



REPORT FOR ACTION

Update on the City's Response to COVID-19 and Financial Impacts

Date: July 22, 2020

To: City Council

From: City Manager, Chief Financial Officer and Treasurer, and Chief People Officer

Wards: All

SUMMARY

This report provides an update on the City's response to the COVID-19 pandemic. The objectives of the City of Toronto's response continue to be: (1) preventing loss of life, (2) preserving the capacity of the healthcare system, and (3) minimizing the social and economic impacts of the pandemic. As the City progresses through containment of the virus to recovery, the balance between these objectives is assessed and adjusted. This report provides an update on the City's activities to support these objectives as businesses and services gradually reopen.

The City's estimated budget shortfall for tax supported programs in 2020 is \$1.9 billion. This report details the work the City has been undertaking to address the expenses, loss of revenue, and the unprecedented financial challenges resulting from the pandemic. The report recommends continuing current mitigation strategies, and adopting additional cost savings strategies including workforce and spending restraints that are expected to achieve additional savings. However the City is still projecting a budget shortfall within our tax-supported programs of \$1.350 billion by year-end.

The City has been engaging with their Federal and Provincial counterparts to obtain funding support for municipalities to offset projected deficits resulting from COVID-19 related financial impacts and longer-term commitment to support Toronto into 2021.

The City is optimistic that funding is forthcoming from the Provincial and Federal governments but there is still uncertainty about the extent to which it will offset the remaining 2020 budget pressures and likely shortfall for 2021.

This report recommends the City Manager report to City Council in September 2020 with an update on any funding received from the Province of Ontario and Government of Canada that would offset the 2020 budget pressure and any further mitigation options required to address COVID-19 financial impacts. These options may include reduced

funding directed to operating services, reductions in capital funding, sale of City assets, and/or revenue measures.

RECOMMENDATIONS

The City Manager and the Chief Financial Officer and Treasurer recommend that:

1. City Council continue to advocate for \$1.350 billion in COVID-19 funding support from the Federal and Provincial governments to fund the anticipated remaining 2020 COVID-19 financial impacts to the City's tax supported programs following offset generated by the City primarily through cost mitigation strategies; advocate for further funding support to fund impacts to City programs that are not directly supported through the property tax base; as well as funding support for ongoing City-wide COVID-19 related financial impacts anticipated in 2021 and future years.
2. City Council direct the City Manager and Chief Financial Officer and Treasurer to continue to engage with their Federal and Provincial counterparts to obtain funding support for municipalities to offset projected deficits resulting from COVID-19 related financial impacts and to report to City Council in September 2020 on the results of these discussions, noting any full or partial offsets to the projected year-end deficit.
3. City Council direct the City Manager to report to City Council in September 2020 on any commitments of financial support received from the Federal and Provincial governments to the City; to continue to explore opportunities to achieve greater 2020 budget efficiencies or offsets; and to provide recommendation in the September 2020 report on any further mitigation options needed to address any remaining 2020 COVID-19 financial impacts.

The City Manager and Chief People Officer recommend that:

4. City Council approve general annual salary range increases, representing cost of living adjustments for Accountability Officers, and Management/Non-union employees in the Toronto Public Service for 2020 as 0% effective January 1, 2020.
5. City Council authorize the City Manager to cancel the Pay for Performance program effective immediately, such that there will be no Pay for Performance increases or re-earnable performance-based lump-sum payments effective January 1, 2021 (based on 2020 performance).
6. City Council approve the implementation of a Voluntary Separation Program for permanent bargaining unit, non-union exempt and management staff who are eligible to retire with an unreduced pension. The program will provide for a lump sum payment of up to three (3) months' salary to eligible employees and will be subject to the terms set out in the program guidelines.

7. City Council approve the City funding the Voluntary Separation Program (for City divisions) and any subsequent separations, including any ancillary payments for vacation and sick leave, from the savings to be generated from either holding the positions that become vacant as a result of this program vacant for a minimum of six months and/or permanently eliminating vacated positions, where feasible.

8. City Council direct that the Employees who wish to be considered for participation in the Voluntary Separation Program be required to complete and submit an application to the People and Equity Division no later than Monday, August 31, 2020; all Employee departures under this program must take place by December 31 2020.

9. City Council request Boards of the City's Agencies and Corporations as appropriate to approve and apply the changes set out in Recommendations 4 and 5, to their staff.

10. City Council request that should any Agency or Corporation Board approve a voluntary separation program for their staff, such program be similar to the provisions of the City's proposed Voluntary Separation Program and that Agency Boards submit a report to Executive Committee through the Budget Committee regarding such proposed program.

FINANCIAL IMPACT

Since mid-March, the City of Toronto, consistent with other major Canadian and Greater Toronto and Hamilton Area (GTHA) municipalities has experienced significant financial impacts, both in the form of added costs and revenue losses as a direct result of the COVID-19 pandemic.

It is estimated that COVID-19 will result in a financial impact to the City of Toronto of between \$1.5 billion to \$2.8 billion in 2020 depending on the duration of the lockdown and recovery.

- Consistent with that estimate, the overall COVID-19 related financial impacts are currently trending to \$1.9 billion to year-end based on 15 weeks of experience. Financial impacts predominantly reflect losses to budgeted revenues accounting for 83% of financial impacts experienced as of June 28, 2020.
- With the intent to offset COVID-19 related financial impacts, staff have implemented a series of mitigation strategies aimed at achieving cost savings and cost avoidance focusing on workforce and spending restraints. These actions are expected to collectively generate \$547.8 million in total offset by year-end, comprised of \$513.7 million in savings from workforce restraints, spending constraints and cost avoidance, and \$34.1 million in added offsets available from budget variance as detailed in Table 3 of this report.
- Combined, the City is projecting \$1.9 billion in COVID-19 related financial impacts, reduced by \$547.8 million in offsets generated through mitigation strategies and favourable budget variances for a year-end funding shortfall of \$1.350 billion.

- It is important to note that the projected year-end funding shortfall is based on actual experienced impacts through the 15 weeks since the declaration of a pandemic in mid-March.
- A series of assumptions have been factored into both projected financial impacts and projected savings to be achieved by year-end through cost mitigation / cost avoidance efforts. Actual impacts will continue to be monitored on a weekly basis and may either increase or decrease as the emergency situation betters or worsens, consistent with the rate that recovery and restart initiatives begin across the City.

The City has limited revenue measures available, with fewer that can be implemented in 2020. The only option available to generate immediate revenue to fill the gap between any funding received from the Provincial and Federal governments and the remaining budget pressure would be a property tax increase.

