



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

Date: Tuesday, 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

To watch the Sub-committee meeting live, click the following link:

<https://stratford-ca.zoom.us/j/91711953007?pwd=Q2NDeTY5Wjg3OGZOeHNhN3VYTWJjZz09>

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

<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. 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)

5 - 26

Joani Gerber, CEO of SeedCo./investStratford, will be in attendance at the meeting to provide an update to Sub-committee.

Motion by _____

Staff Recommendation: THAT the presentation by Joani Gerber of the September 2020 Update and 2019 Annual Report be heard.

Motion by _____

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

5. Report of Stratford Tourism Alliance

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

27 - 40

Zac Gribble, Executive Director and Lee Anne Nymeyer, Secretary-Treasurer of Stratford Tourism Alliance, will be in attendance at the meeting to present an update to Sub-committee.

Motion by _____

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

Motion by _____

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

6. Report of Festival Hydro Inc.

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

41 - 49

Kelly McCann, Chief Financial Officer and Scott Knapman, Chief Executive Officer of Festival Hydro Inc. will be in attendance at the meeting to present the second quarter update.

Motion by _____

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

Motion by _____

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

7. Report of Festival Hydro Services Inc.

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

50 - 58

Kelly McCann, Chief Financial Officer and Scott Knapman, Chief Executive Officer of Festival Hydro Services Inc. will be in attendance at the meeting to present the second quarter update.

Motion by _____

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

Motion by _____

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

8. Advisory Committee/Outside Board Minutes

There are no Advisory Committee/Outside Board minutes to be provided at this time.

9. Next Sub-committee Meeting

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

10. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by _____

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



Corporate Services Department

MANAGEMENT REPORT

Date: September 22, 2020
To: Finance and Labour Relations Sub-committee
From: Janice Beirness, Acting Director of Corporate Services
Report#: FIN20-014
Attachments: SEED Co. September 2020 Update
SEED Co. 2019 Annual Report

Title: Stratford Economic Enterprise Development Corporation (SEED Co./investStratford)
– September 2020 Update & 2019 Annual Report

Objective: To receive an update on SEED Co.'s year-to-date activities for 2020, as well as its 2019 Annual Report.

Background: SEED Co. gives regular updates to Council through the Finance & Labour Relations Sub-Committee.

Analysis: Representatives from SEED Co. have been invited to attend as an electronic delegation to present the attached report.

Financial Impact: None noted.

Alignment with Strategic Priorities:

Widening our Economic Opportunities

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

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

A handwritten signature in black ink that reads "Janice Beirness".

Janice Beirness, Acting Director of Corporate Services

A handwritten signature in cursive script, reading "Joan Thomson".

Joan Thomson, Chief Administrative Officer

STRATFORD ECONOMIC ENTERPRISE DEVELOPMENT CORPORATION (SEED CO.)

ANNUAL REPORT

2019

YEAR IN REVIEW



ADVANCING STRATFORD'S ECONOMIC FUTURE

STRATFORD ECONOMIC ENTERPRISE DEVELOPMENT CORPORATION (SEED CO.)

VISION: Stratford is Canada's leader in digitally enabled approaches for investment in arts, education and industry.

MISSION: The Stratford Economic Enterprise Development Corporation (SEED Co.) advances the economic future of Stratford through excellence, creativity and collaborative leadership.



Advancing Stratford's Economic Future

STRATFORD ECONOMIC ENTERPRISE DEVELOPMENT CORPORATION (SEED CO.)

Annual General Meeting

Thursday, June 18, 2020 – via Zoom Meeting

investStratford,
6 Wellington Street
Stratford, Ontario

9:00am-10:00am

2019
YEAR IN REVIEW

AGENDA

- | | |
|--------|--|
| 9:00am | Arrival of Board Members |
| 9:00am | Call to Order |
| 1.0 | Board Business Meeting Called to Order – 6th Annual General Meeting of the Stratford Economic Enterprise Development Corporation |
| 2.0 | Declarations of pecuniary interest and the general nature thereof |
| 3.0 | Adoption of the Minutes from Annual General Meeting – 2018 Year in Review (held June 14, 2019) |
| 4.0 | CEO Report on 2019 – Joani Gerber |
| 5.0 | Auditor’s Report and unaudited 2019 Financial Statements – Janice Beirness |
| 6.0 | Confirmation and Appointment of Acts of Directors |
| 7.0 | Appointment of Auditors |
| 8.0 | Adjournment |

MINUTES from AGM: 2018 Year in Review (held June 14, 2019)

Directors Present: Brad Beatty; Stephen Cooper; Ginny Dybenko; Franklin Famme; Dave Gaffney; Dan Mathieson; Michael McCourt; Anne McDougall; Jeff Orr; Shelley Stevenson; Kevin Tuer

Regrets: Rob Horne

Staff Present: Joani Gerber; Mike Pullen; Michael Humble

1.0 Board Business Meeting Call to Order:

Annual General Meeting of the Stratford Economic Enterprise Development Corporation

K. Tuer called the Annual General Meeting: 2018 Year in Review to order at 7:30 AM and noted that there was quorum.

2.0 Declarations of pecuniary interest and the general nature thereof

Declared: S. Cooper re: Wright Business Park and Crane Avenue Land Development

Declared: F. Famme re: Stratford HD Project

Declared: S. Stevenson re: Stratford HD Project

3.0 Adoption of the Minutes from 2017 Annual General Meeting (held on June 7, 2018)

Moved by: F. Famme

Seconded by: J. Orr

That the Minutes of the 2017 Stratford Economic Development Corporation Annual General Meeting dated June 7, 2018 be adopted.

Carried.

4.0 Chief Executive Officer Report - 2018 in Review

Joani Gerber, CEO provided an overview of the 2018 Year in Review Report, noting the strength of the Corporation's many partnerships and teamwork with the City.

Moved by: G. Dybenko

Seconded by: B. Beatty

That the Chief Executive Officer Report be received as information.

Carried.

5.0 Auditor's Report and unaudited 2018 Financial Statement

Michael Humble, City Director of Corporate Services provided an overview of the 2018 Financial Statement and noted the \$163,000 surplus in the context of future planning. Mr. Humble also advised that the City is moving towards an accrual process to apply funding pending to the appropriate year.

Moved by: F. Famme

Seconded by: S. Cooper

That the unaudited 2018 Financial Statement be received as printed and presented.

Carried.

6.0 Amendments to SEED Co. Bylaw No. 1

K. Tuer advised that at the 2017 AGM, authorization was granted to have the Board approve and adopt amendments to SEED Co. Bylaw No. 1 at a Regular Meeting. Approval and adoption of the amended Bylaw occurred at the Dec. 6, 2018 meeting.

Moved by: S. Stevenson

Seconded by: D. Mathieson

That the amended SEED Co. By-Law No. 1 be received as information.

Carried.

7.0 Confirmation and Appointment of Board Directors

Kevin Tuer provided the following background of nominations:

- Following the recommendation from the SEED Co. Board of Directors on April 4, 2019, at the May 28, 2019 meeting, City Council appointed Michael McCourt to the Stratford Economic Enterprise Development Corporation Board of Directors as the Manufacturing Sector representative for a 3-year term to June 2022.
- At the April 4, 2019 SEED Co. Board of Directors meeting, Kevin Tuer was appointed to serve one extended year following his tenure as SEED Co. Board President in the role of Past Board Chair.
- Jeff Orr was appointed as President for 2019/2020
- At the April 4, 2019 SEED Co. Board of Directors meeting, Franklin Famme was appointed as Vice Chair of the SEED Co. Board of Directors.

2019/2020 Term – New and Returning Slate of Directors are as follows:

- Brad Beatty
- Stephen Cooper
- Ginny Dybenko
- Franklin Famme
(appointed Vice Chair, April 4, 2019)
- Dave Gaffney
- Rob Horne
(City CAO - ex officio)
- Dan Mathieson
(City Mayor - ex officio)
- Michael McCourt
(appointed by Council, May 28, 2019)
- Anne McDougall
- Jeff Orr
- Shelley Stevenson
- Kevin Tuer
(appointed Past Board Chair,
April 4, 2019)

Moved by: G. Dybenko

Seconded by: S. Stevenson

That the slate of SEED Co. Directors be approved as presented for the 2019/2020 term; and

That Kevin Tuer be approved to serve one extended year following his tenure as SEED Co. Board President in the role of Past Board Chair; and

Jeff Orr be confirmed as Board President; and

That Franklin Famme be confirmed as Vice Chair of the SEED Co. Board of Directors.

Carried.

8.0 Appointment of Auditors

Moved by: J. Orr

Seconded by: B. Beatty

That the City of Stratford's auditor, be appointed as auditors for the Stratford Economic Enterprise Development Corporation for the fiscal year ending December 31, 2019.

