



The Corporation of the City of Stratford
Finance and Labour Relations Committee
Open Session
AGENDA

Date: Monday, April 8, 2024

Time: 7:05 P.M.

Location: Council Chamber, City Hall

Committee Present: Councillor Hunter - Chair Presiding, Councillor McCabe - Vice Chair, Mayor Ritsma, Councillor Beatty, Councillor Biehn, Councillor Briscoe, Councillor Burbach, Councillor Henderson, Councillor Nijjar, Councillor Sebben, Councillor Wordofa

Staff Present: Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, Tim Wolfe - Director of Community Services, Karmen Krueger - Director of Corporate Services, Kim McElroy - Director of Social Services, Taylor Crinklaw - Director of Infrastructure Services, Adam Betteridge - Director of Building and Planning Services, Neil Anderson - Director of Emergency Services/Fire Chief, Audrey Pascual - Deputy Clerk

To watch the Committee meeting live, please click the following link:

<https://video.isilive.ca/stratford/live.html>

A video recording of the meeting will also be available through a link on the City's website

<https://calendar.stratford.ca/meetings> following the meeting.

Pages

1. Call to Order

The Chair to call the Meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

- | | | |
|-----|---|---------|
| 3. | Sub-committee Minutes | 5 - 10 |
| | Sub-committee minutes are attached for background regarding the discussion held at the March 19, 2024, Sub-committee meeting. | |
| 4. | Delegations | |
| | None scheduled. | |
| 5. | Report of the Director of Community Services | |
| 5.1 | Request to Waive Facility Fees (FIN24-007) | 11 - 13 |
| | This item is also listed for consideration on the April 8, 2024, Regular Council reconvene agenda. | |
| | Staff Recommendation: THAT the Truth Behind The Smile Event - Request to Waive Facility Fees report (FIN24-007) be received; | |
| | AND THAT direction be provided regarding the facility rental fee waiver request in the amount of \$1008.35 for use of one hall at the Rotary Complex on May 23, 2024. | |
| | Motion by | |
| | Sub-committee Recommendation: THAT the Truth Behind The Smile Event - Request to Waive Facility Fees report (FIN24-007) be received; | |
| | THAT the facility rental fee waiver request in the amount of \$1008.35 for use of one hall at the Rotary Complex on May 23, 2024, be approved; | |
| | AND THAT the request be funded from the Fee Waivers and Other Facility Related Costs line item in the 2024 Budget and transferred to the Community Services Department. | |
| 6. | Report of the Director of Corporate Services | |
| 6.1 | Destination Stratford 2024 Update 1 (FIN24-008) | 14 - 50 |
| | Staff Recommendation: THAT the Destination Stratford 2024 Update 1 (FIN24-008) dated March 19, 2024, be received for information. | |
| | Motion by | |
| | Sub-committee Recommendation: THAT the Destination Stratford 2024 Update 1 (FIN24-008) dated March 19, 2024, be received for information. | |

6.2 Festival Hydro Update Q3 for the period ended September 30, 2023 (FIN24-009)

51 - 64

Staff Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ended September 30, 2023, be received for information;

AND THAT the Festival Hydro Services Inc. financial statements and commentary for the period ended September 30, 2023, be received for information.

Motion by

Sub-committee Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ended September 30, 2023, be received for information;

AND THAT the Festival Hydro Services Inc. financial statements and commentary for the period ended September 30, 2023, be received for information.

7. Report of the Clerk

7.1 Integrity Commissioner Services and Request for Proposal (FIN24-010)

65 - 70

Staff Recommendation: THAT direction be given on whether a request for proposal is to be issued in 2024 for integrity commissioner services;

AND THAT direction be given on any terms or conditions to be included in the request for proposal.

Motion by

Sub-committee Recommendation: THAT a request for proposal be issued in 2024 for integrity commissioner services;

AND THAT the following requirements be mandatory:

- the successful bidder will have at least ten (10) years of legal or quasi-judicial experience, or senior municipal management; and
- minimum of three (3) references for whom the proponent has satisfactorily provided Integrity Commissioner services in the past 5 years; and
- the term of the contract be to December 31, 2026.

8. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by

Committee Decision: THAT the Finance and Labour Relations Committee meeting adjourn.



The Corporation of the City of Stratford Finance and Labour Relations Sub-committee MINUTES

Date: March 19, 2024
 Time: 4:30 P.M.
 Location: Council Chamber, City Hall

Sub-committee Present: Councillor Hunter - Chair Presiding, Councillor McCabe - Vice Chair, Councillor Beatty, Councillor Burbach, Councillor Nijjar

Staff Present: Karmen Krueger - Director of Corporate Services, Joan Thomson – Chief Administrative Officer, Tatiana Dafoe - City Clerk, Tim Wolfe - Director of Community Services, Miranda Franken - Council Clerk Secretary

Also present: Zac Gribble - Destination Stratford Executive Director, Members of the Public and Media

1. Call to Order

The Chair called the meeting to Order.

Land Acknowledgment

Moment of Silent Reflection

The Chair read the Respectful Workplace Policy statement.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence

from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made by a Member at the March 19, 2024, Finance and Labour Relations Sub-committee meeting.

3. **Delegations**

None scheduled.

4. **Report of the Director of Community Services**

4.1 **Request to Waive Facility Fees (FIN24-007)**

Staff Recommendation: THAT the Truth Behind The Smile Event - Request to Waive Facility Fees report (FIN24-007) be received;

AND THAT direction be provided regarding the facility rental fee waiver request in the amount of \$1008.35 for use of one hall at the Rotary Complex on May 23, 2024.

Sub-committee Discussion:

Motion by Councillor Beatty

Sub-committee Recommendation: THAT the Truth Behind The Smile Event - Request to Waive Facility Fees report (FIN24-007) be received;

THAT the facility rental fee waiver request in the amount of \$1008.35 for use of one hall at the Rotary Complex on May 23, 2024, be approved;

AND THAT the request be funded from the Fee Waivers and Other Facility Related Costs line item in the 2024 Budget and transferred to the Community Services Department.

It was confirmed the intent was to fund the request through the Community Grants program. The Director of Corporate Services provided clarification on funds allocation noting:

- funds are available under the Community Grants program and that there is also a separate budget which deals with fee waivers and other facility related costs;

- the intent will be to fund the request through the Fee Waivers and Other Facility Related Costs line item in the 2024 Budget;
- under this funding, historically subsidies have been absorbed through the tax levy to keep the divisional revenues whole;
- a review of the Community Grants procedure is underway; and
- this application supports mental health which is important within our community.

The Chair called the question on the motion.

Carried

5. Report of the Director of Corporate Services

5.1 Destination Stratford 2024 Update 1 (FIN24-008)

Staff Recommendation: THAT the Destination Stratford 2024 Update 1 (FIN24-008) dated March 19, 2024, be received for information.

Sub-committee Discussion: Zac Gribble, Executive Director of Destination Stratford provided an overview of the Year in Review Report with a focus on the 2023-2024 Budget. Highlights of the presentation included:

- the reporting template having been refined for clarity;
- marketing and development being separated as individual items;
- the "Administration" line item being approximately half the budget, and including payroll which can be broken down as 20% administration and 80% representing a marketing function and destination development function;
- with respect to income, there being a line item for the organization's portion of the Municipal Accommodation Tax (MAT);
- the line item for the MAT including funding from the previous year which was collected for 6 months and estimated quarterly MAT income for 2024;
- Destination Stratford not having received MAT revenue to date;

- the estimate amounts being updated and reported on during the quarterly reports to Sub-committee;
- the City Contribution including half from the City's MAT 2023 and half from tax base towards Lights On Stratford for next winter;
- there being a new line item under expense for MAT development projects;
- the portion of MAT funding given to Destination Stratford being noted and used for marketing, development projects such as Stratford Al Fresco and Lights On Stratford;
- additional sponsorship and government grants being reported as secured;
- with respect to the Sport Tourism Office, a Sport Tourism Director having been hired;
- working in collaboration with the Director of Community Services to move forward with the Sport Tourism Strategy presented to Council in 2023; and
- obtained \$25,000 from the Province toward year one of the Sport Tourism Strategy.

A question and answer period took place between Sub-committee members, the Executive Director, and staff to clarify the communication strategy for Sport Tourism. Highlights of the discussion included:

- this being a partnership between the City through the Community Services Department and Destination Stratford;
- the addition of a City Sport Tourism Coordinator role will work in partnership with the Sports Tourism Director with two items of focus being communication to industry and to sports user groups;
- Destination Stratford having a Sport Tourism landing page as a place holder to communicate upcoming events;
- upcoming stakeholder meetings including industry one on ones, culinary sector and the BIA to ensure Stratford efficiency during sport tourism events;

- focus of upcoming Sport Tourism Advisory Committee being how to address community needs; and
- line 4260, Partnerships, represents grant contributions including the BIA, RT04, Provincial and Federal grants, with emphasis on Lights On Stratford.

Motion by Councillor Burbach

Sub-committee Recommendation: THAT the Destination Stratford 2024 Update 1 (FIN24-008) dated March 19, 2024, be received for information.

Carried

5.2 Festival Hydro Update Q3 for the period ended September 30, 2023 (FIN24-009)

Staff Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ended September 30, 2023, be received for information;

AND THAT the Festival Hydro Services Inc. financial statements and commentary for the period ended September 30, 2023, be received for information.

Motion by Councillor Beatty

Sub-committee Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ended September 30, 2023, be received for information;

AND THAT the Festival Hydro Services Inc. financial statements and commentary for the period ended September 30, 2023, be received for information.

Carried

6. Report of the Clerk

6.1 Integrity Commissioner Services and Request for Proposal (FIN24-010)

Staff Recommendation: THAT direction be given on whether a request for proposal is to be issued in 2024 for integrity commissioner services;

AND THAT direction be given on any terms or conditions to be included in the request for proposal.

Motion by Councillor Burbach

Sub-committee Recommendation: THAT a request for proposal be issued in 2024 for integrity commissioner services;

AND THAT the following requirements be mandatory:

- **the successful bidder will have at least ten (10) years of legal or quasi-judicial experience, or senior municipal management; and**
- **minimum of three (3) references for whom the proponent has satisfactorily provided Integrity Commissioner services in the past 5 years; and**
- **the term of the contract be to December 31, 2026.**

Carried

7. Advisory Committee/Outside Board Minutes

There were no Advisory Committee of Outside Board Minutes provided to Sub-committee.

8. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is April 16, 2024 at 4:30 p.m. in the Council Chamber, City Hall.

9. Adjournment

Motion by Councillor Burbach

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.

Carried

Meeting Start Time: 4:30 P.M.

Meeting End Time: 4:54 P.M.



MANAGEMENT REPORT

Date: March 19, 2024
To: Finance and Labour Relations Sub-committee
From: Tim Wolfe, Director of Community Services
Report Number: FIN24-007
Attachments: Letter of Request

Title: Request to Waive Facility Fees

Objective: To consider the request to waive fees for use of one community hall at the Rotary Complex on May 23, 2024 for The Truth Behind The Smile public event.

Background: PTSD The Truth Behind The Smile is a peer support service that has been providing services within the City of Stratford since 2018. Their peer method for support within the mental health community is a vital tool in promoting healing and better mental health.

The request is to waive the costs of facility rentals at the Rotary Complex for an event the group wishes to hold in May.

Analysis: Typically, requests of this nature are assessed through the Community Grants program as staff do not have authority to waive fees. As the community grants application window has closed, the applicant has prepared the attached letter for Committee consideration.

The expected value of the facility rental is \$1008.85 excluding HST.

Should the Committee and Council wish to support this request, staff would suggest that this be handled via a similar process to other requests, whereby available budgeted funds that are used towards other facility fee reductions and waivers are transferred to the Community Services department in lieu of the actual fees. These have a levy impact and the budget for 2024 is \$137,998 based on historic activity.

Financial Implications:

Financial impact to current year operating budget:

If approved the effect is like any other 'waivers' in that Community Services department receives the revenue, and the expense is tax levy-borne.

Financial impact to future year operating budget:

The applicant has indicated that they intend this to be an annual event so this request and the financial implications could recur.

Insurance considerations:

The facility user will be required to purchase facility user insurance or provide coverage naming the City as additional insured of not less than Five Million Dollars (\$5,000,000).

Alignment with Strategic Priorities:

Not applicable: This request does not fall within the City of Stratford Strategic Priorities.

Alignment with One Planet Principles:**Health and Happiness**

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Staff Recommendation: THAT the Truth Behind The Smile Event - Request to Waive Facility Fees report (FIN24-007) be received;

AND THAT direction be provided regarding the facility rental fee waiver request in the amount of \$1008.35 for use of one hall at the Rotary Complex on May 23, 2024.

Prepared by:

Tim Wolfe, Director of Community Services

Recommended by:

Tim Wolfe, Director of Community Services

Joan Thomson, Chief Administrative Officer

Jean-Guy Poirier
 Stratford, ON
 PTSD The Truth Behind The Smile
 [REDACTED]

February 7, 2024

Dear Christa,

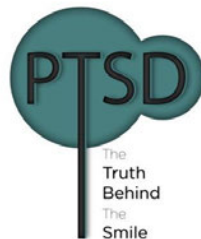
Please accept this letter as a formal request and proposal to the sub-committee and the City of Stratford council. I am formally asking the City of Stratford to waive any fees and costs associated with the rental of one of the halls at the Rotary Complex. I am the founder of PTSD The Truth Behind The Smile, a peer support service that has been providing peer services within the city of Stratford since 2018. I have proven in the past that the peer method for support within the mental health community is a vital tool to promote healing and better mental health. Last year, 2023, I launched two additional peer support groups in London and Kitchener. The projection for this year is to launch peer groups in the GTA and Eastern Ontario. I previously held a similar smaller event in 2019. This year we are aiming for bigger and better things.

I will hold the event on May 23rd, 2024. The event will consist of guest speakers and invited guests. This event will aim at tackling difficult topics and discussions surrounding mental health including PTSD, depression and anxiety. I expect that we will have no issues with nearing capacity within the 300 person hall. The event will be held within the hours of 7:00 - 10:00 pm and I will require staff services to assist in the set up and take down of chairs in the facility.

I kindly ask the City of Stratford to consider this request with the utmost attention. Up until now, my team and I have run this program within the parameters of our own budget, funds and services from other community members. I am assuring the City of Stratford that this event will stand out and prove beneficial to the residents of Stratford and surrounding areas. Please consider this request to have the fees waived for the mental health event to be held on May 23rd, 2024

Thank You

Jean-Guy Poirier





MANAGEMENT REPORT

Date: March 19, 2024
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: FIN24-008
Attachments: 1) Destination Stratford 2023 Year in Review;
 2) Destination Stratford 2023-24 Budget Review

Title: Destination Stratford 2024 Update 1

Objective: To receive an update on 2023-24 activities and financials for Destination Stratford.

Background: Destination Stratford gives regular updates to Council through the Finance and Labour Relations Sub-committee.

Analysis: Zac Gribble from Destination Stratford has been invited to attend to present the attached reports for Destination Stratford.

Financial Implications:

Financial impact to previous year and current year operating budget:

Destination Stratford received financial contributions in 2023 for general operations from the City as outlined in the attachment. In 2023, the City contribution was \$595,000 of their total budget of \$860,000.

In 2024, the City contribution is \$618,800 plus \$150,000 toward the Lights On Stratford program, for a total City contribution of \$768,800 (\$75,000 coming from Municipal Accommodation Tax revenues and \$693,800 via the tax levy). Destination Stratford has a total operating budget of \$1,420,321.

Beyond the financial contributions from the City, there are some in-kind impacts that are provided in the form of facility costs at 47 Downie, and specific program supports from the Community Services division including the Al Fresco program. The costs relating to the building are included in the City Facilities division and are approximately \$90,150, consisting of custodial costs, heat, hydro, water, and other general maintenance.

Financial impact on future year operating budget:

It is anticipated that the City will continue to support Destination Stratford through annual operating contributions. The Lights On event will also continue to require support as outlined in presentations.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Widening our Economic Opportunities

Strengthening Stratford's economy by developing, attracting and retaining a diversity of businesses and talent.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

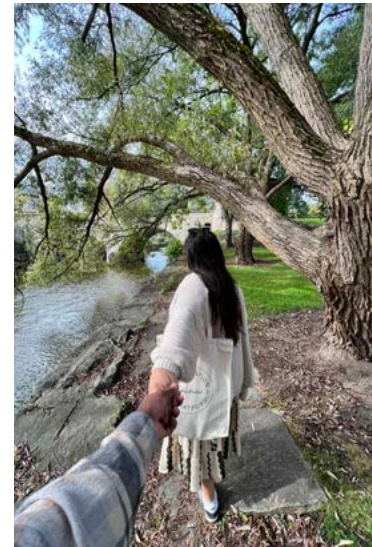
Staff Recommendation: THAT the Destination Stratford 2024 Update 1 (FIN24-008) dated March 19, 2024, be received for information.

| | |
|------------------------|---|
| Prepared by: | Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer |
| Recommended by: | Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer |

2023 Year in Review



DESTINATION STRATFORD **ARTS** THE ARTS ARE WHAT WE ARE



2023 YEAR IN REVIEW HIGHLIGHTS:

1. Destination Marketing
2. Destination Development
3. Destination Management
4. ADDENDUM: Lights On Stratford 2023/24



VISION

Destination Stratford will be an internationally recognized leader in regenerative tourism, ensuring Stratford remains one of Canada's top year-round cultural destinations.

MISSION

Develop, manage and market Stratford as a globally competitive cultural destination through regenerative, sustainable and socially responsible tourism that improves quality of life and prosperity throughout our community.

DESTINATION BRAND PROMISE

The arts are what we are.

