



The Corporation of the City of Stratford  
Finance and Labour Relations Sub-committee  
Open Session  
AGENDA

**Date:** Tuesday, April 22, 2025  
**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, Miranda Franken - Council Clerk Secretary, Audrey Pascual - Deputy Clerk

To watch the Sub-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.

Land Acknowledgment

Moment of Silent Reflection

Respectful Conduct 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

**3. Delegations**

None scheduled.

**4. Report of the Manager of Financial Services**

**4.1 Preliminary 2024 Year-End Results (FIN25-011)**

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Motion by

**Staff Recommendation:** THAT the report titled, "Preliminary 2024 Year-End Results" (FIN25-011) dated April 22, 2025, be received for information.

**5. Advisory Committee/Outside Board Minutes**

There are no Advisory Committee/Outside Board minutes to be provided to Sub-committee.

**6. Next Sub-committee Meeting**

The next Finance and Labour Relations Sub-committee meeting is May 20, 2025 at 4:30 p.m. in the Council Chamber, City Hall.

**7. Adjournment**

Meeting Start Time:

Meeting End Time:

Motion by

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



## MANAGEMENT REPORT

**Date:** April 22, 2025  
**To:** Finance and Labour Relations Sub-committee  
**From:** Michael Koktan, CPA, CA, Manager of Financial Services  
**Report Number:** FIN25-011  
**Attachments:** Fourth Quarter 2024 Operating Variance Report

**Title:** Preliminary 2024 Year-End Results

**Objective:** To highlight anticipated 2024 year-end results and variances.

**Background:** Regular monitoring of budgetary performance provides early warnings of potential problems and flags areas requiring attention, allowing decision-makers time to address significant budget deviations.

This report is an early estimate of the ending 2024 position, noting there are still many year-end adjustments underway.

**Analysis:** The attached variance summary is preliminary, as Finance staff continue to process 2024 year-end transactions. The overall operating surplus for the year is \$3.9 million, primarily due to \$3.25 million in proceeds from a land sale and salary variances from staffing vacancies. A subsequent report will follow to seek direction from Council on the distribution of these proceeds (ie: transferred to a reserve for future use). This will adjust the forecasted surplus to < \$1 million.

The forecasted variance represents department and Finance staff's preliminary estimate of the final surplus position, including planned year-end journal entries.

The allocation of the surplus will be consistent with the reserves and reserves fund policies.

Detailed commentary on each of the departments' variances is in the attachment with this report. A high-level departmental overview is discussed below.

### Mayor, Council, Committees

Lower expenses on special events and strategic priorities have resulted in a surplus of \$87,624.

## **Chief Administrative Officer**

The department has tracked close to budget with no significant variance being incurred.

## **Human Resources**

Higher than expected legal fees have resulted in a deficit of \$71,550 for the department. Due to employee-related matters and collective bargaining costs.

## **Corporate Services (Finance, Taxation, Clerks, Information Technology)**

Overall, the department projects a surplus.

Finance/General: The primary driver of the surplus is the \$3.25 million realized from the land sale that occurred in the year. Other contributing factors include supplementary tax revenues, increased investment income, a higher than anticipated payment from Festival Hydro, and lower-than-anticipated tax write-offs. The 2024 budget anticipated leaning on the tax stabilization reserve (prior year surpluses) to augment revenues, however this was not required and will remain in the reserves for use in subsequent years.

Clerks: Surplus of \$57,777 realized due to timing differences with staff changes. Two positions filled at the end of Q4 with one full time position remaining vacant. In addition, training expenditures are lower than expected due to staff turnover and competing priorities.

IT: All amounts spent are charged back to divisions. No variance anticipated.

## **Building and Planning Services**

Building Division permit revenue is tracking higher than budget but any surplus or deficit is managed through the reserve fund so there will be no levy impact.

Staffing challenges in the Planning Division have resulted in salary under-spending, but this has been offset by higher than budgeted consulting costs, the result of these staffing challenges.

Wage adjustments yet to be completed have significantly contributed to a \$217,000 surplus in the By-Law department. This will likely be reduced once final entries are completed.