Carried.

9.0 Adjournment – 7:41 AM

Moved by: D. Gaffney

Seconded by: S. Cooper

That the 2018 Annual General Meeting of the Stratford Economic Enterprise Development Corporation adjourn.

Carried.

Stratford Economic Enterprise Development Corporation (SEED Co.) branded in 2015 as investStratford, is principally funded by the City of Stratford, and has been established as a stand-alone entity with a mission to focus singularly on Stratford's economic future. SEED Co. has been positioned to be a creative and innovative collaborator with partners in the Stratford community and beyond.

The Corporation, under the guidance of a Board of Directors, offers support services and business focused development events to Keep, Grow and Attract business.

Board of Directors 2019

Jeff Orr, Owner/Account Executive, Orr Insurance & Investment Group (Board Chair)

Franklin Famme, Partner, Famme and Co. (Board Vice Chair)

Brad Beatty, Councillor, City of Stratford

Stephen Cooper, Vice-President, MTE Consultants Inc.

Ginny Dybenko, President's Advisor to Stratford, University of Waterloo

Dave Gaffney, Councillor, City of Stratford

Rob Horne, Chief Administrative Officer, City of Stratford (*retired June 2019*)

Dan Mathieson, Mayor, City of Stratford

Michael McCourt, President, Eclipse Manufacturing, Stratford

Anne McDougall, President, Rambri Management

Shelley Stevenson, Administrative Director, Stratford Festival

Joan Thomson (Acting CAO, City of Stratford (*as of May 2019*))

Kevin Tuer, VP Strategic Initiatives, Communitech (SEED Co. Past Board Chair)

investStratford Team

Joani Gerber, Chief Executive Officer

Mike Pullen, Managing Director

Elke Bidner, Marketing and Communications Lead

Holly Mortimer, Business Specialist, Stratford Perth Centre for Business

Janis Auster, Operations and Administration Lead

Trena Hough, Events Coordinator, Stratford Perth Centre for Business (*maternity*)

MESSAGE FROM THE BOARD PRESIDENT:

On behalf of the Board of Directors, it is my pleasure to present the Stratford Economic Enterprise Economic Development Corporation (SEED CO./investStratford) 2019 Annual Report.

My first year as Board President was a roller-coaster – thrilling, exciting and now, unfortunately, from the midst of a global pandemic, it's become a daunting challenge. But despite the rocky economic realities of today, I will focus my remarks on the 2019 year and celebrate what I believe, was very positive year of economic growth and, in particular, expansion for the City of Stratford.

In 2019 our community grew in so many positive ways. Our local businesses expanded, land sales increased, and several new businesses expressed interest in our City, keeping the investstratford team very busy. And as the following 2019 Annual report reveals, the Corporation has continued to grow with a strong focus on company goals and strategically guided initiatives, under the focused leadership of Joani Gerber.

I would like to extend a very special thank you to retiring Board Chair Kevin Tuer whose work for the last two terms was commendable and exemplary. In addition, I also thank those board members Anne McDougall, Stephen Cooper, Ginny Dybenko (retiring in 2020) for their commitment and hard work over their time as board members. Thank you to all for your time, efforts and professional expertise.

I'd like to especially thank our many community partners and organizations, municipal, regional, provincial and federal. These relationships were important in 2019 and have never been more important today. I'm pleased to report that SEED Co. has worked to build a very healthy network of business relationships which has proven essential and will act as a cornerstone to future planning.

On behalf of the Board of Directors I would also like to thank the City of Stratford and its leadership for their funding and support of SEED Co. and in particular acknowledge and thank the investStratford team for their hard work and service to the City of Stratford and wider area. I'm pleased with the 2019 report and believe over the short term we are going to see some great new things happening in our city, and over the long term, despite today's economic upheaval, Stratford will be even better and stronger than we were before.

Sincerely,



Jeff Orr

Board President, SEED Co.



Jeff Orr

Board President, SEED Co.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It is with pleasure that I present you SEED Co.'s "2019 Year in Review" Annual Report.

As I complete the 3rd year as CEO of investStratford, I reflect on the experience, challenges and opportunities that our team and Board of Directors have faced head on with a commitment to the economic success, across all sectors, of this community.

In 2019, the team managed 40 active investment, retention and expansion files with new industrial and commercial buildings in 2019 accounting for more 190,000 square feet. Compared to 2018, the expansion numbers tripled and Stratford's economy grew – a testament to both our businesses continued prosperity, loyalty and the value of investing in our City. As we prepare new land for industrial development I look forward to working closely with our City Infrastructure & Development Services Department colleagues and applaud Council for their ongoing investments in infrastructure.

The Stratford-Perth Centre for Business, funded by the Province of Ontario and the City of Stratford, continues to serve the needs of entrepreneurs in Stratford, St. Mary's and Perth County. While 2019 started with uncertainty at the Provincial level, we were pleased to receive confirmation that the Small Business Program remained a priority and would continue to be funded through 2022. I applaud our Small Business Team for their perseverance and creativity.

We were awarded special project funding from all levels of Government in 2019. These projects allow us to promote and attract international investment, tackle the housing shortage and align technology and tourism.

A very special thank you to our outgoing President Kevin Tuer. It was a pleasure to work together and I know he'll remain committed to the success of Stratford going forward. Without the tireless work of our team, leadership from our Board of Directors and trust and investment from the City of Stratford, we would not experience the success we have. Thank-you.

Writing this in May 2020 while in the midst of COVID-19, is surreal. The challenges and opportunities that lie ahead, while unknown are not unsurmountable. Together with our Board, willing and capable partners and engaged and resilient citizens, our SEED Co. team is determined to make this City the very best it can be.

Sincerely,



Joani Gerber

CEO, Stratford Economic Enterprise Development Corporation (SEED Co./investStratford)



Joani Gerber

CEO, SEED Co./investStratford

In 2019, investStratford, the City's Economic Development Corporation continued to build upon its reputation as a comprehensive business concierge service dedicated to new investment, business growth and economic opportunity within the City of Stratford.

MAJOR HIGHLIGHTS FOR THE 2019 OPERATIONAL YEAR INCLUDE:

Assessment growth, investment attraction, job creation/retention and supporting the expansion of existing companies are key priorities. In 2019, investStratford continued to experience strong activity with more than 40 active investment, retention and expansion files. New industrial and commercial buildings in 2019 accounted for over 190,000 square feet, with the majority being expansions of existing companies.

- An additional 214,000 square feet of new industrial and commercial buildings are underway or planned to be built in 2020. City land sales in the Wright Business Park slowed in 2019 due to a shortage of smaller lots; however, deals in process for 2020 total over 20 acres valued at over \$2M. It is projected that over 100 jobs will be created or retained through new investment and company expansions in 2019.
- This year's company expansions totaled 142,421 square feet and included the Honda Dealership, Ed's Concrete Products Ltd., Sommers Generator Systems, Belfor Property Restoration, D.H. Jutzi Limited, Buchanan & Hall, The Beacon Herald, Festival Hydro Data Center, Accumetal, Aslani Kusiar Construction, New Form Tools and Fabricland, as well as the Halo Car Wash. An additional 200,000 sq. ft of expansions are underway or planned for 2020 completion.
- New Development Lands: With almost all remaining land in the Wright Business Park now sold or in reserve, and to keep pace with growing demand, investStratford is working closely with the Infrastructure & Development Services Department to bring 35 new acres of serviced industrial land into the City's inventory in 2020. This will include the new 23-acre Crane West Business Park.

BUSINESS EXPANSIONS, PROGRAMS AND SPECIAL PROJECTS

- Jutzi Water Technologies, a Stratford based family-business for over 60 years, held a ribbon-cutting ceremony at their new and expanded facility on May 27, 2019. Located at 525 Wright Boulevard in Stratford, Ontario, the new 12,500 sq.ft. facility features 4 loading docks, bulk storage, and is located on a 1.42 acre site.