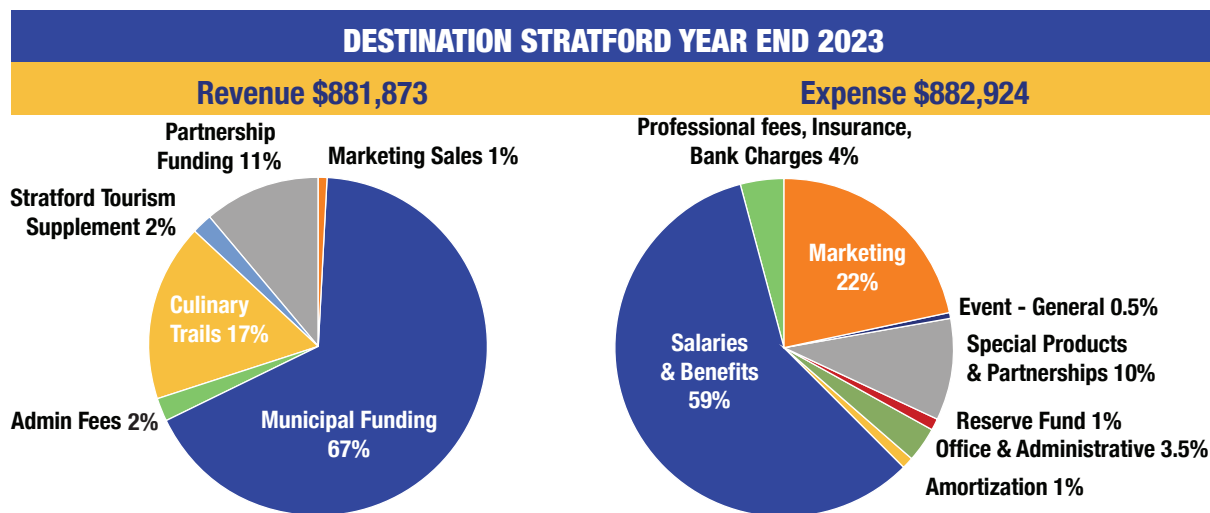
Destination Stratford has been the city's official Destination Marketing and Management Organization since 2007. We are a non-profit, government-funded organization with a purpose to develop, manage and promote "Destination Stratford" as a national and international tourism icon. The organization is industry-led by a volunteer Board of Directors – comprised of respected local civic, business and tourism leaders – and staffed with a dedicated team of destination marketing, development and management experts. Please visit our website to learn more: VisitStratford.ca/about.

Managed by skilled and experienced tourism planners directly involved in the Stratford community, the goal of the organization is to strengthen the local economy and enrich the quality of life in the city of Stratford and surrounding region through regenerative tourism.

Destination Stratford is pleased to share highlights, performance results and successes for 2023.

2023 BUDGET

Destination Stratford's fiscal year ends December 31st. The following charts contain 2023's year-end unaudited revenues and expenses, forecasting a small operational deficit of \$1,051. Formal audited statements are completed each year in May and presented at Stratford City Council.



1. DESTINATION MARKETING Destination Stratford strategically built and executed impactful marketing campaigns to increase destination awareness and year-round visitation. These campaigns were thoughtfully executed across various channels including print, radio, digital, broadcast TV, regional billboards, social media and influencer marketing. Audiences were targeted to entice overnight visitors in both Canada and border US cities as well as regional visitors. Performance metrics include website statistics, record breaking culinary trail sales, and online views and engagement throughout social media channels.

37

**INFLUENCER
CAMPAIGNS**



1,136,427

INFLUENCER CAMPAIGN SOCIAL MEDIA REACH

33,038

LIKES

2,332

COMMENTS

29,173

SHARES + SAVES

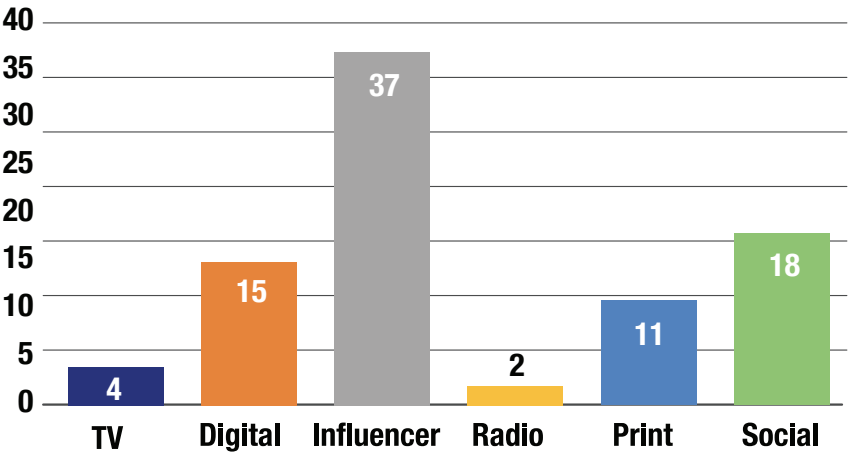
1,507,381

VIDEO VIEWS

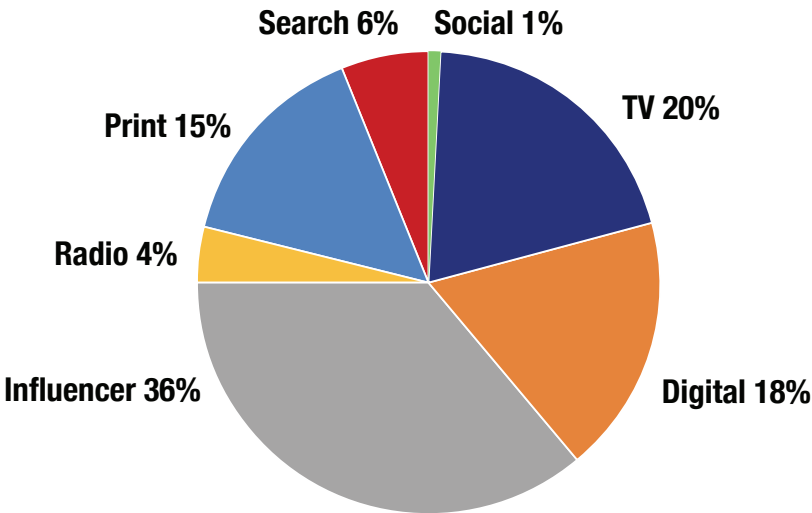
Destination Stratford captured **112 tourism related articles and blogs** across print, online and radio including content both owned and earned. The team distributed **19 press releases** and conducted **multiple interviews** across local and regional outlets; in addition to quarterly round-ups strategically sent to publications and freelancers. The captured articles covered an array of topics including Destination Stratford's marketing initiatives, tourism industry news, press release coverage, community events and collaborations as well as destination guides and curated blog posts.



2023 MARKETING CAMPAIGNS (87) BY CHANNEL



2023 ADVERTISING SPEND BY CHANNEL



Digital Promotion with Google Ad Grants

In our second year with Louise Street Marketing working on our Google Search Ads using the Google Grants Program, Destination Stratford had over 32,000 new users visit our Web site and a total of 13% of our site traffic linking from the Google Ads. The quality of clicks from the ads in 2023 improved significantly with the number of pages viewed and the time on site increasing by 11% and 12% respectively. The 2023 total value in free ads gained through this program was \$70,100 and represents 41,000 clicks to the [VisitStratford.ca](https://www.visitstratford.ca) site. Louise Street Marketing is paid a monthly management fee for their work on our behalf.

“Stratford was one of the most 🏳️‍🌈 friendly cities we’ve been to! Not only was there lots of positive marketing in the shops and restaurants, but we also saw so many other queer couples walking around town together which made us feel so welcome 😊.” Megan & Julie

“Every shop, every restaurant is so welcoming, friendly and clearly understands how important hospitality is here.” Carolyn R.

“We had the best time!!! We honestly can’t stop raving about our visit. The interactive light show was incredible and the trails are so much fun and such a great way to spend a day!” Shelby B.

Social Media 2023 Growth

INSTAGRAM = 19% increase (Jan 2023: 11,977 | Dec 2023: 14,339)

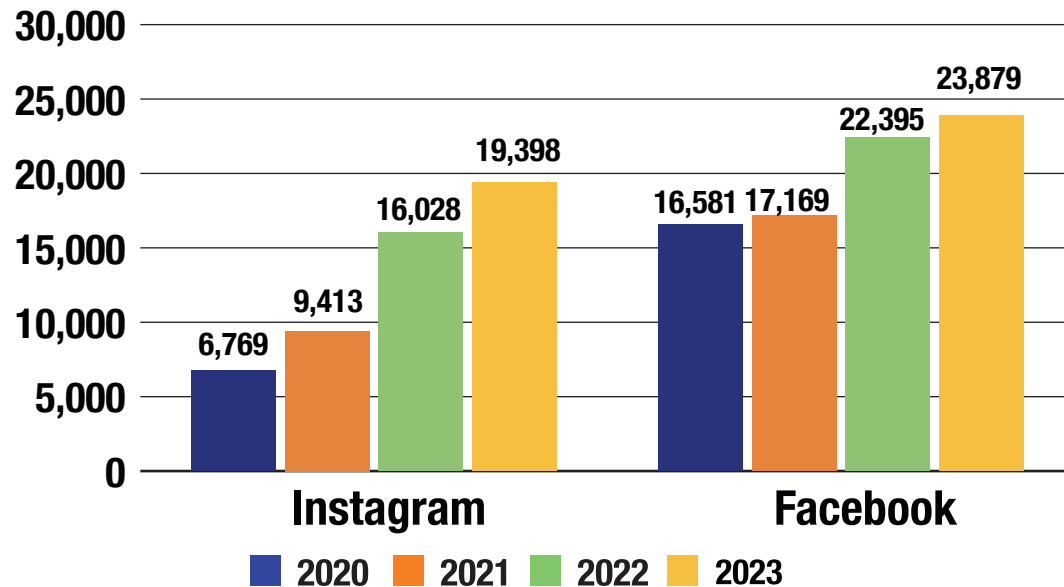
FACEBOOK = 4% increase (Jan 2023: 18,595 | Dec 2023: 19,328)

DESTINATION STRATFORD + LIGHTS ON STRATFORD:

INSTAGRAM = 21% increase (Jan 2023: 16,028 | Dec 2023: 19,398)

FACEBOOK = 7% increase (Jan 2023: 22,395 | Dec 2023: 23,879)

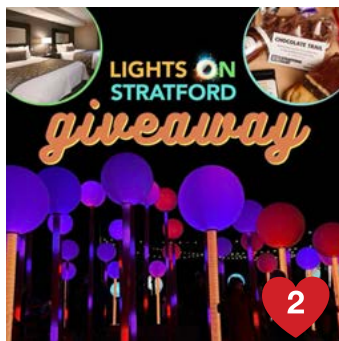
Instagram & Facebook Follower Growth



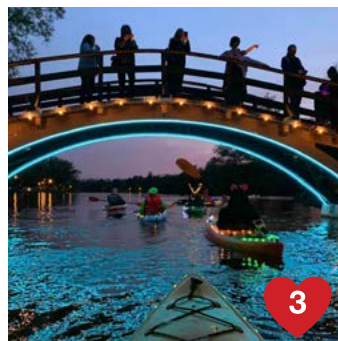
Top 10 engaged Instagram posts of 2023



Total Engagement: 1,494
Total Reach: 7,042



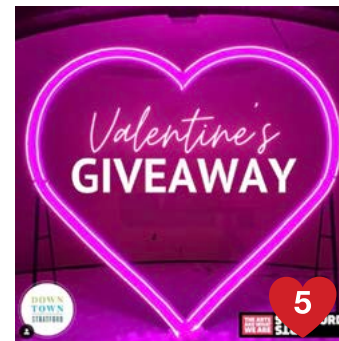
Total Engagement: 1,373
Total Reach: 5,720



Total Engagement: 1,076
Total Reach: 11,357



Total Engagement: 1,039
Total Reach: 13,528



Total Engagement: 970
Total Reach: 4,252



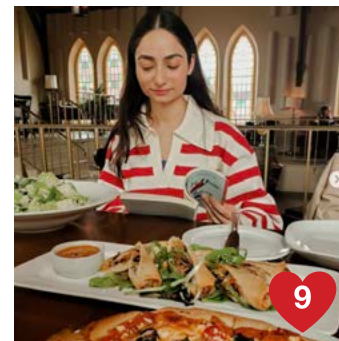
Total Engagement: 900
Total Reach: 8,962



Total Engagement: 858
Total Reach: 4,569



Total Engagement: 715
Total Reach: 7,898



Total Engagement: 703
Total Reach: 5,473



Total Engagement: 693
Total Reach: 7,524

Top 10 engaged **Facebook** posts of 2023



Total Engagement: 4,479
Total Reach: 248,143



Total Engagement: 1,598
Total Reach: 73,445



Total Engagement: 1,306
Total Reach: 16,859



Total Engagement: 1,053
Total Reach: 88,597



Total Engagement: 1,047
Total Reach: 76,021



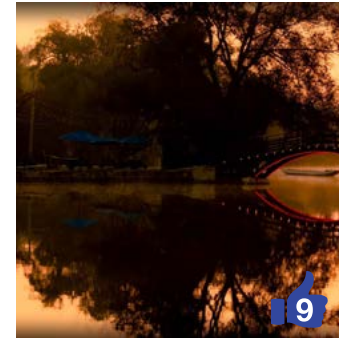
Total Engagement: 749
Total Reach: 105,093



Total Engagement: 541
Total Reach: 27,006



Total Engagement: 534
Total Reach: 24,459



Total Engagement: 486
Total Reach: 19,468



Total Engagement: 471
Total Reach: 16,481



Explore ON LOS
VIEWS: 327,331
ENGAGEMENT: 12,095



The curious creature
VIEWS: 239,557
ENGAGEMENT: 13,480



Curated KW LOS
VIEWS: 137,518
ENGAGEMENT: 4,588



Curated KW
VIEWS: 84,716
ENGAGEMENT: 3,443



Curated KW
VIEWS: 69,370
ENGAGEMENT: 2,103

Top 10 Instagram reels of 2023



Wandering Foodie Girl
VIEWS: 46,467
ENGAGEMENT: 2,070



TO Food Diary LOS
VIEWS: 43,313
ENGAGEMENT: 2,241



TO Food Diary
VIEWS: 35,159
ENGAGEMENT: 1,944



Wandering Foodie Girl
VIEWS: 32,813
ENGAGEMENT: 989

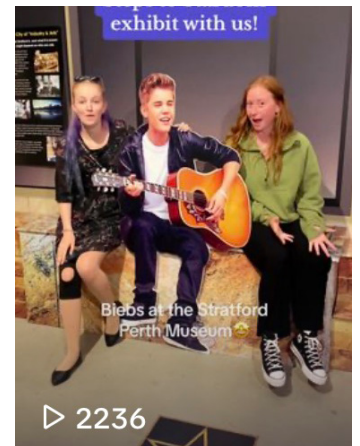
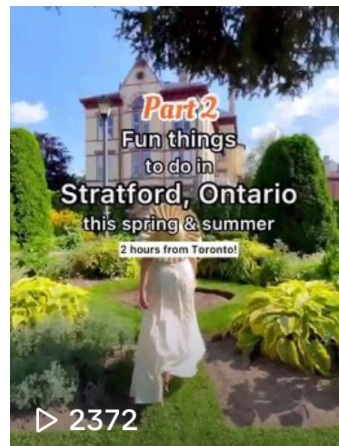
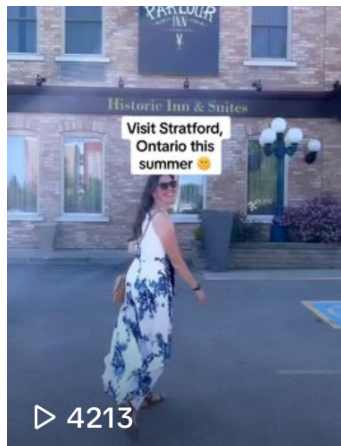
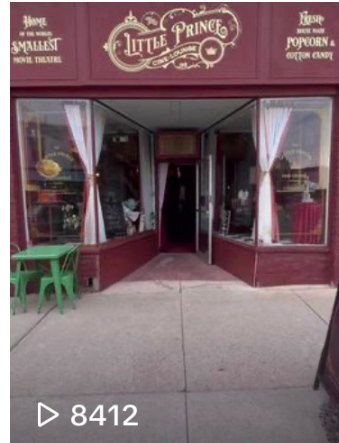
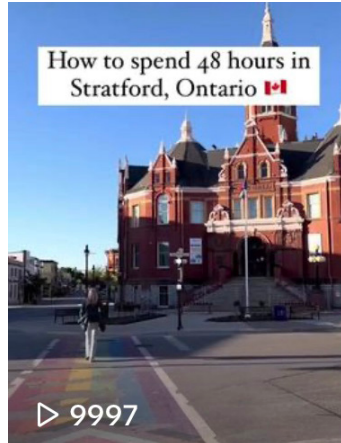


Mint in Canada
VIEWS: 31,839
ENGAGEMENT: 1,056

"This reel is very helpful for my next visit to Stratford... thanks for sharing!"
- Harsh P. 📸

"Love love love, Stratford. Thanks for always highlighting the uniqueness of our city's many amazing small businesses."
- Phillip C. 📸

Top 10 TikTok videos of 2023



TikTok Stats: 1,281 followers, 125,310 Views, 7,447 Engagements, 45% follower growth rate on TikTok in 2023

Website Analytics

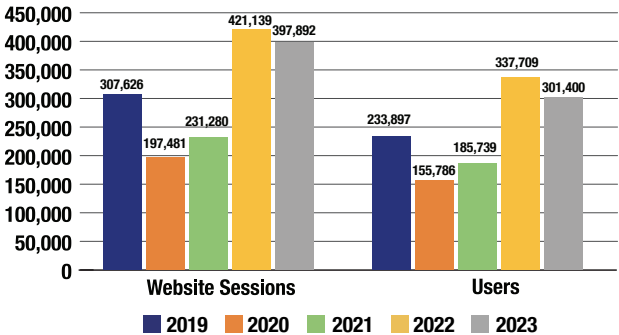
Direct & Referral: 32% (earned visits) + 4% Social Media
Google Grants: 13% (free Google search ads)

With phones and tablets representing 67% of VisitStratford.ca online traffic, Destination Stratford continues to take a mobile-first approach to improve the online user experience. In 2023, the continued revisions and daily maintenance of interactive maps, audio tours, cultural events calendar and high impact visual storytelling evolved this compelling resource for visitors to explore Stratford from their home and during their visit.

