



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

Date: September 22, 2020

Time: 3:30 P.M.

Location: Electronically

Sub-committee Present: Councillor Clifford - Chair Presiding, Councillor Gaffney - Vice Chair, Councillor Beatty, Councillor Bunting, Councillor Ritsma

Staff Present: Janice Beirness - Acting Director of Corporate Services/Manager of Financial Services, Tatiana Dafoe - City Clerk, Jodi Akins - Council Clerk Secretary, Chris Bantock - Deputy Clerk

Also present: Joani Gerber - SEEDCo./investStratford, Zac Gribble and Lee Anne Nymeyer – Stratford Tourism Alliance, Kelly McCann and Scott Knapman – Festival Hydro

1. Call to Order

The Chair called 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

No disclosures of pecuniary interest were made by a member at the September 22, 2020 Finance and Labour Relations Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of Stratford Economic Enterprise Development Corporation

4.1 Stratford Economic Enterprise Development Corporation (SEED Co./investStratford) – September 2020 Update & 2019 Annual Report (FIN20-014)

Staff Recommendation: THAT the Stratford Economic Enterprise Development Corporation (SEED Co./investStratford) report dated September 22, 2020 be received for information.

Motion by Councillor Ritsma

Sub-committee Decision: THAT the presentation by Joani Gerber of the September 2020 Update and 2019 Annual Report be heard.
Carried

Sub-committee Discussion: Ms. Gerber advised that their AGM was held in June 2020 and the 2019 Annual Report was attached to the agenda. Highlights from 2019 were noted, including work completed with Rhizome on the Smart City network and autonomous vehicle testing and how they were used to promote the City internationally.

Financially, 2019 was a breakeven year. They were down in staffing but are now back to a full compliment of six FTE in 2020. They were able to visit the City's Japanese investors with the previous Festival Hydro CEO and it was received very well.

Several highlights from 2020 were noted, including the opening of Crane Avenue which is serviced and virtual reality site tours are taking place.

The Small Business Enterprise Team supported 30 companies moving online or improving their digital footprint during the pandemic. They also partnered with a number of organizations on a Mental Wellness for Entrepreneurs program through to the end of 2020.

Thanks was given to the volunteers of the Economic Recovery Task Force, City Council and city staff on the work put into the pandemic response, as well as the creativity and resilience of local businesses to keep their staff employed and doors open. The Task Force is now taking a long-term view on recovery and will be undertaking community consultation on what the needs are through each phase.

Ms. Gerber and her team were thanked for their leadership and work during the pandemic.

It was noted that there is a demand for small lots for development. Ms. Gerber advised that Crane Avenue does not have 1-2 acre lots. It is a complex pie shape and the smallest lots are 4-6 acres. In the absence of available City-owned small lots, they are actively promoting privately held parcels and assisting with making connections to find the best opportunity for businesses looking to buy, build or invest. They are working on a project that will result in the creation of a GIS map which identifies existing landowners that have additional acreage that can be infilled.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the Stratford Economic Enterprise Development Corporation (SEED Co./investStratford) report dated September 22, 2020 be received for information.

Carried

With respect to Task Force activities and a potential second wave of COVID-19, Ms. Gerber was asked whether there are concerns about bringing COVID back into the community. She stated that there is a very delicate balance between encouraging commerce and the health and safety of residents. City Centre and the BIA have provided incentives for downtown businesses to purchase PPE and many businesses have taken a measured approach to re-opening. She noted that business owners are leading the way in showing how best to stay safe and limiting unsafe transactions.

The risks were acknowledged by Ms. Gerber and she stated that following Public Health advice is important. She encouraged supporting local businesses with online purchases or take-out.

5. Report of Stratford Tourism Alliance

5.1 Stratford Tourism Alliance – September 2020 Update (FIN20-015)

Staff Recommendation: THAT the Stratford Tourism Alliance report dated September 22, 2020 be received for information.

Motion by Councillor Beatty

Sub-committee Decisions - THAT the presentation by Zac Gribble and Lee Anne Nymeyer of the September 2020 Update be heard.

Carried

Sub-committee Discussion: Mr. Gribble advised that the approved budget underwent major changes as a result of COVID-19. They did receive a substantial grant in the amount of \$382,000 from the Regional Relief and Recovery Fund. A chart in the report shows how the grant was allocated. Mr. Gribble highlighted that all staff were able to be hired back, membership fees were refunded to about 200 businesses in the City and marketing and advertising were done.

It was noted that it is a delicate balance of what level of visitation is appropriate and it is a moving target. At the beginning of re-opening, they focused on "hyper-local" tourism, then moved into the KW and London areas and then west of Toronto. They are beginning to claw back from that area now.

The changes to the budget were noted, specifically the non-collection and refund of membership fees and refund of Culinary Guide deposits which is not being produced. They are also projecting that the Stratford Tourism Supplement will be down by 80%.

They were able to substantially increase student staff grants and the students will continue to work part-time through to the end of December.

Expenses were reviewed. There is a huge increase in Fall-Winter advertising and the summer and road trips campaign. They also had a one-time unexpected expense due to a retirement.

They are in excellent shape for 2020, due to the grant. For 2021, three scenarios are being developed. One includes no additional revenue sources and stable City funding, the second includes limited revenue and the third includes limited revenue plus some form of federal/provincial grant support. They feel the third option is the most likely.

2020 achievements were highlighted, including a substantial "hyper-local" campaign, shifting to focus on the visitor experience by creating maps on what was actually open during re-opening and the re-opening of the STA office and visitor hut in Market Square. With respect to Destination Development, the Chocolate and Christmas trails have been very popular. The AI Fresco project was an extremely successful collaboration.