- **Belfor Property Restoration Expansion and Ribbon-cutting:** In December, 2019, Belfor held a ribbon-cutting ceremony to officially open their newly expanded Stratford facility and also celebrate its ten-year anniversary. The restoration company located at 457 Douro Street employs 44 persons and the 2800 sq. ft expansion enlarged its footprint to 9740 sq. ft. The new location allows the company to expand its operation for on-site storage.
- **Sommers Generator Systems:** In September, Sommers Generator Systems welcomed the community to their new facility for celebration and tours at 70 Packham Road. The 31,300 sq. ft facility sits on 3.4 acres of land, employs 30 persons and features four individual test cells, indoor loading dock with overhead loading capabilities, 20-ton overhead crane, three service bays, two warehouses and an open showroom for customers to see the equipment first hand.
- **Downtown Revitalization Project:** investStratford spearheaded the distribution of a \$20,000 grant that was awarded to the City of Stratford as part of the Main Street Revitalization Initiative run by the Association of Municipalities Ontario (AMO) on behalf of the Ministry of Agriculture, Food and Rural Affairs. The Downtown Revitalization Initiative was a matching grant program available to businesses located within the Stratford City Centre boundary and was awarded to 14 qualifying businesses to support exterior capital improvements with a focus on energy efficiency, accessibility, aesthetics, and marketability of small businesses within the downtown. The matching program required that local business owners commit at least \$1,000 to an eligible project with up to 50% eligible for reimbursement via the matching grant. Grants were awarded to: *Swanson's Jewellers, Gene's Restaurant, Larson Properties, Keystone Alley Café, Braai House, Carrie's K9 Cuts, Mountain Galleries, Rheo Thompson Candies, Blowes Stationary & Office Supplies Ltd., Debonaire Suites, The Little Green Grocery Inc., La Osa Jewellery & Vintage, Sinclair Pharmacy and Soup Surreal*. The Program was delivered by investStratford and Stratford Perth Centre for Business
- **Ryerson Cybersecurity Event focused on Ontario Municipalities and Cybersecurity:** Ryerson Cybersecure Catalyst event on November 13 was a partnership with the City of Stratford, investStratford and the Ryerson Cybersecure Catalyst. It presented a sold out, one-day forum for Ontario Municipalities and industries to discuss cyber risks and potential strategies. Mayor Dan Mathieson opened the Forum with special remarks that welcomed a critical discussion of cyber threats to Ontario Municipalities and their institutions stating *"the biggest mistake you can make is thinking you are not at risk. Everyone is at risk."* Catalyst Executive Director Charles Finley, Minister Lisa Thompson, and leaders of municipalities from all over Ontario were in attendance.
- **Stratford Festival Forum Event Sponsorship:** The 2019 season sponsorship of a special 3-part Stratford Festival Forum Series focusing on Cultural Spaces featured Mayor Dan Mathieson and Cultural Planner Gord Hume discussing Art, Community and City Planning. Events in May, June and July were sold-out and allowed high visibility for investStratford and exposure to wider audience. The *"Spotlight Tom Patterson Theatre"* Series focused on cultural spaces, urban planning and the arts with focus on the role of art in creating vibrant cities and the opportunities that the new Tom Patterson Theatre Centre presents to Stratford. Other segments were, *"Designing Cultural Spaces,"* featuring design architect of the new Tom Patterson Theatre Siamak Hariri and University of Waterloo Professor of Architecture Studies Rick Haldenby and

The Changing Face of Arts Engagement,” with the Banff Centre’s Cultural Leadership Program teacher Diane Ragsdale discussing the economy, changing cultural context and what that means for organizations and culture.

- Provincial Data Strategy Event: In November, Stratford was selected as a host City for Province of Ontario’s “Data Strategy Discussion”. The City of Stratford was selected to host the Phase Two Roundtable for Ontario’s Data Strategy Consultation Process. The investStratford team worked with Province to bring local stakeholders and leading businesses together to provide input. Other roundtable locations included Sault Ste. Marie, Sarnia, Stratford, Ottawa, Peterborough and Toronto.
- Attainable Housing Forums: investStratford worked in partnership with the Ontario Professional Planners Institute and Rural Ontario Institute, (sponsored by CMHC) to present this forum in November. The City of participated as one of three select host communities and hosted a successful event together with Robert Voigt at Rotary Complex.
- National Marketing Award from Economic Developers Association of Canada (EDAC): investStratford was awarded a “Best in Canada” Marketing Award for the Quality of Life video. The “Marketing Canada Awards”, which are part of EDAC’s National Conference, were established by EDAC to acknowledge and praise communities across Canada who have succeeded in their marketing efforts. Judging Panel based choice upon the following criteria: creativity and uniqueness of the approach, effectiveness in achieving objectives, user-friendliness, ease of extracting information, completeness and consistency of approach.
- Brand Building and Website UX: With assistance of RED grant, the Corporation continued to build upon its established Smart City brand, investing in refreshed marketing creative, both print and digital, and expanding its photo library.
 - Captured 3D and Drone footage of Wright Business Park lots introducing interactive 360-degree experience integrating street-level and drone footage of available lots for prospective businesses and site selectors.
 - Other enhancements included: Hubspot CRM integration, automated attendant on Small Business Centre page, SEO tracking.
 - Ongoing Design and Approval process with Development Services for Crane West Industrial Working with Building and Development Services to design and produce information sheet and begun design for Crane Land Signage
 - Expanded community partner photo library developed including Police, Fire, Hospital, Paramedics, City Hall, citizens, local restaurants and parks.
 - Partnered with Building Services to create 2019 year in review document for Open House
 - Downtown Revitalization Program report developed for community & council

ADDITIONAL FORUMS, WEBINARS AND FDI EVENTS INCLUDED:

- NCR/Transport Canada site visit to Autonomous Vehicle test track supported by investStratford team
- Sponsored Community Foundation event featuring wealth management expert
- Coordinated Chinese delegation dinner at Bruce Hotel in support of FDI
- Transportation Focus Group October 2019
- APMA/Rhizome/investStratford partnership re: Seminar on “Identifying and Commercializing Your Intellectual Property”

ENTREPRENEURSHIP

Under the management of investStratford and its Board, the **Stratford Perth Centre for Business** is a provincially funded and municipally supported program dedicated to small business in Stratford, Perth County & St. Marys.

- Stratford Perth Centre for Business assisted **216** small businesses to start or expand and created **153** small business jobs in the Stratford Perth St. Marys’ area.
- Stratford Perth Centre for Business also provided **essential learning to startups and entrepreneurs** presenting **10** workshops, events and learning opportunities to over **198** participants. **Partnered with 17 regional organizations** to create entrepreneurial events with **over 450 attendees**.
- Granted **7** students (enrolled in secondary and post-secondary education) **\$21,000** in start-up funding for their Summer Businesses via the Summer Company Program.
- Granted **13 entrepreneurs \$65,000 in start-up funding**, which in **turn leveraged over \$75,000 in economic growth for our community**.

Ontario Starter Company Plus Program: The Stratford Perth Centre for Business Starter Company Plus Program, awarded **13 grants totaling \$65,000** to local entrepreneurs within Stratford and Perth County in 2019/2020. New businesses included veterinary medicine, water, digital marketing, lawncare and retail sectors. The Starter Company Plus Program, which is funded by the Province of Ontario, the Ministry of Economic Development, Job Creation and Trade, supported by the City of Stratford and managed by investStratford, grants each recipient \$5,000 and ongoing mentorship and support. In addition to the grant funding, participating entrepreneurs received 6 weeks of business education and mentorship on business ideation, development, marketing, financials and brand before presenting their business plans to a panel of local community stakeholders, with the mentorship piece continuing on for a maximum of three years.

FDI TRADE MISSIONS: In 2019, investStratford participated in a number of trade and investment-attraction missions in collaboration and partnership with the Southwest Ontario Marketing Association (SOMA). A SOMA mission's focus is to promote Southwestern Ontario as a region for foreign investment and this year's missions included trips to Germany, China, Japan, Nevada, Indianapolis, Michigan, England, Denmark and France.

CONFERENCES: investStratford seeks to provide thought leadership and support our initiatives and global brand identity, promoting our region and City by attending conferences and providing thought leadership as featured speakers at Ontario Public Works Association, AMCTO, Industry Canada and APMA conferences.

CONNECT2SKILLS / SKILLSADVANCE PROVINCIAL PILOT PROJECT

connect2SKILLS is funded by the Ministry of Labour Training & Skills Development and led by The Four County Labour Market Planning Board in partnership with local social and employment services in Bruce, Grey, Huron and Perth Regions. Stratford and Perth County were selected and funded by the Province to be part of the first rural SkillsAdvance Pilot Projects. The program has now been delivered for Manufacturing since 2017 and has had demonstrable success in preparing unemployed or underemployed individuals for work opportunities, and helping employers who are unable to find skilled labour to meet their production demands. This program branded locally as connect2SKILLS', is filling a need that is helping individuals - many of whom are on social assistance; find gainful employment.

- The program has engaged 195 unique individuals through the SAO program. 80% of these individuals identified that they are in receipt of Social Assistance. Within Stratford, SAO has met with 142 participants and 75% of those clients were in receipt of Ontario Works.
- The connect2SKILLS training has been delivered to 187 participants since its inception in 2017, with a success rate of 70%. This is significant, as we look to the future of continuing to help members of our community achieve full, sustainable employment, while simultaneously alleviating the challenges of low unemployment rates and significant numbers of hard-to-fill positions for many local employers.
- The program is renewed for 2020-2021 and will be offering new employer cluster specific hands-on skills and through an online training platform in these times of social distancing. The first pilot class will launch on June 1st, 2020 and the program has been expanded to include both the manufacturing and hospitality sectors within the entire Four County Region for the 2020-21 season.