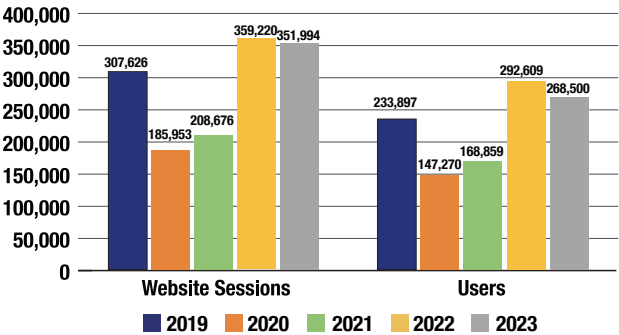
Mobile 63% | Desktop & Smart TV 33% | Tablet 4%



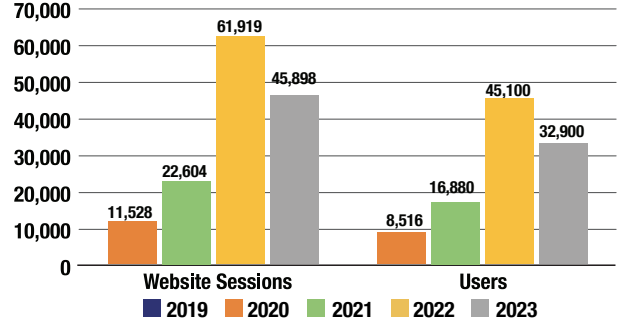
25
TOTAL WEB SESSIONS & USERS 2019 THROUGH 2023



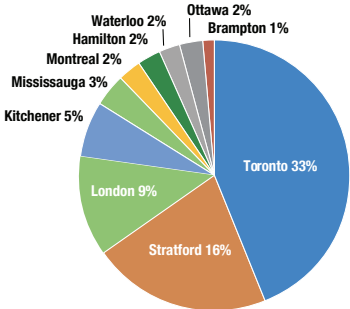
VISITSTRATFORD.CA 2019 THROUGH 2023



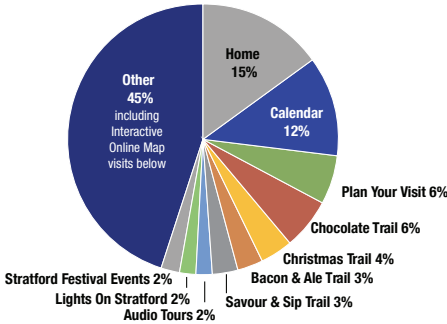
LIGHTSON STRATFORD.CA 2019 THROUGH 2023



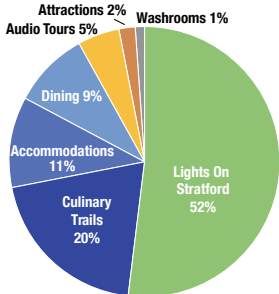
2023 TOP 10 SITE VISITOR LOCATIONS



2023 TOP 10 VISITSTRATFORD.CA PAGES



2023 INTERACTIVE ONLINE MAPS USAGE





2. DESTINATION DEVELOPMENT Our Guiding Principles for all of our Destination Development and Management initiatives are included in the diagram below. Each project must strive to holistically improve the quality of life within our community, build prosperity through the tourism economy, enhance the visitor experience, and maintain and expand our tourism and community infrastructure. Through these collaborative projects, Destination Stratford continues to build impactful partnerships with myriad community organizations and tourism operators.

In 2023, Destination Stratford continued building on creative destination development initiatives, which consisted of existing and new growth opportunities to increase visitation from October to May, specifically. We distributed \$35,000 to local arts organizations and cultural experience providers through the Destination Development Fund, a project led by our team in collaboration with RTO4 and Downtown Stratford BIA.

Destination Stratford recorded the highest culinary trail sales to date. We executed yet another year of success for both the 4th annual Lights On Stratford and Stratford Al Fresco, including winter pilots for year-round outdoor tables in Market Square and alcohol permitted in designated public spaces during the winter lights festival.

In addition, strategic destination development continued in a number of areas including: cycle tourism, welcoming community, sport tourism and the municipal cultural plan in partnership with the City of Stratford. Another important role of the organization is to pursue funding opportunities through upper levels of government, especially for tourism development grants where municipalities are not eligible. In 2023, as a non-profit entity separate from the City, Destination Stratford was able to secure over \$100,000 in Provincial and Federal funding for direct investment in our community, in addition to supporting many other grant applications by other Stratford organizations.



Destination Stratford Culinary Trails

Destination Stratford's culinary trails have been in the market for 14 years; first launching with the Chocolate Trail in 2010. Destination Stratford offers 2 year-round trails (Chocolate and Bacon & Ale) as well as a seasonal Christmas Trail (November & December). New for 2023, another seasonal trail was added to the roster to encourage Al Fresco dining/curated picnics throughout downtown and in the City's park system. The New Savour & Sip Trail launched in May and ran through October and quickly became a new favourite. Each trail costs \$35 +HST and provides visitors with vouchers to redeem from a list of participating businesses; which also includes an interactive digital map of each location. The culinary trails are an incredible year-round activity available to visitors and offer an experience in all seasons of the year. We have seen tremendous success with our trails from both visitors and locals; selling thousands each year and hitting a record for trails sold in 2023; resulting in over **26,000 visits into participating businesses**. It's a fantastic opportunity for Destination Stratford to promote a range of retailers and restaurants through a unique, hands-on experience. It also allows us to track sales and increase traffic into the businesses on the trails and gives visitors a reason to stay longer to enjoy our destination. Currently, over 100 local businesses collectively are included across our 4 trails and the number of partners continues to grow each year.

Destination Stratford saw a tremendous increase in 2023 for culinary trails sales resulting in the highest number of sales ever! And that's before we add in the sales for the NEW Savour & Sip Trail.

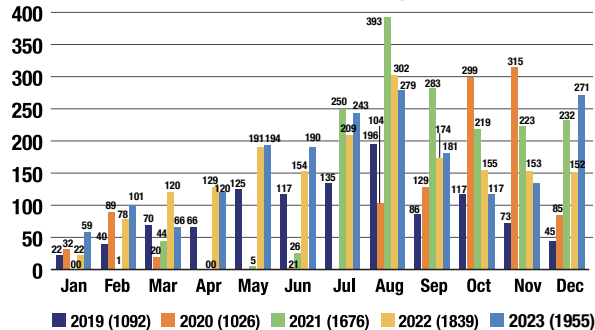
PERCENTAGE INCREASE OVER PRE-PANDEMIC 2019

| CHOCOLATE TRAIL | BACON & ALE TRAIL | CHRISTMAS TRAIL | SAVOUR & SIP TRAIL |
|-----------------|-------------------|-----------------|--------------------|
| +79% | +87% | +86% | NEW |

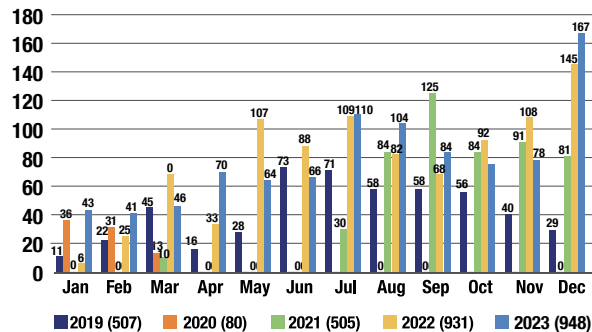
CUMULATIVE TIME SPENT ON CULINARY TRAIL WEBSITE PAGES IN 2023

| | | | |
|---|---|---|---|
| 24,988 sessions for the year x 58 secs = 403 HOURS | 13,166 sessions for the year x 51 secs = 187 HOURS | 16,212 sessions for the year x 40 secs = 180 HOURS | 11,436 sessions as of May 10 x 44 secs = 140 HOURS |
|---|---|---|---|

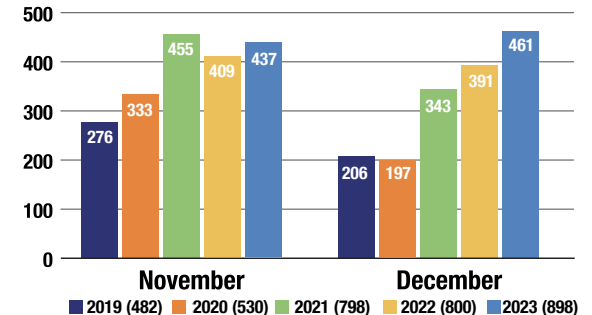
Chocolate Trail - 2019 through 2023



Bacon & Ale Trail - 2019 through 2023



Christmas Trail - 2019 through 2023



visitstratford.ca/chocolatetrail | visitstratford.ca/bacontrail | visitstratford.ca/christmastrail | visitstratford.ca/savourtrail

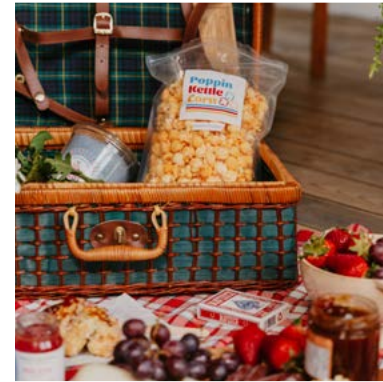
The Savour & Sip Trail

Destination Stratford was thrilled to launch a brand-new seasonal culinary trail that aligned with the Al Fresco dining season running May - October. Introducing the **Savour & Sip Trail** - a new culinary trail focused on showcasing local businesses who have carefully chosen savoury and sweet delights for trail participants to enjoy. The Savour & Sip Trail encouraged outdoor dining by featuring take-out items to help curate a unique outdoor experience through picnics, and DIY charcuterie boards to enjoy in various outdoor settings throughout the city and park system. Trail participants enjoyed a wide variety of local offers such as cheese, meat, housemade breads, local preserves, sandwiches, salads and an assortment of desserts and cold beverages. The products along the trail focused largely on locally made and prepared in Stratford/surrounding regions.

The team developed a launch strategy, aligning partnerships and advertising to promote the new trail. There were fifteen media and social media collaborations executed, which generated awareness and 645 trails sales.

As a result, the trail also received generated media coverage in various regional and local publications including:

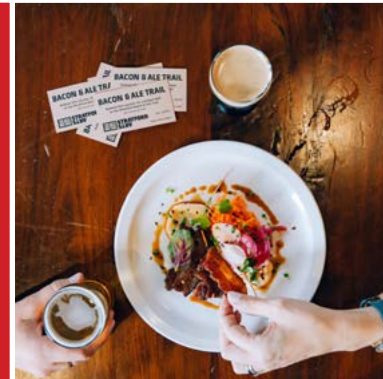
- The Kit
- Culinary Tourism Alliance
- Hamilton Spectator
- CTV Kitchener
- Toronto Star
- Auburnlane.com
- Adult Lifestyle Magazine
- Stratford Times
- CJCS Radio
- Beacon Herald



"We explored both the Savour & Sip Trail and the Chocolate Trail, which is the perfect way to discover local businesses there if you're not familiar with the town." Date night yyz



*"Great way to visit so many amazing small businesses in town."
- Hayle's Electric & Contracting*



*"Such a great way to experience Stratford."
- Angela's Gelato*

Cycle Tourism

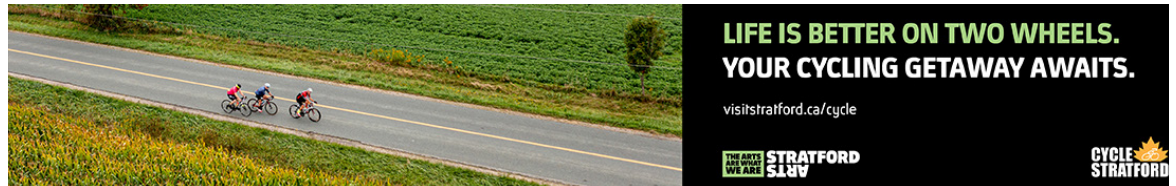


Building on the success since 2021, a collaborative effort to strategically develop Cycle Tourism in the region was continued in partnership with Perth County, the Town of St. Marys and RTO4, with the robust, informative pocket-sized cycle map to promote key cycling routes including city, rural, gravel and mountain bike. 2023 updates to the map included switching the Perth County routes to their new Signature Routes that stemmed from the new Perth County Cycle Tourism Strategy created with Ontario By Bike. Thousands of maps were handed out to residents and visitors at regional businesses and visitor centres, and received positive feedback for its size, content, and overall usability.

To continue the development of Cycle Tourism, the organizations continue to partner on promotional opportunities with the Ontario By Bike Network, and other cycling outlets, to utilize their promotion and resources in expanding this fast growing tourism segment.

VisitStratford.ca/cycle

“With a growing number of bicycle friendly businesses, the city offers a variety of accommodations, restaurants ranging from fine dining to quick eats, and services to support every cyclist’s needs.” Jennifer Nickel, Cycle Stratford



**LIFE IS BETTER ON TWO WHEELS.
YOUR CYCLING GETAWAY AWAITS.**

visitstratford.ca/cycle

THE ARTS
AND WHAT
WE ARE
STRATFORD
SLUG

**CYCLE
STRATFORD**

Stratford Al Fresco

Building on its success from the previous 3 years, Stratford Al Fresco dining areas were in as high demand in 2023 as they have been since the start. Destination Stratford's Al Fresco staff provided visitor information at the welcome hut in Market Square, and daily cleaning and maintenance of Al Fresco tables at all locations, especially first thing each morning, and at peak use times during the day. The liquor-with-food bylaw remained in place and was very successful with a wide variety of participating restaurants.

NEW for 2023 was the expansion of the Al Fresco table season and the liquor-with-food bylaw. The City agreed to a pilot allowing the Al Fresco tables to remain year-round, and for the liquor-with-food bylaw to be in effect for Lights On Stratford December 15, 2023 to January 13, 2024 with local businesses offering warm boozy and non-boozy beverages to be enjoyed at the light displays. Due to the success of this initiative, we look forward to working with the City to make this Bylaw amendment permanent. A year-round European approach to liquor in public spaces, together with our creative local culinary sector, uniquely positions Stratford as a progressive destination that is clearly differentiated from other competing Ontario locations.

VisitStratford.ca/alfresco



Sport Tourism

During 2022, the City of Stratford partnered with investStratford and Destination Stratford to develop a Sport Tourism Strategy for the City. The final Stratford Sport Tourism Strategy was presented to City Council in January 2023, where Council directed the steering committee to explore funding opportunities and partnerships to create an organizational structure and funding model for inclusion in the City of Stratford 2024 budget. In late 2023, Destination Stratford secured matching Provincial grant funds to hire a Stratford Sport Tourism Director and is moving ahead with that process as of January 2024.

The Sport Tourism Strategy includes:

- economic impact, size and scope of existing sport tourism opportunities – including an inventory of capital assets (infrastructure) and human assets (volunteer groups, local sport associations)
- the results of exploring the potential to expand those existing opportunities and to identify new areas for growth, complete with financial and socio-community impacts, effects and outcomes
- recommended technology tools that link sport bookings to tourism assets, amplifying the visitor experience with local retail, food/beverage and accommodation providers
- a needs analysis for growth and potential funding opportunities

VisitStratford.ca/sporttourism



2023-2027 Sport Tourism Strategy

Municipal Cultural Plan

The City of Stratford, in partnership with Destination Stratford, started work in 2022 on a Municipal Cultural Plan for Stratford.

The project, funded by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) via Regional Tourism Organization 4 (RTO4), assessed the City's current cultural assets, gathered information through public consultations and provided recommendations for growth and next steps.

STEPS Public Art was selected as the consultant to lead this work, and started public consultation on the Municipal Cultural Plan in October 2022. The final Municipal Cultural Plan was presented to City Council in June 2023. A position to take on first-year priorities and actions from the Plan is in the 2024 City budget process.

The Municipal Cultural Plan offers guidance on the long-term and short-term growth of Stratford's cultural fabric and community and knits together policies covering a wide range of areas and cultural sectors into a growth strategy that sets the city on a path towards its desired long-term vision.

Through November 2022, over 250 connections and conversations were had with community members, key cultural

stakeholders, Stratford City staff, Council, and the incoming and outgoing Mayors, relating to the Municipal Cultural Plan. These community conversations were through a public survey on Engage Stratford, online and in-person stakeholder focus groups, one-to-one interviews and a Data Gathering Station in Market Square.

