



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

Date: August 9, 2021

Time: 3:10 P.M.

Location: Electronic Meeting

Committee Present: Councillor Gaffney - Chair Presiding, Councillor Clifford - Vice-Chair, Mayor Mathieson, Councillor Beatty, Councillor Bunting, Councillor Burbach, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Sebben, Councillor Vassilakos

Staff Present: Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, Kim McElroy - Director of Social Services, David St. Louis - Director of Community Services, John Paradis - Fire Chief, Anne Kircos - Acting Director of Human Resources, Taylor Crinklaw - Director of Infrastructure and Development Services, Spencer Steckley - Manager of Financial Services, Chris Bantock - Deputy Clerk, Jodi Akins - Council Clerk Secretary

To watch the Committee meeting live, please click the following link: <https://stratford-ca.zoom.us/j/85402260078?pwd=THdZQ2pEZTg4U3djTVo3M3hZektyUT09>

A video recording of the meeting will also be available through a link on the City's website <https://calendar.stratford.ca/meetings> following the meeting.

Pages

1. Call to Order

The Chair to call the Meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

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

the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

3. Sub-committee Minutes

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Sub-committee minutes are attached for background regarding the discussion held at the July 20, 2021 Sub-committee meeting.

4. Delegations

None scheduled.

5. Report of the Manager of Financial Services

5.1. Q1 Operating Budget Variance Report as at March 31, 2021 (FIN21-019)

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Staff Recommendation: THAT the Q1 Operating Budget Variance Report as at March 31, 2021 be received for information.

Motion by _____

Sub-committee Recommendation: THAT the Q1 Operating Budget Variance Report as at March 31, 2021 be received for information.

6. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by _____

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



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

Date: July 20, 2021
Time: 4:20 P.M.
Location: Electronic Meeting

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

Staff Present: Spencer Steckley - Manager of Financial Services, Jodi Akins - Council Clerk Secretary, Tatiana Dafoe – City Clerk, Chris Bantock – Deputy Clerk

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 July 20, 2021, Finance and Labour Relations Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of the Manager of Financial Services

4.1 Q1 Operating Budget Variance Report as at March 31, 2021 (FIN21-019)

Staff Recommendation: THAT the Q1 Operating Budget Variance Report as at March 31, 2021 be received for information.

Sub-committee Discussion: The Manager of Financial Services advised staff have analyzed financial information from the first quarter of 2021 and are providing explanations related to variances. There is a current forecasted budget deficit of \$36,000 but that is subject to change as more information becomes available throughout the year.

Further highlights of the variance report were provided as follows:

- Parking revenues are forecasted to be \$1 million under budget due to COVID impacts.
- Community Services recreation facility rentals, programming and user fee revenues are forecasted to be under budget \$700,000.
- The City has received \$453,000 from COVID Recovery funding to offset some of those losses.
- \$360,000 from Safe Restart funding to be provided to transit to alleviate expenses and loss of revenue due to COVID-19 impacts.

The majority of departments are tracking in line with their budgets. Staff expect to provide the second quarter variance report at the August Finance and Labour Relations Sub-committee meeting.

In response to a question regarding the amount of \$643,000 included under the Sanitary line item, the Manager advised it is a surplus amount so far in the first quarter. At the end of the year, any surplus will be allocated to the sanitary reserve fund.

It was questioned whether staff anticipate receiving additional support from other levels of government. The Manager advised staff are monitoring funding from both the provincial and federal governments but do not expect any at this time.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the Q1 Operating Budget Variance Report as at March 31, 2021 be received for information.

Carried

5. Advisory Committee/Outside Board Minutes

There were 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 August 17, 2021 at 3:30 p.m.

7. Adjournment

Motion by Councillor Bunting

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

Carried

Meeting Start Time: 4:20 P.M.

Meeting End Time: 4:26 P.M.



MANAGEMENT REPORT

Date: July 20, 2021
To: Finance and Labour Relations Sub-committee
From: Spencer Steckley, Manager of Financial Services
Report#: FIN21-019
Attachments: Q1 Variance Report to March 31, 2021

Title: Q1 Operating Budget Variance Report as at March 31, 2021

Objective: To explain variances in the operating budget as of March 31, 2021.

Background: Regular monitoring of budgetary performance provides an early warning of potential problems and gives decision makers time to consider actions that may be needed if major deviations in budget to actual results become evident.

This is especially important during the COVID-19 pandemic as we try to mitigate revenue losses.