ASSOCIATIONS AND MEMBERSHIPS:

SEED Co. has been active in the following associations and organizations:

- Economic Developers Council of Ontario (EDCO)
- Economic Development Association of Canada (EDAC)
- Stratford and District Chamber of Commerce
- Stratford Tourism Alliance
- Stratford Perth Community Foundation
- Automotive Parts Manufacturers Association (APMA)
- ITS Intelligent Transportation Systems Society of Canada
- United Way Perth Huron Social and Research Planning Council
- Southwestern Ontario Marketing Alliance (SOMA) including:
 - Ontario Clean Tech Alliance (OCTA)
 - Ontario Food Cluster Group (OFC)
 - Ontario Manufacturing Communities Alliance (OMCA)
 - Ontario Real Estate Alliance
 - South Central Ontario Region (SCOR)
- Centre for Automotive Research (CAR)/Automotive Communities Partnership (ACP)
- Canadian German Chamber of Industry and Commerce (CGCIC)
- Japan Society and Canadian Chamber of Commerce in Japan (CCCJ)
- Western Ontario Warden's Caucus (WOWC)
- Site Selectors Guild
- Four County Labour Marketing Planning Board
- Connect2SKILLS Steering Committee
- Labour Market Strategy Committee
- Ontario Centres of Excellence
- University of Waterloo
- National Research Council (NRC)
- Federal Economic Development Agency for Southern Ontario (FedDev Ontario)
- UW Centre for Automotive Research
- Communitech
- Meeting of the Minds
- Newcomer Settlement Huron Perth
- Province of Ontario (various ministries)
- Ontario Investment Office (Invest in Ontario)
- Ministry of Economic Development, Job Creation and Trade (MEDJCT)
- Ministry of Research Innovation (MRI)
- Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)
- Canadian Government (Trade Commissioners)
- Festival Hydro/Rhizome

ACTIVE PARTNERSHIPS:

- City of Stratford
- Stratford Perth Centre for Business
- Perth Community Futures Development Corporation
- Stratford City Centre BIA
- Stratford Festival (Tom Patterson Spotlight Tom Patterson Event)
- Automotive Parts Manufacturers Association (APMA)
- Autonomous Vehicle Innovation Network (AVIN)
- Perth County
- Town of St. Marys



CITY OF STRATFORD
Corporate Services Department
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(519) 271-0250
Fax: (519) 273-5041
TTY: (519) 271-5241
www.stratfordcanada.ca

June 3, 2020

Joani Gerber, CEO
 Stratford Economic Enterprise
 Development Corporation (SEED Co.)
 6 Wellington St.
 Stratford, ON N5A 2L2

RE: 2019 Unaudited Income Statement

I have attached the unaudited income statement for SEED Co. operations for the year ended 2019.

Please be advised that the City of Stratford's annual audited financial statements will be available later this year and will be presented to Council through the Finance & Labour Relations Sub-committee.

SEED Co. is part of the City's consolidated financial statements and will be separated as a note to the statements.

Yours truly,

Janice Beirness, CPA, CMA
 Acting Director of Corporate Services

STRATFORD ECONOMIC ENTERPRISE DEVELOPMENT CORPORATION (SEED Co.)
2019 Income Statement
As at December 31, 2019

	2019 Budget	2019 Unaudited
REVENUE		
City Funding - SEED CO	\$ 501,012	\$ 501,010
City Funding - SBEC	108,202	108,200
Provincial funding - SBEC	126,806	157,511
Recoverable Expenses	41,480	21,639
Starter & Summer Company	-	-
Rentals & Leases	-	21,480
Grants	-	7,219
TOTAL REVENUE	\$ 777,500	\$ 817,059
EXPENDITURES		
Operational		
Salaries & Benfits - SEED CO	438,850	407,058
Training/Professional development	5,000	696
Insurance & Custodial	16,800	16,910
Equipment & Capital	3,600	2,466
Support services & fees	29,970	27,129
Office Supplies, Telephone & Communications	24,980	23,687
Rent & Common Area Maintenance	79,394	78,550
Consultants	8,000	7,842
Legal & Audit	3,000	11,388
Meals & meeting expenses	7,600	10,590
Contingency	10,000	-
Total Operational Expenditures	\$ 627,194	\$ 586,314
Core Programs		
Conferences/trade shows/travel/mileage	30,000	62,423
Promotions/marketing/collateral materials	55,000	45,653
SBEC Grants	21,000	61,997
Memberships	34,000	42,933
Events	10,306	9,460
Total Core Programs Expenditures	\$ 150,306	\$ 222,466
TOTAL EXPENDITURES	\$ 777,500	\$ 808,780
SURPLUS (DEFICIT)	\$ -	\$ 8,279

SPECIAL PROJECTS	2019 Budget	2019 Unaudited
REVENUE		
AMO Grant for Downtown Project	-	295
Smart City Project - City of Stratford Contribution		25,000
Smart City Project - Province Contribution		50,000
Prior Year Surplus		
TOTAL REVENUE	\$ -	\$ 74,705
EXPENDITURES		
Smart City Project		80,797
Downtown Revitalization Grants		19,705
		-
		-
		-
TOTAL EXPENDITURES	\$ -	\$ 100,502
SURPLUS(DEFICIT)	\$ -	\$ (25,797)
BEGINNING SURPLUS (DEFICIT)	\$ 101,007	\$ 164,753
ENDING SURPLUS (DEFICIT)		\$ 147,235

*the Festival HD project concluded in 2018, balances were applied to the SEEDCo. surplus reflected above.

September 22, 2020

Title: Report to Finance & Labour Relations Sub-Committee

Councillor Clifford, Chair & Sub-Committee Members

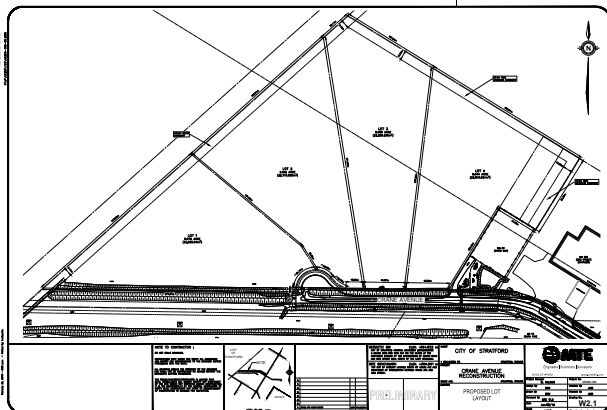
CC: Janice Beirness (A) Director, Corporate Services & Joan Thomson, CAO

Summary & Report: Activities of investStratford, June-Sept, 2020

Aligning to the strategic priority of Council, **Widening our Economic Opportunities**, the following projects and activities are ongoing and underway. In some areas, delays and priority shifts have been experienced as a result of COVID-19.

Business Retention; Expansion; Investment Attraction

- Lot 1 & 2 have closed to a local company expanding operations.
- One lot remains available in Wright Business Park; 4 in the Crane Avenue West Park
- Ongoing work including investStratford Sub-Committee for industrial land development
- Investing in Communities Funds (Federal) approved for 2020 - ~\$8,000 – for activities related to foreign direct investment. Originally planned trade show work has been postponed (COVID19) and transitioned to marketing activities including VR/drone footage of City-Owned parcels. Please visit <https://www.investstratford.com/available-lots/6> to see the footage.
- All in-person trade shows and investment attraction activities have been postponed for 2020.
- Virtual lead generation meetings are occurring with our SOMA partners



invest
STRATFORD

Home About Why Stratford Services News **CONTACT US**

Lot 6 - Wright Business Park

Wright Boulevard, Stratford, ON

\$675,000

AREA IN ACRES	AREA IN HECTARES
6.74	2.72

Stratford's municipally owned business park is suitable for companies across all sectors. The park's features:

- Prime shovel-ready, fully serviced lot situated in the heart of the Wright Business Park
- Excellent frontage and visibility from Wright Boulevard
- Easy access to a direct route east to Provincial Highway 401
- Ample room for one or more buildings, rear exterior storage and parking
- Adjacent to CN rail line operated by the Goderich Exeter Railway Company

AERIAL PHOTOS **EXPLORE VR TOUR**

PRINT PDF **CONTACT ADVISOR**

Entrepreneurship & Small Business

- Digital Accelerator Program – supported 30 businesses w/\$1,500 each to enhance the digital resources of Small Businesses.
- Summer Company – 2 young entrepreneurs successfully completed the program – one doing odd jobs and the other a landscaping business.
- Stratford-Perth Centre for Business activities support entrepreneurs in Stratford, St. Marys and Perth County, and are funded by the Province of Ontario and the City of Stratford.

