



**Stratford City Council  
Regular Council Open Session  
AGENDA**

**Meeting #:** 4695th  
**Date:** Monday, June 27, 2022  
**Time:** 7:00 P.M.  
**Location:** Electronic Meeting  
**Council Present:** Mayor Mathieson - Chair Presiding, Councillor Beatty, Councillor Bunting, Councillor Burbach, Councillor Clifford, Councillor Gaffney, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Sebben, Councillor Vassilakos  
**Staff Present:** Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, David St. Louis - Director of Community Services, Kim McElroy - Director of Social Services, John Paradis - Fire Chief, Taylor Crinklaw - Director of Infrastructure and Development Services, Karmen Krueger - Director of Corporate Services, Anne Kircos - Acting Director of Human Resources, Jodi Akins - Council Clerk Secretary, Jeff Bannon - Planner

To watch the Council meeting live, please click the following link: <https://stratford-ca.zoom.us/j/81998710680?pwd=MWtXUkRIQldKZjlZVGd6dnImMEpzQT09>

A video recording of the meeting will also be available through a link on the City's website at <https://www.stratford.ca/en/index.aspx> following the meeting.

Pages

**1. Call to Order:**

Mayor Mathieson, Chair presiding, to call the Council meeting to order.

Moment of Silent Reflection

**2. Declarations 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 to otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

**3. Adoption of the Minutes:**

17 - 42

Motion by

**THAT the Minutes of the Special Meeting dated June 6, 2022 and the Regular Meeting dated June 13, 2022 of Council of The Corporation of the City of Stratford be adopted as printed.**

**4. Adoption of the Addendum/Addenda to the Agenda:**

Motion by

**THAT the Addendum/Addenda to the Regular Agenda of Council and Standing Committees dated June 27, 2022 be added to the Agenda as printed.**

**5. Report of the Committee of the Whole In-Camera Session:**

**5.1. At the June 13, 2022, Session, under the Municipal Act, 2001, as amended, a matter concerning the following item was considered:**

5.1 Appointment to Festival Hydro Inc. and Festival Hydro Services Inc. Board of Directors - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

Motion by

**Staff Recommendation: THAT John Tapics and Gerry Guthrie be re-appointed to the Festival Hydro Inc., Board of Directors for a four year term from December 1, 2022 to November 30, 2026, or until a successor is appointed by Stratford City Council;**

**AND THAT Gerry Gurthrie be re-appointed to the Festival Hydro Services Inc., Board of Directors for a four-year term from December 1, 2022 to November 30, 2026, or until a successor is appointed by Stratford City Council.**

**5.2. At the June 13, 2022, Session, under the Municipal Act, 2001, as amended, a matter concerning the following item was considered:**

4.2 Land Negotiation Update - Proposed or pending acquisition or disposal of land by the municipality or local board (section 239.(2)(c))

(includes municipal property leased for more than 21 years), Advice that is subject to solicitor-client privilege including communications necessary for that purpose (section 239.(2)(f)), and A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board (section 239.(2)(k)).

Motion by

**Staff Recommendation: THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the Temporary Road Construction and License Agreement with 2091192 Ontario Ltd., for the construction of a temporary road extension to connect O'Loane Avenue to McCarthy Road West.**

**5.3. At the June 20, 2022, Session, under the Municipal Act, 2001, as amended, a matter concerning the following item was considered:**

3.1 Proposed Development on Municipally Owned Parcels of Land - Proposed or pending acquisition or disposal of land by the municipality or local board (section 239.(2)(c)) (includes municipal property leased for more than 21 years), Advice that is subject to solicitor-client privilege including communications necessary for that purpose (section 239.(2)(f)), and A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board (section 239.(2)(k)).

At the In-camera Session direction was given on this matter.

**5.4. At the June 27, 2022, Session, under the Municipal Act, 2001, as amended, a matter concerning the following item was considered:**

4.1 Proposed Disposition of Land in the Crane West Business Park - Proposed or pending acquisition or disposal of land by the municipality or local board (section 239.(2)(c)) (includes municipal property leased for more than 21 years).

**6. Hearings of Deputations and Presentations:**

**6.1. Delegation Request of Avon Maitland District School Board**

Hugh Cox, representing the Avon Maitland District School Board, has requested to address Council with respect to Item 9.2.5 on this agenda - Sign By-Law Variance for the Avon Maitland School District (PLA22-017).

Motion by

**THAT the delegation of Hugh Cox on behalf of the Avon Maitland District**

School Board with respect to a Sign By-Law Variance for the Avon Maitland School District (PLA22-017), be heard.

**7. Orders of the Day:**

- 7.1. Resolution - T-2022-16 Willow Street Watermain Relining Tender Award (COU22-053)** 43 - 46

Motion by

**Staff Recommendation: THAT the Tender (T-2022-16) for the Willow Street Watermain Relining Contract be awarded to Fer-Pal Construction Ltd. at a total tender price of \$1,198,071.20 including HST;**

**AND THAT the Mayor and City Clerk, or their respective delegates, be authorized to sign the Contract agreement.**

- 7.2. Resolution - Special Occasion Permit**

The 22nd Annual Brian Sippel Memorial Slo-Pitch Tournament will be held on September 2-4, 2022 at the Packham Road Sports Complex and the organizer has applied for a special occasion permit liquor licence.

Public Health, the Fire Department and the Community Services Department have indicated they have no concerns with the event.

Motion by

**THAT City Council does not express concern with the issuance of a special occasion permit for the 22nd Annual Brian Sippel Memorial Slo-Pitch tournament to be held September 2-4, 2022 at the Packham Road Sports Complex, subject to the necessary permits being obtained, compliance with the City's Municipal Alcohol Risk Policy and the required certificates of insurance being provided.**

- 7.3. Resolution - Storm and Sanitary Sewer Easement at 84 Church Street (COU22-054)** 47 - 49

Motion by

**Staff Recommendation: THAT The Corporation of the City of Stratford accept an easement over Parts 3 and 4 Plan 44R-2800 from LCIR2 INC for access to the storm and sanitary sewers;**

**AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the necessary documents.**

- 7.4. Municipal Accommodation Tax - Update (COU22-055)** 50 - 106

Motion by



**Staff Recommendation: THAT the Report Municipal Accommodation Tax Update be received;**

**THAT a 4% MAT rate be authorized and that the necessary by-laws be brought forward to a future meeting;**

**THAT information regarding timing and other key messages be distributed to businesses via the Engage Stratford platform and via Destination Stratford;**

**THAT an implementation date of no earlier than July 1, 2023, be authorized;**

**THAT a MAT Reserve Fund be established for the purpose of segregating the funds and that the Reserve policy be brought forward to ensure the purpose is clearly outlined;**

**THAT in 2023 and 2024, subject to budget approvals or alternative Council direction, keep the City's contribution to Destination Stratford at current levels be recommended;**

**THAT in 2024, Destination Stratford receive 50% of the net MAT revenues received in 2023;**

**AND THAT ongoing collaborations with Destination Stratford continue to facilitate the implementation of the MAT.**

**8. Business for Which Previous Notice Has Been Given:**

None scheduled.

**9. Reports of the Standing Committees:**

**9.1. Report of the Infrastructure, Transportation and Safety Committee:**

Motion by

**THAT the Report of the Infrastructure, Transportation and Safety Committee dated June 27, 2022 be adopted as printed.**

**9.1.1. Continued Promotion of Active Transportation through Lakeside Drive Lane Closures (ITS22-015) 107 - 109**

THAT the matter of Continued Promotion of Active Transportation through Lakeside Drive Lane Closures (ITS22-015) be filed.

**9.1.2. Airport Operations Management Contract (ITS22-016) 110 - 112**

THAT the Chief Administrative Officer be authorized to negotiate a contract for the management of operations of the Stratford Municipal Airport with Stratford Air Services for a further three year term under section 37.1 of the Procurement Policy;

AND THAT acceptance of the contract be subject to Council approval.

**9.1.3. New Ontario Firefighter Certifications (ITS22-014) 113 - 135**

THAT the report of the Fire Chief (ITS22-014) outlining the new Ontario Firefighter Certification Plan, be received for information.

**9.2. Report of the Planning and Heritage Committee:**

Motion by

**THAT the Report of the Planning and Heritage Committee dated June 27, 2022 be adopted as printed.**

**9.2.1. Planning Report, Zone Change Amendment Z03-22, 4253 Perth Line 36 (PLA22-021) 136 - 149**

THAT application Z03-22, to amend the zoning on 4253 Perth Line 36 from an Agricultural (A) Zone to an Agricultural (A-11) Zone with site specific regulations, be approved for the following reasons:

- the request is consistent with the Provincial Policy Statement;
- the request is in conformity with the goals, objectives and policies of the Official Plan;
- the Official Plan Amendment and zone change will provide for a development that is appropriate for the lands; and
- the public was consulted during the application circulation and comments that have been received in writing or at the public meeting have been reviewed, considered and analyzed within the Planning report;

AND THAT Council pass a resolution that no further notice is required under Section 34(17) of the Planning Act.

**9.2.2. 4110 Line 36, Modification to Draft Approved Plan of Subdivision 31T18-002, Zone Change Application Z17-21 and Zone Change Application Z18-21 (PLA22-022) 150 - 181**

THAT Council pass a resolution that no further notice is required under Section 34(17) of the Planning Act;

THAT the Zone Change Applications Z17-21 and Z18-21 to amend the zoning on a portion of the subject lands to a Residential First Density R1(5)- special provision zone, a Residential Fourth Density R4(2)-XX special provision zone, a Residential Fourth Density R4(2)-XY special provision zone and a Residential Fourth Density R4(2)-XZ special provision zone

BE APPROVED for the following reasons:

- the zone change applications are consistent with the Provincial Policy Statement and conform with the City of Stratford Official Plan;
- the recommended zone change applications will facilitate development that is appropriate for the lands, will not impact surrounding lands and is considered to be sound land use planning;
- the zone change applications will provide a wide range of housing to meet the needs of the existing and future residents; and
- the recommended zone change will encourage efficient use of land and infrastructure.

Draft Plan of Subdivision:

THAT modifications to draft approved Plan of Subdivision 31T18-002, submitted by Sifton Properties Limited on the lands known municipally as 4110 Perth Line 36, be approved by the City of Stratford pursuant to Section 51(31) of the Planning Act, subject to the revised conditions listed below, for the following reasons:

- the modifications to the draft approved plan of subdivision are consistent with the Provincial Policy Statement and conform with the City of Stratford Official Plan;
- the plan of subdivision will result in sound land use planning and is considered appropriate for the development of the lands;
- it will provide a wide range of housing to meet the needs of the existing and future residents; and
- it will encourage efficient use of land and infrastructure.

AND THAT the conditions of draft approval of plan of

subdivision 31T18-002 be revised as follows:

1. This draft approval applies to Plan of Subdivision 31T-18002 submitted by Sifton Properties Limited, certified by Trevor McNeil O.L.S., dated April 1, 2022, as redline amended, File No. 31T-18002, drawing no. 1, which shows a total of 141 single detached residential lots, 7 multi development blocks, 1 park block, 1 future infill block, 2 walkway blocks, 1 stormwater management block, 7 0.3m reserve blocks, 2 open space blocks, all served by 7 new local roads.

18. A 0.3 m reserve block shall be provided along Block 152, Block 155 and Block 161 as shown on the redline amended plan. The subdivision agreement shall contain a provision allowing the property owner to access their lands over the 0.3m reserve for Blocks 164, Block 155 and Block 161 for maintenance purposes to the satisfaction of the Manager of Planning.

24. The Owner shall dedicate Block 153 to the City of Stratford for Park purposes and pay the City cash-in-lieu for 0.157 ha of parkland pursuant to the provisions of Section 51.1 of the Planning Act. The dedication of Block 160 and cash-in-lieu for 0.157 ha shall satisfy the parkland dedication requirements for all lands within the boundary of this draft plan. All costs associated shall be borne by the Owner.

26. In conjunction with the submission of engineering drawings, the Owner shall submit a conceptual park design and grading and servicing plans for Block 153 which shall accommodate a 3m wide walkway on Block 154 for review and approval by the Director of Infrastructure and Development Services and the Director of Community Services. Block 1153 shall be registered in one phase.

27. Concurrent with registration, the Owner shall convey Block 155 (4 m wide walkway) and Block 154 (3m wide pathway) to the City of Stratford. The Owner shall construct the walkway and fencing in accordance with the City of Stratford walkway design requirements within one year of registration to the satisfaction of the Director of Infrastructure and Development Services.

28. In conjunction with the submission of engineering drawings, the Owner shall submit a trail design and grading plans for Block 151 for review and approval by the Director of

Infrastructure and Development Services and Upper Thames River Conservation Authority.

29. Within one year of the registration of the phase, the Owner shall fence along the rear lot lines of Lots 7-12, 24-40, 72-86, along the north lot line of Lot 24, along the north and east lot line of Block 153, along the south lot line of Lot 86 and the west lot line of Lot 98, Block 148 and Block 151 abutting the west limit of the draft plan with a 1.5 metre chain link fence with no gates to prevent trespassing. Any other fencing arrangements shall be to the satisfaction of the Manager of Planning.

30. Within one year of the registration of the phase, the Owner shall provide a 1.5m temporary fence with no gates along the north and east lot lines of Blocks 142 and 143 to the satisfaction of the Manager of Planning. The Subdivision Agreement shall contain a provision requiring the Owner to construct a fence along the north and east lot lines of Blocks 142 and 143 through the site plan approval process when Blocks 142 and 143 are developed to the satisfaction of the Manager of Planning. The temporary fence shall be required until the fence is installed through the site plan process to the Manager of Planning. The installation and removal of the temporary fencing shall be the responsibility of the Owner.

31. Concurrent with the registration of any phase that includes Block 150 or Block 151, the Owner shall provide an easement over Block 150 and Block 151 for pedestrian trail. All costs associated with the registration of the easement shall be borne by the Owner.

39. As part of the engineering drawings submission, the Owner shall submit an on-street parking plan for Blocks 142, 143, 144, 145, 146 and 147 to the satisfaction of the Manager of Development Services. The accepted parking plan required for each registered phase of development and will form part of the subdivision agreement for the registered plan.

47. Concurrent with registration, the Owner shall provide all required land dedications related to the stormwater works, including Block 149, at the cost of the owner to the satisfaction of the Director of Infrastructure and Development Services.

48. Minor revisions to the size of Block 149 may be required to accommodate the final design of the stormwater management pond in accordance with municipal standards to the satisfaction

of the Director of Infrastructure and Development Services. Any cost associated will be the responsibility of the Owner.

49. In conjunction with the engineering drawings submission, the Owner shall have their consulting engineer submit a driveway access design that provides access to the inlet and outlet structures on Block 146 and a pedestrian sidewalk to connect the trail on Block 151 to Street 'F' and Mornington Street to the satisfaction of the Director of Infrastructure and Development Services. All costs associated with the construction of the access driveway and pedestrian sidewalk will be at the cost of the owner.

76. At the time of final approval, the Owner shall dedicate a 10m x 10m "daylight triangle" at the intersection of Street 'A' and Mornington Street abutting Block 149 and 3m x 3m "daylight triangle" at the intersection of Street 'A' and Mornington Street abutting Block 152 to the satisfaction of the City. Such "daylighting triangles" shall be shown and dedicated as public highways on the final plan.

**9.2.3. Proposed Amendments to the Site Plan Approval Delegated Authority By-law (PLA22-019)** 182 - 189

THAT the Site Plan Approval Delegation of Authority By-law, being a by-law to delegate authority with respect to the approval of site plans and to authorize the entering into and execution of approved site plan agreements and amending agreements, be adopted;

THAT By-law 103-2012, and any related amendments, be repealed;

AND THAT the Delegation of Authority By-law 135-2017, as amended, be further amended to delegate authority to the Manager of Planning, or delegate(s), to approve site plans and to authorize the entering into and execution of approved site plan agreements and amending agreements.

**9.2.4. Proposed Exemption from Sign By-law 159-2004, Section 12.0 Ground Sign, 337 Home Street (PLA22-016)** 190 - 193

THAT the request for a sign variance at the property known municipally as 337 Home Street for two ground signs be denied as the request does not conform with the intent of the Sign By-law 159-2004, as amended.

**9.2.5. Sign By-Law Variance for the Avon Maitland School District (PLA22-017)** 194 - 197

THAT the request for a sign variance from the Avon Maitland District School Board to install an electric change copy sign on the existing structure be denied as the proposed sign does not meet the required size requirements for an electric change copy sign in the Sign By-law 159-2004, as amended.

**9.3. Report of the Finance and Labour Relations Committee:**

Motion by

**THAT the Report of the Finance and Labour Relations Committee dated June 27, 2022 be adopted as printed.**

**9.3.1. Festival Hydro Financial Results 2021 year end and 2022 Q1 (FIN22-021)** 198 - 304

THAT the Festival Hydro Inc. 2021 audited financial statements and commentary for the year ending December 31, 2021, be approved by City Council;

THAT the Festival Hydro Services Inc. 2021 audited financial statements and commentary for the year ending December 31, 2021, be approved by City Council;

THAT the Festival Hydro Inc. financial statements and commentary for the period ending March 31, 2022, be received for information;

THAT the Festival Hydro Services Inc. financial statements and commentary for the period ending March 31, 2022, be received for information;

THAT the Resolutions of the Sole Shareholder of Festival Hydro Inc. and Festival Hydro Services Inc. attached to Report FIN22-021, be adopted by City Council and authorization given for the Mayor and Clerk, or their respective delegates, to sign the resolutions on behalf of The Corporation of the City of Stratford;

THAT the Festival Hydro Inc. audit findings report ending December 31, 2021, be approved and adopted;

THAT the Festival Hydro Services Inc. audit findings report ending December 31, 2021, be approved and adopted;

THAT the financial statements of Festival Hydro Inc. as of

December 31, 2021, consisting of the Balance Sheet as at December 31, 2021, the Statement of Income for the year ending December 31, 2021, the Statement of Retained Earnings for the year ending December 31, 2021, and the notes to the financial statements, and the report of the auditors thereon dated April 28, 2022, be and the same are hereby approved and adopted;

THAT all acts, contracts, by-laws, proceedings, appointments, elections and payments enacted, made, done and taken by the directors and officers of Festival Hydro Inc. since the last annual meeting of the shareholder as the same are set out or referred to in the minutes of the meetings and resolutions of the board of directors or referred to or given effect to in the aforesaid financial statements be and the same are hereby approved, ratified and confirmed;

THAT the financial statements of Festival Hydro Services Inc. as of December 31, 2021, consisting of the Balance Sheet as at December 31, 2021, the Statement of Income for the year ended December 31, 2021, the Statement of Retained Earnings for the year ended December 31, 2021, and the notes to the financial statements, and the report of the auditors thereon dated April 28, 2022, be and the same are hereby approved and adopted;

AND THAT all acts, contracts, by-laws, proceedings, appointments, elections and payments enacted, made, done and taken by the directors and officers of Festival Hydro Services Inc. since the last annual meeting of the shareholder as the same are set out or referred to in the minutes of the meetings and resolutions of the board of directors or referred to or given effect to in the aforesaid financial statements be and the same are hereby approved, ratified and confirmed.

**9.3.2. SEEDCo Update Q1 to March 31 2022 (FIN22-020) 305 - 314**

THAT the Stratford Economic Enterprise Development Corporation (SEEDCo./investStratford) Update dated May 17, 2022, be received for information.

**9.3.3. Q1 Operating Budget Variance Report at March 31, 2022 (FIN22-022) 315 - 318**

THAT the report titled, "Q1 Operating Variance Report at March 31, 2022" (FIN22-022), be received for information.



**9.3.4. Q4 Operating Budget Variance Report at December 31, 2021  
(FIN22-023)**

319 - 325

THAT the report titled, "Q4 Operating Variance Report at December 31, 2021" (FIN22-023), be received for information.

**10. Notice of Intent:**

None scheduled.

**11. Reading of the By-laws:**

The following By-laws require First and Second Readings and Third and Final Readings and could be taken collectively upon unanimous vote of Council present:

Motion by

**THAT By-laws 11.1 to 11.8 be taken collectively.**

Motion by

**THAT By-laws 11.1 to 11.8 be read a First and Second Time.**

Motion by

**THAT By-laws 11.1 to 11.8 be read a Third Time and Finally Passed.**

**11.1. Delegation of Authority regarding Site Plan Agreements**

326 - 327

To delegate authority with respect to the approval of site plans, to authorize the entering into and execution of approved site plan agreements and amending agreements and to repeal By-law 103-2012.

**11.2. Amend Zoning By-law 10-2022 to Rezone Lands Known Municipally as 4253 Perth Line 36**

328 - 330

To amend By-law 10-2022, as amended, with respect to zone change application Z03-22 to amend the Agricultural Zone at 4253 Perth Line 36 located on the south side of Perth Line 36 between the city limits and O'Loane Avenue to an Agricultural A zone with site specific regulations.

**11.3. Award Tender for the Willow Street Watermain Relining Contract**

331

To authorize the acceptance of a tender, entering into of a contract and the undertaking of the work by Fer-Pal Construction Ltd. for the Willow Street Watermain Relining Contract [T-2022-16].

**11.4. Appointment to the Festival Hydro Inc. and Festival Hydro Services Inc. Board of Directors**

332

To amend By-law 178-2018, as amended, to make an appointments to the Festival Hydro Inc. and Festival Hydro Services Inc. Board of Directors.

**11.5. Acceptance of Easement from LCIR2 Inc. for Access to Storm and Sanitary Sewers** 333

To authorize the acceptance of an easement in gross from LCIR2 INC over Parts 3 and 4, Plan 44R-2800 for access to the storm and sanitary sewers.

**11.6. Entering into Temporary Road Construction and License Agreement for the Construction of a Temporary Road Extension of McCarthy Road West** 334 - 335

To authorize the entering into and execution of a Temporary Road Construction and License Agreement with 2091192 Ontario Ltd. for the construction of a temporary road extension of McCarthy Road West.

**11.7. Amend Zoning By-law 10-2022 to Rezone Lands Known Municipally as part of 4110 Perth Line 36** 336 - 339

To amend By-law 10-2022 as amended, with respect to zone change application Z17-21 to amend the Residential First Density Zone R1(4)-36 and Residential Fourth Density Zone R4(2)-25(H12) at 4110 Perth Line 36 to a Residential Fourth Density R4(2) with site specific regulations.

**11.8. Amend Zoning By-law 10-2022 to Rezone Lands Known Municipally as Part of 4110 Perth Line 36** 340 - 343

To amend By-law 10-2022 as amended, with respect to zone change application Z18-21 to amend the Residential First Density Zone R1(4)-36 at 4110 Perth Line 36 to a Residential First Density R1(5) and a Residential Fourth Density R4(2) with site specific regulations.

**12. Consent Agenda: CA-2022-071 to CA-2022-075** 344 - 345

Council to advise if they wish to consider any items listed on the Consent Agenda.

**13. New Business:**

**14. Adjournment to Standing Committees:**

The next Regular Council meeting is July 11, 2022.

Motion by

THAT the Council meeting adjourn to convene into Standing Committees as follows:

- Planning and Heritage Committee [7:05 p.m. or thereafter following the Regular Council meeting];

and to Committee of the Whole if necessary, and to reconvene into Council.

## 15. Council Reconvene:

### 15.1. Declarations of Pecuniary Interest made at Standing Committees

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.

Declarations of Pecuniary Interest made at Standing Committee meetings held on June 27, 2022 with respect to the following Items and re-stated at the reconvene portion of the Council meeting:

Name, Item and General Nature of Pecuniary Interest

### 15.2. Reading of the By-laws (reconvene):

346

The following By-law requires First and Second Readings and Third and Final Readings:

#### **By-law 11.9 Confirmatory By-law**

To confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on June 27, 2022.

Motion by

**THAT By-law 11.9 be read a First and Second Time.**

Motion by

**THAT By-law 11.9 be read a Third Time and Finally Passed.**

### 15.3. Adjournment of Council Meeting

Meeting Start Time:

Meeting End Time:

Motion by

**THAT the June 27, 2022 Regular Council meeting adjourn.**



## Stratford City Council Special Council Open Session MINUTES

Meeting #:	4693rd
Date:	Monday, June 6, 2022
Time:	5:30 P.M.
Location:	Electronic Meeting
Council Present in Council Chambers:	Mayor Mathieson - Chair Presiding
Council Present Electronically:	Councillor Beatty, Councillor Bunting, Councillor Clifford, Councillor Gaffney, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Vassilakos
Regrets:	Councillor Burbach and Councillor Sebben
Staff Present in Council Chambers:	Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, Chris Bantock - Deputy Clerk
Staff Present Electronically:	David St. Louis - Director of Community Services, Karmen Krueger - Director of Corporate Services, John Paradis - Fire Chief, Taylor Crinklaw - Director of Infrastructure and Development Services, Jodi Akins – Council Clerk Secretary, Brad Hernden – Manager of Recreation and Marketing
Also Present:	Members of the Public and Media

### **1. Call to Order:**

Mayor Mathieson, Chair presiding, called the Council meeting to order.

Councillor Burbach provided regrets for this meeting.

## 2. **Declarations 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 to otherwise comply with the *Act*.

### Name, Item and General Nature Thereof

No declarations of pecuniary interest were made by a member at the June 6, 2022, Special Council meeting.

## 3. **Orders of the Day:**

### **3.1 2022 Parade Routes - Reconsideration**

The Chief Administrative Officer (CAO), providing background as to the purpose of the meeting, advised that following the meeting of Council on May 24, 2022, City staff reached out to representatives of the Kinsmen Club to continue discussions regarding the Canada Day parade and to present options for parade routes on local streets only. The Kinsmen Club held a subsequent meeting and decided to cancel both the Canada Day and Santa Clause parades. Discussions have been ongoing between the Kinsmen and City officials.

The CAO advised that the City Clerk provided an outline of the process for this meeting. Should Council wish to discuss the matter tonight a motion to reconsider is required. If Council proceeds to reconsider, discussion will be needed with respect to preferred route options. It was further advised that the City would work with organizations involved and that there will be a need for safety considerations and requirements, including to ensure that approved parade intersections have volunteers stationed at them before, during and after the parade, until the event is over. To prepare for this, the City will require receipt of volunteer confirmations by the end of the week or will need to contract out for those services to ensure safety parameters are in place.

**Motion by** Councillor Ritsma

**Seconded by** Councillor Beatty

THAT the resolution adopted at the May 24, 2022, Regular Council meeting, related to parade routes in 2022 be reconsidered.

Mayor Mathieson questioned and confirmed with the Mover and Seconders that they had both voted with the prevailing side on the original motion from May 24, 2022.

Mayor Mathieson called the question on the motion.

**Defeated**

The City Clerk clarified that as two-thirds support was not received for the motion to reconsider, the motion from May 24, 2022, remained in effect.

Responding to a Point of Order with respect to the votes needed to reconsider a motion, the City Clerk clarified that the City's Procedural By-law requires two-thirds of the whole Council being required for approval and not just two-thirds of those present.

#### **4. Reading of the By-laws:**

The following By-law required First and Second Readings and Third and Final Readings:

##### **By-law 70-2022 - Confirmatory By-law**

To confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on June 6, 2022.

R2022-227

**Motion by** Councillor Ingram

**Seconded by** Councillor Vassilakos

**THAT By-law 70-2022 be read a First and Second Time.**

**Carried** two-thirds support

R2022-228

**Motion by** Councillor Clifford

**Seconded by** Councillor Ritsma

**THAT By-law 70-2022 be read a Third Time and Finally Passed.**

**Carried**

#### **5. Adjournment:**

R2022-229

**Motion by** Councillor Ingram

**Seconded by** Councillor Bunting

**THAT the June 6, 2022, Special Council Meeting adjourn.**

**Carried**

Special Council Minutes  
June 6, 2022

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Meeting Start Time: 5:30 P.M.  
Meeting End Time: 5:38 P.M.

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Mayor - Daniel B. Mathieson

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Clerk - Tatiana Dafoe





## Stratford City Council Regular Council Open Session MINUTES

Meeting #:	4694th
Date:	Monday, June 13, 2022
Time:	7:00 P.M.
Location:	Electronic Meeting
Council Present in Council Chambers:	Mayor Mathieson - Chair Presiding
Council Present Electronically:	Councillor Beatty, Councillor Bunting, Councillor Burbach, Councillor Clifford, Councillor Gaffney, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Sebben, Councillor Vassilakos
Staff Present in Council Chambers:	Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, Chris Bantock - Deputy Clerk
Staff Present Electronically:	David St. Louis - Director of Community Services, Kim McElroy - Director of Social Services, John Paradis - Fire Chief, Taylor Crinklaw - Director of Infrastructure and Development Services, Karmen Krueger - Director of Corporate Services, Anne Kircos - Acting Director of Human Resources, Kelton Frey – Municipal Law Enforcement Officer, Jeff Bannon – Planner, Alyssa Bridge – Manager of Planning
Also Present:	Hamlin Grange, Diversipro President and CEO, and members of the public and media

### 1. Call to Order:

Mayor Mathieson, Chair presiding, called the Council meeting to order.

Moment of Silent Reflection

## **2. Declarations 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 to otherwise comply with the *Act*.

### Name, Item and General Nature of Pecuniary Interest

Councillor Burbach declared a pecuniary interest on Item 6.2 of the Planning and Heritage Committee agenda, Proposed Exemption from Sign By-law 159-2004, 35 Waterloo Street North (PLA22-015), as she is a member of the board for the organization making the request.

Councillor Gaffney declared a pecuniary interest on Item 5.2 of the Planning and Heritage Committee agenda, 4110 Line 36, Modification to Draft Approved Plan of Subdivision 31T18-002, Zone Change Application Z17-21 and Zone Change Application Z18-21 (PLA22-022), as he has an ownership interest in an abutting property.

## **3. Adoption of the Minutes:**

R2022-230

**Motion by** Councillor Vassilakos

**Seconded by** Councillor Henderson

**THAT the Minutes of the Special Meeting dated May 16, 2022 and the Regular Meeting dated May 24, 2022 of Council of The Corporation of the City of Stratford be adopted as printed.**

**Carried**

## **4. Adoption of the Addendum to the Agenda:**

There was no addendum to the June 13, 2022, Regular Council agenda.

## **5. Report of the Committee of the Whole In-Camera Session:**

**5.1 At the June 13, 2022 Session, under the Municipal Act, 2001, as amended, matters concerning the following items were considered:**

4.1 Mediation Service - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b));

4.2 Land Negotiation Update - Proposed or pending acquisition or disposal of land by the municipality or local board (section 239.(2)(c)) (includes municipal property leased for more than 21 years), Advice that is subject to solicitor-client privilege including communications necessary for that purpose (section 239.(2)(f)), and A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board (section 239.(2)(k));

5.1 Appointment to Festival Hydro Inc. and Festival Hydro Services Inc. Board of Directors - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

At the In-camera Session, direction was given on all items.

## **6. Hearings of Deputations and Presentations:**

### **6.1 Presentation of the Cultural Diversity Report Findings**

R2022-231

**Motion by** Councillor Ritsma

**Seconded by** Councillor Burbach

**THAT the presentation by Hamlin Grange, President and CEO of Diversipro, of the Cultural Diversity Report Findings for the City of Stratford, be heard.**

**Carried**

The Chief Administrative Officer (CAO) welcomed Mr. Grange. The CAO advised that the City retained Diversipro last year to assist with developing a Diversity, Equity and Inclusion Plan for the City.

Hamlin Grange, President and CEO of Diversipro, referring to a PowerPoint presentation, provided an overview of the Cultural Diversity Report findings for the City of Stratford. Highlights of the presentation included:

- an online survey having been conducted from January 17 to February 11, 2022;
- the completion rate of the survey being 89%;

- incomplete surveys having been included in results to ensure everyone's voice was heard;
- areas for improvement being those that scored 20% or higher in the minority;
- the City's workforce being largely white, heterosexual, and well tenured;
- employees are generally positive and feel discrimination is addressed for the most part;

Councillor Beatty now present at the meeting at 7:10 p.m.

- issues identified such as non-diverse leadership, sexism, not being able to speak without consequence, and a divide between management and non-management;
- the City having a smaller number of people in the workforce between the ages of 20 to 29 compared to the City's residents;
- a larger percentage of women being in non-management roles compared to men;
- City of Stratford employees not being very diverse linguistically;
- an overview of personal experience responses as it relates to feeling respected and valued by colleagues;
- racism, sexism, transphobia, and ableism being priority areas based on survey results;
- 45% of respondents having witnessed harassment or bullying in the workplace;
- neutral responses often being indicative of not enough information or not having an opinion;
- management staff seeking assistance with tool kits, best practices, and support from senior leadership;
- training and development being the top two priority areas for management and staff; and,
- recommendations for consideration such as IDEA training, more opportunities for open discussion, consistent policies and processes,

and conducting a general population study of the City as it relates to diversity and inclusion.

Discussion ensued with respect to:

- looking at outreach tactics already being undertaken internally to determine if they can be replicated for reaching out and building relationships with different communities; and,
- more granular data being obtained through completion of an employment systems review.

R2022-232

**Motion by** Councillor Ingram

**Seconded by** Councillor Gaffney

**THAT the Cultural Diversity Report Findings prepared by Diversipro be received as presented.**

**Carried**

## **6.2 Delegation Request from Robert Lemon**

R2022-233

**Motion by** Councillor Sebben

**Seconded by** Councillor Burbach

**THAT the delegation of Robert Lemon regarding Report COU22-050, Request from Owner to Reconsider Encroachment Agreement for 7 Cobourg Street, be heard.**

**Carried**

Robert Lemon, referring to a PowerPoint presentation, provided an overview of the request to reconsider the encroachment agreement for 7 Cobourg Street. Highlights of the presentation included;

- the Tower House being a landmark of modern Canadian design;
- the ramp and planter not being new, inadvertently erected, or built without permission;
- willingness to pursue an encroachment agreement for the existing driveway parking space;
- the site plan agreement of March 31, 1998, and building permit drawings from October 23, 1998, showing a ramp and planter and having been approved by the City at the time;

- an occupancy permit having been approved October 1, 2001;
- a letter received from the City on May 10, 2019, that does not indicate any orders or violations against the property at that time;
- the ramp and planter only partially extending onto the Cobourg Street road allowance;
- the City's Encroachment Policy post dating the approval of 7 Cobourg by eight years;
- the ramp and planter being features of the Fence and Hedge By-law 128-2003;
- several renovations and additions to the property having been made since the purchase in 2019; and,
- willingness to offer the City heritage designation of 7 Cobourg Street.

## **7. Orders of the Day:**

### **7.1 Resolution - Award Tender T-2022-10 Stratford Public Library Washroom Renovations (COU22-046)**

R2022-234

**Motion by** Councillor Ritsma

**Seconded by** Councillor Ingram

**THAT the Tender (T-2022-10) for the Stratford Public Library Washroom Renovation be awarded to Nirvana Interior Inc., at a total tender price of \$296,318.43, including HST;**  
**THAT the Stratford Public Library Washroom Renovation project, including consultant fees, be funded as follows:**

- **\$206,843.92 from R-R11-FACI, and**
- **\$100,000.00 from the Enabling Accessibility Grant;**

**AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the necessary Contract Agreement.**

**Carried**

### **7.2 Resolution - Lifting a Reserve on Cody Drive (COU22-047)**

R2022-235

**Motion by** Councillor Ingram

**Seconded by** Councillor Burbach

**THAT Council of The Corporation of the City of Stratford declare Part 1 Plan 44R-5992 as public highway and dedicate it as forming part of the Cody Drive right-of-way.**

**Carried**

**7.3 Resolution - O'Loane Avenue Road Widening and Huron Street Easement (COU22-048)**

R2022-236

**Motion by** Councillor Clifford

**Seconded by** Councillor Burbach

**THAT The Corporation of the City of Stratford accept Part 3 Plan 44R-5745 as public highway and dedicate it as forming part of O'Loane Avenue;**

**AND THAT The Corporation of the City of Stratford accept an easement over Parts 1 and 2 Plan 44R-5745 from A. & D. Groenestege Farms Ltd. for a sidewalk.**

**Carried**

**7.4 Resolution - Subdivision Agreement for Coventry Phase 5 (COU22-049)**

R2022-237

**Motion by** Councillor Ingram

**Seconded by** Councillor Bunting

**THAT the Mayor and Clerk, or their respective delegates, be authorized on behalf of The Corporation of the City of Stratford to enter into a Subdivision Agreement with Northwest Stratford (2016) Developments Inc. for the development of the Coventry of Stratford Phase 5 subdivision 44M-75.**

**Carried**

**7.5 Resolution - Request from Owner to Reconsider Encroachment Agreement for 7 Cobourg Street (COU22-050)**

R2022-238

**Motion by** Councillor Gaffney

**Seconded by** Councillor Clifford

**THAT the request from the property owner for Stratford City Council to reconsider the encroachment agreement for 7 Cobourg Street, be refused.**

A question and answer period ensued between members and staff with respect to:

- the provision to remove encroachments being a standard clause to allow the City to retain ownership and ability to use the property;
- not being aware of a time previously where the City has requested a property owner to permanently remove encroachments;
- a road allowance, as in this case, not being permitted to be assumed as private property should an agreement not be entered into; and,
- the City's Encroachment Policy being in place to deal with issues which may arise and for the entering into of agreements to set terms for the property owner and the City.

Mayor Mathieson called the question on the motion.

**Carried**

#### **7.6 Resolution - T-2022-13 Supply and Installation of Sewer Liners (COU22-051)**

R2022-239

**Motion by** Councillor Vassilakos

**Seconded by** Councillor Bunting

**THAT the Tender (T-2022-13) for the Supply and Installation of Sewer Liners Contract be awarded to Clearwater Structures Inc., at a total tender price of \$971,154.40 including HST;**

**AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the necessary contract agreement.**

**Carried**

#### **7.7 Resolution - Appoint Acting Deputy Chief Building Official (COU22-052)**

R2022-240

**Motion by** Councillor Ingram

**Seconded by** Councillor Vassilakos

**THAT a By-law to appoint Gerald Moore of RSM Building Consultants as Acting Deputy Chief Building Official on an as needed basis to provide coverage for the Chief Building Official in times of absence, be adopted.**



It was questioned why the appointment of an Acting Deputy Chief Building Official was proposed for outside the Corporation rather than from within. The Director of Infrastructure and Development Services advised that this was the most effective approach due to unionized discussions related to making an appointment internally.

Mayor Mathieson called the question on the motion.

**Carried**

**8. Business for Which Previous Notice Has Been Given:**

None scheduled.

**9. Reports of the Standing Committees:**

**9.1 Report of the Planning and Heritage Committee:**

The City Clerk advised that following the May 24, 2022, Planning and Heritage Committee meeting, staff identified an additional condition required to be added to the application. The additional condition was bolded on the June 13, 2022, Agenda for the information of members of the public and Council.

R2022-241

**Motion by** Councillor Ritsma

**Seconded by** Councillor Ingram

**THAT the Report of the Planning and Heritage Committee dated June 13, 2022 be adopted as printed.**

**Carried**

**9.1.1 Draft Plan of Condominium Application 31CDM22-001, 379 Romeo Street North (PLA22-018)**

THAT the City of Stratford pursuant to Section 51(31) of the Planning Act grant draft approval to Plan of Condominium 31CDM-22001, subject to the following conditions:

- I. This approval applies to the draft plan submitted by POL Quality Homes Inc., prepared by MTE Ontario Land Surveyors Ltd., certified by Trevor D.A., McNeil, OLS, File No. 45502-102-D1 (L), drawing file name 45502-102-D1.DWG, dated March 9, 2022. The Plan contains a total of 67 units including 30 residential units and 37 parking units, located at 379 Romeo Street North.

- II. This draft approval is for a Standard (Phased) Plan of Condominium under Part XI of The Condominium Act, 1998.
- III. The development is to be registered as one condominium corporation. The phase limits are to be to the satisfaction of the Manager of Planning.
- IV. This approval of the draft plan applies for a period of five (5) years, and if final approval is not given within that time, the draft approval shall lapse, except in the case where an extension has been granted by the Approval Authority.
- V. Prior to final approval for the initial registration or any subsequent phase of the development as a condominium corporation by the Approval Authority, the Manager of Planning, City of Stratford, is to be advised in writing that:
  - i. site works and site servicing are substantially complete, and the Owner's consulting engineer has submitted a final site works and site servicing certificate which has been accepted by the City within the phase limits,
  - ii. the Owner's consulting engineer has submitted a final lot grading certificate which has been accepted by the City within the phase limits;
  - iii. the proposed plan of condominium showing any "as constructed" buildings and structures has been submitted and accepted by the City as in compliance with all applicable Zoning By-law regulations; within the phase limits; and,
  - iv. the fire route and fire route signs have been fully installed to the satisfaction of the City.
- VI. Prior to final approval for the initial registration or any subsequent phase of the development as a condominium corporation by the Approval Authority, the Manager of Planning, City of Stratford, is to be advised that:
  - 1. Each building and structure have been constructed to, at a minimum, the standard of "has been constructed", as defined by subsection 6(1) of Ontario Regulation 48/01, and at a minimum to the state of being sufficient to

ensure the independent operation of the condominium corporation and the condominium development in perpetuity (the "Minimum Construction Requirements"). This information shall be evidenced by an engineer's signed certification (to be appended as Schedule G to the Declaration, and to be in the form required by subsection 5(8) of Ontario Regulation 48/01), that all buildings and structures within the lands subject to the plan of condominium application have been constructed in accordance with the regulations made under the Condominium Act, 1998, including in respect to all matters set out in section 6(1) of Ontario Regulation 48/01.

2. Complete, in addition to the Minimum Construction Requirements, all other works described on the approved Site Plan, engineering drawings, and building permit drawings for the development and the lands subject to the plan of condominium application, and have all building inspections passed by the Chief Building Official or their designate of the City of Stratford (the "Additional Work").
3. Alternatively, at the sole discretion of the City of Stratford, the Owner may provide a comprehensive report and cost estimate for completion of all outstanding Additional Work prepared by an Engineer in good standing with the Professional Engineer's of Ontario to the satisfaction of the City of Stratford, acting reasonably (the "Report"). The Report shall itemize all outstanding Additional Cost Requirements for the condominium development, and provide a detailed breakdown of estimated costs to complete such work, pay unpaid works, plus a 15% contingency value being the total Additional Work to the satisfaction of the City of Stratford. Prior to condominium registration, the total value of the Additional Work shall be provided to the City of Stratford in an irrevocable Letter of Credit, the form and content of which shall be acceptable to the City and the City Solicitor. The Letter of Credit shall provide the

City of Stratford with the security to cover the costs associated with all of the outstanding Additional Work until the building permit has been closed.

In the event the Owner fails or neglects to:

- i. complete all of the outstanding Additional Work within 12 months from the time of initial registration; or,
- ii. pay for unpaid works;

then the City of Stratford shall provide written notice (the "City Notice") of such failure or neglect and require the Owner to rectify the failure or neglect within a specified reasonable period of time. If the Owner has not rectified the failure or neglect within the timeline set out in the City Notice, or is not diligently working towards remedying the failure or neglect (other than a financial default), as determined by the City of Stratford in its sole and absolute discretion then the City of Stratford may draw down or call upon the Letter of Credit in part or in full to complete the outstanding Additional Work and/or pay for the unpaid works within 15 days after giving notification to the Owner of the City's intent to complete the Additional Work. The Letter of Credit shall be released upon the completion of the outstanding Additional Work (including required maintenance and warranty periods) and payment of all unpaid works to the satisfaction of the City of Stratford.

- i. Additional works not completed within the 12 months of the Initial Registration may be extended if resulting from weather constraints, written notice shall be given to the City to the satisfaction of the Manager of Planning.

VII. Prior to final approval for the registration of any phase of the condominium corporation within this development, a list of apartment numbers and the corresponding legal descriptions that will be in place upon registration of the plan of condominium shall be submitted to the City to the satisfaction of the Manager of Planning.

- VIII. Prior to final approval for the initial registration or any subsequent phase of the development as a condominium corporation by the Approval Authority, the Manager of Planning, City of Stratford, is to be advised in writing by the City of Stratford Corporate Services Department, Tax Division that all financial obligations/encumbrances on the said lands have been paid in full, including property taxes and local improvement charges.
- IX. Prior to final approval by the Approval Authority, the Manager of Planning, is to be advised in writing, by Enbridge Gas Inc., that its requirements with respect to easements and rights-of-way for services have been met.
- X. Prior to final approval for the registration or the development as a condominium corporation, the Manager of Planning is to be advised in writing by Canada Post that the Owner has confirmed mail delivery equipment has been supplied and installed to the satisfaction of Canada Post.
- XI. Prior to final approval by the Approval Authority, the Manager of Planning, is to be advised in writing, by the telecommunications company, that the Owner/Developer has made satisfactory arrangements with a telecommunications provider for the provision of permanent or temporary wire-line communications/telecommunication services to this plan.
- XII. That the Condominium Declaration proposed to be registered or any amendment thereto to effect the registration of a condominium phase shall be submitted for approval to the City's Manager of Planning. The said Declaration shall contain:
- i. A provision that outlines that telecommunications, mail delivery equipment, water lines and appurtenances, hydro, perimeter fencing, parking, sanitary sewer lines and appurtenances are to be described as a common element and may include items that are external to the buildings and items that service more than one Unit or the Units and common elements and are to be operated, repaired, and maintained by the Condominium

Corporation to the satisfaction of the Manager of Planning;

- ii. A provision that unitized parking spaces are to be owned by residential unit owners; and
- iii. A provision that the condominium corporation agrees to maintain the subject lands in compliance with approved Site Plan.
- iv. Provisions requiring municipal addressing and/or door point numbers to be posted on the façade of each Unit in accordance the City's Municipal Addressing By-law 47-2008 to the satisfaction of the Manager of Planning.

XIII. That the Owner provide a written undertaking directed to the City's Manager of Planning to register a Condominium Declaration which shall include the approved provisions as required in condition XI hereof.

XIV. That prior to the initial registration and subsequent amendment phases, the Owner shall provide documentation indicating that any required visitor parking, barrier free parking, rights-of-way for access and easements for servicing, including the maintenance thereof, have been provided over the lands included in preceding registrations as well as any adjacent development lands which are included in this application to the satisfaction of the City's Manager of Planning.

XV. The digital copy of the plans provided are required containing the plan of condominium in Auto CAD native format (.dwg), stored as a single file, with all of the classes of features (eg. building footprint, Unit boundaries, interior roadways, access to public street, retaining walls, noise attenuation walls, fences, etc.) separated into different layers. For further information, please contact City of Stratford Infrastructure and Development Services Department.

XVI. Prior to final approval, for the purposes of satisfying any of the conditions of draft approval herein contained, the Owner shall file with the City of Stratford a complete submission consisting

of all required clearances and final plans, and to advise the City of Stratford in writing how each of the conditions of draft approval has been, or will be, satisfied. The Owner acknowledges that, in the event that the final approval package does not include the complete information required by the City of Stratford, such submission will be returned to the Owner without detailed review by the City.

Notes:

1. Pursuant to Section 51(59) of the Planning Act, if a plan approved under Section 51(58) of the Planning Act is not registered within 30 days of approval, the City of Stratford may withdraw its approval.
2. If final approval is not given to this Plan, within 5 years of the draft approval date, and no extensions have been granted, draft approval shall lapse under subsection 51(32) of the Planning Act, R.S.O., 1990. If the Owner wishes to request an extension to draft approval, a written explanation, together with a resolution from the local municipality, must be received by the Approval Authority 60 days prior to the lapsing date.
3. All plans are to be prepared using total station survey and compatible with the latest version of AutoCAD. The final plan submitted for registration, engineered design drawings and construction record drawings are to be provided in print and digital format referenced to a control network compiled to the satisfaction of the City of Stratford Engineering Department in accordance with Ontario Basic Mapping (U.T.M. Grid 1:2000), for future use within the City's geographical information system.
4. The Owner is advised that clearances from the following agencies is required:
  - City of Stratford Corporate Services Department, Tax Division
  - City of Stratford Infrastructure and Development Services Department, Manager of Planning
  - City of Stratford Infrastructure and Development Services Department, Chief Building Official

- City of Stratford Infrastructure and Development Services Department, Engineering Division
- Canada Post
- Enbridge Gas Inc.

AND THAT the above is recommended for the following reasons:

- I. the request is consistent with the Provincial Policy Statement; and
- II. the request conforms with the goals, objectives and policies of the Official Plan.

## **9.2 Report of the Social Services Committee**

R2022-242

**Motion by** Councillor Henderson

**Seconded by** Councillor Burbach

**THAT the Report of the Social Services Committee dated June 13, 2022 be adopted as printed.**

**Carried**

### **9.2.1 2021 Annual Report (Year 8) – Housing and Homelessness Plan for Stratford, Perth County, and St. Marys (SOC22-007)**

THAT the report titled, “2021 Annual Report (Year 8) – Housing and Homelessness Plan for Stratford, Perth County, and St. Marys” (SOC22-007), be received.

### **9.2.2 City of Stratford Social Services Department’s Continued Participation in the Built for Zero-Canada Campaign – Term 3 (SOC22-008)**

THAT the report titled “City of Stratford Social Services Department’s Continued Participation in the Built for Zero-Canada Campaign – Term 3” (SOC22-008), be received for information;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to execute the Built-for-Zero Canada agreement with Canadian Alliance to End Homelessness (CAEH) and any other related amendments, extensions or submissions related to the City of Stratford’s participation in the Built-for-Zero Canada initiative.



# **10. Notice of Intent:**

None scheduled.

# **11. Reading of the By-laws:**

The following By-laws required First and Second Readings and Third and Final Readings and were taken collectively upon unanimous vote of Council present:

R2022-243

**Motion by** Councillor Beatty

**Seconded by** Councillor Ingram

**THAT By-laws 71-2022 to 79-2022 be taken collectively.**

**Carried** unanimously

R2022-244

**Motion by** Councillor Vassilakos

**Seconded by** Councillor Bunting

**THAT By-laws 71-2022 to 79-2022 be read a First and Second Time.**

**Carried** two-thirds support

R2022-245

**Motion by** Councillor Clifford

**Seconded by** Councillor Henderson

**THAT By-laws 71-2022 to 79-2022 be read a Third Time and Finally Passed.**

**Carried**

## **11.1 Award Tender for Stratford Public Library Washroom Renovation - By-law 71-2022**

To authorize the acceptance of a tender, entering into of a contract and the undertaking of the work by Nirvana Interior Inc. for the Stratford Public Library Washroom Renovation [T-2022-10].

## **11.2 Dedication of Public Highway Forming Part of Cody Drive - By-law 72-2022**

To dedicate Part 1 on Reference Plan 44R-5992, as a public highway forming part of Cody Drive in the City of Stratford.

## **11.3 Accept Transfer from A. & D. Groenestege Farms Ltd. - By-law 73-2022**

To accept the transfer (conveyance) from A. & D. Groenestege Farms Ltd. of Part 3 on Reference Plan 44R-5745 as a condition of Site Plan Agreement 10-19 for 615 Huron Street.

**11.4 Dedication of Public Highway Forming Part of O'Loane Avenue - By-law 74-2022**

To dedicate Part 3 on Reference Plan 44R-5745, as a public highway forming part of O'Loane Avenue in the City of Stratford.

**11.5 Acceptance of Easement over Parts 1 and 2, Plan 44R-5745 - By-law 75-2022**

To authorize the acceptance of an easement in gross from A. & D. Groenestege Farms Ltd., over Parts 1 and 2, Plan 44R-5745 for a sidewalk.

**11.6 Award Tender for the Supply and Installation of Sewer Liners - By-law 76-2022**

To authorize the acceptance of a tender, entering into of a contract and the undertaking of the work by Clearwater Structures Inc. for the Supply and Installation of Sewer Liners [T-2022-13].

**11.7 Subdivision Agreement for Phase 5 of the Coventry of Stratford Subdivision - By-law 77-2022**

To authorize the entering into and execution of a Subdivision Agreement with Northwest Stratford (2016) Developments Inc. for the development of Phase 5 of the Coventry of Stratford subdivision.

**11.8 Appoint an Acting Deputy Chief Building Official - By-law 78-2022**

To appoint an Acting Deputy Chief Building Official.

**11.9 Built for Zero Canada Agreement with Canadian Alliance to End Homelessness - By-law 79-2022**

To authorize the entering into and execution of a Built for Zero Canada Agreement with Canadian Alliance to End Homelessness for the period from April 1, 2022 to March 31, 2024.

**12. Consent Agenda: CA-2022-064 to CA-2022-070**

Council did not advise of any items to be considered on the Consent Agenda.

### **13. New Business:**

#### **13.1 Stratford Youth Soccer Tournament**

A member recognized the success of the tournament held recently by Stratford Youth Soccer and thanked Community Services staff for all their hard work to keep City facilities in good condition.

#### **13.2 Canada Day Parade Update**

Mayor Mathieson advised that a press release would be sent out on June 14, 2022, identifying that the Stratford District Saddle Club would be leading the organization of the Canada Day parade in 2022. City staff are aware and are working to assist organizers. The Director of Infrastructure and Development Services has the necessary delegated authority to close local streets. The proposed route will start at Lakeside Drive, going to Waterloo Street, Mornington Street, McCarthy Road, and ending at the Recreation Centre.

Discussion ensued with respect to:

- being able to evaluate the route next year; and,
- the Kinsmen Club continuing to run the evening program with fireworks at the Stratford Education and Recreation Centre (SERC) site.

### **14. Adjournment to Standing Committees:**

The next Regular Council meeting is June 27, 2022.

R2022-246

**Motion by** Councillor Ingram

**Seconded by** Councillor Sebben

**THAT the Council meeting adjourn to convene into Standing Committees as follows:**

- **Planning and Heritage Committee [7:05 p.m. or thereafter following the Regular Council meeting];**
- **Infrastructure, Transportation and Safety Committee [7:10 p.m. or thereafter following the Regular Council meeting];**
- **Finance and Labour Relations Committee [7:15 p.m. or thereafter following the Regular Council meeting];**

**and to Committee of the Whole if necessary, and to reconvene into Council.**

**Carried**

## **15. Council Reconvene:**

Deputy Mayor Ritsma assumed the Chair.

### **15.1 Declarations of Pecuniary Interest made at Standing Committees**

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.

Declarations of Pecuniary Interest made at Standing Committee meetings held on June 13, 2022 with respect to the following Items and re-stated at the reconvene portion of the Council meeting:

#### Name, Item and General Nature of Pecuniary Interest

Councillor Burbach declared a pecuniary interest on Item 6.2 of the Planning and Heritage Committee agenda, Proposed Exemption from Sign By-law 159-2004, 35 Waterloo Street North (PLA22-015), as she is a member of the board for the organization making the request.

Councillor Gaffney declared a pecuniary interest on Item 5.2 of the Planning and Heritage Committee agenda, 4110 Line 36, Modification to Draft Approved Plan of Subdivision 31T18-002, Zone Change Application Z17-21 and Zone Change Application Z18-21 (PLA22-022), as he has an ownership interest in an abutting property.

## **15.2 Committee Reports**

### **15.2.1 Infrastructure, Transportation and Safety Committee**

R2022-247

**Motion by** Councillor Vassilakos

**Seconded by** Councillor Burbach

**THAT Item 5.1 of the Infrastructure, Transportation and Safety Committee meeting dated June 13, 2022 be adopted as follows:**

### **5.1 - New Position - Climate Change Programs Manager (ITS22-017)**

**THAT the report titled, "New Position – Climate Change Programs Manager" (ITS22-017), be received for information;**

**AND THAT Staff be authorized to proceed with a Climate Change Programs Manager as part of the approved 2022 budget expansion request instead of the identified Climate Change Coordinator position.**

**Carried**

### **15.2.2 Planning and Heritage Committee**

R2022-248

**Motion by** Councillor Gaffney

**Seconded by** Councillor Burbach

**THAT Item 6.1 of the Planning and Heritage Committee meeting dated June 13, 2022 be adopted as follows:**

**6.1 Proposed Exemption from Sign By-law 159-2004 Section 12.0 Ground Sign Specification Table, 327 Erie Street (PLA22-020)**

**THAT the sign variance request for the property known municipally as 327 Erie Street, be approved, subject to a maximum sign area of 28.5 square feet;**

**AND THAT the lowest tenant panel allowed be at the proposed 9.98 feet from grade to the bottom of the sign.**

**Carried**

### **15.3 Reading of the By-laws (reconvene):**

The following By-law required First and Second Readings and Third and Final Readings:

#### **By-law 80-2022 - Confirmatory By-law**

To confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on June 13, 2022.

R2022-249

**Motion by** Councillor Bunting

**Seconded by** Councillor Henderson

**THAT By-law 80-2022 read a First and Second Time.**

**Carried** two-thirds support

R2022-250

**Motion by** Councillor Vassilakos

**Seconded by** Councillor Sebben

**THAT By-law 80-2022 be read a Third Time and Finally Passed.**

**Carried**

#### **15.4 Adjournment of Council Meeting**

R2022-251

**Motion by** Councillor Clifford

**Seconded by** Councillor Burbach

**THAT the June 13, 2022 Regular Council meeting adjourn.**

**Carried**

Meeting Start Time: 7:00 P.M.

Meeting End Time: 8:06 P.M.

Reconvene Meeting Start Time: 9:31 P.M.

Reconvene Meeting End Time: 9:33 P.M.

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Mayor - Daniel B. Mathieson

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Clerk - Tatiana Dafoe



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## MANAGEMENT REPORT

**Date:** June 27, 2022  
**To:** Mayor and Council  
**From:** Nick Sheldon, Project Manager  
**Report #:** COU22-053  
**Attachments:** T-2022-16 Bid Summary

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**Title:** T-2022-16 Willow Street Watermain Relining Tender Award

**Objective:** To obtain Council approval to accept the low bid from Fer-Pal Construction Ltd. of \$1,198,071.20 including HST, for the Willow Street Watermain Relining Contract T-2022-16.

**Background:** The existing watermain on Willow Street from Pleasant Drive to Devon Street was constructed of 150mm diameter cast iron in 1968 and has been subject to twenty-eight circumferential breaks since 1990. These watermain failures result in disruption to residents and a financial burden related to unplanned repairs. In 2018 the City of Stratford retained GM BluePlan Engineering to complete a city-wide Water Infrastructure Evaluation and Needs Assessment. This report indicated the fire hydrant flows on Willow Street are insufficient for fire fighting requirements and recommend rehabilitation or replacement of the watermain.

In 2020 the Engineering Division successfully completed a pilot project and rehabilitated the Romeo Street North Watermain river crossing with a Cured-In-Place Pipe (CIPP).

The Engineering Division proposes to build on experience and rehabilitate the Willow Street watermain using a CIPP lining technology. CIPP lining is a cost-effective trenchless solution that lines the inside diameter of the existing pipe with a composite material. The stand-alone structural liner withstands loads and internal pressures without relying on the residual strength of the existing pipe. The CIPP lining material is designed and manufactured to meet all drinking water requirements. One of the main benefits for this innovative technology is the substantial cost savings achieved by reducing open excavation and surface restoration.

**Analysis:** There were a total of seven contractors that picked up plans for the project, with one submitting an official bid. The low bid of \$1,198,071.20 including HST was provided by Fer-Pal Construction Ltd. The total after the Partial HST Rebate is \$1,078,900.22.

Fer-Pal Construction Ltd. has been actively installing CIPP in watermain for over 15 years. They have completed over 650 projects and have lined over 2,500,000 meters of pressurized potable watermain in Canada and United States.

The estimated total project costs are:

Construction Contract (after HST rebate)	\$	1,078,900.22
Material Testing	\$	10,000.00
Total	\$	1,088,900.22

The approved 2022 budgeted expense was \$900,000 for this project, to be funded as follows:

Water Reserve	\$	615,000.00	R-R11-WATR
Sanitary Reserve	\$	285,000.00	R-R11-PWCA
Total	\$	900,000.00	

Therefore, there is an expected funding shortfall of \$188,900.22.

