

For Immediate Release
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WELLAND PROJECTING A \$4.4 MILLION LOSS FROM COVID-19

Welland, ON - At last night's virtual meeting, Welland City Council approved a staff report showing that the City will see a significant operating loss and reduced revenue over the next 3 months as a result of the financial impact of COVID-19. The City's COVID-19 Financial Impact Report, prepared by Steve Zorbas, Welland's Chief Financial Officer/City Treasurer and General Manager of Corporate Services, is projecting a \$4.4 million operating loss and a \$549,300 deficit between April 1st and June 30th. Staff will be providing similar reports to Council in May and June based on updated financial information.

The staff report also outlined a detailed list of cost containment initiatives totalling \$3.9 million implemented by the City's Corporate Leadership Team to help mitigate the loss, including the temporary layoffs of 109 full-time and part-time staff.

The report also summarizes thirteen recommendations, all approved by Welland City Council, including compassionate and supportive policy changes to assist Welland residents and business during this unprecedented event. There are also several recommendations calling on Niagara Region to defer payments and cancel interest charges, as well as for the federal and provincial governments to provide additional stimulus and support to municipalities through operating grants and infrastructure programs.

"I appreciate the diligence shown by our leadership team in mitigating the unprecedented financial impact of dealing with COVID-19. Tough but necessary decisions were made in order to reduce the impact," said Welland Mayor Frank Campion. "Municipalities are not currently allowed to run deficits so any shortfall would have to be made up by increasing the 2021 property taxes proportionately."

"The decisions we make now will help to soften major financial impacts later this fall when we initiate the 2021 budget process and help us make a strong recovery, minimize the impact to our taxpayers, and maintain Welland's competitive advantage," said Welland CAO Gary Long. "Our leadership team has started to have some preliminary discussions about a post COVID-19 recovery plan and ways to work with staff, our community stakeholders, and businesses."

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