

### Section III – Items for the Information of the Board

**TO:** Chair and Members of the Board of Directors  
Friday, May 28, 2021 Meeting

**FROM:** Michael Tolensky, Chief Financial and Operating Officer

**RE:** **2021 COVID-19 THREE MONTH UPDATE**

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#### KEY ISSUE

To provide an update to Toronto and Region Conservation Authority's (TRCA) Board of Directors regarding the financial impacts of COVID-19 in the first three months of 2021.

#### RECOMMENDATION

**IT IS RECOMMENDED THAT this 2021 COVID-19 Three Month Update report be received.**

#### BACKGROUND

Since the commencement of COVID-19's impact on TRCA operations in March 2020, staff have provided updates to the Board of Directors regarding the ongoing response to the pandemic in the form of reports, memos, and presentations. These updates provide an overview of the changing circumstances around the work environment, financial implications, and operational restrictions that TRCA continues to face. The impact of COVID-19 on TRCA's operating budget was successfully managed by staff throughout 2020, this can be directly attributed to the hard work of staff across the organization to adapt ongoing programming to meet the provincial directives. Staff are now prepared to offer adapted programming as required throughout 2021 and are preparing to offer in-person programming when conditions allow.

#### RATIONALE

COVID-19 restrictions have continued to impact TRCA's business models and has resulted in the cancellation of in-person events and programming in the first three months of 2021. At the end of 2020, a province-wide Stay-at-Home order was enacted and maintained until February 16, 2021 at which point Durham Region entered the red zone of Ontario's *Framework for Reopening our Province*, with York Region followed shortly after on February 22, 2021. Peel Region and the City of Toronto remained in lockdown during this time. On April 1, 2021, a second province-wide Stay-at-Home was announced and is anticipated to stay in effect until May 20, 2021.

Albion Hills and Lake St. George Field Centres and Claremont Nature Centre have been closed to the public for the duration of the COVID-19 pandemic. Lake St. George is currently under agreement with York Region for use as a COVID-19 isolation centre. Black Creek Pioneer Village has been closed to the public since 2020 with minor commercial filming taking place in keeping with public health regulations. Restart plans are in place to begin to resume programming pending public health conditions. Kortright Centre for Conservation has been open for pre-booked admission for use of the grounds since January. Family programs and The Nature School were suspended during the January and April stay-at-home orders and will resume pending public health conditions.

#### Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategy set forth in the TRCA 2013-2022 Strategic Plan:

#### **Strategy 9 – Measure performance**

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### FINANCIAL DETAILS

As noted in COVID-19 financial updates provided throughout 2020, TRCA's operating budget and more specifically, authority generated revenue, is most heavily impacted by restrictions. To examine the financial impacts of COVID-19 in the first three months of 2021, TRCA's operating budget performance is compared to the same period of 2020 in *Table 1* below:

**Table 1 - TRCA Operating Budget (Actual Three-Month Performance)**

	2021	2020	Variance (\$)
Expenditures	8,441,525	9,671,169	(1,229,644)
TRCA Generated Revenue	5,686,210	3,809,049	1,877,162
<b>Excess of Revenue over Expenditures</b>	<b>-2,755,314</b>	<b>-5,862,120</b>	<b>3,106,806</b>

### Operating Variance Explanation

In analyzing TRCA's service area performance over the three-month period, thresholds consistent with those utilized to analyze TRCA's expenses to date in the *2020 Three Month Financial Report*, +/- 10% and \$500,000, were applied to the organization's Service Areas. As shown in *Table 2* below, the first three months of 2021 have generated a 48% increase in authority generated revenue compared to the first three months of 2020.

**Table 2 – Authority Generated Revenue (Actual Three-Month Performance)**

Authority Generated Revenue	2021	2020	Variance (\$)	Explanation
Watershed Planning & Reporting	-	-	-	
Water Risk Management	-	-	-	
Regional Biodiversity	1,058,680	385,250	673,430	<b>A</b>
Greenspace Securement and Management	412,910	489,443	(76,533)	
Tourism and Recreation	1,531,595	483,231	1,048,364	<b>B</b>
Planning and Development Review	1,940,407	1,805,223	135,185	
Education and Outreach	468,516	459,621	8,895	
Sustainable Communities	215,206	136,800	78,406	
Corporate Services	58,895	49,480	9,414	
<b>Grand Total</b>	<b>5,686,210</b>	<b>3,809,049</b>	<b>1,877,162</b>	