### **Financial Implications:**

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

It is recommended that the project proceed and that the shortfall of approximately \$188,900.22 be funded from the Water Capital Reserve, R-R11-WATR. The projected balance of this reserve based on current and approved projects in 2022 is approximately \$2,000,000 for current and future capital requirements.

#### **Financial impact on future year operating budget:**

Proactive rehabilitation and replacement of City assets ensure infrastructure remains in a state of good repair mitigating the financial risk of unplanned repairs.

#### **Link to asset management plan and strategy:**

This project represents a rehabilitation of an asset maintained in the asset management plan. As the planned actions will extend the useful life of the current infrastructure, there is no deletion of the asset, simply an addition to the current asset. Asset replacement and significant rehabilitation activities that extend the useful life are planned for based on estimated useful life. The adjustment to the asset management plan will impact future capital planning forecasts and funding strategies will be updated accordingly.

### **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.



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

### **Land and Nature**

Protecting and restoring land for the benefit of people and wildlife.

### **Sustainable Water**

Using water efficiently, protecting local water resources and reducing flooding and drought.

### **Material and Products**

Using materials from sustainable sources and promoting products which help people reduce consumption.

### **Zero Waste**

Reducing consumption, reusing and recycling to achieve zero waste and zero pollution.

**Staff Recommendation: THAT the Tender (T-2022-16) for the Willow Street Watermain Relining Contract be awarded to Fer-Pal Construction Ltd. at a total tender price of \$1,198,071.20 including HST;**

**AND THAT the Mayor and City Clerk, or their respective delegates, be authorized to sign the Contract agreement.**

**Prepared by:**

Nick Sheldon, Project Manager

**Recommended by:**

Taylor Crinklaw, Director of Infrastructure and  
Development Services

Joan Thomson, Chief Administrative Officer

# Willow Street Watermain Relining

Closing Date: Tuesday, June 7, 2022

## Submission Summary

Vendor	City/Province	Submission Name	Unofficial Value or Notes
Fer-Pal Construction Ltd 1	Toronto, Ontario	Submission 1	\$1,198,071.20

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Witness (Print Name) Signature Date

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Witness (Print Name) Signature Date

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Witness (Print Name) Signature Date



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## MANAGEMENT REPORT

**Date:** June 10, 2022  
**To:** Mayor and Council  
**From:** Nathan Bottema, Project Manager  
**Report #:** COU22-054  
**Attachments:** 44R-2800

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**Title:** Storm and Sanitary Sewer Easement at 84 Church Street

**Objective:** To accept an easement over a sanitary and storm sewer on private property.

**Background:** The owner of 84 Church Street has applied for Plan of Condominium to convert the existing apartment building into a condominium. At this location, a 1950mm x 2800mm storm arch and 1200mm diameter storm sewer run through the property along the southern property line, and a 450mm diameter sanitary sewer runs further south in the adjacent property. An easement is required for future infrastructure maintenance over Parts 3 and 4 of 44R-2800.

The owner has prepared a reference plan to describe the easement for the purpose of registering on title.

**Analysis:** Plan 44R-2800 and the easement agreement have been completed to the City's satisfaction. The easement will permit the City to access the municipal infrastructure for future maintenance and replacement.

### **Financial Implications:**

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

All legal fees associated with the acceptance easement are the responsibility of the owner.

#### **Financial impact on future year operating budget:**

There will be no financial impacts on future budget.

### **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.

**Alignment with One Planet Principles:**

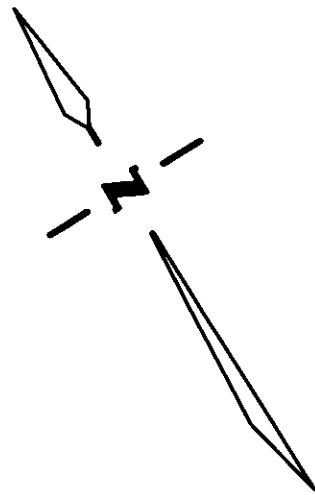
**Land and Nature**

Protecting and restoring land for the benefit of people and wildlife.

**Staff Recommendation: THAT The Corporation of the City of Stratford accept an easement over Parts 3 and 4 Plan 44R-2800 from LCIR2 INC for access to the storm and sanitary sewers;**

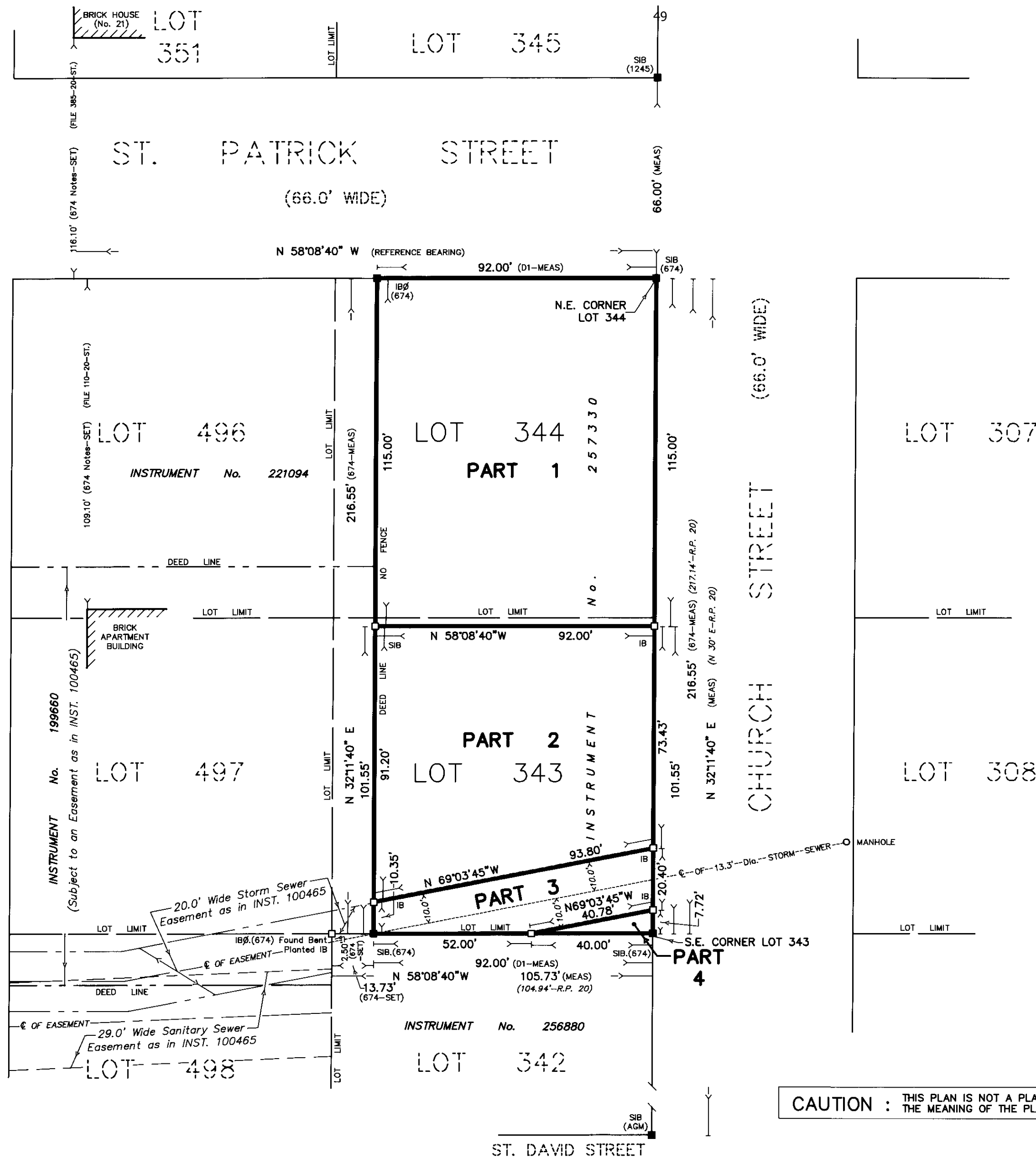
**AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the necessary documents.**

<b>Prepared by:</b>	Nathan Bottema, Project Manager
<b>Recommended by:</b>	Taylor Crinklaw, Director of Infrastructure and Development Services
	Joan Thomson, Chief Administrative Officer



BIRMINGHAM STREET  
(66.0' WIDE BY REGISTERED PLAN No. 20)

(66.0' WIDE BY REGISTERED PLAN No. 20)



I REQUIRE THIS PLAN TO BE DEPOSITED UNDER THE REGISTRY ACT.

DATE: July 28/93

John Leyser  
JOHN LEYSER

PLAN 44R 2800

RECEIVED AND DEPOSITED

DATE: JULY 28<sup>th</sup>, 1993

Grace E. Park  
GRACE E. PARK  
LAND REGISTRAR FOR THE REGISTRY DIVISION OF PERTH (No. 44).

PART		SCHEDULE			
PART	LOT	REG'D PLAN	MUNICIPALITY	INSTRUMENT	AREA (M <sup>2</sup> )
1	Pt. of 343 & 344	20	City of Stratford (COUNTY OF PERTH)	257330	10579.8
2	Pt. of 343				7572.7
3	Pt. of 343				1615.2
4	Pt. of 343				154.4

PLAN OF SURVEY  
OF PART OF  
**LOTS 343 and 344**  
**REGISTERED PLAN No. 20**  
IN THE  
**CITY OF STRATFORD**  
**COUNTY OF PERTH**  
SCALE 1"=30'  
1993  
ARCHIBALD, GRAY & MCKAY LTD.  
ONTARIO LAND SURVEYORS

**NOTES**

BEARINGS ARE ASTRONOMIC AND ARE REFERRED TO THE SOUTH LIMIT OF ST. PATRICK STREET HAVING A BEARING OF N 58°08'40"W ACCORDING TO A PLAN OF SURVEY BY D.W.J. McNEIL, O.L.S. DATED AUGUST 12, 1985 (File No. 85-1887 (M)).

□ DENOTES MONUMENTATION PLANTED  
■ DENOTES MONUMENTATION FOUND  
SIB DENOTES 1" Sq. STANDARD IRON BAR  
IB DENOTES 5/8" Sq. IRON BAR  
IBØ DENOTES 3/4" Dia. IRON BAR  
674 DENOTES F.J.S. PEARCE, O.L.S.  
AGM DENOTES ARCHIBALD, GRAY & MCKAY LTD.  
OU DENOTES ORIGIN UNKNOWN  
D1 DENOTES INSTRUMENT No. 257330  
WIT DENOTES WITNESS

**SURVEYOR'S CERTIFICATE**

I CERTIFY THAT :

1) THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT AND THE REGISTRY ACT AND THE REGULATIONS MADE THEREUNDER.

2) THE SURVEY WAS COMPLETED ON THE 6th DAY OF JULY, 1993.

JULY 8th, 1993.

P. E. MORETON  
P. E. MORETON  
ONTARIO LAND SURVEYOR

ARCHIBALD, GRAY & MCKAY LTD.  
ONTARIO LAND SURVEYORS  
LONDON - STRATFORD - GODERICH  
CONSULTATION OFFICES IN STRATHROY & KINCARDINE

DRAWN BY: E.L.B. DIGITAL FILE No. sc3142g1.dwg PLAN No.  
CHECKED BY: A.S.M. FILE No. STRC-0020-13-1 2-SZ-0766



## MANAGEMENT REPORT

**Date:** June 27, 2022  
**To:** Mayor Mathieson and Members of Council  
**From:** Karmen Krueger, CPA, CA, Director of Corporate Services  
**Report#:** COU22-055  
**Attachments:**

1. Report FIN19-045
2. Report COU20-005
3. Report COU20-18
4. Destination Stratford MAT Status Table
5. CBRE RTO4 Hotel Tax Study Report, specific to Stratford (2017)
6. Letter of Support from the Destination Stratford Board of Directors
7. FAQ Sheet

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**Title:** Municipal Accommodation Tax - Update

**Objective:** To provide background information for Council's consideration regarding implementation of a Municipal Accommodation Tax and outline proposed next steps.

**Background:** On Thursday November 23, 2017, the Province of Ontario issued the Transient Accommodation **Regulation 435/17**, (Regulation) which came into force December 1, 2017. This Regulation provides the necessary provisions for municipalities across Ontario to implement a Municipal Accommodation Tax (MAT) on overnight and short-term (less than 30 nights) accommodation. It is paid by visitors when they book a room with a local accommodation provider. It is not a tax on local businesses nor residents and applies only to the accommodation part of fees charged for accommodation (excludes parking or other fees applicable to a customer).

The intent of a MAT is to supplement funds invested by a municipality for tourism initiatives with revenues raised from visitors. It's not intended to fully replace municipal investments made in Tourism, rather, to provide additional funds for services that benefit visitors and residents alike. Most municipalities that have implemented the MAT use the additional revenues to stabilize municipal 'base' funding provided to Tourism activities as well as invest in programs and infrastructure that benefit visitors and residents alike.

In 2019, Council direction was given to staff to review the implementation of a MAT program. Several staff reports were presented and are attached for reference.

1. FIN19-045 dated October 29, 2019, discussed the differences between a Destination Marketing Fee (DMF) and the MAT, some estimated costs, and some revenue estimates.
2. COU20-005 dated February 10, 2020, outlined next steps to pursue implementation, some options for the use of the funds, exemptions that can be considered

At the February 10, 2020, meeting the following resolution was passed:

**THAT Council supports, in principle:**

- **the establishment of a mandatory Municipal Accommodations Tax for accommodators in the City of Stratford effective January 1, 2021; and**
- **a sharing model of 50/50 for the Stratford Tourism Alliance and the City of Stratford;**

**AND THAT staff be directed to commence public consultation on this project and to prepare a management report to be considered at an upcoming Finance and Labour Relations Committee meeting.**

3. COU20-18 dated February 24, 2020, outlined the public consultation process proposed.
4. COU20-183 dated November 23, 2020, provided Council with an update on the Municipal Accommodation Tax project and on the requested review of the Stratford Tourism Alliance.

At the November 23, 2020, Regular Council meeting, Council adopted the following resolution:

**THAT the report entitled "Municipal Accommodation Tax Project and Stratford Tourism Alliance Review Update" (COU20-183) be received;**

**THAT direction be given with respect to halting development of a Municipal Accommodation Tax and a Stratford Tourism Alliance review at this time;**

**THAT retaining a consultant to develop a tourism strategy for the City, be referred to the 2021 budget;**

**AND THAT staff work with Destination Stratford to obtain consultant quotes and to identify funding options for budget deliberations.**

**Analysis:** There have been several challenges since these reports were presented and resolutions adopted. Challenges include the COVID-19 global pandemic, concerns from

local businesses around the potential impact to their revenues and bookings during the pandemic, as well as the administration of the MAT (collection of funds, distribution of funds, enforcement, and tracking). How the funds could/should be allocated not just between Destination Stratford and the City, but within each entity was also identified in the absence of funding to undertake a comprehensive tourism strategy.

Notwithstanding the previous direction provided to pause the implementation of the MAT in November 2020, staff in collaboration with Destination Stratford, felt that this was now an appropriate time to revisit the discussion.

Since November 2020, many of the issues identified have been substantially resolved and/or are in the process of being resolved.

Indicators point to the pandemic restrictions easing, and tourism and travel resuming to pre-pandemic levels at varying paces in certain sectors.

Initial discussions between Destination Stratford and many of the accommodation providers have been mostly positive, and with a fulsome rollout, including ongoing support for the accommodators, the BIA and the Chamber provided from Destination Stratford and the City, the concerns around the impact on revenues and bookings and administration of the MAT are largely reduced.

There are some Bed and Breakfast operators that are strongly opposed to the implementation of the MAT in any form. The Stratford and Area Bed & Breakfasts and Accommodation Association (SABBA), representing 17 of the city's bed and breakfast accommodators expressed concerns that implementing a tax to their visitors would be very detrimental to their bookings and will significantly impact their businesses compared to other types of accommodators, given the unique customer experience their operations offer. They feel that the timing of bringing this report forward is insensitive given that this time of year is the busiest time for them, and that not enough consideration has been given to the effects of the pandemic that are still ongoing, and the current inflationary pressures. The representatives further expressed concern about the city's enforcement of the short-term accommodation by-law (not yet brought forward) and how that would work. Suggestions included ensuring that consideration be given to transitional timing in implementing, that the MAT revenues pay for the policing of the MAT policy for compliance (which is different than the enforcement of the Short-term Accommodation Licensing By-Law), and that they be given a board seat on Destination Stratford and get a 'say' in how the funds are spent. A further suggestion was to ensure subsequent reviews reflect consideration of 'how much is enough' and a cap established and/or a reduction in the rates, should revenues exceed certain thresholds.

The BIA conducted a survey of their accommodator members. Of the 13 accommodators in the BIA area, there were 6 respondents; none of these are members of SABBA. 2 are currently members of ORMHA (the 3<sup>rd</sup> party referenced in the administration sections of this report to be used for remitting purposes) and 1 member



uses the AirBnB platform. 5 of the members use other applications, such as booking.com, expedia, and hotel.com.

1 member expressing extreme objection, citing the impact on longer term stays (if a guest stays for 2 weeks, the additional fees they would pay could add \$100 or more to the costs).

Of the respondents, all preferred to remit the MAT on the same schedule as they remit HST. This may be problematic, as not all of them remit on the same schedule but can be explored by staff when dealing with the 3<sup>rd</sup> party with efforts made to customize, if possible. Some of the members felt that the MAT will result in additional bookkeeping costs, and that the City should compensate businesses for any administrative costs incurred, potentially the membership costs of ORMHA. Staff are investigating these costs also but at this time are not recommending compensation.

There was concern for ensuring that all accommodators be treated equally, which staff intend to address with the upcoming short-term accommodation licensing by-law and enforcement. Further constructive suggestions included providing businesses with an attractive information sheet that can be shared with guests, FAQs, and website information. Destination Stratford and staff have developed a preliminary FAQ sheet attached to this report, that can be put on the City's website, but there is likely something additional that can be created for the guest perspective.

Administration issues were also identified but staff, along with Destination Stratford, feel confident that:

- The revenue collection and tracking can be accommodated with a third-party agency, an agreement would be entered into between this provider and the City. Preliminary discussions with Ontario Restaurant Hotel & Motel Association. (ORHMA) have been encouraging with respect to ease, and ability to handle the varying types of accommodators.
- Preliminary investigation seems to indicate that the websites that support online bookings (AirBnB.com, Booking.com) can add a MAT (or other types of charges the accommodators might wish to include) into the process to help track the MAT amounts that are due.
- The development of a short-term accommodation licensing by-law that is in the 2022 workplan for the Building Services division will assist with keeping track of many of the accommodators for the purposes of MAT but also for the purposes of ensuring short-term accommodations are safe. It is expected that this will be completed by the third quarter of 2022 based on discussions with the Director.
- Enforcement of the new short-term accommodation licensing by-law will likely require additional resources and staff are reviewing the additional staffing

resources required to implement and support this. This would ensure capacity to deal with issues related to noise, nuisance, fireworks, waste management, parking, and rental capacities, irrespective of the introduction of a MAT.

- Due to the control the City would be able to retain over the new staff requirements and the unknown volumes required specifically for the enforcement of the short-term accommodation licencing, it is appropriate that these costs be funded through Building Services, rather than the MAT revenues.
- The distribution of MAT funds as previously proposed, based on the legislation, was a 50/50 split of the net revenues. The regulation requires that a minimum of 50% of the revenues would be flowed to Destination Stratford. This has been since clarified that paying for the third-party administration would reduce the proceeds before splitting.
- The proposed timing of this program is currently July 1, 2023. There are several reasons for this, not the least of which is to give the accommodators enough time to adjust and implement their own tracking methods. Additional reasons include:
  - o allowing enough time for staff to prepare given current staffing levels and workplans already underway;
  - o this Council's review of the Short-Term Accommodation Licensing By-law, expected to be presented later this year
  - o allowing any new/future Council members to ensure familiarity with the program and ensure the 2023 budget process supports the program;
  - o allowing for any bumps to be ironed out, and any MAT funds received to be set aside for the 2024 budget process with appropriate analysis
- Logistically, the City would establish a MAT Reserve Fund to put any funds received in 2023, with the intent that these would be drawn upon in 2024 to support any approved initiatives that meet Council-established strategic priorities.
- The 2023 portion relating to Destination Stratford's share would form part of the 2024 budget review, with the intent that the MAT funds are included in Destination Stratford's budgeted revenues to support initiatives, but that the City of Stratford's current contribution levels to Destination Stratford remain stable for at least 2023 and 2024 and be reviewed annually. This would be to work towards reducing the reliance on City contributions to a certain extent, but still maintaining a minimum level of 'base' funding. Base funding ensures that Destination Stratford has sufficient funding to remain in operation without interruption in any event where tourism levels/MAT revenues dropped below the expected levels.

The MAT is designed to help the City grow its investment in tourism without impacting the current taxpayers. This includes investing in community infrastructure

projects that are utilized by tourists and residents, without putting additional pressure on the taxes paid by residents.

It is a mandatory fee paid by the visitor to the accommodation provider when paying for a short-term booking. The fees collected by accommodation providers are then remitted to the municipality's third-party administrator, reconciled, and remitted back to the City.

### **To which entities will the MAT apply?**

The proposed MAT would apply to all accommodation sold for a continuous period of 30 days or less including:

- a room or suite of rooms containing one or more beds or cots, whether in a hotel, motel, boarding, lodging, or rooming house, bed and breakfast or other short-term Rental Accommodation establishment providing lodging

### **Regulation of Short-Term Rental Accommodations (STRAs)**

STRAs are permitted in the City's Comprehensive Zoning By-law but the comprehensive licensing and inspection framework is still under development and will be brought back for Council approval later in the year.

STRAs will be further defined in the licensing by-law that is being prepared now, but the definition essentially means the legal commercial use of a residential dwelling that may be rented for up to 30 consecutive days as temporary accommodation, lodging or occupancy by way of concession, permit, lease, license, rental, rental agreement or similar arrangement, whether written or verbal, unless otherwise prohibited by by-law of the City of Stratford.

It should be noted that the definition of STRA does not apply to a hotel, motel, tourist cottage rental establishment (that pays commercial property tax), tourist home, campground, bed and breakfast establishment, hospital, long term care home, retirement home, camping establishment, school dormitory (if being rented to students enrolled in educational courses), lodge, motor hotel, boarding/lodging/rooming establishment, temporary farm accommodation, or group home but some of these entities are still subject to the Municipal Accommodation Tax based on the nature of the stay.

It is not the intent to confuse the definitions of STRA units with those of Secondary Suites. The Municipal Accommodation Tax will not apply to legal secondary suites that are allowable and approved under the Zoning By-law.

It is the intent that the STRA Licensing By-law will work much like the existing licensing process of the Bed & Breakfast establishments (By-law 231-2009 Bed &

Breakfast Licensing) for consistency and fairness, to include the requirement for annual inspection, appropriate fire plans, and adequate insurance coverage. In 2022 to date, there are 41 Bed and Breakfasts licenses issued, down from the 2019 numbers of sixty-nine. In 2020 and 2021 the City waived the licensing fees to offer accommodators relief during the pandemic, which were \$28,000-\$30,000 each year. A cursory search on AirBnB.com indicates there are 155 options in Stratford currently.

STRAs provide many benefits to our local economy, by providing additional units for visitors to the City and in some cases, additional income for homeowners. Alternatively, STRAs can also impact character and quality of neighbourhoods. Licencing these accommodations ensures conformity with the City's Zoning Bylaw and establishes rules to ensure neighbouring property owners are not disaffected. Licencing also ensures that occupants are provided with safe and legal accommodations through the inspection processes.

### **What Rate should be used?**

Over the last 5 years, the MAT has already been adopted in many Ontario destinations, large and small, including Niagara-on-the-Lake, South Bruce Peninsula (includes Sauble Beach), Prince Edward County, Niagara-on-the-Lake, Collingwood, Kitchener, Waterloo, London, Toronto, Ottawa, and Guelph. Similar hotel taxes exist in destinations worldwide and despite concerns over impacts to visitor levels, have not seemed to impact overall visitation levels. Out of 37 Ontario municipalities surveyed by Destination Stratford, 33 (89%) have a MAT in place, 3 (8%) have plans to implement MAT in 2023, and only 1 (Kawartha Lakes) does not plan for a MAT. Most municipalities with a MAT in place (31 of 33 (94%)) set their rate at the maximum of 4%. **Staff recommend that Council adopt a 4% MAT rate.** All financial references are based on this recommendation.

### **When should the MAT start applying?**

The effects of the Covid-19 pandemic are still occurring. Traveling and tourism have not yet fully recovered to pre-pandemic levels, but by all indicators this has started to improve. Because the recovery is expected to be slow, implementing this in the very short-term is not recommended.

Further, implementation will take some coordinating between multiple internal departments, Destination Stratford, local businesses, and the third-party administrator. The City and Destination Stratford are committed to working with accommodators and **Staff recommend that information regarding timing and other key messages be distributed to businesses.** The Engage Stratford platform can be used to provide answers to Frequently Asked Questions as well as provide a forum for accommodators, visitors, and residents to ask additional questions.

The City and Destination Stratford can work together to support affected local businesses. The intent would be to provide a forum to have questions answered, and to iron out some of the logistical concerns that may arise. There is still some work to be done around set-up and administration (see below). As these processes are likely to take some additional time, staff suggest that the very soonest that this could be implemented would be July 1, 2023. With the upcoming election and other already established priorities, **staff recommend an implementation date of no sooner than July 1, 2023.** A later implementation could also be considered.

Studies show that based on the estimated number of available rooms, the total annual revenue can be estimated at \$800,000. There are many variables impacting this estimate and it may take a few years to reach this level. Some of the variables include: any lingering impacts of COVID on visitor travel, initial registration and implementation, initial enforcement, and collection. It is hoped by scheduling implementation in mid-2023, there will be some funds available use in the 2024 budget process and that the transition can be smooth.

### **How would the Revenue sharing work to impact Destination Stratford?**

The City's ongoing annual contributions to Destination Stratford demonstrate a commitment to and investment in ensuring tourism in the City is healthy and vibrant. Destination Stratford is dependent upon stable base funding to operate and plan for upcoming initiatives regardless of the number of visitors. As such, implementing the MAT would not eliminate fully the City's levy-based contribution.

**Staff recommend that in 2023 and 2024, subject to budget approvals, keep the City's contribution to Destination Stratford at current levels,** adjusted for inflation or other items identified during the budget process.

In 2024, 50% of any MAT funds realized in 2023 would flow through to Destination Stratford on top of the City's committed contributions. This strategy ensures that the funds are already raised before dedicating them to Destination Stratford. Destination Stratford would receive 100% of the base funding committed (subject to budget approval) and the 50% share of revenues received in 2023. This would allow Destination Stratford the extra room to establish reserves for future use planning and would allow the City to assess its 2025 and beyond base funding levels.

So, in subsequent years it would be proposed that the current level of core funding provided by the City be reduced - by 25% in 2025 and move towards 50% reduction in subsequent years if the expected MAT funding levels supported

this.

As these MAT revenues become more predictable, the reliance on the City's core funding would be further assessed. In addition, the minimum of 50% of the funding flowed to Destination Stratford could also be revisited and increased if Council desired, or maintained at 50%, with the remainder utilized by the City.

It should be emphasized that to ensure a stable service, maintaining a minimum level of City contributions is still recommended. This is not only to demonstrate support of the ongoing partnership and the City's recognition that tourism plays a large part in the success of the City, but also to ensure predictability of revenues and building of reserves to smooth out some of the impacts in the event of a disruption to visitor counts. **Staff recommend the proposed funding to Destination Stratford** as follows:

2023 funding – no change to City's contribution

2024 funding – no change to City's contribution PLUS 50% share of 2023 net MAT revenues raised

2025 funding – reduced City contribution by 25% (\$150,000), PLUS 50% share of net 2024 MAT revenues

2026 and beyond – reassess City's contribution and overall, MAT revenues for appropriateness

Destination Stratford will work to establish their own stabilizing reserves through these periods. These reserves would remain in the control of the Destination Stratford Board of Directors.

### **How would the proposed Revenue-sharing impact the City's bottom line?**

2023 funding – no change to City's contribution to Destination Stratford, and the portion of the MAT retained by the City put into a newly established MAT Reserve Fund for the explicit purpose of activities with a tourism benefit. No bottom-line impact to the City's revenues or expenses.

2024 funding – no change to City's contribution to Destination Stratford. The City's share of the 2023 MAT revenues raised could be utilized in the 2024 budget towards Council approved Tourism-related initiatives, thereby having the impact of reducing the pressures on the tax levy or the funds could be retained in the restricted reserve for future-identified projects.

2025 funding – reduced City levy-based contribution to Destination Stratford by 25% (\$150,000) and could use the City's share of the 2023 and/or 2024 MAT revenues received towards Council approved Tourism-related initiatives, thereby having the impact of reducing the pressures on the tax levy in both the

contribution to Destination Stratford and potentially other City-driven tourism-related initiatives.

2026 and beyond – reassess City’s contribution and overall, MAT revenues for appropriateness

These City funds can be used in the year after earning them or can be held for use towards a larger project. In any case, staff will recommend that a minimum balance be maintained in the City’s newly established MAT/Tourism reserve of \$150,000 to ensure that the Destination Stratford core funding could be maintained in the event of a low visitor year without any tax levy consequences.

Funds could be used for any variety of purposes, with the intent that they be directed to tourism-related initiatives that **improve the visitor’s experience AND the quality of life for permanent residents**. This could include capital works within the Parks and Facilities, Sport Tourism initiatives, investment in trails, or other existing infrastructure that supports Tourism but that also benefit residents. Any of these have the effect of reducing the reliance on the tax levy for replacement or addition of these kinds of infrastructure.

While not recommended by staff at this time, another alternative use of the City’s portion of the MAT could be towards new-not-yet-identified tourism related initiatives.

Any of the MAT revenues raised will be restricted in the newly established MAT/Tourism reserve fund and not comingled with the City’s general operations. Any expenditure of the City’s portion of the MAT would be a future decision of Council and considering fulsome analysis of specific uses through staff reports.

In any case, **staff recommend ongoing collaborations with Destination Stratford** to maximize community benefits from tourism infrastructure and development projects.

Notwithstanding this report and the staff recommendations, there are other alternatives that could also be considered at this time.

- 1) Direct staff to pause all activities until after the municipal election in October. This option would mean that staff would not proceed with bringing the by-law forward, nor invest additional time into the set-up until such time as a report is brought forward to the new Council to seek direction. This option is likely to delay any implementation until 2024 or beyond and result in less or no revenues in 2023.
- 2) Direct staff to proceed as outlined, but with a later implementation date (for example, January 1, 2024). This option would mean staff would continue to proceed with the necessary next steps, including preparing the MAT by-law

for adoption, likely within the next 2-3 months. It would also mean that staff would continue to proceed with all the recommendations in this report, except for the implementation date. Deferral would allow accommodators additional time to adapt processes but would have the result of no MAT revenues until 2024.

Further alternatives include:

- 3) Consideration of a reduced MAT rate or a phasing in of the MAT rate over a period of several years. Example: begin with a 2% rate and increase it annually until reaching the 4% threshold. This option would mean that revenues collected would be reduced and not likely to have the same degree of impact that is expected to the City and Destination Stratford for several additional years.
- 4) Timing of revenues received in the early stages could be immediately flowed to Destination Stratford, rather than in the subsequent year. This option was considered by staff, but it was felt the MAT revenues considered in the context of the whole 2024 budget process was more prudent.

### **Financial Implications:**

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

If the recommendations are adopted as presented, there is no impact to the 2022 operating budget.

#### **Financial impact on future year operating budget:**

If the recommendations are adopted as presented, there would be no impacts to the 2023 budget other than collecting the MAT and establishing the Reserve Fund to be utilized in the 2024 budgeting process.

#### **Link to asset management plan and strategy:**

Building a reserve fund may assist the asset management strategy of keeping our existing assets in good repair. Any new capital initiatives increase the future contributions to the capital reserves required.

#### **Legal considerations:**

By-laws adopted to implement the Municipal Accommodation Tax would be reviewed by the City's legal counsel.

#### **Insurance considerations:**

Implementing the Municipal Accommodation Tax does not have any direct insurance impact to the City. The STRA licensing by-law will ensure that licensed establishments



maintain the required insurance coverage and indemnification to mitigate the City's risk if a claim arises from one of the participants.

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

#### **Strengthening our Plans, Strategies and Partnerships**

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

#### **Developing our Resources**

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

#### **Widening our Economic Opportunities**

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

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

#### **Equity and Local Economy**

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

#### **Culture and Community**

Nurturing local identity and heritage, empowering communities, and promoting a culture of sustainable living.

### **Staff Recommendation: THAT the Report Municipal Accommodation Tax Update be received;**

**THAT a 4% MAT rate be authorized and that the necessary by-laws be brought forward to a future meeting;**

**THAT information regarding timing and other key messages be distributed to businesses via the Engage Stratford platform and via Destination Stratford;**

**THAT an implementation date of no earlier than July 1, 2023, be authorized;**

**THAT a MAT Reserve Fund be established for the purpose of segregating the funds and that the Reserve policy be brought forward to ensure the purpose is clearly outlined;**

**THAT in 2023 and 2024, subject to budget approvals or alternative Council direction, keep the City's contribution to Destination Stratford at current levels be recommended;**

**THAT in 2024, Destination Stratford receive 50% of the net MAT revenues received in 2023;**

**AND THAT ongoing collaborations with Destination Stratford continue to facilitate the implementation of the MAT.**

**Prepared by:** Karmen Krueger, CPA, CA  
Director of Corporate Services

**Recommended by:** Joan Thomson, Chief Administrative Officer




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## MANAGEMENT REPORT

**Date:** October 29, 2019  
**To:** Mayor and Members of Council  
**From:** Tatiana Dafoe, Acting Clerk  
**Report#:** FIN19-045  
**Attachments:** Niagara-on-the-Lake Report: Risk Implications for the Niagara-on-the-Lake Accommodation/Food Businesses: Fair Workplaces, Better Jobs Act, 2017 Transient Accommodation Tax

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**Title:** Municipal Accommodation Tax

**Objective:** The objective is to provide information on the difference between a Destination Marketing Fee (Program) and a Municipal Accommodation Tax (MAT) and to outline the issues and process to be considered should the City pursue a MAT.

**Background:** At the August 12, 2019 Finance and Labour Relations Committee meeting, Stratford Tourism Alliance presented the Q2 2019 financial update. As a result of discussions on the existing Destination Marketing Fee, staff were directed to prepare a report on options around making participation in the fee mandatory.

### 1. Voluntary Destination Marketing Fee (DMF)

The Ontario Ministry of Tourism, Culture and Sport website states that since 2004, several Ontario tourism organizations have implemented Destination Marketing Fees (DMF) to generate additional revenue for the purpose of marketing tourism initiatives. The hallmarks of a Destination Marketing Fee (DMF) include:

- DMF is an industry-led initiative and falls outside of municipal authority;
- Participation in the DMF is voluntary;
- Charging and paying tourism fees is voluntary;
- Tourism fees are not a tax;
- Tourism fees provide additional revenues to support regional/city tourism marketing and development;
- Tourism fees are typically applied to accommodations and calculated in a few ways (flat fee or percentage to room revenue);

- Tourism fees are collected by participating hotels and remitted to an accommodation industry association who in turn transfers funds to a local or regional destination marketing organization for marketing activity promoting the region/city;
- Hotel/Participant staff must be trained to ensure that they understand and can explain the fee, specifically that the fee is not a government tax or levy;
- Fees are not legislated, monies collected do not go to the government.

## **2. Mandatory Municipal Accommodation Tax (MAT)**

The implementation and administration of the Municipal Accommodation Tax (MAT) is authorized under Section 400.1 of the *Municipal Act, 2001* (the Act) and Ontario Regulation 435/17 (Transient Accommodation). Where a MAT is in place the tax is mandatory and providers are obligated to collect the tax from purchasers of accommodation and remit the tax to the municipality. The Act states that an implementation by-law must include:

- MAT rate (%);
- Manner to be collected;
- Exemptions & rebates;
- Penalties, interest, enforcement & collection measures;
- Audit & inspection powers;
- MAT shall not be imposed on any Crown agency etc., board of education, post-secondary institution, hospital or long-term care facility.

Municipalities are obligated to share the revenues with eligible not-for-profit tourism entities for the exclusive purpose of promoting tourism and product development within the municipality.

The Stratford Tourism Alliance has had a Destination Marketing Fee (DMF) in place for the past 7-8 years. There are approximately 10 accommodators participating in the collection and remittance of the DMF (3%) to the Stratford Tourism Alliance. The Alliance budget for 2019 estimated approximately \$95,000 in revenue would be generated from the DMF. These funds are used to support the Stratford Tourism Alliance Charter and marketing efforts.

### **Analysis:**

#### **1. Revenue Sharing – How does the MAT get used?**

The Ontario Regulation prescribes how revenues are to be shared between the municipality and eligible not-for-profit tourism organizations. Fifty percent (50%) of the net revenues of the MAT must be paid to an eligible tourism organization at least one-time annually. The Regulation states that the revenue must be used for the “promotion of tourism”, “promoting tourism” and “development of tourism products”. The remaining fifty percent (50%) of the net revenues remains with the municipality and its use is unrestricted.

Where a Destination Marketing Fee (DMF) is in place immediately prior to the establishment of the MAT, the municipality is required to revenue share no less than the equivalent to what was raised from the DMF in the final year of the voluntary fee (estimated at \$95,000 by the STA). Since the Stratford Tourism Alliance has been collecting a DMF for the past 7-8 years, if the City implements a MAT then it must be shared with the STA using a calculation set out in the Regulation.

Legislation requires that an agreement must be entered into with the STA to ensure that financial accountability is maintained. Controls and measures for monitoring and administration would be included in an agreement on the use of MAT funds.

## **2. Cost to Implement a Municipal Accommodation Tax**

Municipal Accommodation Tax implemented in Ontario may be administered by the municipality, the tourism entity or a third-party organization. For example, the City of Peterborough negotiated with the Ontario Restaurant Hotel & Motel Association (ORHMA) to act as its collection agent under a fee for service contract. ORHMA remits amounts collected to the City. In the Region of Waterloo and City of Kingston, the tourism entity is the collecting agent. In the case of the City of Sudbury, the municipality is the collecting agent.

It is challenging to estimate the cost of administering a MAT. The mandatory tax is relatively new across the province and it is difficult to estimate costs associated with this program. In addition, each municipality administers the program differently and some are starting with an accurate and current database of accommodators (due to high participation in the existing DMF).

The City of Peterborough (administered by ORHMA) estimated \$3,000 for a one-time setup fee, plus 1% of annual revenue for ongoing administration (estimated at \$9500).

The City of Kingston, which had voluntary DMF in place before the MAT, found that start-up costs were minimal. Kingston was not able to provide an estimate of annual administration costs because it is administered by the tourism authority and not tracked separately.

The City of Sudbury administers the MAT in-house and the 2019 budget estimate for administration is \$100,000.

From initial research, it appears that start-up and annual administration costs are significantly lower in those areas with an existing DMF that had strong industry participation. Given the fact the City has the authority to retain a portion of the MAT for administration, the cost is unlikely to be a burden on the property tax.

### **3. Revenue Estimates**

In order to provide the Committee with accurate estimates of revenue that could be generated from a Municipal Accommodation Tax, statistics such as the number (and type) of transient rooms, occupancy rates and average room rates (for all accommodators) is needed. This information is not available at this time and would need to be collected.

The Stratford Tourism Alliance collects approximately \$95,000 annually through the voluntary Destination Marketing fee, with only 10 participating accommodators. Using the City of Peterborough as an example, their 2019 budget estimated that the old Destination Marketing Fee would have raised approximately \$125,000. The new MAT is estimated to generate approximately \$930,000.00.

Similarly, in 2017 Kingston collected \$1.7M through the voluntary DMF from 24 hotels. They found an additional 763 hotel/motel and bed & breakfast rooms that were not applying the voluntary DMF. In April, 2019 they estimated the mandatory MAT will generate \$3,280,000.

Assuming a modest estimate of \$20M in accommodation revenues in the City of Stratford, applying a 4% MAT, the City could raise up to \$800,000.00 annually. Acting under the assumption that the implementation and ongoing administration of the MAT could cost up to \$100,000 (using the City of Sudbury estimate), then the net MAT to be shared could be \$700,000. The Regulation sets out the formula for splitting the net funds when a DMF was in existence before the implementation of the MAT.

### **4. MAT Revenue Share – The Municipal Portion**

It is anticipated that any revenue generated from a Municipal Accommodation Tax would be variable from year to year depending on the economy and the number and type of large events taking place. While the municipal portion of the MAT is not restricted by Ontario Regulation, it is also susceptible to variability.

In considering the implementation of this tax, Council may consider placing the MAT revenues in a reserve fund for the first year. Since a revenue amount cannot be accurately estimated or included in the 2020 budget, placing the revenue in a reserve will allow staff to determine the amount collected and then make budget estimates for 2021. Segregation of these funds will also demonstrate transparency and accountability to the hospitality industry.

### **5. Local Accommodation Providers & Exemptions**

All eligible hotel transient accommodator doing business and/or facilitating business transactions within the boundaries of Stratford will be required to collect and remit any MAT implemented by the City. The mandatory tax will be applied on all rooms sold for

overnight accommodations with other hotel services being exempt (i.e. meeting rooms, food & beverage services etc.).

The Regulation sets out mandatory exemptions from the MAT (noted above). The term “transient accommodations” was purposely left undefined to provide municipalities with the flexibility to determine the type of short-term accommodations the tax would apply to. It is within Council’s discretion to exempt these types of accommodation:

- Treatment centres, house of refuge or reform;
- Charitable, non-profit philanthropic corporations organized as a Hospice, shelters for the relief of the poor or for emergency;
- Seasonal camping & trailer parks;
- Accommodation provided by an employer to employees in premises operated by the employer.

Council can also consider exempting certain operators, provided that the application sufficiently meets eligibility criteria developed. For example, a traditional Bed and Breakfast could be exempted if it met the following criteria:

- The Bed and Breakfast establishment meets the definition of the Zoning By-law 201-2000, as amended;
- The Bed and Breakfast establishment is occupied and operated by the property owner, and is classified in the residential property tax class;
- The Bed & Breakfast directly invoices for the accommodation, and not a third-party home-sharing listing entity.

Consideration can also be given to the length of stay. Some municipalities have chosen to not apply MATs to accommodations that are rented for a period of more than 30 days.

In structuring a Municipal Accommodation Tax, it is possible to phase in the tax among transient accommodations. For example, short-term rentals (such as Airbnb) could be included in the program in phase 2. Short-term rentals often occur in dwelling types such as detached houses, townhouses and apartment buildings and are operated by owner occupants, tenants, property investors and management companies. The applicability of the MAT to these short-term rentals may be premature until short-term rentals can be fully researched and are accounted for in the City’s Zoning By-law.

Accommodators will require time to implement changes to their billing system, staff training, and education on the terms of a new MAT and remittance requirements.

## **6. Other Municipal Examples**

Various communities across Ontario are moving to or have already implemented a Municipal Accommodation Tax. The following list outlines some of the municipalities that have implemented a MAT:

<b>Municipality</b>	<b>Details</b>	<b>Rate</b>
London	MAT in place effective October 1, 2018	4%
Waterloo Region Municipalities	MAT in place July 1, 2019 (50% to tourism organization; 40% city/town; 10% Region)	4%
Niagara Falls	In place	\$2/room night
Niagara-on-the-Lake	MAT defeated by Council in January 2018; no DMF in place	
Toronto	DMF of 3% replaced by MAT 4% in April, 2018	4%
Mississauga	MAT July 1, 2018	4%
Vaughan	MAT April, 2019	4%
Markham	MAP January 1, 2019	4%
Oakville	MAT January 1, 2019	4%
Hamilton	Voluntary DMF remains	3%
St. Catharines	MAT January 1, 2018	4%
Windsor	MAT October 1, 2018	4%
Ottawa	MAT January 2018	4%
Kingston	MAT August 1, 2018	4%
Brockville	MAT May 1, 2018	4%
Cornwall	MAT July 1, 2018	4%
Barrie	MAT January 1, 2019	4%
Huntsville	MAT April 1, 2019	4%
North Bay	MAT February 1, 2018	4%
Sudbury	MAT September 1, 2018	4%
Thunder Bay	MAT September 1, 2018	4%
Timmins	MAT January 1, 2019	4%

## **7. Consultations**

Consultations with the Stratford Tourism Alliance, the Regional Tourism Organization 4 (RTO4), hospitality associations, local accommodators and tourism relating businesses is important prior to formally pursuing the implementation of a MAT. This consultation will help the municipality develop the structure of the MAT, implementation processes and timelines.

Niagara-on-the-Lake commissioned the Canadian Centre for Economic Analysis to prepare the 2018 report entitled "Risk Implications for the Niagara-on-the-Lake



Accommodation/Food Businesses: Fair Workplaces, Better Jobs Act, 2017 Transient Accommodation Tax" which does not support the implementation of a MAT (attached).

## **8. Implementation**

In order to implement this project, further direction is required. Should Council wish to consider implementing this tax the following process is proposed:

1. Staff begin consultation with tourism partners.
2. A follow-up report providing an overview of the feedback received and additional research and recommendations on exemptions to the tax, use of the MAT, terms of an agreement with the Alliance, the structure of the program (processes, systems, forms, policies, public education, database development, inventory assessment etc.) and an implementation timetable.

Feedback from the STA and accommodators should indicate if a July 1, 2020 implementation date is reasonable.

**Financial Impact:** As outlined above, a MAT, if implemented, is a mandatory tax to be collected from purchasers of accommodation within the City. The MAT must be shared between the City and a tourism provider, however, there are no restrictions on how the City's portion must be spent.

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

#### **Developing our Resources**

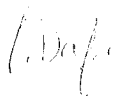
Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

#### **Widening our Economic Opportunities**

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

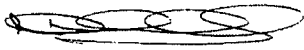
**Staff Recommendation: THAT the report entitled "Municipal Accommodation Tax" be received for information;**

**AND THAT direction be given to staff to continue investigating the implementation of a MAT and to prepare a follow-up report for the Finance and Labour Relations Committee outlining next steps.**




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Tatiana Dafoe, Acting Clerk

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Michael Humble, Director of Corporate Services

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Joan Thomson, Acting Chief Administrative Officer




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## MANAGEMENT REPORT

**Date:** February 10, 2020  
**To:** Mayor and Members of Council  
**From:** Tatiana Dafoe, Acting Clerk  
**Report#:** COU20-005  
**Attachments:** N/A

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**Title:** Municipal Accommodation Tax – Next Steps

**Objective:** To provide clarification on the Municipal Accommodation Tax (MAT), next steps and proposed timeline for pursuing implementation.

**Background:** At the August 12, 2019 Finance and Labour Relations Committee meeting, Stratford Tourism Alliance presented the Q2 2019 Financial Update. As a result of discussions on the existing Destination Marketing Fee, staff were directed to prepare a report on options for mandatory participation in the program and fee remittance.

At the November 4, 2019 meeting, the Committee received a report outlining options for the development of a MAT and directed staff to prepare a follow-up report outlining next steps.

### Analysis:

#### 1. Next Steps: Use of Funds, Exemptions, Administration, Timeline & Stakeholder Consultation

##### Use of Municipal Accommodation Tax Funds:

MAT funds must be shared (50/50) in accordance with Ontario Regulation 435/17 (Transient Accommodation). In the case of the City of Stratford, the only eligible not-for-profit entity that can receive 50% of the MAT funds collected is the Stratford Tourism Alliance (STA).

The MAT revenues forwarded to the STA must be used for the "promotion of tourism", "promoting tourism" and "development of tourism products". For example, revenues

from the MAT could be used for the advancement of their tourism strategic plan. The remaining municipal portion of the MAT revenue is not restricted by the Regulation.

It is anticipated that revenue collected from a MAT will be variable from year to year (dependent on economy and number of tourism events that take place). At this time, the municipal contribution to the STA operating budget (core funding) is collected through municipal property taxes. Replacing this core funding with anticipated MAT funds (which are variable from year to year) may put the annual funding at risk. Therefore, it is recommended that the STA's MAT revenues continue to be budgeted separately from the STA core funding. This will mitigate any annual fluctuations until revenue generation is known. Changes to the STA's core annual operating funding would be considered after there is historical experience with the annual MAT revenue.

Likewise, the municipal portion of the MAT revenue would be variable from year to year. In the short term, it is recommended that the City's portion of the MAT revenues be placed in a reserve fund.

#### Exemptions from Collecting the Municipal Accommodation Tax:

Under the Regulation, some accommodators are exempt. The Regulation exempts "a university or college of applied arts and technology or post-secondary institution". In addition, MATs are not applied to other hotel services (meeting room rentals, food & beverage, etc.).

Municipalities also have an option to pass a by-law exempting additional accommodators. Unless exempt by the Regulation or a City of Stratford by-law, all accommodators within City boundaries will be obligated to collect and remit the MAT on all rooms sold for overnight/short term accommodation.

Municipalities that have enacted a MAT have also passed by-laws exempting additional accommodators from participation. Examples of accommodators that have been exempted are:

- Accommodators that are renting for 30+ consecutive nights (including seasonal trailer parks);
- Hospitals, long-term care homes and treatment centres;
- Every house of refuge or lodging for the reformation of offenders;
- Every charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;
- Every tent or trailer sites supplied by a campground, tourist camp or trailer park;
- Every accommodation supplied by employers to their employees in premises operated by the employer;
- Every hospitality room in an establishment that does not contain a bed and is used for displaying merchandise, holding meetings or entertaining;

- Short-term rentals and entities listed on internet platforms such as Airbnb and other accommodation sharing apps;
- Traditional Bed & Breakfast operators which have been given the opportunity to apply to the local municipality for an exemption from charging and remittance of the MAT, provided that the application sufficiently meets the municipality's eligibility criteria;
  - Namely the bed and breakfast establishment meets the definition of the local Zoning By-laws;
  - The bed and breakfast establishment is occupied and operated by the property owner, and is classified in the residential property tax class;
  - The accommodation purchases are invoiced by the bed and breakfast establishment and not a third-party home-sharing listing entity.

It is important to note that short-term rentals offered by homeowners are not exempt from the MAT Regulations. However, the nature of the accommodation-sharing industry (such as Airbnb) makes tracking and collecting the tax from owners very challenging.

Staff recommend undertaking public consultation on potential exemptions to this program. Following public consultation, staff will prepare a further report with recommendations for consideration.

#### Administration of the MAT

The Regulation provides that expenses relating to the administration of the MAT can be funded from the MAT proceeds. The City can choose to keep the administration of the MAT "in house" (either through the City or Stratford Tourism Alliance) or contract with a third-party.

Many Ontario municipalities that have implemented the MAT are using the services of the Ontario Restaurant, Hotel & Motel Association (ORHMA) as the collecting agent. Municipalities using this agency include Sarnia-Lambton County, Peterborough, Region of Waterloo, and Huntsville. ORHMA is the only third-party collection agency offering this service in Ontario. Their service includes:

- working with the municipality and accommodators to implement the tax (meeting with accommodators, providing tools for implementation, forms, training, etc.),
- developing an accommodator database,
- collecting & remitting the tax, and
- administering the program on an ongoing basis.

The cost to administer the program in house versus with a third party agency is outlined below:

**In-House MAT Administration Cost and Resource Estimate:**

- 1 to 1.5 FTE employees to start-up and maintain MAT;
- IT staff and database software;
- \$60,000 - \$ 100,000

**Third-Party MAT Administration Cost Estimate:**

- \$3,000 one-time set-up fee;
- 1% of the gross MAT generated annually;
- Using the estimated gross MAT of \$800,000 provided in the October 29, 2019 staff report, the annual fee would be approximately \$8,000.00

If the City was to retain a third-party administrator, the roles and responsibilities in setting up the MAT program would be organized as follows:

<b>Roles and Responsibilities</b>	
<b>City of Stratford</b>	<b>Third-Party Administrator</b>
Provide detailed design of the MAT	Assist City with the development of accommodator requirements based on the City's design of the MAT
Obtain Council approval of any Agreement, design of the MAT and enacting by-laws	Provide input into the communications plan and education/information provided to accommodators
Provide detailed reporting requirements	Assist the City in the development of an accommodator database by issuing notifications to properties subject to the MAT
Develop, with input from the STA and 3 <sup>rd</sup> Party Administrator, a public, visitor and industry stakeholder communications strategy	Lead the monthly revenue remittance process and follow-up with outstanding/late remittances
Ensure that the 3 <sup>rd</sup> Party Administrator is administering the MAT program within the terms of the Agreement	

Due to staffing and resource constraints at the City and STA, it is recommended that a third-party be contracted to administrator the MAT program for a 3-year period.

### MAT Percentage to be Collected

As indicated in the October 29, 2019 Management Report and based on research to date, all Ontario municipalities that have implemented the MAT are collecting at the rate of 4%.

The Regulations do not regulate the rate at which the MAT shall be collected. It is recommended that the City seek feedback from accommodators on rate options and provide a recommendation to the Committee in a subsequent report.

### Timeline and Stakeholder Consultations

With approval from Council, the following timetable and consultation schedule will be initiated:

Step	Date
Council approval in principle	February 10, 2020
Public consultation	Month of February and March
Report on public consultation to Committee and additional recommendations	April 14, 2020
Council consideration	April 27, 2020
Implementation Activities	May - December
Estimated Implementation Date	January 1, 2021

Consultation will include (but not be limited to):

- Stratford Tourism Alliance (STA) Board of Directors,
- Hotels/Motels and Bed and Breakfast establishments,
- BIA,
- RT04,
- Festival Theatre,
- Chambers of Commerce,
- Invest Stratford,
- Members of the public.

## **2. Boundary Accommodators**

There are accommodators that are located outside the boundaries of the City that are members of the Stratford Tourism Alliance. While the City cannot require these accommodators to collect and remit the MAT, there are options available to ensure that these members benefit.

Throughout Ontario (namely Sarnia-Lambton & City of Kingston) boundary accommodators were invited to collect and remit 4% of qualifying stays through a voluntary Destination Marketing Fee. This would allow them to benefit from and

participate in any MAT funded projects or programs supported by the Stratford Tourism Alliance.

To date, neighbouring municipalities have not adopted the MAT. If the MAT is mandated by Perth East or Perth South these accommodators will no longer be able to participate in the voluntary Destination Marketing Fee as the legislation does not permit the two programs to operate simultaneously in the same municipality.

### **3. Program Effectiveness**

It is recommended that the City of Stratford and Stratford Tourism Alliance jointly undertake a study in 2024 (3-years after implementation) to analyze the effectiveness of the MAT Program and recommend possible program refinements.

**Financial Impact:** The MAT collected must be shared 50/50 between the City and a tourism provider. As outlined above, there are no restrictions on how the City's portion can be spent. It is estimated the MAT could generate approximately \$800,000 annually.

### **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.

#### **Widening our Economic Opportunities**

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

**Staff Recommendation: THAT the report entitled "Municipal Accommodation Tax – Next Steps" be received for information;**

**THAT Council supports, in principle:**

- **the establishment of a mandatory Municipal Accommodations Tax for accommodators in the City of Stratford effective January 1, 2021; and**
- **a sharing model of 50/50 for the Stratford Tourism Alliance and the City of Stratford;**

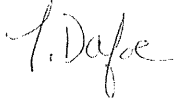
**THAT the creation of a Municipal Accommodation Tax Reserve Fund, to separate the City's portion of the Municipal Accommodation Tax revenues for uses to be determined by Council, be supported;**

**THAT the City Clerk, or designate, be authorized to draft the necessary Agreement with the Stratford Tourism Alliance for the use of the 50% of the Municipal Accommodation Tax, in consultation with the City Solicitor;**



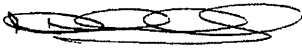
**THAT the City Clerk, or designate, be authorized to draft an agreement and pursue a third-party administrator of the MAT Program;**

**AND THAT staff be directed to commence public consultation on this project and to prepare a management report to be considered at an upcoming Finance and Labour Relations Committee meeting.**



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Tatiana Dafoe, Acting Clerk



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Michael Humble, Director of Corporate Services



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Joan Thomson, Acting Chief Administrative Officer



## MANAGEMENT REPORT

**Date:** February 24, 2020  
**To:** Mayor & Council  
**From:** Michael Humble, Director of Corporate Services  
 Mike Beitz, Corporate Communications Lead  
**Report#:** COU20-018  
**Attachments:** None

**Title:** Public Consultation Process For Proposed Municipal Accommodation Tax

**Objective:** To describe the public consultation process staff will follow to gather input for the proposed municipal accommodation tax (MAT).

**Background:** At the Regular Council Meeting on 10<sup>th</sup> February, Council approved the following resolution.

***THAT Council supports, in principle:***

- *the establishment of a mandatory Municipal Accommodations Tax for accommodators in the City of Stratford effective January 1, 2021; and*
- *a sharing model of 50/50 for the Stratford Tourism Alliance and the City of Stratford;*

***AND THAT staff be directed to commence public consultation on this project and to prepare a management report to be considered at an upcoming Finance and Labour Relations Committee meeting.***

The following timeline was also contained in that report:

Step	Date
Council approval in principle	February 10, 2020
Public consultation	Month of February and March
Report on public consultation to Committee and additional recommendations	April 14, 2020
Council consideration	April 27, 2020
Implementation Activities	May - December
Estimated Implementation Date	January 1, 2021

Consultation will include (but not be limited to):

- Stratford Tourism Alliance (STA) Board of Directors,
- Hotels/Motels and Bed and Breakfast establishments,
- BIA,
- RT04,
- Festival Theatre,
- Chambers of Commerce,
- Invest Stratford,
- Members of the public.

**Analysis:** Before attempting to gather public input, staff feel it is important to accurately describe what a Municipal Accommodation Tax is, under what authority it is being collected, and what the monies can be used for.

A document is being prepared that will be available in hard copy at our customer counters in City Hall, posted on our website and social media platforms, and summarized in the Town Crier column in the local newspaper.

This will form a necessary fact-based foundation before asking any resident to offer their opinion on the proposal. This document should be ready on Monday 24<sup>th</sup> February 2020.

#### Stage One: Solicitation for individual feedback.

Based on the Fact Sheet prepared, staff will solicit individual feedback opinions by means of online questionnaires (website and social media), by email or paper comment submissions.

Notification will be made by online platforms, print in local newspaper media, radio advertising and direct mailing to accommodation providers within the City of Stratford. This will include operating hotels as well as a list of licensed Bed and Breakfast establishments who have been issued licenses by Building Services in 2020 to date.

This is scheduled to commence the week of 24<sup>th</sup> February with deadline for comments to be received by 31<sup>st</sup> March 2020.

#### Stage Two: Meeting with stakeholder groups.

Staff will offer to meet with the following stakeholder groups to review and discuss the details of a MAT, and encourage both group and individual feedback:

- Stratford Tourism Alliance (STA) Board of Directors,
- Hotels/Motels and Bed and Breakfast establishments,
- BIA,
- RT04,
- Festival Theatre,

- Chamber of Commerce,
- Invest Stratford,

This is scheduled to take place during the month of March 2020.

### Stage Three – Public Open Houses

Staff propose to offer two Public Open Houses at different locations in the City. One daytime and one during evening hours. They will be scheduled after March Break.

All public responses received will be compiled and made available to Council by way of a report to Finance & Labour Relations Committee on 14<sup>th</sup> April 2020.

The report will summarize activities of the public consultation process, list all feedback received, and suggest recommendations for next steps.

**Financial Impact:** Costs to undertake public consultation will be accommodated within 2020 approved budgets for advertising, public meeting expenses and printed materials.