- This is not recommended and is the least preferable option to address COVID-19 impacts, not only due to the sheer size of the increase that would be needed but also due to the financial pressures currently experienced by businesses and residents in the City above and beyond the 4.24% average residential property tax increase that had already been approved during the 2020 budget process (2% inflationary increase, 1.5% for the City Building fund and 0.74% from Current Value Assessment/policy impacts).

Below are further details on:

- The initial \$1.5 billion to \$2.8 billion forecast of 2020 COVID-19 related financial impacts (current trend of \$1.9 billion remains within this estimate);
- Weekly financial impacts as of June 28, 2020 for both added costs and revenue losses;
- Cost mitigation strategies that have been implemented and have generated \$188.4 million in savings as of June 28, 2020 and are expected to total \$513.7 million by year-end; and
- Additional options that will be brought forward for Council's consideration in September 2020, on actions required to manage the remaining 2020 financial pressures, to be adjusted for any COVID-19 funding support committed to the City by the Federal and/or Provincial government.

Initial COVID-19 Financial Impacts Year-End Forecast

Through financial modelling utilizing initial financial impact data and available market/economic indicators, Finance staff estimated a COVID-19 related financial impact of \$1.5 billion to \$2.8 billion to the City of Toronto in 2020 alone. Table 1 details the estimated financial impact broken down by key drivers:

Table 1: COVID-19 Financial Impacts Year-End Forecast

Description \$ Millions	Forecast to Year-End	
	Three Month Lockdown Scenario	Nine Month Lockdown Scenario
Revenue Centric Impacts	1,009.1	2,021.6
TTC - Predominantly fare revenue	471.9	948.1
TPA On- street/ Off- street	80.2	157.4
TCHC - Mainly reduced revenue	63.5	123.2
Corporate Revenue (i.e. Investments, Parking Tag)	79.4	152.7
Permit/ License Fees	64.5	125.9
Municipal Land Transfer Tax	198.9	357.7
Cancellation of Public Events	34.2	65.9
User Fee Revenue	20.8	40.6
Toronto Zoo- Admission and Fees	10.8	20.7
Other Revenue Loss	46.4	90.9
Additional Funding - Shelters	(61.4)	(61.4)
Increased Costs	333.3	453.5
Child Care Costs	5.0	8.2
Overtime Costs	88.2	149.9
Cleaning Supplies	46.8	79.3
Shelter Related Costs	209.6	209.6
Other Costs	97.4	201.4
Cost Savings	(113.8)	(195.0)
Total Estimate (City Impacts Only)	1,342.3	2,475.1
City Licensed Child Care Providers	185.6	307.5
Total Estimate	1,527.9	2,782.6

Anticipated impacts predominantly reflect losses to budgeted revenues, which account for up to 82% of the total forecasted City impacts. As previously noted, the forecasted revenue impacts are consistent with actual experience as of June 28 (83% of total impacts).

The above estimates also included impacts to the City's licenced child care providers for pressures associated with estimated lost revenue from fee paying parents. This impact is not a City cost and is not reflected in the previously noted \$1.9 billion estimated impact to year-end, however it had originally been included in the overall impacts to ensure it was incorporated given the reliance the City has on these child care providers to support our subsidized space requirements.

- There was uncertainty with regards to Federal and Provincial support that may be provided to the Child Care sector at the time staff developed the forecast impacts to year-end.

- Since the development of the 2020 forecast, the Federal and Provincial governments have announced programs that will provide support and relief to offset the estimated impacts to the child care sector, including wage subsidies, contributions towards rent payments and funding for other eligible fixed costs.

Weekly Monitoring and Analysis as of June 28, 2020 (Week 15 of COVID Impacts)

As reflected in Table 2, \$732 million in COVID-19 related costs and revenue losses have been experienced as of June 28, 2020. This impact increases to \$844 million when reflecting estimated non-City impacts to City licenced child care providers.

City impacts of \$732 million are predominantly driven by lost revenue, with impacts broken out as follows:

- \$608 million or 83% of the pressure experienced to date is driven by lost revenue. Key components contributing to this pressure include:
 - Toronto Transit Commission revenue loss - \$309 million;
 - Corporate Revenues - \$129 million (including MLTT, Parking Tag Revenue and Municipal Accommodation Tax); and
 - Toronto Parking Authority - \$48 million.
- \$124 million or 17% of the overall experienced impact is attributed to added costs, with added Shelter costs of \$50 million reflecting the largest component.

Table 2: COVID-19 - Weekly Financial Impacts

Initial Burn Rate Estimate \$ Millions		Weekly Actuals															
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Total
Revenue Centric Impacts	45.4	32.6	34.0	37.2	40.4	37.7	38.4	39.0	40.3	39.5	40.5	54.0	46.0	58.3	44.0	42.8	624.7
TTC - Predominantly fare revenue	23.5	16.2	16.4	21.4	19.4	21.5	22.4	21.6	22.3	21.6	19.7	21.4	20.8	33.7	20.7	19.8	318.8
TPA On-street/Off-street	3.9	2.0	3.1	3.1	3.6	3.3	3.3	3.5	3.5	3.5	3.4	3.2	3.2	3.1	3.1	3.1	48.1
Toronto Community Housing	3.0	3.0	3.1	1.4	1.1	1.1	1.1	1.9	1.3	1.3	1.3	1.1	1.1	1.1	1.1	1.1	22.1
Corporate Revenue (i.e. Investments, Parking Tag)	3.7	3.6	4.6	4.9	5.0	5.3	5.4	5.5	6.1	6.1	5.9	5.9	6.3	5.2	6.3	6.2	82.4
Permit / License Fees	3.1	2.1	2.7	2.5	1.0	1.7	2.3	2.1	1.6	0.7	0.5	0.0	0.2	1.0	0.6	0.9	20.0
MLTT - Current Experience*	2.9	0.2	0.2	0.0	0.0	0.0	0.0	0.7	1.2	1.4	1.4	10.9	10.5	8.5	7.2	4.4	46.7
Cancellation of Public Events	1.6	2.6	0.8	0.9	1.0	0.4	0.5	0.7	0.3	0.8	0.7	0.9	0.7	1.1	0.6	1.4	13.4
User Fee Revenue	1.0	0.8	0.7	1.2	6.9	1.8	1.0	0.9	1.4	1.3	1.2	1.0	1.0	0.9	0.7	1.8	22.6
Toronto Zoo – Admission and fees	0.5	0.9	0.3	0.3	0.4	0.4	0.3	0.5	0.6	0.8	3.5	1.3	1.0	0.9	1.1	1.0	13.3
Other Revenue Loss	2.2	1.2	2.3	1.7	2.0	2.2	2.1	1.6	1.9	1.9	2.8	8.2	1.4	2.7	2.5	3.0	37.4
Increased Costs	12.1	10.3	6.2	9.6	3.9	5.8	6.6	5.4	7.2	6.7	7.1	7.3	10.0	6.2	6.8	7.9	107.1
Child Care Costs	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	3.0
Overtime Costs	3.8	0.8	1.0	1.2	1.0	1.6	1.4	1.6	1.8	1.7	1.2	1.9	1.2	3.3	1.9	2.8	24.2
Cleaning Supplies	2.0	0.7	0.7	0.7	0.6	0.5	1.0	0.6	0.5	0.5	0.7	0.5	0.5	0.3	0.4	0.7	8.8
Shelter Related Costs	1.1	2.2	4.3	6.7	2.0	2.5	2.2	2.8	3.2	3.1	3.0	3.5	5.7	2.2	3.6	2.8	49.7
Other Costs	5.0	6.4	0.1	0.8	0.2	0.9	1.8	0.3	1.5	1.2	2.1	1.2	2.5	0.2	0.8	1.4	21.5
Total Weekly Estimate**	57.5	42.8	40.3	46.8	44.3	43.4	45.0	44.4	47.5	46.2	47.6	61.2	56.0	64.5	50.9	50.7	731.8
Non - City Costs																	
Child Care Costs (Impacts to Licensed Providers)	7.5																112.5
Total Weekly Estimate**	65.0	50.3	47.8	54.3	51.8	50.9	52.5	51.9	55.0	53.7	55.1	68.7	63.5	72.0	58.4	58.2	844.3