Special Projects

Attainable Housing Project – objective: add to the attainably priced, residential-dwelling inventory

- Supported by the Province of Ontario & the City of Stratford, the housing project is well underway. Two (part-time equivalent specialists) have been hired, starting with research and development community outreach.
- investStratford will review the findings in October with a report to Council scheduled for November/early December. (including recommendations to Council for City-Owned land parcels, residential development mapping complete with zoning, flexible zoning recommendations to increase residential units and adaptive reuse analysis for commercial/office for residential)

Economic Response & Recovery Task Force

- In April, 2020 investStratford took the lead and launched the Stratford Economic Response & Recovery Task Force. Interim reports have been provided to Council over the term of our efforts. Most recently:
 - Summer Music, StreetSide Live and Movies Under the Stars have wrapped
 - 67 temporary jobs & 3 permanent jobs created
 - 12 temporary jobs & 4 permanent jobs maintained
 - Trillium Application has been submitted for a 1-year project lead on the long term recovery impacts including movement through various phases (3-1); research & community outreach and recommendations

It is my privilege to lead our team and represent the economic interests of the City of Stratford locally, across the Country and Internationally. I'm pleased with our highlights as reported here and inspired by the work we have underway.

Respectfully Submitted,



Joani Gerber
CEO, investStratford
jgerber@investstratford.com



Corporate Services Department

MANAGEMENT REPORT

Date: September 22, 2020
To: Finance and Labour Relations Sub-committee
From: Janice Beirness, Acting Director of Corporate Services
Report#: FIN20-015
Attachments: Stratford Tourism Alliance – September 2020 Update

Title: Stratford Tourism Alliance – September 2020 Update

Objective: To receive an update on the Stratford Tourism Alliance's year-to-date activities and financial position for 2020.

Background: Stratford Tourism Alliance (STA) gives regular updates to Council through the Finance & Labour Relations Sub-Committee.

Analysis: Representatives from STA have been invited to attend as an electronic delegation to present the attached report.

Financial Impact: None noted.

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.

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

Janice Beirness, Acting Director of Corporate Services

A handwritten signature in cursive script, reading "Joan Thomson".

Joan Thomson, Chief Administrative Officer

STA 2020 Report

Finance & Labour Relations
Sub-committee



STA Finance Committee

Budget update



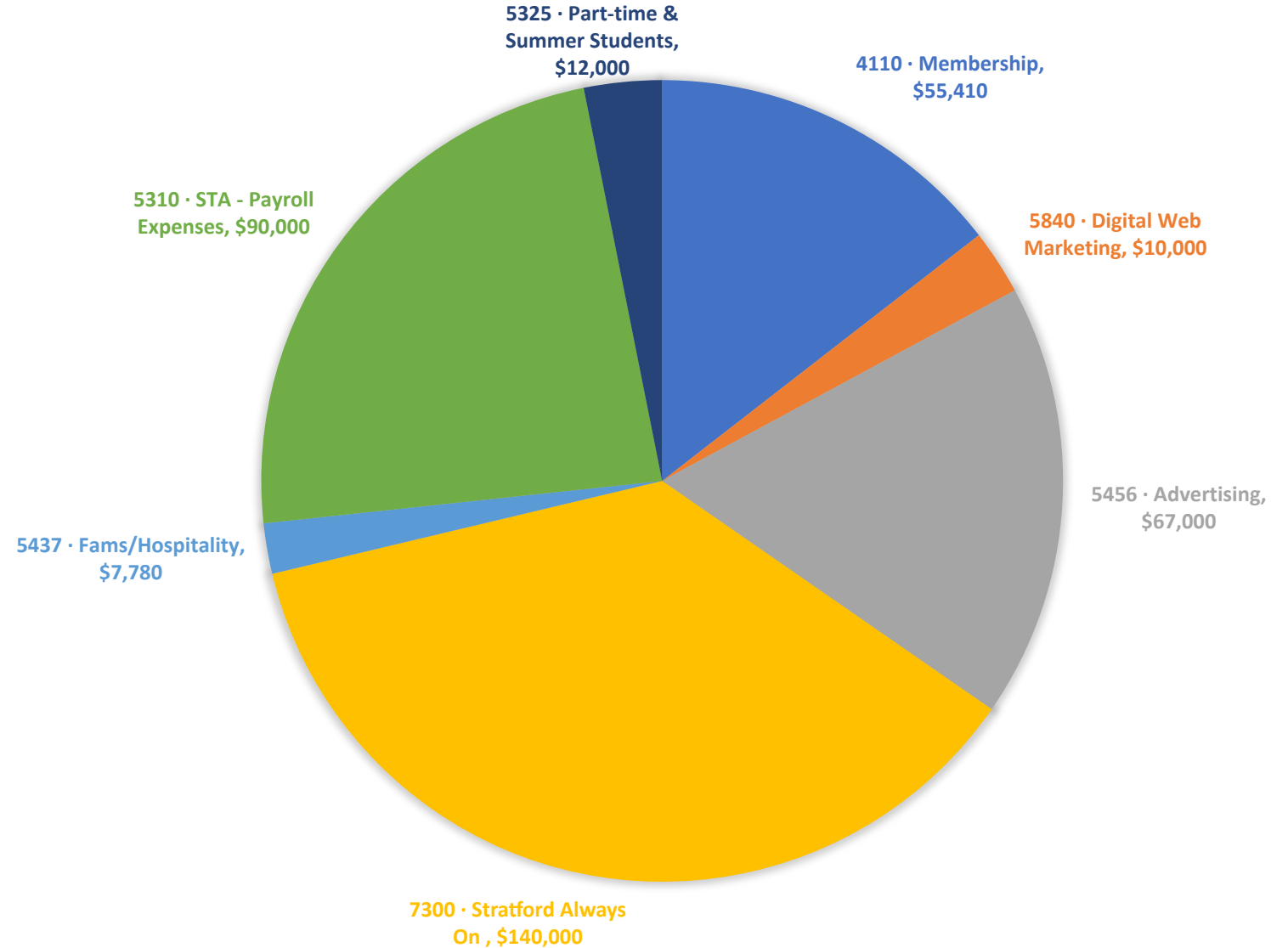


2020 RRRF Grant Fund Allocation

\$382,189.55 Total

10% Holdback

2020 Spend





2020 Revised Budget

Major Revenue Changes

- Refund \$32,716 Member Fees
- Refund \$25,315 Culinary Guide Ad Deposits
- Reduced STS by 80% (projecting \$13,300)
- RRRF Grant
- Increased Student Staff Grants (est. \$23,247)

Major Expense Changes

- Fall/Winter Advertising increased from \$20,000 to \$104,500
- Summer & Road Trips Campaign \$140,000
- Reduced Printing Costs by \$25,000 (Culinary Guide)
- Increased Payroll Expenses due to Retirement Payout (\$35,000)



Current Financial Snapshot

2020

- Excellent fiscal shape due to RRRF Grant

2021

- Forecasted budget is being prepared for 3 scenarios:
 - City funding with no additional revenue sources
 - City funding with limited revenue
 - City funding, limited revenue and Federal/Provincial grant support

THE ARTS
ARE WHAT
WE ARE

STRATFORD
ARTS

2020 Activities

Destination Marketing

Destination Management

Destination Development





Destination Marketing 2020 Summer Campaign

- Dates: July 13 – Sept 25
- Target Market:
 - Hyper local & regional markets– Stratford, London & Kitchener/Waterloo
 - Expansion into Toronto/GTA markets mid-August
- Total Budget \$120,000

THE ARTS
ARE WHAT
WE ARE

STRATFORD
ARTS

2020 Summer Campaign Results

- **Destination Videos (x2)** featuring Al Fresco Culinary, Arts & Culture
 - Broadcast 30 sec commercial (CTV Kitchener & London)
 - Over 7 million impressions
 - Social media reach
 - 68,000 reach
 - 661 shares
 - 925 likes
 - 90 comments



2020 Summer Campaign Results

- **Radio Campaigns (x3) with contesting**– Stratford, London and KW regions
 - Total Contest Entries: 2,409
 - Consumer emails obtained: 135
 - Social likes: 1614
 - Contest landing page views: 4700
- **Local & regional newspaper print advertising & digital ads**
 - **4 print issues** (half page ads) over the duration of July and August. Total combined **weekly circulation = 523,688.**
Digital Results: 486,053 impressions, 1376 clicks