## **Infrastructure Services**

The Infrastructure Services Department as a whole, is within budget. The \$75,419 deficit in the Fleet Division is being driven by a delay in the delivery of fleet purchases which has resulted in higher than anticipated repairs and maintenance costs.

## **Fire and Airport**

Staffing vacancies, and under-budget contractor expenses from delayed dispatch implementation, have contributed to the Fire Department surplus. Year-end payroll accruals are pending, with no significant overall variance anticipated once these are recorded.

## **Community Services**

Community Services is forecasting a \$1.06 million surplus, resulting from significant variances in City Buildings, Facilities, and Transit. These variances are driven by higher rental and lease revenue combined with lower hydro costs in City Buildings, increased online ice bookings in Facilities, along with higher fare revenue and lower part-time salary costs in Transit.

## **Social Services**

Social Services is forecasting a \$330,000 deficit, resulting from unbudgeted City Homelessness response costs, increased building maintenance fees and escalated food costs at the Day Care, and increased property taxes and repair expenses for the Perth & Stratford Housing Corporation.

## **Police**

The department is expected to track to budget as any surplus or deficit is balanced via the Police reserve fund.

## **Library**

The Library is expected to track to budget as any surplus or deficit is balanced via the Library reserve fund.

## **Conclusion**

Year-end forecasts are noted in the attached. Staff is currently forecasting an operating budget surplus of less than \$1 million. Based on the total budgeted expenditures, this represents less than 1%. This projected operating surplus is still subject to change based on year-end entries.

According to the Reserve and Reserve Fund policy, any unallocated year-end surplus will flow to the Tax Stabilization Reserve. This reserve stabilizes or mitigates subsequent year budget increases from timing differences or unanticipated in-year variances, ensuring surpluses benefit taxpayers in future years.

## **Financial Implications:**

### **Financial impact to current year operating budget:**

2024 activity does not impact the 2025 or subsequent operating budgets except to the extent that prior year surpluses are often utilized to mitigate rising expenditures. This report is for information only. If a final surplus results from the accounting currently underway, it will flow into the tax stabilization reserve for future use.

### **Alignment with Strategic Priorities:**

**Not applicable:** This report is a summary financial report for informational purposes and does not directly align with any specific Strategic Priority. It does however provide benefit by offering insight into overall operational performance and supports informed decision-making.

### **Alignment with One Planet Principles:**

**Not applicable:** As this report is being prepared for informational purposes, the One Planet Principles do not apply.

**Staff Recommendation: THAT the report titled, "Preliminary 2024 Year-End Results" (FIN25-011) dated April 22, 2025, be received for information.**

<b>Prepared by:</b>	Michael Koktan, CPA, CA, Manager of Financial Services/Deputy Treasurer
<b>Recommended by:</b>	Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer Adam Betteridge, Interim Chief Administrative Officer