* MLTT, the COVID19 impact on the revenue performance for the City is delayed on average 60 to 90 days

** Additional "Trailing Costs" and COVID19 related savings are not reflected in the weekly impacts

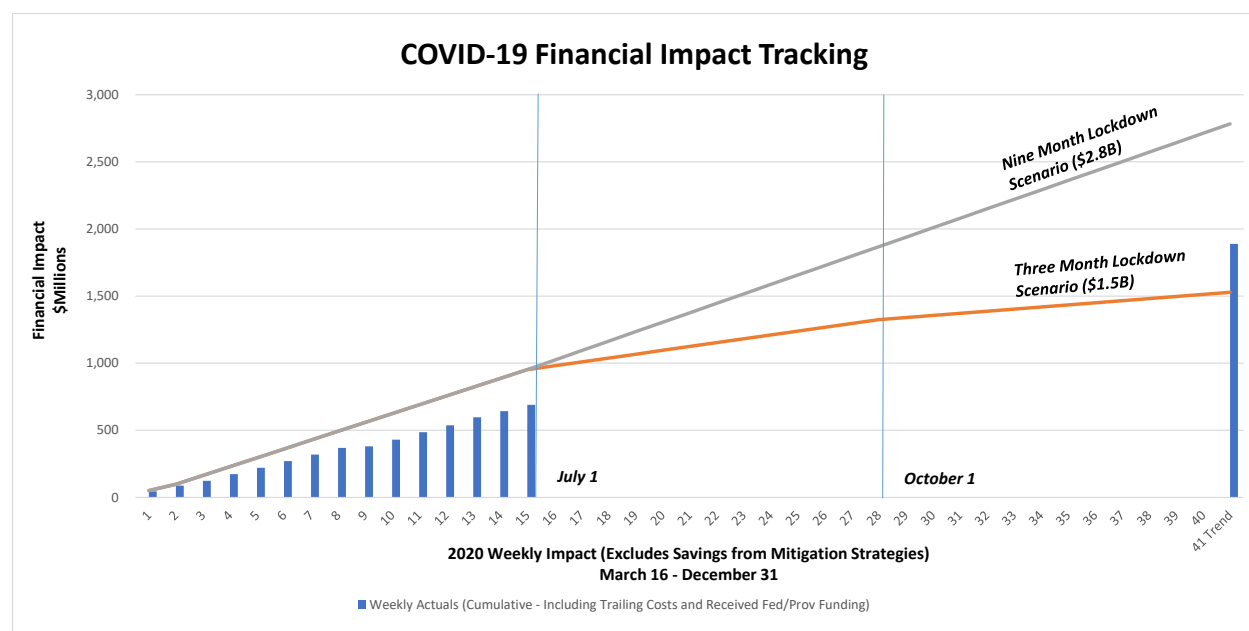
In addition to the impacts noted above, staff are continuing to track an additional \$95 million in potential trailing costs (i.e. delayed impact of reduced home sales on MLTT revenue) as well as \$188.4 million in savings achieved to date through mitigation strategies as detailed in this report.

COVID-19 related financial impacts are currently trending to \$1.9 billion to year-end based on 15 weeks of actual experience and incorporating federal and provincial funding received to date.

- The year-end trend excludes savings achieved and expected from mitigation strategies and budget offsets; and is based on impacts to City property tax funded programs (excludes impacts to City Rate programs, Corporations and estimated impacts to licenced child care providers).

Actual experience to date and the trend to year-end are illustrated in Figure 1.

Figure 1: COVID-19 Financial Impacts – 2020 Forecast



Mitigation Strategies and Budget Offsets

City staff are recommending a two phased approach to address anticipated 2020 COVID-19 financial impacts, as follows:

- Phase 1 - Continued implementation of a series of mitigation strategies aimed at achieving cost savings focusing on workforce and spending restraints. These actions, detailed in Table 3, have already achieved \$188.4 million in savings as of June 28, 2020 and are expected to collectively generate \$547.8 million in total offset by year-end.

- Phase 2 – Continue to seek Federal and Provincial support for municipalities to offset remaining COVID-19 financial pressures without the need to further impact municipal services that will be critical in supporting economic recovery, both provincially and nationally.
 - Immediate and significant Federal and/or Provincial funding support is required to offset the estimated \$1.350 billion in remaining overall City pressures after implementation of Phase 1 strategies, and for future years. Should it be necessary, further actions will be brought forward for Council's consideration in September 2020 to offset any pressure remaining following the receipt of any funding from the Province of Ontario or Government of Canada.
 - Options that may need to be brought forward for Council's consideration to offset any remaining pressure following receipt of any funding from the Province of Ontario or Government of Canada are noted in this report. These may include reductions in funding intended for capital infrastructure spending; reductions in operating funding supporting City programs and agencies; the sale of City assets; and consideration of revenue measures.

Phase 1 - Continued Implementation of Mitigation Strategies

In an effort to lessen the COVID-19 related financial impacts the City has undertaken a series of mitigation strategies aimed at achieving cost savings. Given the uncertainty of the amount of funding support that will be provided by the Provincial and Federal governments, it will be important for the City to continue to implement these strategies, while also striving to identify more opportunities for efficiencies and offsets. These actions have generated \$188.4 million in savings as of June 28 and expected to achieve total offsets of \$547.8 million by year-end, reducing the estimated \$1.9 billion overall 2020 budget shortfall to \$1.350 billion, as detailed in Table 3.