2020 Summer Campaign Results

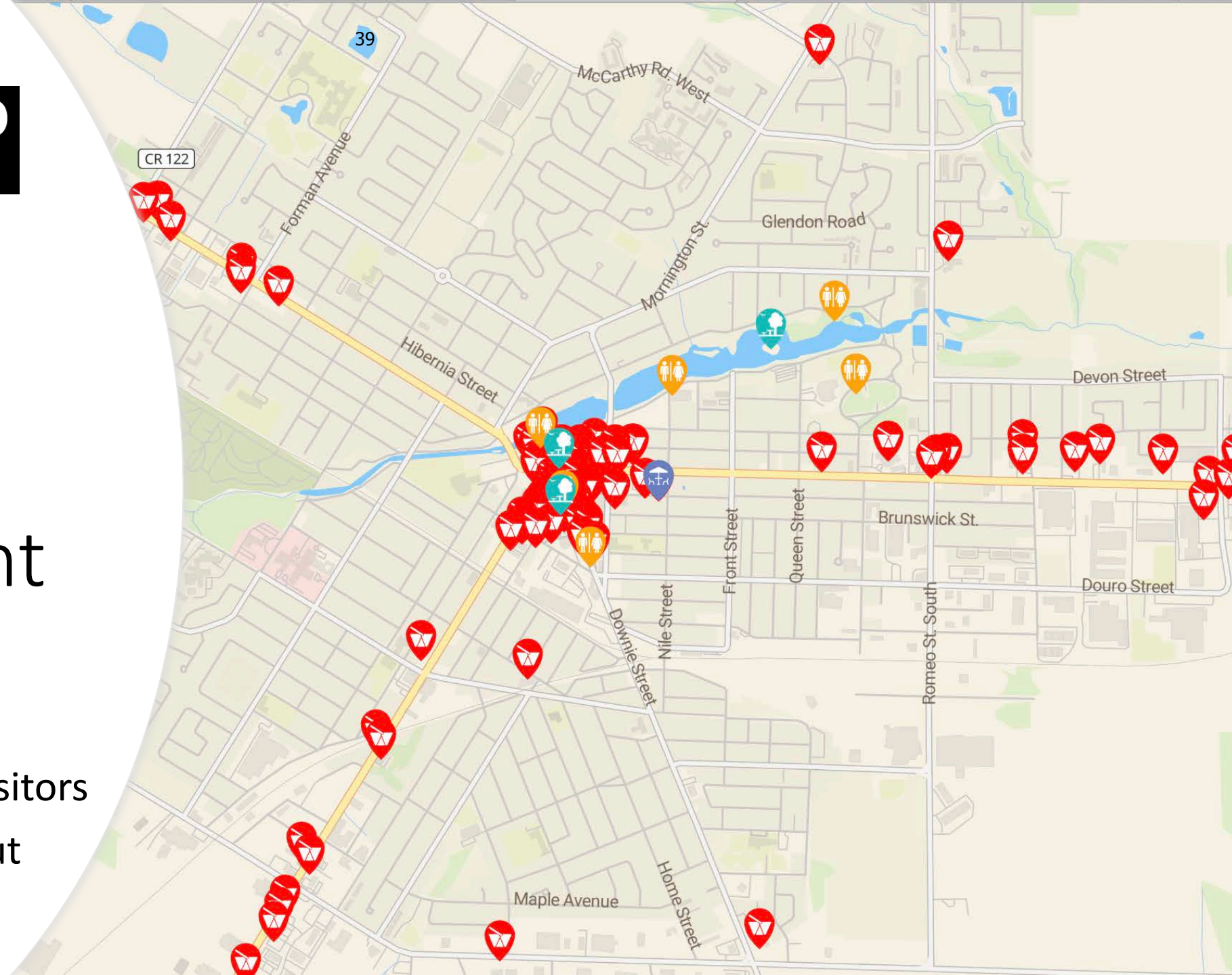
- **Magazine Print & Toronto Screen Advertising**
 - 220,000 readers, and 100,000 magazine subscribers.
 - One week of 5 second commercial spots (**168 total spots**) on one screen in **Dundas Square** from August 17- 24, 2020 (**1.1 million impressions per week**)
- **Social media advertising (posts & Brittlestar video)**
 - Total Reach across all platforms **454,994**
 - VisitStratfordON Instagram has gained nearly **500 NEW Instagram followers**
- **Landing Page Visits & original blog posts**
 - Website visits over duration of summer campaign: **46,650**
 - New User visits to VisitStratford.ca: **32,555**

Destination Management

Visitor experience focus

Re-open STA office to visitors

STA staffed Welcome Hut





Destination Development

Chocolate Trail

Stratford Al Fresco

Lights On Stratford





Corporate Services Department

MANAGEMENT REPORT

Date: September 22, 2020
To: Finance and Labour Relations Sub-committee
From: Janice Beirness, Acting Director of Corporate Services
Report#: FIN20-016
Attachments: FHI – Q2 2020 financial statements

Title: Financial Statements and Commentary for Festival Hydro Inc. (FHI) – Q2 ending June 30, 2020

Objective: To consider the financial reports from FHI for the period ending June 30, 2020.

Background: City Council is updated quarterly on the financial position of FHI.

Analysis: As noted in the attached statements. Representatives from FHI have been invited to attend as an electronic delegation to present the attached report.

Financial Impact: Not applicable.

Alignment with Strategic Priorities:

Developing our Resources

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

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

A handwritten signature in black ink that reads "Janice Beirness".

Janice Beirness, Acting Director of Corporate Services

A handwritten signature in cursive script, reading "Joan Thomson".

Joan Thomson, Chief Administrative Officer



Financial Statements

Prepared For:

Tom Clifford and the Finance & Labour Relations Committee

September 2020

TO: Tom Clifford and the Finance and Labour Relations Subcommittee
FROM: Kelly McCann, CFO
RE: Financial Statement Commentary for the period ended
 June 30, 2020

Net income for the period is \$772K, which is \$130K below 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 \$993K greater than it was in June of 2019. This variance is largely the result of a change in process in 2020 whereby we've implemented accruals for the unsettled OER included on bills to customers. In 2019 this amount was not being accrued. The accrued receivable for this in June of 2020 is \$1.3M.

Due from FHSI – This balance increased \$778K since December 2019 and 73% of this increase (\$569K) is the result of FHSI capital investment to the end of Q2, 94% of which is expected to be recovered in 2020.

Corporate PILS recoverable – This balance increased by \$125K since December 2019 as a result of an additional instalment of \$50K made for 2019 taxes in Q1 of 2020, in addition to \$35K/mo instalment amounts continuing in Q1 2020 while the expense for the expected tax provision was lower. The 2019 refund amount is expected to be received in late July/early August.

Unbilled Revenue – The unbilled revenue process now includes accruals for unsettled receivables from the IESO relating to OER which was not accrued at December 2019 or in June of 2019 as the entry is all balance sheet. The unbilled OER that will be reimbursed by the IESO to the end of June is \$1.3M. This is the main driver in the reduction in unbilled revenue from December 2019 to June 2020.

Regulatory Assets – The regulatory asset balance has increased by \$734K since December 2019 and is driven virtually all by the commodity accounts (1588/89) with the GA balance increasing and the power balance decreasing since Q4 2019.

A recovery account was approved by the OEB to capture costs relating specifically to the COVID pandemic. I am waiting for specific guidance from the OEB on how to calculate lost distribution revenues due to the pandemic and other specific costs that can be included in this account prior to booking a receivable entry.

**RE: Financial Statement Commentary for the period ended
June 30, 2020; cont'd**

The variance account currently includes \$47K of known incremental costs due to COVID tied largely to technology and software for remote working arrangements, lost late payment charge revenue, and additional supplies needed including sanitizers/wipes, signage etc.

INCOME STATEMENT COMMENTARY

Gross Margin on Service Revenue (Distribution Revenue) – The distribution revenue to the end of Q2 2020 is \$147K below budget. The main driver of this variance is GS<50 and GS>50 variable distribution revenues being lower than budget. The GS<50 variable revenues have consistently run approximately 40% below budget for the months of April, May and June – but with our area moving into stage 3 of reopening, there is potential for some pickup in this revenue beginning in July. The GS >50 variable distribution revenue saw a significant variance from budget in May at 47%, however has recovered in June where it ran in line with budget.

Other Revenue – Other revenue is running \$38K below budget at the end of Q2 mainly due to lower rate of return revenue on billable work than budgeted.