Details on the Stratford Lights On project were provided, noting that it is designed to be flexible for any potential restrictions at the time and that it is employing local workers.

Mr. Gribble and his team was thanked and were asked if it is possible to tell how much tourism is from City residents or achieved from advertising. Mr. Gribble advised that the trail pass activity is largely from KW and London, which is where they have been advertising.

In response to how Stratford compares with receiving visitors this summer to other municipalities, Mr. Gribble advised that there is no hard data but he is on weekly calls with other cities and anecdotally, Stratford is punching way over its weight due to the speed which the Task Force moved, advertising and proximity to larger centres.

It was asked whether there was any evidence that any COVID-19 cases in this area could be traced back to visitors. Mr. Gribble advised that he was not aware of a single case and noted that visitors are quite respectful with following rules and regulations. It was suggested by a Sub-committee member this was a more appropriate question for the Chief Medical Officer of Health.

In response to a request to explain Lights On Stratford, Mr. Gribble advised that the core purpose of the project is economic recovery and is a "made in Stratford" solution. There are four main locations, and a fifth distributed location. Several highlights of the project were given, including a "rising sun" pre-dawn program designed to encourage overnight stays.

There will also be displays in Shakespearean Gardens, Tom Patterson Island and Tom Patterson Theatre. 20-25 retailers will be working with professionals to have light displays in their windows.

Motion by Councillor Bunting

Sub-committee Recommendation: THAT the Stratford Tourism Alliance report dated September 22, 2020 be received for information.

Carried

6. Report of Festival Hydro Inc.

6.1 Financial Statements and Commentary for Festival Hydro Inc. (FHI) – Q2 ending June 30, 2020 (FIN20-016)

Staff Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ending June 30, 2020, be received for information.

Motion by Councillor Beatty

Sub-committee Decision: THAT the presentation by Kelly McCann and Scott Knapman regarding the Festival Hydro Inc. second quarter update be heard.

Carried

Sub-committee Discussion: Ms. McCann reviewed the second quarter update, noting that the net income for the period is \$772,000, which is \$130,000 below the year to date budget.

With respect to how they are operating right now specific to COVID-19, she noted that the accounts receivable balance is significantly higher than the previous year due to the moratorium on cutting service due to non-payment being extended to July this year. The amount due from Festival Hydro Services Inc., has also increased significantly, but it will be recovered by the end of the year.

She noted that the Ontario Energy Board has approved a variance account to capture incremental costs specific to COVID-19.

With respect to the Income Statement, revenue is \$147,000 below budget, largely due to small and large commercial coming in much lower than budget. They do have some pick-up happening in the large commercial and expect the trend to continue. Other revenue is also below budget, mainly due to less billable work being completed due to COVID-19.

With respect to costs, total controllable costs are \$1,000 greater than budget. Operating and maintenance costs are running \$49,000 over budget as a result of unplanned sick leave taken in the beginning of the year. Admin expenses are running \$47,000 under budget which is driven by lower labour costs due to the CEO vacancy, in addition to lower than budgeted contract labour costs as projects have been delayed or potentially deferred due to COVID-19. This is offset by the unbudgeted executive search firm expense relating to the CEO vacancy.

The last item that she wished to highlight was a timing difference between the budget and actual expense as it relates to the LEAP program. They made the decision in 2020 to increase the amount by 50% which means that there will be more funds to help support customers.

In response to how the City will be affected with income being down, Ms. McCann advised that the Board passed a resolution to defer second quarter dividends. They are meeting in October to review the year's projections and look at Q3 dividends and into 2021.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ending June 30, 2020, be received for information.

Carried

7. Report of Festival Hydro Services Inc.

7.1 Financial Statements and Commentary for Rhizome (Festival Hydro Services Inc. - FHSI) – Q2 ending June 30, 2020 (FIN20-017)

Staff Recommendation: THAT the Rhizome (Festival Hydro Services Inc.) financial statements and commentary for the period ending June 30, 2020, be received for information.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the presentation by Kelly McCann and Scott Knapman regarding the Festival Hydro Services Inc. second quarter update be heard.

Carried

Sub-committee Discussion: Ms. McCann stated that the net income for the period was \$78,000 which is \$78,000 ahead of budget.

Two items on the balance sheet were highlighted. The accounts receivable was higher than the Q2 2019 balance and the capital asset additions were \$557,000 to the end of Q2 as a result of DSRC purchases.

With respect to the Income Statement, revenues are \$43,000 lower than budget as a result of consulting revenue.

On the expense side, they are running \$120,000 below budget as a result of a number of items as listed in the report.

With respect to being below budget with expenses and whether there may be a surplus, Ms. McCann advised that there will be some permanent budget to actual differences such as some outside service fees that will not occur in 2020. They are hopeful to remain below budget on fibre and Wi-Fi maintenance but that is largely reactionary.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the Rhyzome (Festival Hydro Services Inc.) financial statements and commentary for the period ending June 30, 2020, be received for information.

Carried

8. Advisory Committee/Outside Board Minutes

There were no Advisory Committee/Outside Board minutes to be provided.

9. New Business

9.1 Development Charges

The Chair asked the Acting Director of Corporate Services whether recent changes to the Development Charges Act will adversely affect the City.

She advised that the consultant who completes the City's development charges study is looking into it and may have some advice.

10. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is October 20, 2020.

11. Adjournment

Motion by Councillor Gaffney

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

Carried

Meeting Start Time: 3:30 P.M.

Meeting End Time: 4:41 P.M.