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

#### **Strengthening our Plans, Strategies and Partnerships**

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

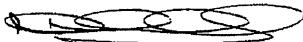
#### **Developing our Resources**

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

#### **Widening our Economic Opportunities**

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

**Staff Recommendation: THAT the consultation process described in the report of the Director of Corporate Services and the Corporate Communications Lead dated February 24, 2020, be approved by Council.**




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Michael Humble CPA, CGA, Director of Corporate Services

A handwritten signature in dark ink, appearing to read 'Michael Beitz', with a stylized flourish at the end.

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Michael Beitz, Corporate Communications Lead

A handwritten signature in dark ink, appearing to read 'Joan Thomson', with a stylized flourish at the end.

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Joan Thomson, Acting Chief Administrative Officer

<u>City/County</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Barrie: Yes</b>		4% - January 1, 2019, 4% -					
<b>Belleville: Yes</b>		4% - July 1, 2019 - includes b&b's, not sure on str (airbnb?)					
<b>Brockville: Yes</b>		4% - May 1, 2019					
<b>South Bruce Peninsula: Yes</b>				4% - January 1, 2022			
<b>Cambridge: Yes</b>		4% - July 1, 2019 - including B&B and STR (Airbnb)					
<b>Cornwall: Yes</b>	4% - June 1, 2018						
<b>Dryden: Yes</b>			4% - January 2020				
<b>Greater Sudbury: Yes</b>	4% - September 1, 2018 including all accommodations and even airbnb						
<b>Guelph: Yes</b>					4% - September, 2022		
<b>Hamilton: DMF</b>	3% - Voluntary DMF - January 1, 2018						Looking at implementing 4% mat tax in future
<b>Huntsville: Yes</b>		4% - April 1, 2019					

<b>Kawartha Lakes: Unconfirmed</b>							
<b>Kenora: Yes</b>	4% - September 1, 2018						
<b>Kingston: Yes</b>	4% - August 1, 2018			4% - STR (ie. Airbnb) - Jan 2021 - Council approved			
<b>Kitchener: Yes</b>		4% - July 1, 2019 - including all accommodations and even STR (Airbnb)					
<b>London: Yes</b>	4% - October 1, 2018						
<b>Markham: Yes</b>		4% - January 1, 2019			Jan 1, 2022-Mar 31, 2022 - Suspended, Reinstated effective April 1, 2022		
<b>Mississauga: Yes</b>	4% - April 1, 2018 includes all accommodations, including STR (Airbnb) and other online booking options						

Niagara Falls: Yes		\$2.00 per night of occupancy of transient accommodations effective January 1, 2019					
NOTL: Yes					2% - July 1, 2022	3%	4%
North Bay: Yes		4% - February 1, 2019					
Orillia: Yes			4% - September 1, 2020 - all accommodations				
Ottawa: Yes	4% - January 1, 2018, 4% - August 1, 2018 (for stays at Airbnb)						
Owen Sound: Not yet					Looking at compiling report for 3rd quarter of 2022 about possible implementation		
Peterborough: Unconfirmed							
Prince Edward County: Yes				4% - February 1, 2021			
Quinte West: Yes		4% - July 1, 2019					
Sarnia: Yes			4% - July 1, 2020				



<b>Sault St. Marie: Yes</b>		4% - January 1, 2019					
<b>St. Catharines: MAT proposed - See comments in 2022 section</b>					Council has supported a MAT in principle and with our short term rental licensing now in effect we owe a report back by end of Q1 (which we're drafting now). The MAT we have proposed follows what Niagara Falls has implemented – a flat rate of 2\$ per night which will apply to both hotel stays and STRs. Our goal is for it to be in effect by June 1st, 2022		
<b>Temiskaming Shores: Yes</b>			4% - January 1, 2020				
<b>Thunder Bay: Yes</b>	4% - September 1, 2018						
<b>Timmins: Yes</b>		4% - May 1, 2019					
<b>Toronto: Yes</b>	4% - January 31, 2018 - approved by City Council. Then implemented starting April 1, 2018 at 4%. Short term rentals (ie. Airbnb) on or after June 1, 2018 @ 4%.						

<b>Vaughan: Yes</b>		4% - April 1, 2019	4% - September 1, 2020 - applicable to short-term rentals, including online home-sharing platforms				
<b>Waterloo: Yes</b>		4% - July 1, 2019					
<b>Windsor: Yes</b>	4% - October 1, 2018						

# RTO 4 HOTEL TAX STUDY - STRATFORD

CBRE File No. :16-APPRHOTELS-0112

Date: June 22, 2017

Prepared for:  
Mr. David Peacock  
Ms. Andrea Gardi  
RTO 4 Tourism Innovation





CBRE Valuation & Advisory Services  
CBRE Tourism & Leisure Group

CBRE Limited  
Valuation & Advisory Services  
145 King St. W. Suite 1100  
Toronto, ON, M5H 1J8  
416.362.2244 Tel  
416.362.8085 Fax  
www.cbre.ca

June 22, 2017

Mr. David Peacock, CEO  
Ms. Andrea Gardi, Senior Project Manager  
RTO 4 Tourism Innovation  
1020 Ontario Street  
Stratford, ON N5A 6Z3  
Via Email: [peacock@rto4.ca](mailto:peacock@rto4.ca); [andrea@rto4.ca](mailto:andrea@rto4.ca)

RE: RTO 4 Hotel Tax Study – Final Report

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Dear David and Andrea:

In accordance with your request, CBRE is pleased to submit the attached report detailing the potential implications related to Ontario's Spring 2017 Budget announcement granting municipalities the authority to levy a hotel tax.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis or if CBRE can be of further assistance, please contact us.

Respectfully submitted,

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Fran Hohol, CMC  
Senior Director  
CBRE Tourism & Leisure Group  
Valuation & Advisory Services

Phone: 647-943-3743  
Email: [fran.hohol@cbre.com](mailto:fran.hohol@cbre.com)

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Rebecca Godfrey, CMC, MBA  
Associate Director  
CBRE Tourism & Leisure Group  
Valuation & Advisory Services

Phone: 647-943-3744  
Email: [rebecca.godfrey@cbre.com](mailto:rebecca.godfrey@cbre.com)

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## Introduction

## Study Background

In Spring 2017, the government of Ontario announced budget plans to give municipalities the power to levy a hotel tax. Specifically, the 2017 Ontario Budget states:

The *City of Toronto Act, 2006* (COTA) gives broad, permissive authority for the City to levy its own taxes. The authority currently does not allow the City to levy a tax on transient accommodation (hotel tax). It is proposed the authority in COTA would be amended to remove this exclusion.

The authority to levy a hotel tax would also be extended to single-tier and lower-tier municipalities through proposed amendments to the *Municipal Act, 2001*.

All municipalities that adopt the hotel tax and that have an existing Destination Marketing Fee (DMF) program in place would be required to share their hotel tax revenue with the appropriate not-for-profit tourism organization in an amount that matches the total revenue generated by the existing DMF program. For local municipalities where such a program does not exist, at least 50 per cent of their hotel tax revenue would be shared with the respective Regional Tourism Organization or a not-for-profit tourism organization.

Source: 2017 Ontario Budget, *A Stronger Healthier Ontario, Chapter VII: A Fair and Sustainable Tax System*, page 281

As a result of the recent budget announcement, in May 2017 RTO 4 Tourism Innovation retained CBRE to undertake an assessment of the potential implications of a hotel tax provision on its key partners: Kitchener, Waterloo, Cambridge, Stratford and Elora/Fergus.

## Study Scope & Methodology

In meeting the study objectives, CBRE has undertaken the following tasks:

- Compiled an inventory of hotels in each of the 5 study locations;
- Compiled an inventory of Bed & Breakfast (B&B) properties in Stratford and Elora/Fergus;
- Compiled an inventory of short term rentals (Airbnb rentals) in the areas of Kitchener, Waterloo, Cambridge, Elora/Fergus and Stratford;
  - Airbnb listings consist of 3 different unit types, which have been defined below:
    - **Entire Home** – The guest has complete and sole access to the entire Unit during the stay.
    - **Private Room** – The guest has their own sleeping area, but shares access to the Unit common areas with others.
    - **Shared Room** – The guest rents a common area, such as a sofa bed in a living room.
    - In refining the analysis, we separated entire home rentals from other unit type rentals since these are the most comparable listings to hotel rooms.



- Undertook a historic overview of accommodation performance in each of the 5 locations and summarized the 2015 and 2016 results;
  - Utilized CBRE Hotels Trends in the Hotel Industry National Market Database:
    - On a monthly basis, CBRE Hotels obtains and monitors the occupancy, average daily rate and revenue per available room of 1,900 properties representing 55% of the Canadian industry's 450,000 rooms. Top-line operating results are tracked nationally and by region, province, key urban markets and submarkets across Canada.
  - Utilized CBRE Hotels National Hotel Inventory:
    - CBRE Hotels maintains a Canadian inventory of hotel room supply, which is updated on an ongoing basis to reflect room changes, hotel openings, hotels under development and temporary/permanent hotel closures and conversions. Specifically, hotel room supply is tracked on an annualized basis by property name, address, chain scale, brand and brand family affiliation.
- Provided an estimate of Airbnb revenue generated in the areas of Kitchener, Waterloo, Cambridge, Elora/Fergus and Stratford in the most recent 12 month period – April 1, 2016 to March 31, 2017;
  - For analysis purposes, we have relied on estimates of Airbnb inventory and performance from data provided by Airdna (Airdna.co), a company that scrapes Airbnb data on a global level, every 3 days.
- Prepared a 2017 forecast of hotel accommodation performance for each of the 5 locations;
- Developed an estimate of potential hotel tax revenues generated at various tax rates (1%, 2%, 3% and 4%) in each of the 5 locations;
- Developed an estimate of potential Airbnb tax revenues in each of the 5 locations. For the purposes of this analysis, we have assumed higher tax rates ranging from 4% to 10% applied to Airbnb hosts, to reflect that hotels tend to pay commercial property taxes which are substantially higher than residential taxes; and
- Compiled all findings into the subject Final Report, specific to Stratford.

This report has been prepared for the party named above for the purpose stated. Any other use or user is unintended by the consultant. The report is subject to those Assumptions and Limiting Conditions contained in Addendum "A" in addition to any assumptions, which may be stated in the body of the report.





Stratford

As confirmed by RTO 4 and Stratford Tourism, Stratford's accommodation market includes 19 hotel/motel properties and 91 bed and breakfasts, which represent a total of 1,002 rooms. As shown below, most properties are open year-round, with the exception of 3 motels that operate on a partial-year basis and the bed and breakfast establishments which tend to operate during the peak season only.

### STRATFORD ACCOMMODATION SUPPLY - 2017

#	Property	Address	Number of Rooms	Notes
1	Best Western Plus Arden Park	552 Ontario St	144	
2	Festival Inn	1144 Ontario St	182	
3	The Parlour Inn	101 Wellington St	28	
4	Mercer Hall Inn	104 Ontario St	14	
5	Queen's Inn	161 Ontario St	32	
6	Albert Street Inn	23 Albert St	34	
7	The Bruce Hotel	89 Parkview Dr	25	
8	Forest Motel	2941 Forest Rd., RR4	19	
9	Foster's Inn	111 Downie St	9	
10	Majer's Motel**	2970 Ontario St. E	31	(Open March to Dec)
11	Noretta Motel	691 Ontario St	15	
12	As you like it Motel**	379 Romeo St N	18	(Open May to Oct)
13	Rosecourt Motel	599 Erie St	20	
14	Stone Maiden Inn	123 Church St	15	
15	Stratford Suburban Motel	2808 Ontario St	25	
16	Swan Motel**	960 Downie St	24	(Open May to Oct)
17	Traveller's Motel	784 Ontario St	24	
18	Stratford Hotel	107 Erie St	12	
19	Bentley's Lofts at 99	99 Ontario St	18	
20	B&B's (91 properties)	N/A	313	(Primarily Seasonal)
<b>Total Rooms</b>			<b>1,002</b>	

Source: CBRE Hotels

The 2015 and 2016 performance results for the Stratford accommodation market are summarized below, in addition to a prepared forecast for 2017.

### HISTORIC & PROJECTED MARKET PERFORMANCE - STRATFORD ACCOMMODATION MARKET

TOTAL COMPETITIVE MARKET	2015	2016	2017 Projection
Number of Properties	110	110	110
Number of Rooms	1,002	1,002	1,002
Occupancy	38.6%	40.1%	41%
Average Daily Rate	\$131.12	\$137.96	\$141
Revenue per Available Room	\$50.57	\$55.33	\$58
Available Room Nights	365,730	366,732	365,730
Occupied Room Nights	141,039	147,069	150,010
Room Revenue (In \$Millions)	\$18.5	\$20.3	\$21.1
MARKET GROWTH	2015	2016	2017
Supply	1.3%	0.3%	0.0%
Demand	5.3%	4.3%	2.0%
Average Daily Rate	12.2%	5.2%	2.0%
Revenue Per Available Room	16.7%	9.4%	4.3%

Source: CBRE Hotels

If tax rates ranging from 1% to 4% were applied, the Stratford accommodation market could potentially generate an estimated \$211,000 to \$844,000 in hotel tax revenue in 2017.

### ESTIMATE OF HOTEL TAX REVENUE GENERATED BY STRATFORD ACCOMMODATION MARKET AT VARIOUS RATES

Based on:	2016 Historic Performance	2017 Projected Performance
1%	\$202,900	\$211,100
2%	\$405,800	\$422,200
3%	\$608,700	\$633,300
4%	\$811,600	\$844,400

Source: CBRE Hotels

As shown below, Stratford Airbnb listings generated an estimated \$232,000 in revenue over the past 12 months. If a 4% to 10% tax rate were applied, the Stratford Airbnb market could potentially generate an estimated \$9,000 to \$23,000 in tax revenue.

**ESTIMATE OF AIRBNB REVENUE - APRIL 1, 2016 -  
MARCH 31, 2017  
STRATFORD**

Revenue	Tax Rate Based on:	Total Stratford Projected Performance
	4%	\$9,300
	5%	\$11,600
<b>\$232,000</b>	10%	<b>\$23,200</b>

Sources: Airdna, CBRE Hotels, June 2017

**ADDENDUM "A"**

Assumptions and Limiting Conditions



## Assumptions and Limiting Conditions

1. This report has been prepared at the request of the RTO 4 Tourism Innovation for the purpose of providing a review of the potential implications of a hotel tax. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
2. This report has been prepared at the request of RTO 4 Tourism Innovation and for the exclusive (and confidential) use of, the recipient as named herein and for specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
3. The estimated market value of the real estate, which is the object of this appraisal, pertains to the value of the freehold or fee simple estate in the real property. The property rights appraised herein exclude mineral rights, if any.
4. The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required an interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following Contingent and Limiting conditions.
5. The property has been valued on the basis that title to the real estate herein appraised is good and marketable.
6. The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters, which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.
7. The legal description of the property and the area of the site were obtained from the Registry Office. Further, the plans and sketches contained in this report are included solely to aid the recipient in

visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

8. The property has been valued on the basis that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.
9. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.
10. The interpretation of the leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summaries of these contractual agreements, which appear in the Addenda, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
11. The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
12. Investigations have been undertaken in respect of matters, which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
13. The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, and are full enforceable notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal, unless such conditions have been identified and noted in this report.

14. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
15. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the share could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise as a result, have been described and measured in this report.
16. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.
17. In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
18. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances, which may be required. However, neither this nor any other of these assumptions nor limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body, which will decide the use of this report, which best serves the administration of justice.
19. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.
20. The value expressed herein is in Canadian dollars.
21. This report is only valid if it bears the original signature(s) of the author(s).





Destination Stratford  
47 Downie Street, Stratford, ON N5A 1W7  
P: 519.271.5140 T: 1.800.561.7926  
hello@visitstratford.ca

June 9, 2022

To Stratford City Council,

This letter is to formally endorse the 2022 City Staff report on Municipal Accommodation Tax (MAT).

The MAT will provide essential resources for the destination – at no cost to local residents – in order to remain competitive through additional destination marketing and destination development projects. These projects will improve both the visitor experience AND the quality of life for our community, while focusing on creating a more robust and year-round tourism economy for Stratford.

The Destination Stratford Board of Directors supports the prudent approach of implementing the MAT as outlined within the report's recommendations, and appreciates the collaborative approach taken by City Staff in the development of the report.

Sincerely,

Rob Russell, Board Chair  
On behalf of the Destination Stratford Board of Directors



June 22, 2022

## MUNICIPAL ACCOMMODATION TAX (MAT) FREQUENTLY ASKED QUESTIONS

### **What is a Municipal Accommodation Tax?**

A Municipal Accommodation Tax (MAT) is a fee levied on short-term, overnight accommodations in Stratford to help support local tourism. It is paid by visitors when they book a room with a local accommodation provider.

### **When would the MAT come into effect?**

Stratford City Council initially approved the MAT in principle in February 2020, intending to take effect January 1, 2021 but was paused as a result of the pandemic. The revised proposed implementation date for the MAT in Stratford is July 1, 2023.

### **What types of accommodation will be required to collect and remit the MAT?**

The MAT is applicable to any accommodation with guests staying for less than 30 consecutive days (e.g. hotels, motels, inns, vacation rentals, B&Bs, etc.).

### **How much is the MAT?**

The MAT for Stratford will be charged to visitors at the industry standard rate of 4%.

### **What authority does the City have to implement a municipal accommodation tax?**

The Province of Ontario gave municipalities the ability to levy a Municipal Accommodation Tax through the Municipal Act, Ontario Regulation 435/17: Transient Accommodation Tax

### **Is this a mandatory or volunteer tax?**

The MAT will be a mandatory charge for visitors once implemented.

### **Is this a tax on Stratford residents or businesses?**



No. The MAT is levied on visitors staying in Stratford accommodations.

**Is the MAT applicable to other business types including restaurants, attractions, etc.?**

No. The MAT is only applicable to the accommodation portion of short-term accommodation in Stratford (e.g. hotels, motels, inns, B&Bs, AirBnBs, vacation rentals, etc).

**Does the Municipal Accommodation Tax get applied to the rental of a hotel's boardroom or banquet room?**

No. The MAT is only applied to a room that is being used for accommodation. However, it is exempt when a room, that may or may not contain a bed, is being used for displaying merchandise, meetings or entertainment and not being used for accommodation. MAT is also not applicable to services such as laundry services, valet parking, meals, etc. Please see the [Ontario Legislation and Ontario Regulation](#) regarding transient accommodation tax.

**Why would the City introduce this now as we are still in a global pandemic?**

The MAT was originally introduced in 2017 provincially, and most Ontario tourism destinations now have it in place, including several implementing the MAT during the pandemic. The MAT helps our tourism industry remain competitive and increases destination development and infrastructure investments which helps with our collective recovery as we navigate through the pandemic and beyond.

**What happens with the funds generated through MAT?**

By law, a minimum of half of the funds generated by the MAT will be used to support tourism marketing and development via Destination Stratford. The remaining amount will be allocated by the municipality to support tourism infrastructure development. Funds will be kept separate from the City's normal operational revenues and will be used to offset related expenditures.

**How will I remit MAT funds to the municipality?**



The City will work with a professional 3<sup>rd</sup> party provider to streamline the MAT remittance process, including a variety of payment options. More details to follow once the service provider has been selected.

### **Will Airbnb collect and remit the MAT on my behalf?**

Airbnb will not be collecting the MAT on behalf of Stratford hosts. In the future, the Province may make it mandatory for booking platforms to take care of collection and remittance, but there is no timeline for this to happen.

For now, there is functionality to 'add tax' through the Airbnb platform, which hosts can read about [here](#). To access the 'add tax' feature, hosts will need Airbnb's professional tools. Find more information about them [here](#).

### **What if I do not collect any MAT in the reporting period?**

If you did not sell any accommodations during the reporting period, and therefore did not collect any Municipal Accommodation Tax, you will still be required to submit the MAT remittance form indicating that MAT was not collected during the reporting period.

### **What fees are subject to the MAT?**

The MAT requires that the 4% is applied only to the purchase price of the accommodation (room rate). With limitations of online booking platforms and software, it is not always possible to charge the MAT on the purchase of the accommodation only. In these cases, the MAT may be applied to other service or amenity fees (e.g. cleaning fees, booking fees) in addition to the cost of the room night. This additional revenue must be reported and included with the remittance.

### **I am a private property owner who occasionally rents out accommodation to people who are only staying at my property a few days. I don't consider this a small business as I don't provide accommodations that often. Do I need to collect the MAT from my guests?**

Yes. All short-term accommodations are subject to the MAT, including those in private homes. If you are invoicing your guests directly then a 4% MAT must be added to their bill and these funds must be submitted through the collection process.

### **Is the Harmonized Sales Tax (HST) charged on the MAT?**



Yes, if the accommodation provider is registered for HST. The accommodation provider is responsible for collecting and remitting the HST on the room charge and on the MAT. HST is remitted directly to the Canada Revenue Agency.

### **How do refunds and no shows affect the amount of MAT I remit?**

If the MAT was added to an invoice that was paid by a guest, and you subsequently issue a full or partial refund on that accommodation charge, the customer should also be refunded the applicable amount of MAT that corresponds to the refund amount. If the refund occurs after you have remitted the MAT, you can adjust the MAT submission the following month noting the refund in your submission documentation.

If you experience no shows and your policy is to charge a portion of the room rental as a penalty, then the MAT should also be charged to the no show portion. If, however, you have a flat administrative fee that is charged for no shows no matter what the room rate, then the MAT does not need to be applied.

### **Will there be interest charges or penalties if I don't remit MAT?**

As with all overdue remittances, there will likely be a standard monthly interest rate applied.

### **Will there be an auditing process to verify submissions?**

Yes. City of Stratford staff may inspect and audit all books, documents, transactions and accounts of accommodation providers for the purposes of administering and enforcing the MAT.

### **How will the MAT be enforced?**

The City of Stratford is looking at a Short-Term Accommodation Licensing by-law requiring short-term accommodators to obtain an annual license. If adopted, it will apply to the following: accessory guest rooms, bed and breakfast establishments, inns, short term rental accommodation, and guest homes effective January 1, 2023. Hotels and motels will be exempt from this licensing requirement. City by-law enforcement staff will be responsible for enforcement of the Short Term Accommodation Licensing.

Those establishments, plus hotels and motels will be required to collect and remit the MAT through the third-party provider.

### **Will I need to show the MAT on an invoice or receipt?**



Yes, every bill, receipt, invoice or similar document for the purchase of accommodation will require a separate line item identified as “Municipal Accommodation Tax” showing the rate at which the Municipal Accommodation Tax is calculated (4%) and the dollar amount of the Municipal Accommodation Tax.

If limitations with booking platforms or software do not allow the MAT to be calculated as a separate line item, the MAT can be worked into the room cost. In this case, a note on the receipt, invoice or statement is required and must include the MAT percentage (4%) as well as the dollar amount.




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## MANAGEMENT REPORT

**Date:** May 25, 2022  
**To:** Infrastructure, Transportation and Safety Sub committee  
**From:** Taylor Crinklaw, Director of Infrastructure and Development Services  
**Report#:** ITS22-015  
**Attachments:** None

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**Title:** Continued Promotion of Active Transportation through Lakeside Drive Lane Closures

**Objective:** To obtain Council approval for the temporary lane closures of Lakeside Drive for the month of August.

**Background:** For the past two years, Council has requested staff implement road closures to promote physical distancing and active transportation along Lakeside Drive. The successful 2020 full road closures resulted in significant increase in cycling traffic and staff have received positive feedback from many residents for both the 2020 and 2021 road closures. The traffic setups were easier to maintain and had less impact on the Festival Theatre due to limited shows in production. The Festival Theatre will be fully operational for 2022, making full closures much more difficult for them to operate.

In order to continue with the promotion of active transportation on Lakeside Drive and mitigate impacts to the Festival's Theatres and general operation of the parks system, a different approach is proposed for 2022 than what was seen in years prior. In the generation of ideas and to solicit feedback, Active Transportation Advisory Committee, Board of Park Management and representatives of the Festival Theatre were consulted this spring.

**Analysis:** There are two components when addressing active transportation in the area of Lakeside Drive: an immediate service, and a long-term strategy. Part of the direction from Council on May 29, 2020, was *"that a plan to install permanent cycling infrastructure in the parks system and around the river be referred to staff for development"*. This process is in the early stages of development. Part of the Transportation Master Plan currently underway will speak to a general vision and provide recommendations on next steps.

In terms of providing an immediate service, three options were considered in detail by staff for this year:

- Option 1 – One Month Lane Closure of Lakeside Drive westbound traffic, from Waterloo Street to Festival Bridge
- Option 2 – Full Road Closure, for One Weekend, Waterloo Street to Queen Street
- Option 3 – Full Road Closure, Morenz Drive to Front Street, on Weekends

Staff received positive support for Option 1 and anticipate that it would likely be the most successful. Closing the westbound traffic lane, while maintaining traffic flow eastbound would ensure all connecting streets, roadside parking, parking lots and amenities, would be easily accessible. Having the lane closure in place for one month, minimizes staff time to just one setup and takedown, and Monday morning checks. Unfortunately, Public Works has insufficient barricades to maintain this setup and would have to purchase approximately \$10,000.00 to \$12,000.00 in material to make this setup work. The estimated operational cost for this setup is \$1500.00 to \$3000.00. This option also requires that the Festival Theatre put out communications to their patrons regarding prolonged traffic alterations.

Substantially more effort is required from the Festival Theatre to accommodate full road closures in the vicinity of the Tom Patterson Theatre and Festival Theatre. That is why a short duration was considered for Option 2, as not to over burden the Festival Theatre when accommodating Lakeside Drive road closures. The estimated operational cost for this setup is \$800.00.

Option 3 would see full road closure from Morenz Drive to Front Street on weekends in August. Though no data was collected for 2021, feedback received indicates a positive outcome, but general preference was given to the road closures observed for 2020. The approximate operational cost for this setup in 2021 was \$3000.00.

#### Traffic Analysis

Regardless of Council direction, Staff intend to collect data that could be used to support future decision making.

**Financial Implications:** The process Public Works has setup for special events and other proposed weekend road closures, is to prepare the setups on a Friday afternoon, with takedowns occurring on the Monday morning. This approach minimizes unbudgeted operational overtime costs, however, it does take away from other services provided by Public Works and may result in overtime costs elsewhere.

**Financial implications to current year operating budget:** Funding is required if Council directs Staff to proceed with Option 1, Closure of One Lane Westbound. An estimated \$10,000.00 to \$12,000.00 in additional material would be required for traffic setups in 2022. In order to fund the additional material required for 2022, Staff recommend utilizing the public works reserve R-R11-PWCA. The projected balance in this reserve is sufficient to handle the one-time investment.

**Financial implications to future year operating budget:** As these materials age or become damaged they would require replacement. It is estimated that approximately



10% of the material would be replaced each year, so impact in subsequent years would be \$2,200.00 in today's dollars, plus any inflationary impacts impacting future years. These additional costs would be managed in the operating budget for materials.

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

#### **Mobility, Accessibility and Design Excellence**

Improving ways to get around, to and from Stratford by public transit, active transportation and private vehicle.

#### **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.

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

#### **Health and Happiness**

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

#### **Culture and Community**

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

**Staff Recommendation: THAT Council approve the temporary lane closure of Lakeside Drive westbound traffic from Waterloo Street to Festival Bridge from Friday, July 29, 2022 to Tuesday, September 6, 2022;**

**THAT Council approve up to \$12,000 to purchase the additional material needed to implement temporary lane closures using Public Works Capital Reserve R-R11-PWCA;**

**AND THAT Council authorize Staff to make adjustments to the 2022 temporary road closures as needed on Lakeside Drive between Waterloo Street and Festival Bridge.**

**Prepared by:** Taylor Crinklaw, Director of Infrastructure and Development Services

**Recommended by:** Joan Thomson, Chief Administrative Officer



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## MANAGEMENT REPORT

**Date:** June 13, 2022  
**To:** Infrastructure, Transportation and Safety Committee  
**From:** John Paradis, Fire Chief  
**Report #:** ITS22-016  
**Attachments:** None

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**Title:** Airport Operations Management Contract

**Objective:** To share with City Council information regarding the contract for the operations management of the Stratford Municipal Airport.

**Background:** In July of 2022, the current 5-year agreement with Stratford Air Services for the operations management of the Stratford Municipal Airport will be expiring.

Stratford Air Services, owned and operated by Andy Woodham, has been the operations manager for the Stratford Municipal Airport since 1987.

**Analysis:** Over the last 35 plus years, the airport has seen significant growth and success. There have been runway expansions, agricultural land leasing, and upgrades to flight safety systems. 40 local commercial and private aircraft now operate out of the airport with 30 hanger spaces provided for lease or rent. The airport now sees 10,000-12,000 annual aircraft movements, largely due to the attraction of the City of Stratford and its many venues, as well as an internationally recognized flight training centre operating at the airport by Stratford Air Services, which also rents space from the City for classroom/ground training of student pilots.

Article 37.1 under the City's Procurement By-law states:

37.1 A sole source supplier shall be the only acceptable Bidder who is able to furnish a certain product or service. In all cases, sole source purchases will not be permitted merely because there is a preference for a particular brand. The Department Head, in collaboration with the MFS, will be responsible for making all sole source determinations. In doing so and making such determinations, the Department Head must consider implications aside from price, such as supply or other risks or benefits of changing the service provider.

Staff is recommending Council waive the requirement to an RFP process under the single-source section 37.1 of the Procurement Policy due to the consideration of revenues provided from Stratford Air Services' flight school for space leasing and fuel sales. Further value added from the flight school includes flight students' contribution to the local economy by way of hotels, restaurants, and shopping, while the flight school itself directly puts the City of Stratford on an international stage for flight training. These benefits do not come with a typical airport operations manager and would likely not exist with an alternative provider.

Staff are recommending contracting with Stratford Air Services for a further 3-years. The contract will be negotiated by the CAO and will contain provisions for the following services:

- Safety and Regulatory Compliance
- Marketing and Promotion
- Office Administration
- Budget and Financial Management
- General Maintenance Tasks

In addition to general terms and conditions, there will be provision for term of the contract, option to renew and option to early terminate the contract for services by either party.

Final terms will be brought back before Council for further consideration before signing.

**Financial Implications:** The current 5-year agreement saw an average 1.5% increase per year reflecting inflationary pressures as follows:

Year 1: August 1, 2017 to July 31, 2018, \$81,766, excluding HST;  
 Year 2: August 1, 2018 to July 31, 2019, \$82,992, excluding HST;  
 Year 3: August 1, 2019 to July 31, 2020, \$84,237, excluding HST;  
 Year 4: August 1, 2020 to July 31, 2021, \$85,501, excluding HST; and  
 Year 5: August 1, 2021 to July 31, 2022, \$86,780, excluding HST.

**Financial Implications for the current year budget:**

No impact on 2022's budget. Future year budgets will include any reflected changes as a result of the agreement renewal.

Research has shown that the typical cost for an airport operations manager for similar size airports in the Province of Ontario range between \$120,000-\$200,000 per year illustrating that Stratford receives excellent value for money and giving an indication that an RFP process may not have a beneficial financial result to the City.

## **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.

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

### **Equity and Local Economy**

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

**Staff Recommendation: THAT the Chief Administrative Officer be authorized to negotiate a contract for the management of operations of the Stratford Municipal Airport with Stratford Air Services for a further three year term under section 37.1 of the Procurement Policy;**

**AND THAT acceptance of the contract be subject to Council approval.**

**Prepared by:** John Paradis, Fire Chief  
**Recommended by:** Joan Thomson, Chief Administrative Officer



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## MANAGEMENT REPORT

**Date:** May 25, 2022  
**To:** Infrastructure, Transportation and Safety Sub-Committee  
**From:** John Paradis, Fire Chief  
**Report#:** ITS22-014  
**Attachments:** 1. Acting Ontario Fire Marshal Memorandum, 2. Ontario Regulation 343/22, 3. Firefighter Certification Technical Briefing

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**Title:** New Ontario Firefighter Certifications

**Objective:** To receive for information the Ontario Fire Marshal's new Firefighter Certification Implementation Plan.

**Background:** on February 18, 2022, municipalities received notice that the Ontario Fire Marshal's Office will be implementing a new Firefighter Certification Program beginning July 1, 2022, to establish a minimum standard for firefighters in the Ontario Fire Service.

The new certifications establish an Ontario minimum standard. Fire departments that have trained their staff to higher national/international standards, such as Pro Board or NFPA standards, will automatically be grandfathered the particular certifications standard being exceeded.

Municipal fire departments will be given the opportunity to submit for grandfathering of certifications between January 1, 2023 – September 30, 2023.

Training of fire service members to the new certification levels must be complete by 2026 and 2028, depending on the certification.

These new certifications have been added into the Ontario Fire Protection and Prevention Act under Ontario Regulation 343/22.

**Analysis:** The Stratford Fire Department successfully submitted grandfathering of certifications for fire service staff in 2018 under the old Ontario Firefighter Certification Program. Those grandfathering submissions are being upheld by the Ontario Fire Marshal's Office. The fire department will be submitting for grandfathering beginning January 1, 2023, for any new submissions that should be made.

The Stratford Fire Department has been training to higher national/international standards for the last 7-10 years and conduct the majority of training and certifications in-house.

**Financial Implications:** Staff do not anticipate any new financial impact directly related to the implementation of the new Ontario Firefighter Certifications.

### **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.

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

#### **Equity and Local Economy**

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

**Staff Recommendation: THAT the report of the Fire Chief (ITS22-014) outlining the new Ontario Firefighter Certification Plan, be received for information.**

<b>Prepared by:</b>	John Paradis, Fire Chief
<b>Recommended by:</b>	Joan Thomson, Chief Administrative Officer

**Ministry of the Solicitor General****Office of the Fire Marshal**

25 Morton Shulman Avenue  
Toronto ON M3M 0B1  
Tel: 647-329-1100  
Fax: 647-329-1143

**Ministère du Solliciteur général****Bureau du commissaire des incendies**

25, avenue Morton Shulman  
Toronto ON M3M 0B1  
Tél.: 647-329-1100  
Télééc.: 647-329-1143



**MEMORANDUM TO:** All Ontario Fire Chiefs

**FROM:** Tim Beckett  
Acting Ontario Fire Marshal

**DATE:** April 14, 2022

**SUBJECT:** O. Reg. 343/22: Firefighter Certification

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I am pleased to let you know that O. Reg. 343/22: Firefighter Certification has been filed under the [Fire Protection and Prevention Act, 1997](#). It is available on e-Laws [here](#).

Throughout the consultation period, we received tremendous feedback and support from fire chiefs, municipalities and partner associations including the Ontario Association of Fire Chiefs, Ontario Professional Fire Fighters Association and the Fire Fighters Association of Ontario. The Office of the Fire Marshal (OFM) has been working collaboratively with all partners to ensure understanding of the regulation and how the OFM can best support departments at the local level throughout the implementation period.

With this regulation, we are not asking that firefighters train to higher levels than they already are. Certification is a process of verification, ensuring that a firefighter is trained to the standard they are required to perform, as set out in the level of service determined by a municipal council or territory without municipal organization.

Mandatory certification in Ontario will validate the training that firefighters receive and, in turn, will create safer communities.

Many of the comments received during the consultation phase have been or will be addressed in the coming months. For instance, to address capacity pressures within the OFM, we are already increasing the staff complement for both the Ontario Fire College (OFC) and our Academic Standards and Evaluation Unit. This will ensure that we can respond to the current and ongoing demand for training and certification across Ontario.

We also continue to refine and enhance both our Adjunct Instructor and Regional Training Centre models to meet provincial demand. Learning Contract accessibility has been expanded

allowing fire departments that already train together to continue to do so in order to achieve certification. The OFC will also be working with fire departments to increase their own internal training capacity and will be exploring opportunities to provide additional training for senior officers through upcoming seminars, conferences and webinars.

At the same time, we heard from many departments that purchasing textbooks and other training essentials can be an additional administrative burden. We are exploring options with the Fire Marshal's Public Fire Safety Council (FMPFSC) to look at supports that they can provide on the procurement of textbooks and other materials. The FMPFSC is supportive of the certification file and will be finalizing options that will be communicated to fire departments shortly.

Over the coming months, as your department prepares for legacy applications to be submitted in January 2023 or has other questions about the training and certification required, please reach out to my office as soon as possible so that we can address any concerns. With a long implementation window, we are confident that certification is achievable and look forward to working with firefighters across Ontario as this regulation is operationalized.

Sincerely,

Tim Beckett  
Acting Fire Marshal

c: Mario Di Tommaso, O.O.M.  
Deputy Solicitor General, Community Safety



Français

**ONTARIO REGULATION 343/22**

made under the

**FIRE PROTECTION AND PREVENTION ACT, 1997**

Made: April 11, 2022

Filed: April 14, 2022

Published on e-Laws: April 14, 2022

Printed in *The Ontario Gazette*: April 30, 2022**FIREFIGHTER CERTIFICATION****CONTENTS**

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<a href="#">2.</a>	Mandatory certification
<a href="#">3.</a>	Exceptions
<a href="#">4.</a>	Transition
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<a href="#">Table 1</a>	Mandatory certification for fire protection services

**Definition**

1. In this Regulation,

“NFPA” means the National Fire Protection Association.

**Mandatory certification**

2. (1) Every municipality, and every fire department in a territory without municipal organization, must ensure that its firefighters perform a fire protection service set out in Column 1 of Table 1 only if, on or after the corresponding day specified in Column 3 of that Table,

- (a) the firefighter performing the fire protection service is certified, at a minimum, to the corresponding certification standard set out in Column 2 of that Table; or
  - (b) this Regulation provides that the certification standard referred to in clause (a) does not apply with respect to the firefighter.
- (2) The certification must be,
- (a) provided by the Fire Marshal; or
  - (b) an accreditation from the International Fire Safety Accreditation Congress (IFSAC), or a Pro Board seal, that is recognized by the Fire Marshal as equivalent to the certification provided by the Fire Marshal.

**Exceptions**

3. (1) A certification standard set out in Column 2 of item 1 or 2 of Table 1 does not apply with respect to a firefighter who,

- (a) is performing a service that is within the scope of that item;
- (b) has been a firefighter for no more than 36 months; and
- (c) is operating under the supervision of a firefighter certified to that standard.

(2) A certification standard set out in Column 2 of Table 1 does not apply with respect to a firefighter who is,

- (a) temporarily assigned to perform a different fire protection service for which a different minimum certification is required; and
- (b) operating under the supervision of a firefighter who has obtained the certification corresponding to the fire protection service or services being delivered.

(3) A certification standard set out in Column 2 of item 17 or 18 of Table 1 does not apply with respect to a firefighter who performed Pump Operations before the day this Regulation came into force.

(4) If a firefighter was previously certified under this Regulation for a fire protection service listed in Column 1 of Table 1, that certification continues to be valid even if the requirements for obtaining that certification are subsequently updated or changed.

(5) If the Fire Marshal granted a firefighter a letter of compliance with a certification standard before the day this Regulation came into force, the letter of compliance continues to be valid and the firefighter is deemed to be in compliance with the corresponding certification standard set out in Column 2 of Table 1.

#### Transition

4. (1) Subject to subsection (2), a certification standard set out in Column 2 of item 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14 or 15 of Table 1 does not apply with respect to a firefighter if the Fire Marshal issues the firefighter a letter of compliance with the certification standard in accordance with this section.

(2) The Fire Marshal shall issue a letter of compliance with a certification standard to a firefighter if,

(a) the firefighter has been performing the fire protection service that the standard corresponds to since at least,

(i) January 1, 2021, in the case of a certification standard set out in Column 2 of item 1, 2, 3, 4, 5, 6 or 7, or

(ii) January 1, 2020, in the case of a certification standard set out in Column 2 of item 9, 10, 11, 12, 13, 14 or 15;

(b) before September 30, 2023, the firefighter's municipality, or fire department in an area without municipal organization, provides the Fire Marshal with information, such as training records, to demonstrate to the satisfaction of the Fire Marshal that the firefighter, through past training and experience, has obtained the requisite knowledge and requisite skills associated with the corresponding standard; and

(c) the Fire Marshal is satisfied with the information provided under clause (b).

#### Commencement

5. This Regulation comes into force on the later of July 1, 2022 and the day it is filed.

TABLE 1  
MANDATORY CERTIFICATION FOR FIRE PROTECTION SERVICES

Item	Column 1 Fire protection service	Column 2 Minimum Certification Standard	Column 3 Compliance Deadline
1.	Firefighter Exterior Attack: Fire suppression operations from the exterior of the building only.	The following job performance requirements of NFPA 1001, "Standard for Fire Fighter Professional Qualifications", 2019 Edition, Chapter 4 (Firefighter I) and Chapter 5 (Firefighter II):  4.1, 4.2, 4.3.1, 4.3.2, 4.3.3, 4.3.6, 4.3.7, 4.3.8, 4.3.10 (A1-A9, B1-B3, B4 (exterior stairway), B5-B10), 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.5  5.1, 5.2, 5.3.1, 5.3.2 (A1-A4), 5.3.3, 5.3.4, 5.4.2, 5.5.3, 5.5.4, 5.5.5	July 1, 2026
2.	Firefighter Exterior Attack and auto extrication: Fire suppression operations from the exterior of the building only and auto extrication rescue.	All job performance requirements in item 1 and the following job performance requirements of NFPA 1001, "Standard for Fire Fighter Professional Qualifications", 2019 Edition, Chapter 5 (Firefighter II):  5.4.1	July 1, 2026
3.	Firefighter Exterior Attack and hazardous materials response: Fire suppression operations from the exterior of the building only and Operations-level hazardous materials response.	All job performance requirements in item 1, all job performance requirements of NFPA 1072, "Standard for Hazardous Materials/Weapons of Mass Destruction Emergency Response Personnel Professional Qualifications", 2017 Edition, Chapter 5 (Operations) and the following job performance requirements of Chapter 6 (Operations Mission Specific): 6.2 and 6.6	July 1, 2026
4.	Firefighter Exterior Attack, auto extrication and hazardous materials response: Fire suppression operations from the exterior of the building only, automobile extrication rescue and Operations-level hazardous materials response.	All job performance requirements in items 1, 2 and 3.	July 1, 2026

5.	Firefighter Interior Attack: Fire suppression operations that enter the interior of the building and can perform rescue.	All job performance requirements in item 1 and the following job performance requirements of NFPA 1001, "Standard for Fire Fighter Professional Qualifications", 2019 Edition, Chapter 4 (Firefighter I) and Chapter 5 (Firefighter II):  4.3.4, 4.3.9, 4.3.10 (A10-A11, B4 (interior stairway), B11), 4.3.11, 4.3.12, 4.3.13, 4.3.14  5.3.2 (A5-A9, B1-B6)	July 1, 2026
6.	Firefighter Interior Attack and auto extrication: Fire suppression operations that enter the interior of the building and can perform rescue and automobile extrication rescue.	All job performance requirements in item 5 and the following job performance requirements of NFPA 1001, "Standard for Fire Fighter Professional Qualifications", 2019 Edition, Chapter 5 (Firefighter II):  5.4.1	July 1, 2026
7.	Firefighter Interior Attack and hazardous materials response: Fire suppression operations that enter the interior of the building and Operations-level hazardous materials response.	All job performance requirements in item 5, all job performance requirements of NFPA 1072, "Standard for Hazardous Materials/Weapons of Mass Destruction Emergency Response Personnel Professional Qualifications", 2017 Edition, Chapter 5 (Operations) and the following job performance requirements of Chapter 6 (Operations Mission Specific): 6.2 and 6.6	July 1, 2026
8.	Firefighter Interior Attack, auto extrication and hazardous materials response: Fire suppression operations that enter the interior of the building and can perform rescue, automobile extrication rescue and Operations-level hazardous materials response (full service firefighter).	All job performance requirements of NFPA 1001, "Standard for Fire Fighter Professional Qualifications", 2019 Edition, Chapter 5 (Firefighter II).	July 1, 2026
9.	Team Lead Exterior Attack: Supervision of firefighters that provide fire suppression operations from the exterior of the building only.	All job performance requirements in item 1 and the following job performance requirements of NFPA 1021, "Standard for Fire Officer Professional Qualifications", 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	July 1, 2026
10.	Team Lead Exterior Attack and auto extrication: Supervision of firefighters that provide fire suppression operations from the exterior of the building only or that provide auto extrication rescue.	All job performance requirements in item 2 and the following job performance requirements of NFPA 1021, "Standard for Fire Officer Professional Qualifications", 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	July 1, 2026
11.	Team Lead Exterior Attack and hazardous materials response: Supervision of firefighters that provide fire suppression operations from the exterior of the building only or that provide Operations-level hazardous materials response.	All job performance requirements in item 3 and the following job performance requirements of NFPA 1021, "Standard for Fire Officer Professional Qualifications", 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	July 1, 2026
12.	Team Lead Exterior Attack, auto extrication and hazardous materials: Supervision of firefighters that provide fire suppression operations from the exterior of the building only or that provide automobile extrication rescue or Operations-level hazardous materials response.	All job performance requirements in item 4, and the following job performance requirements of NFPA 1021, "Standard for Fire Officer Professional Qualifications", 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	July 1, 2026
13.	Team Lead Interior Attack: Supervision of firefighters that provide fire suppression operations from the interior of the building and	All job performance requirements in item 5 and the following job performance requirements of NFPA 1021, "Standard for Fire Officer	July 1, 2026

	can perform rescue.	Professional Qualifications”, 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	
14.	Team Lead Interior Attack and auto extrication: Supervision of firefighters that provide fire suppression operations from the interior of the building and can perform rescue or that provide automobile extrication rescue.	All job performance requirements in item 6 and the following job performance requirements of NFPA 1021, “Standard for Fire Officer Professional Qualifications”, 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	July 1, 2026
15.	Team Lead Interior Attack and hazardous materials response: Supervision of firefighters that provide fire suppression operations from the interior of the building and can perform rescue or that provide Operations-level hazardous materials response.	All job performance requirements in item 7 and the following job performance requirements of NFPA 1021, “Standard for Fire Officer Professional Qualifications”, 2020 edition, Chapter 4 (Fire Officer I):  4.1.1, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.4.1, 4.4.2, 4.4.4, 4.4.5, 4.5.3, 4.6, 4.7.1, 4.7.3	July 1, 2026
16.	Team Lead Interior Attack, auto extrication and hazardous materials response: Supervision of firefighters that provide fire suppression operations from the interior of the building and can perform rescue or that provide automobile extrication rescue or Operations-level hazardous materials response (full service fire officer).	All job performance requirements of NFPA 1021 “Standard for Fire Officer Professional Qualifications”, 2020 edition, Chapter 4 (Fire Officer I).	July 1, 2026
17.	Pump Operations: Operation of a pumper apparatus without driving the apparatus, or where the apparatus does not require a class D licence.	All job performance requirements of NFPA 1002, “Standard for Fire Apparatus Driver/Operator Professional Qualifications”, 2017 Edition, Chapter 5 (Apparatus Equipped with Fire Pump), without pre-requisites in Chapter 4.	July 1, 2026
18.	Pump Operations: driver: Driving and operating a pumper apparatus that requires a class D licence.	All job performance requirements in NFPA 1002 “Standard for Fire Apparatus Driver/Operator Professional Qualifications”, 2017 Edition, Chapter 5 (Apparatus Equipped with Fire Pump).	July 1, 2026
19.	Fire Prevention/Inspection Level I: conducting fire and life safety inspections.	All job performance requirements of NFPA 1031, “Standard for Professional Qualifications for Fire Inspector and Plan Examiner”, 2014 Edition, Chapter 4 (Fire Inspector I).	July 1, 2026
20.	Fire Prevention/Inspection Level II: conducting fire and life safety inspections including in facilities that store, handle or use flammable/combustible liquids.	All job performance requirements in item 19 and NFPA 1031, “Standard for Professional Qualifications for Fire Inspector and Plan Examiner”, 2014 Edition, Chapter 5 (Fire Inspector II).	July 1, 2026
21.	Fire Investigator: conducting fire cause and origin investigations.	All job performance requirements of NFPA 1033, “Professional Qualifications for Fire Investigator”, 2014 Edition, Chapter 4 (Fire Investigator).	July 1, 2026
22.	Fire and Life Safety Educator: providing fire and life safety education.	All job performance requirements of NFPA 1035, “Standard on Fire and Life Safety Educator, Public Information Officer, Youth Firesetter Intervention Specialist, and Youth Firesetter Program Manager Professional Qualifications”, 2015 Edition, Chapter 4 (Fire and Life Safety Educator I).	July 1, 2026
23.	Training Officer Level I: providing training and education to other fire personnel.	All job performance requirements of NFPA 1041, “Standard for Fire and Emergency Services Instructor Professional Qualifications”, 2019 Edition, Chapter 4 (Fire and Emergency Services Instructor I).	July 1, 2026
24.	Training Officer Level II: providing training and education to other fire personnel including lead instructor roles at live fire and above or below grade technical rescue practical training.	All job performance requirements in item 23 and NFPA 1041, “Standard for Fire and Emergency Services Instructor Professional Qualifications”, 2019 Edition, Chapter 5 (Fire and Emergency Services Instructor II).	July 1, 2026

25.	Emergency Communicators Level I: taking emergency calls.	All job performance requirements of NFPA 1061, “Standard for Public Safety Telecommunications Personnel Professional Qualifications”, 2018 Edition, Chapter 4 (Public Safety Telecommunicator I).	July 1, 2026
26.	Emergency Communicators Level II: taking emergency calls and dispatching emergency vehicles.	All job performance requirements in item 25 and NFPA 1061, “Standard for Public Safety Telecommunications Personnel Professional Qualifications”, 2018 Edition, Chapter 5 (Public Safety Telecommunicator II).	July 1, 2026
27.	Incident Safety Officers: undertaking the primary role of incident safety officer at emergency calls.	All job performance requirements of NFPA 1521, “Standard for Fire Department Safety Officer Professional Qualifications”, 2020 Edition, Chapter 5 (Incident Safety Officer).	July 1, 2026
28.	Hazardous Materials Response — Operations Mission Specific Level: responding to emergencies involving hazardous materials at the Operations Mission Specific Level.	All job performance requirements of NFPA 1072, “Standard for Hazardous Materials/Weapons of Mass Destruction Emergency Response Personnel Professional Qualifications”, 2017 Edition, Chapter 6 (Operations Mission Specific)	July 1, 2026
29.	Hazardous Materials Response — Technician Level: responding to emergencies involving hazardous materials at the Technician Level.	All job performance requirements of NFPA 1072, “Standard for Hazardous Materials/Weapons of Mass Destruction Emergency Response Personnel Professional Qualifications”, 2017 Edition, Chapter 7 (Hazardous Materials Technician).	July 1, 2026
30.	Rope Rescue — Operations: rope rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 5 (Rope Rescue) (Operations):  5.2	July 1, 2028
31.	Rope Rescue — Technician: rope rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 5 (Rope Rescue) (Technician):  5.3	July 1, 2028
32.	Structural Collapse — Operations: structural collapse rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 6 (Structural Collapse Rescue) (Operations):  6.2	July 1, 2028
33.	Structural Collapse — Technician: structural collapse rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 6 (Structural Collapse Rescue) (Technician):  6.3	July 1, 2028
34.	Confined Space — Operations: confined space rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 7 (Confined Space Rescue) (Operations):  7.2	July 1, 2028
35.	Confined Space — Technician: confined space rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 7 (Confined Space Rescue) (Technician):  7.3	July 1, 2028
36.	Trench Rescue — Operations: trench rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue	July 1, 2028

		Personnel Professional Qualifications”, 2021 Edition, Chapter 12 (Trench Rescue) (Operations): 12.2	
37.	Trench Rescue — Technician: trench rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 12 (Trench Rescue) (Technician): 12.3	July 1, 2028
38.	Surface Water Rescue — Operations: surface water rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 17 (Surface Water Rescue) (Operations): 17.2	July 1, 2028
39.	Surface Water Rescue — Technician: surface water rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 17 (Surface Water Rescue) (Technician): 17.3	July 1, 2028
40.	Swift Water Rescue — Operations: swift water rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 18 (Swiftwater Rescue) (Operations): 18.2	July 1, 2028
41.	Swift Water Rescue — Technician: swift water rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 18 (Swiftwater Rescue) (Technician): 18.3	July 1, 2028
42.	Ice Water Rescue — Operations: ice water rescue at the Operations Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 20 (Ice Rescue) (Operations): 20.2	July 1, 2028
43.	Ice Water Rescue — Technician: ice water rescue at the Technician Level.	The following job performance requirements of NFPA 1006, “Standard for Technical Rescue Personnel Professional Qualifications”, 2021 Edition, Chapter 20 (Ice Rescue) (Technician): 20.3	July 1, 2028

Made by:  
Pris par :

*La sollicitaire générale,*

SYLVIA JONES  
*Solicitor General*

Date made: April 11, 2022  
Pris le : 11 avril 2022

Français

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# Proposed Firefighter Certification Regulation

Presented to: Municipal Representatives

Date: February 18, 2022



# Purpose

1. To provide an overview of the proposed Firefighter Certification regulation, which is currently available for review and comment on the [Ontario Regulatory Registry](#) until February 28, 2022; and,
2. To address questions related to the proposed regulation.

# Firefighter Training and Certification: Current State

- The *Fire Protection and Prevention Act, 1997* (FPPA) does not set minimum standards for firefighter training and certification (See Appendix A). Municipalities, as the employer, are required to provide information, instruction and supervision to protect the health and safety of workers under Section 25(2)(a) of the *Occupational Health and Safety Act, 1990*.
  - **Ontario Regulation 379/18: Firefighter Certification**, which established mandatory National Fire Protection Association (NFPA) certification requirements for firefighters in ten specific roles, was revoked in 2018 prior to coming into force.
- Training practices vary across fire departments in municipalities and territories without municipal organization in Ontario.
- Ontario provides certification testing for 45 National Fire Protection Association (NFPA) levels of certification and is accredited through the International Fire Service Accreditation Congress (IFSAC) and the Pro Board.
- There is a lack of flexibility in NFPA testing practices.
  - Prerequisites under the current model do not allow for flexibility or customization of training to local needs and service levels, resulting in training pressures on volunteer fire services.

**Goal:** To develop a standardized approach to firefighter training, which **protects firefighters and increases public safety** while providing flexibility for the local needs and service levels of municipalities across Ontario.



# Key Considerations for Firefighter Certification



## Protecting the Health and Safety of Firefighters

In the absence of provincial regulations specific to firefighters, they might not have the appropriate level of training to meet risks associated with service levels established in their municipality.



## Level of Service

Stakeholders have raised concerns about minimum standards that would require training beyond the level of service being delivered, as well as exposure to liability if all firefighters are not certified to the minimum standard.



## Addressing Legacy Provisions

Proposal would enable current fire service personnel to be certified to their current level and consider any time required for municipalities to adhere to the regulation.



## Modernization of Firefighter Training

Proposal would create opportunities to better support training delivery and certification including the option to certify firefighters to higher standards.

# Overview of the Proposed Regulation<sup>128</sup>

The Ministry of the Solicitor General is proposing to file a regulation under the FPPA to establish mandatory certification requirements for fire protection services.

Mandatory Certification	Exceptions	Transition (Legacy Provisions)
<ul style="list-style-type: none"><li>▪ Municipalities would ensure that a firefighter is certified to the prescribed NFPA job performance requirements to perform certain fire protection services (e.g., firefighter exterior attack).<ul style="list-style-type: none"><li>○ The certification must be provided by the Fire Marshal, or an accreditation from the International Fire Safety Accreditation Congress (IFSAC) or a Pro Board seal for full NFPA standards.</li><li>○ The prescribed compliance deadline for most fire protection services is July 1, 2026 (e.g., firefighter exterior attack) and July 1, 2028 for technical rescue services (e.g., rope rescue operations).</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ There are proposed exceptions for new firefighters (&lt; 24 months) who are operating under the supervision of a firefighter certified to the required standard for a prescribed fire protection service as well as for firefighters who are temporarily assigned to perform a different fire protection service and are operating under the supervision of a firefighter certified to the standard for that service.</li><li>▪ Firefighters would not be required to automatically re-certify if the corresponding certification requirements are subsequently updated or changed.</li></ul>	<ul style="list-style-type: none"><li>▪ There would be a time-limited opportunity (until September 30, 2023) for fire departments to apply for a letter of compliance based on existing firefighters' previously completed training and existing skills and knowledge.<ul style="list-style-type: none"><li>○ This process would only be available for fire protection services that do not require full NFPA certification and to firefighters who have been providing those services for a minimum number of years (2-4 years, depending on the service).</li><li>○ The Office of the Fire Marshal would set out the required information for fire departments to submit.</li></ul></li></ul>

# Overview of the Proposed Approach<sup>129</sup>

Level of Training	NFPA Standard	Minimum Level for Full-Service Departments	Additional Level Available via OFM ASE	Ontario-Specific Standard	
Firefighter	NFPA 1001	Level II	N/A	Exterior Firefighter	Interior Firefighter
Fire Officer	NPFA 1021	Level I	Level II, III and IV	Team Lead – Exterior	Team Lead - Interior
Pump Operators	NFPA 1002	Chapter 5	N/A	Pump Operator	
Hazardous Materials	NPFA 1072	Operations	Awareness, Technician and Mission Specific	Haz Mat Operations added to Exterior/Interior	
Auto Extrication	For Ontario-Specific Standard Only			Auto Ex (FFII JPRs) added to Exterior/Interior	
Senior Fire Officer	Optional Certification (not in Regulation)			Senior Fire Officer I	Senior Fire Officer II
Level of Training	NFPA Standard	Minimum Level	Additional Level Available via OFM ASE	Notes	
Fire Inspector	NFPA 1031	Level I	Level II and III	<b>For Section 2</b> - Fire Department must certify staff that work in these roles on a regular/expected basis (e.g. normal job assignment) to the minimum level AND increase to additional levels based on job roles and responsibilities. For Example:  Live Fire requires lead instructor to be trained to NFPA 1041 Level II Inspections of Flammable/Combustible liquids properties requires NFPA 1031 Level II Calltaker/Dispatcher requires NFPA 1061 Level II	
Fire Investigator	NFPA 1033	Chapter 4	N/A		
Fire Life Safety Educator	NFPA 1035	Educator I	Educator II and PIO		
Training Officer	NFPA 1041	Level I	Level II and III		
Emergency Communicators	NFPA 1061	Level I	Level II		
Incident Safety Officer	NFPA 1521	Chapter 5	N/A		

# Overview of the Proposed Approach, cont.

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Level of Training	NFPA Standard	Minimum Level		Additional Level Available via OFM ASE	Section 3 Notes
Common Passenger Vehicle Rescue	NFPA 1006	Awareness	Training only, not required to Certify (see Section 3 Note)	Operations and Technician	<p><b>For Section 3</b> – Any Fire Department that expects to respond to any technical rescue emergency calls should <b>train</b> their firefighters to minimum of Awareness Level (<b>however, they do not have to certify via ASE</b>).</p> <p>Additionally, any firefighters that operate at a higher level at these calls would be required to be <b>certified</b> to the applicable level (operations or technician based on response levels)</p> <p><b>This includes NFPA 1072</b> – Haz Mat as well (although it is listed in Section 1 for clarity)</p>
Heavy Vehicle Rescue	NFPA 1006	Awareness		Operations and Technician	
Surface Water	NFPA 1006	Awareness		Operations and Technician	
Swift Water	NFPA 1006	Awareness		Operations and Technician	
Ice Water	NFPA 1006	Awareness		Operations and Technician	
Trench Rescue	NFPA 1006	Awareness		Operations and Technician	
Confined Space	NFPA 1006	Awareness		Operations and Technician	
Structural Collapse	NFPA 1006	Awareness		Operations and Technician	
Rope Rescue	NFPA 1006	Awareness		Operations and Technician	

# Implementation Considerations<sup>131</sup>

Input from municipal and fire safety stakeholders (see Appendix B) informed the proposed regulation, including the implementation considerations.