Through the Cultural Plan, we envisage providing a refreshed perspective and action-oriented strategies that will help find ways to support:

- Community involvement and ownership of local cultural initiatives
- Enhance cross-sectoral partnerships and cooperations between City departments, including diverse City committees, such as heritage, planning, events, public works, and parks
- Create democratic cultural policy by better understanding what people are doing and want to do
- Development of meaningful and respectful relationships across various cultural stakeholder groups
- Programs and services that respond to the desires of the community
- Communication and cooperation among the creative sector and other community groups
- Effective integration of arts and culture into the larger community
- Greater awareness and understanding of the cultural sector's potential economic impact
- Visibility of community artists, cultural workers, and organizations
- Improvement of community safety while increasing greater social and cultural inclusion (especially for communities that may not traditionally be engaged in programming)
- Develop and enhance the cultural facilities that enable access to cultural activities and the development of larger audiences
- Increased public and private support for culture

VisitStratford.ca/municipalculturalplan

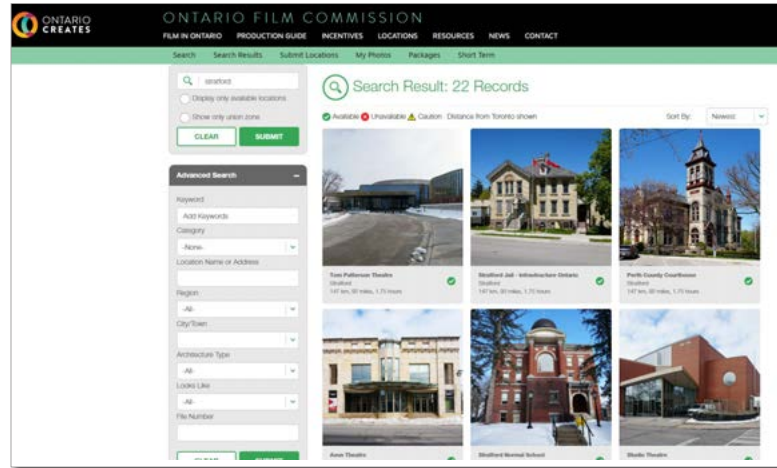




Ontario Film Commission - Ontario Creates

In late 2022, Destination Stratford reached out to Ontario Creates, a provincial agency that facilitates economic development, investment and collaboration in Ontario's creative industries, after noticing that their digital location library only had a few outdated images of Stratford included. The digital location library is utilized by producers and location scouts for filming options in Ontario.

Destination Stratford uploaded several images to the database and provided an extensive shot list to an Ontario Creates Location Scout. The list was condensed to the top 20 and the Scout visited in February 2023 for some winter photography, and again in July 2023 to capture new summer photos. When producers or location scouts login to the database, they now have a multi-season array of unique locations and architecture of our city to explore.



3. DESTINATION MANAGEMENT Destination Stratford continues to prioritize destination management year-round; working closely with various community stakeholders and the City of Stratford to enhance the destination and ultimately improve both the visitor experience and quality of life for residents. In 2023, the organization, along with the community, identified and defined what it means for Stratford to be a “welcoming community”; increasing inclusivity and attractiveness to residents and visitors.

Welcoming Community Initiative

In concert with the collaborative community work on the Welcoming Community Statement, and the City’s hiring of a Manager of Inclusion, Equity and Indigenous Initiatives, a Community Equity Collective was formed. Destination Stratford remains committed to the work that was started, and fully participates in this ongoing journey with other like-minded community businesses and organizations.

The overall goals of this Welcoming Community engagement were to:

- Reach out to prospective partners, activating involvement from deeper reaches of our community, to join us in working with a facilitator to lay the groundwork for defining what “welcoming community” means to our city.

Diversity, Equity & Inclusion Initiatives Our initial diversity, equity and inclusion (DEI) project goals to engage and empower leaders within the Destination Stratford business, public and community catchment area to identify and dismantle personal and systemic racism and other biases within organizational structures, practices, and policies; and provide internal Destination Stratford board members and stakeholders access to learning experiences (skills, language, and tools) designed to understand how to identify and dismantle racism and bias, were completed as of May 2021. In 2022 and 2023, we collaboratively defined what it means to be a “welcoming community” and brought this definition to Stratford City Council for formal recognition to continue EDIAR awareness and action within our community, especially for our front-line tourism teams and residents. The Welcoming Community Statement was presented in July 2023 to City Council via delegation by Mending the Chasm. In 2024, a case study from Mending the Chasm about the work that has been done in Stratford will be completed and posted for the public.

- Collectively defining “welcoming community” for Stratford with those drawn to join in.
- Presenting our definition to Stratford City Council for formal recognition of Stratford’s vision of being a “welcoming community” using this collaborative definition.
- Reach out to the local workforce, especially businesses with public-facing staff and those in the manufacturing sector, to work towards the aspirational goal of being a truly welcoming community with everyone drawing from the collective definition.

VisitStratford.ca/welcoming-community

Downtown Dollars

Downtown dollar sales continued to be strong in 2023 with over \$108,000 in sales.

Frontline staff at Destination Stratford facilitate the sale of downtown dollars, which significantly impacts the downtown businesses.

VisitStratford.ca/downtown-dollars





The high-traffic interactive digital maps on [VisitStratford.ca](https://www.visitstratford.ca) were launched in 2020 and are updated daily as a resource and guide for visitors and locals to explore the city based on interests, location and events.



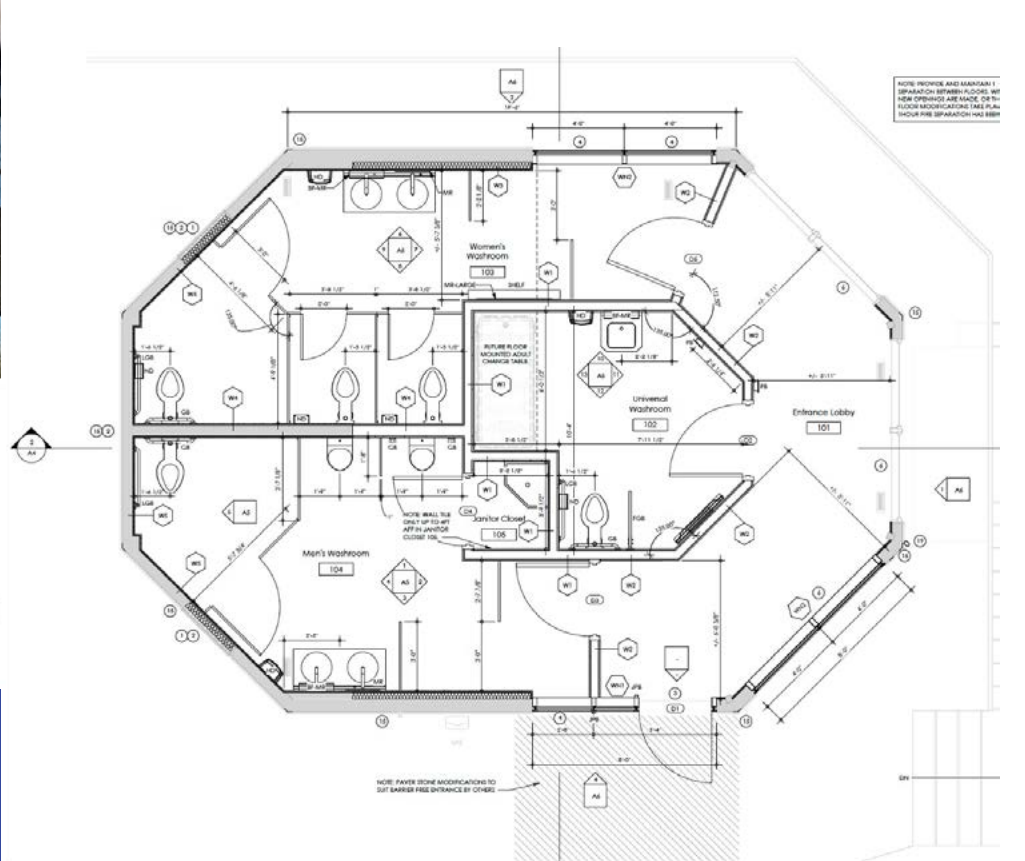
Boathouse Public Washroom Expansion Project

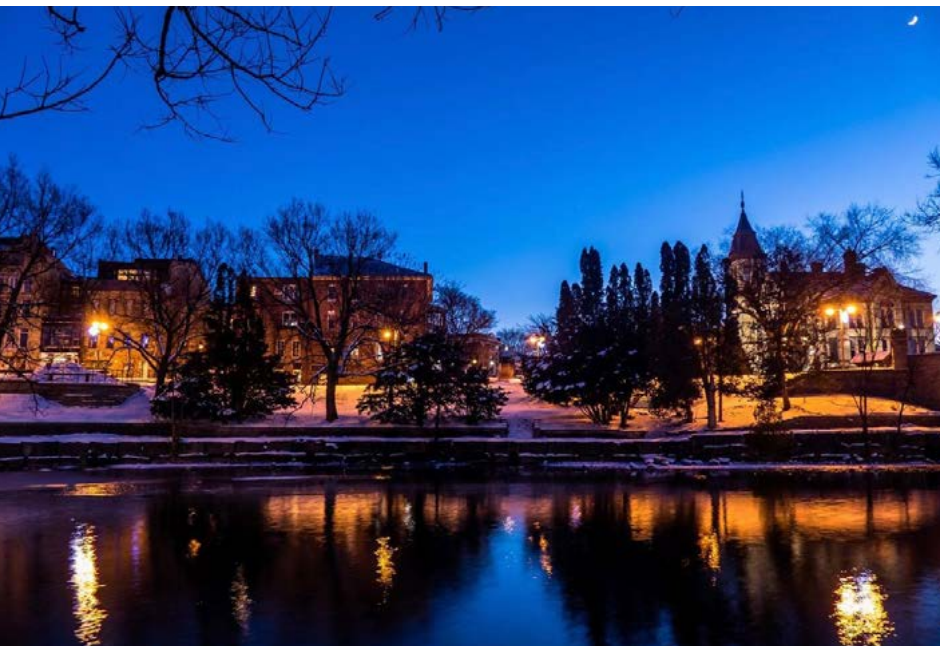
A great example of a Destination Management infrastructure initiative is the Boathouse Public Washroom Expansion Project. In 2021, Destination Stratford proposed the idea of combining our Boathouse Tourism Kiosk with the outdated seasonal washrooms into a modern, fully accessible, and greatly expanded year-round public washroom. As project lead, Destination Stratford successfully obtained Federal funding to contribute a majority of the cost for this public infrastructure project, and worked in partnership with the City and Community Services to manage the renovation. The upgraded public facility was unveiled and opened in 2023 with daily hours of 8:30am to 9:00pm year-round! Not only is this a critically important infrastructure project for the economic recovery and sustainability of our tourism sector, but it is also a necessary investment in being a healthy, welcoming community. Year-round, accessible, and safe public washrooms are foundational in our ability to have vibrant public spaces that truly benefit and serve everyone – including visitors and those who call Stratford home.

VisitStratford.ca/boathouse



Destination Stratford is thrilled to report that the Stratford Boathouse Washroom Project received the Provincial Accessible Tourism Award at the 2023 Ontario Tourism Summit. The facility has been officially verified as accessible on the AccessNow site and app.





[VisitStratford.ca](https://www.VisitStratford.ca)



@StratfordON



@StratfordON



@VisitStratfordON





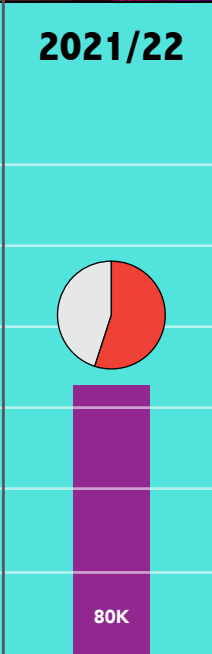
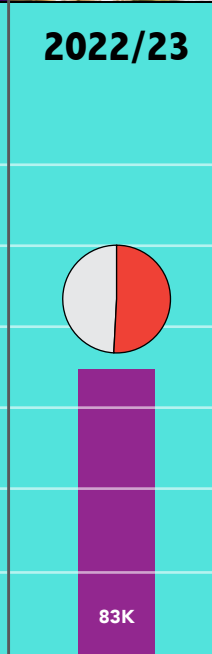
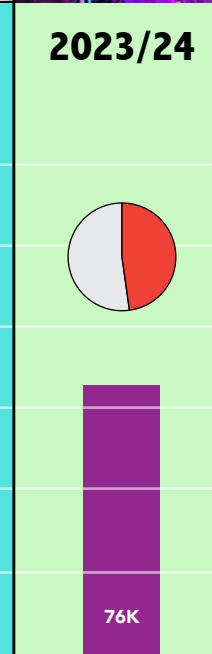
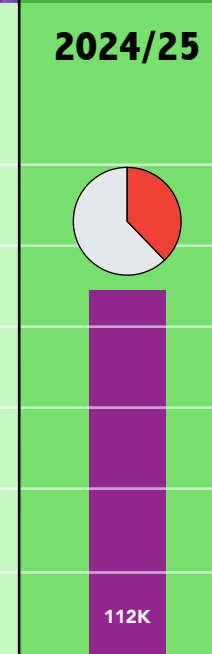
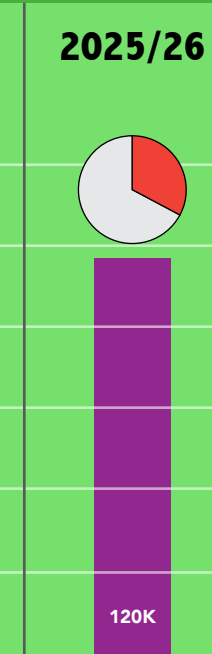
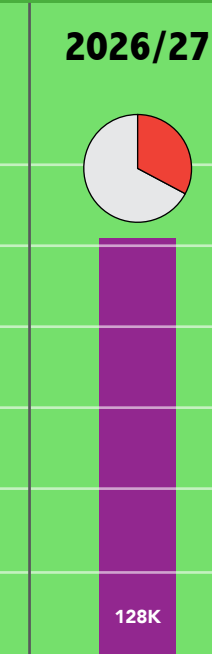

@StratfordON



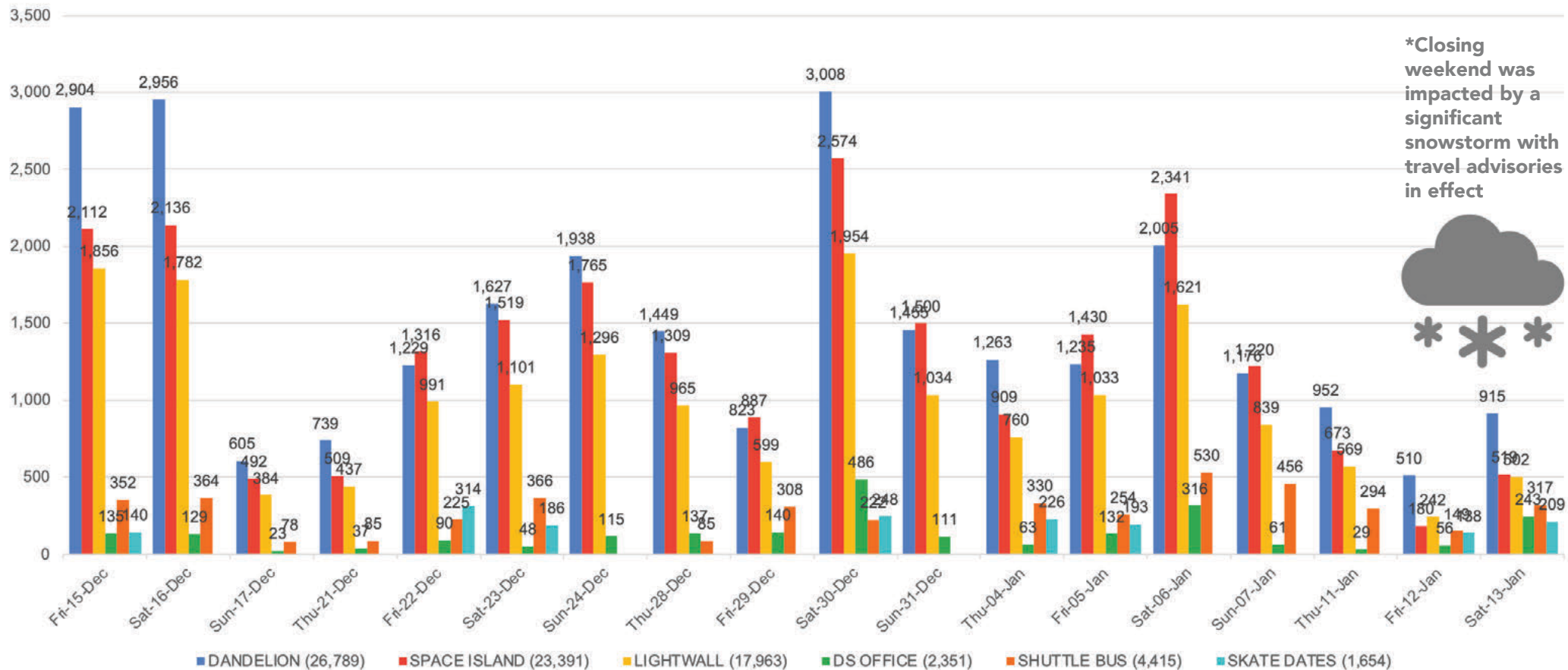
@destinationstratford

LIGHTS ON STRATFORD 2023/24 WINTER FESTIVAL REPORT



| | | | | | | | | |
|--|---|---|--|---|---|---|---|---|
| <div>LIGHTS ON STRATFORD</div> <div>WINTER FESTIVAL OF LIGHTS</div> |  | 4 YEAR PROJECTION | | | | | | |
| <div>Festival Attendance</div> <div>Combined across main locations</div> | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| <div><div>150K</div><div>100K</div><div>50K</div><div>0</div></div> <div><div><div></div>Stratford & Area Resident</div><div><div></div>Visitor (>40km)</div><div><div></div>Total Patron Count</div></div> |  |  |  |  |  |  |  |  |
| <div>Daily Av. Attendance</div> <div>Combined across main locations</div> | - | 1,818 | 1,860 | 4,254 | 4,869 | 5,217 | 5,565 | 5,869 |
| <div>Production Days</div> | 30+ *Closed early due to Covid shutdown | 44 | 45 | 18 | 23 | 23 | 23 | 23 |
| <div>Main Light Art Installations</div> | 4 | 5 | 6 | 5 | 7 | 8 | 8 | 8 |
| <div>Additional Cultural Activations</div> | 0 | 2 | 8 | 10 | 15 | 18 | 20 | 20 |
| <div>Funding</div> <div>DS = Destination Stratford</div> | \$422K CITY \$0 GRANTS & PARTNERS \$311K SPONSORS \$111K | \$470K CITY \$0 GRANTS & PARTNERS \$407K SPONSORS \$63k | \$740K CITY \$0 GRANTS & PARTNERS \$669K SPONSORS \$71K | \$575K CITY \$150K DS \$150K GRANTS & PARTNERS \$200K SPONSORS \$75K | \$625K CITY \$150K DS \$150K GRANTS & PARTNERS \$200K SPONSORS \$125K | \$650K CITY \$150K DS \$150K GRANTS & PARTNERS \$225K SPONSORS \$125K | \$675K CITY \$150K DS \$150K GRANTS & PARTNERS \$225K SPONSORS \$150K | \$675K CITY \$150K DS \$150K GRANTS & PARTNERS \$225K SPONSORS \$150K |

Lights On Stratford 2023/24 Attendance Across Main Displays (Total: 76,563 | Daily Avg: 4,254)



Lights On Stratford staff recorded attendance at each of the main locations throughout the festival. The combined total is 76,563 patrons with attendance at each main location listed in the chart above.