The following explanations for the increased revenue are outlined in *Table 3* and *Table 4* below:

### A – Regional Biodiversity

**Table 3 – Regional Biodiversity (Actual Three-Month Performance)**

Regional Biodiversity	2021	2020	Variance (\$)	Variance (%)
TRCA Generated Revenue	1,058,680	385,250	673,430	174.8%
Expenditures	260,669	236,713	23,956	10.1%
<b>Excess of Revenue over Expenditures</b>	<b>798,011</b>	<b>148,537</b>	<b>649,474</b>	<b>437.2%</b>

All of the TRCA generated revenue in Table 3 above is tipping fee revenue generated at the Brock North and Brock South sites. Once this is taken into consideration the variance is within the acceptable threshold. This revenue has not been impacted by the COVID-19 pandemic, as

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essential construction projects and services have remained operational during the Stay-at-Home order. The revenue generated at these sites will offset all development and operating expenditures and surplus revenue will be used for the future restoration of the Brock North lands and Greenwood Conservation Area lands.

### B - Tourism and Recreation

**Table 4 – Tourism & Recreation (Actual Three-Month Performance)**

<b>Tourism &amp; Recreation</b>	<b>2021</b>	<b>2020</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>
TRCA Generated Revenue	1,531,595	483,231	1,048,364	216.9%
Expenditures	1,112,194	1,592,315	(480,121)	(30.2%)
<b>Excess of Revenue over Expenditures</b>	<b>419,401</b>	<b>(1,109,084)</b>	<b>1,528,485</b>	<b>(137.8%)</b>

Tourism & Recreation's increase in authority generated revenue is due to an increase of \$873,000 of commercial filming revenue generated at Claireville Conservation Area. Once this is taken into consideration the variance is within the acceptable threshold. This revenue will be used to offset any revenue losses as a result of COVID-19 restrictions, cover unique one-time expenses such as Gypsy moth spray at Boyd Conservation Park, provide financial support for the installation of automated gates and contribute to corporate reserves.

TRCA continues to mitigate financial impacts during the ongoing pandemic, however throughout the first quarter, the following operational impacts directly related to Tourism and Recreation should be noted.

TRCA was not able to offer rentals of ski equipment or snowshoes through the winter months at Albion Hills which negatively impacted revenues. Albion Hills did however experience an increased number of visitors throughout the winter months entering the park both through the gate and walking in from alternate entrances to hike, fat bike, toboggan, snowshoe or ski with their own equipment.

As restrictions continued, the annual Sugarbush Maple Syrup Festival was cancelled at both Kortright and Bruce's Mill Conservation Parks. In collaboration with Education & Training and Corporate Services, Kortright and Bruce's Mill were able to sell a portion of the 2021 Maple Syrup inventory online through May 2, 2021.

As spring had an early start, golf programs were able to open at Bathurst Glen and Bruce's Mill. Both driving ranges and the golf course at Bathurst Glen experience high usage given the public's desire for outdoor recreation close to home. However, due to the recent Stay-at-Home Order, Bathurst Glen and Bruce's Mill are now closed. The popularity of the initial opening would indicate that golf will continue to see high rates of use once restrictions lift.

Similar to 2020, campgrounds remain open for seasonal campers who have washrooms in their trailers and can hook up to sites that are fully serviced or to the dump stations. Short term camping will remain closed until Provincial restrictions are lifted.

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### **DETAILS OF WORK TO BE DONE**

TRCA's Human Resources team will continue to lead the monitoring of public health, legislative changes and partner practices to ensure TRCA is legislatively compliant and has adopted the most current public health requirements and recommendations and is aligned to our partners.

Staff will continue to offer virtual programming and are preparing to offer in-person programming when conditions allow. Summer camp planning is underway at TRCA Education Centres with registration having opened in early April. The delivery of summer camps is pending appropriate public health conditions. Additionally, staff are in discussions with area school boards to begin to plan for a safe reintroduction of class field trips when appropriate and public health conditions permit, with day field trips anticipated in late 2021 and overnight excursions in 2022.

Staff will continue to monitor the financial health of the organization and investigate all opportunities provided to mitigate financial losses.

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