Flexibility	Training
<ul style="list-style-type: none"><li>▪ The proposed approach would provide flexibility to meet local training needs based on the level of fire protection service set by municipal council.</li><li>▪ If the local level of service exceeds the minimum standard set out in the proposed regulation, the Office of the Fire Marshal would continue to provide certification to full NFPA standards at <b>no cost</b>.</li><li>▪ Municipalities that require assistance in reviewing their Establishing and Regulating bylaw and level of service are encouraged to contact their Fire Protection Adviser at the Office of the Fire Marshal.</li></ul>	<ul style="list-style-type: none"><li>▪ Many fire departments already train to a higher standard than the proposed minimum certification requirements.</li><li>▪ Fire departments would continue to train according to the local level of fire protection service.</li></ul>

# Implementation Considerations, cont.

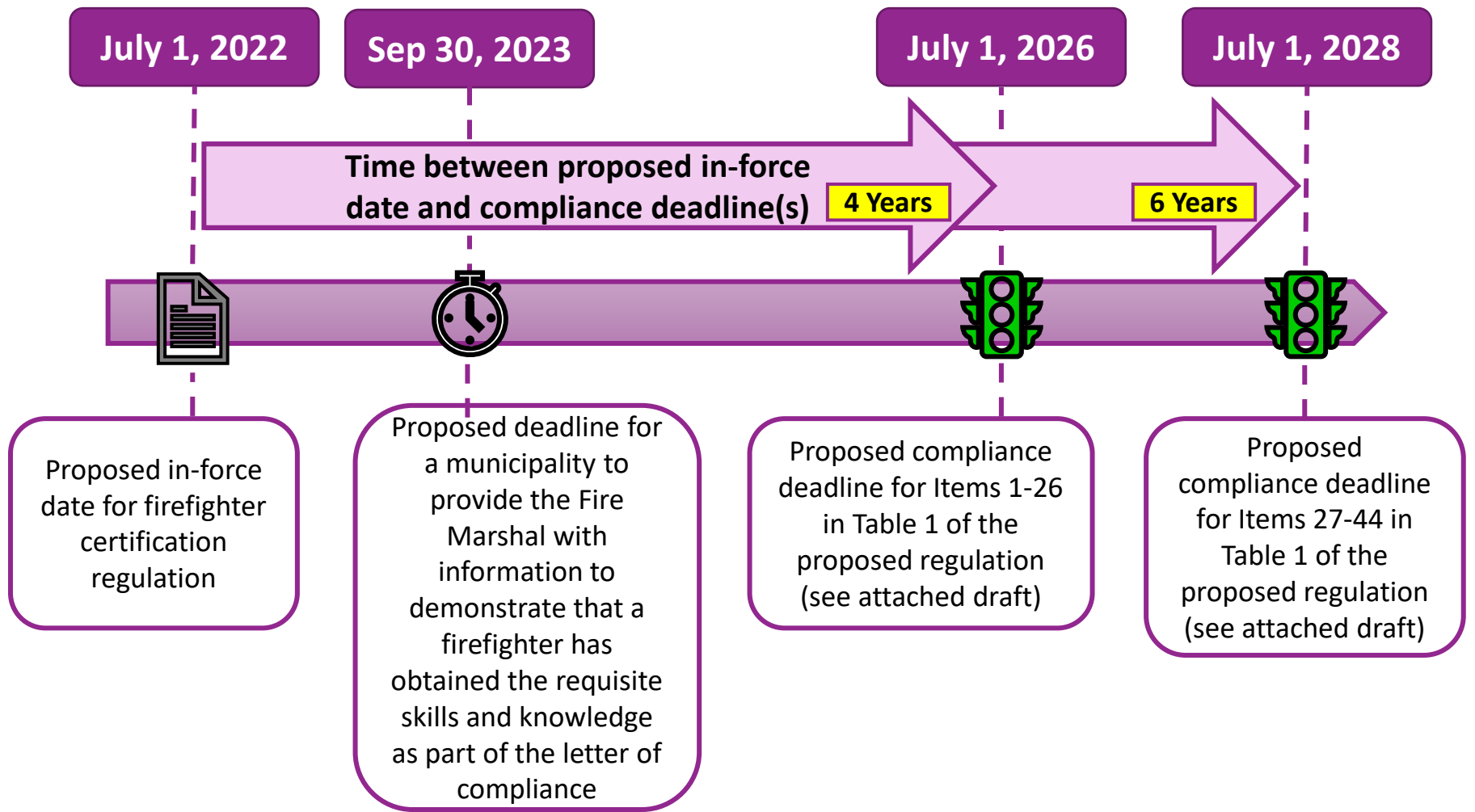
Compliance	Administration
<ul style="list-style-type: none"> <li>▪ Staggered timelines are proposed to help ensure fire departments have sufficient time to:               <ul style="list-style-type: none"> <li>○ Certify new firefighters (2026 for most fire protection services; 2028 for technical rescue).</li> <li>○ Submit “legacy” applications for eligible firefighters (would be able to apply until September 2023).</li> </ul> </li> <li>▪ To meet the new requirements in the proposed regulation, municipalities and their fire departments are encouraged to plan out the next four to six years of training.</li> <li>▪ The FM has the power to monitor, review and advise municipalities respecting the provision of fire protection services. This includes designated OFM sections monitoring/reviewing the requirements of minimum certification.</li> <li>▪ The OFM would take a phased approach to enforcement:               <ul style="list-style-type: none"> <li>○ Review concerns with the Fire Chief,</li> <li>○ Address concerns with the CAO,</li> <li>○ Failing the above points, the FM would consider additional options to communicate to the public.</li> </ul> </li> <li>▪ The Fire Marshal reserves the right to:               <ul style="list-style-type: none"> <li>○ Use enforcement measures available under the FPPA</li> <li>○ Refer the issue to the MLTSD given the potential impact to firefighter health and safety</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Some administrative costs are estimated based on the potential value of time it may take municipal fire departments to:               <ul style="list-style-type: none"> <li>○ Familiarize themselves with the regulation.</li> <li>○ Maintain training records.</li> <li>○ Complete one-time legacy applications (estimated one hour per application).</li> </ul> </li> <li>▪ The estimated range (between \$290 to \$1400 per fire department) would depend on the size of the department and number of legacy applications for eligible firefighters.               <ul style="list-style-type: none"> <li>○ This estimated cost range does not capture any associated training costs which are expected to be minimal as most fire departments are anticipated to already be training to the service level established by their municipality.</li> </ul> </li> </ul>

The Office of the Fire Marshal is developing resources to support implementation.



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# Timeline for Proposed Regulation



## Next Steps

- The Office of the Fire Marshal to review feedback received through multiple technical briefings (i.e., All Fire Chief Town Hall sessions) with municipal Fire Chiefs and continue to address any comments/questions received about the proposed regulation.
- Ministry to review and incorporate feedback on the proposed Firefighter Certification regulation received through the Ontario Regulatory Registry.

# Questions and Discussion




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## MANAGEMENT REPORT

**Date:** June 13, 2022  
**To:** Planning and Heritage Committee  
**From:** Alyssa Bridge, Manager of Planning  
**Report #:** PLA22-021  
**Attachments:** None

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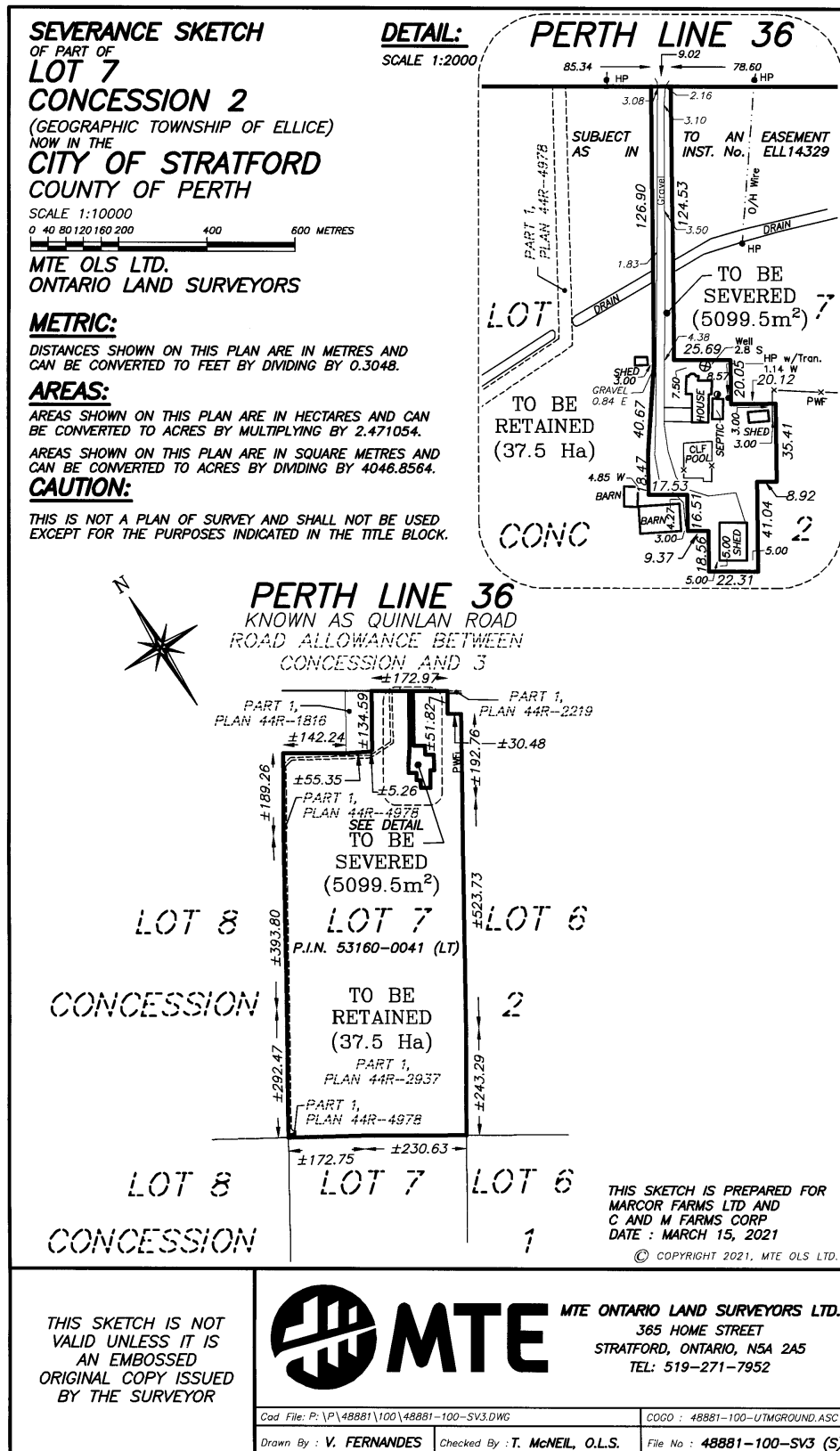
**Title:** Planning Report, Zone Change Amendment Z03-22, 4253 Perth Line 36

**Objective:** The purpose of this report is to provide staff's evaluation and recommendation on Zone Change Amendment Z03-22 application to rezone the lands from an Agricultural Zone (A) zone to an Agricultural (A-\_\_\_) zone. This application aims to prohibit dwelling units and to allow the two existing accessory farm storage structures (not including livestock and manure storage) to be located in the existing location with a lot frontage of 163m and lot area of approximately 37.5ha on the lands to be retained, and to permit a single detached dwelling on a lot with a minimum lot area of 5099m<sup>2</sup> and a minimum lot frontage of 9.02m on the lands to be severed.

The application was submitted on April 13, 2022, by Trevor McNeil – MTE on behalf of Marcor Farms Ltd. & C and M Farms Corp. for lands known municipally as 4253 Perth Line 36. A severance sketch was submitted in support of the application.

**Background:** The subject property is located on the south side of Perth Line 36 between the city limits and O'Loane Avenue, having an area of approximately 38ha. The subject lands are legally described as Plan 41 Lot 255 in the City of Stratford.

Concept Plan:



## Analysis:

### Provincial Policy Statement

The Provincial Policy Statement (PPS), 2020 came into effect on May 1, 2020. The PPS is issued under Section 3 of the Planning Act and provides direction on matters of Provincial interest related to land use planning and development. The Planning Act requires that all decisions affecting planning matters shall be consistent with the PPS.

The applicant has recently received approval of a provisional consent by the Committee of Adjustment to allow for the creation of a lot on the subject lands. The rezoning application is necessary to fulfill the conditions of the provisional consent which will recognize the location of existing accessory farm structures and the size of the proposed new lot while prohibiting dwelling units on the lands to be retained.

The agriculture requirements in Section 2.3.4 of the PPS states that:

#### **"2.3.4 - Lot Creation and Lot Adjustments**

*2.3.4.1 Lot creation in prime agricultural areas is discouraged and may only be permitted for:*

*a) agricultural uses, provided that the lots are of a size appropriate for the type of agricultural use(s) common in the area and are sufficiently large to maintain flexibility for future changes in the type or size of agricultural operations;*

*b) agriculture-related uses, provided that any new lot will be limited to a minimum size needed to accommodate the use and appropriate sewage and water services;*

*c) a residence surplus to a farming operation as a result of farm consolidation, provided that:*

*1. the new lot will be limited to a minimum size needed to accommodate the use and appropriate sewage and water services; and*

*2. the planning authority ensures that new residential dwellings are prohibited on any remnant parcel of farmland created by the severance. The approach used to ensure that no new residential dwellings are permitted on the remnant parcel may be recommended by the Province, or based on municipal approaches which achieve the same objective; and*

*d) infrastructure, where the facility or corridor cannot be accommodated through the use of easements or rights-of-way.*

*2.3.4.2 Lot adjustments in prime agricultural areas may be permitted for legal or technical reasons.*

*2.3.4.3 The creation of new residential lots in prime agricultural areas shall not be permitted, except in accordance with policy 2.3.4.1(c).*

The lands labelled as to be severed will have a minimum lot area of 5099m<sup>2</sup> in order to accommodate the existing land use with appropriate services, and the requested zoning is intended to prohibit new dwelling units on the lands to be retained in accordance with the Provincial Policy Statement.

The applicant has demonstrated that the owner of the subject lands owns other farm parcels that contain a residence. The proposed severed lands currently contain a septic system and a drilled well. The Ontario Building Code includes minimum setbacks for septic systems from wells, property lines and dwellings. The location of the current septic system is located 3 metres from the property line, but appears to be too close to the drilled well and the house. The proposed location of the severed lot lines complies with the minimum setback requirements for the septic system. Should the current septic system require replacing, the new location would be required to comply with the Ontario Building Code minimum setback requirements.

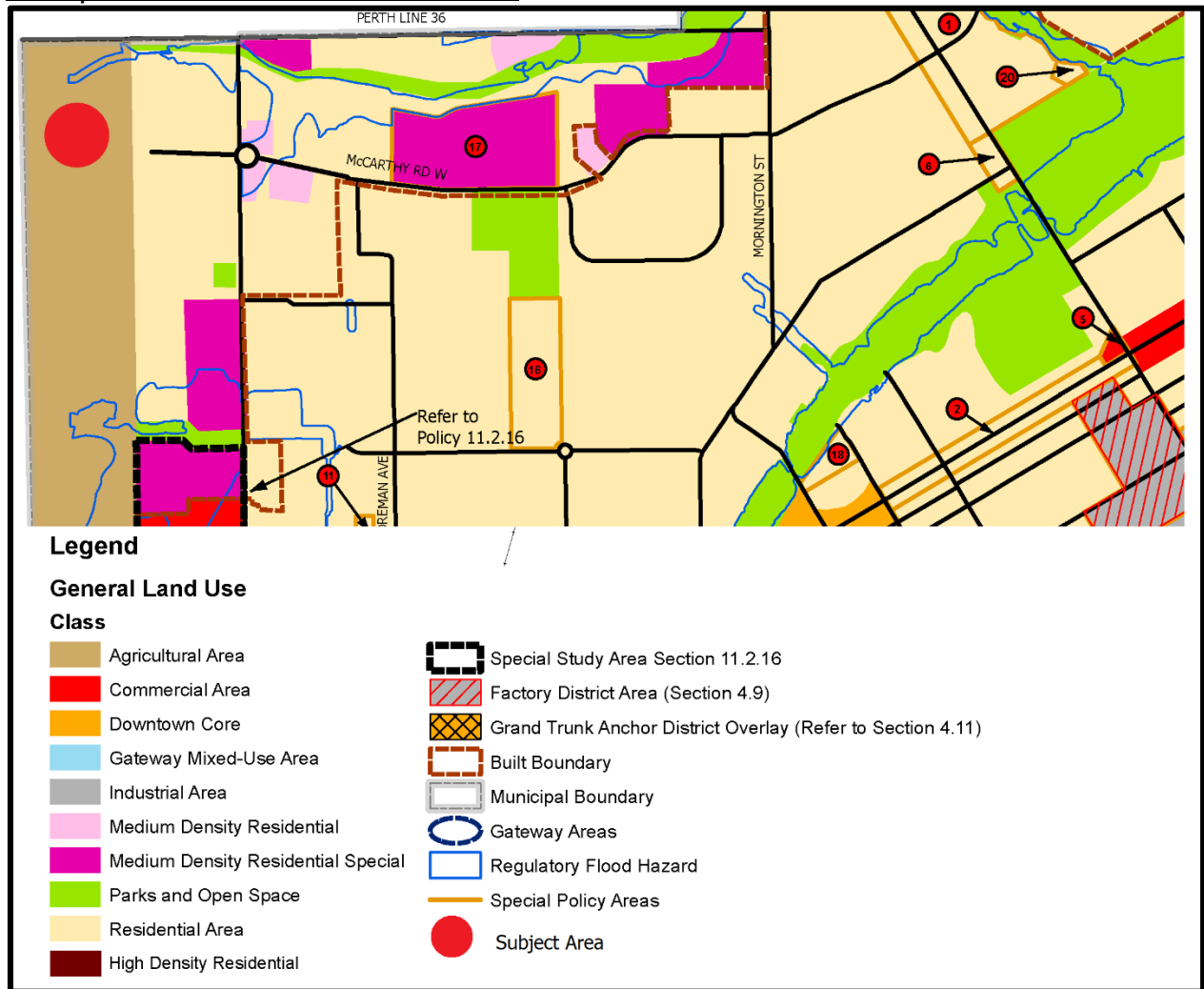
The Ministry of Agriculture, Food and Rural Affairs Minimum Distance Separation (MDS) Document, Publication 853 published in 2016 is applicable. In accordance with the MDS Document, MDS 1 is applied when an existing dwelling located on the same lot as an existing livestock facility is severed from the livestock facility. Currently, the subject lands contain an existing dwelling and two empty barns. MDS 1 is not applicable if there is no livestock facility (or a facility capable of housing livestock) on the retained lands. The barns are currently vacant but could be considered capable of housing livestock. The owners are proposing to use the barns for storage (not livestock or manure storage) and as a condition of the provisional consent, the owner is required to get a change of use permit for the conversion of the barns to farm storage buildings in order to comply with the Minimum Distance Separation requirements.

The proposed Zoning By-law Amendment is consistent with the PPS, 2020.

#### City of Stratford Official Plan

The property is designated Agriculture in the City of Stratford Official Plan. The goals and objectives within Agricultural Areas are to minimize land conflicts between agriculture and non-agricultural uses, to prevent premature redevelopment of the annexed agricultural lands, and to discourage redevelopment and lot creation that could negatively impact comprehensive planning. Section 4.12.6 outlines that new lot creation on lands designated Agricultural Area will generally be discouraged. Minor lot line adjustments may be allowed provided the lot adjustment does not have any adverse impacts on surrounding land uses, create a separate building lot or undersized lot, nor negatively impact the comprehensive redevelopment of the area.

### Excerpt of Official Plan – Schedule “A”



Although the provisional consent would create a new lot, the dwelling on the proposed severed lands is existing and the proposed rezoning of the retained lands to prohibit a new dwelling would ensure that the severance will not create a new lot with increased building potential.

The proposed land uses are compatible with the adjacent lands, the proposed lot has frontage on a public road that is maintained year-round, the lot frontage and area is adequate for the proposed use, and does not limit the long-term development potential of the lands. In accordance with Section 7.3, all new urban development shall be connected to municipal water and sanitary systems and shall only be permitted where the systems have adequate capacity to service such development. No urban development is proposed through this application.

Staff are of the opinion that the subject application conforms with the City of Stratford Official Plan.



### City of Stratford Zoning By-law

The lands are zoned Agricultural (A) Zone which permits land uses that include an agricultural use, conservation use, forestry, home occupation and a wayside pit. The zone also recognizes several existing land uses.

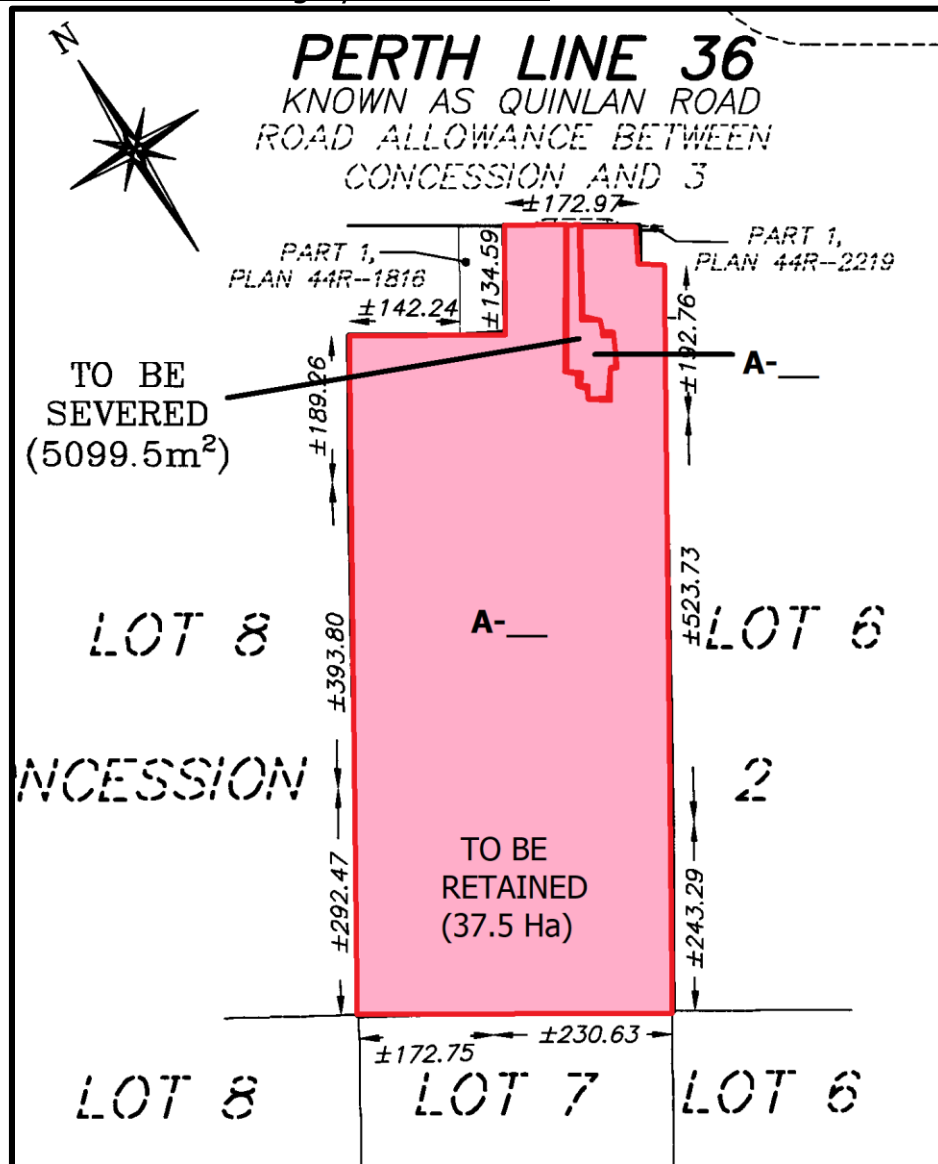
There are two storage barns on the retained lands that are accessory to the agricultural use. The existing zoning regulations require buildings accessory to agricultural uses to be a minimum of 30m from each lot line, and other buildings and structures to be located a minimum of 4.5m from interior lot lines. Although no request was made with the original application to reduce the required side yard setback, Planning Division Staff are recommending that provisions are included in the decision to reduce the required minimum interior side yard setback to existing (non-livestock or manure storage) agriculture storage structures to 3.0m and to reduce the minimum interior side yard setback to the existing shed to 3.0m.

Through the provisional consent, the lands labelled as to be severed are proposed to have an area of 5099.50m<sup>2</sup> and a lot frontage of 9.02m. The requested lot frontage and lot area were analyzed and evaluated by the Committee of Adjustment and the proposed lot fabric has been determined to be suitable for the proposed land use. There is no development being proposed, and the lot frontage reduction is not expected to be immediately noticeable from Perth Line 36.

The recognition of the existing single detached dwelling and the prohibition of any new dwellings on the lands that are to be retained ensure that the subject lands conform to the Provincial Policy Statement and the Official Plan.

Subject to the recommended conditions, the application is consistent with the general intent of the Zoning By-law.

Proposed Amendment to Zoning By-Law 10-2022



The concept plan submitted with the application demonstrates that the Agricultural A-\_\_\_ special zone that prohibits dwelling units while allowing two existing accessory farm storage structures with reduced lot area and lot frontage and reduced interior side yard setbacks on the lands to be retained, and permitting a single detached dwelling on a lot with a reduced lot area and lot frontage on the lands to be severed is appropriate for the site and that the site will be able to adequately function with the requested special provisions.

### Agency Comments

The applications were circulated to various agencies on April 13, 2022, and the following comments have been received to date:

- Canada Post
  - No concerns.
- Engineering Division
  - No comments received.
- Fire Department
  - No concerns.
- Building Services Division
  - No concerns.
- Public Comments
  - Notice of the Application was sent to 12 abutting property owners on April 19, 2022. Notice was also included in the Town Crier public in the Beacon Herald on April 15, 2022. No responses have been received to date.

### Summary

The Zoning By-law Amendment (Z03-22) is consistent with the PPS, conforms with the City's Official Plan and the intent of the Zoning By-law, is consistent with the City's Strategic Priorities, and represents good planning.

Should the Planning and Heritage Committee not approve the staff recommendation, the motion shall include a statement outlining how the recommendation of the Planning and Heritage Committee complies with the Provincial Policy Statement and the City of Stratford Official Plan and how public input was considered.

### **Financial Implications:**

#### **Financial impact on future year operating budget:**

No municipal expenses are anticipated to support the rezoning application and no additional municipal assets will be added to the asset management plan as requiring maintenance and replacement.

### **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.

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

#### **Health and Happiness**

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

#### **Equity and Local Economy**

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

### **Culture and Community**

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

**Staff Recommendation: THAT application Z03-22, to amend the zoning on 4253 Perth Line 36 from an Agricultural (A) Zone to an Agricultural (A-\_\_\_) Zones with site specific regulations, be approved for the following reasons:**

- I. the request is consistent with the Provincial Policy Statement;**
- II. the request is in conformity with the goals, objectives and policies of the Official Plan;**
- III. the Official Plan Amendment and zone change will provide for a development that is appropriate for the lands; and**
- IV. the public was consulted during the application circulation and comments that have been received in writing or at the public meeting have been reviewed, considered and analyzed within the Planning report;**

**AND THAT Council pass a resolution that no further notice is required under Section 34(17) of the Planning Act.**

**Prepared by:**

Jeff Bannon, MCIP, RPP Planner  
Alyssa Bridge, MCIP, RPP, Manager of Planning

**Recommended by:**

Taylor Crinklaw, Director of Infrastructure and  
Development Services  
Joan Thomson, Chief Administrative Officer

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BEING a By-law to amend By-law 10-2022 as amended, with respect to zone change application Z03-22 to amend the Agricultural Zone at 3202 Perth Line 36 located on the south side of Perth Line 36 between the city limits and O'Loane Avenue to an Agricultural A zone with site specific regulations.

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**WHEREAS** authority is given to the Council of The Corporation of the City of Stratford by Section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended, to pass this by-law;

**AND WHEREAS** the said Council has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

**AND WHEREAS** the Council of The Corporation of the City of Stratford deems it in the public interest that By-law 10-2022, as amended, known as the City of Stratford Zoning By-law, be further amended;

**NOW THEREFORE BE IT ENACTED** by the Council of The Corporation of the City of Stratford as follows:

1. That Schedule "A", Map 2 to By-law 10-2022, is hereby amended:

by changing from Agricultural A Zone to Agricultural A Zone with site specific regulations, those lands outlined in heavy solid lines and described as Agricultural Zone with site specific regulations A-\_\_\_, and Agricultural Zone with site specific regulations A-\_\_\_ on Schedule "A", attached hereto and forming part of this By-law, and known municipally as 4253 Perth Line 36, Stratford Ontario.

2. That By-law 10-2022 as amended, be further amended by adding to Section 15.22 being the Exceptions of the Agricultural A Zone the following:

"15.22.\_

- a) Defined Area (4253 Perth Line 36)

Agricultural A-\_\_\_ as shown on Schedule "A", Map 2

- b) Permitted Uses

- Existing non livestock or manure storage accessory farm structures
- All other uses permitted in the A Zone

- c) Minimum lot frontage 163m

- d) Minimum interior side yard setback to existing non livestock or manure storage accessory farm structure 3.0m

e) Minimum lot area 37.5ha

3. That By-law 10-2022 as amended, be further amended by adding to Section 15.22 being the Exceptions of the Agricultural A Zone the following:

"15.22.\_

a) Defined Area (4253 Perth Line 36)

Agricultural A-\_\_ as shown on Schedule "A", Map 2

b) Permitted Uses

- Existing single detached dwelling
- All other uses permitted in the A Zone

c) Minimum lot frontage 9.02m

d) Minimum interior side yard setback to an existing accessory building 3.0m

e) Minimum lot area 5099m<sup>2</sup>

3. This By-law shall come into effect upon Final Passage and in accordance with the Planning Act.

READ a FIRST, SECOND and THIRD time and

FINALLY PASSED this \_\_\_\_ day of \_\_\_\_\_, 2022.

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Mayor – Daniel B. Mathieson

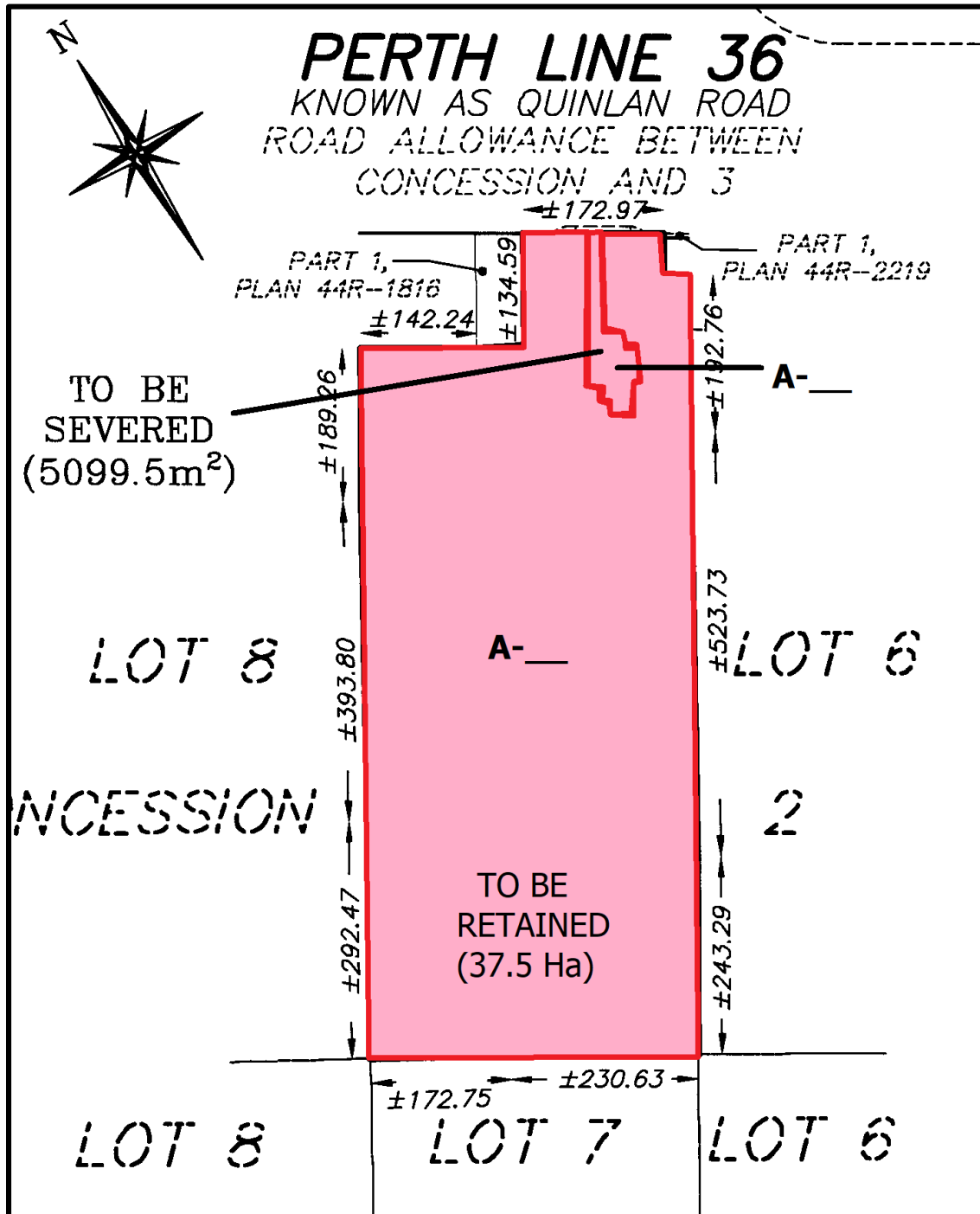
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Clerk – Tatiana Dafoe

**This is Schedule "A" to By-law XXX-2022**  
**Adopted this \_\_\_ day of \_\_\_\_\_, 2022**

Amending 10-2022  
 of  
 The Corporation of the City of Stratford

**4253 Perth Line 36**





## **CITY OF STRATFORD PUBLIC MEETING MINUTES**

A **PUBLIC MEETING** was held on Monday, May 16, 2022, at 6:40 p.m., via electronic participation to give the public and Council an opportunity to hear all interested persons with respect to Zone Change Application Z03-22, relating to 4253 Perth Line 36 in the City of Stratford.

**COUNCIL PRESENT:** Mayor Mathieson – Chair presiding, Councillors Graham Bunting, Tom Clifford, Dave Gaffney, Bonnie Henderson, Danielle Ingram, Martin Ritsma and Kathy Vassilakos.

**STAFF PRESENT:** Joan Thomson – Chief Administrative Officer, John Paradis - Fire Chief, Taylor Crinklaw - Director of Infrastructure and Development Services, David St. Louis – Director of Community Services, Kim McElroy – Director of Social Services, Anne Kircos - Acting Director of Human Resources, Alyssa Bridge – Manager of Planning, Jeff Bannon – Planner, Chris Bantock – Deputy Clerk, and Danielle Clayton – Recording Secretary.

**ALSO PRESENT:** Trevor McNeil and members of the public.

**REGRETS:** Councillor Sebben and Councillor Beatty

Mayor Mathieson called the meeting to order and stated the purpose of the meeting is to give Council and the public an opportunity to hear all interested persons with respect to Zone Change Application Z03-22, relating to 4253 Perth Line 26 in the City of Stratford.

The Mayor explained the order of procedure for the public meeting.

### **STAFF PRESENTATION**

Jeff Bannon, City Planner, reviewed the PowerPoint presentation stating that the proposed Zone Change amendment is to rezone the lands from an Agricultural Zone (A) zone to an Agricultural (A-\_\_\_) zone to prohibit dwelling units and to allow the two existing accessory farm storage structures (not including livestock and manure storage) to be located in the existing location with a lot frontage of 163m and lot area of approximately 37.5ha on the lands to be retained. As well to permit a single detached dwelling on a lot with a minimum lot area of 5099 square metres and a minimum lot frontage of 9.02 metres on the lands to be severed. The proposed rezoning is necessary to satisfy the conditions of a provisional consent that was approved in December of 2021. A severance sketch was submitted in support of the application.

The subject lands are located on the south side of Perth Line 36 between the city limits and O'Loane Avenue which is an area of approximately 38 ha. The subject property is



designated Agricultural Area in the Official Plan. This designation permits a full range of non-intensive agricultural uses such as cash crop farming, market gardening, speciality crops, nurseries, farm dwellings and structures; on-farm diversified uses, agriculture-related uses and home occupations. The lands are zoned Agricultural (A) Zone which permits land uses that include an agricultural use, conservation use, forestry, home occupation and a wayside pit. The zone also recognizes several existing land uses. The applicant is required to rezone the subject land in order to complete the severance.

The Planner advised that comments had been received from Building Services, Fire Department and Canada Post and no concerns were provided. Notice of the Application was sent to 12 abutting property owners on April 19, 2022. Notice was also included in the Town Crier publication in the Beacon Herald on April 15, 2022, and no responses have been received to date.

### **QUESTIONS FROM COUNCIL**

There were no questions from members of Council.

### **APPLICANT PRESENTATION**

Trevor McNeil, MTE Consultants Inc., stated that this is a surplus farmhouse that was approved through the Committee of Adjustment. One condition of the decision was that a zone amendment must be made to allow for the existing house and sheds to be used for storage. No other dwellings will be permitted on the remaining farmland.

### **QUESTIONS FROM COUNCIL**

There were no questions from members of Council.

### **QUESTIONS FROM THE PUBLIC**

The Deputy Clerk advised that there were no registered delegations.

Staff advised there was no questions submitted via the electronic Q & A during the meeting.

The Mayor noted that the matter will be considered at a future Planning and Heritage Committee meeting and that a video recording of the meeting would be posted to the City's website.

The Mayor adjourned the meeting at 6:46 p.m.

**There were no requests to receive further information from the public meeting on May 16, 2022.**



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## MANAGEMENT REPORT

**Date:** June 13, 2022  
**To:** Planning and Heritage Committee  
**From:** Alyssa Bridge, Manager of Planning  
**Report #:** PLA22-022  
**Attachments:** None

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**Title:** 4110 Line 36, Modification to Draft Approved Plan of Subdivision 31T18-002, Zone Change Application Z17-21 and Zone Change Application Z18-21

**Objective:** The purpose of this report is to consider applications received from Sifton Properties Limited for modifications to Draft Approved Plan of Subdivision 31T18-002, Zone Change Application Z17-21 and Zone Change Application Z18-21.

**Background:** In 2019, the City granted draft approval to Plan of Subdivision 31T18-002 and approved an amendment to the Zoning By-law (By-law #155-2019) to facilitate the development of the lands located at 4110 Perth Line 36 for residential purposes. The original draft approved plan of subdivision included 153 single detached dwelling lots, 2 multi development blocks, 1 park block, 1 future infill block, 1 future single detached dwelling block, 2 walkway blocks, 1 stormwater management block, 7 0.3m reserve blocks and 2 open space blocks, all served by 7 new local roads. The Zoning By-law Amendment rezoned the subject lands to a Residential First Density with site specific regulations, a Residential Fourth Density with site specific regulations as well as Park and Floodplain zones to implement the draft plan of subdivision.



In November 2021, the City approved a modification to Phase 1 of the draft approved plan of subdivision. This modification:

- added 6 new single detached dwelling lots between lots 92-111 on the east side of Dempsey Drive (Street 'F'), south of Elborn Boulevard (Street 'A');
- added 1 new single detached dwelling lot between lots 85-91 on the west side of Dempsey Drive (Street 'F'), south of Johnston Street (Street 'G');
- added 1 new single detached dwelling lot between lots 112-120 on the west side of Dempsey Drive (Street 'F'), between Elborn Boulevard (Street 'A') and Johnston Street (Street 'G');
- renumbered the lots and blocks so they are numbered sequentially;
- updated the conditions of draft approval to reflect an additional 0.3m reserve;
- updated the conditions of draft approval to apply the assigned road names:
  - Street 'A' named Elborn Boulevard
  - Street 'B' and Street 'F' named Dempsey Drive
  - Street 'C' named Beatty Avenue
  - Street 'D' named Hardwick Avenue
  - Street 'E' named Burnett Way
  - Street 'G' named Johnston Street;
- update the conditions of draft approval to reflect the lot and block numbering; and
- update the conditions of draft approval to reflect an administrative update from Manager of Development Services to Manager of Planning.

On January 14, 2022, applications were deemed complete for additional modifications to draft approved plan of subdivision 31T18-002 and Zone Change Applications Z17-21 and Z18-21 for the subject lands.

The proposed modification would reduce the total number of single detached lots in the draft approved plan from 153 to 141. In addition, the modification has requested to:

- Merge Lots 136 to 153 on the Draft Approved Plan into a multiple residential block;
- Merge Lots 121-127 on Draft Approved Plan into a multiple residential block;
- Divide Block 154 on the Draft Approved Plan into two multiple residential blocks;
- Merge Block 156 with Lots 88-91 on the Draft Approved Plan into a multiple residential block.



parking space size of 2.8m by 5.5m for in a private garage and an exemption from the accessible parking space requirement.

#### Zoning By-law Amendment (Z18-21)

The second Zone Change Amendment is requesting to rezone a portion of the subject lands proposed for single detached dwelling lots from a R1(4)-42 to a R1(5) special zone. The R1(5) special zone would permit single detached dwellings. Special provisions requested include an exterior side yard width of 1.2m where a corner lot is situated so that its rear lot lines abuts an adjacent rear lot line, an exterior side yard width of 4.5m in all other cases, a minimum lot frontage for corner lots of 11.5m, a minimum lot area for corner lots of 375m<sup>2</sup>, a minimum interior side yard of 1.2m, a maximum lot coverage of 50% for one storey dwellings and a maximum lot coverage of 45% for two storey dwellings with 5% lot coverage allowances for accessory buildings.

Dual zoning (R1(5) and R4(2)) has also been requested on Blocks 145, 146 and 147 (as show on the red-lined plan). The requested R1(5) zoning would permit single detached dwellings in accordance with the special provisions outlined above and the R4(2) zoning would permit street townhouse dwellings with a minimum front yard depth of 4.5m, a minimum rear yard depth of 6.0m and general use regulations related to garages and parking.

**Analysis:** On January 14, 2022, applications were deemed complete for modifications to Draft Approved Plan of Subdivision 31T18-002 and Zone Change Applications Z17-21 and Z18-21 for the property located at 4110 Perth Line 36.

The subject lands are located at 4110 Line 36 and are legally described as Part 1, Concession 3, Geographic Township of Ellice in the City of Stratford.

#### Site Characteristics:

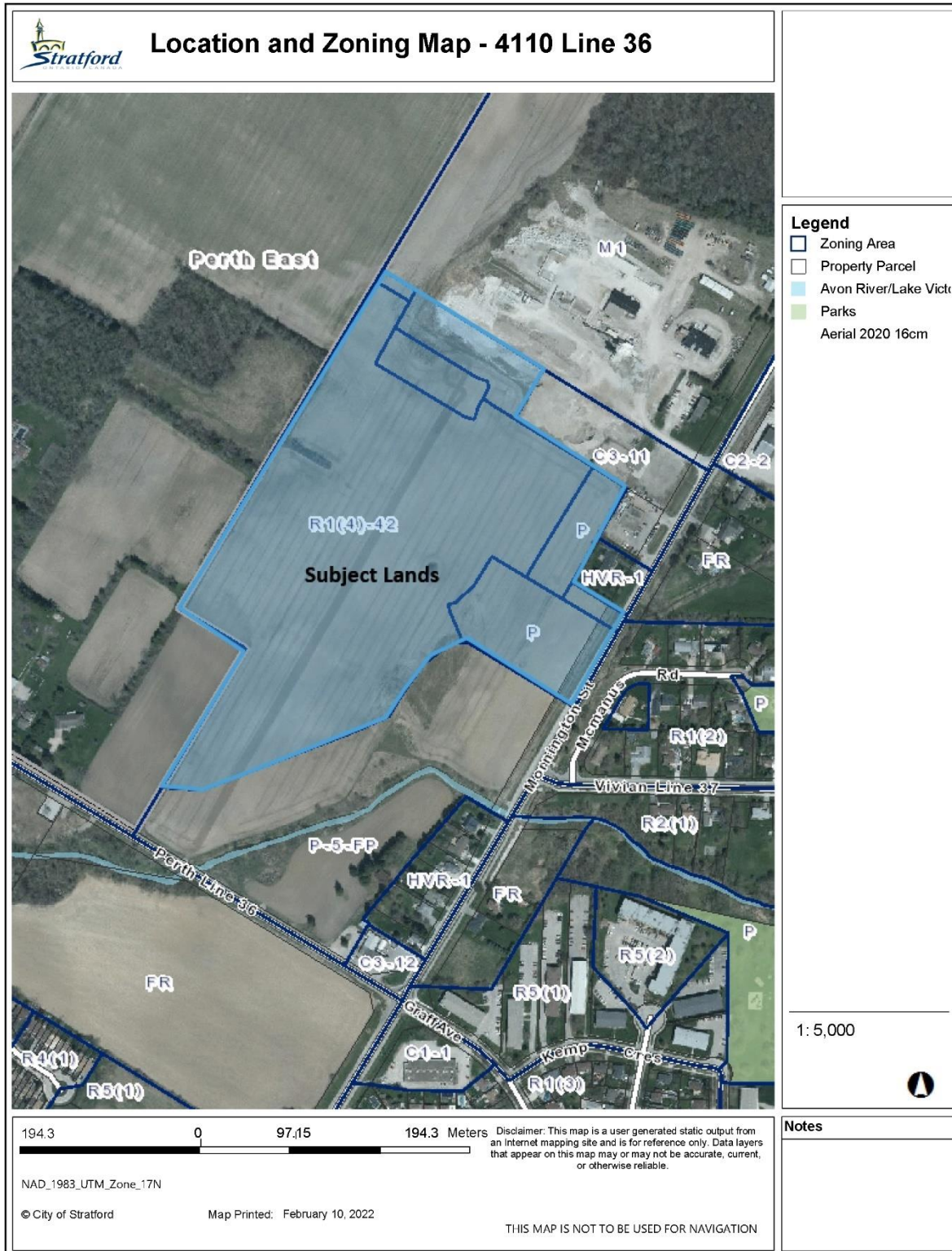
Characteristic	Information
Existing Use	Vacant Land (Agricultural)
Frontage	Along Mornington Street, 253.75m (832.5ft)
Depth	Along Perth Line 36, approximately 390m (1273.43ft)
Area	20.77ha (51.32ac)
Shape	Irregular

#### Surrounding Land Uses:

Direction	Use
North	Commercial and Industrial
East	Residential and Commercial
South	Agriculture
West	Agriculture



# Location Map



## Provincial Policy Statement

The Provincial Policy Statement (PPS), 2020 came into effect on May 1, 2020. The PPS is issued under Section 3 of the Planning Act and provides direction on matters of Provincial interest related to land use planning and development. The Planning Act requires that all decisions affecting planning matters shall be consistent with the PPS.

Section 1.1.1 of the PPS states that:

“1.1.1 Healthy, liveable and safe communities are sustained by:

- a) promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;
- b) accommodating an appropriate affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space, and other uses to meet long-term needs;
- c) avoiding development and land use patterns which may cause environmental or public health and safety concerns;
- d) avoiding development and land use patterns that would prevent the efficient expansion of settlement areas in those areas which are adjacent or close to settlement areas;
- e) promoting the integration of land use planning, growth management, transit-supportive development, intensification and infrastructure planning to achieve cost-effective development patterns, optimization of transit investments, and standards to minimize land consumption and servicing costs;
- f) improving accessibility for persons with disabilities and older persons by addressing land use barriers which restrict their full participation in society;
- g) ensuring that necessary infrastructure and public service facilities are or will be available to meet current and projected needs;
- h) promoting development and land use patterns that conserve biodiversity; and
- i) preparing for the regional and local impacts of a changing climate.”

The proposed applications are consistent with Section 1.1.1 of the PPS by:



- Promoting efficient development patterns through the development of a site designated for growth in the City of Stratford that provides for the efficient use of land and existing municipal services; and
- Providing for more diversity in housing types that contributes to provision of a range and mix of housing types within the City of Stratford.

Section 1.1.3 of the PPS sets out a policy framework with respect to Settlement Areas. Policy 1.1.3.1 directs that Settlement Areas shall be the focus of growth and development. Policy 1.1.3.2 of the PPS further specifies that:

“1.1.3.2 Land use patterns within settlement areas shall be based on densities and a mix of land uses which:

- a) efficiently use land and resources;
- b) are appropriate for, and efficiently use, the infrastructure and public service facilities which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion;
- c) minimize negative impacts to air quality and climate change, and promote energy efficiency;
- d) prepare for the impacts of a changing climate;
- e) support active transportation;
- f) are transit-supportive, where transit is planned, exists or may be developed; and
- g) are freight-supportive”.

The subject lands are located within the settlement area of the City of Stratford and lands located within the settlement area are intended through the City’s Official Plan (OP) to be the focus of growth and development in the City. The proposed development will utilize planned or existing municipal infrastructure and through the proposed increase in density, will provide for the more efficient use of land and resources.

Section 1.7 of the PPS sets out a framework to support long term economic prosperity. The proposed applications are consistent with this framework through:

- the provision additional housing supply in the City that is in a form that supports the provision of a range of housing options for a diverse workforce; and
- optimizing the use of land and infrastructure through the development of an underutilized site with existing municipal services that have capacity to accommodate the proposed development.

Section 1.8 of the PPS sets out a policy framework with respect to Energy Conservation, Air Quality and Climate Change. The proposed applications are consistent with this framework through the development of the subject lands in a manner that provides for a more compact built form.

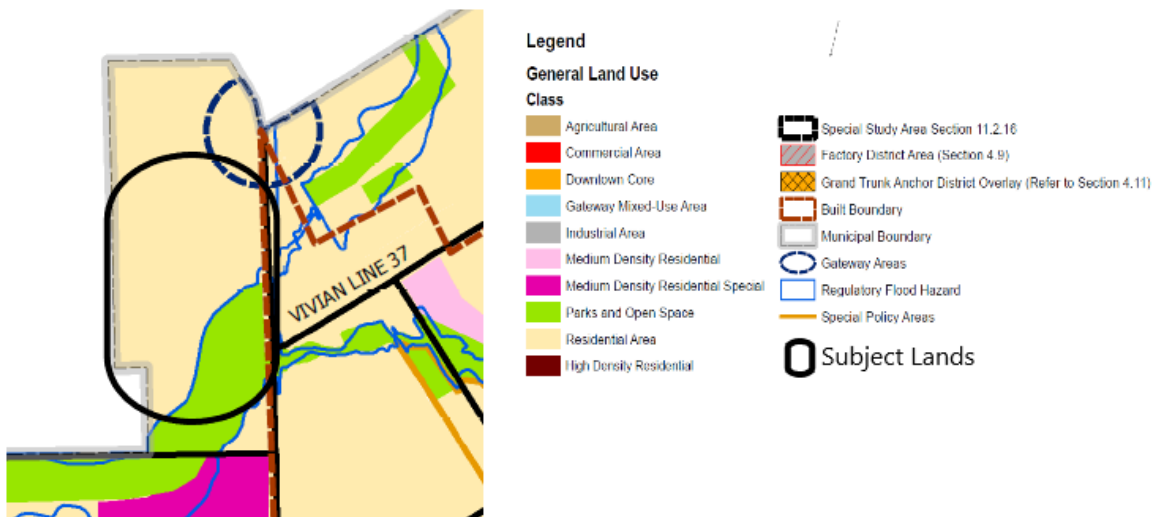
The proposed subdivision modifications and zone change applications are consistent with the PPS, 2020.

### City of Stratford Official Plan

The City of Stratford Official Plan (OP) was adopted by Council on January 25, 1993 and was comprehensively updated through Official Plan Amendment No. 21 in 2016. The OP establishes the goals, objectives and policies to manage and direct growth in the City of Stratford to the year 2033.

The subject lands are designated Residential Area and Parks and Open Space on Schedule A – General Land Use Plan.

Excerpt of Schedule 'A' to the Official Plan



### Residential Areas

The OP contains a series of Goals and Objectives for land located within the Residential Area designation. These are contained in Section 4.5.1 of the OP and are as follows:

- i) To maintain in all residential areas the essential neighbourhood qualities of quiet enjoyment, privacy, upkeep, public health and safety and basic municipal services.

- ii) To ensure that where intensification of development is proposed in residential areas, it is compatible in terms of scale, density and design with neighbouring development and adheres to sound planning principles related to servicing, traffic, site design and amenities, provided there is sufficient capacity in the City's municipal services to accommodate that development.
- iii) To achieve a mix of housing types and a minimum average density of housing in the development of new residential areas in order to provide diversity in the housing stock, more affordable housing opportunities and a more efficient investment and ongoing maintenance of municipal services and facilities.
- iv) To create new residential neighbourhoods which have a sense of identity, which encourage neighbourhood interaction, which are less auto-dependent and which are designed to establish and maintain essential neighbourhood qualities.
- v) To allow certain non-residential uses in residential areas which are complementary to, or compatible with, the neighbourhood or which meet neighbourhood needs, and which do not individually or cumulatively undermine essential neighbourhood qualities.
- vi) To provide neighbourhood parks and other open space facilities which are within convenient and safe walking distance of residents.

The subject applications seek to expand the range and mix of residential unit types on the subject lands. As a result, this will improve the overall diversity of housing stock in the City. In addition, the subject applications moderately increase the planned density of the subject lands through the creation of smaller single detached lots and the introduction of additional street townhouse and cluster townhouse blocks. These changes will result in a more efficient investment in municipal services and facilities.

The Residential Area designation permits a variety of low and medium density residential uses including single detached, semi-detached, townhouse, duplex dwellings and low-rise apartments. The OP specifies a maximum density of 65 units per hectare within the Residential Area designation. In addition, the OP specifies maximum heights for lands with the Residential Area designation. The subject lands are within a new Residential area and as such currently have a maximum height of four storeys as specified by OP Policy 4.5.3.4.

The proposed modifications and zoning by-law amendments conform with the permitted uses, height and density provisions of the Residential Area designation of the OP.

Through Policy 4.5.3.2, the OP also sets out a number of criteria that are to be applied in the evaluation of development applications in new residential areas. These criteria are as follows:

- "i) mix of development forms and densities;

- ii) medium density residential uses are encouraged and shall be:
  - a) intermixed with low density development in smaller groups;
  - b) primarily street oriented in design; and,
  - c) located adjacent to collector and arterial roads, park and greenland areas, community facilities and commercial areas and/or as a physical transition between high and low density residential development.
- iii) the road pattern is a modified, rectilinear grid pattern which provides for the maximum possible degree of connectivity internally, and externally with the existing developed areas and abutting arterial and collector roads with short blocks to promote active transportation modes; and,
- iv) the development incorporates linkages to the City's parks and open space system and/or incorporates private or public open space features which serve as focal points for the residential development and/or structural elements which define the character and structure of the area".

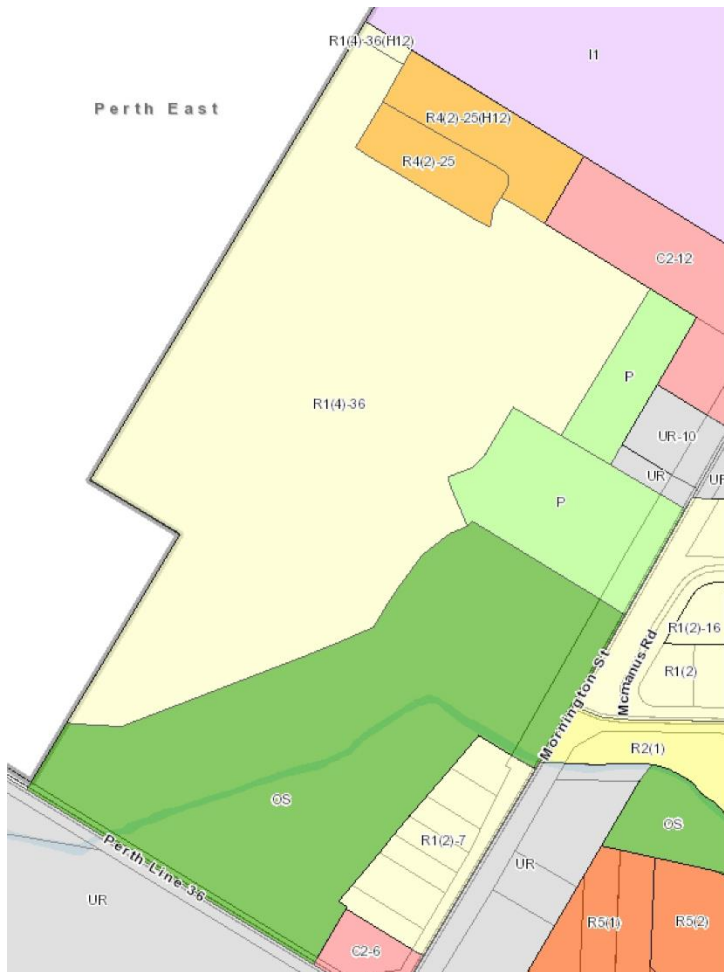
The proposed modification and rezoning request conform with the policy framework for new residential areas through the provision of a mix of development forms and densities and through the proposed siting of the medium density (townhouse) blocks in a manner that is intermixed with lower density development.

As a result, the proposed modifications to draft approved plan of subdivision 31T18-002 and the requested rezoning application conform with the City's OP.

#### Zoning By-law

The subject lands were rezoned in 2019 through By-law 155-2019. A portion of the lands are zoned Residential First Density (R1(4)-36 and R1(4)-36-H12 which permits single detached dwellings. A portion is zoned Residential Fourth Density (R4(2)-25 and R4(2)-25-H12) which permit street townhouses. The remaining portions are zoned Future Residential, Park and Floodplain. Two rezoning applications have been submitted for the subject lands.

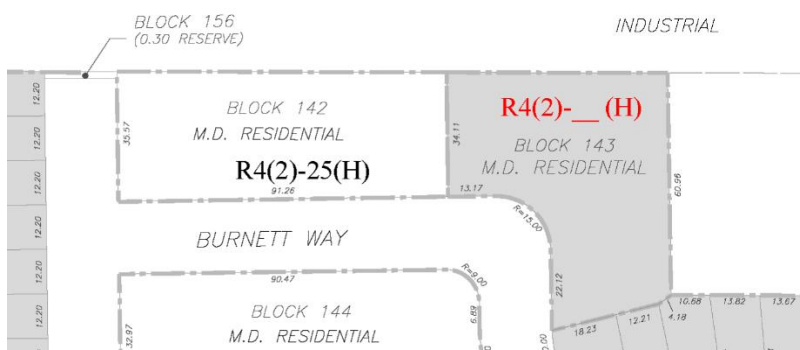
## Existing Zoning



## Zoning Change Application (Z17-21)

The first Zone Change Amendment has requested to rezone Blocks 143 and 148 (as shown on the red-lined draft plan of subdivision) to a Residential Fourth Density R4(2) special zone.