"I look forward to Lights on Stratford every year. It's an amazing festival. Definitely worth the drive from Mississauga."

Eleanor Manzo Lloyd, Instagram

"Congratulations on another amazing and well orchestrated Lights on Stratford season. Cannot wait for next year!"

Sheri Maguire, LinkedIn

"Beautiful!!! Already looking forward to next year!!"

@bradshaws1895, Instagram

"We loved visiting Stratford! And you convinced us to go back in the winter 🥰"

@ajourneyinspired Candace & Geoff, Instagram

"Extraordinary Experience! Thank you to everyone who made us light up this winter."

Rosemary Delong, LinkedIn

"We took in this event this weekend. Really enjoyed the Dandelion display downtown and the display on the island. Shuttle bus was fun too."

Ann McEwan, Facebook

PATRONS | PLACE OF RESIDENCE

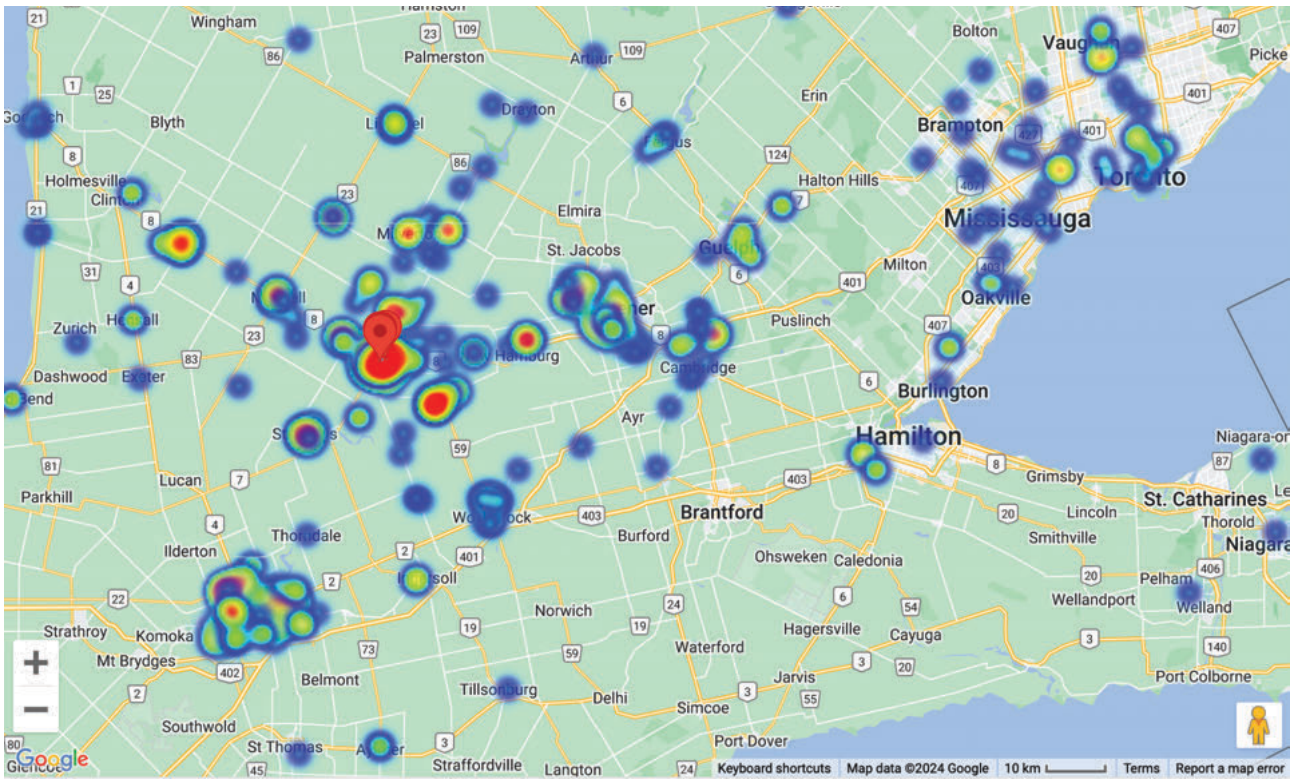
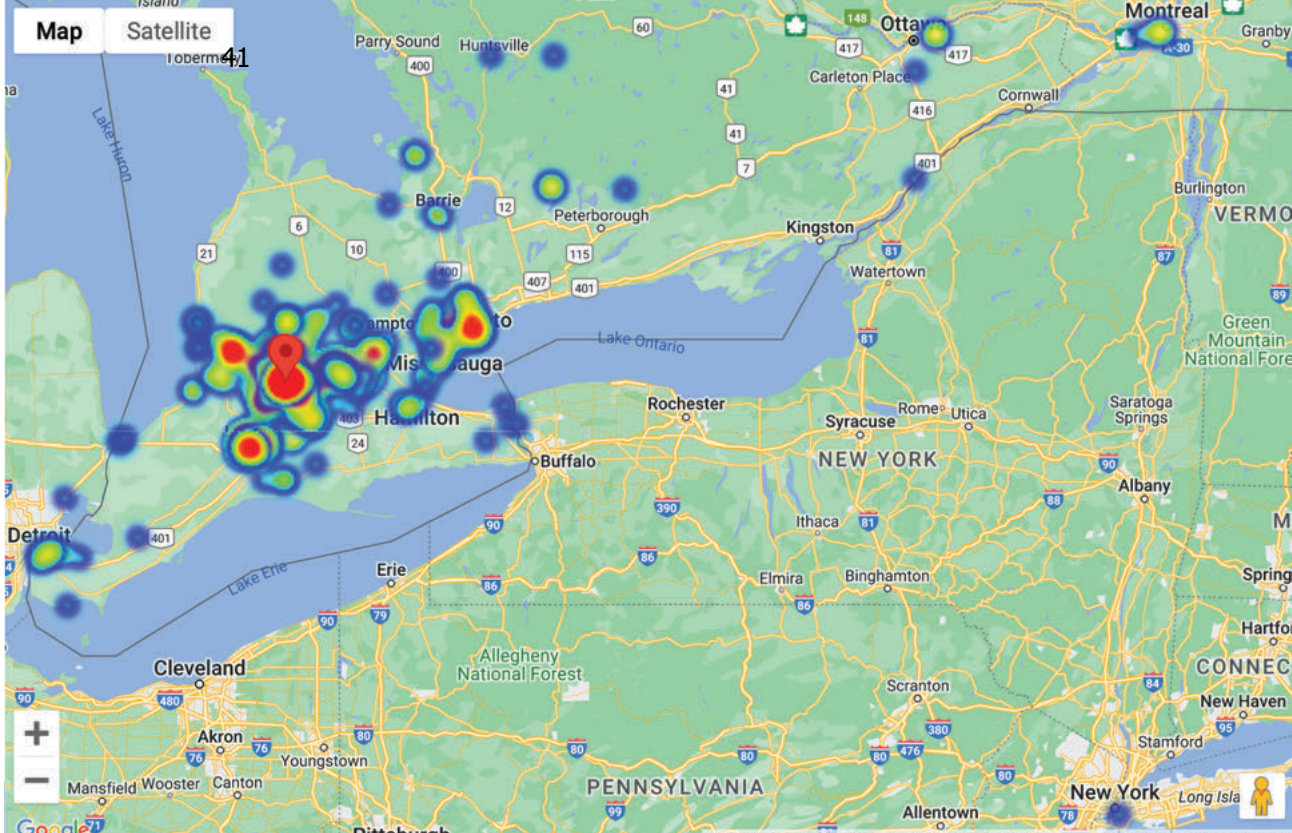
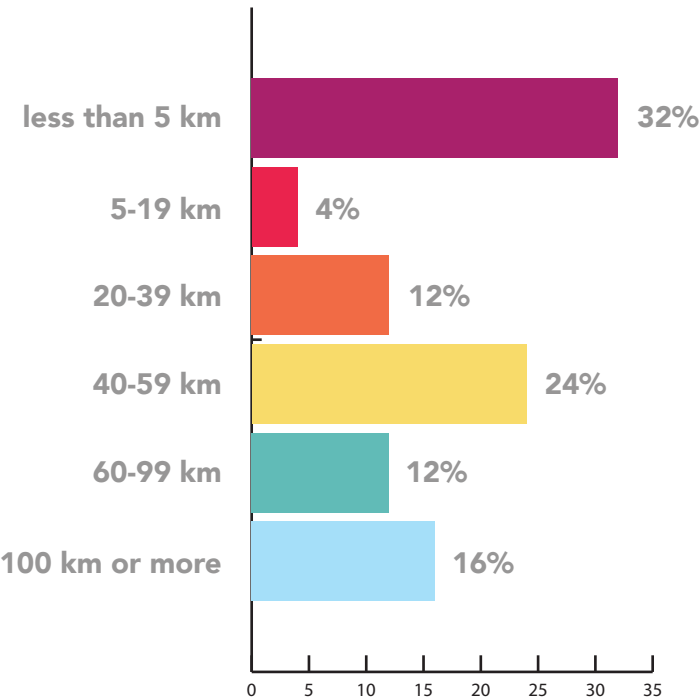
Mobility data reports (provided by Propulso: Ethical Data Intelligence Platform - propulso.io) for the December 15, 2023 to January 13, 2024 festival period used mobility data to accurately provide the place of residence of patrons that visited the geo-fenced Lights On Stratford main locations (Market Square, Tom Patterson Island, Veterans Drive Bandshell and LightWall).

Patron residence location is reflected in the 2 heat-maps to the right, with red being the highest density.

PATRONS | TRAVEL DISTANCE

Similarly, the mobility data reports provide the distance from the patron place of residence to Stratford.

The average travel distance was 33.4 km with 32% local, 16% regional and 52% from over 40km away.



MARKETING | STRATEGY

Destination Stratford strategically aligned impactful and measurable marketing campaigns to promote the 4th annual Lights On Stratford Winter Festival of Lights.

The primary goal was to 1) position Stratford as a premier winter destination, 2) create a sense of urgency to experience Lights On Stratford, and 3) align tourism partnerships in all sectors to encourage participation from the local community, day trips and overnight visits.

MARKETING | KEY INITIATIVES

- Created compelling video and photo assets for use in marketing campaigns and across all Destination Stratford and Lights On Stratford social channels and websites
- Collaborated with local businesses to create customized packages and offers
- Aligned marketing campaigns across all mediums (TV, Radio, Print, Digital, Social Media)
- Targeted various markets/demographics to increase visitation
- Generated media coverage through hosted visits, influencer partnerships and organic online storytelling
- Encouraged User Generated Content (UGC) for sharing on social media and increasing word-of-mouth promotion

MARKETING | TARGET MARKETS

1. Toronto/GTA regions (priority to capture overnight stays)
2. Kitchener-Waterloo
3. London

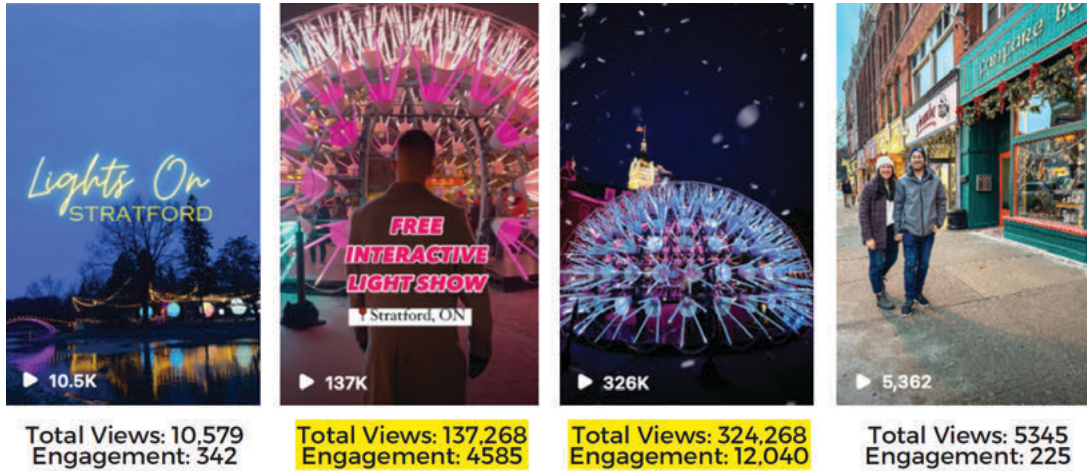
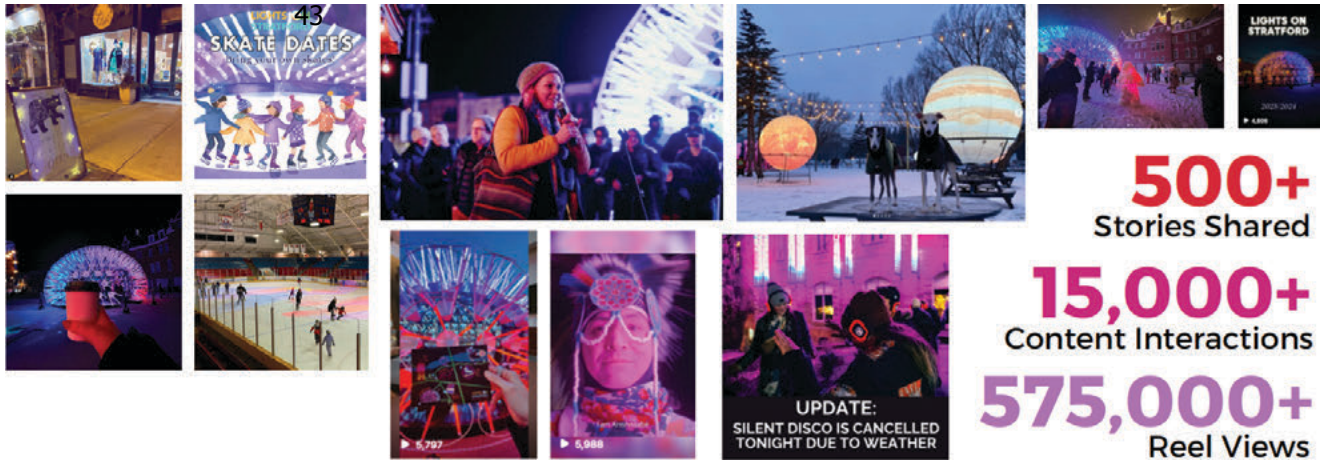
MARKETING | CAMPAIGNS

- Broadcast Television with Bell Media (CTV)
- Radio Campaigns (Virgin 105.3, CJCS 107.1 & 2day 107.7)
- Print (Canada Travel & Lifestyle Magazine, Horizon Travel Magazine, Stratford Beacon Herald)
- Digital Billboards (Toronto's largest highway screen network featuring 18-screens on 401, 403, 407, 427). Yonge and Dundas Media Tower. Rotating ads in London, Kitchener, Cambridge, Mississauga, Woodstock and Port Credit
- Social Media Influencer Partnerships
- Media Press Trip



SOCIAL MEDIA | STRATEGY

During the festival, we highlighted the central exhibits and the array of cultural activations scattered across the city. This included not only headline events like Skate Dates and Silent Discos organized by Lights On Stratford but also supplementary activities like sponsored Music Pop-Ups, Winter Al Fresco restaurant experiences, accommodation packages, promotions, late-night retail events, and various other engaging initiatives throughout the city.



SOCIAL MEDIA | INFLUENCERS & COLLABORATORS

A pivotal aspect of our promotional efforts involved collaborations with influencers and content creators. By inviting them to experience Lights On Stratford and encouraging them to share their perspectives, we successfully leveraged their reach to connect with wider audiences. This strategic partnership played a significant role in enhancing the festival's visibility and resonance across diverse demographics.

SOCIAL MEDIA | USER GENERATED CONTENT

A key element of the Lights On Stratford social media strategy involved actively encouraging User Generated Content (UGC). Through both original posts and resharing story posts, our goal was to foster an online atmosphere that mirrors our vibrant community and sparks excitement through shared experiences. User Generated Content not only contributed to our content diversity but also generated enthusiasm, ensuring continuous engagement from festival-goers.