Table 3: COVID-19 – Estimated Budget Shortfall and Mitigation Strategies

2020 Budget Shortfall & Mitigation Strategies	
Description \$Millions	2020 Forecast Impacts
2020 Forecast Budget Shortfall (Prior to Mitigation Strategies)*	1,897.3
<i>Actions Taken to Date - Mitigation Strategies Implemented and Budget Offsets</i>	<i>2020 Forecast Impacts</i>
<i>Mitigation Strategies Implemented</i>	
<i>Spending Constraints / Cost Avoidance - City Programs</i>	<i>(152.1)</i>
<i>Spending Constraints / Cost Avoidance - City Agencies</i>	<i>(209.7)</i>
<i>Workforce Restraints:</i>	
Emergency Leave / Layoffs	
Recreations Workers	
Hiring Slowdown	
Labour Negotiation Savings (Non-Union Savings Subject to Council Approval)	<i>(151.9)</i>
Total Mitigation Strategies	<i>(513.7)</i>
Redeploy staff to critical and essential services	Cost Avoidance
<i>Experienced Budget Variance</i>	
2020 Budget Offset (MLTT Q1 Experience)	<i>(34.1)</i>
Total Added Savings / Offsets	<i>(547.8)</i>
Estimated Remaining Overall City Shortfall	1,349.5

**Excludes estimated impacts to City Rate Programs and Corporations*

As reflected in Table 3, \$547.8 million in total savings / offsets are anticipated to year-end as detailed below:

Spending constraints and cost avoidance across the City's tax supported programs and agencies have generated \$141 million in savings to date and are expected to total \$362 million in 2020.

- Expected savings are split between City Programs (\$152.1 million) and City Agencies (\$209.7 million)
- Actions taken include matching transit service capacity to demand; reducing discretionary spending; reviewing all services for criticality (prioritize critical, essential and priority services); and the tracking and forecasting of COVID-19 related savings / cost avoidance.

Workforce restraints have produced a further \$48 million in savings as of June 28 and are expected to total \$152 million by year-end.

- These savings predominantly reside within City Program budgets and estimated year-end savings are equal to 5.6% of budgeted 2020 salary and benefit across all City Programs.
- Initiatives implemented include redeployment of staff to critical and essential service areas; implementing Emergency Leave for staff unable to provide service / work remotely; and seasonal / part-time staff layoffs.
- Further salary and benefit savings are expected as a result of the hiring slowdown; the recommended 0% general salary range increase (cost of living adjustments) for Accountability Officers, and Management/Non-union employees; and labour negotiation savings.
- As a result of the above actions a total of 9,980 City employees were impacted. Impacts are reflected by; employees placed on emergency leaves and seasonal hires that did not occur or were delayed. As at July 15, 2020 an estimated 3,500 of the impacted staff had returned to work.
 - A further 2,020 staff have also been impacted within City agencies. The majority of impacts reflect layoffs at the TTC, TOLive, Toronto Zoo, Toronto Parking Authority and Exhibition Place. Also included are an estimated 300 seasonal hires that were not filled.

Non-Property Tax Base Impacts – In addition to the estimated \$1.9 billion pressure, \$158 million in forecast pressures are also trending to year-end for the Toronto Parking Authority and Toronto Community Housing.

- As of June 28, the greater impacts reside in the Toronto Parking Authority with \$48 million in added costs and lost revenue.
- Toronto Community Housing impacts have been \$22 million as of June 28. While the impacts experienced are split between added costs and lost revenue, Impacts

related to revenue loss have not materialized to levels initially expected and will continue to be monitored.

Similar to mitigating strategies undertaken for City Programs funded through the property tax base, Toronto Parking Authority and Toronto Community Housing impacts will continue to offset COVID-19 financial impacts through a combination of COVID-19 related savings and expenditure management. It is recommended that the City continue to request COVID-19 funding support from the Federal and Provincial governments to fund remaining net impacts to the City's non-tax supported programs in addition to the \$1.350 billion estimated tax supported funding shortfall.

Further staff related recommendations are anticipated to yield additional savings beginning in 2021 and include:

- **Non-Union Pay for Performance Program** – It is recommended that Council approve the cancellation of the Pay for Performance program effective immediately, such that there will be no Pay for Performance increases or re-earnable performance-based lump-sum payments effective January 1, 2021 (based on 2020 performance). The existing program will be replaced following the ongoing review of the City's compensation program.
- **Voluntary Separation Program** – It is recommended that Council approve the implementation of a Voluntary Separation Program for staff who are eligible to retire with an unreduced pension providing a lump sum payment of up to three months' salary to eligible employees, subject to the terms of the program guidelines, funded through savings generated from a combination of permanently eliminating vacated positions and/or holding the positions vacant for a minimum of six months.

General Salary Range Increases

In 2019, the City paid approximately \$576.6 million in salaries for Management/Non-union employees and Accountability Officers and approximately \$134.8 million in benefits (statutory and non-statutory benefits), for a total compensation cost of approximately \$711.4 million.

The COVID-19 emergency has resulted in significant financial pressures on the City in the face of reduced revenues and increased expenditures to continue to provide essential and critical services. These services are being provided in the face of unprecedented financial pressures which requires the City to make very difficult decisions, including decisions related to employee compensation and benefits. Annually, City Council approves the City's budget which includes the compensation funding, as per the Council approved Management/Non-union employee Compensation Policy, for all Management/Non-union employees and Accountability Officers in the Toronto Public Service.

City Council has ratified five-year collective agreements for TCEU Local 416 & CUPE Local 79 including a wage increase of 1.0% for 2020.

Generally speaking, providing non-union employees general annual salary increases similar to the increases approved for unionized employees avoids salary compression challenges and ensures the City of Toronto remains competitive within the market place for talent. However, the onset of the COVID-19 emergency has created unprecedented operational and financial pressures on the City as it manages the decreased revenues and the increased expenditures required to continue essential and critical services that are required for the residents and businesses within the City of Toronto. Not paying a general annual increase to Accountability Officers, and Management/Non-union employees in the Toronto Public Service, will result in budget savings that have been reflected in the \$151.9 million total workforce restraint savings previously detailed in Table 3. 2020 budget savings specific to labour negotiations are confidential and would need to be discussed in camera.

Pay for Performance

The City of Toronto's Non-union Employees Compensation Policy (Toronto Public Service) was approved by City Council in 1999 and subsequently reviewed in 2002, 2003 and 2004, and with amendments in 2006, 2009, 2012 and 2013. The compensation policy includes the following compensation and performance review reward components:

1. Salary Grades and general annual salary increases (i.e. cost-of-living economic adjustment)
2. Performance-based salary progression (i.e. individual merit for employees to move through their salary grade range)
3. Performance-based re-earnable lump sum (i.e. individual merit for employees at their salary grade range maximum).