## Block 143



## Block 148



The R4(2) special zone will permit street townhouse dwellings and townhouse dwellings. Special provisions requested include:

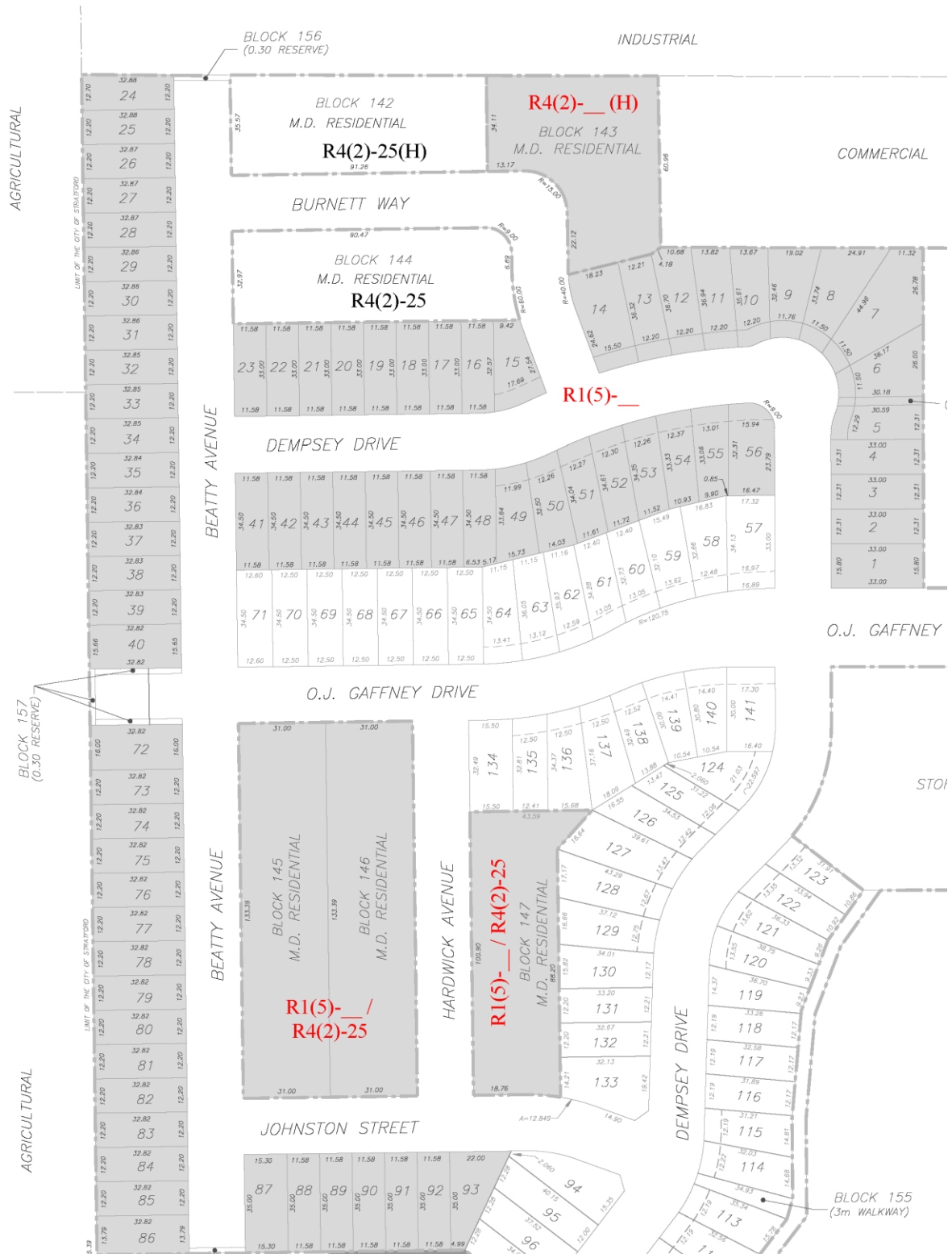
- a minimum lot area (interior and corner) of 160m<sup>2</sup>;
- a minimum lot depth of 27m;
- a minimum front yard depth of 4.5m;
- a minimum interior side yard width of 1.5m;
- a minimum rear yard depth of 3.0m; and
- a maximum lot coverage of 45% for the main building and maximum lot coverage of 50% for the main and accessory buildings.

General use regulations have also been requested to permit a parking area within the front yard setback, to recognize the driveway as a legal parking space, to permit tandem parking, a minimum parking space size of 2.8m by 5.5m and an exemption from the accessible parking space requirement. Block 143 will be subject to a Holding Provision to require the completion of a noise study prior to the development of this Block.

### Zoning By-law Amendment (Z18-21)

The second Zone Change Amendment is requesting to rezone a portion of the subject lands proposed for single detached dwelling lots from a R1(4)-36 to a R1(5) special zone.

# Lands Subject to Z18-21



The R1(5) special zone would permit single detached dwellings. Special provisions requested include:

- an exterior side yard width of 1.2m where a corner lot is situated so that its rear lot lines abuts an adjacent rear lot line, an exterior side yard width of 4.5m in all other cases;
- a minimum lot frontage for corner lots of 11.5m;
- a minimum lot area for corner lots of 375m<sup>2</sup>;
- a minimum interior side yard of 1.2m;
- a maximum lot coverage of 50% for one storey dwellings and a maximum lot coverage of 45% for two storey dwellings with 5% lot coverage allowances for accessory buildings.

Dual zoning (R1(5) and R4(2)) has also been requested on Blocks 145, 146 and 147 (as show on the red-lined plan). The requested R1(5) zoning would permit single detached dwellings in accordance with the special provisions outlined above and the R4(2)-25 zoning would permit:

- street townhouse dwellings with a minimum front yard depth of 4.5m;
- an exterior side yard width of 1.2m where a corner lot is situated so that its rear lot lines abuts an adjacent rear lot line, an exterior side yard width of 4.5m in all other cases;
- a maximum density of 45 units per hectare; and
- general provisions related to garage widths and parking.

The proposed rezoning will provide for a greater range and mix of housing to be developed within the draft approved plan of subdivision in an efficient manner that maintains a consistent streetscape within the subject lands. The increased lot coverage requested has been supported by a storm water management report. The requested zoning by-law amendments meet the general intent of the City's Zoning By-law.

#### Agency Comments

- Bell Canada – Service type and location
  - Canada Post will provide mail delivery service to the subdivision through centralized Community Mail Boxes (CMBs).
  - Canada Post will provide mail delivery service to the Apartments through centralized Lock Box Assembly.
  - The development includes plans for (a) multi-unit building(s) with a common indoor entrance(s). The developer must supply, install and maintain the mail delivery equipment within these buildings to Canada Post's specifications.
- Municipal requirements
  - Please update our office if the project description changes so that we may determine the impact (if any).
  - Should this application be approved, please provide notification of the new civic addresses as soon as possible.



- Developer timeline and installation
  - Please provide Canada Post with the excavation date for the first foundation/first phase as well as the date development work is scheduled to begin. Finally, please provide the expected installation date(s) for the developer provided CMB pads.
- City of Stratford Building Division – No comments or concerns.

### Public Comments

Notice of Application was sent to 37 adjacent property owners on February 10, 2022. Notice was also included in the Town Crier in the Beacon Herald on February 26, 2022. No public comments have been received at the time of writing this report.

Should the Planning and Heritage Committee not approve the staff recommendation on the Zoning By-law Amendment, the motion shall include a statement outlining how the decision/ recommendation of the Planning and Heritage Committee is consistent with the Provincial Policy Statement, conforms to the City of Stratford Official Plan and how public input was considered.

### **Financial Implications:**

#### **Other:**

No municipal expenses are anticipated to support the requested changes.

The additional lots will increase the overall building permit fees, taxes, and development charges on the subject lands.

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

#### **Strengthening our Plans, Strategies and Partnerships**

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

#### **Widening our Economic Opportunities**

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

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

#### **Equity and Local Economy**

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

#### **Culture and Community**

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

**Staff Recommendation: THAT Council pass a resolution that no further notice is required under Section 34(17) of the Planning Act;**

**THAT the Zone Change Applications Z17-21 and Z18-21 to amend the zoning on a portion of the subject lands to a Residential First Density R1(5)- special provision zone, a Residential Fourth Density R4(2)-XX special provision zone, a Residential Fourth Density R4(2)-XY special provision zone and a Residential Fourth Density R4(2)-XZ special provision zone**

**BE APPROVED for the following reasons:**

- I. the zone change applications are consistent with the Provincial Policy Statement and conform with the City of Stratford Official Plan;**
- II. the recommended zone change applications will facilitate development that is appropriate for the lands, will not impact surrounding lands and is considered to be sound land use planning;**
- III. the zone change applications will provide a wide range of housing to meet the needs of the existing and future residents; and**
- IV. the recommended zone change will encourage efficient use of land and infrastructure.**

**Draft Plan of Subdivision:**

**THAT modifications to draft approved Plan of Subdivision 31T18-002, submitted by Sifton Properties Limited on the lands known municipally as 4110 Perth Line 36, be approved by the City of Stratford pursuant to Section 51(31) of the Planning Act, subject to the revised conditions listed below, for the following reasons:**

- I. the modifications to the draft approved plan of subdivision are consistent with the Provincial Policy Statement and conform with the City of Stratford Official Plan;**
- II. the plan of subdivision will result in sound land use planning and is considered appropriate for the development of the lands;**
- III. it will provide a wide range of housing to meet the needs of the existing and future residents; and**
- IV. it will encourage efficient use of land and infrastructure.**

**AND THAT the conditions of draft approval of plan of subdivision 31T18-002 be revised as follows:**

**1. This draft approval applies to Plan of Subdivision 31T-18002 submitted by Sifton Properties Limited, certified by Trevor McNeil O.L.S., dated April 1, 2022, as redline amended, File No. 31T-18002, drawing no. 1, which shows a total of 141 single detached residential lots, 7 multi development blocks, 1 park block, 1 future infill block, 2 walkway blocks, 1 stormwater**

management block, 7 0.3m reserve blocks, 2 open space blocks, all served by 7 new local roads.

**18. A 0.3 m reserve block shall be provided along Block 152, Block 155 and Block 161 as shown on the redline amended plan. The subdivision agreement shall contain a provision allowing the property owner to access their lands over the 0.3m reserve for Blocks 164, Block 155 and Block 161 for maintenance purposes to the satisfaction of the Manager of Planning.**

**24. The Owner shall dedicate Block 153 to the City of Stratford for Park purposes and pay the City cash-in-lieu for 0.157 ha of parkland pursuant to the provisions of Section 51.1 of the Planning Act. The dedication of Block 160 and cash-in-lieu for 0.157 ha shall satisfy the parkland dedication requirements for all lands within the boundary of this draft plan. All costs associated shall be borne by the Owner.**

**26. In conjunction with the submission of engineering drawings, the Owner shall submit a conceptual park design and grading and servicing plans for Block 153 which shall accommodate a 3m wide walkway on Block 154 for review and approval by the Director of Infrastructure and Development Services and the Director of Community Services. Block 1153 shall be registered in one phase.**

**27. Concurrent with registration, the Owner shall convey Block 155 (4 m wide walkway) and Block 154 (3m wide pathway) to the City of Stratford. The Owner shall construct the walkway and fencing in accordance with the City of Stratford walkway design requirements within one year of registration to the satisfaction of the Director of Infrastructure and Development Services.**

**28. In conjunction with the submission of engineering drawings, the Owner shall submit a trail design and grading plans for Block 151 for review and approval by the Director of Infrastructure and Development Services and Upper Thames River Conservation Authority.**

**29. Within one year of the registration of the phase, the Owner shall fence along the rear lot lines of Lots 7-12, 24-40, 72-86, along the north lot line of Lot 24, along the north and east lot line of Block 153, along the south lot line of Lot 86 and the west lot line of Lot 98, Block 148 and Block 151 abutting the west limit of the draft plan with a 1.5 metre chain link fence with no gates to prevent trespassing. Any other fencing arrangements shall be to the satisfaction of the Manager of Planning.**

**30. Within one year of the registration of the phase, the Owner shall provide a 1.5m temporary fence with no gates along the north and east lot lines of Blocks 142 and 143 to the satisfaction of the Manager of Planning. The**

**Subdivision Agreement shall contain a provision requiring the Owner to construct a fence along the north and east lot lines of Blocks 142 and 143 through the site plan approval process when Blocks 142 and 143 are developed to the satisfaction of the Manager of Planning. The temporary fence shall be required until the fence is installed through the site plan process to the Manager of Planning. The installation and removal of the temporary fencing shall be the responsibility of the Owner.**

**31. Concurrent with the registration of any phase that includes Block 150 or Block 151, the Owner shall provide an easement over Block 150 and Block 151 for pedestrian trail. All costs associated with the registration of the easement shall be borne by the Owner.**

**39. As part of the engineering drawings submission, the Owner shall submit an on-street parking plan for Blocks 142, 143, 144, 145, 146 and 147 to the satisfaction of the Manager of Development Services. The accepted parking plan required for each registered phase of development and will form part of the subdivision agreement for the registered plan.**

**47. Concurrent with registration, the Owner shall provide all required land dedications related to the stormwater works, including Block 149, at the cost of the owner to the satisfaction of the Director of Infrastructure and Development Services.**

**48. Minor revisions to the size of Block 149 may be required to accommodate the final design of the stormwater management pond in accordance with municipal standards to the satisfaction of the Director of Infrastructure and Development Services. Any cost associated will be the responsibility of the Owner.**

**49. In conjunction with the engineering drawings submission, the Owner shall have their consulting engineer submit a driveway access design that provides access to the inlet and outlet structures on Block 146 and a pedestrian sidewalk to connect the trail on Block 151 to Street 'F' and Mornington Street to the satisfaction of the Director of Infrastructure and Development Services. All costs associated with the construction of the access driveway and pedestrian sidewalk will be at the cost of the owner.**

**76. At the time of final approval, the Owner shall dedicate a 10m x 10m "daylight triangle" at the intersection of Street 'A' and Mornington Street abutting Block 149 and 3m x 3m "daylight triangle" at the intersection of Street 'A' and Mornington Street abutting Block 152 to the satisfaction of the City. Such "daylighting triangles" shall be shown and dedicated as public highways on the final plan.**

**Prepared by:**

**Recommended by:**

Alyssa Bridge, MCIP, RPP, Manager of Planning

Taylor Crinklaw, Director of Infrastructure and  
Development Services

Joan Thomson, Chief Administrative Officer

BEING a By-law to amend By-law 10-2022 as amended, with respect to zone change application Z17-21 to amend the Residential First Density Zone R1(4)-36 and Residential Fourth Density Zone R4(2)-25(H12) at 4110 Perth Line 36 to a Residential Fourth Density R4(2) with site specific regulations.

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**WHEREAS** authority is given to the Council of The Corporation of the City of Stratford by Section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended, to pass this by-law;

**AND WHEREAS** the said Council has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

**AND WHEREAS** the Council of The Corporation of the City of Stratford deems it in the public interest that By-law 10-2022, as amended, known as the City of Stratford Zoning By-law, be further amended;

**NOW THEREFORE BE IT ENACTED** by the Council of The Corporation of the City of Stratford as follows:

1. That Schedule "A", Map 3 to By-law 10-2022, is hereby amended:

by changing from a Residential First Density R1(4)-36 and Residential Fourth Density R4(2)-25(H12) to a Residential Fourth Density R4(2) with site specific provisions those lands outlined in heavy solid lines and described as R4(2)-\_ and R4(2)-\_(H12) on Schedule "A", attached hereto and forming part of this By-law, and known municipally as 4110 Perth Line 36, Stratford Ontario.

2. That By-law 10-2022 as amended, be further amended by adding to Section 15.4 being the Exceptions of the Residential Fourth Density R4(2) Zone the following:

"15.4.\_

- a) Defined Area (Block 143 4110 Perth Line 36)

Residential Fourth Density (R4(2)-\_(H12)) as shown on Schedule "A", Map 2

- b) Permitted Uses:

- Street Townhouse Dwelling
- Townhouse Dwelling

- c) Minimum Lot Area (interior and corner): 160m<sup>2</sup>

- d) Minimum Lot Depth: 27m

- e) Minimum Front Yard Depth: 4.5m

- f) Minimum Interior Side Yard Width: 1.5m

- g) Minimum Depth between a rear patio door

and the East and West Lot Lines: 6.0m

- h) Maximum Lot Coverage (Main Building): 45%
- i) Maximum Lot Coverage (Main and Accessory Building): 50%
- j) Maximum Density: 45upnh

h) General Use Regulations:

- That a parking area be permitted in the front yard setback
- That a driveway be considered a legal parking space
- Tandem parking (up to a maximum of 2 vehicles) shall be permitted in a driveway accessory to a townhouse dwelling unit and shall be counted towards meeting the required parking
- That the minimum size for a parking space in a garage be 2.8m in width by 5.5m in length
- That no accessible parking space be required.

3. That By-law 10-2022 as amended, be further amended by adding to Section 15.4 being the Exceptions of the Residential Fourth Density R4(2) Zone the following:

"15.4.\_

a) Defined Area (Block 148 4110 Perth Line 36)

Residential Fourth Density (R4(2)-\_) as shown on Schedule "A", Map 2

b) Permitted Uses:

- Street Townhouse Dwelling
- Townhouse Dwelling

c) Minimum Lot Area (interior and corner): 160m<sup>2</sup>

d) Minimum Lot Depth: 27m

e) Minimum Front Yard Depth: 4.5m

f) Minimum Interior Side Yard Width: 1.5m

g) Minimum Depth between a rear patio door the West Lot Line: 6.0m

h) Maximum Lot Coverage (Main Building): 45%

i) Maximum Lot Coverage (Main and Accessory Building): 50%

j) Maximum Density: 45upnh

i) General Use Regulations:

- That a parking area be permitted in the front yard setback
- That a driveway be considered a legal parking space
- Tandem parking (up to a maximum of 2 vehicles) shall be permitted in a driveway accessory to a townhouse dwelling unit and shall be counted towards meeting the required parking
- That the minimum size for a parking space in a garage be 2.8m in width by 5.5m in length

- That no accessible parking space be required.

3. This By-law shall come into effect upon Final Passage and in accordance with the Planning Act.

READ a FIRST, SECOND and THIRD time and

FINALLY PASSED this XX day of June, 2022.

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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe



# Schedule A to By-law XX-2021

Adopted this \_\_\_\_ day of \_\_\_\_, 2021

## Blocks 143 and 148, 4110 Perth Line 36



BEING a By-law to amend By-law 10-2022 as amended, with respect to zone change application Z18-21 to amend the Residential First Density Zone R1(4)-36 at 4110 Perth Line 36 to a Residential First Density R1(5) and a Residential Fourth Density R4(2) with site specific regulations.

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**WHEREAS** authority is given to the Council of The Corporation of the City of Stratford by Section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended, to pass this by-law;

**AND WHEREAS** the said Council has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

**AND WHEREAS** the Council of The Corporation of the City of Stratford deems it in the public interest that By-law 10-2022, as amended, known as the City of Stratford Zoning By-law, be further amended;

**NOW THEREFORE BE IT ENACTED** by the Council of The Corporation of the City of Stratford as follows:

4. That Schedule "A", Map 3 to By-law 10-2022, is hereby amended:

by changing from a Residential First Density R1(4)-36 to a Residential First Density R1(5) with site specific regulations and a Residential Fourth Density R4(2) with site specific provisions those lands outlined in heavy solid lines and described as R1(5)-\_\_ and R1(5)-\_/R4(2)-\_ on Schedule "A", attached hereto and forming part of this By-law, and known municipally as 4110 Perth Line 36, Stratford Ontario.

5. That By-law 10-2022 as amended, be further amended by adding to Section 15.1 being the Exceptions of the Residential First Density R1(5) Zone the following:

"15.1.\_

- k) Defined Area (4110 Perth Line 36)

Residential First Density (R1(5)-\_) as shown on Schedule "A", Map 2

- l) Exterior Side Yard Width: Where a corner lot is situated so that its rear lot abuts an adjacent rear lot line, the exterior side yard with shall be a minimum of 1.2m. In all other cases, it shall be a minimum of 4.5m.

- m) Minimum Lot Frontage (Corner Lot): 11.5m

- n) Minimum Lot Area (Corner Lot): 375m<sup>2</sup>

- o) Minimum interior side yard: 1.2m

p) Maximum Lot Coverage:

- Main Building (One Storey): 50%
- Main Building (Two Storey): 45%

q) Maximum Lot Coverage:

- Main Building and Accessory Building (One Storey): 55%
- Main Building and Accessory Building (Two Storey): 50%

6. That By-law 10-2022 as amended, be further amended by adding to Section 15.4 being the Exceptions of the Residential Fourth Density R4(2) Zone the following:

"15.4.\_

a) Defined Area (4110 Perth Line 36)

Residential Fourth Density (R4(2)-\_) as shown on Schedule "A", Map 2

b) Permitted uses:

- i) Street Townhouse Dwelling

c) Minimum Front Yard Depth: 4.5m

d) Minimum Rear Yard Depth: 6.0m

e) Exterior Side Yard Width: Where a corner lot is situated so that its rear lot abuts an adjacent rear lot line, the exterior side yard with shall be a minimum of 1.2m. In all other cases, it shall be a minimum of 4.5m.

f) Maximum Lot Coverage:

- i) Main Building: 45%
- ii) Main Building and Accessory Building: 50%

g) Maximum Density: 45 upnh

General use regulations:

- Any attached or detached garage shall not exceed sixty (60) percent of the elevation facing the front lot line or an exterior side lot line, where the garage is oriented to the said lot line of a dwelling erected on a lot (measured from the inside wall of outside wall to inside face of outside wall).
- A garage shall not project more than 1.0m meters beyond the building elevation facing the front lot line or exterior lot line
- In all cases any part of an attached or detached garage shall provide a parking space between the garage door and the road allowance

3. This By-law shall come into effect upon Final Passage and in accordance with the Planning Act.

READ a FIRST, SECOND and THIRD time and  
FINALLY PASSED this XX day of June, 2022.

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Mayor – Daniel B. Mathieson

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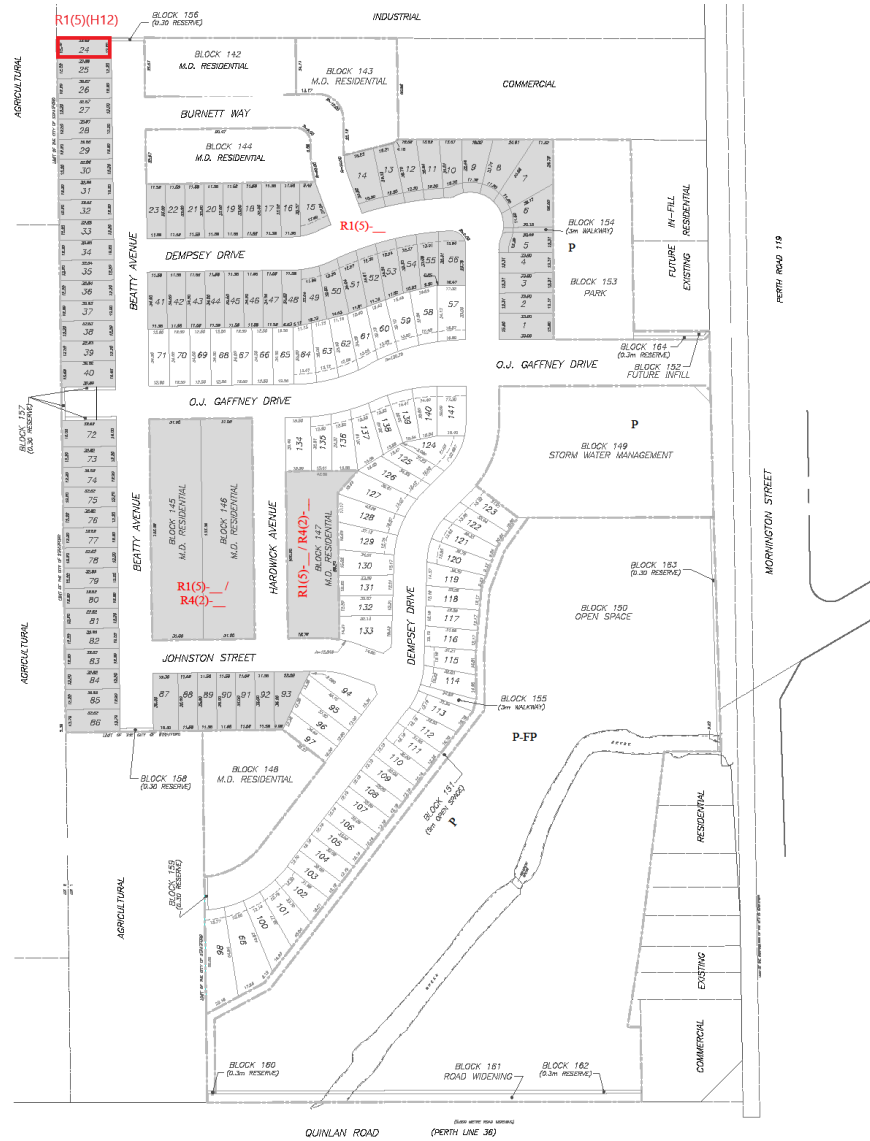
Clerk – Tatiana Dafoe

**Schedule A to By-law XX-2021**

**Adopted this \_\_\_\_ day of \_\_\_\_\_, 2021**

**Adopted this \_\_\_\_ day of \_\_\_\_\_, 2021**

## 4110 Perth Line 36





## CITY OF STRATFORD PUBLIC MEETING MINUTES

A **PUBLIC MEETING** was held on Monday, March 21, 2022, at 6:02 p.m., via electronic participation to give the public and Council an opportunity to hear all interested persons with respect to Draft Plan of Subdivision, 31T18-002 and Zone Change Applications Z17-21 and Z18-21, relating to 4110 Perth Line 26 in the City of Stratford.

**COUNCIL PRESENT:** Deputy Mayor Martin Ritsma – Chair presiding, Councillors Brad Beatty, Graham Bunting, Jo-Dee Burbach, Bonnie Henderson, Danielle Ingram, and Kathy Vassilakos.

**STAFF PRESENT:** John Paradis - Fire Chief, Taylor Crinklaw - Director of Infrastructure and Development Services, David St. Louis – Director of Community Services, Karmen Krueger – Director of Corporate Services, Kim McElroy – Director of Social Services, Anne Kircos – Acting Director of Human Resources, Alyssa Bridge – Manager of Planning, Tatiana Dafoe – City Clerk and Danielle Clayton – Recording Secretary.

**ALSO PRESENT:** Maureen Zunti and members of the public.

**REGRETS:** Mayor Mathieson, Councillor Clifford, Councillor Gaffney and Councillor Sebben.

Deputy Mayor Ritsma called the meeting to order and stated the purpose of the meeting is to give Council and the public an opportunity to hear all interested persons with respect to Draft Plan of Subdivision, 31T18-002 and Zone Change Applications Z17-21 and Z18-21, relating to 4110 Perth Line 26 in the City of Stratford.

The Deputy Mayor explained the order of procedure for the public meeting.

### STAFF PRESENTATION

Alyssa Bridge, Manager of Planning, outlined the report, and referring to a PowerPoint presentation, stated that the public meeting is for the modification to the draft approved Plan of Subdivision 31T18-002 and two Zone Change applications, Z17-21 and Z18-21. In 2019, the City granted draft approval to a plan of subdivision which included 153 single detached dwelling lots, two multi development blocks, a park block, future infill block, one future single detached dwelling block, two walkway blocks, stormwater management block, seven 0.3m reserve blocks and two open space blocks. In 2021, Council approved a modification to phase one to add an additional 8 single detached lots. There have been several modifications requested to the approved draft plan of subdivision including:

- merge lots 129-135 to a medium density residential block;
- merge lots 144-161 to a medium density residential block;

- merge lots 89-92 to a medium density residential block; and
- divide lot 162 into two separate medium density residential blocks.

The Manager of Planning advised the applicant has also applied for two zone change applications to implement the proposed subdivision modifications. The first zone change amendment, Z17-21, requested the rezoning of block 143 and block 148 to a residential fourth density special zone. This zoning would permit street townhouse dwellings and regular townhouse dwellings. Special provisions have been requested with respect to lot area, lot depth, front yard depth, interior side yard width and lot coverage. General use regulations have been requested to permit parking within the front yard setback, to recognize the driveway as a legal parking space, to permit tandem parking and to request an exemption from the accessible parking space requirement.

The second zone change amendment, Z18-21, requested the rezoning of the portion of the subject land that is proposed for single detached dwellings from a R1(4)-42 zone to a R1(5) special zone. The R1(5) special zone would permit single detached dwellings. A number of special provisions have also been requested. Dual zoning has been requested for blocks 145, 146, and 147 which would permit single detached dwellings or street fronting townhouses depending on what the market demand is at the time of development.

The Manager of Planning stated the lands are designated residential area and parks and open space in Stratford's Official Plan. Within the designation, a variety of housing forms are permitted including single detached, semi detached, townhouse dwellings and low-rise apartments and a maximum density of 65 units per hectare is permitted.

The subject lands were rezoned in 2019 through By-law 155-2019. A portion of the lands are zoned residential first density (R1(4)-42 and R1(4) - 42-H) which permits single detached dwellings. A portion is also zoned residential fourth density (R4(2)-25 and R4(2)-24-H) which permits street townhouses, and the remaining portions are zoned future residential, park and floodplain.

The Manager of Planning advised that notice of the application was sent to 37 adjacent property owners on February 10, 2022. The notice was included in the Town Crier in the Beacon Herald on February 26, 2022. At the time of the public meeting, no public comments had been received and any agency comments that were received were summarized in the management report.

## **QUESTIONS FROM COUNCIL**

Councillor Vassilakos noted that a proposed street name is Gregory Way and indicated that the City already has a Gregory Crescent. She questioned if this was common practice to have streets with similar names as it can be confusing. The Manager of Planning advised that staff do check for conflicts of any street names and that she will advise if Gregory Way is part of the approved street name list or whether it was mislabeled on the plan.

Councillor Burbach questioned where the linkages would be for pedestrians and cycling. The Councillor noted the lands are located along the edge of town and it was questioned if any plans are in place along Quinlan Road for pedestrians and cycling paths. The Manager of Planning stated that she will review the previous subdivision file and confirm what the plans are for the subdivision and that information will be included in the next staff report.

## **APPLICANT PRESENTATION**

Maureen Zunti, representative for the applicant, stated that the Manager of Planning had covered the intent of the Zoning By-law amendments and red line revisions. Ms. Zunti advised that she did not have a specific presentation but was available to answer any questions.

Ms. Zunti indicated that the reason the changes are being requested is to adjust to market realities that have occurred over the past four years since the original applications were submitted. Housing costs have changed substantially, migration from the greater Toronto area has occurred in this area and they are finding that the market demand has shifted from what had originally been approved for. Builders are also looking for more potential for a variety of flexibility of housing forms. Ms. Zunti stated that the dual zoning would permit the opportunity for both street townhouses and single-family development depending on what the demand is at the time of building. The ability to have smaller lots will help with affordability and create a wider range of housing in this area of the City. The changes to the multi family blocks are to allow for efficient land use and compact forms of development.

## **QUESTIONS FROM COUNCIL**

Councillor Henderson questioned if there was any consideration for net zero homes, energy efficiency homes and accessible homes. Councillor Henderson advised that the Accessible Advisory Committee has passed an accessible manual that is available on the City's website for builders to access. Ms. Zunti stated that she cannot speak directly to Councillor Henderson's questions as she is not certain who the builders will be as these questions are for the builders. Ms. Zunti advised that Sifton Properties Limited often sells their lots to other builders. She is not aware if Sifton Properties Limited will be building on any of these lots or if they are selling them to various builders. Ms. Zunti noted that if Sifton Properties Limited is building on these lots, they have a reputation for building as green as possible and have developed some net zero homes.

Councillor Henderson questioned if there are criteria that Sifton Properties Limited looks for in a builder regarding green builds and accessible homes. Ms. Zunti advised that she does not work directly with the builders or the sale of lots to builders to know if there are criteria in place for green homes or accessible homes. She advised there is stringent criteria for the builders that Sifton Properties Limited sells to including, standards of design, building reputation and members of Tarion among others. Ms. Zunti noted that she will pass along information to staff regarding energy efficient homes and accessible homes.



## **QUESTIONS FROM THE PUBLIC**

Staff advised there were no registered delegations and that no questions were submitted via the electronic Q & A during the meeting.

The Deputy Mayor noted that the matter will be considered at a future Planning and Heritage Committee meeting and that a video recording of the meeting would be posted to the City's website.

The Deputy Mayor adjourned the meeting at 6:17 p.m.

**There were no requests to receive further information from the public meeting on March 21, 2022.**



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## MANAGEMENT REPORT

**Date:** May 26, 2022  
**To:** Planning and Heritage Sub-committee  
**From:** Alyssa Bridge, Manager of Planning  
**Report#:** PLA22-019  
**Attachments:** Draft Site Plan Delegation By-law XX-2022;  
City of Stratford By-law 103-2012

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**Title:** Proposed Amendments to the Site Plan Approval Delegated Authority By-law

**Objective:** The purpose of this report is to:

- describe changes to site plan approval process amended by Bill 109,
- recommend adoption of a new Site Plan Approval Delegation of Authority By-law,
- amend the Delegation of Authority By-law 135-2017, as amended, and
- repeal the existing By-law 103-2012 with respect to the delegation of authority for Site Plans.

**Background:** On April 14, 2022, Bill 109, the More Homes for Everyone Act, 2022, received Royal Assent. The Bill amends various Provincial statutes, including the Planning Act. One of the changes made through Bill 109 amends Section 41 of the Planning Act regarding Site Plan Control and requires that decisions on Site Plan applications be delegated to staff (instead of municipal councils or committees of Council). This change comes into effect on July 1, 2022.

Through the City's existing By-law 103-2012, the authority to approve Site Plans, including authorizing the entering into and execution of approved site plan agreements and amending agreements has been delegated to staff. However, By-law 103-2012 contains a number of provisions whereby Council can retain its approval authority through the referral of Site Plan approval to Council. Specifically, the current by-law provides for the referral of Site Plan approval to Council when:

- the applicant wishes to vary from approved policies of the City, or

- the application, in the opinion of the City's Manager of Development Services, or Director of Infrastructure and Development Services, is of a highly complex or controversial nature, or
- a site plan agreement cannot be achieved.

The changes to the Planning Act through Bill 109 require the mandatory delegation of Site Plan approval to staff with no ability to refer Site Plan matters to Council.

**Analysis:** The changes to the Planning Act through Bill 109 require the mandatory delegation of Site Plan approval to staff by July 1, 2022. As Site Plan approval is already delegated to Staff through By-law 103-2012 and the option to refer Site Plan matters to Council has been used infrequently, the changes are not anticipated to have a substantive impact on the review and approval of Site Plans in the City of Stratford.

Many of the development applications that have requested Council direction in the past were part of zone change and official plan amendment applications, which in Bill 109 will effectively remain unchanged.

As a result of this requirement, staff recommend adopting a new by-law to delegate authority to staff to approve site plans and to authorize the entering into and execution of approved site plan agreements and amending agreements. Staff also recommend that By-law 103-2012 be repealed.

**Financial Implications:** There is no implication to the current or future year operating budgets to the City following adoption of a new Delegation of Authority By-law related to site plan approval. However, how Bill 109 and the amended timeline requirements will impact the Site Plan approval process and overall planning resource requirements is currently unknown.

**Legal Implications:** Staff anticipate that forcing a decision on Site Plan approval will result in more applications being appealed to the Ontario Land Tribunal.

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

**Not applicable:** The new Site Plan Delegated Authority By-law does not directly align with the Strategic Priorities. The proposed changes are required as a result of Bill 109 and the related amendments to the Planning Act.

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

**Not applicable:** The new Site Plan Delegated Authority By-law does not directly align with the One Planet Principles. The proposed changes are required as a result of Bill 109 and the related amendments to the Planning Act.

**Staff Recommendation: THAT the Site Plan Approval Delegation of Authority By-law, being a by-law to delegate authority with respect to the approval of site plans and to authorize the entering into and execution of approved site plan agreements and amending agreements, be adopted;**

**THAT By-law 103-2012, and any related amendments, be repealed;**

**AND THAT the Delegation of Authority By-law 135-2017, as amended, be further amended to delegate authority to the Manager of Planning, or delegate(s), to approve site plans and to authorize the entering into and execution of approved site plan agreements and amending agreements.**

**Prepared by:** Alyssa Bridge, MCIP, RPP, Manager of Planning  
**Recommended by:** Taylor Crinklaw, Director of Infrastructure and  
Development Services  
Joan Thomson, Chief Administrative Officer

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BEING a By-law to delegate authority with respect to the approval of site plans, to authorize the entering into and execution of approved site plan agreements and amending agreements and to repeal By-law 103-2012.

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**WHEREAS** subsection 41(2) and (3) of the *Planning Act, R.S.O. 1990 chapter P.13* as amended, provide that where an area is shown or described in the City's Official Plan as a proposed site plan control area, City Council, may by by-law, designate the whole or any part of such area as a site plan control area and by reference to one or more land use designations contained in a zoning by-law;

**AND WHEREAS** Stratford's Official Plan adopted by City Council, has established a proposed site plan control area which encompasses the entire geographic area of the City and is applicable to all development within the municipality of a commercial, industrial, institutional and residential nature with certain exceptions;

**AND WHEREAS** the Council of The Corporation of the City of Stratford enacted By-law 111-2000 as amended, to designate site plan control areas and to provide for site plan control provisions in the City of Stratford;

**AND WHEREAS** Council of the Corporation of the City of Stratford enacted By-law 103-2012 to delegate Council's authority to appoint site plans to certain city officials;

**AND WHEREAS** due to Provincial legislative changes, the Council of The Corporation of the City of Stratford is required to delegate Council's powers or authority under section 41 of the *Planning Act* to approve plans and drawings, to impose conditions and to require agreements;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. The authority of Council of The Corporation of the City of Stratford under clause 41 of the *Planning Act* to approve site plans and drawings of development, including the authority of the Council to impose conditions of approval, is hereby delegated to the Manager of Planning of the City of Stratford. Such authority delegated to the said Manager shall be carried out and implemented as provided for in Section 41 of the *Planning Act*.
2. In the event the Manager of Planning is absent for any reason, the said authority of Council is delegated to the City's Chief Building Official or the Director of Infrastructure and Development Services or the Chief Administrative Officer and in this event all references to the Manager of Planning in this By-law shall be deemed to be references to the said Chief Building Official, or Director of Infrastructure and Development Services or Chief Administrative Officer.

3. The Mayor and Clerk, or their respective delegates, are authorized to execute all agreements and amending agreements required as a result of the exercise of authority delegated, upon the advice of the City's Manager of Planning, Chief Building Official, Director of Infrastructure and Development Services or Chief Administrative Officer, with respect to site plan control.
4. This By-law shall come into force and effect upon final passage.
5. That By-law 103-2012 is hereby repealed upon this By-law coming into force and effect.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this XX day of June, 2022

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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe



BY-LAW NUMBER 103-2012  
OF  
THE CORPORATION OF THE CITY OF STRATFORD

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BEING a By-law to delegate authority with respect to the approval of site plans, to authorize the entering into and execution of approved site plan agreements and amending agreements and to repeal By-law 169-2003.

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**WHEREAS** subsection 41(2) and (3) of the *Planning Act, R.S.O. 1990 chapter P.13* as amended, provide that where an area is shown or described in the City's Official Plan as a proposed site plan control area, City Council, may by by-law, designate the whole or any part of such area as a site plan control area and by reference to one or more land use designations contained in a zoning by-law;

**AND WHEREAS** Stratford's Official Plan adopted by City Council, has established a proposed site plan control area which encompasses the entire geographic area of the City and is applicable to all development within the municipality of a commercial, industrial, institutional and residential nature with certain exceptions;

**AND WHEREAS** the Council of The Corporation of the City of Stratford enacted By-law 111-2000 as amended, to designate site plan control areas and to provide for site plan control provisions in the City of Stratford;

**AND WHEREAS** Council of the Corporation of the City of Stratford enacted By-law 169-2003 to delegate Council's authority to appoint site plans to certain city officials;

**AND WHEREAS** due to Corporate restructuring, the Council of The Corporation of the City of Stratford deems it expedient to delegate Council's powers or authority under section 41 of the *Planning Act* to approve plans and drawings, to impose conditions and to require agreements;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

6. The authority of Council of The Corporation of the City of Stratford under clause 41 of the *Planning Act* to approve site plans and drawings of development, including the authority of the Council to impose conditions of approval, is hereby delegated to the Manager of Development Services of the City of Stratford. Such authority delegated to the said

Manager shall be carried out and implemented as provided for in Section 41 of the *Planning Act*, save for those cases in which:

- the applicant wishes to vary from approved policies of the City, or
  - the application, in the opinion of the City's Manager of Development Services, or Director of Infrastructure and Development Services, is of a highly complex or controversial nature, or
  - a site plan agreement cannot be achieved.
7. In the event the Manager of Development Services is absent for any reason, the said authority of Council is delegated to the City's Chief Building Official or the Director of Infrastructure and Development Services or the Chief Administrative Officer and in this event all references to the Manager of Development Services in this By-law shall be deemed to be references to the said Chief Building official, or Director of Infrastructure and Development Services or Chief Administrative Officer.
  8. Despite Paragraph 1, City Council may continue to exercise the delegated powers and authority for site plan authority for site plan applications that have been referred to Council under Paragraph 1 of this By-law.
  9. The Mayor and Clerk, or their respective delegates, are authorized to execute all agreements and amending agreements required as a result of the exercise of authority delegated, upon the advice of the City's Manager of Development Services, Chief Building Official, Director of Infrastructure and Development Services or Chief Administrative Officer, or the authority of City Council, with respect to site plan control.
  10. This By-law shall come into force and effect upon final passage.
  6. That By-law 169-2003 is hereby repealed upon this By-law coming into force and effect.

Read a FIRST, SECOND and THIRD time and



FINALLY PASSED this 13<sup>th</sup> day of August, 2012.

\_\_\_\_\_  
"Daniel B. Mathieson"  
Mayor – Daniel B. Mathieson

\_\_\_\_\_  
"V. Charlene Lavigne"  
Deputy Clerk – V. Charlene Lavigne



## MANAGEMENT REPORT

**Date:** May 26, 2022  
**To:** Planning and Heritage Sub-committee  
**From:** Kelton Frey, Municipal Law Enforcement Officer  
**Report #:** PLA22-016  
**Attachments:** None

**Title:** Proposed Exemption from Sign By-law 159-2004, Section 12.0 Ground Sign, 337 Home Street

**Objective:** To consider an exemption to the City of Stratford Sign By-law 159-2004, allowing the owner "Starlight Investments" to keep two address ground signs that were installed without a permit and do not conform with the provisions of the By-law, specifically regarding maximum area, maximum height, setback from driveway, setback from property line, and the limitation of one address ground sign per property.

**Background:** New signs were observed that had been installed without permits on properties owned by Starlight Investments. A total of nine new ground signs were erected on Borden, Essex, and Home Streets. The sign company "Regional Signs INC," the property management company "Signet Group" and the owner of the property "Starlight Investments" were contacted regarding these signs.

Permits were applied for, and alterations were made to the Borden and Essex Street signs to conform with the Sign By-law and permits were issued. Staff received a sign variance application for the two remaining signs on Home Street. The following is a list of the items that were found to be deficient for these two signs:

### Sign 1

Criteria	Sign By-law	Erected Sign
Maximum Area	1.5m <sup>2</sup>	2.98m <sup>2</sup>
Maximum Height	2.5m	2.67m
Minimum Setback from Driveway Entrance	3m	1.54m
Minimum Setback from Property Line	3.3ft	1.9ft





### **Widening our Economic Opportunities**

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

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

#### **Health and Happiness**

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

#### **Equity and Local Economy**

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

#### **Travel and Transport**

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

**Staff Recommendation: THAT the request for a sign variance at the property known municipally as 337 Home Street for two ground signs be denied as the request does not conform with the intent of the Sign By-law 159-2004, as amended.**

#### **Prepared by:**

Kelton Frey, Municipal Law Enforcement Officer  
Jonathan DeWeerd, Chief Building Official

#### **Recommended by:**

Taylor Crinklaw, Director of Infrastructure and  
Development Services  
Joan Thomson, Chief Administrative Officer




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## MANAGEMENT REPORT

**Date:** May 26, 2022  
**To:** Planning and Heritage Sub-committee  
**From:** Greg Rabe, Municipal Law Enforcement Officer  
**Report #:** PLA22-017  
**Attachments:** None

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**Title:** Sign By-Law Variance for the Avon Maitland School District

**Objective:** To consider a sign variance to allow an oversized electric change copy sign to be erected at 428 Foreman Avenue at the Stratford District Secondary School.

**Background:** On October 12, 2004, the City of Stratford Council passed a comprehensive Sign By-law which was consolidated on December 12, 2020. Section 24 of the Sign By-law sets out the process and criteria on which sign variances are to be approved. When considering a sign variance, Planning and Heritage Sub-Committee, Planning and Heritage Committee and Council shall have regard for:

- (i) Special circumstances or conditions applying to the land, building or use referred to in the application.
- (ii) Whether strict application of the provisions of this By-law in the context of the special circumstances applying to the land, building, or use, would result in practical difficulties or unnecessary and unusual hardship for the applicant, inconsistent with the general intent and purpose of this By-law;
- (iii) Whether the special circumstances or conditions are preexisting and not created by the owner or the applicant; and
- (iv) Whether the sign that is the subject of the variance will alter the essential character of the area.

On October 26, 2015, Council adopted the following recommendation of the Planning and Heritage Committee:

- That the sign variance request by Stratford Northwestern Secondary School, located at 428 Forman Avenue, to permit a change copy sign and to permit a total sign face area of 6.52m<sup>2</sup> (70.13ft<sup>2</sup>)

On December 14, 2020, the Sign By-law was updated with certain requirements being added, such as Electric Change Copy Signs (Section 20.0).

The proposed sign is classified as an electric change copy sign with a size requirement which shall not exceed  $1.0\text{m}^2$  ( $10.7\text{ft}^2$ ), the requirements for an electric change copy sign are listed below:

- 20.0 Permanent Electric Change Copy Signs
  - a) Unless otherwise permitted by another provision in this by-law, a permanent electronic change copy sign shall not exceed  $1.0\text{m}^2$  ( $10.7\text{ft}^2$ ) in area;
  - b) Unless otherwise permitted by another provision in this by-law, a permanent electronic change copy sign shall be a minimum of 30m (98.4ft) from a dwelling unit;
  - c) A permanent electronic change copy sign shall not include any blinking, intermittent or flashing light;
  - d) A permanent electronic change copy sign shall come equipped with functioning dimming technology which will automatically adjust the sign's brightness in correlation with ambient light conditions;
  - e) A permanent electronic change copy sign shall not be permitted in the Heritage Conservation District;
  - f) A permanent electronic change copy sign shall:
    - i. not be located within 1.5m (4.9ft) of a sidewalk or property line, whichever is greater;
    - ii. not be located within 3m (9.8ft) of a driveway entrance or exit;
    - iii. not be located within 50m (164ft) of a traffic light standard;
    - iv. not be located within 15m (49.2ft) of the paved portion of an intersection; and
    - v. not be located within 10m (32.8ft) of a ground sign or 10m (32.8ft) of a mobile sign on an abutting property.

The sign being proposed is  $2.2\text{m}^2$  ( $24\text{ft}^2$ ) which is over the permitted size allocated under Section 20.0(a) of the By-law.

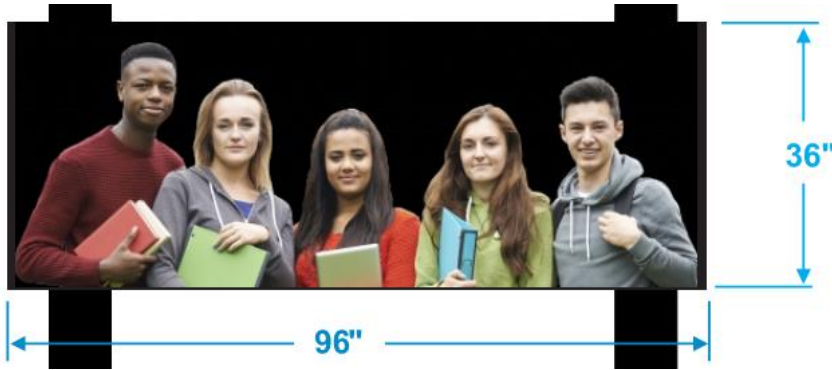
**Analysis:** The proposed sign will not be in compliance with Sign By-law #159-2004, and as such, directed of Council is required.

During the 2020 review of the Sign By-law, staff reviewed similar by-laws from area municipalities, including Brampton, London, Kitchener-Waterloo, Oakville, and the Town of the Blue Mountains, and it was identified that area municipalities' maximum sign face area for digital display signs ranged from  $0.19\text{m}^2$  to  $0.6\text{m}^2$ .

The current maximum identified in the City of Stratford Sign By-law is  $1.0\text{m}^2$ , which exceeds these comparators. The current provisions within the Sign By-law were developed using public input via an open house, and circulation through the BIA, Destination Stratford, Heritage Stratford, Stratford and District Chamber of Commerce.

It is staff's understanding that there were no expressed concerns with the current size limitations on electric change copy signage during these consultations.

Any alterations of the change copy sign would require an engineer's report to ensure that the existing sign structure would be able to accommodate the added size and weight of the sign being proposed.



### **Financial Implications:**

**Not applicable:** A sign variance application fee of \$612.00, and a sign permit application fee of \$226.00 have been received for consideration of this variance.

### **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.

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

#### **Health and Happiness**

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

#### **Equity and Local Economy**

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

#### **Culture and Community**

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

**Staff Recommendation: THAT the request for a sign variance from the Avon Maitland District School Board to install an electric change copy sign on the existing structure be denied as the proposed sign does not meet the required**



**size requirements for an electric change copy sign in the Sign By-law 159-2004, as amended.**

**Prepared by:** Greg Rabe, Municipal Law Enforcement Officer  
Jonathan DeWeerd, Chief Building Official

**Recommended by:** Taylor Crinklaw, Director of Infrastructure and  
Development Services  
Joan Thomson, Chief Administrative Officer




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## MANAGEMENT REPORT

**Date:** May 17, 2022  
**To:** Finance and Labour Relations Sub-committee  
**From:** Karmen Krueger, CPA, CA, Director of Corporate Services  
**Report#:** FIN22-021  
**Attachments:** 1. FHI Auditor's Report; 2. FHI Financial Results to March 31 2022 and Financial Statements to December 31, 2021; 3. FHSI Auditor's Report; 4. FHSI Financial Results to March 31, 2022 and Financial Statements to December 31, 2021; 5. FHI Resolution of the Sole Shareholder; 6. FHSI Resolution of the Sole Shareholder

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**Title:** Financial Results, Statements and Commentary for Festival Hydro Inc. (FHI) and Festival Hydro Services Inc. (FHSI), for the year ending December 31, 2021, and the period ending March 31, 2022

**Objective:** To receive an update on Festival Hydro activities for the two periods ending December 31, 2021, and March 31, 2022.

In addition, as the audited financial statements require approval and adoption, these are attached for review along with the auditor's report.

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

**Analysis:** As noted in the attached statements. Representatives from Festival Hydro have been invited to attend as a delegation to present the attached reports.

### **Financial Implications:**

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

The reports are being provided for information so there are no direct financial impacts relating to the updates.

#### **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.

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

#### **Culture and Community**

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

**Staff Recommendation: THAT the Festival Hydro Inc. 2021 audited financial statements and commentary for the year ending December 31, 2021, be approved by City Council;**

**THAT the Festival Hydro Services Inc. 2021 audited financial statements and commentary for the year ending December 31, 2021, be approved by City Council;**

**THAT the Festival Hydro Inc. financial statements and commentary for the period ending March 31, 2022, be received for information;**

**THAT the Festival Hydro Services Inc. financial statements and commentary for the period ending March 31, 2022, be received for information;**

**THAT the Resolutions of the Sole Shareholder of Festival Hydro Inc. and Festival Hydro Services Inc. attached to Report FIN22-021, be adopted by City Council and authorization given for the Mayor and Clerk, or their respective delegates, to sign the resolutions on behalf of The Corporation of the City of Stratford;**

**THAT the Festival Hydro Inc. audit findings report ending December 31, 2021, be approved and adopted;**

**THAT the Festival Hydro Services Inc. audit findings report ending December 31, 2021, be approved and adopted;**

**THAT the financial statements of Festival Hydro Inc. as of December 31, 2021, consisting of the Balance Sheet as at December 31, 2021, the Statement of Income for the year ending December 31, 2021, the Statement of Retained Earnings for the year ending December 31, 2021, and the notes to the financial statements, and the report of the auditors thereon dated April 28, 2022, be and the same are hereby approved and adopted;**

**THAT all acts, contracts, by-laws, proceedings, appointments, elections and payments enacted, made, done and taken by the directors and officers of Festival Hydro Inc. since the last annual meeting of the shareholder as the**

same are set out or referred to in the minutes of the meetings and resolutions of the board of directors or referred to or given effect to in the aforesaid financial statements be and the same are hereby approved, ratified and confirmed;

**THAT the financial statements of Festival Hydro Services Inc. as of December 31, 2021, consisting of the Balance Sheet as at December 31, 2021, the Statement of Income for the year ended December 31, 2021, the Statement of Retained Earnings for the year ended December 31, 2021, and the notes to the financial statements, and the report of the auditors thereon dated April 28, 2022, be and the same are hereby approved and adopted;**

**AND THAT all acts, contracts, by-laws, proceedings, appointments, elections and payments enacted, made, done and taken by the directors and officers of Festival Hydro Services Inc. since the last annual meeting of the shareholder as the same are set out or referred to in the minutes of the meetings and resolutions of the board of directors or referred to or given effect to in the aforesaid financial statements be and the same are hereby approved, ratified and confirmed.**

<b>Prepared by:</b>	Karmen Krueger, CPA, CA, Director of Corporate Services
<b>Recommended by:</b>	Karmen Krueger, CPA, CA, Director of Corporate Services
	Joan Thomson, Chief Administrative Officer

## INDEPENDENT AUDITORS' REPORT

To the Shareholder of Festival Hydro Inc.

### ***Opinion***

We have audited the accompanying financial statements of Festival Hydro Inc., which comprise:

- the statement of financial position as at December 31, 2021
- the statement of profit or loss and other comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Festival Hydro Inc. as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of Festival Hydro Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Festival Hydro Inc.'s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Festival Hydro Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Festival Hydro Inc.'s financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

the purpose of expressing an opinion on the effectiveness of Festival Hydro's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Festival Hydro's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Festival Hydro Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

[Date]



Financial Statements

Prepared For:

Dave Gaffney and the Finance & Labour

Relations Committee

April 2022



**To:** Dave Gaffney and the Finance & Labour Relations Committee  
**From:** Alyson Conrad, CFO  
**Re:** MIFRS Statements at December 31, 2021 - FHI

The preliminary internal statements, based on Modified IFRS standards, were presented to the Committee earlier in the year but have been redistributed as part of this package. In addition, this is the commentary describing the updated final MIFRS statements as at December 31, 2021 based on adjustments made during the audit process.

**Significant changes to the Balance Sheet:**

Accounts Receivable

The accounts receivable balance was under-stated in the preliminary statements by \$339K as there were credit balances in the accounts receivable listing that needed to be reclassified to accounts payable for IFRS financial statement purposes.

Corporate PILs Recoverable and Future Tax Adjustments

Future taxes were updated based on a detailed future tax calculation that was performed as part of the 2021 audit process that differed from our original estimates. The PILs recoverable was also updated to account for the tax adjustments and the amounts on account with the MoF to assist in covering potential penalties and interest from future audits.

Property, Plant and Equipment

Property, plant and equipment was adjusted as part of the audit to update the accrued developer rebates. The developer rebates were reviewed internally and updated to ensure full alignment with the Distribution System Code.

Regulatory Assets

The main increase is due to the offsetting decrease in future taxes. Future taxes are maintained on the balance sheet instead of the income statement as future PILs will be recovered through rates. There was also a correction to the 1589 Global Adjustment account to account for a missed cost of power adjusting entry totaling \$30K.

Accounts Payable & Accrued Liabilities

The main increase is the reclassification of the accounts receivable credit balances mentioned above. This is offset by the adjustment to the developer rebates also noted.

Consumer Deposits

There was a \$486K reclassifying adjustment between the current portion and long-term portion of customer deposits. Current deposits are deposits that we expect to refund within one year of the statement date.

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### Dividends Declared

The dividends declared increased by \$500K to account for the top up dividend for 2021.

### **Significant changes to the Income Statement:**

#### Cost of Power

As noted in the regulatory asset section, as part of the audit process, there was an error discovered in the 1589 Global Adjustment balance due to a missing adjusting journal entry. The correction was offset to Cost of Power.

#### Distribution Lines & Services Overhead

There was a reduction in Distribution Lines & Services Overhead of \$83K which is made up of SRED recovery from our 2020 tax claim for 2019 and 2020 projects. The credits were allocated to the related labour accounts for the applicable Smart Grid projects.

#### Current Tax

Current taxes were estimated conservatively in the preliminary statements and were updated after a detailed review by KPMG. Due mainly to capital asset additions and their corresponding CCA credits, the income taxes for 2021 came in \$248K lower than projections.

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**To:** Dave Gaffney and the Finance and Labour Relations Committee  
**From:** Alyson Conrad, CFO  
**Re:** Commentary on FHI Financial Results –  
 For the period ended December 31, 2021

Please note that these are preliminary yearend statements and are subject to change based on the yearend audit review and detailed tax preparation. Also provided in the statements are a column for yearend projections that were prepared internally in October 2021. There are several references that compare balances to budget and projections.

Net income for the year is \$2.12M before the gain on the swap and the OCI, which is \$47K below budget and \$154K ahead of projections. As a reminder there is an increase in income tax expense of \$234K that relates to the interest penalty on the disallowed shareholder interest by the Minister of Finance (MoF). Detailed commentary on the balance sheet and statement of operations are noted below:

**BALANCE SHEET COMMENTARY:**

**Accounts Receivable** – The accounts receivable balance is \$780K greater than it was in 2020 and \$578K higher than projections. This variance is as described below.

Electric/Water/Sewage receivables - These balances are \$415K higher in 2021 than in 2020 however the majority is all current. Past due receivables are \$216K lower than they were in 2020 for electricity, water and sewer billing.

Deferred receivables - \$49K lower in 2021 due to a reduction in the need for arrears management plans. In 2020 the number of arrears management plans were extremely high due to the pandemic. We are returning to a more typical balance.

A/R Recoverable Work – A/R recoverable work is up \$485K from prior year. This is due to a higher amount of billing of subdivision work at the end of 2021.

Electric receivables are being continuously monitored due to pandemic impacts. It has been encouraging that accounts in arrears have decreased from the same time last year. The customer service department continues to actively pursue accounts in arrears even though we are currently under a Disconnection Moratorium which began on November 15<sup>th</sup>.

**Due from FHSI** – The amount due from FHSI is \$333K which is \$294K lower than 2020 and \$94K less than projections. The amount below projection is the result of lower than projected capital spend in FHSI and additional work completed for FHI by FHSI staff in the latter part of the year.

**Unbilled Revenue** – Unbilled revenue is currently \$1.14M below prior year and \$1.27M below projections. Usage was down approximately 1M kWh compared to prior year and the TOU rates were also lower compared to 2020. Consistent with prior years, a true up to unbilled revenue will be included in our final audited statements as December consumption will be billed by the end of February.

**Regulatory Asset/(Liability):** The regulatory asset balance has increased by \$2M since December 2020 and is driven virtually all by Wholesale Market Service charges and Network charges. The variances in these two accounts total \$1.7M. Both of these charges are approved on our annual rate order based on historical commodity charges. When the 2021 rate order rates are compared to the 2021 IESO invoices, the current IESO invoice rates are significantly higher than what we are billing customers. For example, Network charges ranged from .00690 to .00872 per kWh on IESO invoices and the approved rate order rate is .0070 per kWh. Only one month in the year was below the rate order rate. These variances will be cleared through a rate rider in the 2023 IRM application. The remainder of the variance is spread out across several regulatory accounts, all to be cleared either at the next IRM application or the next Cost of Service application depending on the type of account.

**Bank Indebtedness:** The bank indebtedness is \$379K less than projection which is mainly driven by the higher accounts payable and receivable balances at yearend. Net income is also higher than projections which would positively contribute to cash flows.