City of Stratford Q4 - Operating Variance Report as at December 31, 2024						
Department	2024 Net Budget	Unaudited as at Dec 31 2024	% of Budget Spent	(Surplus)/Deficit FORECASTED Variance as at Dec 31 2024	Variance as a % of Budget	Explanation
<u>Mayor/Council/CAO Office</u>						
101 - Mayor & Council	\$716,724	\$629,100	87.8	(\$87,624)	-12%	Special events under by \$23,000 as events are evaluated annually for ways to cut costs. \$35,000 in the Mayor's budget and \$75,000 in Council budget allocated to strategic priorities was largely unspent as outside consulting services were not required.
102 - Committees of Council	\$94,945	\$47,278	49.8	\$0	0%	Unused dollars are transferred to boards and committees reserve.
111 - CAO's Office	\$952,071	\$955,237	100.3	\$3,166	0%	Not material.
<u>Human Resources</u>						
112 - Human Resources	\$1,166,301	\$1,237,851	106.1	\$71,550	6%	Slight overage due to timing differences with staff changes and higher than anticipated legal fees.
<u>Corporate Services</u>						
1010 - Taxation	(\$80,090,376)	(\$80,090,364)	100.0	\$0	0%	Taxes billed agree to tax levy/budget approved.
100 - General Revenues	(\$1,847,077)	(\$2,034,198)	110.1	(\$187,121)	10%	Reflects higher payments from Festival Hydro vs. budget.
121 - City Clerk	\$876,443	\$818,666	93.4	(\$57,777)	-7%	Surplus due to timing differences with staff changes. Two positions filled at the end of Q4 with one full time position remaining vacant. Training expenditures lower than anticipated due to staff turnover and competing priorities.
134 - Information Technology	\$0	(\$138,119)	0.0	\$0	0%	All amounts spent are charged back to divisions . No significant variance anticipated.
135 - Parking	(\$587,334)	(\$864,859)	147.3	\$0	0%	Parking revenue was higher than budget due to increased fines amounts implemented in May 2024. Payroll costs were lower than expected due to departmental vacancies, creating staffing gaps for part of the year. Contractor costs were lower due to staffing shortages experienced by the parking enforcement service provider. Unplanned surplus balanced through parking reserve fund.
136 - Crossing Guards	\$257,950	\$201,304	78.0	(\$56,646)	-22%	Slight surplus due to number of 'snow days' and cancellations.
139 - General Financial Services	\$761,224	(\$748,359)	-98.3	(\$1,509,583)	-198%	Includes\$ 3.25M proceeds from sale of land to PeopleCare. In addition, higher tax supplementaries and investment income as well as lower tax writeoffs contributing to surplus. \$3 million transfer from tax stabilization may or may not be needed to offset any deficit upon the finalization of results.
513 - Industrial Land Sales	\$0	\$519,965	0.0	\$0	0%	Activity in this division is balanced through the Industrial Land Reserve Fund and recovered through industrial land sales.
810 - Requisitions from Others	\$10,409,228	\$10,411,359	100.0	\$2,131	0%	Small unanticipated variance. Still waiting on POA revenues from Perth County which will eliminate the deficit.
872 - Community Supports	\$1,049,868	\$820,349	78.1	(\$229,519)	-22%	Variance due to planned Bill 23 (DC) activity that did not occur in the year.

City of Stratford Q4 Operating Variance Report as at December 31, 2024						
Department	2024 Net Budget	Unaudited as at Dec 31 2024	% of Budget Spent	(Surplus)/Deficit FORECASTED Variance as at Dec 31 2024	Variance as a % of Budget	Explanation
<i><b>Building and Planning Services</b></i>						
250 - Building Permits	\$0	(\$380,862)	0.0	\$0	0%	Balanced through building permit reserve fund.
251 - Planning Services	\$680,617	\$780,485	114.7	\$99,868	15%	Variance due to staffing challenges and reliance on consulting firms.
252 - By-Law Enforcement	\$378,632	\$161,603	42.7	(\$217,029)	-57%	Variance due to staffing challenges (vacancies).
<i><b>Infrastructure Services</b></i>						
310 - Engineering	\$1,320,212	\$1,841,267	139.5	\$521,055	39%	Departmental deficit attributed to lower than budgeted recoverable revenues coupled with near budget expenditures.
315 - Fleet	\$1,079,512	\$1,154,931	107.0	\$75,419	7%	Deficit driven mainly to aging fleet repairs and to delays in receiving replacement vehicles.
320 - Roads	\$7,311,046	\$6,989,990	95.6	(\$321,056)	-4%	Variance is less than 5%.
330 - Sanitary	\$0	\$598,968	0.0	\$0	0%	User-fee division is balanced through reserve funds.
340 - Storm	\$4,929,662	\$4,743,819	96.2	(\$185,843)	-4%	Variance is less than 5%.
350 - Water	\$0	(\$155,831)	0.0	\$0	0%	User-fee division is balanced through reserve funds.
360 - Waste	\$882,311	\$793,862	90.0	(\$88,449)	-10%	Small unanticipated variance.
<i><b>Fire</b></i>						
211 - Fire	\$9,877,547	\$8,862,885	89.7	(\$1,014,662)	-10%	Payroll savings arose from staffing adjustments, encompassing an unanticipated retirement and the dispatch function's transfer, which created temporary vacancies. The contractor budget for dispatch services was significantly lower than anticipated due to delayed implementation. Year end accruals for overtime and sick bank are pending. Significant variance not anticipated.
512 - Airport	\$73,049	\$48,227	66.0	(\$24,822)	-34%	Increased fuel sales and land lease revenue coupled with reduced operating expenses more than offset higher fuel purchase costs.
<i><b>Community Services</b></i>						
141 - City Buildings	\$2,216,487	\$1,982,471	89.4	(\$234,016)	-11%	Rental and lease revenue was \$88,000 higher than budgeted. This increase was mainly due to clearing the backlog in Justice building lease billings and increased charges for the Discovery Centre lease. Hydro costs were \$38,000 lower than budget which is attributed to the LED light installation program. Maintenance contract utilization was under budget by \$23,000, as City Hall and 82 Erie contracts were not used as heavily in 2024.
711 - Parks	\$2,779,472	\$2,784,560	100.2	\$5,088	0%	Not material.
715 - Facilities	\$2,093,245	\$1,542,798	73.7	(\$550,447)	-26%	Recreation ice rentals exceeded budget by \$257,000, attributed to last minute online ice bookings which brought in more events. Salaries and benefits remained under budget by \$341,000, with more staff time being allocated to recreation facilities (Dept 721) activity.
721 - Recreation	\$6,220,030	\$6,302,334	101.3	\$82,304	1%	Small unanticipated variance.