Analysis: An analysis of some department variances is as follows:

- In the CAO's office there is no projected variance at this time however there are some key items to note: Community Safety and Wellbeing Plan expenses still need to be allocated to the participating municipalities and, the Service Delivery Review expenses will be offset by grants, once received.
- In Corporate Services, there is a minor projected surplus of \$63,000 coming from the City Clerk, Crossing Guard and Advisory Committee departments. The surplus is a result of anticipated cost-savings from the COVID-19 pandemic. Provincial funding, not initially budgeted for, will flow to the City in 2021 to help alleviate COVID-19 pressures. The funding announced by the Province will total \$453,000. Parking revenue will be significantly reduced by approximately \$1,000,000 from budget given the on-going Provincial lockdowns.
- Infrastructure & Development Services is projecting a \$340,000 surplus to budget as a result of cost-savings in Engineering from vacant positions and increased revenue in Building & Planning as demand for services grow. The Ontario Clean Water Agency also

completed their yearly reconciliation of hydro costs for 2019 and the City received a credit of \$129,685. This credit will be applied against the 2021 hydro expense in the Sanitary department.

- Community Services, particularly the Parks and Recreation Divisions, continue to see material reductions in revenue related to the Provincial lockdowns. Rental and program revenue are projected to be \$700,000 under budget in 2021. This deficit is partially offset by the Transit Division which is expected to realize some cost-savings due to COVID-19 and a reduction in services. Transit will also be receiving additional Provincial funding to relieve lost revenue from COVID-19.

- The Police Services Board is projecting a \$448,000 surplus however there is the potential for human resource matters to impact on this amount as we progress throughout the year.

The overall projected variance to budget across the City at this time is a deficit of \$36,000. It is expected that this amount will change as more information becomes available and the impacts of COVID-19 are better known.

The second quarter operating variance report will be presented at the August Sub-committee meeting.

Financial Impact: Year-end projections as noted in the attached. Currently projecting an overall variance to budget deficit of \$36,000.

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 Q1 Operating Budget Variance Report as at March 31, 2021 be received for information.



Spencer Steckley, Manager of Financial Services



Joan Thomson, Chief Administrative Officer

City of Stratford Q1 Operating Variance Report as at 31st March 2021					
Department	2021 Net Budget	Q1 YTD Mar 31/21	% of Budget Spent	Surplus / (Deficit) PROJECTED Variance At 31 Dec 2021	Explanation
<u>Mayor/Council/CAO Office</u>					
101 - Mayor's Office	106,025	24,920	23.5	0	No variance anticipated
102 - Council Services	379,802	91,065	24.0	0	No variance anticipated
111 - CAO's Office	705,590	218,730	31.0	0	No variance anticipated - Community Safety and Wellbeing Plan allocation amongst participating municipalities still to be completed; Service Delivery Review expenses to be offset by grant
<u>Human Resources</u>					
112 - Human Resources	646,540	178,096	27.5	0	No variance anticipated
<u>Corporate Services</u>					
100 - Taxation	(63,457,399)	(31,200,373)	49.2	0	No variance anticipated - approximately 50% of prior year tax revenue invoiced
100 - General Revenues	(1,909,390)	(558,671)	29.3	0	Hydro dividend will be received as declared and budgeted
121 - City Clerk	535,930	133,105	24.8	15,000	Part time payroll wages and benefits will be allocated to Advisory Committees at the end of the year; Marriage license, civil ceremony and commissioning is lower due to service disruptions as a result of COVID-19 pandemic; Legal fees may exceed budget due to unexpected items; other expenses to come under budget as a result of COVID-19
131 - Financial Services	1,227,950	337,609	27.5	0	No variance anticipated
134 - Information Technology	1,656,030	229,449	13.9	0	No variance anticipated
135 - Parking	(575,000)	(15,483)	2.7	(1,000,000)	Budgeted projects are underway; significant anticipated loss of parking revenue as a result of the COVID-19 pandemic; Contractor line item will be slightly under budget as a result of recruitment activities undertaken
136 - Crossing Guards	227,415	47,645	21.0	45,000	Contractor line item will be under budget as a result of the COVID-19 pandemic and decision to return to remote learning
139 - General Financial Services	1,980,650	(418,954)	-21.2	453,000	Provincial funding received related to 2021 COVID-19 Recovery Funding for Municipalities - not budgeted
513 - Industrial Land Sales	0	5,642	0.0	0	Will clear at year end to R-R11-RPRO reserve fund; to be recovered from future land sales
810 - Requisitions from Others	8,985,512	2,098,779	23.4	0	No variance anticipated - all payments to external boards and agencies are on budget
820 - Other Municipal Services	109,245	(17,155)	-15.7	3,000	Expected cost savings from meetings being held electronically; Stratfords of the World (SOTW) has delayed its reunion to 2022 and some conference participants have requested refunds on their registrations; all SOTW registration monies collected in 2020 have been forwarded into 2021 budget and any unused monies will be brought forward again for 2022 reunion