**Accounts Payable:** The balance is \$1.1M higher than 2020 and \$624K higher than projections. The amount higher than projection is the result of the higher December IESO invoice by \$589K. The variance is due to a higher final GA rate at the end of the year. This does not have the same impact on unbilled revenue because customers are billed on the first GA rate which was low. General trade A/P and accruals are lower by \$417K from prior year but are comparable to projections.

**Deposits:** Total deposits on hand (both short term and long term) have increased by \$270K compared to prior year. This is mostly due to construction deposits on hand increase by \$205K compared to prior year.

**Long Term Debt:** As mentioned in previous reports, the Infrastructure Ontario loans were paid out in late August and replaced with RBC loans as of November 1<sup>st</sup>. The new loan includes a lower interest rate and improved reporting requirements. The penalty for discharging the IO loan was expensed in the year.

#### **INCOME STATEMENT COMMENTARY:**

**Gross Margin on Service Revenue (Distribution Revenue) –** The gross margin on service revenue (or Distribution Revenue) is below budget by \$249K and below projections by \$237K. The main variance is LRAM (lost revenue adjustment mechanism) in the amount of \$218K. Based on analysis completed by our CDM contract vendor, there are no kWh or kW savings to claim in 2021 and therefore no revenue has been recorded. We are in the final wind down stages of the CDM framework and therefore will see limited to no new CDM savings. Distribution revenues for most rate classes were on or ahead of budget however >50kW were still below budget by the end of the year.

**Other Revenue –** Other revenue is above budget by \$79K and is ahead of projections by \$109K. The amount ahead of projections is mainly due to a higher number of billable work orders being billed in December increasing other revenues by \$72K. Other smaller variances higher than projections include \$22k more in streetlight billing.

**Operating and Maintenance (O & M) Expenses:** O&M costs are \$114K less than budget and \$66K less than projections. Decreases in expenses are due to three staffing delays. The Metering Manager was budgeted for a full year but was hired later than planned and the GIS Analyst and Meter Technician hiring have been delayed which has resulted in under spending in the budget. The GIS Analyst and Meter Technician positions were replaced with contract labour mid-year. Some of these reductions in cost were offset by increases in overhead and underground lines maintenance specifically for multiple old and leaking transformers that needed repair.

**Billing, Collecting & Admin Costs:** Billing and collection costs are \$77K under budget and \$47K less than projection. Admin costs were \$249K below budget and \$23K less than projection. The decreases are mainly due to several staff vacancies. The CFO position was vacant for most of Q1. In addition, the Customer Service Manager left early in the year and this position was filled internally at the end of March. The CEO and VP of IT resigned at the end of Q2. The CEO position was filled in early September but created another vacancy in the VP of Engineering and Operations. This role was filled in early January 2022 however the VP of IT role has still not been filled. There have also been lower expenses for training and development and conferences due to the continued Covid-19 pandemic conditions. FHSI resource costs were also down compared to budget due to staffing vacancies in FHSI earlier in the year. These decreases are offset by an increase in bad debt costs due to one large customer filing for bankruptcy, and an increase in Board remuneration due to CFO and CEO recruitment.

#### **CASH FLOW COMMENTARY:**

The cash indebtedness balance at the end of the year is \$16K. This is an improvement from projections by \$394K and an improvement of \$2.36M from budget. The main reasons for the improvement from projection were higher than projected working capital items. There is an increase in accounts payables, accounts receivables, regulatory assets and decrease in unbilled revenues as discussed with the balance sheet. In addition, there is a decrease in capital asset additions compared to projections which has improved the cash balance slightly. The average overdraft balance for 2021 was \$998K compared to \$2M in 2020 which demonstrates the improvement in cash balances throughout the year.

#### **LOAN COVENANT RATIOS:**

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

*Presented for information purposes.*

Financial Statements of



Year ended December 31, 2021

# Festival Hydro Inc.

## Statement of Financial Position

December 31, 2021, with comparative information for December 31, 2020

	Notes	2021	2020
<b>Assets</b>			
Accounts receivable	6, 22	\$ 8,124,901	\$ 7,020,471
Unbilled revenue	22	5,230,771	6,371,221
Inventories	7	163,443	172,612
Prepaid expenses		357,282	389,847
Income tax receivable		356,057	177,937
Due from corporations under common control	20	332,803	627,071
<b>Total current assets</b>		<b>14,565,257</b>	<b>14,759,159</b>
<b>Non current assets</b>			
Property, plant and equipment	8	57,113,909	55,447,062
Intangible assets and goodwill	9	1,734,841	1,955,244
<b>Total non-current assets</b>		<b>58,848,750</b>	<b>57,402,306</b>
<b>Total assets</b>		<b>73,414,007</b>	<b>72,161,465</b>
Regulatory balances	13	4,527,854	2,806,457
<b>Total assets and regulatory balances</b>		<b>\$ 77,941,861</b>	<b>\$ 74,967,922</b>

The accompanying notes are an integral part of these financial statements.

# Festival Hydro Inc.

## Statement of Financial Position

December 31, 2021, with comparative information for December 31, 2020

	Notes	2021	2020
<b>Liabilities and Equity</b>			
Bank indebtedness	5	\$ 15,768	\$ 977,189
Accounts payable and accrued liabilities		9,902,642	8,587,712
Deferred revenue		194,274	131,851
Income tax payable		-	-
Dividend payable	15, 21	500,556	115,211
Current portion of long-term debt	14, 22	16,307,717	16,264,985
Customer deposits	11	1,169,542	1,054,198
Due to the Corporation of the City of Stratford	20	625,460	631,937
<b>Total current liabilities</b>		<b>28,715,959</b>	<b>27,763,083</b>
<b>Non current liabilities</b>			
Deferred revenue		2,453,813	2,095,412
Customer deposits	11	594,311	439,796
Deferred tax liabilities	10	1,308,987	696,766
Employee future benefits	12	1,361,643	1,492,917
Unrealized loss on interest rate swap	22	938,948	1,585,033
Long-term debt	14, 22	10,540,477	11,112,654
<b>Total non-current liabilities</b>		<b>17,198,179</b>	<b>17,422,578</b>
<b>Total liabilities</b>		<b>45,914,138</b>	<b>45,185,661</b>
Share capital	15	15,568,388	15,568,388
Accumulated other comprehensive loss		(357,737)	(438,343)
Retained earnings		15,085,495	12,861,747
<b>Total equity</b>		<b>30,296,146</b>	<b>27,991,792</b>
<b>Total liabilities and equity</b>		<b>76,210,284</b>	<b>73,177,453</b>
Regulatory balances	13	1,731,577	1,790,469
<b>Total liabilities, equity and regulatory balances</b>		<b>77,941,861</b>	<b>74,967,922</b>

Commitments and contingencies (note 23)

Guarantee (note 24)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



# Festival Hydro Inc.

## Statement of Comprehensive Income

Year ended December 31, 2021, with comparative information for 2020

	Notes	2021	2020
<b>Revenues</b>			
Sale of energy	16	\$ 59,559,802	\$ 72,097,769
Distribution revenue	16	11,582,698	11,607,063
Other income	17	1,195,884	982,356
		<b>72,338,384</b>	<b>84,687,188</b>
Cost of power purchased		60,698,856	72,593,372
Operating expenses	18	6,014,814	6,080,279
Depreciation and amortization	8,9	2,412,000	2,548,121
		<b>69,125,670</b>	<b>81,221,772</b>
<b>Income from operating activities</b>		<b>3,212,714</b>	<b>3,465,416</b>
Finance income	19	18,445	26,677
Finance costs	19	958,164	2,451,839
<b>Income before income taxes</b>		<b>2,272,995</b>	<b>1,040,254</b>
Income tax expense	10	917,289	403,821
<b>Net income</b>		<b>1,355,706</b>	<b>636,433</b>
Net movement in regulatory balances:			
Net movement in regulatory balances	13	1,168,069	491,675
Income tax	10,13	590,859	169,729
<b>Net income and net movement in regulatory balances</b>		<b>3,114,634</b>	<b>1,297,837</b>
<b>Other comprehensive income (loss)</b>			
Items that will not be reclassified to profit and loss:			
Remeasurements of employee future benefits	12	80,606	(79,899)
Tax on remeasurements	10	(21,361)	21,173
Net movement in regulatory balances	13	21,361	(21,173)
<b>Other comprehensive loss</b>		<b>80,606</b>	<b>(79,899)</b>
<b>Total comprehensive income</b>		<b>\$ 3,195,240</b>	<b>\$ 1,217,938</b>

The accompanying notes are an integral part of these financial statements.

# Festival Hydro Inc.

## Statement of Changes in Equity

Year ended December 31, 2021, with comparative information for December 31, 2020

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total
<b>Balance at January 1, 2020</b>	<b>\$15,568,388</b>	<b>\$12,069,491</b>	<b>\$ (358,444)</b>	<b>\$ 27,279,435</b>
Net income after net movement in regulatory balances	–	1,297,837	–	1,297,837
Other comprehensive loss	–	–	(79,899)	(79,899)
Dividends, paid or payable	–	(505,581)	–	(505,581)
<b>Balance at December 31, 2020</b>	<b>\$15,568,388</b>	<b>\$12,861,747</b>	<b>\$ (438,343)</b>	<b>\$ 27,991,792</b>
<b>Balance at January 1, 2021</b>	<b>\$15,568,388</b>	<b>\$12,861,747</b>	<b>\$ (438,343)</b>	<b>\$ 27,991,792</b>
Net income after net movement in regulatory balances	–	3,114,634	–	3,114,634
Other comprehensive loss	–	–	80,606	80,606
Dividends, paid or payable	–	(890,886)	–	(890,886)
<b>Balance at December 31, 2021</b>	<b>\$15,568,388</b>	<b>\$15,085,495</b>	<b>\$ (357,737)</b>	<b>\$ 30,296,146</b>

The accompanying notes are an integral part of these financial statements.

# Festival Hydro Inc.

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

Cash provided by (used in)	Notes	2021	2020
<b>Operating activities</b>			
<b>Net income after net movement in regulatory balances</b>		\$3,114,634	\$ 1,297,837
<b>Adjustments for</b>			
Depreciation - property, plant and equipment	8	2,113,654	2,225,585
Amortization - intangible assets	9	298,348	322,536
Amortization of deferred revenue		(60,633)	(57,127)
Employee future benefits		(50,668)	(59,251)
Net finance costs	19	939,718	2,425,162
Income tax expense	10	917,289	403,820
		7,272,342	6,558,564
<b>Changes in non-cash operating working capital</b>			
Accounts receivable		(1,104,430)	(975,746)
Unbilled revenue		1,140,450	1,267,192
Inventories		9,169	(41,286)
Prepaid expenses		32,564	33,222
Accounts payable and accrued liabilities		1,314,930	263,061
Due from related parties		294,268	(89,089)
Due from the City of Stratford		(6,477)	24,765
Dividends Declared		385,345	(95,229)
Customer deposits		269,859	(168,196)
		2,335,678	218,694
Regulatory balances	13	(1,758,928)	(661,486)
Interest paid		(1,604,248)	(1,611,040)
Interest received		18,445	26,677
Income tax paid, net of refund		(888,101)	(304,204)
<b>Net cash from operating activities</b>		<b>5,375,188</b>	<b>4,227,203</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	8	(3,780,502)	(2,934,604)
Purchase of intangible assets	9	(77,945)	(249,987)
<b>Net cash used in investing activities</b>		<b>(3,858,447)</b>	<b>(3,184,591)</b>
<b>Financing activities</b>			
Contributions received from customers, net of repayments		479,666	465,542
Dividends	15	(505,541)	(505,581)
Proceeds from long-term debt		900,000	-
Repayment of long-term debt		(1,429,445)	(646,694)
<b>Net cash used in financing activities</b>		<b>(555,320)</b>	<b>(686,733)</b>
Decrease in bank indebtedness during the year		961,421	355,879
Bank indebtedness, beginning of the year		(977,189)	(1,333,068)
<b>Bank indebtedness, end of the year</b>		<b>\$ (15,768)</b>	<b>\$ (977,189)</b>

The accompanying notes are an integral part of these financial statements.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 1. Reporting entity:

Festival Hydro Inc. (the "Corporation") is a wholly owned subsidiary of the City of Stratford. The Corporation was incorporated on July 11, 2000 under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act Laws of the Province of Ontario, Canada. The address of the Corporation's registered office is 187 Erie Street, Stratford, Ontario, Canada.

The principal activity of the Corporation is to distribute electricity to the residents and businesses in the City of Stratford and the towns of Brussels, Dashwood, Hensall, Seaforth, St. Marys and Zurich, under a license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the Ontario Energy Board and adjustments to the Corporation's distribution and power rates require OEB approval.

The financial statements are for the Corporation as at and for the year ended December 31, 2021.

### 2. Basis of preparation:

#### (a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements were approved by the Board of Directors on April 28, 2022.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

#### (c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

#### (d) Use of estimates and judgements

Information about judgements made in applying accounting policies that have an effect on the amounts recognized in the financial statements is included in the following notes:

Note 3(l)	Determination of the performance obligation for contribution and the related amortization period
Note 3(m)	Whether an arrangement contains a lease
Note 6	Estimate for impairment for uncollected amounts, based on the lifetime expected credit losses
Note 8	Property, plant and equipment: useful lives and the identification of significant components of property, plant and equipment.
Note 9	Intangible assets: useful lives and goodwill impairment testing.
Note 12	Measurement of the defined benefit obligation – actuarial assumptions
Note 23	Recognition and measurement of commitments and contingencies.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 2. Basis of preparation (continued)

#### (e) Rate regulation

The Corporation is regulated by the Ontario Energy Board, under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, amongst other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Corporation is required to bill certain classes of customers for the debt retirement charges. The Corporation may file to recover uncollected debt retirement charges from Ontario Electricity Financial Corporation ("OEFC") once each year.

#### (f) Rate setting

##### ***Distribution revenue***

For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each class. The COS application is reviewed by the OEB and interveners on record. Rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years, the Corporation has chosen to file a Price Cap Incentive Rate Mechanism ("IRM") application. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

On May 27, 2014, the Corporation filed its 2015 Cost of Service application. The OEB issued its final Decision and Order dated June 5, 2015. The decision allows for a total service revenue requirement of \$11,210,828 based on a total rate base of \$61,778,759. The deemed debt portion of the rate base (60%) at \$27,067,256 earns a weighted average rate of 4.05%. The deemed equity portion of the rate base (40%) at \$24,711,504 earns a deemed return on equity of 9.30%. The rates were effective May 1, 2015 with an implementation date of June 1, 2015.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 2. Basis of preparation (continued)

#### (f) Rate setting (continued)

##### *Distribution revenue (continued)*

Festival filed its 2020 IRM application for distribution rates and was approved new rates by the OEB effective January 1, 2020. The Corporation's approved adjustment to distribution rates was 1.55%, as a result of an OEB approved inflation factor of 2.00%, less a stretch factor of 0.45% determined by the relative efficiency of the Corporation. The application included the approval of rate riders for the disposition of certain deferral and variance balances.

Festival filed its 2021 IRM application for distribution rates and was approved new rates by the OEB effective January 1, 2021. The Corporation's approved adjustment to distribution rates was 1.90%, as a result of an OEB approved inflation factor of 2.20%, less a stretch factor of 0.30% determined by the relative efficiency of the Corporation. The application included the approval of rate riders for the disposition of certain deferral and variance balances.

##### *Electricity rates*

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity and the global adjustment. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

### 3. Significant accounting policies:

The accounting policies set out below have been applied consistently for both years presented in these financial statements in accordance with IFRS.

#### (a) Regulatory balances

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or other comprehensive income ("OCI"). When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB. Any resulting impairment loss is recognized in profit or loss in the year incurred.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continue):

(a) Regulatory balances (continued)

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in bank accounts. On the statement of cash flows, cash and cash equivalents includes bank overdrafts (revolving credit facility) that are repayable on demand and form an integral part of the Corporation's cash management.

(c) Financial instruments

All financial assets are classified as loans and receivables, except for marketable securities which are classified as available for sale and derivatives which are measured as fair value through profit and loss. All financial liabilities are classified as other financial liabilities. These financial instruments are recognized initially at fair value adjusted for any directly attributable transaction costs.

Loans and receivables and other financial liabilities are subsequently measured at amortized cost using the effective interest method less any impairment for the financial assets.

Available for sale financial assets are subsequently measured at fair value, within the changes therein recognized in other comprehensive income until the assets are sold. Upon sale of an available for sale asset, the Corporation has elected to record the accumulated unrealized change in value of the asset as a transfer through other comprehensive income into profit and loss.

The Corporation holds derivative financial instruments to manage its interest rate risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein, are recognized in the statement of comprehensive income. Hedge accounting has not been used in the preparation of these financial statements.

(d) Inventories

Inventories are stated at lower of cost and net realizable value and consist of maintenance materials and supplies. Cost is determined on a weighted average basis, net of a provision for obsolescence, as applicable. The Corporation classifies all major construction related component of its electricity distribution infrastructure to property, plant and equipment.

(e) Property, plant and equipment ("PP&E")

Items of property, plant and equipment used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost, or, where the item is transferred from customers, its fair value, less accumulated depreciation and accumulated impairment losses. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 3. Significant accounting policies (continued):

#### (e) Property, plant and equipment ("PP&E")

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs on qualifying assets are capitalized as part of the cost of the asset and are based on the Corporation's cost of borrowing. For construction projects of less than one year in length, borrowing costs are not capitalized unless specific identifiable loans are acquired for the express purpose of financing a specific construction activity.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. Land is not depreciated. Construction in progress assets are not amortized until the project is complete and in service.

Depreciation begins when an asset becomes available for use. Depreciation is provided on a straight-line basis over the estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives for the current and comparative years are as follows:

Buildings	10 to 60 years
Distribution substation equipment	30 to 60 years
Distribution system equipment	30 to 60 years
Transformers	35 to 40 years
Meters	15 to 40 years
Other capital assets	4 to 20 years

Other capital assets include vehicles, office and computer equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within other income in the statement of comprehensive income.



## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 3. Significant accounting policies (continued):

#### (f) Intangible assets

Intangible assets include goodwill, computer software and capital contributions paid under capital cost recovery agreements ("CCRAs").

##### (i) Goodwill

Goodwill represents the excess of cost over fair value of net assets which arose upon amalgamation of the former electrical distribution entities. Goodwill is measured at cost less accumulated impairment losses.

##### (ii) Computer software

Computer software acquired prior to January 1, 2014, is measured at deemed cost less accumulated depreciation. All other software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization and accumulated impairment losses.

##### (iii) Capital contributions paid under capital cost recovery agreements

Capital contributions paid under CCRAs are measured at cost less accumulated amortization and accumulated impairment losses.

##### (iv) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are:

Computer software	5 years
CCRAs	15 to 25 years

Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted if appropriate.

#### (g) Impairment

##### (i) Financial assets measured at amortized cost

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than regulatory assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated as at December 31 of each year.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The Corporation has determined that it has one cash generating unit. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### (h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### (i) Employee benefits

##### (i) Pension plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("Fund"). The Fund is a contributory defined benefit pension plan which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (i) Pension plan (continued)

OMERS is a defined benefit plan, however, as the plan assets and pension obligations are not segregated in separate accounts for each member entity, sufficient information is not available to enable the Corporation to directly account for the plan. As such, the plan has been accounted for as a defined contribution plan. The contribution payable is recognized as an employee benefit expense in the statement of comprehensive income in the period in which the service was rendered by the employee, since it is not practicable to determine the Corporation's portion of person obligations of the fair value of plan assets.

#### (ii) Employee future benefits, other than pension

The Corporation has an unfunded benefit plan providing post-employment benefits (other than pension) to its employees. The Corporation provides its retired employees (20 years service; less than age 65) with life insurance and medical benefits beyond those provided by government sponsored plans. Life insurance is provided for current retirees including those over age 65.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses, are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

#### (j) Deferred revenue and assets transferred from customers

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. Cash contributions are initially recorded under current liabilities as customer deposits. Once the distribution system asset is completed or modified, as outlined in the terms of the contract, the contribution amount is transferred to deferred revenue.

When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as contributions in aid of construction. The contributions in aid of construction account, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is reported as deferred revenue, and is amortized to other income on a straight-line basis over the terms of the agreement with the customer or the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

#### (k) Customer deposits

Security deposits from electricity customers are cash collections to guarantee the payment of electricity bills. The electricity customer security deposits liability includes related interest amounts, calculated using OEB prescribed interest rates, and owed to the customers with a corresponding amount charged to finance costs. Deposits that are refundable upon demand are classified as a current liability. Annually, accrued interest is applied directly to the customers' accounts.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (k) Customer deposits (continued)

Security deposits on offers to connect are cash collections from specific customers to guarantee the payment of additional costs relating to expansion projects. This liability includes related interest amounts owed to the customers with a corresponding amount charged to finance costs. Deposits are classified as a current liability when the Corporation no longer has an unconditional right to defer payment of the liability for at least 12 months after the reporting period.

#### (l) Revenue Recognition

##### (i) *Sale and distribution of electricity*

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

##### (ii) *Capital contributions*

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (l) Revenue Recognition (continued)

##### (ii) *Other revenue*

Revenue earned from the provision of services is recognized as the service is rendered. Government grants and the related performance incentive payments under Conservation and Demand Management (“CDM”) programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

#### (m) Leased assets

At inception of a contract, the Corporation assess whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or for leases of low value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (n) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents.

Finance costs comprise interest expense on customer deposits, the demand notes payable, revolving credit facility and long-term borrowings.

Changes in the fair value of interest rate swap agreements are recorded either in finance income, or costs, depending on whether an unrealized gain or loss is required.

#### (o) Income taxes

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. Pursuant to the Electricity Act, 1998 (Ontario), the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to other comprehensive income or items recognized directly in equity, in which case, it is recognized in accumulated comprehensive income or retained earnings, respectively.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

Rate-regulated accounting requires the recognition of regulatory balances and related deferred tax assets and liabilities for the amount of deferred taxes expected to be refunded to or recovered from customers through future electricity distribution rates. A gross up to reflect the income tax benefits associated with reduced revenues resulting from the realization of deferred tax assets is recorded within regulatory credit or debt balances. Deferred taxes that are not included in the rate-setting process are charged or credited to the statements of comprehensive income.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

(o) Income taxes (continued)

The benefits of the refundable and non-refundable apprenticeship and other ITCs are credited against the related expense in the statements of comprehensive income.

### 4. Standards issued but not yet adopted:

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. These standards or amendments relate to the measurement and disclosure of financial assets and liabilities. The extent of the impact on adoption of these standards and amendments has not yet been determined.

- i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- ii. Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
- iii. Annual Improvements to IFRS Standards 2018-2020

i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1):

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. On July 15, 2020 the IASB issued an amendment to defer the effective date by one year. The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option.

The amendments state that settlement of a liability includes transferring a company's own equity instruments to the counterparty, and when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity.

The Corporation intends to adopt this standard in its financial statements for the annual period beginning January 1, 2023. The extent of the impact of adoption of the standard has not yet been determined

ii. Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16):

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 4. Standards issued but not yet adopted (continued):

The amendments provide guidance on the accounting for sale proceeds and the related production costs for items a company produces and sells in the process of making an item of property, plant and equipment available for its intended use. Specifically, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items.

The Corporation intends to adopt this standard in its financial statements for the annual period beginning January 1, 2022. The extent of the impact of adoption of the standard has not yet been determined.

#### iii. Annual Improvements to IFRS Standards 2018-2020:

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018-2020.

The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted. The amendments relate to the following:

- IFRS 9 Financial Instruments: Clarifies which fees are included for the purpose of performing the '10 per cent test' for derecognition of financial liabilities.

- IFRS 16 Leases: Removes the illustration of payments from the lessor relating to leasehold improvements in the Illustrative Example 13.

- IAS 41 Agriculture: Removes the requirement to exclude cash flows for taxation when measuring fair value.

The Corporation intends to adopt these standards in its financial statements for the annual period beginning January 1, 2022. The Corporation does not expect these standards to have a material impact on the financial statements.



# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 5. Bank indebtedness:

	2021	2020
Cash	\$ 1,660	\$ 1,660
Revolving credit facility	(17,428)	(978,849)
<b>Bank indebtedness</b>	<b>\$ (15,768)</b>	<b>\$ (977,189)</b>

### 6. Accounts receivable:

	2021	2020
Energy, water and sewer	\$ 6,223,521	\$ 5,496,498
Other	1,901,380	1,523,973
<b>Total</b>	<b>\$ 8,124,901</b>	<b>\$ 7,020,471</b>

Included in accounts receivable is \$1,193,417 (2020 - \$1,430,381) of customer receivables for water consumption and sewer ("water & sewer") that the Corporation bills and collects on behalf of the City of Stratford and the Town of St. Marys. As the Corporation does not assume liability for collection of these amounts, any amount related to City of Stratford and Town of St. Marys water & sewer charges that are determined to be uncollectible are charged to the City of Stratford and Town of St. Marys, respectively. At year end, there is nil (2020 - nil) included in the provision for impairment for uncollectable amounts relating to water and sewer.

### 7. Inventories:

The amount of inventories consumed by the Corporation and recognized as an expense during 2021 was \$166,873 (2020 - \$126,663). During 2021, an amount of nil (2020 - nil) was recorded as an expense for the write-down of obsolete or damaged inventory to net realizable value.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 8. Property, plant and equipment:

#### a) Cost or deemed cost

	Land and buildings	Distribution substation equipment	Other distribution system equipment	Transformer station	Total
Balance at January 1, 2020	\$2,506,431	\$47,341,268	\$2,974,242	\$13,976,313	\$66,798,254
Additions	156,731	2,658,073	86,987	72,697	2,974,488
Transfers	-	-	(39,884)	-	(39,884)
Disposals/retirements	-	(2,420,174)	(210,611)	-	(2,630,785)
<b>Balance at December 31, 2020</b>	<b>\$2,663,162</b>	<b>\$ 47,579,167</b>	<b>\$ 2,810,734</b>	<b>\$ 14,049,010</b>	<b>\$ 67,102,073</b>

Balance at January 1, 2021	\$2,663,162	\$47,579,167	\$2,810,734	\$14,049,010	\$67,102,073
Additions	477,555	2,698,194	326,676	143,417	3,645,842
Transfers	-	-	134,660	-	134,660
Disposals/retirements	(6,795)	(230,606)	(155,736)	-	(393,137)
<b>Balance at December 31, 2021</b>	<b>\$3,133,922</b>	<b>\$ 50,046,755</b>	<b>\$ 3,116,334</b>	<b>\$ 14,192,427</b>	<b>\$ 70,489,438</b>

#### b) Accumulated depreciation

	Land and buildings	Distribution substation equipment	Other distribution system equipment	Transformer station	Total
Balance at January 1, 2020	\$ 254,117	\$ 8,851,881	\$ 1,058,698	\$ 1,895,515	\$ 12,060,211
Depreciation	83,263	1,546,018	271,753	324,551	2,225,585
Disposals/retirements	-	(2,420,173)	(210,612)	-	(2,630,785)
<b>Balance at December 31, 2020</b>	<b>\$ 337,380</b>	<b>\$ 7,977,726</b>	<b>\$ 1,119,839</b>	<b>\$ 2,220,066</b>	<b>\$ 11,655,011</b>

Balance at January 1, 2021	\$ 337,380	\$ 7,977,726	\$ 1,119,839	\$ 2,220,066	\$ 11,655,011
Depreciation	96,716	1,413,877	268,888	334,173	2,113,654
Disposals/retirements	(6,795)	(230,605)	(155,736)	-	(393,136)
<b>Balance at December 31, 2021</b>	<b>\$ 427,301</b>	<b>\$ 9,160,998</b>	<b>\$ 1,232,991</b>	<b>\$ 2,554,239</b>	<b>\$ 13,375,529</b>

#### c) Carrying amounts

	Land and buildings	Distribution substation equipment	Other distribution system equipment	Transformer station	Total
December 31, 2020	2,325,782	39,601,441	1,690,895	11,828,944	55,447,062
December 31, 2021	2,706,621	40,885,757	1,883,343	11,638,188	57,113,909

#### d) Borrowing costs

During the year, no borrowing costs (2021 – nil) were capitalized as part of the cost of property, plant and equipment.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 9. Intangible assets and goodwill:

#### a) Cost or deemed cost

	Goodwill	Computer software	Land Rights	CCRA's	Total
Balance at January 1, 2020	\$ 515,359	\$ 1,650,805	\$ 3,150	\$ 966,935	\$ 3,136,249
Additions	-	249,987	-	-	249,987
Disposals	-	(306,877)	-	-	(306,877)
<b>Balance at December 31, 2020</b>	<b>\$ 515,359</b>	<b>\$ 1,593,915</b>	<b>\$ 3,150</b>	<b>\$ 966,935</b>	<b>\$ 3,079,359</b>
Balance at January 1, 2021	\$ 515,359	\$ 1,593,915	\$ 3,150	\$ 966,935	\$ 3,079,359
Additions	-	77,945	-	-	77,945
Disposals	-	(252,888)	-	-	(252,888)
<b>Balance at December 31, 2021</b>	<b>\$ 515,359</b>	<b>\$ 1,418,972</b>	<b>\$ 3,150</b>	<b>\$ 966,935</b>	<b>\$ 2,904,416</b>

#### b) Accumulated amortization

	Goodwill	Computer software	Land Rights	CCRA's	Total
Balance at January 1, 2020	\$ -	\$ 788,910	\$ -	\$ 319,546	\$ 1,108,456
Amortization	-	268,063	-	54,473	322,536
Disposals	-	(306,877)	-	-	(306,877)
<b>Balance at December 31, 2020</b>	<b>\$ -</b>	<b>\$ 750,096</b>	<b>\$ -</b>	<b>\$ 374,019</b>	<b>\$ 1,124,115</b>
Balance at January 1, 2021	\$ -	\$ 750,096	\$ -	\$ 374,019	\$ 1,124,115
Amortization	-	243,875	-	54,473	298,348
Disposals	-	(252,888)	-	-	(252,888)
<b>Balance at December 31, 2021</b>	<b>\$ -</b>	<b>\$ 741,083</b>	<b>\$ -</b>	<b>\$ 428,492</b>	<b>\$ 1,169,575</b>

#### c) Carrying amounts

	Goodwill	Computer software	Land Rights	CCRA's	Total
December 31, 2020	515,359	843,819	3,150	592,916	1,955,244
December 31, 2021	515,359	677,889	3,150	538,443	1,734,841

#### d) Goodwill impairment

Management has determined that the Corporation's rate regulated operations are one cash generating unit. Therefore, the goodwill was allocated to the Corporation as a whole. The annual impairment test is based on the Corporation's value in use. Value in use was determined by discounting the future cash flows of the Corporation and was based on the following key assumptions:

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 9. Intangible assets and goodwill:

#### d) Goodwill impairment (continued)

A detailed valuation of the Corporation was undertaken during 2021 based on financial results of the Corporation as at December 31, 2021. Cash flows were projected based on actual operating results and the cost of capital and rate of return as approved in the 2015 Cost of Service application. A discounted cash flow model was utilized based on free cash flows for 20 years, followed by a terminal value calculated based on a steady-state cash flow, with the terminal value within range of market-based terminal multiples. The recoverable amount of the Corporation was determined to be greater than the carrying value of goodwill and no impairment was recorded as at December 31, 2021 or December 31, 2020.

### 10. Income taxes:

	2021	2020
<b>Income tax expense</b>		
Current tax expense:		
Current year	\$ 322,507	\$ 234,092
Prior year	3,923	-
Total current tax expense	326,430	234,092
Deferred tax expense:		
Change in recognized deductible temporary differences	590,859	169,729
Total current and deferred income tax in profit or loss, before movement of regulatory balance	917,289	403,821
Other comprehensive income:		
Employee future benefits	(21,361)	(21,173)
Total current and deferred tax, before movement in regulatory balances	938,650	382,648
Net movement in regulatory balances	(612,220)	(148,556)
<b>Income tax expense recognized in statement of comprehensive Income</b>	<b>\$326,430</b>	<b>\$234,092</b>
<b>Reconciliation of effective tax rate</b>		
	2021	2020
Income before taxes	\$3,538,670	\$1,452,030
Canada and Ontario statutory income tax rates	26.5%	26.5%
Expected tax provision on income tax at statutory rates	937,748	384,788
Increase (decrease) in income tax resulting from:		
Permanent differences	1,420	1,004
Recognized deductible temporary difference due from customers	(612,220)	(148,556)
Other	(518)	(3,144)
<b>Income tax expense</b>	<b>\$ 326,430</b>	<b>\$ 234,092</b>

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 10. Income taxes (continued):

	2021	2020
Deferred tax assets (liabilities):		
Property, plant, equipment and intangible assets	(\$1,968,063)	(\$1,554,949)
Employee future benefits	360,835	395,623
Other	298,241	462,560
	<b>(\$1,308,987)</b>	<b>(\$696,766)</b>

### 11. Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers as well as construction deposits. These customer deposits bear interest at the OEB's prescribed interest rate, which is the Bank of Canada's prime business rate less 2%.

Deposits from electricity distribution customers are refundable to customers demonstrating an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service. Due to the demand nature of these deposits, they are classified as current liabilities.

Construction deposits represent cash prepayments for the estimated cost of capital projects recoverable from customers and developers. Upon completion of the capital project, these deposits are transferred to deferred revenue.

Customer deposits comprise:

	2021	2020
Electricity deposits	\$1,061,051	\$ 979,437
Construction deposits	702,802	514,557
<b>Total customer deposits</b>	<b>\$1,763,853</b>	<b>\$1,493,994</b>
Consisting of:		
Short-term	\$ 1,169,542	\$ 1,054,198
Long-term	594,311	439,796

### 12. Employee future benefits:

#### (a) Employee future benefits, other than pension

The Corporation provides certain unfunded health, dental and life insurance benefits on behalf of its retired employees. These benefits are provided through a group defined benefit plan. The Corporation has reflected its share of the defined benefit costs and related liabilities, as calculated by the actuary, in these financial statements. The accrued benefit liability and the corresponding expense were based on results and assumptions determined by actuarial valuation as at December 31, 2021.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 12. Employee future benefits (continued):

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

	2021	2020
<b>Defined benefit obligation, beginning of year</b>	\$ 1,492,917	\$ 1,472,268
Included in profit or loss:		
Current service cost	39,189	34,138
Interest cost	37,165	42,136
	76,354	76,274
Included in OCI:		
Actuarial (gains) losses arising from changes in financial assumptions	(80,606)	79,899
Benefits paid during the year	(127,022)	(135,524)
<b>Defined benefit obligation, end of year</b>	<b>\$1,361,643</b>	<b>\$1,492,917</b>

The significant actuarial assumptions used in the valuation are as follows:

	2021	2020
Discount rate	3.00%	2.60%
Rate of compensation increase	2.50%	2.50%
Initial health care cost trend rate	4.70%	4.40%
Initial dental cost trend rate	4.90%	4.70%
Year that rate reaches the rate it is assumed to be	2040	2040
Cost trend rate declines to	4.00%	4.00%

Significant actuarial assumptions for benefit obligation measurement purposes are the discount rate and assumed medical and dental cost trend rates. The sensitivity analysis below has been determined based on reasonably possible changes in the assumptions, in isolation of one another, occurring at the end of the reporting period. This analysis may not be representative of the actual change since it is unlikely these changes in assumptions would occur in isolation from each other. The approximate effect on the accrued benefit obligation of the entire plan and the estimated net benefit expense of the entire plan if the health care trend rate assumption was increased or decreased by 1%, and all other assumptions were held constant, is as follows:

	2021	2020
Benefit Obligation, end of year	\$1,361,644	\$1,492,917
1% increase in health care trend rate	50,156	46,183
1% decrease in health care trend rate	(44,744)	(41,417)
1% increase in discount rate	(167,544)	(185,717)
1% decrease in discount rate	215,456	241,083

#### (b) Pension plan

The Corporation provides a pension plan for its employees through the Ontario Municipal Employees Retirement System. The plan is a multi-employer, contributory defined benefit pension plan. In 2021, the Corporation made employer contributions of \$353,752 to OMERS (2020 - \$372,037). The Corporation's net benefit expense has been allocated as follows:

- \$134,426 (2020 - \$141,374) capitalized as part of PP&E
- \$180,413 (2020 - \$189,739) charged to operating expenses
- \$38,913 (2020 - \$40,924) charged to CDM and billable work

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 12. Employee future benefits (continued):

#### (b) Pension plan (continued)

As at December 31, 2021, OMERS states that their plan was 97% funded (2020 – 97%). OMERS has a strategy to return the plan to a fully funded position. The Corporation is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions. The Corporation's contributions represent less than 1% of the total annual contributions to the OMERS plan.

### 13. Regulatory assets and liabilities:

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

In the tables below, the "Additions" column consists of new additions to regulatory balances (for both debits and credits). The "Recovery/reversal" column consists of amounts collected through rate riders or transactions reversing an existing regulatory balance. The "Other movements" column consists of reclassification between the regulatory debit and credit balances. For the years ended December 31, 2021 and 2020, the Corporation did not record any impairments related to regulatory debit balances.

	January 1, 2021	Additions	Recovery/ reversal	Other Movements	December 31, 2021	Notes
<b>Regulatory deferral account debit balances</b>						
Settlement (Group 1) variances	\$ 1,605,348	\$ 1,538,071	\$ (203,135)	\$ (345)	\$ 2,939,939	(1)
Stranded meters	2,286	6	-	-	2,292	(2)
LRAM	494,049	(219,691)	(5,730)	-	268,628	(1)
Deferred Taxes	696,766	612,221	-	-	1,308,987	(4)
Rate application costs	8,008	-	-	-	8,008	(3)
	<b>\$ 2,806,457</b>	<b>\$1,930,607</b>	<b>\$ (208,865)</b>	<b>\$(345)</b>	<b>\$ 4,527,854</b>	

	January 1, 2020	Additions	Recovery/ reversal	Other Movements	December 31, 2020	Notes
<b>Regulatory deferral account debit balances</b>						
Settlement (Group 1) variances	\$ 301,257	\$ 129,486	\$ (153,653)	\$ 1,328,258	\$ 1,605,348	(1)
Stranded meters	2,271	15	-	-	2,286	(2)
LRAM	426,427	283,485	(215,863)	-	494,049	(1)
Deferred Taxes	548,210	148,556	-	-	696,766	(4)
Rate application costs	8,008	-	-	-	8,008	(3)
	<b>\$ 1,286,173</b>	<b>\$561,542</b>	<b>\$ (369,516)</b>	<b>\$1,328,258</b>	<b>\$ 2,806,457</b>	

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 13. Regulatory assets and liabilities (continued):

	January 1, 2021	Additions	Recovery/ reversal	Other Movements	December 31, 2021	Notes
<b>Regulatory deferral account credit balances</b>						
Settlement (Group 1) variances	\$ (1,507,500)	11,714	\$ 208,865	\$ 345	(1,286,576)	(1)
IFRS transition adjustments	(10,783)	-	-	-	(10,783)	(5)
PILS	(272,186)	(162,032)	-	-	(434,218)	
	<b>\$ (1,790,469)</b>	<b>\$ (150,318)</b>	<b>\$ 208,865</b>	<b>\$ 345</b>	<b>\$ (1,731,577)</b>	

	January 1, 2020	Additions	Recovery/ reversal	Other Movements	December 31, 2020	Notes
<b>Regulatory deferral account credit balances</b>						
Settlement (Group 1) variances	\$ (759,239)	426,344	\$ 153,653	\$ (1,328,258)	(1,507,500)	(1)
IFRS transition adjustments	(10,783)	-	-	-	(10,783)	(5)
PILS	(140,394)	(131,792)	-	-	(272,186)	
	<b>\$ (910,416)</b>	<b>\$ 294,552</b>	<b>\$ 153,653</b>	<b>\$ (1,328,258)</b>	<b>\$ (1,790,469)</b>	

- 1) The changes in settlement (Group 1) and LRAM balances outstanding from December 31, 2019 were approved for disposition as part of the 2021 IRM application with rates effective January 1, 2021 to be collected over a 12-month period.
- 2) As part of the 2015 COS application, the OEB approved the disposition of stranded meters through a rate rider effective May 1, 2015 (implemented June 1, 2015) with recovery over a 7-month period ending December 31, 2015. Since the residual balance is not material, it will remain in place until the next COS application.
- 3) The 2015 COS rate application costs were approved for recovery by the OEB and have been amortized over a forty-three-month period ending December 31, 2019.
- 4) Disposition is not requested for the deferred tax balance as it is being reversed through timing differences in the recognition of deferred tax assets. No carrying charges are calculated on this balance.
- 5) As part of the 2015 COS application, the OEB approved the disposition of the account 1575/76 IFRS transition account balance used to record the difference arising on adoption of new asset useful lives and overhead rates and write off of end-of-life assets. These account balances were included as a rate rider effective May 1, 2015 (implemented June 1, 2015) and were recovered over a 7-month period ended December 31, 2015. Since the residual balance is not material, it will remain in place until the next COS application.

Carrying charges are applied to all regulatory account balances at the OEB prescribed interest rates, with the exception of the deferred tax assets on which no carrying charges are applied.

As part of the Corporation's 2021 IRM application, the change in debit and credit balance settlement (Group 1) variance accounts occurring during fiscal 2019 were approved as part of 2020 distribution rates for recovery over a 12-month period commencing January 1, 2021. As such, the risk associated with the recovery of variance accounts is limited to the incremental value of non-settlement variances arising since 2019.



# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 14. Long-term debt:

Long-term debt consists of the following:

	2021	2020
Subordinate, secured loan advances from Infrastructure Ontario Projects Corporation (OIPC), bearing interest at 4.4% per annum, with payments of principal and interest of \$100,585 due semi-annually, maturing June 15, 2025, secured by a general security agreement.	\$ -	\$813,214
Subordinate, secured loan advances from Infrastructure Ontario Projects Corporation (OIPC), bearing interest at 3.98% per annum, with payments of principal and interest of \$13,733 due semi-annually, maturing October 1, 2025, secured by a general security agreement.	-	123,425
Royal Bank revolving term loan, bearing interest at 2.93%, plus a stamping fee of 0.42%, payable in monthly principal instalments of approximately \$35,000 plus interest, increasing by \$1,000 yearly until maturity on May 31, 2038, secured by a general security agreement.	10,366,000	10,841,000
Royal Bank loan, bearing interest at 2.62%, payable in monthly principal instalments of \$19,768, maturing November 25, 2025, secured by a general security agreement.	882,194	-
Notes payable to shareholder, bearing interest at 7.25% per annum, with interest payments only, due on demand, unsecured.	15,600,000	15,600,000
	<b>26,848,194</b>	<b>27,377,639</b>
Less: current portion	16,307,717	16,264,985
<b>Long-term debt</b>	<b>\$10,540,477</b>	<b>\$11,112,654</b>

#### Interest rate swaps

The Corporation entered into an interest rate swap agreement on a notional principal of \$14,000,000 effective May 31, 2013, which matures May 31, 2038. The swap is a receive-variable, pay-fixed swap with the Royal Bank. This agreement has effectively converted variable interest rates to an effective fixed interest rate of 2.93% plus stamping fee of 0.42% on the Royal Bank revolving term loan. The stamping fee is subject to change every 10 years, with the first maturity being May 31, 2023.

During the year, the Corporation entered into an interest rate swap agreement on a notional principal of \$5,000,000. The Corporation has not yet made any draws on this available credit and is not required to do so until the effective date of December 31, 2024. This agreement has effectively converted variable interest rates to an effective fixed interest rate of 2.51% plus stamping fee of 0.42% on the Royal Bank revolving term loan.

The Corporation has determined these swaps do not meet the standard to apply hedge accounting. Since the standard is not met, the interest rate swap contracts have been recorded at their fair value at December 31, 2021 with the combined unrealized gain for the year of \$646,085 (2020 – loss of \$840,798) recorded as finance cost in the statement of comprehensive income.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 14. Long-term debt continued:

#### Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Current and long- term debt	Dividends payable	Retained earnings	Total (financing cash flows)
Balance at January 1, 2021	\$ 27,377,639	\$ 115,211	\$ 12,861,747	
Dividends paid	-	(115,211)	(390,330)	\$ (505,541)
Proceeds from long-term debt	900,000	-	-	900,000
Repayments of long-term debt	(1,429,445)	-	-	(1,429,445)
<b>Total changes from financing cash flows</b>	<b>\$ (529,445)</b>	<b>\$ (115,211)</b>	<b>\$ (390,330)</b>	<b>\$ (1,034,986)</b>
Dividend declared but not paid	-	500,556	(500,556)	-
Net income after net movements in regulatory balances	-	-	3,114,634	-
Balance at December 31, 2021	\$ 26,848,194	\$ 500,556	\$ 15,085,495	\$ -

### 15. Share capital:

	2021	2020
<b>Authorized:</b>		
Unlimited Class A special shares, non-cumulative, 5.0%		
Unlimited Class B special shares		
Unlimited Common shares		
<b>Issued:</b>		
6,100 Class A special shares	\$ 6,100,000	\$ 6,100,000
6,995 Common shares	9,468,388	9,468,388
	<b>\$ 15,568,388</b>	<b>\$15,568,388</b>

Dividends paid on the 6,100 class A special shares during the year totalled \$152,500 (2020 - \$152,500). Dividends paid on the 6,995 common shares during the year totalled \$738,386 (2020 - \$448,310). A common share dividend was declared on December 15, 2021 and is payable on all common shares on record at December 31, 2021, with the dividend to be paid in 2022. The dividend amount payable at December 31, 2021 is \$500,556 (2020 - \$115,211).

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 16. Revenue from Contracts with Customer:

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. Sources of revenue are as documented in the table below.

	2021 Sale of Energy	2021 Distribution Revenue	2020 Sale of Energy	2020 Distribution Revenue
Residential	\$ 16,035,245	\$ 6,695,809	\$ 21,131,596	\$ 6,543,961
Commercial	39,685,538	4,553,668	47,992,316	4,711,664
Large Users	2,653,924	321,241	2,657,490	316,735
Other	1,185,095	11,980	316,367	34,703
	<b>\$ 59,559,802</b>	<b>\$ 11,582,698</b>	<b>\$ 72,097,769</b>	<b>\$ 11,607,063</b>

### 17. Other income:

	2021	2020
Collection, late payment and other service charges	\$ 187,699	\$ 133,886
Pole attachment and other rental income	128,767	148,673
Miscellaneous	852,693	674,322
Solar generation	26,725	25,475
	<b>\$ 1,195,884</b>	<b>\$ 982,356</b>

Collection, late payment and other service charges are based on service charge rates and retailer rates as approved by the OEB. Pole attachment and other rentals consist primarily of pole attachment charges and charges for office and service centre space.

Miscellaneous includes revenues from City of Stratford and Town of St. Marys water and sewage billing services, street lighting services, management fees charged to Festival Hydro Services Inc. and other revenue sources.

### 18. Operating expenses:

	2021	2020
Salaries and benefits	\$ 3,003,417	\$ 3,334,933
External services	1,664,018	1,479,756
Materials and supplies	624,585	633,419
Other support costs	722,794	632,171
	<b>\$ 6,014,814</b>	<b>\$ 6,080,279</b>

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 19. Finance income and costs:

	2021	2020
Interest income on loan to corporation under common control	\$ 13,587	\$ 20,833
Interest on bank account	2,991	4,774
Interest on written off trade receivables	1,867	1,070
<b>Finance income</b>	<b>\$ 18,445</b>	<b>\$ 26,677</b>
Interest expense on demand notes payable	\$1,131,000	\$1,131,000
Interest expense on long-term debt	378,136	418,654
Interest on revolving credit facility	24,449	52,112
Interest expense on deposits	6,207	9,274
Unrealized (gain) loss on interest rate swap	(646,085)	840,799
Other interest expense	64,457	-
<b>Finance costs</b>	<b>\$ 958,164</b>	<b>\$2,451,839</b>
<b>Net finance costs</b>	<b>\$ 939,719</b>	<b>\$2,425,162</b>

Other interest expenses of \$64,457 are related to accrued interest and discharge fees for the early payment of the Infrastructure Ontario Projects Corporation (OIPC) loans with a combined principal payout of \$842,668.

### 20. Related party transactions:

#### a) Parent and ultimate controlling party

The parent and sole shareholder of the Corporation is the Corporation of the City of Stratford (the "City"). The City of Stratford produces financial statements that are available for public use.

#### b) Key management personnel

The key management personnel of the Corporation has been defined as members of its Board of Directors and executive management team members. Total compensation of key management in 2021 was \$662,748 (2020 - \$628,468).

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 20. Related party transactions (continued):

#### (b) Transactions with the Corporation of the City of Stratford

The following summarizes the Corporation's related party transactions, recorded at the exchange amounts, with the parent, the City of Stratford, for the years ended December 31:

	2021	2020
<b>Revenues:</b>		
Energy sales	\$ 1,612,278	\$ 1,807,165
Water and sewer administration fee	494,093	490,245
Street lighting services	34,878	36,327
Service centre space rental	27,638	29,942
<b>Total revenues</b>	<b>\$ 2,168,887</b>	<b>\$ 2,363,679</b>
<b>Expenses:</b>		
Interest on demand notes payable	\$ 1,131,000	\$ 1,131,000
Property taxes	118,062	126,361
Tree trimming	78,073	65,163
<b>Total expenses</b>	<b>\$ 1,327,135</b>	<b>\$ 1,322,524</b>
	<b>December 31, 2020</b>	<b>December 31, 2020</b>
<b>Receivable balances:</b>		
Accounts receivable	\$ 370,838	\$ 370,627
<b>Payable balances:</b>		
Accounts payable and accrued charges	\$ 996,298	\$ 1,002,564
Demand notes payable	15,600,000	15,600,000
Dividends payable	500,556	115,211
<b>Total payables</b>	<b>\$17,096,854</b>	<b>\$16,717,775</b>
The net amount owing to the Corporation of the City of Stratford for accounts receivable, accounts payable and accrued charges is \$625,460 (2020 - \$631,937).		
Dividends paid or payable	\$ 890,886	\$ 600,810

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 20. Related party transactions (continued):

#### (c) Transactions with corporations under common control of the parent

The following summarizes the Corporation's related party transactions, recorded at the exchange amounts, with Festival Hydro Services Inc., a wholly-owned subsidiary of the City of Stratford, for the years ended December 31:

	2021	2020
<b>Revenues:</b>		
Operational services	\$ 40,872	\$ 36,333
Management fee	57,518	50,454
Office and fibre room rentals	1,225	7,304
Joint pole rentals	71,311	70,321
Interest earned	13,712	20,833
Energy sales	25,687	21,604
Water billing and collection services	73,410	71,980
<b>Total revenues</b>	<b>\$283,735</b>	<b>\$278,829</b>
<b>Expenses:</b>		
Fiber and WIFI services	\$154,148	\$154,148
Information technology and management services	128,117	174,047
<b>Total expenses</b>	<b>\$282,265</b>	<b>\$328,195</b>
<b>Receivable balance:</b>		
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Due from corporations under common control	\$332,803	\$627,071

### 21. Capital management:

The Corporation's main objectives when managing capital is to:

- ensure ongoing access to funding to maintain, refurbish and expand the electricity distribution system;
- ensure sufficient liquidity is available (either through cash and cash equivalents or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities; and
- prudent management of its capital structure with regard to recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation monitors forecasted cash flows, capital expenditures, debt repayment and key credit ratios. The Corporation manages capital by preparing short-term and long-term cash flow forecasts, statements of financial position and comprehensive statements of income. In addition, the Corporation accesses its revolving credit facility to fund net periodic net cash outflows and to maintain available liquidity.

There have been no changes in the Corporation's approach to capital management during the year. As at December 31, 2021, the Corporation's definition of capital included borrowings under its revolving credit facility, long-term debt and obligations including the current portion thereof, and equity, and had remained unchanged from the definition as at December 31, 2020. As at December 31, 2021, equity amounted to \$30,296,146 (2020 - \$27,991,792), borrowings in the form of demand notes payable and long-term debt, including the current portion thereof, amounted to \$26,848,194 (2020 - \$27,377,639) and the revolving credit facility amounted to \$17,428 (2019 - \$978,849).

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 21. Capital management (continued):

The OEB regulates the amount of deemed interest on debt and rate of return that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries on the basis of a deemed capital structure represented by 60% debt and 40% equity. The actual capital structure and finance costs for the Corporation may differ from the OEB deemed structure.

The Corporation is subject to debt agreements that contain various covenants. The Corporation's credit agreement with Royal Bank provides a revolving demand facility, letter of guarantee which is posted with the IESO as prudential support, and a long-term loan facility. These combined facilities are subject to a funded indebtedness debt to equity ratio of no more than 65%. Long term lending arrangements with Infrastructure Ontario ("OICP") are subject to meeting a debt to equity test of no greater than 75:25 and debt servicing ratio of no less than 1.30 times.

The Corporation has customary covenants typically associated with long-term debt. As at December 31, 2021 and December 31, 2020, the Corporation was in compliance with all with all credit agreement covenants and limitations associated with its long-term debt.

### 22. Financial instruments and risk management:

#### Fair value disclosure

The carrying values of accounts receivable, unbilled revenue, and the revolving term facility, accounts payable and accrued liabilities approximate their fair values due to the short maturity of these instruments. The fair values of customer deposits approximate their carrying amounts taking into account interest accrued on the outstanding balance. Cash is measured at fair value.

The swap agreements are measured at fair value, which is provided by a third-party, banking institution and is based on market rates at the date of the valuation. The valuation of the interest rate swaps resulted in an unrealized loss recorded on the statement of financial position at December 31, 2021 of \$938,948 (2020 - \$1,585,033).

The fair value of the long-term borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date. The carrying amounts and fair values of the Corporation's long-term loans consist of the following:

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 22. Financial instruments and risk management (continued):

	2021	2020
<b>Carrying amounts:</b>		
Demand notes payable, 7.25%	\$15,600,000	\$15,600,000
OIPC 4.4% maturing June 15, 2025	-	813,214
OIPC 3.98% maturing October 1, 2025	-	123,425
Term Loan 2.93% maturing May 1, 2038 plus stamping fee of 0.42% maturing May 1, 2023	10,366,000	10,841,000
Term Loan 2.62% maturing November 25, 2025	882,194	-
<b>Total</b>	<b>\$26,848,194</b>	<b>\$27,377,639</b>

	2021	2020
<b>Fair values:</b>		
Demand notes payable valued based on current revolving credit facility rate of 3.95%	\$16,422,603	\$16,886,583
OIPC 4.4% maturing June 15, 2025 using current OIPC 15-year rate of 3.20%	-	830,131
OIPC 3.98% maturing October 1, 2025, using current OIPC posted 15-year rate of 3.20%	-	125,074
Term Loan 2.93 % plus stamping fee of 0.42% maturing May 1, 2023, booked at market value	11,304,948	12,426,033
Term Loan 2.62% maturing November 25, 2025, booked at market interest rate of 2.95%	865,230	-
<b>Total</b>	<b>\$28,592,781</b>	<b>\$30,267,821</b>

### Financial risks

The following is a discussion of financial risks and related mitigation strategies that have been identified by the Corporation for financial instruments. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed. The Corporation's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk.

#### a) Credit risk

The Corporation is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Corporation's exposure to credit risk primarily relates to accounts receivable and unbilled revenue. The Corporation monitors and limits its exposure to credit risk on a continuous basis.

The Corporation's credit risk associated with accounts receivable and unbilled revenue is primarily related to electricity bill payments from electricity customers. The Corporation obtains security deposits from certain customers in accordance with direction provided by the OEB and as outlined in the Corporation's conditions of service. As of December 31, 2021, the Corporation held security deposits related to electricity receivables in the amount of \$1,061,051 (2020 - \$979,437).



## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 22. Financial instruments and risk management (continued):

#### (a) Credit risk (continued)

As at December 31, 2021, there were no significant concentrations of credit risk with respect to any one customer. No single customer accounts for revenue in excess of 5% of total distribution revenue. The Corporation earns its revenue from a broad base of approximately 21,000 customers (2020 - 21,000 customers) located throughout its service territory.

The credit risk and mitigation strategies with respect to unbilled revenue are the same as for accounts receivable. The credit risk related to cash is mitigated by the Corporation's treasury policies on assessing and monitoring the credit exposures of counterparties.

Credit risk associated with electricity accounts receivable and unbilled revenue (electricity only) is as follows:

	2021	2020
Not more than 30 days	\$4,578,967	\$4,602,942
More than 30 but less than 90 days	273,450	430,049
More than 90 days	99,043	101,286
Less allowance for impairment	(178,684)	(152,434)
Unbilled revenue	5,230,771	6,371,221
	<b>\$10,003,547</b>	<b>\$11,353,064</b>

As at December 31, 2021, the Corporation's accounts receivable and unbilled revenue which were not past due or impaired were assessed by management to have no significant collection risk and no additional allowance for impairment was required for these balances.

Reconciliation between the opening and closing allowance for impairment is as follows:

	2021	2020
Balance, beginning of year	\$ 152,435	\$ 153,172
Provision for impairment	120,944	39,720
Write offs	(108,245)	(55,346)
Recoveries	13,550	14,889
<b>Balance, end of year</b>	<b>\$ 178,684</b>	<b>\$ 152,435</b>

Unbilled revenue represents amounts for which the Corporation has a contractual right to receive cash through future billings and are unbilled at year end. Unbilled revenue is considered current and no provision for impairment was established as at December 31, 2021 (2020 – nil).

#### (b) Interest rate risk

The Corporation is exposed to fluctuations in interest rates for the valuation of its employee future benefit obligations (note 12). The Corporation is also exposed to short-term interest rate risk on the net of cash position and short-term borrowings under its Revolving Credit Facility and customer deposits. The Corporation manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking action as necessary to maintain an appropriate balance.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 22. Financial instruments and risk management (continued):

#### (b) Interest rate risk (continued)

As at December 31, 2021, aside from the valuation of its employee future benefit obligations, the Corporation was exposed to interest rate risk predominately from short-term borrowings under its revolving credit facility and customer deposits, while most of its remaining obligations were either non-interest bearing or bear fixed interest rates, and its financial assets were predominately short-term in nature and mostly non-interest bearing. The Corporation estimates that a 100 basis point increase in short-term interest rates, with all other variables held constant, would result in an increase of approximately \$17,921 (2020 - \$36,424) to annual finance costs. A decrease of 100 basis points would result in a reduction in financing costs of \$17,921 (2020 - \$36,424).

#### (c) Liquidity risk

The Corporation is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Corporation monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Corporation has access to credit facilities and monitors cash balances daily. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing finance costs.

The Corporation has a revolving credit facility available of \$10,000,000 with a Canadian chartered bank. As at December 31, 2021, \$17,428 (2020 - \$978,849) was drawn on this facility.

As a purchaser of electricity through the Independent Electricity System Operator ("IESO"), the Corporation is required to provide security to minimize the risk of default based on its expected activity in the market. The IESO may draw on this security if the Corporation fails to make payment required by a default notice issued by the IESO. The Corporation has a \$3.6 million revolving term facility by way of a letter of guarantee with Royal Bank, of which \$3,095,139 (2020 - \$3,095,139) has been assigned to secure the prudential support required by the IESO.