City of Stratford Q4 Operating Variance Report as at December 31, 2024						
Department	2024 Net Budget	Unaudited as at Dec 31 2024	% of Budget Spent	(Surplus)/Deficit FORECASTED Variance as at Dec 31 2024	Variance as a % of Budget	Explanation
731 - Cemetery	\$503,508	\$471,823	93.7	(\$31,685)	-6%	Surplus due to timing difference switching all vehicle costs to Fleet.
750 - Transit	\$3,706,795	\$3,397,339	91.7	(\$309,456)	-8%	Mainly higher fare revenues, and moving part time transit drivers to full time saving overtime costs.
751 - Parallel Transit	\$646,955	\$630,153	97.4	(\$16,802)	-3%	Transit fares higher than anticipated.
752 - Community Transportation	\$0	\$52,842	0.0	\$0	0%	Division is balanced with community transit funding and partner billings.
<u>Social Services</u>						
610 - Social Services Administration	\$21,115	(\$21,444)	-101.6	\$40,000	189%	Anticipated variance of approximately \$40,000 due to unbudgeted encampment cleanup costs.
611 - Ontario Works	\$624,920	\$1,411,340	225.8	\$0	0%	No significant variance anticipated at year end
612 - Homelessness	\$239,010	\$990,714	414.5	\$0	0%	No significant variance anticipated at year end
613 - Anne Hathaway Day Care Centre	\$47,290	\$1,537,745	3251.7	\$40,000	85%	Anticipated variance of approximately \$40,000 due to reclassification of AHDC building maintenance and escalated food costs. Note that the anticipated \$20,000 variance as a result of the reclassification will be directly offset by an increase to revenue in department 141 (City Buildings)
614 - Perth & Stratford Housing Corporation	\$2,131,545	\$6,044,475	283.6	\$250,000	12%	Anticipated variance of approximately \$250,000 due to increased property tax and repair expenses.
615 - Housing Division - Service Manager	\$791,270	\$1,523,005	192.5	\$0	0%	No significant variance anticipated at year end
616 - Child Care	\$326,421	\$11,691,821	3581.8	\$0	0%	No significant variance anticipated at year end
618 - Affordable Housing	\$624,596	(\$144,770)	-23.2	\$0	0%	No significant variance anticipated. Activity in this division is balanced through the reserve fund with no impact to the levy surplus/deficit.
<u>Police</u>						
231 - Police	\$13,821,228	\$14,674,956	106.2	\$0	0%	Operational deficit due to additional costs in establishing 789 Erie, and legal fees but is managed from the police reserve.
<u>Library</u>						
411 - Library	\$2,913,558	\$2,768,844	95.0	\$0	0%	Expected surplus driven mainly by lower than anticipated payroll expenditures due to staffing gaps. Surplus is managed from the library reserve.
Total Net Expenses (Revenue)	\$0	\$14,845,558		(\$3,931,957)		Projected Surplus