City of Stratford Q1 Operating Variance Report as at 31st March 2021					
Department	2021 Net Budget	Q1 YTD Mar 31/21	% of Budget Spent	Surplus / (Deficit) PROJECTED Variance At 31 Dec 2021	Explanation
872 - Community Grants	769,050	185,487	24.1	0	No variance anticipated - approved grants are being advanced when requested by community groups; contingency remaining of \$16,255.; fee waivers will be drawn down as needed during the course of 2021; this budget may be underspent at year end if contingency, grants or fee waivers are not required due to changes in community group activities due to COVID-19
<u>Infrastructure & Development Services</u>					
141 - City Building Maintenance	687,548	125,752	18.3	10,000	Expenses forecasted to be under budget by \$10,000;
251 - Building & Planning	615,592	101,998	16.6	100,000	Revenue forecasted to be over budget by \$100,000 due to increased demand for services; manager of planning, temporary planning and bylaw officer vacancies now filled.
310 - Engineering	1,233,785	292,156	23.7	110,000	Expenses forecasted to be under budget by \$110,000; project engineer and engineering technician positions remain vacant
315 - Fleet	1,589,340	559,837	35.2	0	No anticipated variance
320 - Roads	5,113,090	956,325	18.7	0	No anticipated variance
330 - Sanitary	0	(643,449)	0.0	120,000	2019 hydro reconciliation completed by Ontario Clean Water Agency - received credit of \$129,685.12 which has been applied against the 2021 hydro expense
340 - Storm	2,882,761	30,189	1.0	0	No anticipated variance
350 - Water	0	178,899	0.0	0	No anticipated variance
360 - Waste	1,356,190	(129,526)	-9.6	0	No anticipated variance
<u>Fire</u>					
211 - Fire	7,922,470	1,732,360	21.9	0	No anticipated variance - revenue and expenses tracking to budget
512 - Airport	195,050	43,896	22.5	0	No anticipated variance - revenue and expenses tracking to budget
<u>Community Services</u>					
711 - Parks	1,736,886	267,571	15.4	(100,000)	Reduced user fee revenue and rental income as a result of COVID-19 lockdown
721 - Recreation	4,690,460	734,311	15.7	(600,000)	Reduced facility rentals and recreation programs as a result of COVID-19 lockdown
731 - Cemetery	385,790	(2,212)	-0.6	0	No anticipated variance
750 - Transit	2,332,154	(436,354)	-18.7	300,000	Reduced expenses due to COVID-19 - school specials not operating and on-demand services being utilized on the weekend; Provincial funding received (i.e. Safe Restart) to help offset additional expenses and lost revenue
751 - Parallel Transit	479,710	87,991	18.3	60,000	Currently operating at 50% capacity which has resulted in reduced expenses due to COVID-19; Provincial funding received (i.e. Safe Restart) to help offset additional expenses and lost revenue

City of Stratford Q1 Operating Variance Report as at 31st March 2021					
Department	2021 Net Budget	Q1 YTD Mar 31/21	% of Budget Spent	Surplus / (Deficit) PROJECTED Variance At 31 Dec 2021	Explanation
<u><i>Social Services</i></u>					
610 - Social Services Administration	0	355,900	0.0	0	Journal entries to reallocate amounts still need to be completed; all departments within Social Services are trending to a modest surplus however union negotiations, the housing moratorium ending and quarter 3 and 4 expenses can all impact upon this
611 - Ontario Works	619,180	1,220,349	197.1	0	See comments above in department 610
613 - Anne Hathaway Day Care Centre	48,350	(4,597)	-9.5	0	See comments above in department 610
615 - Housing	2,130,050	240,972	11.3	0	See comments above in department 610
616 - Child Care	262,090	318,443	121.5	0	See comments above in department 610
617 - Early Learning & Child Develop.	109,880	449,522	409.1	0	See comments above in department 610
618 - Britannia Street Apartments	0	(80,885)	0.0	0	See comments above in department 610
<u><i>Police</i></u>					
231 - Police	11,656,557	2,761,852	23.7	448,000	If current expenditures remain consistent throughout the year than there could be a projected surplus; unforeseen human resource matters (i.e. parental leave, WSIB, retirement, etc.) may impact upon this surplus
<u><i>Library</i></u>					
411 - Library	2,565,117	574,440	22.4	0	No anticipated variance - revenues and expenses tracking to budget
Total Net Expenses (Revenue)	\$ -	-\$ 18,924,370			