The majority of accounts payable, as reported on the statement of financial position, is due within 30 days. Liquidity risks associated with financial commitments are as follows:

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 22. Financial instruments and risk management (continued):

Contractual cash flows, including interest, at year end are:

December 31, 2021					
	Carrying Amounts	Total	Due within 1 year	Due within 1 to 5 years	Due > 5 years
Revolving credit facility	\$ 17,428	\$ 17,428	\$ 17,428	\$ -	\$ -
Accounts payable and accrued liabilities	9,902,642	9,902,642	9,902,642	-	-
Due to City of Stratford	625,460	625,460	625,460	-	-
Demand notes payable	15,600,000	15,600,000	15,600,000	-	-
Term Loan 2.93 % plus stamping fee of 0.42% maturing May 1, 2038	10,366,000	13,475,135	829,817	3,311,494	9,333,824
Term Loan 2.62% maturing November 25, 2025	882,194	929,115	237,221	691,894	-
	\$ 37,393,724	\$ 40,549,780	\$ 27,212,568	\$ 4,003,388	\$ 9,333,824
December 31, 2020					
	Carrying Amounts	Total	Due within 1 year	Due within 1 to 5 years	Due > 5 years
Revolving credit facility	\$ 978,849	\$ 978,849	\$ 978,849	\$ -	\$ -
Accounts payable and accrued liabilities	8,587,712	8,587,712	8,587,712	-	-
Due to City of Stratford	631,937	631,937	631,937	-	-
Demand notes payable	15,600,000	15,600,000	15,600,000	-	-
OIPC 4.4% maturing June 15, 2025	813,214	905,261	201,169	704,092	-
OIPC 3.98% maturing October 1, 2025	123,425	137,333	27,467	109,866	-
Term Loan 2.93 % plus stamping fee of 0.42% maturing May 1, 2038	10,841,000	14,306,001	830,867	3,315,535	10,159,599
	\$ 37,576,137	\$ 41,147,093	\$ 26,858,001	\$ 4,129,493	\$ 10,159,599

#### (d) Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. The Government of Ontario originally announced a state of emergency on March 17, 2020 which remained in effect until July 24, 2020 when the Reopening Ontario Act, 2020 was introduced provided for restrictive orders. A secondary state of emergency was declared effective January 14, 2021 until February 16, 2021 and third state of emergency was declared effective April 9, 2021 until May 6, 2021. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The OEB has informed the Corporation that it is to track COVID-19 related expenses including bad debt expenses through a deferral account for potential future recovery. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Corporation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 23. Commitments and contingencies:

#### Operating leases

The Corporation entered into a non-cancellable operating lease for service centre space for a period of five years dated November 15, 2015. The contract is subject to an annual increase based on the Ontario Consumer Price Index. Minimum lease payments required are \$943 per month for 2021.

#### Connection and cost recovery agreement - St. Mary's transformer station

The Corporation and Hydro One Networks Inc. entered into a twenty-five-year capital cost recovery agreement ("CCRA") in September 2002 relating to Hydro One Networks Inc. building new feeder positions at the existing St. Mary's Transformer Station. Under the terms of the agreement, the Corporation has guaranteed new load growth which, if not met, would require the Corporation to provide a financial contribution toward the capital investment of the transformer station.

The CCRA has been trued-up effective July 5, 2013. Since load growth had fallen below a target amount, a cumulative contribution in the amount of \$550,200 has been paid to Hydro One Networks. This amount has been recorded as an intangible asset subject to 15-year amortization over the remaining life of the agreement. The agreement was subject to true up effective on the fifteenth year of the agreement in July 2018 however, this has not been completed by Hydro One Inc. It is possible that the Corporation may owe a further payment as a result of the agreement but an estimate of any amount owing is not possible at December 31, 2021 given the nature of the variables included in the calculation. The need for a contribution will be determined by Hydro One Networks Inc. based on actual new load growth.

#### Connection and cost recovery agreement-Stratford transformer station ("Festival Hydro MTS1")

The Corporation and Hydro One Networks Inc. entered into a twenty-five-year CCRA in November, 2012, relating to Hydro One Networks Inc. building a new 230kV line to connect Festival Hydro's MTS1 to Hydro One's 230kV circuit. Under the terms of the agreement, the Corporation has guaranteed new load growth which, if not met, would require the Corporation to provide a financial contribution toward the capital investment. The CCRA is trued-up (a) following the fifth and tenth anniversaries of the in-service date; and (b) following the fifteenth anniversary of the in-service date if the actual load is 20% higher or lower than the load forecast at the end of the tenth anniversary of the in-service date. The fifth anniversary of the in-service date was in November 2017. The need for a contribution will be determined by Hydro One Networks Inc. based on actual new load growth.

#### General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

#### General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a pooling of public liability insurance risks of many of the electrical utilities in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to 5 years. As at December 31, 2021, no assessments had been made.

# Festival Hydro Inc.

## Notes to the Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 24. Guarantee:

The Corporation has guaranteed the bank loan of QR Fibre, a company related through common ownership, to the extent of \$4,500,000. In addition, the Corporation has entered into a Guarantee Indemnification Agreement to ensure compliance with the Affiliation Relationships code for Electricity Distributors and Transmitters and mitigate its risk exposure. No amount has been recorded in these financial statements as the Corporation does not expect to have to honour its guarantee.

## FESTIVAL HYDRO INC.

## Balance Sheet

For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Proj. as at Dec 31, 2021		YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Proj. as at Dec 31, 2021
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Accounts Receivable	7,398,302	8,517,199	7,600,000	Bank Indebtedness	977,189	15,768	394,287
Inventory	172,612	163,445	200,000	Accounts Payable & Accrued Liabilities	9,597,481	10,920,398	10,100,000
Prepaid Expenses	389,850	357,282	450,000	Current Portion of Consumer Deposits	1,054,198	1,169,541	1,100,000
Due from FHSI	627,071	332,803	427,026	Current Portion of Long Term Loans	664,985	707,717	729,988
Corporate PILS Recoverable	177,937	356,057	—	Dividends Declared	115,211	500,556	—
Unbilled Revenue	6,371,221	5,230,771	6,500,000	Promissory Note	15,600,000	15,600,000	15,600,000
	<b>15,136,994</b>	<b>14,957,557</b>	<b>15,177,026</b>		<b>28,009,063</b>	<b>28,913,981</b>	<b>27,924,275</b>
<b>Property, Plant &amp; Equipment</b>	55,447,062	57,113,909	56,695,385	<b>Other Liabilities</b>			
<b>Other Assets</b>				Unrealized loss on interest rate swap	1,585,033	938,948	1,585,033
Intangible Assets	1,955,244	1,734,841	2,287,794	Deferred Revenue	2,227,262	2,648,087	2,662,948
Future payments in lieu of income taxes	(947,981)	(3,109,920)	(947,981)	Employee Future Benefits	1,492,917	1,361,643	1,492,917
Regulatory Assets	1,267,203	4,597,210	1,300,000	<b>Long Term Debt</b>			
				Consumer Deposits over one year	439,796	594,311	400,000
				RBC Loan - LT Portion	10,366,000	10,540,477	10,391,000
				Infrastructure Ontario Loan - LT Portion	746,654	—	—
				<b>TOTAL LIABILITIES</b>	<b>11,552,450</b>	<b>44,997,447</b>	<b>10,791,000</b>
				<b>EQUITY</b>			
				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	12,861,751	15,085,499	14,926,007
				Accumulated Other Comprehensive Income	(438,343)	(357,737)	(438,343)
				<b>TOTAL EQUITY</b>	<b>27,991,796</b>	<b>30,296,150</b>	<b>30,056,052</b>
<b>TOTAL ASSETS</b>	<b>72,858,522</b>	<b>75,293,597</b>	<b>74,512,224</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>72,858,522</b>	<b>75,293,597</b>	<b>74,512,224</b>

## FESTIVAL HYDRO INC.

## Income Statement

For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Budget at Dec 31, 2021	YTD Proj. as at Dec 31, 2021	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%	Cur to Proj. YTD Var\$
<b>REVENUE</b>							
Service Revenue	84,200,518	72,302,125	84,352,680	84,262,905	(12,050,555)	(14%)	(11,960,780)
Cost of Power	72,593,455	60,698,856	72,533,826	72,456,630	(11,834,970)	(16%)	(11,757,774)
<b>GROSS MARGIN (DISTRIBUTION REVENUE)</b>	<b>11,607,063</b>	<b>11,603,269</b>	<b>11,818,854</b>	<b>11,806,276</b>	<b>(215,585)</b>	<b>(2%)</b>	<b>(203,007)</b>
Other Operating Revenue	984,229	1,203,160	1,124,315	1,093,926	78,844	7%	109,233
<b>OPERATING &amp; MAINTENANCE EXPENSE</b>							
Transformer & Distribution Station Expense	147,914	175,463	180,785	183,566	(5,323)	(3%)	(8,103)
Distribution Lines & Services Overhead	1,675,692	1,420,532	1,474,322	1,524,361	(53,790)	(4%)	(103,830)
U/G Distribution Lines & Services	158,287	244,173	197,587	246,821	46,586	24%	(2,648)
Distribution Transformers	73,994	97,568	83,372	108,609	14,196	17%	(11,041)
Distribution Meters	391,065	311,900	545,622	316,379	(233,721)	(43%)	(4,478)
Customer Premises	153,717	194,867	160,598	214,120	34,269	21%	(19,253)
<b>TOTAL OPERATING AND MAINTENANCE</b>	<b>2,600,670</b>	<b>2,444,502</b>	<b>2,642,285</b>	<b>2,593,856</b>	<b>(197,783)</b>	<b>(7%)</b>	<b>(149,353)</b>
<b>ADMINISTRATION</b>							
Billing, Collecting & Meter Reading	1,209,452	1,293,457	1,370,334	1,340,919	(76,877)	(6%)	(47,462)
Administration	2,418,515	2,406,903	2,638,768	2,412,552	(231,865)	(9%)	(5,649)
<b>TOTAL ADMINISTRATION</b>	<b>3,627,967</b>	<b>3,700,360</b>	<b>4,009,101</b>	<b>3,753,471</b>	<b>(308,741)</b>	<b>(8%)</b>	<b>(53,111)</b>
Allocated Depreciation	(148,359)	(130,048)	(122,192)	(127,269)	7,856	6%	(2,780)
<b>TOTAL CONTROLLABLE COST</b>	<b>6,080,279</b>	<b>6,014,814</b>	<b>6,529,195</b>	<b>6,220,058</b>	<b>(514,381)</b>	<b>(8%)</b>	<b>(205,244)</b>
<b>NET INCOME BEFORE DEP'N, INTEREST &amp; TAX</b>	<b>6,511,013</b>	<b>6,791,614</b>	<b>6,413,975</b>	<b>6,680,144</b>	<b>377,640</b>	<b>6%</b>	<b>111,471</b>
Depreciation	2,548,121	2,412,000	2,390,883	2,430,491	21,117	1%	(18,491)
Interest Expense	1,633,934	1,617,799	1,633,816	1,614,109	(16,018)	(1%)	3,690
Interest Income	(43,771)	(33,164)	(51,000)	(33,000)	(17,836)	(35%)	(164)
<b>NET INCOME BEFORE SWAP, ICM &amp; PBA &amp; INC TAXES</b>	<b>2,372,729</b>	<b>2,794,979</b>	<b>2,440,275</b>	<b>2,668,543</b>	<b>354,704</b>	<b>15%</b>	<b>126,436</b>
Current Tax	234,092	326,430	270,000	699,300	56,430	21%	(372,870)
<b>NET INCOME BEFORE SWAP &amp; ICM</b>	<b>2,138,637</b>	<b>2,468,549</b>	<b>2,170,275</b>	<b>1,969,243</b>	<b>298,274</b>	<b>14%</b>	<b>499,306</b>
Unrealized Gain/Loss on Swap	840,799	(646,085)	—	—	(646,085)	—	(646,085)
Marketable Security - recorded as OCI	79,899	(80,606)	—	—	(80,606)	—	(80,606)
<b>NET INCOME</b>	<b>1,217,939</b>	<b>3,195,240</b>	<b>2,170,275</b>	<b>1,969,243</b>	<b>1,024,965</b>	<b>47%</b>	<b>1,225,997</b>

## FESTIVAL HYDRO INC.

## Cash Flow Statement

For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Bdgt. as at Dec 31, 2021	YTD Proj. as at Dec 31, 2021
<b>Cash from Operations</b>				
Net Income	1,217,939	3,195,240	2,193,579	1,969,243
Depreciation	2,548,121	2,412,000	2,387,703	2,430,491
Amortization of deferred revenue in other revenue	(56,840)	(65,645)	(56,989)	(68,743)
Unrealized loss on interest rate swap	840,798	(646,085)	—	—
Change in OCI	—	—	—	—
Decrease/(Increase) in Receivables	(1,018,060)	(1,111,618)	(10,000)	(201,698)
Decrease/(Increase) in Inventory	(41,285)	9,168	60,045	(27,388)
Decrease/(Increase) in Prepaids	33,219	32,568	18,285	(60,150)
Decrease/(Increase) in Due from FHSI	(89,088)	294,268	192,907	200,045
Decrease/(Increase) in PILS	(70,190)	(178,120)	164,000	177,937
Decrease/(Increase) in Unbilled Revenues	1,266,905	1,140,450	(100,000)	(128,779)
Decrease/(Increase) in Future Tax (offsetting entry in payal	202,116	2,161,939	—	—
Decrease/(Increase) in Regulatory Assets	(693,791)	(3,330,007)	(600,000)	(32,797)
Increase/(Decrease) in Payables	370,028	1,322,917	15,000	502,519
Increase/(Decrease) in Deposits	(168,197)	269,859	40,000	70,802
Increase/(Decrease) in Employee Future Benefits	20,649	(131,274)	—	—
Contributed Capital	465,541	486,469	200,000	504,429
<b>Net Cash Provided</b>	<b>4,732,635</b>	<b>5,862,129</b>	<b>4,504,530</b>	<b>5,335,912</b>
<b>Cash from Financing</b>				
Loan Repayments	(646,696)	(529,445)	(664,988)	(1,251,316)
Cash Used - Capital Expenditures	(3,224,478)	(3,865,723)	(3,672,888)	(4,011,364)
Cash Used - TS expansion	—	—	—	—
TS Expansion Construction Loan Proceeds	—	—	—	—
Cash Used - Dividends paid current year	(505,581)	(390,330)	—	(390,330)
Cash Used - Dividends declared in prior year	—	(115,211)	(115,211)	—
<b>Net Cash Used</b>	<b>(4,376,755)</b>	<b>(4,900,709)</b>	<b>(4,453,087)</b>	<b>(4,753,010)</b>
<b>Increase (Decrease) in Cash Position</b>	<b>355,880</b>	<b>961,420</b>	<b>51,443</b>	<b>582,902</b>
<b>Bank Indebtedness, Beg of Period</b>	<b>(1,333,068)</b>	<b>(977,188)</b>	<b>(2,432,041)</b>	<b>(977,189)</b>
<b>Bank Indebtedness, End of Period</b>	<b>(977,188)</b>	<b>(15,769)</b>	<b>(2,380,598)</b>	<b>(394,286)</b>
<b>Bank and Line of Credit Analysis</b>	<b>2020</b>	<b>2021</b>		
High balance (YTD)	2,452,459	3,245,015		
Low Balance (YTD)	(3,306,722)	(4,904,523)		
Overdraft interest (annualized)	49,025	24,449		
<b>Interest rate (avg annual for period)</b>	<b>2.45%</b>	<b>2.45%</b>		
<b>Average overdraft balance</b>	<b>2,001,007</b>	<b>997,918</b>		

\*Key Financial Ratios are in compliance.



# FESTIVAL HYDRO INC.

## Statement of Capital

For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Budget at Dec 31, 2021	YTD Proj. as at Dec 31, 2021	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%	Cur to Proj YTD Var\$
<b>DISTRIBUTION</b>							
Distribution Overhead	544,562	846,828	859,260	1,036,019	(141,488)	(14%)	(189,191)
Underground Conductor and Devices	1,088,175	1,134,294	929,400	1,219,345	277,738	32%	(85,051)
Distribution Transformers	532,526	409,448	191,250	274,968	83,160	43%	134,480
Services	229,210	350,012	191,250	191,920	350,012	183%	158,092
Distribution Meters	263,601	99,550	245,545	231,257	(145,995)	(59%)	(131,707)
SCADA/Distribution Automation	33,569	11,881	55,000	850	(43,119)	(78%)	11,031
Tools and Miscellaneous Equipment	26,793	26,796	30,000	30,000	(3,204)	(11%)	(3,204)
<b>TOTAL DISTRIBUTION</b>	<b>2,718,436</b>	<b>2,878,808</b>	<b>2,501,705</b>	<b>2,984,359</b>	<b>377,103</b>	<b>15%</b>	<b>(105,551)</b>
<b>OTHER CAPITAL</b>							
Land and Buildings	156,731	485,903	588,389	530,969	(102,486)	(17%)	(45,066)
Transformer Station	72,697	143,417	161,460	146,486	(18,043)	(11%)	(3,069)
Vehicles and Trailers	—	16,511	60,000	17,000	(43,489)	(72%)	(489)
Computer Hardware and Software	276,614	341,084	361,334	332,550	(20,250)	(6%)	8,534
<b>TOTAL OTHER CAPITAL</b>	<b>506,042</b>	<b>986,915</b>	<b>1,171,183</b>	<b>1,027,005</b>	<b>(184,268)</b>	<b>(16%)</b>	<b>(40,090)</b>
<b>TOTAL CAPITAL</b>	<b>3,224,478</b>	<b>3,865,723</b>	<b>3,672,888</b>	<b>4,011,364</b>	<b>192,835</b>	<b>5%</b>	<b>(145,641)</b>

**To:** Dave Gaffney and the Finance & Labour Relations Committee  
**From:** Alyson Conrad, CFO  
**Re:** Commentary on FHI Financial Results – For the period ended March 31, 2022

Net income for the period is \$594K, which is \$123K above the YTD budget. Detailed commentary on the balance sheet and statement of operations are noted below:

#### **BALANCE SHEET COMMENTARY:**

**Accounts Receivable** – The accounts receivable balance is \$775K more than it was in March of 2021. This variance is the result of the following:

- Electric receivables are \$167K higher than March 2021, the majority of this being current balance i.e., not in arrears. Arrears balances have decreased by \$121K compared to March 2021.
- Water and sewer receivables are \$43K higher than March 2021 with the majority being current balances. Balances that are past due (in arrears) have decreased by \$38K compared to March 2021.
- Miscellaneous receivables have increased by \$431K compared to the prior year due to an increase in billable work.

Electric receivables are being continuously monitored due to the disconnection moratorium which will end on April 30, 2022. The customer service team continues to work diligently to attempt to collect arrears while being understanding and empathic to customers. Wherever possible, customer service representatives are making payment arrangements with customers. This effort has been demonstrated by the decreases in arrears balances.

**Due from FHSI** – The balance in this account decreased from the December 2021 balance by \$40K. The difference is mainly due to additional work being completed by FHSI staff for FHI in Q1 relating to cyber security and installation of new servers.

**Unbilled Revenue** – This balance is \$957K lower than the balance in March of 2021 and \$676K higher than the balance at the end of 2021. The major difference is due to the change in cost of power. The cost of power including global adjustment has decreased by 10% from March 2021 and has increased by 22% from December 2021.

**Regulatory Assets** – The regulatory asset balance has decreased by \$140K since December 2021 and is driven virtually all by the commodity accounts (1588/89). The changes within regulatory accounts have been minimal since December 2021.

**A/P and Accrued Liabilities** – This balance has increased \$2.6M from the March 2021 balance. The majority of this variance relates to a higher accrued IESO invoice payable in 2022 by \$2.2M.

#### **INCOME STATEMENT COMMENTARY**

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**Gross Margin on Service Revenue (Distribution Revenue)** – The distribution revenue to the end of Q1 2022 is \$80K above budget. We have seen steady customer growth month over month as well as a 5M kWh increase compared to the prior year. The actual IRM inflationary increase built into rates is higher than what was included in the budget in October.

**Other Revenue** – Other revenue is running \$34K above budget at the end of Q1 mainly due to a larger than anticipated scrap metal refund in the amount of \$73K. This is offset by a decrease in streetlight revenues.

**Controllable Costs** - Total controllable costs are \$3K less than budget to the end of Q1.

Operating and Maintenance expenses are up overall by \$65K compared to the budget. A large portion of this increase relates to vehicle costs of \$42K. These increases related to the increase in maintenance costs and the increasing costs of fuel in Q1. There is also an increase in labour costs related to the maintenance of poles. These increases are mostly offset by lower labour costs for underground and transformer maintenance.

Administration expenses are down overall by \$68K. The majority of this balance is due to the vacancy of the VP of IT position. In addition, there are no costs attributed to property monitoring, but \$16K was budgeted for Q1. This expense is only a timing difference as this will be incurred later in the year.

#### **CASH FLOW COMMENTARY**

As per the cash flow statement, the March 31 cash balance increased by \$100K since yearend and \$467K more than March 2021. Cash flows from working capital improved by \$1.1M mainly due to net income, accounts receivable and contributed capital balances increasing in Q1. Cash spent on capital has increased from prior year by \$38K.

Cash flows are continuing to improve after close monitoring in 2021 and 2022.

#### **LOAN COVENANT RATIOS**

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

*Presented for information purposes.*

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## FESTIVAL HYDRO INC.

**Balance Sheet**  
For the period ending March 31, 2022

	YTD as at Mar 31, 2021	YTD as at Dec 31, 2021	YTD as at Mar 31, 2022		YTD as at Mar 31, 2021	YTD as at Dec 31, 2021	YTD as at Mar 31, 2022
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash	—	—	84,274	Bank Indebtedness	382,953	15,768	—
Accounts Receivable	6,653,307	8,517,199	7,428,686	Accounts Payable & Accrued Liabilities	7,922,210	10,920,398	10,550,987
Inventory	312,113	163,445	232,006	Current Portion of Consumer Deposits	1,007,805	1,169,541	1,087,245
Prepaid Expenses	386,382	357,282	345,245	Current Portion of Long Term Loans	547,985	707,717	533,068
Due from FHSI	555,151	332,803	292,981	Dividends Declared	—	500,556	500,556
Corporate PILS Recoverable	161,437	356,057	372,057	Promissory Note	15,600,000	15,600,000	15,600,000
Unbilled Revenue	6,863,550	5,230,771	5,906,712				
	<b>14,931,940</b>	<b>14,957,557</b>	<b>14,661,960</b>		<b>25,460,952</b>	<b>28,913,981</b>	<b>28,271,856</b>
<b>Property, Plant &amp; Equipment</b>	55,392,979	57,113,909	56,676,283	<b>Other Liabilities</b>			
				Unrealized loss on interest rate swap	1,585,033	938,948	938,948
<b>Other Assets</b>				Deferred Revenue	2,174,096	2,648,087	2,593,611
Intangible Assets	1,923,222	1,734,841	1,910,792	Employee Future Benefits	1,492,917	1,361,643	1,361,643
Future payments in lieu of income taxes	(947,981)	(3,109,920)	(3,109,920)				
Regulatory Assets	(977,713)	4,597,210	4,457,071	<b>Long Term Debt</b>			
				Consumer Deposits over one year	(88,332)	594,311	—
				RBC Loan - LT Portion	10,366,000	10,540,477	10,540,477
				Infrastructure Ontario Loan - LT Portion	746,654	—	—
				<b>TOTAL LIABILITIES</b>	<b>41,737,321</b>	<b>44,997,447</b>	<b>43,706,535</b>
				<b>EQUITY</b>			
				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	13,455,081	15,085,499	15,679,001
				Accumulated Other Comprehensive Income	(438,343)	(357,737)	(357,737)
				<b>TOTAL EQUITY</b>	<b>28,585,126</b>	<b>30,296,150</b>	<b>30,889,652</b>
<b>TOTAL ASSETS</b>	<b>70,322,447</b>	<b>75,293,597</b>	<b>74,596,187</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>70,322,447</b>	<b>75,293,597</b>	<b>74,596,187</b>

# FESTIVAL HYDRO INC.

## Income Statement

For the period ending March 31, 2022

	YTD as at Mar 31, 2021	YTD as at Mar 31, 2022	YTD Budget at Mar 31, 2022	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
<b>REVENUE</b>					
Service Revenue	17,506,542	20,422,860	21,639,281	(1,216,421)	(6%)
Cost of Power	14,599,166	17,311,419	18,607,350	(1,295,931)	(7%)
<b>GROSS MARGIN (DISTRIBUTION REVENUE)</b>	<b>2,907,376</b>	<b>3,111,441</b>	<b>3,031,931</b>	<b>79,510</b>	<b>3%</b>
Other Operating Revenue	237,102	311,117	276,631	34,486	12%
<b>OPERATING &amp; MAINTENANCE EXPENSE</b>					
Transformer & Distribution Station Expense	42,448	40,517	47,876	(7,360)	(15%)
Distribution Lines & Services Overhead	387,813	531,411	441,724	89,688	20%
U/G Distribution Lines & Services	78,477	48,837	52,541	(3,704)	(7%)
Distribution Transformers	18,685	10,813	19,739	(8,926)	(45%)
Distribution Meters	48,751	104,506	106,903	(2,397)	(2%)
Customer Premises	40,116	40,448	42,434	(1,987)	(5%)
<b>TOTAL OPERATING AND MAINTENANCE</b>	<b>616,290</b>	<b>776,533</b>	<b>711,217</b>	<b>65,315</b>	<b>9%</b>
<b>ADMINISTRATION</b>					
Billing, Collecting & Meter Reading	334,257	345,935	357,200	(11,264)	(3%)
Administration	578,526	674,624	731,366	(56,742)	(8%)
<b>TOTAL ADMINISTRATION</b>	<b>912,783</b>	<b>1,020,559</b>	<b>1,088,565</b>	<b>(68,006)</b>	<b>(6%)</b>
Allocated Depreciation	(30,548)	(31,507)	(31,507)	—	—
<b>TOTAL CONTROLLABLE COST</b>	<b>1,498,525</b>	<b>1,765,585</b>	<b>1,768,275</b>	<b>(2,691)</b>	<b>(0%)</b>
<b>NET INCOME BEFORE DEP'N, INTEREST &amp; TAX</b>	<b>1,645,953</b>	<b>1,656,973</b>	<b>1,540,286</b>	<b>116,687</b>	<b>8%</b>
Depreciation	597,721	639,836	639,836	0	0%
Interest Expense	394,406	380,091	386,035	(5,944)	(2%)
Interest Income	(7,004)	(8,455)	(8,250)	205	2%
<b>NET INCOME BEFORE SWAP, ICM &amp; PBA &amp; INC TAXES</b>	<b>660,830</b>	<b>645,502</b>	<b>522,666</b>	<b>122,837</b>	<b>24%</b>
Current Tax	67,500	52,000	52,000	—	—
<b>NET INCOME BEFORE SWAP &amp; ICM</b>	<b>593,330</b>	<b>593,502</b>	<b>470,666</b>	<b>122,837</b>	<b>26%</b>
Unrealized Gain/Loss on Swap	—	—	—	—	—
Marketable Security - recorded as OCI	—	—	—	—	—
<b>NET INCOME</b>	<b>593,330</b>	<b>593,502</b>	<b>470,666</b>	<b>122,837</b>	<b>26%</b>

# FESTIVAL HYDRO INC.

## Cash Flow Statement

For the period ending March 31, 2022

	YTD as at Dec 31, 2021	YTD as at Mar 31, 2022
<b>Cash from Operations</b>		
Net Income	3,195,240	593,502
Depreciation	2,412,000	639,836
Amortization of deferred revenue in other revenue	(65,645)	(54,476)
Unrealized loss on interest rate swap	(646,085)	—
Decrease/(Increase) in Receivables	(1,111,618)	946,576
Decrease/(Increase) in Inventory	9,168	(68,561)
Decrease/(Increase) in Prepaids	32,568	12,037
Decrease/(Increase) in Due from FHSI	294,268	39,822
Decrease/(Increase) in PILS	(178,120)	(16,000)
Decrease/(Increase) in Unbilled Revenues	1,140,450	(675,941)
Decrease/(Increase) in Future Tax (offsetting entry in payal	2,161,939	—
Decrease/(Increase) in Regulatory Assets	(3,330,007)	140,139
Increase/(Decrease) in Payables	1,322,917	(369,412)
Increase/(Decrease) in Deposits	269,859	(676,607)
Increase/(Decrease) in Employee Future Benefits	(131,274)	—
Contributed Capital	486,469	571,424
<b>Net Cash Provided</b>	<b>5,862,129</b>	<b>1,082,340</b>
<b>Cash from Financing</b>		
Loan Repayments	529,445	174,649
Cash Used - Capital Expenditures	3,865,723	807,649
Cash Used - TS expansion	—	—
TS Expansion Construction Loan Proceeds	—	—
Cash Used - Dividends paid current year	390,330	—
Cash Used - Dividends declared in prior year	115,211	—
<b>Net Cash Used</b>	<b>4,900,709</b>	<b>982,298</b>
<b>Increase (Decrease) in Cash Position</b>	<b>961,420</b>	<b>100,043</b>
<b>Bank Indebtedness, Beg of Period</b>	<b>(977,188)</b>	<b>(15,769)</b>
<b>Bank Indebtedness, End of Period</b>	<b>(15,769)</b>	<b>84,274</b>
<b>Bank and Line of Credit Analysis</b>	<b>2021</b>	<b>2022</b>
High balance (YTD)	3,245,015	3,383,301
Low Balance (YTD)	(4,904,523)	(5,066,129)
Overdraft interest (annualized)	24,449	31,068
<b>Interest rate (avg annual for period)</b>	<b>2.45%</b>	<b>2.53%</b>
<b>Average overdraft balance</b>	<b>997,918</b>	<b>1,227,995</b>

\*Key Financial Ratios are in compliance.

# FESTIVAL HYDRO INC.

## Statement of Capital

For the period ending March 31, 2022

	YTD as at Mar 31, 2021	YTD as at Mar 31, 2022	YTD Budget at Mar 31, 2022	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
<b>DISTRIBUTION</b>					
Distribution Overhead	249,833	205,166	341,879	(136,713)	(40%)
Underground Conductor and Devices	94,652	41,534	204,525	(162,991)	(80%)
Distribution Transformers	108,310	101,034	48,769	52,265	107%
Services	67,546	90,687	—	90,687	(100%)
Distribution Meters	2,439	63,227	96,787	(33,560)	(35%)
SCADA/Distribution Automation	2,462	—	13,750	(13,750)	(100%)
Tools and Miscellaneous Equipment	8,292	2,424	7,500	(5,076)	(68%)
<b>TOTAL DISTRIBUTION</b>	<b>533,533</b>	<b>504,071</b>	<b>713,210</b>	<b>(209,139)</b>	<b>(29%)</b>
<b>OTHER CAPITAL</b>					
Land and Buildings	9,904	16,194	68,673	(52,479)	(76%)
Transformer Station	1,102	6,015	34,750	(28,735)	(83%)
Vehicles and Trailers	—	—	52,500	(52,500)	(100%)
Computer Hardware and Software	225,193	281,369	113,575	167,794	148%
<b>TOTAL OTHER CAPITAL</b>	<b>236,199</b>	<b>303,578</b>	<b>269,498</b>	<b>34,080</b>	<b>13%</b>
<b>TOTAL CAPITAL</b>	<b>769,732</b>	<b>807,649</b>	<b>982,708</b>	<b>(175,059)</b>	<b>(18%)</b>

## INDEPENDENT AUDITORS' REPORT

To the Shareholder of Festival Hydro Services Inc.

### ***Opinion***

We have audited the accompanying financial statements of Festival Hydro Services Inc., which comprise:

- the statement of financial position as at December 31, 2021
- the statement of profit or loss and other comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Festival Hydro Services Inc. as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of Festival Hydro Services Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Festival Hydro Service Inc.'s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Festival Hydro Service Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Festival Hydro Service Inc.'s financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

the purpose of expressing an opinion on the effectiveness of Festival Hydro Services' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Festival Hydro Services' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Festival Hydro Services Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

London, Canada

[Date]



Festival Hydro Services Inc.

Financial Statements

Prepared For:

Dave Gaffney and the Finance & Labour

Relations Committee

April 2022

**To:** Dave Gaffney and the Finance & Labour Relations Committee  
**From:** Alyson Conrad, CFO  
**Re:** MIFRS Statements at December 31, 2021 - FHSI

The preliminary internal statements, based on Modified IFRS standards, were presented to the Committee earlier in the year but have been redistributed as part of this package. In addition, this is the commentary describing the updated final MIFRS statements as at December 31, 2021 based on adjustments made during the audit process.

**Significant changes to Balance sheet:**

- Income tax payable decreased from \$62.5K to \$28K after KPMG's detailed tax review adjusted the current taxes and future tax balances.
- The Investment Tax Credit Receivable was increased from \$0 to \$6K as the credit was expected to be utilized in the year but is still available for carry forward.
- Deferred Tax Liabilities increased from \$212K to \$243K. This is most of the offset of the current taxes receivable change after KPMG's detailed review.

**Changes to Net Income:**

Net income was reduced by \$2.5K as a result of the audit due to:

- \$2.5K in tax changes after the detailed review by KPMG. There were some larger changes between current and future taxes due to CCA utilization impacts.
-

**To:** Dave Gaffney and the Finance & Labour Relations Committee  
**From:** Alyson Conrad, CFO  
**Re:** Commentary on FHSI Financial Results –  
 For the period ended December 31, 2021

Please note that these are preliminary yearend statements and are subject to change based on the yearend audit review and detailed tax preparation. Also provided in the statements are a column for yearend projections that were prepared internally in October 2021. There are several references that compare balances to budget and projections.

The net income for the period is \$113K which is \$17K ahead of budget and \$8K under projections. Detailed commentary on the balance sheet, income statement and cash flow are noted below:

**Balance Sheet Commentary:**

**A/R & Prepaids** – This balance is comparable to prior year and to projections.

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

**Capital Asset Additions** – Additions to the end of 2021 are \$85K, or 55% of budget. This includes \$27K additions on computer software, \$20K on Fibre, \$27K on Wi-Fi related projects and \$11K on computer hardware and building costs. Details on the capital spend to date are as noted below:

**Computer Hardware/Software/Building:** Total spend for FHSI on hardware/software YTD is \$38K of which \$15K was spent on the Internal Network Assessment carried out by Digital Boundaries. \$12K was spent on heatmapping hardware/software which helps to trace Wi-Fi signals. This has already proven helpful when dealing with customer outages. The remaining amounts include smaller replacement hardware and building purchases.

**Wi-Fi Capital:** Total YTD spend on Wi-Fi related activity is \$27K. There were four main areas of spend this year including the purchase of access point licences for the Wi-Fi Controller, labour to complete the update of Stratford clusters of AP's to complete the Wi-Fi mesh, purchases of Ubiquiti routers and partial work done on Wi-Fi upgrades in St. Mary's. FHSI experienced supply delays and will continue to complete the remaining planned 2021 projects in 2022.

**Fibre Capital:** Total spend on fibre capital YTD is \$20K. There were four main areas of spend this year

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including the cost of connecting a new HOT service and relocating the connection for Invest-Stratford, repairing two spans of fibre impacted by two separate outage events, Wightman expansion costs and new fibre ONTs (Optical Network Terminals).

**Due to Festival Hydro Inc.** – The balance due to FHI is \$333K as compared to the projection of \$427K. The \$94K under budget is a result of delaying capital spend budgeted in 2021 and additional work completed by FHSI staff for FHI in the latter part of the year.

**Deferred Revenue and Long-Term Debt** – Deferred revenue and long-term debt balances are as projected based on the loan and depreciation schedules. No new contributions or loan disbursements have been received in the year.

#### **Income Statement Commentary:**

**Revenues** – Revenues are \$103K lower than budget but \$4K higher than prior year and \$22K higher than projection. The dark fibre rental agreement was renegotiated with Hydro One at a higher amount than budgeted, resulting in an increase of \$20K. This increase is offset by the decreases in Wi-Fi and ISP revenues which revenues have not seen the anticipated growth in the amount of \$41K. Consulting Revenue for FHSI employees to do work for FHI is under budget by approximately \$33K, the main reason being staffing vacancies in the year. This variance was offset by the additional work completed by FHSI staff for the Palo Alto firewall conversion in September and cyber security work done in Q4. Lastly, Other Revenue – Miscellaneous is \$43K below budget. There are two reasons, one being that co-locate budgeted revenues anticipated larger growth than has been observed and secondly there was a budget of approximately \$22.5K coming from QR Fibre which will not be received this year.

**Operating Expenses** – Operating expenses are below budget by \$125K but \$39K above prior year and \$23K above projections. As noted above there were staffing changes and delays which decreased overall expenses by \$19K from budget. Wi-Fi and fibre maintenance were under budget by \$66K due to less required contracted services and maintenance. Most network challenges were managed in house. The additional decreases are mainly due to administration timing differences and lower expenses caused by Covid-19 limitations such as a training, conferences, and travel.

#### **Cash Flow Commentary:**

Cash has remained steady through 2021 and is comparable to the prior year. Accounts payable and accounts receivables are managed through Festival Hydro.

Financial Statements of

**FESTIVAL HYDRO SERVICES INC.**

And Independent Auditors' Report thereon

Year ended December 31, 2021

**FESTIVAL HYDRO SERVICES INC.**

Statements of Financial Position

December 31, 2021, with comparative information for December 31, 2020

	Note	2021	2020
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 9,016	\$ 9,529
Accounts receivable		59,956	57,643
Inventory	5	7,617	7,773
Other assets		2,258	2,828
Income tax receivable		-	-
<b>Total current assets</b>		<b>78,847</b>	<b>77,773</b>
<b>Non-current assets</b>			
Plant and equipment	6	3,078,178	3,375,645
Intangible assets	7	29,990	10,401
Investment tax credit receivable		-	6,000
<b>Total non-current assets</b>		<b>3,108,168</b>	<b>3,392,046</b>
<b>Total assets</b>		<b>\$ 3,187,015</b>	<b>\$ 3,469,819</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 33,211	\$ 33,015
Due to Festival Hydro Inc.	15	332,803	627,072
Current portion of long-term debt	9	414,508	413,707
Deferred revenue	9	103,465	110,362
Income tax payable		28,000	-
<b>Total current liabilities</b>		<b>911,987</b>	<b>1,184,156</b>
<b>Non-current liabilities</b>			
Long-term debt	9	321,305	363,813
Deferred revenue	9	494,000	577,238
Deferred tax liabilities, net	8	243,000	238,000
<b>Total non-current liabilities</b>		<b>1,058,305</b>	<b>1,179,051</b>
<b>Total liabilities</b>		<b>1,970,292</b>	<b>2,363,207</b>
<b>Equity</b>			
Share capital	10	249,235	249,235
Retained earnings		967,488	857,377
<b>Total equity</b>		<b>1,216,723</b>	<b>1,106,612</b>
<b>Total liabilities and equity</b>		<b>\$ 3,187,015</b>	<b>\$ 3,469,819</b>

Guarantee (note 17)

See accompanying notes to the financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director\_\_\_\_\_  
Director



**FESTIVAL HYDRO SERVICES INC.**

## Statement of Comprehensive Income

Year ended December 31, 2021, with comparative information for 2020

	Note	2021	2020
<b>Revenue</b>	11	\$ 1,336,141	\$ 1,332,368
<b>Operating expenses</b>			
Employee salaries and benefits	12	393,453	351,642
Operating expenses	13	381,916	384,313
Depreciation and amortization	6, 7	362,439	346,015
		1,137,808	1,081,970
<b>Income from operating activities</b>		198,333	250,398
Other Income	16	-	-
Finance income	14	198	1,015
Finance costs	14	49,420	59,670
<b>Income before income taxes</b>		149,111	191,743
Income tax expense	8	39,000	51,000
<b>Net income and comprehensive income</b>		\$ 110,111	\$ 140,743

See accompanying notes to financial statements.

**FESTIVAL HYDRO SERVICES INC.**

## Statement of Changes in Equity

Year ended December 31, 2021, with comparative information for 2020

	Share capital	Retained earnings	Total
<b>Balance at January 1, 2020</b>	\$ 249,235	\$ 716,634	\$ 965,869
Net income and comprehensive income	-	140,743	140,743
<b>Balance at December 31, 2020</b>	\$ 249,235	\$ 857,377	\$ 1,106,612
<b>Balance at January 1, 2021</b>	\$ 249,235	\$ 857,377	\$1,106,612
Net income and comprehensive income	-	110,111	110,111
<b>Balance at December 31, 2021</b>	\$ 249,235	\$ 967,488	\$ 1,216,723

See accompanying notes to the financial statements.

**FESTIVAL HYDRO SERVICES INC.**

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
<b>Operating activities:</b>		
Net income and comprehensive income	\$ 110,111	\$ 140,743
Adjustments for:		
Depreciation and amortization	362,439	346,015
Amortization of deferred revenue	(90,135)	(64,624)
Net finance costs	49,222	58,655
Income tax expense	5,000	36,000
Remeasurement of debt	(7,786)	(8,572)
Changes in non-cash operating working capital		
Accounts receivable	(2,312)	115,715
Inventory	156	246
Other assets	570	(46)
Income tax receivable	28,000	-
Investment tax credit receivable	6,000	15,000
Accounts payable and accrued liabilities	196	(227,333)
Due to Festival Hydro Inc.	(307,980)	68,256
Interest paid	(27,922)	(30,263)
Interest received	198	1,014
	125,757	450,806
<b>Financing activities:</b>		
Repayment of long-term debt	(41,707)	(288,186)
Issuance of new debt	-	(40,923)
Deferred revenue received	-	480,000
	(41,707)	150,891
<b>Investing activities:</b>		
Purchase of plant and equipment	(57,492)	(601,922)
Purchase of intangible asset	(27,071)	(4,406)
	(84,563)	(606,328)
Increase (decrease) in cash	(513)	(4,631)
Cash, beginning of year	9,529	14,160
Cash, end of year	\$ 9,016	\$ 9,529

See accompanying notes to financial statements.

## **FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### **1. Reporting entity:**

Festival Hydro Services Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) pursuant to Section 142 of the Electricity Act 1998 on July 11, 2000. The Corporation of the City of Stratford (the "City") passed a bylaw pursuant to Section 145 of the Electricity Act 1998 transferring certain assets and liabilities used in connection with water heaters, sentinel lights, and other energy services and telecommunications from the Stratford Public Utility Commission – Electric Departments. In exchange for these assets the City received a promissory note and common shares. The Company also maintains a 45% ownership share in QR Fibre Inc. QR Fibre Inc., operates a telecommunications business under the regulation of the Canadian Radio-television and Telecommunications commission (CRTC). The investment in QR Fibre Inc is accounted for using the equity method. The Company is located in the City of Stratford. The address of the Company's registered office is 187 Erie Street, Stratford, Ontario N5A 2M6.

Festival Hydro Services Inc. is a telecommunications company that rents dark fibre and sentinel lights and is an internet service provider that focuses on lit fibre services as well as wireless services for its customers.

The financial statements are for the Company as at and for the year ended December 31, 2021.

### **2. Basis of presentation:**

#### **(a) Statement of compliance:**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

#### **(b) Approval of the financial statements:**

The financial statements were approved by the Board of Directors on April 28, 2022.

#### **(c) Basis of measurement:**

The financial statements have been prepared on the historical cost basis except for the following:

(i) Where held, financial instruments at fair value through profit or loss, including those held for trading, are measured at fair value.

(ii) Contributed assets are measured at fair value upon initial recognition.

The methods used to measure fair values are discussed further in note 3 (c) and note 16.

#### **(d) Functional and presentation currency:**

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

**FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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**2. Basis of presentation (continued):****(e) Use of estimates and judgements:**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

In particular, information about areas of estimation uncertainty and critical judgements in applying accounting policies that have an effect on the amounts recognized in these financial statements is included in the following notes:

- (i) Note 6 – Plant and equipment: useful lives and the identification of significant components of property, plant and equipment
- (ii) Note 7 – Intangible assets

**FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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**3. Significant accounting policies:**

The accounting policies set out below have been applied consistently to all years presented in these financial statements in accordance with IFRS.

**(a) Financial instruments:**

All financial assets are classified as loans and receivables. All financial liabilities are classified as other financial liabilities. These financial instruments are recognized initially at fair value adjusted for any directly attributable transaction costs.

Loans and receivables and other financial liabilities are subsequently measured at amortized cost using the effective interest method less any impairment for the financial assets.

The Company does not enter into derivative instruments. Hedge accounting has not been used in the preparation of these financial statements.

**(b) Inventory:**

Inventory is stated at lower of cost and net realizable value and consists of maintenance materials and supplies. Cost is determined on a weighted average basis. The cost of inventory includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing it to its existing location and condition.

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (c) Plant and equipment:

Items of plant and equipment are measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of twelve months to construct.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

Fibre optics	25 years
WiFi assets	7 years
Computer hardware	5 years
Sentinel lights	10 years
Furniture and fixtures	10 years
Buildings	30 years

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognized within other income or operating expenses in profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (d) Intangible asset:

Computer software that is acquired or developed by the Company, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative years are:

Computer software	5 years
-------------------	---------

Amortization methods and useful lives of all intangible assets are reviewed at each reporting date.

#### (e) Impairment:

##### (i) Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

##### (ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventory and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (f) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### (g) Revenue:

Monthly fees in connection with fibre optic, sentinel light, WiFi services, rental revenue, and consulting revenue are recognized as the services are rendered to customers.

Deferred revenue relating to contributions under a cost share agreement is amortized to income on a straight-line basis over the term of the agreement with the customer which represents the period of ongoing service to the customer.

#### (h) Deferred revenue and assets transferred from customers:

Certain partners are required to contribute towards the capital cost of fibre connections as part of a revenue/cost sharing agreement. Cash contributions are recorded as current liabilities. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue.

The deferred revenue amount represents the Company's obligation to continue to provide the customers access to the fibre services and is amortized to income on a straight-line basis over the term of the agreement with the customer.

#### (i) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash. Finance costs comprise interest expense on borrowings.

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 3. Significant accounting policies (continued):

#### (j) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

Under the Electricity Act, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes. Payments in lieu of taxes ("PIL"s) are referred to as income taxes.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## **FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### **3. Significant accounting policies (continued):**

#### **(k) Investments measured using equity method:**

The Company uses the equity method as a basis of accounting for investments in companies over which it exercises significant influence or joint control. Under the equity method, the Company records these investments initially at cost and the carrying values are adjusted thereafter to include the Company's pro rata share of post-acquisition earnings of the investees, computed by the consolidation method. The adjustments are included in the determination of net income by the Company, and the investment accounts of the Company are also increased or decreased to reflect the Company's share of capital transactions (including amounts recognized in other comprehensive income). Profit distributions received from investees reduce the carrying values of the investments. Unrealized intercompany gains or losses are eliminated.

The Company's determination of significant influence is based on consideration of voting interest in the investees along with other indicators such as representation on the board of directors, participation in policy-making processes, material intercompany transactions, interchange of managerial personnel or provision of technical information. The Company uses the equity method to account for its 45% interest in QR Fibre Inc.

### **4. Standards issued but not yet adopted:**

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. These standards or amendments relate to the measurement and disclosure of financial assets and liabilities. The extent of the impact on adoption of these standards and amendments has not yet been determined.

- i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
  - ii. Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
  - iii. Annual Improvements to IFRS Standards 2018-2020
- i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1):

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. On July 15, 2020 the IASB issued an amendment to defer the effective date by one year. The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 4. Standards issued but not yet adopted (continued):

For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option.

The amendments state that settlement of a liability includes transferring a company's own equity instruments to the counterparty, and when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity.

The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2023. The extent of the impact of adoption of the standard has not yet been determined.

#### ii. Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16):

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

The amendments provide guidance on the accounting for sale proceeds and the related production costs for items a company produces and sells in the process of making an item of property, plant and equipment available for its intended use. Specifically, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items.

The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2022. The extent of the impact of adoption of the standard has not yet been determined.

#### iii. Annual Improvements to IFRS Standards 2018-2020:

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018-2020.

The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted. The amendments relate to the following:

- IFRS 9 Financial Instruments: Clarifies which fees are included for the purpose of performing the '10 per cent test' for derecognition of financial liabilities.
- IFRS 16 Leases: Removes the illustration of payments from the lessor relating to leasehold improvements in the Illustrative Example 13.
- IAS 41 Agriculture: Removes the requirement to exclude cash flows for taxation when measuring fair value.

**FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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**4. Standards issued but not yet adopted (continued):**

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2022. The Company does not expect these standards to have a material impact on the financial statements.

**5. Inventory:**

The amount of inventory consumed by the Company and recognized as an expense during 2021 was \$156 (2020 - \$246).

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 6. Plant and equipment:

<b>Cost</b>	<b>Fibre optics</b>	<b>WiFi assets</b>	<b>Computer hardware</b>	<b>Sentinel lights</b>	<b>Buildings and office furniture</b>	<b>Total</b>
Balance at January 1, 2020	\$3,052,381	\$878,644	\$463,587	\$19,639	\$523,171	\$4,937,422
Additions	6,299	52,881	542,742	-	-	601,922
Transfers	-	-	-	-	-	-
Disposals/retirements	-	(104,586)	(60,542)	(8,669)	-	(173,797)
Balance at December 31, 2020	\$3,058,680	\$826,939	\$945,787	\$10,970	\$523,171	\$5,365,547
Balance at January 1, 2021	\$3,058,680	\$826,939	\$945,787	\$10,970	\$523,171	\$5,365,547
Additions	19,996	26,307	9,407	-	1,782	57,492
Transfers	-	-	-	-	-	-
Disposals/retirements	-	(104,854)	(450)	(3,635)	(4,125)	(113,064)
Balance at December 31, 2021	\$3,078,676	\$748,392	\$954,744	\$7,335	\$520,828	\$5,309,975
<b>Accumulated depreciation</b>						
Balance at January 1, 2020	\$1,282,957	\$397,975	\$102,559	\$12,538	\$26,441	\$1,822,470
Depreciation	122,221	111,162	88,319	1,890	17,637	341,229
Transfers	-	-	-	-	-	-
Disposals/retirements	-	(104,586)	(60,542)	(8,669)	-	(173,797)
Balance at December 31, 2020	\$1,405,178	\$404,551	\$130,336	\$5,759	\$44,078	\$1,989,902
Balance at January 1, 2021	\$1,405,178	\$404,551	\$130,336	\$5,759	\$44,078	\$1,989,902
Depreciation	122,747	101,859	111,618	1,275	17,460	354,959
Transfers	-	-	-	-	-	-
Disposals/retirements	-	(104,854)	(450)	(3,635)	(4,125)	(113,064)
Balance at December 31, 2021	\$1,527,925	\$401,556	\$241,504	\$3,399	\$57,413	\$2,231,797
<b>Carrying amounts</b>						
December 31, 2020	1,653,502	422,388	815,451	5,211	479,093	3,375,645
December 31, 2021	1,550,751	346,836	713,240	3,936	463,415	3,078,178

### Borrowing costs:

During the year there were no borrowing costs capitalized as part of the cost of plant and equipment (2019 – nil).

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 7. Intangible assets:

	Computer software
<b>Cost</b>	
Balance at January 1, 2020	\$25,769
Additions	4,406
Disposals/retirements	(1,327)
Balance at December 31, 2020	<u>\$28,848</u>
Balance at January 1, 2021	\$28,848
Additions	27,071
Disposals/retirements	(3,200)
Balance at December 31, 2021	<u>\$52,719</u>
<b>Accumulated amortization</b>	
Balance at January 1, 2020	\$14,989
Amortization	4,786
Disposals/retirements	(1,328)
Balance at December 31, 2020	<u>\$18,447</u>
Balance at January 1, 2021	\$18,447
Amortization	7,482
Disposals/retirements	(3,200)
Balance at December 31, 2021	<u>\$22,729</u>
<b>Carrying amounts</b>	
December 31, 2020	\$ 10,401
December 31, 2021	<u>29,990</u>

**FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

**8. Income taxes:**

	<b>2021</b>	<b>2020</b>
Current Tax Expense	\$ 34,000	\$ 15,000
Deferred tax expense:		
Origination and reversal of temporary differences	5,000	36,000
<b>Total income tax expense</b>	<b>\$39,000</b>	<b>\$51,000</b>
	<b>2021</b>	<b>2020</b>
Basic rate applied to profit before income tax 26.5% (2020 - 26.5%)	\$39,000	\$51,000
Other	-	-
	<b>\$39,000</b>	<b>\$51,000</b>

Significant components of the Company's deferred tax balances are as follows:

	<b>2021</b>	<b>2020</b>
Deferred tax assets		
SR&ED pool, ITC & CMT credit carry forwards	\$ -	\$ 4,000
Deferred tax liabilities		
Plant and equipment	(235,000)	(234,000)
SR&ED pool, ITC & CMT credit claimed	(1,000)	-
Other	(7,000)	(8,000)
Deferred tax liability, net	<b>(\$ 243,000)</b>	<b>(\$ 238,000)</b>



## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 9. Long-term debt:

	2021	2020
Demand note payable to shareholder, bearing interest at 7.5% per annum with interest payments only, due on demand, unsecured	372,000	372,000
Fixed rate loan, bearing an interest rate of 1.92%, quarterly instalments of \$12,373, term ending December 31, 2029	363,813	405,520
	<u>\$735,813</u>	<u>\$777,520</u>
Less: current portion	<u>414,508</u>	<u>413,707</u>
Long-term debt	<u>\$321,305</u>	<u>\$363,813</u>

The Company incurred interest expense in respect of these lending arrangements of \$35,685 (2020 – \$38,837).

### Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Current and long-term debt	Current and long-term deferred revenue	Total (financing cash flows)
Balance at January 1, 2021	\$777,520	\$687,600	\$1,465,120
Deferred revenue received	-	-	-
Repayments of long-term debt	(41,707)	-	(41,707)
Debt acquired	-	-	-
<b>Total changes from financing cash flows</b>	<b>\$(41,707)</b>	<b>\$ -</b>	<b>\$(41,707)</b>
Amortization of deferred revenue	-	(90,135)	(90,135)
Balance at December 31, 2021	\$735,813	\$597,465	\$1,333,278

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 10. Share capital:

	2021	2020
Authorized:		
Unlimited Class A special shares		
Unlimited Class B special shares		
Unlimited common shares		
Issued:		
3,382 common shares (2020 - 3,382)	\$249,235	\$249,235

### 11. Revenue:

	2021	2020
Fibre optics	\$ 706,776	\$ 715,583
Consulting revenue	225,215	213,664
WiFi revenues	271,952	269,410
Fibre room rental service	121,765	122,865
Sentinel light fixture rentals	10,433	10,846
	<u>\$ 1,336,141</u>	<u>\$ 1,332,368</u>

### 12. Employee salaries and benefits:

	2021	2020
Salaries, wages and benefits	\$ 359,950	\$ 325,938
CPP and EI remittances	23,023	17,593
Group RRSP contributions	10,480	8,111
	<u>\$ 393,453</u>	<u>\$ 351,642</u>

### 13. Operating expenses:

	2021	2020
Administrative expenses	\$ 112,415	\$ 86,500
WiFi maintenance	132,795	146,490
Fibre optics maintenance	135,743	143,494
Sentinel lights maintenance	963	7,829
	<u>\$ 381,916</u>	<u>\$ 384,313</u>

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

### 14. Finance income and expense:

	2021	2020
<b>Finance income</b>		
Interest income on bank deposits	\$ 198	\$ 1,015
<b>Finance costs</b>		
Interest expense on long-term debt	\$ 35,685	\$ 38,837
Interest expense on loans with subsidiaries of the City	13,712	20,833
Interest expense on other financial liabilities	23	-
	<u>\$ 49,420</u>	<u>\$ 59,670</u>
Net finance costs recognized in profit or loss	<u>\$ 49,222</u>	<u>\$ 58,655</u>

### 15. Related party transactions:

#### (a) Parent and ultimate controlling party

The sole shareholder and ultimate parent of the Company is the City of Stratford ("City"). The City produces financial statements that are available for public use.

#### (b) Key management personnel

The key management personnel of the Company have been defined as members of its Board of Directors and executive management team members. Executive management are paid under an administrative services agreement with Festival Hydro Inc., a company under common control by the City.

	2021	2020
Directors fees	\$ 15,351	\$ 8,768
Management fee	57,518	50,454
	<u>\$ 72,869</u>	<u>\$ 59,222</u>

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 15. Related party transactions (continued):

#### (c) Transactions with parent

The table below summarizes the Company's related party transactions, recorded at the exchange amounts, with the parent, the City of Stratford, for the year ended December 31. The transactions include the sale of fibre and WiFi services to the City as well as payment of joint pole charges for attachments on City owned poles as well as interest expense on amounts owed to the City.

	2021	2020
<b>Revenue</b>		
Fibre services	\$ 49,856	\$ 51,616
WiFi services	4,296	3,576
	<u>\$ 54,152</u>	<u>\$ 55,192</u>
<b>Expenses</b>		
Joint pole attachments on streetlights	\$ 178	\$ 818
Interest	27,900	27,900
	<u>\$ 28,078</u>	<u>\$ 28,718</u>

At December 31, 2021, the balance outstanding from the City was \$4,105 which has been recorded net of the intercompany loan from Festival Hydro Inc. who collects these receivables on the Company's behalf (2020 – \$4,964).

#### (d) Transactions with subsidiaries of the City

Festival Hydro Inc. performs all of the administrative functions for the Company. Most expenses are paid and revenue received through Festival Hydro Inc. according to a service level agreement, effective September 1, 2012. At December 31, 2021, the balance owing to Festival Hydro Inc. was \$332,803 (2020 - \$627,072), net of the \$4,105 (2019 - \$4,964) owed to the Company by the City of Stratford.

Festival Hydro Inc. charges interest on the balance owing from the Company at an interest rate equivalent to the Bank of Canada prime rate of 2.70% at December 31, 2021 (2020 – 2.45%) as per the revised loan agreement, effective September 1, 2012. The loan is repayable on demand and no later than September 1, 2022.

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 15. Related party transactions (continued):

(d) Transactions with subsidiaries of the City (continued):

The Company had the following transactions with subsidiaries of the City:

	2021	2020
<b>Revenue</b>		
Consulting services	\$ 128,117	\$ 174,047
WiFi services	124,000	124,000
Fibre services	30,148	30,148
	<u>\$ 282,265</u>	<u>\$ 328,195</u>
<b>Expenses</b>		
Water operations	\$ 73,410	\$ 71,980
Management fee	57,518	50,454
Joint pole attachments on hydro poles	71,311	69,502
Office and room rental	1,225	7,304
Operational services	40,872	36,334
Interest	13,712	20,833
Electricity charges	25,687	21,604
	<u>\$ 283,735</u>	<u>\$ 278,011</u>

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 16. Financial instruments and risk management:

#### Fair value disclosure

The carrying values of cash, accounts receivable, due to Festival Hydro Inc. and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

The fair value of the City demand note at December 31, 2021 is \$502,474 (2020 - \$516,992). The fair value is calculated based on the present value of future interest cash flows, discounted at the current rate of interest at the reporting date. The interest rate used to calculate fair value at December 31, 2021 was 2.70% on the City demand note (2020 – 2.45%)

The fair value of the non-interest-bearing loan debt agreement with Wightman at December 31, 2021 is calculated based on the present value of future principal and interest cash flows, discounted at the Bank of Canada 10-year rate at the reporting date. The interest rate used to calculate fair value at December 31, 2021 was 1.67% (2020 – 1.67%). The difference between the amount lent and the fair value of the debt of \$ (7,786) (2020 - \$ (8,571)) is recognized in interest expense in 2021 and other income in 2020.

#### Financial risks

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposures to a variety of risks such as credit risk, interest rate risk and liquidity risk as well as related mitigation strategies are discussed.

##### (a) Credit risk

Financial assets carry credit risk that counter-party will fail to discharge and obligation which would result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment, which management estimates based on lifetime expected credit losses, and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2021 is nil as the Company does not have a history of collection losses (2020 - nil).

The Company's credit risk associated with accounts receivable is primarily related to payments from fibre or wireless customers. At December 31, 2021 there was \$3,985 of 60 days past due (2020 – \$2,340).

## **FESTIVAL HYDRO SERVICES INC.**

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### **16. Financial instruments and risk management (continued):**

#### **(b) Market risk**

The Company is minimally exposed to fluctuations in interest rates based on its need for external financing.

A 1% increase in the interest rate at December 31, 2021 would have increased interest expense on the long-term debt by an immaterial amount.

#### **(c) Liquidity risk**

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure.

The Company has access to operating funds from an affiliate through an ongoing borrowing agreement and monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

The majority of accounts payable, as reported on the balance sheet are due within 30 days.