Controllable Costs - Total controllable costs are \$1K greater than budget to the end of Q2. O&M costs are running \$49K over budget. Overhead costs are higher than budgeted as a result of unplanned sick leave taken in the beginning of the year which is allocated with direct labour. In addition, the split of labour between capital, billable and maintenance has varied from budget due to the pandemic and the type of work that could be done in April/May/June. With more labour cost hitting maintenance accounts, more overhead costs are also allocated to maintenance.

Admin expenses are running \$47K under budget to the end of June. This is driven by lower labour costs than budget 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 and less travel/training expenses to date due to COVID. This is offset by the unbudgeted executive search firm expense relating to the CEO vacancy.

There is also a timing difference between the budget and actual expense as it relates to the LEAP program which will not be paid out to our administrator of the program until July but was budgeted to be paid in Q1. Also note that the OEB has approved a 50% increase in LEAP expenses recoverable through rates at the option of the LDC, and Festival has opted to increase our LEAP funding given the speed with which our current funding is allocated to customers in need. This increase allows us to put just over \$20K into this program. The increased LEAP funding will be charged to the COVID variance account approved by the OEB for recovery.

LOAN COVENANT RATIOS

The Loan Covenant liquidity ratios and debt to equity ratios as prescribed by our major lenders, RBC and Infrastructure Ontario are being met.

Presented for information purposes

FESTIVAL HYDRO INC.

Balance Sheet
For the period ending June 30, 2020

	YTD as at Jun 30, 2019	YTD as at Dec 31, 2019	YTD as at Jun 30, 2020		YTD as at Jun 30, 2019	YTD as at Dec 31, 2019	YTD as at Jun 30, 2020
ASSETS				LIABILITIES			
Current Assets				Current Liabilities			
Accounts Receivable	5,460,384	6,340,352	6,453,069	Bank Indebtedness	983,428	1,333,069	2,140,202
Inventory	160,529	131,327	309,268	Accounts Payable & Accrued Liabilities	8,736,216	9,227,453	8,216,303
Prepaid Expenses	381,716	423,069	337,523	Current Portion of Consumer Deposits	1,096,226	1,362,040	1,097,402
Due from FHSI	378,264	537,983	1,316,217	Current Portion of Long Term Loans	313,097	646,694	324,970
Corporate PILS Recoverable	(44,409)	107,747	232,831	Dividends Declared	—	210,440	—
Unbilled Revenue	6,611,932	7,638,126	5,495,177	Promissory Note	15,600,000	15,600,000	15,600,000
	12,948,414	15,178,603	14,144,082		26,728,966	28,379,694	27,378,876
Property, Plant & Equipment	53,793,591	54,738,043	54,502,491	Other Liabilities			
Other Assets				Unrealized loss on interest rate swap	462,671	744,235	744,235
Intangible Assets	1,980,282	2,027,793	1,940,099	Deferred Revenue	1,504,629	1,818,561	1,891,554
Future payments in lieu of income taxes	(308,504)	(719,999)	(745,865)	Employee Future Benefits	1,287,745	1,472,268	1,472,268
Regulatory Assets	1,027,480	547,546	1,280,069	Long Term Debt			
				Consumer Deposits over one year	—	300,151	—
				RBC Loan - LT Portion	11,302,000	10,841,000	10,841,000
				Infrastructure Ontario Loan - LT Portion	1,118,625	936,641	936,641
				TOTAL LIABILITIES	42,404,636	44,492,550	43,264,574
				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	11,588,726	12,069,494	12,646,359
				Accumulated Other Comprehensive Income	(120,485)	(358,444)	(358,444)
				TOTAL EQUITY	27,036,629	27,279,438	27,856,303
TOTAL ASSETS	69,441,262	71,771,985	71,120,874	TOTAL LIABILITIES AND EQUITY	69,441,262	71,771,985	71,120,874

FESTIVAL HYDRO INC.

Income Statement

For the period ending June 30, 2020

	YTD as at Jun 30, 2019	YTD as at Jun 30, 2020	YTD Budget at Jun 30, 2020	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
REVENUE					
Service Revenue	40,769,577	39,563,356	41,529,093	(1,965,737)	(5%)
Cost of Power	35,222,512	34,007,313	35,826,085	(1,818,772)	(5%)
GROSS MARGIN (DISTRIBUTION REVENUE)	5,547,065	5,556,043	5,703,009	(146,966)	(3%)
Other Operating Revenue	524,632	496,463	534,360	(37,897)	(7%)
OPERATING & MAINTENANCE EXPENSE					
Transformer & Distribution Station Expense	66,939	61,455	58,184	3,271	6%
Distribution Lines & Services Overhead	735,821	933,025	775,207	157,818	20%
U/G Distribution Lines & Services	87,681	70,374	114,316	(43,942)	(38%)
Distribution Transformers	41,241	38,547	40,769	(2,222)	(5%)
Distribution Meters	183,023	204,146	230,856	(26,710)	(12%)
Customer Premises	96,454	71,773	110,942	(39,169)	(35%)
TOTAL OPERATING AND MAINTENANCE	1,211,156	1,379,316	1,330,272	49,044	4%
ADMINISTRATION					
Billing, Collecting & Meter Reading	620,972	613,243	628,641	(15,398)	(2%)
Administration	1,189,446	1,205,927	1,237,746	(31,819)	(3%)
TOTAL ADMINISTRATION	1,810,417	1,819,169	1,866,386	(47,217)	(3%)
Allocated Depreciation	(87,826)	(75,946)	(75,542)	404	1%
TOTAL CONTROLLABLE COST	2,933,747	3,122,539	3,121,117	1,422	—
NET INCOME BEFORE DEP'N, INTEREST & TAX	3,137,950	2,929,966	3,116,252	(186,286)	(6%)
Depreciation	1,331,829	1,285,358	1,287,658	(2,300)	—
Interest Expense	843,355	836,235	828,575	7,660	1%
Interest Income	(19,894)	(28,612)	(9,256)	19,356	209%
NET INCOME BEFORE SWAP, ICM & PBA & INC TAXES	982,661	836,986	1,009,276	(172,290)	(17%)
Current Tax	122,000	64,917	107,501	(42,584)	(40%)
NET INCOME BEFORE SWAP & ICM	860,661	772,069	901,776	(129,707)	(14%)
Unrealized Gain/Loss on Swap	—	—	—	—	—
Marketable Security - recorded as OCI	—	—	—	—	—
NET INCOME	860,661	772,069	901,776	(129,707)	(14%)

FESTIVAL HYDRO INC.

Cash Flow Statement

For the period ending June 30, 2020

	YTD as at Dec 31, 2019	YTD as at Jun 30, 2020
Cash from Operations		
Net Income	1,704,240	772,069
Depreciation	2,652,716	1,285,358
Unrealized loss on interest rate swap	281,564	—
Net Change in Receivables/Payables/Var Accts	1,367,724	(1,175,080)
Contributed capital	402,973	107,909
Net Cash Provided	6,409,217	990,256
Cash from Financing		
Loan Repayments	617,610	321,724
Cash Used - Capital Expenditures	3,605,992	1,070,020
Cash Used - Dividends paid	991,140	405,645
Net Cash Used	5,214,742	1,797,389
Increase (Decrease) in Cash Position	1,194,475	(807,133)
Bank Indebtedness, Beg of Period	(2,527,544)	(1,333,069)
Bank Indebtedness, End of Period	(1,333,069)	(2,140,202)

FESTIVAL HYDRO INC.

Statement of Capital For the period ending June 30, 2020

	YTD as at Jun 30, 2019	YTD as at Jun 30, 2020	YTD Budget at Jun 30, 2020	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
DISTRIBUTION					
Distribution Overhead	364,478	162,058	611,975	(449,917)	(74%)
Underground Conductor and Devices	448,408	329,280	305,501	23,779	8%
Distribution Transformers	291,198	136,161	263,751	(127,590)	(48%)
Services	102,745	67,369	—	67,369	—
Distribution Meters	301,226	156,697	131,501	25,196	19%
SCADA/Distribution Automation	22,280	10,675	27,500	(16,825)	(61%)
Tools and Miscellaneous Equipment	10,581	5,665	15,000	(9,335)	(62%)
TOTAL DISTRIBUTION	1,540,913	867,900	1,355,226	(487,326)	(36%)
OTHER CAPITAL					
Land and Buildings	56,079	84,441	200,000	(115,559)	(58%)
Transformer Station	7,800	19,922	—	19,922	—
Vehicles and Trailers	56,213	—	30,000	(30,000)	(100%)
Computer Hardware and Software	70,303	97,760	175,001	(77,241)	(44%)
TOTAL OTHER CAPITAL	190,394	202,121	405,000	(202,879)	(50%)
TOTAL CAPITAL	1,731,306	1,070,020	1,760,226	(690,206)	(39%)



Corporate Services Department

MANAGEMENT REPORT

Date: September 22, 2020
To: Finance and Labour Relations Sub-committee
From: Janice Beirness, Acting Director of Corporate Services
Report#: FIN20-017
Attachments: Rhyzome FHSI – Q2 2020 financial statements

Title: Financial Statements and Commentary for Rhyzome (Festival Hydro Services Inc. - FHSI) – Q2 ending June 30, 2020

Objective: To consider the financial reports from FHSI for the period ending June 30, 2020.