Particularly during times of budget and financial challenges, ensuring a lean but high-performing workforce is critical to an organization's success. To ensure that the City's compensation program is affordable, modernised & aligned with leading practices, the City is conducting a Total Rewards Review. An effective total rewards program drives organizational performance and ensures an organization can retain and attract highly skilled talent. Through a Total Rewards Review, leading practices will be identified. By the second quarter of 2021, staff will report to Council on the outcome of the review and provide recommendations that will form the basis of a new total rewards program for the City. By cancelling the existing performance management program (effective for the 2020 performance year), the City will avoid an obligation to continue to pay employees in accordance with the existing program pending the approval and implementation of a new program.

Voluntary Separation Program

The City's (Toronto Public Service) current rate of 'natural' attrition was approximately 8.2% for 2019. Even when the position that is vacated is subsequently filled, attrition typically provides an opportunity for savings as there is often a lag between the departure and the rehire.

As a strategy to accelerate this natural attrition rate, a new Voluntary Separation Program (VSP) is being recommended for permanent employees of the Toronto Public Service (TPS) who are eligible to retire with an unreduced pension. By enhancing the rate of attrition, the VSP will contribute to the City's cost-savings objectives.

Under the terms of the proposed VSP, permanent employees who are eligible to retire with an unreduced pension will be eligible to receive a lump sum payment of up to three (3) months' salary. To ensure that savings are realised, divisions will be required to hold the resulting position vacant (or, in exceptional cases, an equivalent vacancy) for a minimum of six (6) months following the employee's retirement. The decision to fill the vacancy following the six (6) month period will be subject to the City's ongoing hiring slow-down criteria. The six month waiting period to fill the position will also provide the division with time to explore further efficiencies and ways of streamlining the delivery of services with a potentially smaller workforce.

Employees who are eligible to retire with an unreduced pension will receive retiree benefits, if eligible, in accordance with their collective agreement or City policy.

Employees who wish to be considered for participation in the VSP will be required to complete and submit an application to the People & Equity division by August 31, 2020. Divisions will consider all applications and decisions will be made and communicated to employees by September 30th. All employee departures under this program must take place by December 31, 2020.

Adoption of the Voluntary Separation Program is one of a number of strategies that will enable the City to address the challenging financial situation and will contribute towards addressing budget pressures in 2021 and beyond.

As this program is being introduced while the City is experiencing both operational and financial pressures as a result of the COVID-19 pandemic, employees from the following divisions will be excluded from the Program: Shelter, Support & Housing Administration; Seniors Services & Long Term Care; Toronto Paramedic Services; and Toronto Fire Services.

The recommendations in this report pertaining to Agencies and Corporations maintain the responsibility and right of the Agency or Corporation Board, as the employer, to approve and implement the compensation and workforce initiatives for their staff, while aligning with City Council's decisions on budgetary constraints through employee compensation adjustments and a Voluntary Separation Program. The recommendations will apply, as appropriate, to specific City Agencies and Corporations in accordance with their funding models and staff reporting structures. The objective is to ensure that compensation at City Agencies and Corporations are set within a framework that is fair, transparent, and accountable, and consistent with practices across the broader City of Toronto Public Service.

Mandated Vacation Utilization

An additional initiative underway is the requirement for all non-union/management employees to use a minimum of three weeks of their vacation entitlement by December 31, 2020. Discussions are also underway in extending this initiative beyond non-union staff.

This directive is intended to reduce the City's future liability related to vacation carry-over, and vacation payouts while also ensuring that staff are able to take time off. It is estimated that this initiative may reduce up to \$57 million in City liability, subject to full participation and the level of current vacancies, less already planned or utilized vacation.

Phase 2 – Addressing the Projected Remaining Pressure of \$1.350 billion

A 2020 budget pressure of \$1.350 billion is expected to remain following continued implementation of cost mitigation strategies.

The City requires immediate financial support from the Federal and Provincial governments to offset COVID-19 related financial impacts. The recently announced Safe Restart Agreement is expected to provide some of this needed support, however, there is uncertainty as to the extent it will mitigate the budget pressures.

- The City's ability to generate the 2020 savings needed to fill the gap between what may be received by the Federal and Provincial governments and the budget shortfall diminishes each day as we approach year-end; actions are needed to address any remaining pressures.

The City is hopeful but uncertain about the extent to which anticipated forthcoming commitments from the Federal or Provincial governments to municipalities will resolve Toronto's \$1.350 billion shortfall in the 2020 budget and any projected pressures for 2021.

- The City is seeking an equitable distribution of funding commitments from the Federal and Provincial governments.
- Funding received should be consistent with experienced COVID-19 financial impacts commensurate with municipal services provided to vulnerable populations.
- Contributions to public transit need to be allocated consistent with municipal ridership across the province; funding for program supports related to vulnerable populations need to reflect municipal populations.
- Funding for PPE costs should be distributed based on established and proven needs and demands.

The City Manager and Chief Financial Officer and Treasurer continue to engage with their Federal and Provincial counterparts to obtain funding support for municipalities to offset projected deficits resulting from COVID-19 related financial impacts.

- As noted, the City is hopeful that any forthcoming funding from the Federal and Provincial governments will be at the level required to avoid substantial changes to City services and service levels.
 - As of June 30, COVID-19 related funding commitments have been limited to \$107.4 million of which \$95.6 million is retained by the City (\$11.8 million flows through the City to community partners).
 - \$95.6 million reflects 5% of the City's estimated 2020 pressure and absent of adequate COVID-19 funding support committed to the City by the Federal and/or Provincial government the City will be required to consider the options resulting in service and service level reductions detailed below.
- The City Manager will be reporting to Council in September 2020 on the results of these discussions, noting any full or partial offsets to the projected year-end deficit.
- The City Manager's report will include options for Council's consideration on further mitigation strategies to offset any anticipated 2020 shortfall in the event that by September municipalities have not received adequate financial support from the Federal and Provincial governments. These options, listed below may include reductions in capital funding, sale of City assets, reduced funding directed to operating services and revenue measures considerations.
- Staff are also estimating a preliminary 2021 Operating Budget opening pressure of nearly \$1.5 billion based on 2021 outlooks provided during the 2020 budget process and assumptions on continued COVID-19 financial impacts. The City will require continued support from Federal and Provincial governments into 2021 and future years while cities continue to experience financial impacts arising from COVID-19.