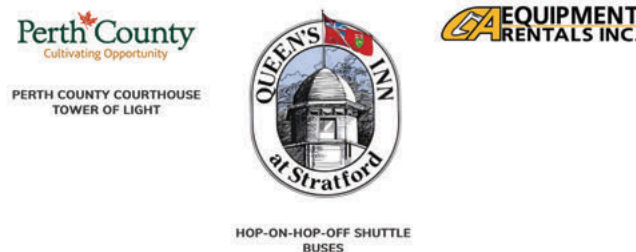
FOUNDING PARTNERS



2023/24 IN-KIND SUPPORTERS



2023/24 GOLD SPONSORS

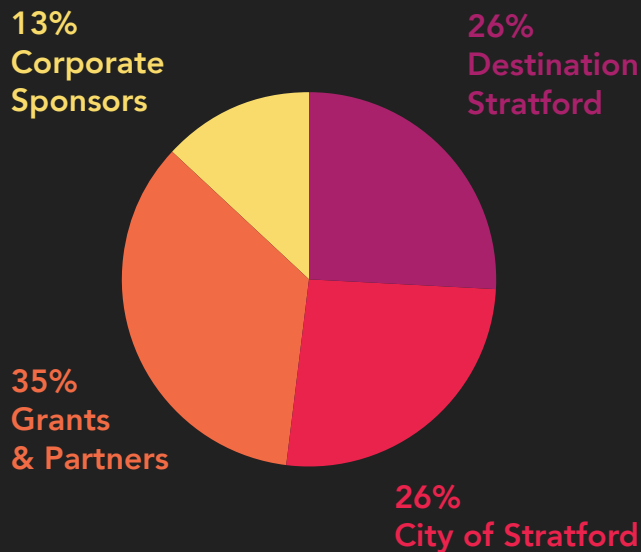


2023/24 SILVER SPONSORS



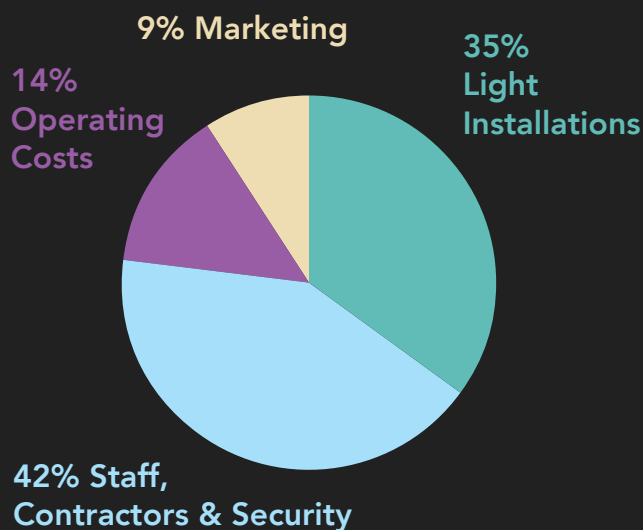
2023/24 BUDGET | FUNDING

The Lights On Stratford 2023/24 funding sources include:



2023/24 BUDGET | EXPENSES

The forecasted total annual budget for 2023/24 is approx. \$575,000:



2023/24 BRONZE SPONSORS



2023/24 COMMUNITY SPONSORS



GOVERNMENT SUPPORT



This event has been financially assisted by the Ontario Cultural Attractions Fund a program of the Government of Ontario through the Ministry of Tourism, Culture and Sport, administered by the Ontario Cultural Attractions Fund Corporation



2023/24 BIA SURVEY | BACKGROUND

Downtown Stratford BIA surveyed its members between January 26, 2024 and February 7, 2024 about the 2023/24 Lights On Stratford winter festival and received **36 responses**.

This year, total combined attendance across the main light displays was 76,563 in 18 days of production. In comparison, last winter was 83,715 in 45 days of production.

The daily average combined attendance across all the main festival locations this winter was 4,254/day. The daily average from last winter was 1,860/day. That's an increase of more than double the daily average attendance. December 30th was the highest recorded attendance ever, with 3,008 people at the Dandelion installation (previous record was also in Market Square last winter on Jan. 21 with 2,135 people visiting The Pool installation). The hop-on-hop-off free shuttle bus (in collaboration with Stratford Transit) had a ridership of 4,415 people.

2023/24 BIA SURVEY | RESULTS

78% Satisfied or Very Satisfied with the 2022/23 Lights On Stratford festival of winter lights. **6%** Dissatisfied or Very Dissatisfied.

75% Agree or Strongly Agree that Lights On Stratford is an effective strategy for growing a cultural tourism draw in the winter. **8%** Disagree or Strongly Disagree.

78% Agree or Strongly Agree that Lights On Stratford is effective in activating the downtown and park system for the community and visitors during the 4-week festival period. **8%** Disagree or Strongly Disagree.

7.78 (weighted average out of 10) for how likely are you to recommend future Lights On Stratford festivals to friends or colleagues.

“I cannot emphasize enough, the significance of tourism development during nonpeak and shoulder season periods. The picturesque landscapes and cultural richness of Stratford are not confined to a single season but extend seamlessly throughout the year.

Initiatives such as Lights On Stratford and Stratford Sport Tourism have played and will play a pivotal role in transforming Stratford into a year-round destination.

The strategic collaboration between Destination Stratford and these initiatives as well as the broader tourism sector will be instrumental in creating a robust and viable year-round local economy. By diversifying the offerings and embracing the unique attributes of each season, Stratford will become a beacon for those seeking enriching experiences in all weather conditions.

The commitment to year-round tourism development in Stratford will not only elevate its status as a sought-after destination but will also create a lasting impact on the local economy and community spirit. Lights On Stratford and Stratford Sport Tourism are just two opportunities that exemplify the success that can come with a collaborative approach, open minds, and a desire to make Stratford flourish throughout the entire year.”

**Shelley Windsor, Vice President
Windsor Hospitality Inc.**

“The Stratford Festival is pleased to continue to support Destination Stratford and Lights On Stratford. This event helps to invigorate the downtown core and park system during December and January, and encourages visitors to experience our beautiful city outside of the traditional tourist season. We share Destination Stratford’s goal of making Stratford a 4-season cultural destination, which creates a positive economic impact for the City, and strengthens the retail, restaurant, and accommodation sectors. This event continues to gain popularity – what started as a COVID recovery event has turned into an annual tradition for many. Bravo!”

**Shelley Stevenson, Administrative Director,
Stratford Festival**

“It was an absolute pleasure and privilege to work with Destination Stratford in preparation and through participation in this year’s Lights On Stratford Winter Festival. It was heartening to see the many faces and hear stories from the multitude of locals and tourists who enjoyed the exhibits and enthusiastically patronized our local establishments during the cold winter weeks of December and January. It is exactly this kind of initiative that effectively ensures the success of local business through attracting tourism and locals alike to check out all that Stratford has to offer 12 months of the year.”

**Ryan Stokes, Owner,
Black Swan Brewing Co.**

“This year at The Parlour Inn, we’ve had a great response to the Lights On Stratford winter light festival, with at least 20 room bookings more than last year. Our guests have commented how nice it is to have something so pretty to brighten up the dull winter blues! We look forward to next year’s event, where we plan to light up our building even more making it a sparkling beacon in the night!”

**Steve Ireson, Manager, Operations/Food & Beverage,
The Parlour Inn**

“Looking forward to next year! Really hope I can help open the event with grass dancing!”

Chris Mejaki



“Destination Stratford is a priceless tourism partner for the Stratford Perth Museum. We've never seen so many visitors in the shoulder season. We are happy to report that Lights On Stratford is responsible for generating over 50% of the museum's seasonal holiday visitors.

Together we strive to attract a rapidly changing and diverse community. We share resources that offer cultural activities for all demographics. This event augments ongoing museum programs and provides opportunity for elaborative and enriching content that is connected to Lights On themes. Our Heritage Trails are available year-round, but during Lights On we offer a corresponding outdoor lit space. Also, we offer nightlight story walks, snowshoeing, ghost tours and complementary astronomy programming.

Stratford Perth Museum looks forward to continued partnership and collaboration with Destination Stratford. Without question, Destination Stratford has pulled out all the stops to help Stratford thrive as a year-round cultural destination.”

**Kelly McIntosh, General Manager,
Stratford Perth Museum**

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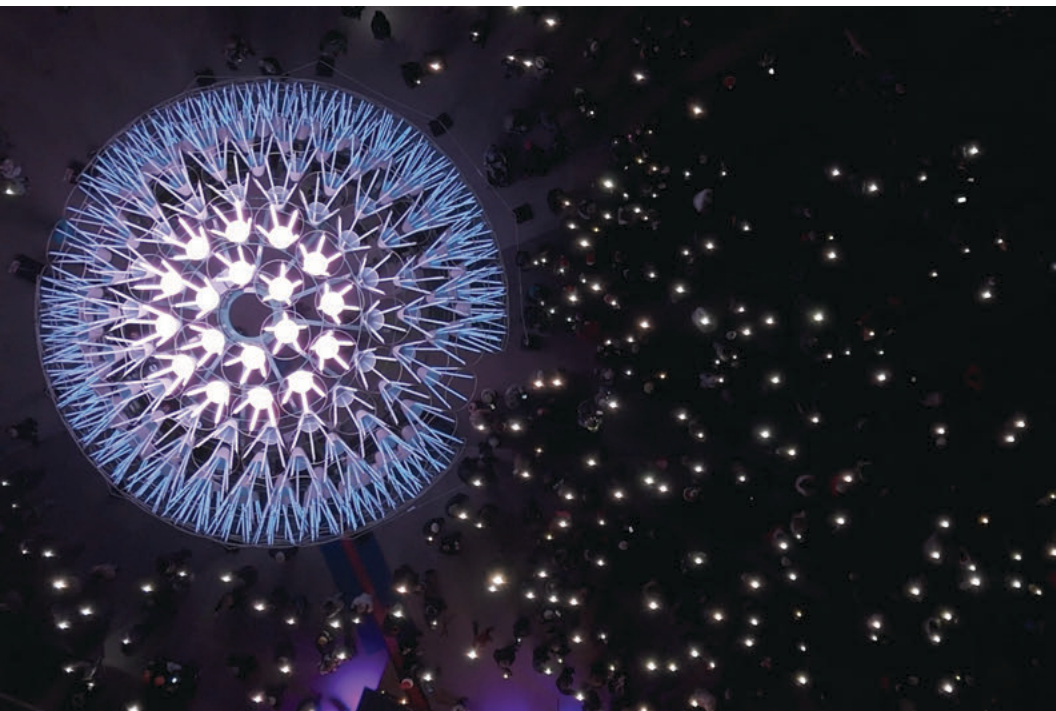



“Lights On Stratford! What a delightful event it turned out to be! As newcomers to the area, my wife, son, and I braved the rain to experience the charming Lunar Lamp Posts and the unexpected dance party that unfolded. It was a warm and welcoming introduction to the community.

Opening night, Stratford Summer Music staff visited the Dandelion in Market Square. Imagine the sheer delight of witnessing countless wishes for our community soar into the night sky, accompanied by the melodic tunes of local musicians echoing from nearby cafes and restaurants.

As the new Executive Director of Stratford Summer Music, I can say that Lights On Stratford brought a wonderful, inclusive, and exciting event to our city. This event is more than just lights; it's a celebration of the vibrant spirit that defines Stratford. The blend of lights, music, and community was heartwarming, and we're eager to continue supporting this event and all that Destination Stratford has to offer. We look forward to collaborating and partnering with Destination Stratford towards making Stratford shine as a 4-season cultural destination.”

**Crystal L. Spicer, Executive Director,
Stratford Summer Music**





“Lights On Stratford had a significant positive impact on business at The Starlight. Our music night that coincided with the opening of Lights On Stratford and that was sponsored by Lights On Stratford was one of our busiest evenings to date and we also were able to raise \$300 for The Local. We had multiple customers come in to order mulled wine, hot chocolates and our Lights On Spritz to go while they enjoyed the exhibits. We look forward to watching LOS grow in future years as well as its impact on downtown businesses.”

Megan Jones, Co-owner, The Starlight Bar

“We definitely noticed a bump in guests during the live music, especially on the Friday night. Lights On Stratford in general brought a lot of people into the restaurant and hotel over the period. Staff made a point of asking what brought people in and Lights On Stratford was mentioned a great deal. The postcards with the list of locations were a popular takeaway.”

**Ryan O'Donnell, Owner/General Manager,
Mercer Kitchen + Beer Hall + Hotel**

“Wellspring Stratford Cancer Support Centre proudly collaborated with the Lights On Stratford Winter Festival as the chosen charity to illuminate the season with hope. This partnership symbolized a collective effort to raise awareness and support for those facing the challenges of cancer within the community.”

Lisa Stacey, Wellspring Cancer Support Centre



LIGHTS ON STRATFORD MANIFESTO

We bring light and joy to Stratford's public spaces.

We believe in the importance of public art.

We are free to the public and accessible for everyone to participate.

We are a cultural anchor tenant that enables additional events and experiences.

We celebrate and embrace winter.

We help grow a vibrant year-round visitor economy for the region.

We improve the quality of life within our community.



Destination Stratford Budget: 2023 Actual and 2024 Adjusted

| Destination Stratford 2024 Budget | 2023 Budget | 2023 Actual | 2024 Budget | 2024 Adjusted | Notes |
|---|----------------|----------------|----------------|------------------|--|
| INCOME | | | | | |
| 3999 · MAT DS PORTION | | | | 405,021 | \$180,021.73 from 2023 + ~\$225k (estimate of Q1+Q2+Q3 2024 MAT) |
| 9999 · CITY LOS CONTRIBUTION | | | | 150,000 | *City contribution / City MAT portion |
| 4050 · MARKETING SALES | 98,000 | 159,983 | 127,000 | 138,500 | |
| 4260 · PARTNERSHIPS | 747,000 | 701,210 | 744,300 | 726,800 | |
| (4001 · City of Stratford Portion) | 595,000 | 595,000 | 618,800 | 618,800 | 4% increase or \$23,800 over 2023. |
| 4280 · STRATFORD TOURISM SUPPLEMENT | 15,000 | 16,506 | 0 | 0 | NO LONGER ACTIVE |
| TOTAL REVENUE | 860,000 | 877,699 | 871,300 | 1,420,321 | |
| EXPENSE | | | | | |
| 5100 · CONTRACT AND CONSULTING | 2,500 | 0 | 2,500 | 15,000 | Strategic Plan Community Engagement |
| MAT DEVELOPMENT PROJECTS | | | | | |
| 5992 · STRATFORD AL FRESCO | | | | 35,000 | |
| 5997 · LIGHTS ON STRATFORD | | | | 300,000 | City + DS matched contribution |
| 5999 · SPORT TOURISM OFFICE | | | | 75,000 | |
| Total MAT Development Projects | 0 | 0 | 0 | 410,000 | |
| DESTINATION DEVELOPMENT | | | | | |
| 5950 · SPECIAL PROJECTS | 42,000 | 58,178 | 27,000 | 35,000 | Destination Development Projects |
| 5990 · PARTNERSHIPS | 30,000 | 33,440 | 35,000 | 35,000 | Destination Development Fund |
| Total MAT & Development Projects | 72,000 | 91,618 | 62,000 | 480,000 | |
| MARKETING | | | | | |
| 6000 · MARKETING - INTERNET | 22,975 | 13,628 | 19,475 | 19,475 | |
| 6150 · MARKETING - MEDIA & PRINT | 99,300 | 59,543 | 84,490 | 109,490 | |
| 6151 · MARKETING - RADIO | 2,500 | 0 | 2,500 | 2,500 | |
| 6152 · MARKETING - TRAILS, INFLUENCERS | 90,500 | 120,398 | 108,750 | 130,971 | |
| Total Marketing | 215,275 | 193,569 | 215,215 | 262,436 | Increased expenses with additional marketing projects |
| ADMINISTRATION | | | | | |
| 5637 · BANK CHARGES | 4,000 | 3,495 | 4,000 | 4,000 | |
| 5645 · INSURANCE | 5,000 | 5,081 | 5,250 | 5,250 | |
| 5660 · TRAVEL | 2,500 | 394 | 2,500 | 2,500 | |
| 6153 · PROFESSIONAL FEES | 23,200 | 23,844 | 23,200 | 23,200 | |
| 6155 · FACILITY MAINTENANCE | 2,000 | 1,591 | 2,000 | 2,000 | |
| 6480 · PAYROLL | 484,635 | 517,472 | 501,135 | 539,135 | |
| 6540 · OFFICE EXPENDITURES | 20,900 | 12,093 | 25,000 | 32,800 | |
| 6550 · EVENT EXPENSES | 2,000 | 4,440 | 2,000 | 2,000 | |
| 7000 · TELEPHONE/COMMUNICATIONS | 16,000 | 15,932 | 16,500 | 17,000 | |
| Total Administration | 560,235 | 584,342 | 581,585 | 627,885 | |
| TOTAL EXPENSE | 850,010 | 869,529 | 861,300 | 1,385,321 | |
| 5154 Transfer to Reserve | 10,000 | 10,000 | 10,000 | 35,000 | Catching up with \$60k missed pandemic years contributions |
| NET REVENUE | -10 | -1,830 | 0 | 0 | |



MANAGEMENT REPORT

Date: March 19, 2024
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services
Report Number: FIN24-009
Attachments: FHI and FHSI Q3 Update

Title: Festival Hydro Update Q3 for the period ended September 30, 2023

Objective: To receive an update on Festival Hydro Inc. (FHI) and Festival Hydro Services Inc. (FHSI) financial results and activities at quarter ending September 30, 2023.

Background: City Council is updated regularly on the financial and operating activities of Festival Hydro.

Analysis: Please refer to the attached statements attached for your information. As this period has not yet captured the year-end activities and the year-end has passed at this time, there will likely be a more fulsome analysis that can occur at that report.