Background: City Council is updated quarterly on the financial position of FHSI.

Analysis: As noted in the attached statements. Representatives from FHSI have been invited to attend as an electronic delegation to present the attached report.

Financial Impact: Not applicable.

Alignment with Strategic Priorities:

Developing our Resources

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

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

A handwritten signature in black ink that reads 'Janice Beirness'.

Janice Beirness, Acting Director of Corporate Services

A handwritten signature in cursive script, reading "Joan Thomson".

Joan Thomson, Chief Administrative Officer



Festival Hydro Services Inc.

Financial Statements

Prepared For:

Tom Clifford and the Finance & Labour Relations Committee

September 2020

To: Tom Clifford and the Finance and Labour Relations Committee
From: Kelly McCann, CFO
Re: Commentary on Financial Results –
 For the period ended June 30, 2020

The net income for the period was \$78K which is \$78K ahead of budget. Detailed commentary on the balance sheet and income statement activity are noted below:

Balance Sheet Commentary:

A/R & Prepaids – This balance is higher than the Q2 balance for 2019 as a result of a large HST receivable balance (\$70K) due to the payment for the DSRC equipment in June of 2020.

Capital asset additions - Additions to the end of Q2 are \$557K which includes the capitalization of the DSRC equipment which was unbudgeted. This equipment will be fully funded through AVIN which will be treated as contributed capital upon receipt. Without considering the DSRC purchases, capital additions to the end of Q2 are \$48K, 25% of budget. Details on the capital spend to date are as noted below.

WiFi – total spend to Q2 of \$10K related to the installation of AP's in the Stratford core.

Computer Software – total spend to Q2 of \$11K related to the Cisco Smartnet purchase.

Computer Hardware – total spend to the end of Q2 of \$534K. \$509K of this is the DSRC equipment and the remainder of \$25K relates to the purchase of the Aruba AP controller for WLAN management.

Fibre Capital – total spend to the end of Q2 is \$2K and relates to the reconnection of a customer.

Due to Festival Hydro Inc. – This balance increased \$778K since December 2019 and 73% of this increase (\$569K) is the result of the payment for the DSRC equipment, which will be reimbursed through AVIN funding and an ITC refund.

Deferred Revenue – this balance has increased significantly from the June 2019 balance as a result of the \$120k contributed capital amount received from AVIN on the WiFi network upgrade that occurred in 2018, with the contribution being received in 2020.

Re: Commentary on Financial Results –
For the period ended June 30, 2020; cont'd

Income Statement Commentary:

Revenues – Revenues are \$43K lower than budget in Q2 mainly as a result of consulting revenue being under budget. This is due to Rhyzome IT resources allocating more time to Rhyzome projects than consulting projects in the first half of 2020. This may be a timing difference only depending on the consulting projects that move forward during the pandemic. In addition, the budget included conservation consulting, however that conservation position became vacant at the end of February.

Operating Expenses – Operating expenses are below budget by \$120K at the end of Q2. This is the result of outside service fees being less than budget as the budget was based on the prior year and includes costs we've determined will not recur in 2020. The budget also included costs for the lease of the test track which have not been incurred to date. Admin costs are also underbudget at the end of Q2 as advertising costs have been less than budget, and the management fee has been less than budget. Business development costs are also under budget as a result of the conservation resource vacancy noted above.

Reactionary fibre maintenance costs are \$7K over budget due to costs from two squirrel chews through fibre lines. This is offset by server building maintenance costs running \$9K under budget. WiFi maintenance costs are also running below budget by \$17K mainly as a result of less maintenance work being performed on the wireless network to the end of Q2. This could be a timing difference only.

FESTIVAL HYDRO SERVICES INC.

Balance Sheet For the period ending June 30, 2020

	YTD as at Jun 30, 2019	YTD as at Dec 31, 2019	YTD as at Jun 30, 2020		YTD as at Jun 30, 2019	YTD as at Dec 31, 2019	YTD as at Jun 30, 2020
ASSETS				LIABILITIES			
Current Assets				Current Liabilities			
Cash	52,554	14,160	53,880	Accounts Payable	95,747	260,348	50,517
Accounts Receivable & Prepaids	84,456	176,142	188,265	Due to Festival Hydro Inc.	378,264	537,983	1,315,432
Income Tax Receivable/(Payable)	1,763	—	—	Current Portion of LTD	158,414	329,107	152,294
Other Assets	—	—	—	Promissory Note	372,000	372,000	372,000
Inventory	8,424	8,020	8,020				
Total Current Assets	147,196	198,320	250,165	Total Current Liabilities	1,004,423	1,499,436	1,890,243
Fixed Assets				Other Liabilities			
Gross Book Value	4,345,457	4,963,188	5,520,448	Deferred Revenue	152,872	272,224	247,547
Accumulated Depreciation	(1,713,353)	(1,837,457)	(2,002,324)	Deferred Tax Liabilities	155,000	202,000	202,000
Net Book Value	2,632,105	3,125,731	3,518,124				
Other Assets				Long Term Debt			
Investment in QR Fibre Co.	—	—	—	RBC Financing	288,187	—	—
Investment Tax Credit Receivable	21,000	21,000	21,000	POP Loan Long Term Portion	293,141	405,521	405,521
				TOTAL LIABILITIES	1,893,623	2,379,182	2,745,311
				EQUITY			
				Share Capital	249,236	249,236	249,236
				Retained Earnings	657,443	716,634	794,743
				TOTAL EQUITY	906,678	965,870	1,043,978
TOTAL ASSETS	2,800,300	3,345,051	3,789,289	TOTAL LIABILITIES AND EQUITY	2,800,300	3,345,051	3,789,289

FESTIVAL HYDRO SERVICES INC.

Statement of Operations For the period ending June 30, 2020

	YTD as at Jun 30, 2019	YTD as at Jun 30, 2020	YTD Budget at Jun 30, 2020	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
TOTAL REVENUE	684,376	648,901	691,650	42,749	6%
TOTAL OPERATING EXPENSES	479,061	372,929	493,419	120,490	24%
NET INCOME BEFORE DEPRECIATION & INTEREST	205,316	275,973	198,232	(77,741)	(39%)
Depreciation	141,686	164,868	164,867	(1)	(0%)
Interest Expense	25,987	33,409	33,045	(364)	(1%)
Interest Income	(584)	(412)	—	412	—
NET INCOME FOR THE PERIOD BEFORE TAXES	38,227	78,108	319	(77,789)	(24385%)
Current Tax Provision	—	—	—	—	—
Future Tax Provision	—	—	—	—	—
NET INCOME(LOSS) FOR THE PERIOD	38,227	78,108	319	(77,789)	(24385%)

FESTIVAL HYDRO SERVICES INC.

Cash Flow Statement

For the period ending June 30, 2020

	YTD as at Dec 31, 2019	YTD as at Jun 30, 2020
Cash from Operations		
Net Income	97,418	78,108
Future tax provision	47,000	—
Depreciation	289,803	164,867
Accretion of interest	26,451	—
Change in Deferred revenue	105,604	(24,677)
Net Change in Receivables/Payables	67,870	(221,954)
Net Cash Provided	634,146	(3,656)
Cash from Financing		
Capital expenditures	(476,894)	(557,260)
Contributed portion of capital expenditures	(318,378)	—
Third party building financing	97,463	—
Loan repayments	(307,366)	(176,813)
Net Cash Used	(1,005,175)	(734,073)
Increase (Decrease) in Cash Position	(371,029)	(737,729)
Cash and Due to FHI, Beg of Period	(152,794)	(523,823)
Cash and Due to FHI, End of Period	(523,823)	(1,261,552)

FESTIVAL HYDRO SERVICES INC.

Statement of Capital For the period ending June 30, 2020

	YTD as at Jun 30, 2020	YTD Budget at Jun 30, 2020	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
CAPITAL				
Office Furniture & Equipment	—	—	—	—
Computer Equipment - Hardware	534,318	33,500	500,818	1495%
Computer Software	11,378	20,501	(9,123)	(45%)
Sentinel Lighting Rental Units	—	—	—	—
Buildings	—	—	—	—
Fibre Capital	1,600	113,246	(111,646)	(99%)
WiFi Capital	9,965	25,001	(15,036)	(60%)
TOTAL CAPITAL	557,261	192,246	365,015	190%