Options to be Brought Forward for Council's Consideration in September

The City Manager will report to Council in September 2020 regarding options that may be required for Council's consideration if adequate municipal support is not forthcoming from the Federal and Provincial governments, with options including:

- Capital Adjustments
 - A permanent reduction in capital funding to enable the reallocation of Capital from Current and Provincial Gas Tax funding to the 2020 Operating Budget to offset COVID-19 related operating pressures.
 - A recast of the 10-Year Capital Plan will also be required as part of the 2021 budget process, which will include a reprioritization of capital work, with a focus on legislated, health and safety and state-of-good repair capital projects.
- Reduced Operating Funding
 - Reductions across all City Programs and Agencies Council approved 2020 Net Operating Budget, with the exception of critical social services.

- Given the increased importance of protecting the City's most vulnerable, reductions to critical social services of Shelters; Child Care; Toronto Employment and Social Services; and Senior Services and Long-term Care would be avoided unless necessary based on anticipated equity based impacts.
- Sale of City Assets
 - The City may need to consider the sale of City assets.
- Change in Surplus Management Policy (Impacts to Capital Funding)
 - Consideration to deviate from the City's surplus management policy that requires 75% of prior year operating surplus be directed to the City's Capital Financing Reserve.
- Revenue Measures Considerations
 - Council can also chose to consider added revenue measures to offset any remaining COVID-19 financial impacts.

The above actions all reflect options that may be considered to address any remaining 2020 budget shortfall following confirmation of Federal and Provincial funding that the City will receive as part of the Safe Restart Agreement. Any of the above actions may also be considered for 2021 to address preliminary budget shortfall estimates.

Municipalities in Ontario, and the City of Toronto, do not have the ability to budget for operating deficits. As a result of this, the City of Toronto has avoided many of the risks that would be inherent in deficit financing.

The City Manager and CFO and Treasurer do not want the ability to deficit finance and would recommend that Ontario make no legislative amendments that would grant the authority to deficit finance to the City of Toronto Act based on the following:

1. Municipal revenue measures are limited and make deficit financing undesirable as compared to the federal and provincial governments.
2. The Great Depression and the origins of the ban on municipal deficits, mitigating the risk of municipal insolvency are still relevant today; the need to protect against municipal deficit financing is a long-term safeguard and should not be waived to address the in-year problems of 2020.
3. Toronto must prepare for the eventuality that the financial challenges of the 2020 fiscal year continue into 2021 and beyond.
4. Toronto and Ontario Municipalities have benefitted from not being able to deficit finance.

- The limitation on operating deficits has helped Ontario municipalities develop a strong, responsible culture of dealing with “today’s problems today.”
- Ontario Municipalities get the most in taxpayer services out of our tax base by avoiding the accumulating pressure of debt charges.
- Since operating deficits are “off the table,” municipal borrowing is reserved for investments in capital.
- Avoiding operating deficits has helped protect against the downgrading of municipal debt ratings, which in turn increases overall cost of borrowing.

2021 Operating Budget – Preliminary Opening Pressure Reflecting COVID-19 Impacts

While the 2021 Operating Budget pressures cannot be confirmed until budget request submissions are received and analyzed by City Finance, staff are estimating a preliminary opening pressure of nearly \$1.5 billion based on 2021 outlooks provided during the 2020 budget process and assumptions on continued COVID-19 financial impacts. Table 4 below summarizes the estimated pressure.

Table 4: COVID-19 – Preliminary 2021 Operating Pressure Estimate

Preliminary 2021 Opening Operating Budget Pressure Estimate	
Description	\$Millions
Expenditure Pressures (Pre-COVID Estimates)	375.0
Revenue & Reversal of One-Time Reserve Funding Pressures (Pre-COVID Estimates)	136.3
2021 COVID Impacts	
Estimated Revenue Impacts	609.6
Estimated Expenditure Impacts	350.5
Total Preliminary 2021 Opening Pressure Estimate	1,471.3

Balancing the 2021 Operating Budget will be challenging without a commitment from the Federal and Provincial Government to provide municipal funding support for not only 2020 but also over the next few years while cities continue to experience financial impacts arising from COVID-19.

Absent of Federal and Provincial funding support into 2021, further options may need to be considered to balance the 2021 Operating Budget, including but not limited to:

- Continued implementation of 2020 cost mitigations strategies;
- Reductions to the Capital Program to enable the reallocation of 2021 capital funding eligible for use to offset operating pressures (i.e. Capital from Current and Provincial Gas Tax funding);
- Consideration of program and service level reductions;

- Consideration of revenue measure options; and
- Consideration of the sale of City assets.

Greater Toronto and Hamilton Area (GTHA) Impacts

The financial impacts experienced as a result of COVID-19 are not unique to the City of Toronto. The City has been working closely with our regional partners to assess the estimated GTHA impact of COVID-19.

GTHA municipalities have estimated total region-wide financial implications of \$2.1 to \$3.6 billion resulting from financial pressures associated with COVID-19 in 2020 alone (including committed Federal and Provincial funding and initial savings assumptions).

Cost mitigation strategies have also been developed that collectively total \$445 million in added 2020 savings and include staffing decisions, expenditure and service reviews and capital reprioritization.

- These savings are in addition to saving assumptions incorporated in 2020 forecast pressure for this collective exercise (i.e. \$195 million of Toronto's \$513.7 million in COVID-19 related savings were captured in the initial \$2.1 to \$3.6 billion forecast).

Table 5 on the following page summarizes the collective GTHA 2020 Operating Budget, COVID-19 impacts, added cost mitigation strategies, remaining shortfall and average residential property tax increase that would be required to offset remaining pressures.

- GTHA municipalities have estimated total region-wide 2020 financial implications of \$1.6 billion to \$3.1 billion following planned and/or implemented mitigation strategies.
- While there is optimism that funding for GTHA municipalities is forthcoming, there is uncertainty as to the amount that will ultimately be received and the resulting extent of further cost mitigation strategies needed across the region.

Table 5: COVID-19 Financial GTHA Impacts

COVID-19 Financial Impacts and Mitigation Strategies (\$000s)										
	Background Information			Estimated 2020 Financial Impacts				Cost Mitigation	Remaining Shortfall after Cost Mitigation	
GTHA Municipality	2020 Operating Budget (Gross)	Revenue raised through 1% residential property tax increase*	COVID-19 Weekly burn rate (Lockdown Period)	2020 Total Financial Shortfall	2020 Transit-Specific Shortfall	Transit Impacts as % of Total Shortfall	Res Property Tax Increase needed to cover total shortfall	Projected 2020 Savings**	Remaining 2020 Shortfall	Res Prop. Tax Rate Increase Needed
GTHA Total	23,625,000	100,000	90,000	2,085,000 to 3,570,000	590,000 to 1,150,000	28.3% to 32.1%	20.8 to 35.7	(445,000)	1,640,000 to 3,125,000	16.4 to 31.2

*Based on a 1% Municipal levy increase on the residential tax class and the corresponding rate increases on all other tax classes, as mandated by Provincial legislation and Council policies

**Projected 2020 savings excludes savings already incorporated in Shortfall Scenarios.

Additional Notes:

- 1) York Region Area Municipalities include: Aurora, East Gwillimbury; Georgina; King; Markham; Newmarket; Richmond Hill; Vaughan; Whitchurch-Stouffville
- 2) Currently pending initial information from: Ajax; Brock; Caledon; Uxbridge; Whitby.