For FHI at September 30, 2023, net income was above expected by \$88,000 due largely to a staffing vacancy in IT for the first part of the year.

For FHSI at September 30, 2023, net income was below expected by \$7,000 due largely to multiple emergency repairs affecting operating expenses.

Financial Implications:

Financial impact to current year operating budget:

There are no financial impacts to the 2024 operating budget, as this update relates only to 2023.

In 2023, the City received quarterly interest payments of \$282,750 for the \$15.6 million demand loan. To September 30, 2023, three quarterly interest payments were received and no dividends. Final 2023 dividends amount will be determined once final results at December 31, 2023, are known.

Financial impact on future year operating budget:

No financial impacts for future years are noted because of this information report.

Alignment with Strategic Priorities:**Strengthening our Plans, Strategies and Partnerships**

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Developing our Resources

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Alignment with One Planet Principles:

Not applicable: There is no direct alignment with One Planet Principles from this information report.

Staff Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ended September 30, 2023, be received for information;

AND THAT the Festival Hydro Services Inc. financial statements and commentary for the period ended September 30, 2023, be received for information.

| | |
|------------------------|---|
| Prepared by: | Karmen Krueger, CPA, CA, Director of Corporate Services |
| Recommended by: | Karmen Krueger, CPA, CA, Director of Corporate Services |

To: Mark Hunter and the Finance and Labour Relations Committee
From: Alyson Conrad, CFO
Re: Commentary on FHI Financial Results –
 For the period ended September 30, 2023

Net income for the period is \$1.67M, which is \$88K above the YTD budget. Detailed commentary on the balance sheet and statement of operations are noted below:

BALANCE SHEET COMMENTARY:

Accounts Receivable – The accounts receivable balance is \$1.66M less than it was in September of 2022 and \$573K higher than June 2023. This variance is the result of the following:

- Electric receivables are \$12K higher than September 2022. Arrears balances have increased by \$71K compared to September 2022, with the majority being less than 30 days. We will continue to monitor electric receivables and engage in payment arrangements with as many customers as possible before the beginning of the Winter Disconnection Moratorium.
- Water and sewer receivables are \$226K higher than September 2022, mostly current balances as arrears have only increased by \$35K.
- OER has decreased by \$1.55M compared to the prior year because of a large drop in the OER rate from 17% to 11.7%.

Electric receivables that are in arrears are being diligently reviewed and acted on by the customer service team as we prepare for the next Winter Disconnection Moratorium (starting on November 15). We generally see arrears increase through the disconnection period, so we attempt to be in the best state prior to that start date.

Due from FHSI – The balance in this account increased from June 30, 2023, moving from a payable to a receivable position of \$20K. The change is due to ongoing work being completed by FHSI staff for FHI.

Unbilled Revenue – This balance is \$2.2M lower than the balance in June of 2023, and \$241K more than September 2023. The main difference between June and September was due to a decrease in global adjustment rates from 9.9 cents to 5.8 cents.

Regulatory Assets – The regulatory asset balance has increased by \$2.9M since September 2022 and is driven virtually all by the commodity accounts (1588/89). There was an \$879K decrease related to 1589 which is the Global Adjustment (GA) Variance indicating there have been less monthly fluctuations between the first and final estimates for GA this year compared to prior year. The variance in 1588 increased by \$3.8M from a large receivable balance in 2022 to a near net zero balance in 2023. This account is intended to be close to zero at any given point.

A/P and Accrued Liabilities – This balance has decreased by \$284K from the June 2023 balance. The difference mainly relates to a decrease in IESO billing from \$6M to \$5.8M. The remainder are typical trade payable variances.

INCOME STATEMENT COMMENTARY

Gross Margin on Service Revenue (Distribution Revenue) – The distribution revenue to the end of Q3 2023 is \$130K above budget. Overall kWhs for the year are relatively comparable to the prior year; however, there has been a decrease in residential usage and an increase in non-residential usage by 6M kWh which increases distribution revenue.

Other Revenue – Other revenue is running \$92K below budget at the end of Q3. \$35K is due to less billable work being completed this year compared to the prior year. When there is more billable work, administrative costs are billed to the customer. \$20K is due to lower joint pole revenue, and \$36K is due to scrap metal sale being down compared to budget.

Controllable Costs - Total controllable costs are \$148K less than budget to the end of Q3.

Operating and Maintenance expenses are up overall by \$36K compared to the budget. Transformer and Distribution Station Expense is up by \$28K. A portion of this is due to Hydro One transfer trip testing that required additional consultant time. There was also an additional cost for the disposal of failed metering equipment. Distribution Lines and Services Overhead is under by \$45K. The majority of this is the timing of tree trimming that will be completed in Q4. Underground Distribution Lines and Services is over budget by \$40K. This is due to higher volumes of labour, truck and materials for call outs compared to prior year and budget both during regular time and overtime.

Billing, Collecting and Meter Reading expenses are down \$16K compared to the budget. So far in 2023, FHI is underspent in software support. There has been less support requested from Daffron as we look to migrate to Jomar in 2024. The majority of the lower Daffron costs have been offset by the hiring of a contract customer service representative, that was not budgeted, to assist with the workload while other team members are assisting with the new CIS project.

Administration expenses are down overall by \$168K. The majority of this balance is due to the vacancy of the VP of IT position for the first half of the year and a portion of the year without a Director/Manager of HR position. There are also many administrative costs that occur in the final quarter of the year that have not yet been spent yet. Costs related to legal, environmental and tax support have been accrued for unbudgeted amounts anticipated to the end of the year.

CASH FLOW COMMENTARY

As per the cash flow statement, the September 30 cash balance increased by \$354K since June 2023. Cash flows have improved due to improved net income and some larger capital expenses such as CIS and renovation costs occurring earlier in the year. In any given month, half of the month is in a positive balance and later in the month it is in a credit position because of the timing of the IESO invoice.

LOAN COVENANT RATIOS

The Loan Covenant liquidity ratios and debt to equity ratios as prescribed by our lender, RBC, are being met.

Presented for information purposes.

FESTIVAL HYDRO INC.

Balance Sheet

For the period ending September 30, 2023

| | YTD as at Sep 30, 2022 | YTD as at Dec 31, 2022 | YTD as at Sep 30, 2023 | | YTD as at Sep 30, 2022 | YTD as at Dec 31, 2022 | YTD as at Sep 30, 2023 |
|---|---------------------------|---------------------------|---------------------------|--|---------------------------|---------------------------|---------------------------|
| ASSETS | | | | LIABILITIES | | | |
| Current Assets | | | | Current Liabilities | | | |
| Accounts Receivable | 8,357,624 | 8,460,478 | 6,700,552 | Bank Indebtedness | 1,111,759 | 3,740,695 | 2,158,227 |
| Inventory | 468,422 | 177,526 | 493,853 | Accounts Payable & Accrued Liabilities | 9,534,438 | 9,663,091 | 9,102,876 |
| Prepaid Expenses | 250,483 | 230,441 | 167,088 | Current Portion of Consumer Deposits | 936,528 | 1,016,175 | 950,518 |
| Due from FHSI | 201,894 | 122,147 | 20,363 | Current Portion of Long Term Loans | 179,712 | 728,464 | 184,163 |
| Corporate PILS Recoverable | 405,962 | 511,562 | 759,334 | Dividends Declared | — | 248,506 | — |
| Unbilled Revenue | 5,442,859 | 4,783,498 | 5,684,102 | Promissory Note | 15,600,000 | 15,600,000 | 15,600,000 |
| | | | | Loan Advance | — | — | 2,500,000 |
| | 15,127,244 | 14,285,653 | 13,825,292 | | 27,362,437 | 30,996,931 | 30,495,783 |
| Property, Plant & Equipment | 57,193,434 | 58,854,036 | 59,902,505 | Other Liabilities | | | |
| Other Assets | | | | Unrealized loss on interest rate swap | 938,948 | (784,886) | (784,886) |
| Intangible Assets | 1,810,613 | 1,806,282 | 2,107,683 | Deferred Revenue | 2,607,528 | 2,914,627 | 3,074,907 |
| Future payments in lieu of income taxes | (3,109,920) | (3,239,959) | (3,239,959) | Employee Future Benefits | 1,361,643 | 1,009,878 | 1,009,878 |
| Regulatory Assets | 4,010,827 | 7,261,719 | 6,890,952 | Long Term Debt | | | |
| | | | | Consumer Deposits over one year | — | 980,367 | — |
| | | | | RBC Loan - LT Portion | 10,540,477 | 9,812,012 | 9,812,012 |
| | | | | TOTAL LIABILITIES | 42,811,032 | 44,928,929 | 43,607,694 |
| | | | | EQUITY | | | |
| | | | | Share Capital - Common | 9,468,388 | 9,468,388 | 9,468,388 |
| | | | | Share Capital - Preferred | 6,100,000 | 6,100,000 | 6,100,000 |
| | | | | Retained Earnings | 17,010,516 | 18,524,894 | 20,364,869 |
| | | | | Accumulated Other Comprehensive Income | (357,737) | (54,479) | (54,479) |
| | | | | TOTAL EQUITY | 32,221,167 | 34,038,803 | 35,878,778 |
| TOTAL ASSETS | 75,032,199 | 78,967,731 | 79,486,473 | TOTAL LIABILITIES AND EQUITY | 75,032,199 | 78,967,731 | 79,486,473 |

FESTIVAL HYDRO INC.

Income Statement For the period ending September 30, 2023

| | YTD as at Sep 30, 2022 | YTD as at Sep 30, 2023 | YTD Budget at Sep 30, 2023 | Cur to Bdg YTD Var\$ | Cur to Bdg YTD Var% |
|--|---------------------------|---------------------------|-------------------------------|----------------------|---------------------|
| REVENUE | | | | | |
| Service Revenue | 56,970,163 | 55,956,613 | 68,450,010 | (12,493,398) | (18%) |
| Cost of Power | 47,670,713 | 45,944,644 | 58,568,495 | (12,623,851) | (22%) |
| GROSS MARGIN (DISTRIBUTION REVENUE) | 9,299,450 | 10,011,969 | 9,881,515 | 130,453 | 1% |
| Other Operating Revenue | 843,849 | 743,971 | 835,798 | (91,827) | (11%) |
| OPERATING & MAINTENANCE EXPENSE | | | | | |
| Transformer & Distribution Station Expense | 121,441 | 281,203 | 253,238 | 27,965 | 11% |
| Distribution Lines & Services Overhead | 1,270,979 | 1,297,128 | 1,342,016 | (44,889) | (3%) |
| U/G Distribution Lines & Services | 174,003 | 204,794 | 164,684 | 40,111 | 24% |
| Distribution Transformers | 59,273 | 62,803 | 64,453 | (1,650) | (3%) |
| Distribution Meters | 349,795 | 325,785 | 323,941 | 1,844 | 1% |
| Customer Premises | 130,039 | 179,450 | 166,694 | 12,756 | 8% |
| TOTAL OPERATING AND MAINTENANCE | 2,105,530 | 2,351,163 | 2,315,025 | 36,137 | 2% |
| ADMINISTRATION | | | | | |
| Billing, Collecting & Meter Reading | 984,841 | 1,034,697 | 1,050,816 | (16,119) | (2%) |
| Administration | 1,976,352 | 2,246,318 | 2,414,264 | (167,947) | (7%) |
| TOTAL ADMINISTRATION | 2,961,194 | 3,281,014 | 3,465,080 | (184,066) | (5%) |
| Allocated Depreciation | (94,522) | (91,746) | (91,746) | — | — |
| TOTAL CONTROLLABLE COST | 4,972,202 | 5,540,431 | 5,688,359 | (147,928) | (3%) |
| NET INCOME BEFORE DEP'N, INTEREST & TAX | 5,171,097 | 5,215,508 | 5,028,954 | 186,554 | 4% |
| Depreciation | 1,919,507 | 2,014,416 | 2,014,416 | — | — |
| Interest Expense | 1,207,822 | 1,530,294 | 1,197,777 | 332,517 | 28% |
| Interest Income | (52,346) | (214,106) | (24,750) | (189,356) | 765% |
| NET INCOME BEFORE SWAP, ICM & PBA & INC TAXES | 2,096,114 | 1,884,904 | 1,841,511 | 43,393 | 2% |
| Current Tax | 351,000 | 215,000 | 259,500 | (44,500) | (17%) |
| NET INCOME BEFORE SWAP & ICM | 1,745,114 | 1,669,904 | 1,582,011 | 87,893 | 6% |
| Unrealized Gain/Loss on Swap | — | — | — | — | — |
| Marketable Security - recorded as OCI | — | — | — | — | — |
| NET INCOME | 1,745,114 | 1,669,904 | 1,582,011 | 87,893 | 6% |

FESTIVAL HYDRO INC.

Cash Flow Statement

For the period ending September 30, 2023

| | YTD as at Dec 31, 2022 | YTD as at Sep 30, 2023 |
|---|---------------------------|---------------------------|
| Cash from Operations | | |
| Net Income | 4,381,488 | 1,669,904 |
| Depreciation | 2,505,726 | 2,014,416 |
| Amortization of deferred revenue in other revenue | (358,598) | 160,280 |
| Unrealized loss on interest rate swap | (1,723,834) | — |
| Decrease/(Increase) in Receivables | (179,111) | 2,124,925 |
| Decrease/(Increase) in Inventory | (14,081) | (316,327) |
| Decrease/(Increase) in Prepaids | 126,840 | 63,353 |
| Decrease/(Increase) in Due from FHSI | 210,656 | 101,784 |
| Decrease/(Increase) in PILS | (155,505) | (247,771) |
| Decrease/(Increase) in Unbilled Revenues | 447,273 | (900,604) |
| Decrease/(Increase) in Future Tax (offsetting entry in payabl | 130,039 | — |
| Decrease/(Increase) in Regulatory Assets | (2,664,508) | 370,767 |
| Increase/(Decrease) in Payables | (1,257,307) | (560,215) |
| Increase/(Decrease) in Deposits | 232,689 | (1,046,024) |
| Increase/(Decrease) in Employee Future Benefits | (351,765) | — |
| Contributed Capital | 483,203 | 134,577 |
| Net Cash Provided | 1,813,204 | 3,569,065 |
| Cash from Financing | | |
| Loan Repayments | 707,718 | 544,301 |
| Loan Advance | — | (2,500,000) |
| Cash Used - Capital Expenditures | 3,939,526 | 3,498,863 |
| Cash Used - Dividends paid current year | 390,330 | 443,434 |
| Cash Used - Dividends declared in prior year | 500,556 | — |
| Net Cash Used | 5,538,130 | 1,986,598 |
| Increase (Decrease) in Cash Position | (3,724,926) | 1,582,467 |
| Bank Indebtedness, Beg of Period | (15,769) | (3,740,695) |
| Bank Indebtedness, End of Period | (3,740,695) | (2,158,227) |
| Bank and Line of Credit Analysis | 2022 | 2023 |
| High balance (YTD) | 5,889,735 | 2,146,529 |
| Low Balance (YTD) | (8,463,958) | (6,140,288) |
| Overdraft interest (annualized) | 84,552 | 206,863 |
| Interest rate (avg annual for period) | 4.13% | 6.86% |
| Average overdraft balance | 2,046,185 | 3,017,398 |

| Key Financial Ratios: | Actual Ratio | Required Ratio |
|---|--------------|---------------------|
| RBC Compliance Ratio - Funded Debt to Total Capital | 0.44 | Less than 0.65 |
| Debt to Equity Test | 23:73 | Less than 75:25 |
| Debt Service Ratio | 2.28 | Not less than 1.30X |

FESTIVAL HYDRO INC.

Statement of Capital

For the period ending September 30, 2023

| | YTD as at Sep 30, 2022 | YTD as at Sep 30, 2023 | YTD Budget at Sep 30, 2023 | Cur to Bdg YTD Var\$ | Cur to Bdg YTD Var% |
|-----------------------------------|---------------------------|---------------------------|-------------------------------|----------------------|---------------------|
| DISTRIBUTION | | | | | |
| Distribution Overhead | 785,372 | 911,703 | 545,175 | 366,528 | 67% |
| Underground Conductor and Devices | 236,733 | 157,697 | 586,975 | (429,278) | (73%) |
| Distribution Transformers | 255,213 | 361,916 | 157,500 | 204,416 | 130% |
| Services | 260,215 | 183,232 | 97,500 | 85,732 | (100%) |
| Distribution Meters | 156,634 | 355,729 | 167,500 | 188,229 | 112% |
| SCADA/Distribution Automation | 20,143 | 76,704 | 37,500 | 39,204 | 105% |
| Tools and Miscellaneous Equipment | 11,190 | 23,748 | 15,000 | 8,748 | 58% |
| TOTAL DISTRIBUTION | 1,725,500 | 2,070,730 | 1,607,150 | 463,580 | 29% |
| OTHER CAPITAL | | | | | |
| Land and Buildings | 190,369 | 678,751 | 459,000 | 219,751 | 48% |
| Transformer Station | 16,080 | 89,088 | 82,500 | 6,588 | 8% |
| Vehicles and Trailers | 63,625 | 81,470 | 37,500 | 43,970 | 117% |
| Computer Hardware and Software | 326,414 | 578,825 | 320,888 | 257,937 | 80% |
| TOTAL OTHER CAPITAL | 596,488 | 1,428,133 | 899,888 | 528,246 | 59% |
| TOTAL CAPITAL | 2,321,988 | 3,498,863 | 2,507,038 | 991,825 | 40% |

To: Mark Hunter and the Finance and Labour Relations Committee
From: Alyson Conrad, CFO
Re: Commentary on FHSI Financial Results –
 For the period ended September 30, 2023

The net income for the period was \$19K which is \$7K lower than budget and \$27K lower than at this point last year. Detailed commentary on the balance sheet and income statement activity are noted below:

Balance Sheet Commentary:

A/R & Prepaids – This balance is lower than Q2 by \$16K. This is lower due to a portion prepaid amount of joint use expenses being recognized in the period. This balance is also \$24K lower than prior year because of decreased shared revenue and fibre ring reimbursement from Wightman.

