Total</b>	<b>412,310</b>	<b>132,920</b>	<b>545,230</b>

\*includes employer costs of statutory deductions (CPP, EI, vacation pay, etc.)

### *Proposed Lump Sum Payments for Specific Positions Not Covered by the Provincial Program:*

Through Memorandum CAO-M03-2020, staff acknowledged a specific group (10 individuals) who were excluded from the provincial pandemic pay program, but were recommended for financial recognition of some kind, given their involvement in the pandemic, congregate care settings and overlap in work /responsibilities with those in receipt of the pandemic pay. As an example, four alternatives to consider were provided for Council consideration.

Subsequent to the memo being provided to Council, staff became aware of clear direction from the province restricting our ability to extend the pandemic pay initiative to non-eligible employees. Although technically the municipality could fund any recognition program, doing so in a way that mirrors the provincial program would undermine the Province and be seen as inappropriate.

Instead, staff recommend providing a one time, lump sum payment to each of the ten identified individuals, in the amount of \$1,500, as recognition for their significant contributions and support in avoiding outbreaks in vulnerable populations during the height of the COVID-19 pandemic. The total cost is estimated at \$15,400 including employer paid statutory benefit costs. The recommended amount equates to much less than \$4.00 per hour and excludes any excess hour premium, however staff believe it is a fair and reasonable financial recognition of the extraordinary effort taken by the defined positions to ensure that the health and safety of staff and our most vulnerable clients and that it will be well received by staff. To be clear this is intended to recognize the unknown consequences of the initial response to the pandemic but is not to be a precedent should there be a second wave or on-going requirements. Should Council approve this expense, it represents less than 3% of the pandemic pay costs incurred however it is not eligible for funding of any kind from the province and would therefore

be funded as an unbudgeted expense from the 2020 tax supported operating budget. The financial section of this report provides more detail in this regard.

## FINANCIAL/LEGAL IMPLICATIONS:

The proposed one-time lump sum pandemic pay needs to be considered in light of financial impacts incurred to date related to the COVID-19 pandemic. Before deciding whether any discretionary spending can be supported, Council should be aware of the financial commitments to date.

The statutory pandemic pay of \$545,230 noted above is offset 100% by provincial funding, and is excluded from the chart below.

For context and as information, the following provides an update of costs incurred so far, along with real or anticipated funding sources:

<i>Update on Pandemic Costs To Date</i>	Estimated Cost/(Funding)
<u>Incremental Costs</u>	
County specific incremental costs, including lost revenues	\$1,600,000
Haldimand's share of Public Health costs (incurred by Norfolk County, updated to mid-August)	\$1,700,000
<b>Total Incremental Costs</b>	<b>\$3,300,000</b>
<u>Projected Provincial Funding for Incremental Costs</u>	
Long Term Care Funding	(\$112,700)
Paramedic Services Funding	unknown
Safe Restart Funding (phase 1)	(\$2,532,800)
<b>Sub-total Provincial Offsetting Funding</b>	<b>(\$2,645,500)</b>
<b>Net Costs after Provincial Funding</b>	<b>\$654,500</b>
<u>Projected Haldimand County Funding for Incremental Costs</u>	
Contingency Reserve to offset Penalty & Interest	(\$300,000)
Levy contribution	(\$100,000)
<b>Sub-total Haldimand County Offsetting Funding</b>	<b>(\$400,000)</b>
<b><u>Net COVID-19 Incremental Costs</u></b>	<b>\$254,500</b>

As the foregoing chart indicates, to date the County has experienced \$3.3 million of COVID-19 related costs resulting from lost revenue and increased expenditures for supplies as well as some staff costs to address protocols for health and safety. A combination of grants received from the Province and funds the County budgeted to address these matters at present do not off-set these costs. It should be noted, that such grants were 'one-time' – meaning there may not be any further Provincial support for other municipal costs that may be incurred resulting from the pandemic on a go-forward basis.

The County has also implemented an expenditure control program to try to help create 'gapping' funds to off-set its COVID-19 costs. Specifically, the County regularly reports a savings in overall salaries and benefits as a result of regular turnover and staff changes throughout the year. Staff anticipate savings again in 2020, both as a result of regular anticipated "gapping" as well as direct cost savings associated

with delayed recruitment efforts and the decision to temporarily place some employees on “Declared Emergency” leaves of absence during Phase 1 of Ontario’s response to COVID-19. At this point, staff are estimating a total anticipated corporate savings of approximately \$1,380,000 related to salary and benefit gapping for 2020 which will be used to off-set the net incremental costs associated with pandemic expenditures. However, this is a high level estimate and actual amounts will be reported through regular variance reporting methods.

Likewise, staff anticipate other corporate-wide savings such as professional development, training, travel and meeting expenses, as a result of the impact COVID-19 has had on the ability to participate in planned events. There may also be some minor expenditure savings related to areas that experienced service disruptions during COVID-19 such as Libraries, Museums, and Programming.

It should be noted, however, that there may be expenditure or revenue deficits within normal operations such as winter control, and recycling revenues that will negatively impact the overall anticipated corporate surplus.

The County expects to continue to incur costs for the balance of the year and into 2021 primarily due to Haldimand’s share of Public Health expenditures, PPE requirements, and ongoing lost revenue. Anticipated 2021 costs will be incorporated as part of the 2021 budget. Given the small overall amount (\$15,400) associated with the lump sum proposal as outlined in this report, the current financial situation anticipated for 2020 and the positive impact such recognition would provide on staff morale, staff are recommending that the lump sum payment be approved now.

## **STAKEHOLDER IMPACTS:**

Not applicable.

## **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

## **ATTACHMENTS:**

1. Memorandum CAO-M03-2020 Pandemic Pay