Information noted above in Table 5 was compiled in collaboration with GTHA municipalities and is reflective of estimates as of June 8, 2020.

DECISION HISTORY

At its June 28 and 29, 2020 Meeting, City Council adopted the City Manager's report on COVID-19 Actions and Council Directions. This report identified that future reports would include updates on the financial impacts of COVID-19.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC22.3>

At its May 28, 2020 Special Meeting, City Council adopted the City Manager's report on the City's Service Restart and Recovery Update.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC21.1>

At its May 28, 2020 meeting, City Council adopted the Medical Officer of Health's COVID-19 Update and requested the City Manager to establish a process by which the public is consulted through the City of Toronto's Poverty Reduction Office, the Anti-Black Racism Office, the Indigenous Affairs Office and all other bodies concerning the problems faced by marginalized people during COVID-19.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.HL16.2>. The City Manager reported on this item to Council at its meeting of June 28 and 29, 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC22.3>

At its April 30, 2020 Special meeting, City Council adopted the City Manager's report on the City of Toronto Response and the Ongoing Management of Emergency City Business during the COVID-19 Pandemic.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC20.2>

COMMENTS

A. Update on the City's Response to COVID-19

Toronto Public Health (TPH), together with the City and community partners continues to respond to the COVID-19 pandemic. As of July 22, there are 15,202 cases of COVID-19 diagnosed in Toronto, including 13,961 confirmed cases and 1,241 probable ones, 108 people in hospital, 24 people in intensive care, and tragically, 1,141 deaths.

At this time, the number of new COVID-19 cases identified each day has shown a downward trend overall. As the City opens up and more people interact in the community, it is expected that we will see fluctuations in COVID-19 case counts. Toronto Public Health will continue to carefully monitor COVID-19 activity in the community and in institutional and congregate settings. We are prepared to respond quickly, when additional cases are observed.

To support re-opening efforts and through the advice of the Medical Officer of Health, the City implemented a by-law on July 7, 2020 to require all indoor public spaces to have a mask policy requiring their use in these spaces. This step was taken as an

additional public health measure to reduce the spread of COVID-19 as the City continues to open. It will be important for TPH to work with City partners to understand the compliance with the by-law and the public health benefits that are observed as a result of its implementation.

Toronto Public Health continues to work with Federal and Provincial colleagues to establish a voluntary isolation facility for individuals with COVID-19 who cannot properly isolate themselves at home. This location will assist individuals who live in housing that may be crowded or otherwise have insufficient space to properly distance from household contacts. This will reduce the risks of spread of the virus to household contacts which is known to be one of the most common ways that the virus is spread in our community.

Toronto Public Health has been conducting in-depth epidemiological analyses to better understand the risk factors associated with COVID-19. Area-based analysis, linking the number of people with confirmed or probable COVID-19 infections in City neighbourhoods with information available for these neighbourhoods from the 2016 Census has been shared publicly. Toronto Public Health plans to release further analysis of individual-level sociodemographic information from COVID-19 cases by the end of July 2020.

The Province recently announced that as of July 17, 2020, Stage 3 re-opening will take place in some regions across Ontario. Stage 3 will allow for up to 50 people for indoor gatherings and 100 people for outdoor gatherings, subject to physical distancing requirements, and the opening of all businesses in public spaces (e.g., bars, dine-in restaurants, theatres), with some exceptions.

Toronto and the Region of Peel remain in Stage 2. Other GTA regions will move into Stage 3 on July 24, 2020, including York, Durham, Hamilton and Halton. Toronto Public Health is in active discussions with the Province on the readiness of the City to move into Stage 3, informed by the COVID-19 monitoring dashboard and collaboration with City Partners. At this time, Toronto Public Health remains almost exclusively focused on responding to COVID-19 while providing some of the most essential, non COVID-19 related public health programs.

City Council had previously requested information from the City Manager and the Medical Officer of Health on airport screening practices at Pearson International Airport. This information was documented in Attachment 1 - Federal Public Health Screening of the City Manager's report to City Council on COVID-19 Actions and Council Directions (CC22.3) on July 29 and 30, 2020. Practices related to international travellers are responsibilities of the federal public health authorities. Toronto Pearson Airport has several screening practices that are detailed in Attachment 1 of this report. In addition, further information on global practices related to screening at airports for COVID-19 is also included.

B. Update on the City's Recovery and Rebuild Activities

In addition to the City's work to reduce the spread of COVID-19, a key focus continues to be on efforts to successfully restore communities and social and economic infrastructure. As the Province gradually permits businesses and workplaces to reopen, City staff are actively working to safely reopen programs and services to support Toronto residents. This includes the introduction of a number of new City programs to support business and community organizations as well as enabling safe recreation including: SwimTO, CampTO, ActiveTO, CurbTO, DriveInTO, and CaféTO. Guidelines to support the safe reopening of businesses, workplaces, and community settings continue to be developed and updated. In addition, some programs and services that previously required face-to-face interaction have now been made available online such as the launch of online business licensing and permit applications.

COVID-19 Response and Second Wave Planning Update

As of July 13, the City's Emergency Operations Centre (EOC) has been activated for 125 days and continues to be activated at level 3, in response to the COVID-19 pandemic emergency. The City is continuing to ensure the maintenance of an effective supply of PPE and the EOC's PPE Task Force is facilitating priority distribution of PPE as well as face-coverings for staff, ensuring alignment with the service restart process.

The Office of Emergency Management (OEM) is also taking measures to ensure it is ready to respond to any future waves of COVID-19 infection, along with other emergencies as they occur, and is in the process of conducting after action reviews of all internal processes to glean lessons learned since the onset of COVID-19 and to inform process improvements for future wave response.

OEM is working closely with the Service Restart and Readiness (SRR) group to coordinate a City-wide review of lessons learned from responding to the first wave of COVID-19 and to develop an action plan to be implemented should there be a second wave of infection. Toronto Public Health will play a key role in the planning process and the focus of the plan will be to ensure the safety and well-being of Toronto's residents and visitors.

Update on Recovery and Rebuild Engagement

The Toronto Office of Recovery and Rebuild's (TORR) engagement strategy was developed to support timely, purposeful, accessible and informed engagement, with a diversity of stakeholders, in order to inform the contents of a report to the City Manager with actionable recommendations. In addition, the findings and recommendations will support decision-making by the Office, the City's senior leadership and City Council.