Outstanding accounts receivable balances are generally held in Festival Hydro as they hit the intercompany account and revenues when they are billed, not when they are collected. They are being monitored through the monitoring of the miscellaneous AR aging in Festival Hydro. We will continue to monitor the aged miscellaneous AR balances regularly to ensure Rhyzome receivables are not impacting Festival's cash flows increasingly.

Capital Asset Additions – Additions to the end of September 2023 are \$91K, or 66% of Q3 budget. This includes \$47K in computer hardware additions, \$17K on the data centre building and \$27K on fibre related projects. Details on the capital spend to date are as noted below:

Computer Hardware and ISP Capital: Total spend for FHSI on computer hardware and ISP capital YTD is \$47K. Budgeted for 2023 is a replacement of the core routing equipment used by Rhyzome. Costs incurred to date for that project amount to \$47K. Work is ongoing to move the new core routing equipment into production.

Building Capital: Building capital has held steady at \$17K. The HVAC improvements have been working reliably and the DC UPS Expansion has been fully operationalized, with costs being recovered through Acronym revenue.

Fibre Capital: Total spend on fibre capital YTD is \$27K. This infrastructure will provide capability for downtown expansion. In addition, 2023 fibre asset remediation has kicked off and work will be ongoing for the remainder of the year.

Due to Festival Hydro Inc. – The balance in this account increased from June 30, 2023, moving from a receivable to a payable position of \$20K. The change is due to ongoing work being completed by FHSI staff for FHI.

Deferred Revenue – This balance has decreased from the June 2023 balance as a portion of the balance has been recognized into revenue for Q3 2023. No new contributions have been received in the period.

Income Statement Commentary:

Revenues – Revenues are \$33K higher than budget in Q3. ISP revenue is down by \$57K mainly due to the completion of the fibre ring reimbursement with Wightman. The conclusion of this contract was not reflected in the preparation of the budget so this variance will continue throughout the year. Dark fibre is up due to a one year contract for fibre strands with Acronym. Wi-Fi revenue is down \$10K mainly due to a decrease in non-contract Wi-Fi purchases and limited growth in Wi-Fi customers. Consulting revenue is up \$23K due to additional work being completed for FHI, specifically on the new CIS and for EA coverage in the first several months of the year. Lastly, FHSI sold its shares of QR Fibre for a gain of \$50K. This transaction was completed in Q1.

Operating Expenses – Operating expenses are above budget by \$40K at the end of Q3. Fibre costs are up due to multiple emergency repairs compared to an average year. This account fluctuates year over year depending on equipment maintenance needs. FHSI has seen an increase over budget in employee costs by \$25K. Employee costs have increased due to some training and development costs that occurred earlier in the year. FHSI also had one network administrator leave in Q2 but the position was quickly filled with a more experienced employee at a higher rate.

Cash Flow Commentary:

The cash balance has increased to \$34K from the \$15K June 2023 balance. The variances in cash from Q2 are due to the net change in receivables and payables, loan repayments, capital purchases, share sale and working capital items. There were limited capital additions in the quarter which allowed for cash increases.

FESTIVAL HYDRO SERVICES INC.

Balance Sheet

For the period ending September 30, 2023

| | YTD as at Sep 30, 2022 | YTD as at Dec 31, 2022 | YTD as at Sep 30, 2023 | | YTD as at Sep 30, 2022 | YTD as at Dec 31, 2022 | YTD as at Sep 30, 2023 |
|--------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|---------------------------|---------------------------|
| ASSETS | | | | LIABILITIES | | | |
| Current Assets | | | | Current Liabilities | | | |
| Cash | 20,824 | 6,341 | 17,875 | Accounts Payable | 32,269 | 56,021 | 34,150 |
| Accounts Receivable & Prepaids | 50,913 | 40,212 | 27,254 | Due to Festival Hydro Inc. | 201,894 | 122,147 | 20,363 |
| Inventory | 7,617 | 7,617 | 7,410 | Current Portion of LTD | 10,627 | 43,324 | 10,831 |
| Total Current Assets | 79,353 | 54,169 | 52,539 | Promissory Note | 372,000 | 372,000 | 372,000 |
| | | | | Income Tax Receivable/(Payable) | 7,299 | 22,299 | (4,159) |
| Fixed Assets | | | | Total Current Liabilities | 624,088 | 615,791 | 433,184 |
| Gross Book Value | 5,451,735 | 5,454,945 | 5,565,498 | | | | |
| Accumulated Depreciation | (2,536,415) | (2,593,336) | (2,874,270) | Other Liabilities | | | |
| Net Book Value | 2,915,321 | 2,861,608 | 2,691,229 | Deferred Revenue | 543,857 | 550,160 | 502,077 |
| | | | | Deferred Tax Liabilities | 243,000 | 247,000 | 247,000 |
| Other Assets | | | | | | | |
| Investment in QR Fibre Co. | — | 49,500 | — | Long Term Debt | | | |
| | | | | POP Loan Long Term Portion | 321,305 | 277,981 | 277,981 |
| | | | | TOTAL LIABILITIES | 1,732,251 | 1,690,933 | 1,460,242 |
| | | | | | | | |
| | | | | EQUITY | | | |
| | | | | Share Capital | 249,236 | 249,236 | 249,236 |
| | | | | Retained Earnings | 1,013,188 | 1,025,109 | 1,034,290 |
| | | | | TOTAL EQUITY | 1,262,423 | 1,274,345 | 1,283,525 |
| TOTAL ASSETS | 2,994,674 | 2,965,277 | 2,743,768 | TOTAL LIABILITIES AND EQUITY | 2,994,674 | 2,965,277 | 2,743,768 |

FESTIVAL HYDRO SERVICES INC.

Statement of Operations

For the period ending September 30, 2023

| | YTD as at Sep 30, 2022 | YTD as at Sep 30, 2023 | YTD Budget at Sep 30, 2023 | Cur to Bdg YTD Var\$ | Cur to Bdg YTD Var% |
|--|---------------------------|---------------------------|-------------------------------|----------------------|------------------------|
| TOTAL REVENUE | 989,482 | 1,076,861 | 1,043,674 | 33,186 | 3% |
| TOTAL OPERATING EXPENSES | 629,436 | 730,510 | 690,957 | 39,552 | 6% |
| NET INCOME BEFORE DEPRECIATION & INTEREST | 360,046 | 346,351 | 352,717 | (6,366) | (2%) |
| Depreciation | 281,892 | 280,933 | 280,933 | — | — |
| Interest Expense | 32,293 | 32,757 | 35,227 | (2,470) | (7%) |
| Interest Income | 161 | (1,358) | — | (1,358) | — |
| NET INCOME FOR THE PERIOD BEFORE TAXES | 45,700 | 34,019 | 36,556 | (2,537) | (7%) |
| Current Tax Provision | — | 15,000 | 16,125 | (1,125) | (7%) |
| Future Tax Provision | — | — | (6,000) | 6,000 | (100%) |
| NET INCOME(LOSS) FOR THE PERIOD | 45,700 | 19,019 | 26,431 | (7,412) | (28%) |

FESTIVAL HYDRO SERVICES INC.

Cash Flow Statement

For the period ending September 30, 2023

| | YTD as at Dec 31, 2022 | YTD as at Sep 30, 2023 |
|---|---------------------------|---------------------------|
| Cash from Operations | | |
| Net Income | 50,921 | 19,020 |
| Future tax provision | 1,700 | — |
| Current tax provision (ITC portion) | 24,000 | 15,000 |
| Depreciation | 366,553 | 280,933 |
| Amortization of contributed capital | (80,489) | (47,801) |
| Amortization of deferred revenue | (4,162) | (121) |
| Due to/from QR Fibre Co. | (49,500) | 49,500 |
| Net Change in Receivables/Payables | 24,112 | (80,165) |
| Net Cash Provided | 333,136 | 236,366 |
| Cash from Financing | | |
| Capital expenditures - Festival | (119,993) | (90,554) |
| Contributed capital received DSRC - AVIN | 37,346 | — |
| Loan - Wightman | (42,508) | (32,493) |
| Loan from/(repayment to) Festival | (210,656) | (101,784) |
| Net Cash Used | (335,811) | (224,831) |
| Increase (Decrease) in Cash Position | (2,676) | 11,534 |
| Cash Beg of Period | 9,016 | 6,341 |

FESTIVAL HYDRO SERVICES INC.

Statement of Capital

For the period ending September 30, 2023

| | YTD as at Sep 30, 2023 | YTD Budget at Sep 30, 2023 | Cur to Bdg YTD Var\$ | Cur to Bdg YTD Var% |
|-------------------------------|---------------------------|-------------------------------|----------------------|---------------------|
| CAPITAL | | | | |
| Computer Equipment - Hardware | 46,887 | 39,000 | 7,887 | 20% |
| Computer Software | — | 750 | (750) | (100%) |
| Buildings | 16,592 | 15,000 | 1,592 | 11% |
| Fibre Capital | 27,076 | 58,875 | (31,799) | (54%) |
| WiFi Capital | — | 23,250 | (23,250) | (100%) |
| TOTAL CAPITAL | 90,554 | 136,875 | (46,321) | (34%) |



MANAGEMENT REPORT

Date: March 19, 2024
To: Finance and Labour Relations Sub-committee
From: Tatiana Dafoe, City Clerk
Report Number: FIN24-010
Attachments: None

Title: Integrity Commissioner Services and Request for Proposal

Objective: To obtain direction on the issuance of a request for proposal for integrity commissioner services for the City.

Background: The Municipal Act, 2001, requires all municipalities to appoint an Integrity Commissioner. Broadly, the role of an Integrity Commissioner is to ensure adherence to the Code of Conduct for Members of Council and Designated Boards as well as the Municipal Conflict of Interest Act (MCIA). Further, the Integrity Commissioner provides advice and education to Members of Council on the rules contained within each. The Integrity Commissioner may conduct inquiries regarding whether a Member of Council or a local board has contravened the Code of Conduct or certain Sections of the MCIA.

Section 223.3 (1) of the Municipal Act, 2001, identifies that the Integrity Commissioner reports to Council and is responsible for independently performing duties as assigned by the Municipality including:

- Applying the Code of Conduct for Members of Council and Designated Boards and any other procedures, rules and policies of the municipality related to governing ethical behaviour;
- Applying certain Sections of the MCIA which relate to the requirements and processes for disclosing pecuniary interests;
- Responding to requests from Members of Council or a local board for advice on their obligations under the Code of Conduct, procedures, rules or policies of the municipality and the MCIA; and
- Providing educational information on Codes of Conduct and the MCIA.

Through the Municipal Act, 2001, the Integrity Commissioner is further provided the ability to conduct inquiries into whether a Member of Council or a local board has contravened the Code of Conduct or sections of the MCIA related to pecuniary interest. The Integrity Commissioner has a strict requirement to preserve confidentiality but may provide reports to Council and such reports shall be made available to the public. Finally, the Municipal Act further states that the Integrity Commissioner is not required to be a municipal employee.

At the August 8, 2022, Regular meeting, Council adopted the following resolution:

THAT the agreement dated December 18, 2018 between Robert J. Swayze and The Corporation of the City of Stratford for provision of Integrity Commissioner services be authorized for extension for up to a one year term to December 9, 2023;

AND THAT a draft request for proposals for the provision of Integrity Commissioner Services for the City of Stratford be presented to the Finance and Labour Relations Sub-committee for review.

The purpose of this report is to determine whether Council would like to proceed with issuing a request for proposal for integrity commissioner services or maintain the contract with the City's current integrity commissioner.

In 2018, the City appointed Robert J. Swayze as the City's Integrity Commissioner who remains under contract.

Analysis: Should Council wish to proceed with issuing a request for proposal for integrity commissioner services for the City, staff recommend the following requirements be mandatory:

- The successful bidder will have at least ten (10) years of legal or quasi-judicial experience, or senior municipal management; and
- Minimum of 3 references for whom the proponent has satisfactorily provided Integrity Commissioner services in the past 5 years.

Staff recommend the term of the contract be from date of signing in 2024 to December 31, 2026 with an option to renew for two years at the sole discretion of the City of Stratford. Continuation of the agreement will require approval by Council.

The role of the integrity commissioner and the services to be provided are those outlined in section 223.3 (1) of the *Municipal Act, 2001*, specifically:

- In accordance with section 223.3(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25., the Integrity Commissioner shall carry out the following functions:
 - i. the application of the City's Code of Conduct for Members of Council and the City's Code of Conduct for Members of Local Boards;
 - ii. the application of any procedures, rules and policies of the municipality and Local Boards governing the ethical behaviour of Members of Council and of Local Boards;
 - iii. the application of sections 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act*, RSO 1990, c M.50, to Members of Council and of Local Boards;
 - iv. requests from Members of Council and of Local Boards for advice respecting their obligations under the City's Code of Conduct applicable to the member;
 - v. requests from Members of Council and of Local Boards for advice respecting their obligations under a procedure, rule or policy of the municipality or of the Local Board, as the case may be, governing the ethical behaviour of members;
 - vi. requests from Members of Council and of Local Boards for advice respecting their obligations under the *Municipal Conflict of Interest Act*, RSO 1990, c M.50; and,
 - vii. the provision of educational information to Members of Council, members of Local Boards, the municipality and the public about the City's Codes of Conduct for Members of Council and members of Local Boards and about the *Municipal Conflict of Interest Act*, RSO 1990, c M.50.
- The duties of the Integrity Commissioner with respect to Municipal Council are to:
 - i. provide advice to Members of Council on the application of the City's Code of Conduct for Members of Council and any procedures, rules and policies of the municipality governing the ethical behaviour of Members of Council;
 - ii. provide advice to Members of Council on the application of sections 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act*, RSO 1990, c M.50;

- iii. receive and conduct such formal or informal processes as may be appropriate (including inquiries or mediations), concerning complaints by the Council, or any person that a Member of Council has contravened the City's Code of Conduct for Members of Council, the *Municipal Conflict of Interest Act*, RSO 1990, c M.50, or rules and policies of the municipality governing the ethical behaviour of Members of Council;
 - iv. report to Council, in writing, where an inquiry has been conducted and the Integrity Commissioner is of the opinion that a Member of Council has contravened the City's Code of Conduct for Members of Council and/or include any recommendations with respect to the inquiry for the Council to consider;
 - v. report to Council annually, in writing, summarizing any activities undertaken and advice given; and,
 - vi. provide such training and written reference materials, upon the request of Municipal Council, for distribution to and use by Members of Council and the public regarding the role of the Integrity Commissioner, the obligations and responsibilities of Members of Council under the City's Code of Conduct for Members of Council and under the *Municipal Conflict of Interest Act*, RSO 1990, c M.50, the meaning of the City's Code of Conduct for Members of Council and any procedures, rules and policies of the municipality governing the ethical behaviour of Members of Council under the City's Code of Conduct for Members of Council and the *Municipal Conflict of Interest Act*, RSO 1990, c M.50.
- The duties of the Integrity Commissioner with respect to Local Boards are to:
 - i. provide advice to Members of Local Boards on the application of the City's Code of Conduct for Local Boards and any procedures, rules and policies of the Local Boards governing the ethical behaviour of Members of Local Boards;
 - ii. provide advice to Members of Local Boards on the application of sections 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act*, RSO 1990, c M.50;
 - iii. receive and conduct inquiries into requests by Local Boards, a Members of the Local Boards or a member of the public about whether a Member of a Local Board has contravened the City's Code of Conduct for Local Boards;
 - iv. receive and conduct inquiries or initiate inquiries about whether a Member of a Local Board has contravened the *Municipal Conflict of Interest Act*, RSO 1990, c M.50, in accordance with sections 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act*, RSO 1990, c M.50;

- v. report to the Local Board, in writing, where an inquiry has been conducted and the Integrity Commissioner is of the opinion that a Member of the Local Board has contravened the Code of Conduct for Members of Local Boards and include any recommendations with respect to the inquiry for the Local Board to consider;
- vi. report to Local Boards, annually, in writing, summarizing any activities undertaken and advice given; and
- vii. provide such training and written reference materials, upon the request of Local Boards, for distribution to and use by Members of Local Boards and the public regarding the role of the Integrity Commissioner, the obligations and responsibilities of Members of Local Boards under the City's Code of Conduct for Members of Local Boards and under the *Municipal Conflict of Interest Act*, RSO 1990, c M.50, the meaning of the City's Code of Conduct for Members of Local Boards and any procedures, rules and policies of the Local Boards governing the ethical behaviour of Members of Local Boards under the City's Code of Conduct for Members of Local Boards and the *Municipal Conflict of Interest Act*, RSO 1990, c M.50.

Financial Implications:

Financial impact to current year operating budget:

The current hourly rate for the current integrity commissioner is \$280.00. Funds are included in the annual budget for integrity commissioner services. Should a request for proposal be issued the annual rate could change.

Financial impact on future year operating budget:

Funds are included in the annual budget for integrity commissioner services.

Legal considerations:

The City is required to appoint an integrity commissioner in accordance with the Municipal Act, 2001.

Alignment with Strategic Priorities:

Not applicable: The City is required to appoint an integrity commissioner under the Municipal Act, 2001.

Alignment with One Planet Principles:

Not applicable: The City is required to appoint an integrity commissioner under the Municipal Act, 2001.

Staff Recommendation: THAT direction be given on whether a request for proposal is to be issued in 2024 for integrity commissioner services;

AND THAT direction be given on any terms or conditions to be included in the request for proposal.

Prepared by: Tatiana Dafoe, City Clerk

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services
Joan Thomson, Chief Administrative Officer