The TORR, with the assistance of City subject matter experts and Theme Leads continue to engage with community partners and groups, Indigenous communities, residents and businesses to seek input on the recovery and rebuild. TORR continues to receive input through surveys, virtual sessions and written submissions and is reviewing

other key inputs including issue and jurisdictional research, prior City consultations, e.g., resilience, governance, retail main streets, among others.

TORR has received input on a wide range of themes through outreach and engagement with Labour, Indigenous Peoples, Black People and other Equity Seeking Groups including LGBTQ2S+, Women, Vulnerable Seniors, Persons with Disabilities, Racialized Groups, Persons with Low Income, Newcomers and Vulnerable Youth. Where gaps have been identified, additional engagements have been coordinated to specific groups or missing perspectives to receive that input.

Analysis is underway on the significant input and data collected to date, and work is starting to identify themes and review connections across themes and related issues. Data analyses will continue through the month of July and will help to inform recommendations for a report to the City Manager expected in September 2020.

Continued Intergovernmental Partnerships and Advocacy

The City has continued to engage regularly with peer cities across the country, the federal and provincial governments at the political and staff levels, and strategic networks in order to facilitate coordinated action and advance city priorities, including:

1. Regular political meetings with the Greater Toronto and Hamilton Area (GTHA) Mayors and Chairs, the Large Urban Mayors Caucus of Ontario (LUMCO), Mayors and Regional Chairs of Ontario (MARCO), the Regional and Single Tier CAOs (RSTCAOs) forum and continued discussions at the Big City Mayors Caucus (BCMC) of the Federation of Canadian Municipalities (FCM).
2. Regular staff meetings with the Province and AMO through the Provincial – Municipal Technical Working Group on Emergent Municipal Needs in Response to COVID-19, co-led by the Province, the City and AMO. The group meets regularly with the goal of providing insight into impacts of COVID-19 on municipalities to help inform the provincial response and ensure coordination and alignment.
3. City staff also continue to work with partners across Canada such as staff at FCM and the six largest cities including Vancouver, Edmonton, Calgary, Montreal and Ottawa. Senior management in the big cities have sought increased collaboration in order to discuss the impacts of COVID-19, emergency response and recovery, and potential areas of federal-municipal collaboration.

The advocacy focus for Toronto and other cities across Canada continues to be for urgently needed emergency relief operating funding to offset lost revenues and additional expenditures, while continuing to deliver essential front line services.

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ATTACHMENTS

Attachment 1 – Global Practices Related to Screening at Airports for COVID-19

Attachment 1 - Global Practices Related to Screening at Airports for COVID-19

Background

Practices related to international travellers are responsibilities of the federal public health authorities. In the City Manager's report to City Council on COVID-19 Actions and Council Directions (CC22.3), the City Manager reported the following practices that are in place at Toronto Pearson Airport:

Upon Arrival at Any Airport in Canada Travellers Must (International Travellers):

- Provide basic information using the traveller contact information form, available through the ArriveCAN mobile app, an accessible web-based form, or a paper form
- Undergo a screening by a border services officer or quarantine officer to assess symptoms.

Upon arriving in Canada, all travellers are required to quarantine for 14 days under the terms of an emergency order the Government of Canada put in place under the federal Quarantine Act. Government officials stay in contact with all passengers who have arrived in Canada to monitor compliance with the mandatory quarantine. In some cases, they may undertake verification and enforcement efforts in collaboration with police agencies.

Individuals with symptoms consistent with COVID-19 may not enter Canada by air. If during the flight, the traveller develops symptoms of COVID-19, upon arrival, the traveller must isolate for 14 days and they must:

- Isolate in a place where they will not have contact with vulnerable people
- Confirm suitable place to isolate with access to basic necessities
- Use private transportation (such as their own vehicle) to get to their place of isolation
- Wear a non-medical mask or face covering while traveling to their place of isolation
- Have private transportation or if the traveller does not have private transportation or an adequate place to isolate, the Chief Public Health Officer of Canada will designate a facility where they must isolate for 14 days.

Overview of Global Practices

General travel restrictions, screening for symptoms at departure and arrival, and mandatory self-isolation/quarantine after arrival are all strategies aimed at reducing the risk of importation of COVID-19. Screening is one part of the public health measures that are used to prevent spread of COVID-19. Such strategies can be especially important when the infection rate is low in a community, and importation has the potential to lead to increased transmission in the community.

Screening for symptoms at airports upon arrival may not detect cases of those who have mild symptoms or who are asymptomatic. Thus, many countries have adopted

mandatory self- or managed isolation policies for all travellers regardless of their screening results.

Given the diversity of strategies implemented in combination across jurisdictions, it is difficult to study and determine which screening policy by itself is the most effective. However, a range of combined screening and isolation policies that vary in their stringency can be observed in global jurisdictions. For example:

- Hong Kong – Arriving travellers undergo screening based on temperature and health declaration forms, as well as COVID-19 testing. Positive travellers are transported to a healthcare facility, and their close contacts asked to quarantine. Even those with negative results complete a mandatory 14-day quarantine. A quarantine centre is available for those who may not be able to effectively isolate otherwise.¹
- Taiwan – Arriving travellers are screened using a health declaration form, as well as thermal imaging. Those with COVID-19 symptoms are quarantined at a designated facility, whereas all other arrivals complete a mandatory 14-day isolation at home.^{2,3}
- New Zealand – Arriving travelers are asked questions and screened for symptoms at the airport. All passengers are placed in a managed quarantine/isolation facility, undergo a health and wellbeing assessment, and are tested for COVID-19. They may leave after at least 14 days and test negative for COVID-19. Similar screening and mandatory 14-day isolation in a designated facility for all arrivals is implemented in Australia.⁴
- United States – Varying policies have been implemented. Specific restrictions and screening apply to arrivals from specific countries. A 14-day quarantine is recommended for all arriving travelers from international destinations.⁵ Some states have their own policies as well – for example, New York State requires filling out a health questionnaire and 14-day isolation for travellers arriving from other states with significant rates of transmission of COVID-19.⁶

Further Information

Effectiveness of Airport Screening

Studies suggest that screening based on symptoms at airports may not be highly effective. Some studies have estimated that around half of infected travelers would not be detected based on such screening due to incubation period, asymptomatic cases and sensitivity of screening tools used.^{7,8}

Mandatory Quarantines/Isolation

Given the limited sensitivity of syndromic screening, universal isolation/quarantine policies seem to be more important. As such, screening does not necessarily impact the requirement for a two-week isolation. Screening may augment the isolation policies – for example, those with symptoms may be tested and/or prioritized for a managed quarantine facility over self-isolation. However, even a managed isolation facility for all arrivals may not completely negate the risk of transmission from imported cases.

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