#### **(d) Capital disclosures**

The main objective of the Company when managing capital is to ensure ongoing access to funding to maintain and improve the fibre and wireless infrastructure. The Company's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2021, shareholder's equity amounts to \$1,216,716 (2020 - \$1,106,612) and long-term debt, including current portion thereof, amounts to \$735,813 (2020 - \$777,520).

## FESTIVAL HYDRO SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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### 16. Financial instruments and risk management (continued):

#### (e) Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. The Government of Ontario originally announced a state of emergency on March 17, 2020 which remained in effect until July 24, 2020 when the Reopening Ontario Act, 2020 was introduced provided for restrictive orders. A secondary state of emergency was declared effective January 14, 2021 until February 16, 2021 and third state of emergency was declared effective April 9, 2021 until May 6, 2021. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Company's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

### 17. Guarantee:

The Company has guaranteed the bank loan of QR Fibre, a company in which the Company has a 45% ownership interest to the extent of \$4,500,000. No amount has been recorded in these financial statements as the Company does not expect to have to honour its guarantee.

### 18. Equity Investment:

On August 28, 2019 QR Fibre Inc. as incorporated with the Company acquiring 45% of the issued and outstanding common shares for an investment of nil.

December 31, 2020	\$	-
Equity in 2021 earnings		-
December 31, 2021	\$	-



# FESTIVAL HYDRO SERVICES INC.

## Balance Sheet

For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Proj. as at Dec 31, 2021		YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Proj. as at Dec 31, 2021
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash	9,529	9,016	20,000	Accounts Payable	33,014	33,211	50,000
Accounts Receivable & Prepaids	60,474	62,215	60,000	Due to Festival Hydro Inc.	627,071	332,803	427,026
Income Tax Receivable/(Payable)	—	(28,000)	—	Current Portion of LTD	41,707	42,508	42,508
Other Assets	—	—	—	Promissory Note	372,000	372,000	372,000
Inventory	7,773	7,617	8,000				
<b>Total Current Assets</b>	<b>77,776</b>	<b>50,847</b>	<b>88,000</b>	<b>Total Current Liabilities</b>	<b>1,073,792</b>	<b>780,522</b>	<b>891,534</b>
<b>Fixed Assets</b>				<b>Other Liabilities</b>			
Gross Book Value	5,394,392	5,362,691	5,524,442	Deferred Revenue	687,600	597,465	597,465
Accumulated Depreciation	(2,008,348)	(2,254,523)	(2,374,101)	Deferred Tax Liabilities	238,000	243,000	207,000
<b>Net Book Value</b>	<b>3,386,044</b>	<b>3,108,168</b>	<b>3,150,341</b>				
<b>Other Assets</b>				<b>Long Term Debt</b>			
Investment in QR Fibre Co.	—	—	—	RBC Financing	—	—	—
Investment Tax Credit Receivable	6,000	—	6,000	POP Loan Long Term Portion	363,813	321,305	321,306
				<b>TOTAL LIABILITIES</b>	<b>2,363,206</b>	<b>1,942,292</b>	<b>2,017,305</b>
				<b>EQUITY</b>			
				Share Capital	249,236	249,236	249,236
				Retained Earnings	857,378	967,488	977,801
				<b>TOTAL EQUITY</b>	<b>1,106,613</b>	<b>1,216,724</b>	<b>1,227,036</b>
<b>TOTAL ASSETS</b>	<b>3,469,820</b>	<b>3,159,016</b>	<b>3,244,341</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,469,820</b>	<b>3,159,016</b>	<b>3,244,341</b>

# FESTIVAL HYDRO SERVICES INC.

## Statement of Operations For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Budget at Dec 31, 2021	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
<b>TOTAL REVENUE</b>	<b>1,332,368</b>	<b>1,336,140</b>	<b>1,439,604</b>	<b>(103,464)</b>	<b>(7%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>735,954</b>	<b>775,369</b>	<b>899,870</b>	<b>(124,501)</b>	<b>(14%)</b>
<b>NET INCOME BEFORE DEPRECIATION &amp; INTEREST</b>	<b>596,414</b>	<b>560,771</b>	<b>539,735</b>	<b>21,037</b>	<b>4%</b>
Depreciation	346,015	362,439	366,415	—	—
Interest Expense	59,670	49,420	52,686	(3,266)	(6%)
Interest Income	(1,015)	(198)	—	(198)	—
<b>NET INCOME FOR THE PERIOD BEFORE TAXES</b>	<b>191,744</b>	<b>149,109</b>	<b>120,632</b>	<b>28,477</b>	<b>24%</b>
Current Tax Provision	15,000	34,000	—	34,000	—
Future Tax Provision	36,000	5,000	—	5,000	—
<b>NET INCOME(LOSS) FOR THE PERIOD</b>	<b>140,744</b>	<b>110,109</b>	<b>120,632</b>	<b>(10,523)</b>	<b>(9%)</b>

# FESTIVAL HYDRO SERVICES INC.

## Cash Flow Statement

For the period ending December 31, 2021

	YTD as at Dec 31, 2020	YTD as at Dec 31, 2021	YTD Bdgt. as at Dec 31, 2021	YTD Proj. as at Dec 31, 2021
<b>Cash from Operations</b>				
Net Income	140,744	110,110	95,634	120,423
Future tax provision	36,000	5,000	3,000	—
Current tax provision (ITC portion)	15,000	34,000	—	31,000
Depreciation	346,015	362,439	366,415	365,752
Amortization of contributed capital	(45,817)	(72,698)	(75,465)	(72,698)
Amortization of deferred revenue	(18,807)	(17,437)	(17,437)	(17,437)
Accretion of interest	—	—	—	—
Investment in QR Fibre Co.	—	—	(22,404)	—
Net Change in Receivables/Payables	(111,419)	(1,388)	—	(44,767)
<b>Net Cash Provided</b>	<b>361,716</b>	<b>420,026</b>	<b>349,743</b>	<b>382,273</b>
<b>Cash from Financing</b>				
Capital expenditures - Festival	(606,328)	(84,563)	(152,475)	(130,050)
Contributed capital received DSRC - AVIN	480,000	—	37,346	—
Loan - Wightman	(40,922)	(41,707)	(41,707)	(41,707)
Loan - RBC	(288,185)	—	—	—
Loan from/(repayment to) Festival	89,089	(294,268)	(192,907)	(200,045)
<b>Net Cash Used</b>	<b>(366,346)</b>	<b>(420,539)</b>	<b>(349,743)</b>	<b>(371,802)</b>
<b>Increase (Decrease) in Cash Position</b>	<b>(4,630)</b>	<b>(513)</b>	<b>0</b>	<b>10,471</b>
<b>Cash Beg of Period</b>	<b>14,159</b>	<b>9,529</b>	<b>10,000</b>	<b>9,529</b>
<b>Cash End of Period</b>	<b>9,529</b>	<b>9,016</b>	<b>10,000</b>	<b>20,000</b>

# FESTIVAL HYDRO SERVICES INC.

## Statement of Capital

For the period ending December 31, 2021

	YTD as at Dec 31, 2021	YTD Budget at Dec 31, 2021	YTD Proj. as at Dec 31, 2021	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%	Cur to Proj. YTD Var\$
<b>CAPITAL</b>						
Office Furniture & Equipment	—	—	—	—	—	—
Computer Equipment - Hardware	9,407	6,000	10,500	3,407	57%	(4,500)
Computer Software	27,071	50,475	46,512	(23,404)	(46%)	3,963
Sentinel Lighting Rental Units	—	—	—	—	—	—
Buildings	1,782	—	2,000	1,782	—	(2,000)
Fibre Capital	19,996	49,000	19,713	(29,004)	(59%)	29,287
WiFi Capital	26,307	47,000	51,325	(20,693)	(44%)	(4,325)
<b>TOTAL CAPITAL</b>	<b>84,563</b>	<b>152,475</b>	<b>130,050</b>	<b>(67,912)</b>	<b>(45%)</b>	<b>22,425</b>

**To:** Dave Gaffney and the Finance & Labour Relations Committee  
**From:** Alyson Conrad, CFO  
**Re:** Commentary on FHSI Financial Results –  
 For the period ended March 31, 2022

The net income for the period was \$25K which is \$12K higher than budget but \$24K lower than at this point last year. Detailed commentary on the balance sheet and income statement activity are noted below:

**Balance Sheet Commentary:**

**A/R & Prepaids** – This balance is comparable to Q1 last year. Like last year the joint pole attachment expenses were not billed by FHI in Q1 and therefore not paid as of March 31<sup>st</sup>.

Outstanding accounts receivable balances are generally held in Festival Hydro as they hit the intercompany account and revenues when they are billed, not when they are collected. They are being monitored through the monitoring of the miscellaneous AR aging in Festival Hydro and there is a decrease in the aged balances at March 31<sup>st</sup>. We will continue to monitor the aged miscellaneous AR balances regularly to ensure Rhyzome receivables are not impacting Festival's cash flows increasingly.

**Capital Asset Additions** – Additions to the end of March 2021 are \$65K, or 165% of Q1 budget. This includes \$54K in computer hardware additions, \$8.5K on Fibre and \$2K on WIFI related projects. Details on the capital spend to date are as noted below:

**Computer Hardware:** Total spend for FHSI on hardware YTD is \$54K of which \$52K was spent on our new server project. We had budgeted \$55K for this project. These are the main network servers as the previous servers (4) were nearing end of life from an age perspective and were at risk of failure. A couple of the old servers may be repurposed for a sandbox environment and potentially as a backup server.

**Fibre Capital:** Total spend on fibre capital YTD is \$8.5K, the majority of which was spent on Adtran spare parts. This allows for quick access to critical parts in case of component failures on the primary Stratford fibre device and therefore significantly decreases lengthy outage time risks.

**WI-FI Capital:** Total YTD spend on WIFI related activity is \$2K. This was spent on the St. Mary's Wi-Fi project that was delayed in 2021 due to supply chain issues. The first portion of this upgrade has been completed with the remaining portion of the project to be completed later in 2022.

**Due to Festival Hydro Inc.** – The balance in this account decreased from the December 2021 balance by \$40K. The difference is mainly due to additional work being completed by FHSI staff for FHI in Q1 relating to cyber security and installation of new servers.

**Deferred Revenue** – This balance has decreased slightly from the December 2021 balance as a portion of the balance has been recognized into revenue for Q1 2022. No new contributions have been received in the year.

**Income Statement Commentary:**

**Revenues** – Revenues are \$8K lower than budget in Q1. Consulting revenue is down from budget because the revenue budget is equally distributed throughout the year which includes the addition of a Network Technician that is budgeted to start in May. The revenue for this position will increase the consulting revenue starting in Q2. This decrease is offset by the increase in LIT revenue. Similar to consulting revenue, this revenue budget is split evenly throughout the year, but the actual revenues were higher due to the Wightman contract which expired on March 31st. The impact of the new contract which will decrease revenue for Q2 to Q4 has not been seen yet.

**Operating Expenses** – Operating expenses are below budget by \$20K at the end of Q1 but higher than Q1 2021 by \$36K. In Q1 of 2022, FHSI had a full staff compliment; in 2021 there was a vacant position which caused the variance from the prior year. As noted above there is a new Network Technician position that was budgeted to start in May. This will normalize the budget to actual variance under Business Development expenses in Q2.

**Cash Flow Commentary:**

The cash balance has increased to \$14K from the \$9K December 2021 balance. As discussed above net income is ahead of budget. The variances in cash from year end are due to the net change in receivables and payables loan repayments, capital purchases and working capital items.

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# FESTIVAL HYDRO SERVICES INC.

## Balance Sheet For the period ending March 31, 2022

	YTD as at Mar 31, 2021	YTD as at Dec 31, 2021	YTD as at Mar 31, 2022		YTD as at Mar 31, 2021	YTD as at Dec 31, 2021	YTD as at Mar 31, 2022
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash	22,050	9,016	13,654	Accounts Payable	28,361	33,211	33,684
Accounts Receivable & Prepaids	51,828	62,215	49,388	Due to Festival Hydro Inc.	555,151	332,803	292,981
Income Tax Receivable/(Payable)	—	(62,500)	(28,000)	Current Portion of LTD	31,280	42,508	31,881
Other Assets	—	—	—	Promissory Note	372,000	372,000	372,000
Inventory	7,773	7,617	7,617				
<b>Total Current Assets</b>	<b>81,651</b>	<b>16,347</b>	<b>42,659</b>	<b>Total Current Liabilities</b>	<b>986,791</b>	<b>780,522</b>	<b>730,545</b>
<b>Fixed Assets</b>				<b>Other Liabilities</b>			
Gross Book Value	5,420,104	5,362,691	5,427,684	Deferred Revenue	664,293	597,465	585,564
Accumulated Depreciation	(2,099,952)	(2,254,559)	(2,348,487)	Deferred Tax Liabilities	238,000	212,000	243,000
<b>Net Book Value</b>	<b>3,320,152</b>	<b>3,108,132</b>	<b>3,079,197</b>				
<b>Other Assets</b>				<b>Long Term Debt</b>			
Investment in QR Fibre Co.	—	—	—	RBC Financing	1	—	—
Investment Tax Credit Receivable	6,000	6,000	—	POP Loan Long Term Portion	363,813	321,305	321,305
				<b>TOTAL LIABILITIES</b>	<b>2,252,899</b>	<b>1,911,292</b>	<b>1,880,415</b>
				<b>EQUITY</b>			
				Share Capital	249,236	249,236	249,236
				Retained Earnings	905,668	969,952	992,206
				<b>TOTAL EQUITY</b>	<b>1,154,903</b>	<b>1,219,187</b>	<b>1,241,441</b>
<b>TOTAL ASSETS</b>	<b>3,407,803</b>	<b>3,130,479</b>	<b>3,121,856</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,407,803</b>	<b>3,130,479</b>	<b>3,121,856</b>

# FESTIVAL HYDRO SERVICES INC.

## Statement of Operations For the period ending March 31, 2022

	YTD as at Mar 31, 2021	YTD as at Mar 31, 2022	YTD Budget at Mar 31, 2022	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
<b>TOTAL REVENUE</b>	<b>332,611</b>	<b>345,126</b>	<b>352,925</b>	<b>(7,799)</b>	<b>(2%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>179,577</b>	<b>215,517</b>	<b>235,082</b>	<b>(19,565)</b>	<b>(8%)</b>
<b>NET INCOME BEFORE DEPRECIATION &amp; INTEREST</b>	<b>153,035</b>	<b>129,610</b>	<b>117,843</b>	<b>11,766</b>	<b>10%</b>
Depreciation	91,604	93,964	93,964	—	—
Interest Expense	13,177	10,956	10,955	1	0%
Interest Income	(35)	(28)	—	(28)	—
<b>NET INCOME FOR THE PERIOD BEFORE TAXES</b>	<b>48,290</b>	<b>24,717</b>	<b>12,923</b>	<b>11,793</b>	<b>91%</b>
Current Tax Provision	—	—	—	—	—
Future Tax Provision	—	—	—	—	—
<b>NET INCOME(LOSS) FOR THE PERIOD</b>	<b>48,290</b>	<b>24,717</b>	<b>12,923</b>	<b>11,793</b>	<b>91%</b>



# FESTIVAL HYDRO SERVICES INC.

## Cash Flow Statement

For the period ending March 31, 2022

	YTD as at Dec 31, 2021	YTD as at Mar 31, 2022
<b>Cash from Operations</b>		
Net Income	172,110	24,718
Future tax provision	(57,000)	—
Current tax provision (ITC portion)	34,000	—
Depreciation	362,439	93,964
Amortization of contributed capital	(72,698)	(17,823)
Amortization of deferred revenue	(17,437)	5,922
Accretion of interest	—	—
Investment in QR Fibre Co.	—	—
Net Change in Receivables/Payables	(1,388)	13,299
<b>Net Cash Provided</b>	<b>420,026</b>	<b>120,079</b>
<b>Cash from Financing</b>		
Capital expenditures - Festival	(84,563)	(64,992)
Contributed capital received DSRC - AVIN	—	—
Loan - Wightman	(41,707)	(10,627)
Loan - RBC	—	—
Loan from/(repayment to) Festival	(294,268)	(39,822)
<b>Net Cash Used</b>	<b>(420,539)</b>	<b>(115,442)</b>
<b>Increase (Decrease) in Cash Position</b>	<b>(513)</b>	<b>4,638</b>
<b>Cash Beg of Period</b>	<b>9,529</b>	<b>9,016</b>
<b>Cash End of Period</b>	<b>9,016</b>	<b>13,654</b>

# FESTIVAL HYDRO SERVICES INC.

## Statement of Capital

For the period ending March 31, 2022

	YTD as at Mar 31, 2022	YTD Budget at Mar 31, 2022	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
<b>CAPITAL</b>				
Office Furniture & Equipment	—	—	—	—
Computer Equipment - Hardware	54,290	26,207	28,083	107%
Computer Software	—	994	(994)	(100%)
Sentinel Lighting Rental Units	—	—	—	—
Buildings	121	—	121	—
Fibre Capital	8,589	10,250	(1,661)	(16%)
WiFi Capital	1,992	1,916	76	4%
<b>TOTAL CAPITAL</b>	<b>64,992</b>	<b>39,368</b>	<b>25,625</b>	<b>65%</b>

**RESOLUTION OF THE SOLE SHAREHOLDER OF  
FESTIVAL HYDRO INC.  
(the “Corporation”)**

RESOLVED THAT:

1. The financial statements of the Corporation as of December 31, 2021 consisting of the Balance Sheet as at December 31, 2021, the Statement of Income for the year ended December 31, 2021 and the Statement of Retained Earnings for the year ended December 31, 2021 the notes to the financial statements; and; the report of the auditors thereon dated April 28, 2022 be and the same are hereby approved and adopted.
2. All acts, contracts, by-laws, proceedings, appointments, elections and payments enacted, made, done and taken by the directors and officers of the Corporation since the last annual meeting of the shareholder as the same are set out or referred to in the minutes of the meetings and resolutions of the board of directors or referred to or given effect to in the aforesaid financial statements be and the same are hereby approved, ratified and confirmed.

The foregoing resolution is signed by the sole Shareholder of the Corporation pursuant to the *Business Corporations Act* this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

The Corporation of the City of Stratford

Per: \_\_\_\_\_

Mayor: Dan Mathieson

Per: \_\_\_\_\_

Clerk: Tatiana Dafoe

**RESOLUTION OF THE SOLE SHAREHOLDER OF  
FESTIVAL HYDRO SERVICES INC.  
(the “Corporation”)**

RESOLVED THAT:

1. The financial statements of the Corporation as of December 31, 2021 consisting of the Balance Sheet as at December 31, 2021, the Statement of Income for the year ended December 31, 2021 and the Statement of Retained Earnings for the year ended December 31, 2021 the notes to the financial statements; and; the report of the auditors thereon dated April 28, 2022 be and the same are hereby approved and adopted.
2. All acts, contracts, by-laws, proceedings, appointments, elections and payments enacted, made, done and taken by the directors and officers of the Corporation since the last annual meeting of the shareholder as the same are set out or referred to in the minutes of the meetings and resolutions of the board of directors or referred to or given effect to in the aforesaid financial statements be and the same are hereby approved, ratified and confirmed.

The foregoing resolution is signed by the sole Shareholder of the Corporation pursuant to the *Business Corporations Act* this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

The Corporation of the City of Stratford

Per: \_\_\_\_\_

Mayor: Dan Mathieson

Per: \_\_\_\_\_

Clerk: Tatiana Dafoe




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## MANAGEMENT REPORT

**Date:** May 17, 2022  
**To:** Finance and Labour Relations Sub-committee  
**From:** Karmen Krueger, Director of Corporate Services  
**Report#:** FIN22-020  
**Attachments:** SEEDCo Update Q1 to March 31 2022

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**Title:** Stratford Economic Enterprise Development Corporation  
 (SEEDCo./investStratford) – Q1 Update to March 31, 2022

**Objective:** To receive an update on SEEDCo.'s first quarter 2022. Also to receive a look ahead to the second quarter and action plan to 2025.

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

**Analysis:** Joani Gerber from SEEDCo. has been invited to attend to present the attached report.

### **Financial Implications:**

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

SEEDCo receives financial contributions from the City as outlined in the attachment. Beyond this, there are no additional direct financial implications to the City's operating budget.

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

#### **Widening our Economic Opportunities**

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

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

#### **Equity and Local Economy**

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

**Staff Recommendation: THAT the Stratford Economic Enterprise Development Corporation (SEEDCo./investStratford) Update dated May 17, 2022, be received for information.**

**Prepared by:** Karmen Krueger, CPA, CA  
Director of Corporate Services

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

May 17, 2022

Title: Report to Finance & Labour Relations Sub-Committee

Councillor Gaffney, Chair & Sub-Committee Members

CC: Karmen Krueger, Director of Corporate Services & Joan Thomson, CAO

### Activities of the Stratford Economic Enterprise Development Corporation

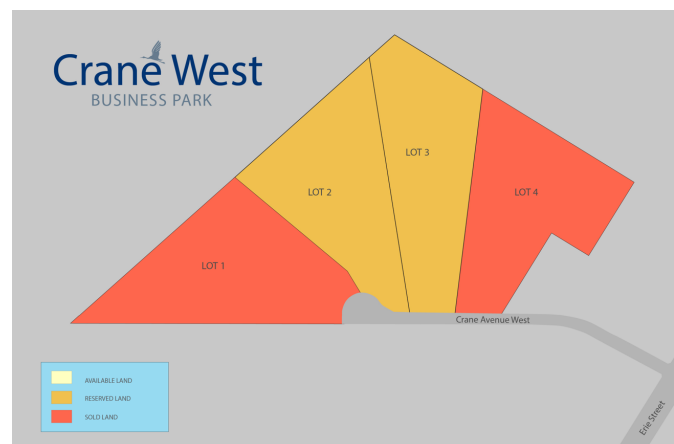
Aligning to the strategic priority of Council, **Widening our Economic Opportunities**, the following projects and activities are ongoing and underway. In some areas, delays and priority shifts have been experienced as a result of COVID-19.

Key Metrics (January 1, 2022, through March 31, 2022):

- Staff worked with 28 ongoing new investment opportunities for both City-owned and privately held industrial and commercial properties. 29 start-up small businesses were supported by the Small Business Centre
- Staff are working with 29 existing companies, supporting their retention and expansion efforts
- Staff hosted 6 workshops and events for Small Businesses and Entrepreneurs
- Staff participated in 14 Workforce development activities and directly supported 1 employer consultation
- Staff attended the International Building Supply Show and the Society of Industrial & Office Realtors Networking Event. Building supply and construction materials companies and Ontario-based Commercial Realtors were in attendance

City-Owned Industrial Land Activity (January 1, 2022, through March 31, 2022):

- All City-owned Industrial Land is sold or in reserve
- No City-Owned lands closed between Jan-March 2022



Action Plan 2025, Attached.

- Board of Directors led session to refine Programming Pillars, Strategic Enablers & Guiding Principles
- Staff created actionable and measurable items within each programming pillar. Each annual plan and associated annual staff goals and objectives will be geared toward these items.

Budget Variance Analysis (Year to Date, effective March 31, 2022), Attached.

- Note 2 – “My Main Street” project salaries are reflected and will be offset by project funding of 100%. This project has no additional impact on City budgets.
- All SBEC related expenses (rent, grants, events) are reported on a fiscal year end (April-March)

Looking Ahead to Quarter Two (April-June 2022)

- \$21,000 of Summer Company grants will be awarded to 7 young entrepreneurs
- CEO presentation of Data-Driven Decision Making (My Main Street) at the Economic Development Council of Ontario Conference (April 5-8); Staff will attend the Canadian FDI Forum (May 1-4)
- SEEDCo. Annual General Meeting, Thursday, June 16<sup>th</sup> 8am-9:30am, Tom Patterson Theatre

Respectfully Submitted,



Joani Gerber  
CEO, investStratford  
[jgerber@investstratford.com](mailto:jgerber@investstratford.com)

Attachments:

SEEDCo. Action Plan 2025

SEEDCo. Jan-Mar 2022 Finance Subcommittee Variance Report

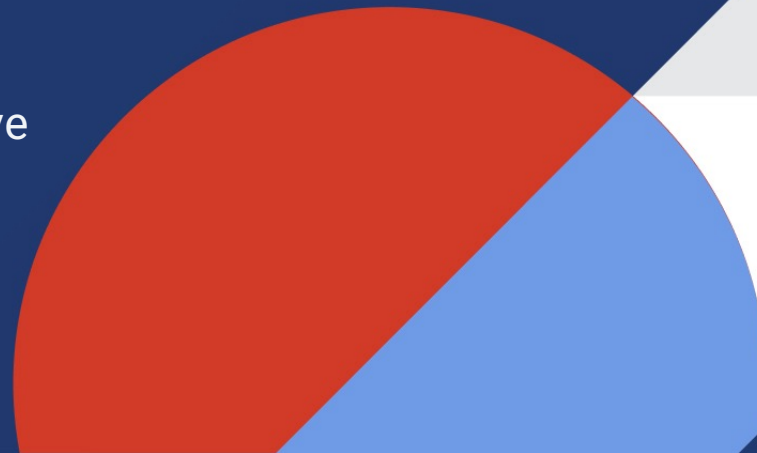


# Action Plan 2025

Mission: advancing the economic future of Stratford through excellence, creativity and collaborative leadership

Vision: to relentlessly pursue community prosperity by being a globally recognized City for innovation, sustainability and inclusivity

Values: Professional Integrity; Collaborative Leadership; Proactive and Responsive Solutions; Excellence in Service Delivery



## Programming Pillars



Business Retention,  
Expansion and Support



Investment Attraction and  
Sector Development



Business Creation and  
Entrepreneurship

## Strategic Enablers

Meaningful Council,  
Community and  
International partnerships

Strong communications and  
marketing strategies

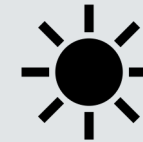
Agile operations, strong  
governance and data-driven  
reporting

Sustainable growth of the  
SEEDCo. team and resources

## Guiding Principles



Supporting a Strong &  
Robust Workforce



A Focus on Climate  
Stewardship & Technology



Thoughtful Attention to  
Equity, Diversity &  
Inclusivity

Programming Pillars

## Business Retention, Expansion & Support

Our existing companies employ thousands of local residents and contribute millions to the tax base annually. By supporting their expansion and maintaining an environment for them to thrive we successfully advance the economic future of Stratford.

### Through 2025 we will:

- Provide a Concierge-Style service to business owners expanding or developing new sites, regardless of size or sector of the company.
- Establish storytelling and promotion strategies to amplify the success of businesses across all sectors and highlight the inputs of investStratford
- Work creatively with all employment-related partners including education and social services to support workforce development
- Provide ongoing thought leadership for existing business in both sector specific and broad areas such as climate stewardship, innovation, equity and inclusivity.

## Programming Pillars

## Investment Attraction & Sector Development

The City of Stratford is an ideal community for companies to locate and succeed. Home to leading global industry, the Stratford Festival and the University of Waterloo School of Interaction, Design and Business, the Stratford Advantage is obvious to business making new investments.

Our value proposition encourages the development of new economic sectors that complement our existing economic drivers in tourism, manufacturing, technology and service.

### Through 2025 we will:

- Work with Stratford City Council and the City Corporate Leadership Team to develop a new Business Park for employment land
- Maintain our membership with the Southwestern Ontario Marketing Alliance to promote the Region Internationally
- Partner with investOntario, investCanada and the Trade Commission Service to attract companies from targeted international Regions
- Capitalize on opportunities to promote the Community using technology and online resources to attract new investment
- Explore new priority sectors and review existing ones to maintain strong economic diversity and mix.
- Continue our work on Smart City initiatives and technology investments that positively impact the community at large.

## Programming Pillars

## Business Creation & Entrepreneurship

Small businesses account for the majority of companies in Stratford. Whether in our historic downtown or outside the core, small businesses and entrepreneurs make Stratford what it is. All sectors are supported by our efforts including tourism, technology, professional service and retail.

Our partnership with the City of Stratford and Province of Ontario allows us to support businesses in Stratford, St. Marys and Perth County and provide programs, events and grants.

### Through 2025 we will:

- Operate the Stratford Perth Centre for Business in partnership with the Province of Ontario and City of Stratford
- Collaborate with partner organizations to offer programs, events and supports to local small business owners
- Ensure supports reach across all sectors and are tailored to those sector needs
- Maintain active relationships with all levels of Government and regional economic development agencies to encourage grants, projects and funding to area business

**2022 Budget for SEED Co.****OPERATIONS**

as of Mar 31, 2022

	<b>Budget</b>	<b>(unadjusted)</b>	
	<b>2022</b>	<b>Year to Date</b>	
	<b>2022</b>	<b>2022</b>	
<b>REVENUE</b>			
City of Stratford - InvestStratford	514,000	-	
City of Stratford - SBEC	108,202	-	
City of Stratford - Housing Special Project	35,000	-	
Province Funding- SBEC	217,806	-	
Recoverable Expenses and Charges	8,000	2,160	
Events and User Fees	-		
	<b>\$ 883,008</b>	<b>\$ 2,160</b>	
<b>EXPENSES</b>			
Salaries, Benefits and Contract Labour	518,045	90,895	2
Training and Professional Development	7,500	-	
Insurance and Custodial	6,000	-	
Equipment, Capital and Software	5,000	-	
Support Services and Fees	28,200	8,423	
Office Supplies and Operations	29,176	999	
Consultants and Mentorship	45,000	-	
Legal and Audit	5,000	177	
Meals and Meetings	6,000	285	
Contingency/Reserve Transfer	10,000	-	
Conferences, Trade Shows, Travel and Mileage	40,000	1,141	
Promotion, Marketing, and Materials	30,000	6,920	
Memberships	35,000	32,931	1
Rent and common area maintenance	21,781	-	
Events	10,306	-	
Grants	86,000	-	
	<b>\$ 883,008</b>	<b>\$ 141,771</b>	
<b>Projected Ending Surplus (Deficit)</b>	<b>\$ 0</b>	<b>\$ (139,611)</b>	

1 2022 Annual Memberships paid in January (SOMA, APMA, EDAC)

2 includes additional 2FTE for My Main Street Program

NB: City operations are a calendar year end, December 31, 2022, SBEC operations are reported on a March 31, 2023 fiscal



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## MANAGEMENT REPORT

**Date:** May 17, 2022  
**To:** Finance and Labour Relations Sub-committee  
**From:** Spencer Steckley, Manager of Financial Services  
**Report #:** FIN22-022  
**Attachments:** Q1 Variance Report – 2022

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**Title:** Q1 Operating Budget Variance Report at March 31, 2022

**Objective:** To explain variances in the operating budget at March 31, 2022.

**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.

**Analysis:** As is typical, the first quarter results are not reliably a predictor for the remainder of the year, and the emphasis is on qualitative information to identify any areas of potential concern.

Some departmental highlights are noted below:

### Human Resources

The department continues to see significant legal costs and additional wages related to collective bargaining and arbitration. At this time the department is forecasting to be over budget by \$30,000.

### Corporate Services

Slight variance may be experienced due to staffing vacancies in the Finance Division in the first quarter.

### Community Services

In particular, the Recreation and Transit Divisions, are forecasted to be \$88,000 over budget in 2022 because of COVID. During the quarter, there was a loss of \$153,000 in ice rental revenue because of the provincially mandated lockdown. Transit, conversely, continues to see operational savings from COVID given 'School Specials' did not take place because of the extended Christmas break for students. Mobility service is still at

60% of pre-pandemic levels with two driver positions remaining unfilled due to demand. It is expected as the service levels increase, a driver position will be filled in quarter 2. Overall, transit is forecasting to be under budget by \$65,000 for the year. The overall very preliminary forecasted variance to budget across the City at this time is a deficit of \$68,000. It is expected that this amount will change as we progress through the year and more information becomes available.

### **Financial Implications:**

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

Year-end forecasts as noted in the attached. Currently forecasting variance to budget (deficit) of \$68,000 for the 2022 year-end at this time.

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

#### **Strengthening our Plans, Strategies and Partnerships**

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

#### **Developing our Resources**

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

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

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

**Staff Recommendation: THAT the report titled, "Q1 Operating Variance Report at March 31, 2022" (FIN22-022), be received for information.**

#### **Prepared by:**

#### **Recommended by:**

Spencer Steckley, CPA, CA, Manager of Financial Services

Karmen Krueger, CPA, CA, Director of Corporate Services/  
Treasurer

Joan Thomson, Chief Administrative Officer



City of Stratford Q1 Operating Variance Report as at 31ST March 2022						
Department	2022 Net Budget	Q1 YTD Mar. 31/22	% of Budget Spent	(Surplus) / Deficit FORECASTED Variance At 31 Dec 2022	Variance as a Percentage of Budget	Explanation
<b><u>Mayor/Council/CAO Office</u></b>						
101 - Mayor's Office	99,640	<b>23,527</b>	23.6	0	0%	No variance anticipated at this time.
102 - Council Services	373,930	<b>106,053</b>	28.4	0	0%	No variance anticipated at this time.
111 - CAO's Office	875,047	<b>171,401</b>	19.6	0	0%	No variance anticipated at this time.
<b><u>Human Resources</u></b>						
112 - Human Resources	691,710	<b>201,270</b>	29.1	30,000	4%	Significant legal costs and associated additional wages for collective bargaining/arbitration and corporate projects.
<b><u>Corporate Services</u></b>						
100 - Taxation	(68,520,591)	<b>(32,325,160)</b>	47.2	0	0%	No variance anticipated at this time.
100 - General Revenues	(1,658,900)	<b>0</b>	0.0	0	0%	Festival Hydro dividends will be received as declared.
121 - City Clerk	508,770	<b>125,777</b>	24.7	0	0%	No variance anticipated at this time.
131 - Financial Services	1,404,230	<b>366,606</b>	26.1	(50,000)	-4%	Slight variance expected due to staffing vacancies.
134 - Information Technology	1,705,196	<b>471,868</b>	27.7	0	0%	No variance anticipated at this time.
135 - Parking	(464,230)	<b>39,857</b>	-8.6	0	0%	Parking revenue for the first quarter remains significantly lower when compared to 2019, before the onset of the pandemic. Provincially mandated lockdowns during the first quarter have impacted parking revenues but it is anticipated that the losses will be recovered throughout subsequent quarters. No variance anticipated at this time.
136 - Crossing Guards	242,910	<b>34,904</b>	14.4	0	0%	No variance anticipated at this time.
139 - General Financial Services	1,818,477	<b>1,116,288</b>	61.4	0	0%	No variance anticipated at this time - yearly insurance premium paid in full in first quarter (approximately \$995,000).
513 - Industrial Land Sales	0	<b>1,891</b>	0.0	0	0%	No variance anticipated at this time - clears to reserve fund at year end.
810 - Requisitions from Others	9,284,432	<b>2,501,512</b>	26.9	0	0%	No variance anticipated - all payments to external boards and agencies are on budget.
820 - Other Municipal Services	103,945	<b>(671)</b>	-0.6	0	0%	No variance anticipated at this time.
872 - Community Grants	769,050	<b>(36,063)</b>	-4.7	0	0%	No variance anticipated at this time.
<b><u>Infrastructure &amp; Development Services</u></b>						
141 - City Building Maintenance	862,318	<b>113,127</b>	13.1	0	0%	No variance anticipated at this time.
251 - Building & Planning	491,632	<b>66,647</b>	13.6	0	0%	No variance anticipated at this time.
310 - Engineering	803,839	<b>382,360</b>	47.6	0	0%	No variance anticipated at this time.
315 - Fleet	1,614,790	<b>513,052</b>	31.8	0	0%	No variance anticipated at this time.
320 - Roads	5,888,580	<b>859,992</b>	14.6	0	0%	No variance anticipated at this time.
330 - Sanitary	0	<b>447,100</b>	0.0	0	0%	No variance anticipated at this time.
340 - Storm	4,416,682	<b>18,185</b>	0.4	0	0%	No variance anticipated at this time.
350 - Water	(7,235)	<b>513,995</b>	0.0	0	0%	No variance anticipated at this time.
360 - Waste	1,035,740	<b>(157,148)</b>	-15.2	0	0%	No variance anticipated at this time.

City of Stratford Q1 Operating Variance Report as at 31ST March 2022						
Department	2022 Net Budget	Q1 YTD Mar. 31/22	% of Budget Spent	(Surplus) / Deficit FORECASTED Variance At 31 Dec 2022	Variance as a Percentage of Budget	Explanation
<b><u>Fire</u></b>						
211 - Fire	8,390,884	<b>2,057,349</b>	24.5	0	0%	No variance anticipated at this time.
512 - Airport	184,742	<b>39,546</b>	21.4	0	0%	No variance anticipated at this time.
<b><u>Community Services</u></b>						
711 - Parks	2,563,180	<b>234,367</b>	9.1	0	0%	No variance anticipated at this time.
721 - Recreation	5,320,967	<b>745,624</b>	14.0	153,000	3%	Loss in ice rental revenue in the amount of \$153,000 due to the provincially mandated closure of indoor recreational facilities in January. Huron Perth Healthcare Alliance has extended their rental of the meeting space from Monday to Friday until at least the end of June for the COVID-19 Assessment Centre. Once this concludes, expect an increase in meeting and event space rental revenue in Q2-Q4 provided no public health measures in place. Expense accounts are currently on track with budgeted amounts.
731 - Cemetery	460,180	<b>95,531</b>	20.8	0	0%	No variance anticipated at this time.
750 - Transit	2,180,784	<b>(33,394)</b>	-1.5	(50,000)	-2%	The extension of the Christmas break for Students into January recognized some operational savings as School Specials were not required to operate. On Demand transit on weekends also continues to recognize some additional savings in operating costs.
751 - Parallel Transit	517,180	<b>113,918</b>	22.0	(15,000)	-3%	Mobility service still remains at 60% of the pre-pandemic level however this is slowly increasing as time goes on. The two vacant part-time driving positions remain unstaffed but as service requests increase, it is expected one position will be filled in Q2.
<b><u>Social Services</u></b>						
610 - Social Services Administration	17,000	<b>335,359</b>	0.0	0	0%	Reallocations still to be done. No unanticipated variances at this time.
611 - Ontario Works	573,980	<b>847,470</b>	147.6	0	0%	Reallocations still to be done. No unanticipated variances at this time.
613 - Anne Hathaway Day Care Centre	1,170	<b>327,233</b>	27968.6	0	0%	Reallocations still to be done. No unanticipated variances at this time.
614 - Social Housing	0	<b>599,830</b>	0.0	0	0%	Reallocations still to be done. No unanticipated variances at this time.
615 - Housing	2,356,750	<b>(721,226)</b>	-30.6	0	0%	Reallocations still to be done. No unanticipated variances at this time.
616 - Child Care	239,210	<b>1,245</b>	0.5	0	0%	Reallocations still to be done. No unanticipated variances at this time.
617 - Early Learning & Child Development	115,260	<b>1,152,019</b>	999.5	0	0%	Reallocations still to be done. No unanticipated variances at this time.
618 - Britannia Street Apartments	0	<b>12,669</b>	0.0	0	0%	Reallocations still to be done. No unanticipated variances at this time.
<b><u>Police</u></b>						
231 - Police	12,097,829	<b>3,116,390</b>	25.8	0	0%	No variance anticipated at this time.
<b><u>Library</u></b>						
411 - Library	2,640,922	<b>612,812</b>	23.2	0	0%	No variance anticipated at this time.
<b>Total Net Expenses (Revenue)</b>	<b>\$ -</b>	<b>(14,906,887)</b>		<b>68,000</b>		



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## MANAGEMENT REPORT

**Date:** May 17, 2022  
**To:** Finance and Labour Relations Sub-committee  
**From:** Spencer Steckley, Manager of Financial Services  
**Report #:** FIN22-023  
**Attachments:** Q4 Variance Report – Preliminary 2021 Year-end Results

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**Title:** Q4 Operating Budget Variance Report at December 31, 2021

**Objective:** To explain variances in the operating budget as at December 31, 2021 and highlight preliminary year-end results for 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:** Finance staff continue to process year-end transactions so it should be noted that the attached variance summary is preliminary. The overall expected surplus for the year is currently \$2,236,277. Significant factors include additional supplementary tax revenues, salary variances due to vacancies and expenditures below budget due to pandemic-related closures and supply chain issues.

The forecasts include adjustments relating to year-end transactions and represent staff's best preliminary estimate of the final surplus position.

A subsequent report will be provided to Council once the final figures are known, with recommendations for allocating the surplus, consistent with the reserves and reserve fund policies and any other relevant considerations at that time.

Some departmental highlights are noted below:

### Human Resources

The forecasted variance to budget deficit for the year relates to collective bargaining negotiations and arbitration. Additional legal services and wages were incurred as a result. There was also higher than budgeted consulting fees related to the

Administrative Job Evaluation Project which concluded in 2021. This translates into an overall variance to budget deficit of approximately \$100,000.

### **Corporate Services**

Overall, the department is forecasting a surplus of approximately \$355,000.

Information Technology had a surplus (\$361,000) related to the timing of service contracts (i.e. early termination of one contract and later than anticipated start of another).

Fee waivers within Community Grants were well below budget (\$199,000) due to COVID and the corresponding cancelling of community events. This not part of the true corporate surplus, instead is an inter-departmental transfer between the two departments that will not occur.

The County Roads agreement between Perth County and the City continues to be discussed. At this time, the City is forecasting a surplus to variance (\$288,000), however this could change based on the outcomes of those discussions.

The Parking Division variance remained consistent with forecasts throughout the year and revenues came in significantly less than budgeted. Although revenues increased \$200,000 from 2020, the provincially mandated lockdowns during 2021 had substantial impacts on the budget (\$1,299,000).

### **Infrastructure & Development Services**

Overall, the department is forecasting a \$1,078,000 surplus to budget from staffing vacancies in Engineering and increased revenues in Planning (\$321,000) and Waste (\$386,000) as demand for services grow. Surplus variances were also seen in the Roads (\$319,000) and the City Building Maintenance Department (\$87,368) as a milder winter resulted in less-than-expected overall winter maintenance expenses. These variances were offset by a budget to variance deficit in fleet (\$128,000) as cost escalations in fuel and repair parts continued throughout the year.

### **Fire Department**

Overall, the department is forecasting a \$347,000 surplus to variance for the year. This can be attributed to staffing leaves (and positions not being backfilled) and budgeted positions not being occupied throughout the year. Combined, this translates into approximately \$127,000 of the surplus in the salary and wages line. The additional variance relates to the retroactive salary adjustment due to the collective bargaining agreement settled in 2021.

## **Community Services**

Overall, the department is forecasting a \$740,000 surplus to variance with Transit representing the majority of the surplus. The provincial lockdowns and COVID led to reduced services throughout the year for Transit, which provided corresponding reductions in salaries and wages. Provincial funding for Transit was also received to help offset additional expenses and lost revenue from COVID, helping to mitigate the impacts of the pandemic. Recreation contributed to the surplus by \$140,000, due to fewer than anticipated utility and maintenance expenses.

## **Social Services**

Overall the department is forecasting a surplus of \$415,000 between all of its divisions. COVID had an impact on all divisions which resulted in additional funding in Day Care (\$40,000) to offset costs and reduced revenues from capacity limits, reduced programming in Ontario Works (\$125,000) and Child Care (\$20,000), moratorium on evictions in Social Housing and fewer associated 'move out' expenses (\$120,000) and reduced expenses related to Ministry funding in Early Learning and Child Development (\$110,000).

## **Police Services Board**

Overall is forecasting a \$97,000 surplus with individual budgeted line items coming in over/under budget. User fee revenue was approximately \$20,000 greater than the budgeted amount and salaries and wages was under budget due to the timing of hirings and departures (i.e. retirements).

## **Financial Implications:**

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

Year-end forecasts as noted in the attached. Currently forecasting an overall variance to budget (surplus) of \$2,236,277. This is higher than initially expected but when considered in the context of the City's total budgeted revenues and expenses, this represents a 1.7% variance from the total budgeted revenues and expenditures.

This projected surplus is still subject to change based on year-end entries, but the current process outlined in the Reserve and Reserve Fund policy is to have the year-end surplus flow to the Tax Stabilization Reserve as part of the year-end close procedures. From there, funds in this reserve can be used to 'stabilize' or mitigate subsequent year budget increases that relate to certain timing differences. This ensures that surpluses are flowed back to the taxpayers.

Staff are working on a separate Surplus/Deficit policy to come forward at a subsequent meeting that will outline further recommendations around how surpluses and deficits are managed. In addition, the Finance Division wants to build some enhanced reporting to provide staff and Council members with additional information relating to

balance sheet items through the year (e.g. long-term debt, reserve funds and bank balances). The expected timeline for these enhanced reports is 2023 and subsequent years as there is some back-end configurations required in the financial software.

As a further update, the 2020 year-end audit is wrapping up and the 2021 year-end audit is tentatively scheduled for June. It is expected that the 2021 audit will be completed within a couple of months, once it's begun and future year-end audits should be completed in more timely periods.

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

#### **Strengthening our Plans, Strategies and Partnerships**

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

#### **Developing our Resources**

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

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

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

**Staff Recommendation: THAT the report titled, "Q4 Operating Variance Report at December 31, 2021" (FIN22-023), be received for information.**

<b>Prepared by:</b>	Spencer Steckley, Manager of Financial Services
<b>Recommended by:</b>	Karmen Krueger, CPA, CA, Director of Corporate Services/ Treasurer
	Joan Thomson, Chief Administrative Officer

City of Stratford Q4 Operating Variance Report as at 31 December 2021						
Department	2021 Net Budget	Unaudited As at Dec. 31/21	% of Budget Spent	(Surplus) / Deficit FORECASTED Variance At 31 Dec 2021	Variance as a Percentage of Budget	Explanation
<b><u>Mayor/Council/CAO Office</u></b>						
101 - Mayor's Office	106,025	<b>97,211</b>	91.7	(8,814)	-8%	Small unanticipated variance.
102 - Council Services	379,802	<b>392,338</b>	103.3	12,536	3%	Small unanticipated variance.
111 - CAO's Office	705,590	<b>730,161</b>	103.5	(14,098)	-2%	Small unanticipated variance.
<b><u>Human Resources</u></b>						
112 - Human Resources	646,540	<b>746,635</b>	115.5	100,095	15%	Significant unbudgeted costs associated with legal services for Arbitration and Admin Job Evaluation Project Consultant Fee. Additional contracted wages related to collective bargaining negotiations and City initiatives.
<b><u>Corporate Services</u></b>						
100 - Taxation	(63,712,339)	<b>(63,719,306)</b>	100.0	(6,967)	0%	Small unanticipated variance.
100 - General Revenues	(1,654,450)	<b>(1,664,441)</b>	100.6	3,000	0%	Small unanticipated variance.
121 - City Clerk	535,930	<b>627,478</b>	117.1	50,811	9%	Various revenues below budget due to COVID mandated lockdowns (i.e. marriage, lottery and business licenses). Additional costs incurred to retain a consultant for assistance with requests under the Municipal Freedom of Information and Protection of Privacy Act.
131 - Financial Services	1,227,950	<b>1,039,755</b>	84.7	(28,694)	-2%	Surplus attributed to timing of staff related departures and subsequent hirings.
134 - Information Technology	1,656,030	<b>1,289,967</b>	77.9	(361,238)	-22%	Surplus due to a combination of two things: i) service contract was terminated earlier than budgeted which resulted in savings. ii) another service contract started later than originally budgeted for resulting in further savings.
135 - Parking	(575,000)	<b>726,084</b>	-126.3	1,298,981	-226%	For the year of 2021 as a whole, parking revenue remained lower in comparison to pre-pandemic levels. However, Q4 of 2021 saw slightly higher revenue in comparison to Q4 of 2019. This suggests an eventual return to pre-pandemic parking revenues will ensue. Note parking revenue for 2021 did increase by \$200,000 compared to 2020 indicating an upward trend, however it was still significantly under budget as a result of lockdowns.
136 - Crossing Guards	227,415	<b>149,765</b>	65.9	(77,650)	-34%	Projected surplus from budgeted contractors line item given COVID and provincially mandated lockdowns impacting work orders.
139 - General Financial Services	1,980,650	<b>1,983,584</b>	100.1	2,934	0%	Small unanticipated variance.
513 - Industrial Land Sales	0	<b>0</b>	0.0	0		Activity in this division is balanced through the reserve.
810 - Requisitions from Others	8,985,512	<b>8,696,304</b>	96.8	(288,013)	-3%	Shared services costs below budget - staff are working to refine this budget process.
820 - Other Municipal Services	109,245	<b>24,239</b>	22.2	(39,841)	-36%	Majority of surplus due to cancelling of Stratfords of the World reunion.
872 - Community Grants	769,050	<b>570,535</b>	74.2	(198,515)	-26%	Surplus represents untransferred inter-departmental fee waivers due to community events not taking place throughout the year.
<b><u>Infrastructure &amp; Development Services</u></b>						
141 - City Building Maintenance	687,548	<b>590,190</b>	85.8	(87,368)	-13%	Majority of variance relates to building maintenance and snow removal being under budget. These two line items can vary in any given year depending on the weather and building maintenance needs. Unbudgeted interfuctional revenue transfers throughout the year also made up part of the variance.

City of Stratford Q4 Operating Variance Report as at 31 December 2021						
Department	2021 Net Budget	Unaudited As at Dec. 31/21	% of Budget Spent	(Surplus) / Deficit FORECASTED Variance At 31 Dec 2021	Variance as a Percentage of Budget	Explanation
251 - Building & Planning	615,592	<b>281,681</b>	45.8	(321,299)	-52%	Revenues for licenses, permits and user fee revenue higher than budgeted.
310 - Engineering	1,233,785	<b>1,149,469</b>	93.2	(69,335)	-6%	Surplus related to staff vacancies throughout the year - Engineering technologist and Project Manager position.
315 - Fleet	1,564,290	<b>2,014,455</b>	128.8	128,461	8%	Over-budget attributed to cost escalation in fuel and repair parts.
320 - Roads	5,113,090	<b>4,792,852</b>	93.7	(318,886)	-6%	Surplus related to salaries and wages (timing of new hires and departures) as well as expenses related to winter maintenance falling under budgeted amounts for the year (i.e. milder winter).
330 - Sanitary	0	<b>0</b>	0.0	0		Activity in this division is balanced through the reserve.
340 - Storm	2,882,761	<b>2,858,591</b>	99.2	(24,170)	-1%	Small unanticipated variance.
350 - Water	0	<b>0</b>	0.0	0		Activity in this division is balanced through the reserve.
360 - Waste	1,356,190	<b>688,762</b>	50.8	(385,539)	-28%	Higher than budgeted revenues received throughout the year (i.e. bag tags) combined with lower than budgeted amounts for contractor line item (i.e. organic collection expense was well under budget - price based on tonnes collected).
<b><i>Fire</i></b>						
211 - Fire	7,922,470	<b>7,575,581</b>	95.6	(346,889)	-4%	Variance attributed to staff vacancies in the department due to maternity leaves and Fire administrator position remaining vacant throughout the year (approximately \$127,000). Remainder of variance relates to retroactive payment for collective bargaining agreement settled in 2021 (contract expired Dec. 31, 2018). Represents difference between what was estimated and accrued in previous years and the actual wages paid in 2021 based on the settlement.
512 - Airport	195,050	<b>182,477</b>	93.6	(12,573)	-6%	Cut back on expenditures due to anticipated COVID impact on costs.
<b><i>Community Services</i></b>						
711 - Parks	1,736,886	<b>1,726,998</b>	99.4	(8,388)	0%	Small unanticipated variance.
721 - Recreation	4,690,460	<b>4,580,836</b>	97.7	139,990	3%	Heat, hydro, building maintenance and part-time salary expenses are lower than budgeted as a result of facility closures due to provincial lockdowns in Q1 and Q2 but facilities and ice rentals revenue are also below budget by a greater amount, creating a departmental deficit.
731 - Cemetery	385,790	<b>279,129</b>	72.4	(106,661)	-28%	A full-time position remained unfilled for the year as an employee took an extended unpaid leave of absence. Vehicle expenses (i.e. fuel and repairs) were also under budget by \$24,000.
750 - Transit	2,357,204	<b>1,354,320</b>	57.5	(680,798)	-29%	Decrease in demand resulting in lower costs related to lockdowns throughout 2021 as well surpluses realized through the weekend 'On Demand' service. Safe Restart funding offset Covid related costs.
751 - Parallel Transit	479,710	<b>395,316</b>	82.4	(84,394)	-18%	Due to the pandemic, requests for service remained at approximately 60% of pre-pandemic values, creating a surplus in planned expenditures. Two vacant part time driving positions remained unstaffed as they were not required as of the last quarter.



City of Stratford Q4 Operating Variance Report as at 31 December 2021						
Department	2021 Net Budget	Unaudited As at Dec. 31/21	% of Budget Spent	(Surplus) / Deficit FORECASTED Variance At 31 Dec 2021	Variance as a Percentage of Budget	Explanation
<b><u>Social Services</u></b>						
610 - Social Services Administration	0	12,885	0.0	0		No anticipated variance.
611 - Ontario Works	619,180	70,283	11.4	(125,000)	-20%	Projected surplus as a result of reduced office and travel expenses due to COVID restrictions and work from home protocols. COVID also led to reduced spending in the Sports and Leisure Program and Community Social Investment Fund preventing programming through Children's Aid Society and House of Blessing.
613 - Anne Hathaway Day Care Centre	48,350	307,983	637.0	(40,000)	-83%	Additional funding flowed throughout the year to offset costs and lost revenues due to decreased capacity restrictions from COVID.
614 - Social Housing	0	2,130,048	0.0	(120,000)		Projected surplus due to salaries and wages and timing in the departure and hiring of new staff. Additionally, COVID moratorium on evictions and associated 'move out' expenses not incurred as budgeted.
615 - Housing	2,130,050	(68,243)	-3.2	0		No anticipated variance.
616 - Child Care	262,090	(2,211,138)	-843.7	(20,000)	-8%	No related Resource Centre costs incurred in 2021 as a result of COVID restrictions eliminating funded programming during the year. This programming is similar to the programming offered through the Ontario Works Community Social Investment Funds.
617 - Early Learning & Child Development	109,880	528,496	481.0	(110,000)	-100%	Surplus due to Ministry decision to defer the requirement for the City to contribute 20% of expansion costs that were included in the 2021 budget. The result was COVID expenses only being 50% of what was anticipated. Ministry funding was utilized, resulting in the City's share being retained, creating a surplus.
618 - Britannia Street Apartments	0	91,497	0.0	0		No anticipated variance.
<b><u>Police</u></b>						
231 - Police	11,656,557	11,676,374	100.2	(96,919)	-1%	Overall relatively small unanticipated variance - line items were slightly over/under budgeted amounts. Some notable items were the material line item and improvements to the Identification Unit Equipment and police uniforms. Additional investments also made to enhance cyber security and diversity training throughout the department. User fee revenue which fluctuates on a yearly basis came in above the budgeted figure. Wages and salaries also came in under budget due to timing of hirings and departures (i.e. retirements).
<b><u>Library</u></b>						
411 - Library	2,565,117	2,574,084	100.3	8,967	0%	Small unanticipated variance related to employee retirement payout.
<b>Total Net Expenses (Revenue)</b>	-	(4,726,766)		(2,236,277)		



**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

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BEING a By-law to delegate authority with respect to the approval of site plans, to authorize the entering into and execution of approved site plan agreements and amending agreements and to repeal By-law 103-2012.

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**WHEREAS** subsection 41(2) and (3) of the *Planning Act, R.S.O. 1990 chapter P.13* as amended, provide that where an area is shown or described in the City's Official Plan as a proposed site plan control area, City Council, may by by-law, designate the whole or any part of such area as a site plan control area and by reference to one or more land use designations contained in a zoning by-law;

**AND WHEREAS** Stratford's Official Plan adopted by City Council, has established a proposed site plan control area which encompasses the entire geographic area of the City and is applicable to all development within the municipality of a commercial, industrial, institutional and residential nature with certain exceptions;

**AND WHEREAS** the Council of The Corporation of the City of Stratford enacted By-law 111-2000 as amended, to designate site plan control areas and to provide for site plan control provisions in the City of Stratford;

**AND WHEREAS** Council of the Corporation of the City of Stratford enacted By-law 103-2012 to delegate Council's authority to appoint site plans to certain city officials;

**AND WHEREAS** due to Provincial legislative changes, the Council of The Corporation of the City of Stratford is required to delegate Council's powers or authority under section 41 of the *Planning Act* to approve plans and drawings, to impose conditions and to require agreements;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. The authority of Council of The Corporation of the City of Stratford under clause 41 of the *Planning Act* to approve site plans and drawings of development, including the authority of the Council to impose conditions of approval, is hereby delegated to the Manager of Planning of the City of Stratford. Such authority delegated to the said Manager shall be carried out and implemented as provided for in Section 41 of the *Planning Act*.
2. In the event the Manager of Planning is absent for any reason, the said authority of Council is delegated to the City's Chief Building Official or the Director of Infrastructure and Development Services or the Chief Administrative Officer and in this event all references to the Manager of Planning in this By-law shall be deemed to be references to the said Chief Building Official, or Director of Infrastructure and Development Services or Chief Administrative Officer.
3. The Mayor and Clerk, or their respective delegates, are authorized to execute all agreements and amending agreements required as a result of the exercise of authority delegated, upon the advice of the City's Manager of Planning, Chief Building Official, Director of Infrastructure and Development Services or Chief Administrative Officer, with respect to site plan control.

4. This By-law shall come into force and effect upon final passage.
5. That By-law 103-2012 is hereby repealed upon this By-law coming into force and effect.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 27th day of June, 2022.

---

Mayor – Daniel B. Mathieson

---

Clerk – Tatiana Dafoe



**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

---

BEING a By-law to amend By-law 10-2022, as amended, with respect to zone change application Z03-22 to amend the Agricultural Zone at 4253 Perth Line 36 located on the south side of Perth Line 36 between the city limits and O'Loane Avenue to an Agricultural A zone with site specific regulations.

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**WHEREAS** authority is given to the Council of The Corporation of the City of Stratford by Section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended, to pass this by-law;

**AND WHEREAS** the said Council has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

**AND WHEREAS** the Council of The Corporation of the City of Stratford deems it in the public interest that By-law 10-2022, as amended, known as the City of Stratford Zoning By-law, be further amended;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. That Schedule "A", Map 2 to By-law 10-2022, is hereby amended:  
by changing from Agricultural A Zone to Agricultural A Zone with site specific regulations, those lands outlined in heavy solid lines and described as Agricultural Zone with site specific regulations A-11, and Agricultural Zone with site specific regulations A-12 on Schedule "A", attached hereto and forming part of this By-law, and known municipally as 4253 Perth Line 36, Stratford Ontario.
2. That By-law 10-2022 as amended, be further amended by adding to Section 15.22 being the Exceptions of the Agricultural A Zone the following:  
"15.22.11
  - a) Defined Area (4253 Perth Line 36)  
Agricultural A-11 as shown on Schedule "A", Map 2
  - b) Permitted Uses
    - Existing non livestock or manure storage accessory farm structures
    - All other uses permitted in the A Zone
  - c) Minimum lot frontage 163m
  - d) Minimum interior side yard setback to existing non livestock or manure storage accessory farm structure 3.0m
  - e) Minimum lot area 37.5ha

3. That By-law 10-2022, as amended, be further amended by adding to Section 15.22 being the Exceptions of the Agricultural A Zone the following:

"15.22.12

- a) Defined Area (4253 Perth Line 36)

Agricultural A-12 as shown on Schedule "A", Map 2

- b) Permitted Uses

- Existing single detached dwelling
- All other uses permitted in the A Zone

- c) Minimum lot frontage 9.02m

- d) Minimum interior side yard setback to an existing accessory building 3.0m

- e) Minimum lot area 5099m<sup>2</sup>

3. This By-law shall come into effect upon Final Passage and in accordance with the Planning Act.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 27th day of June, 2022.

---

Mayor – Daniel B. Mathieson

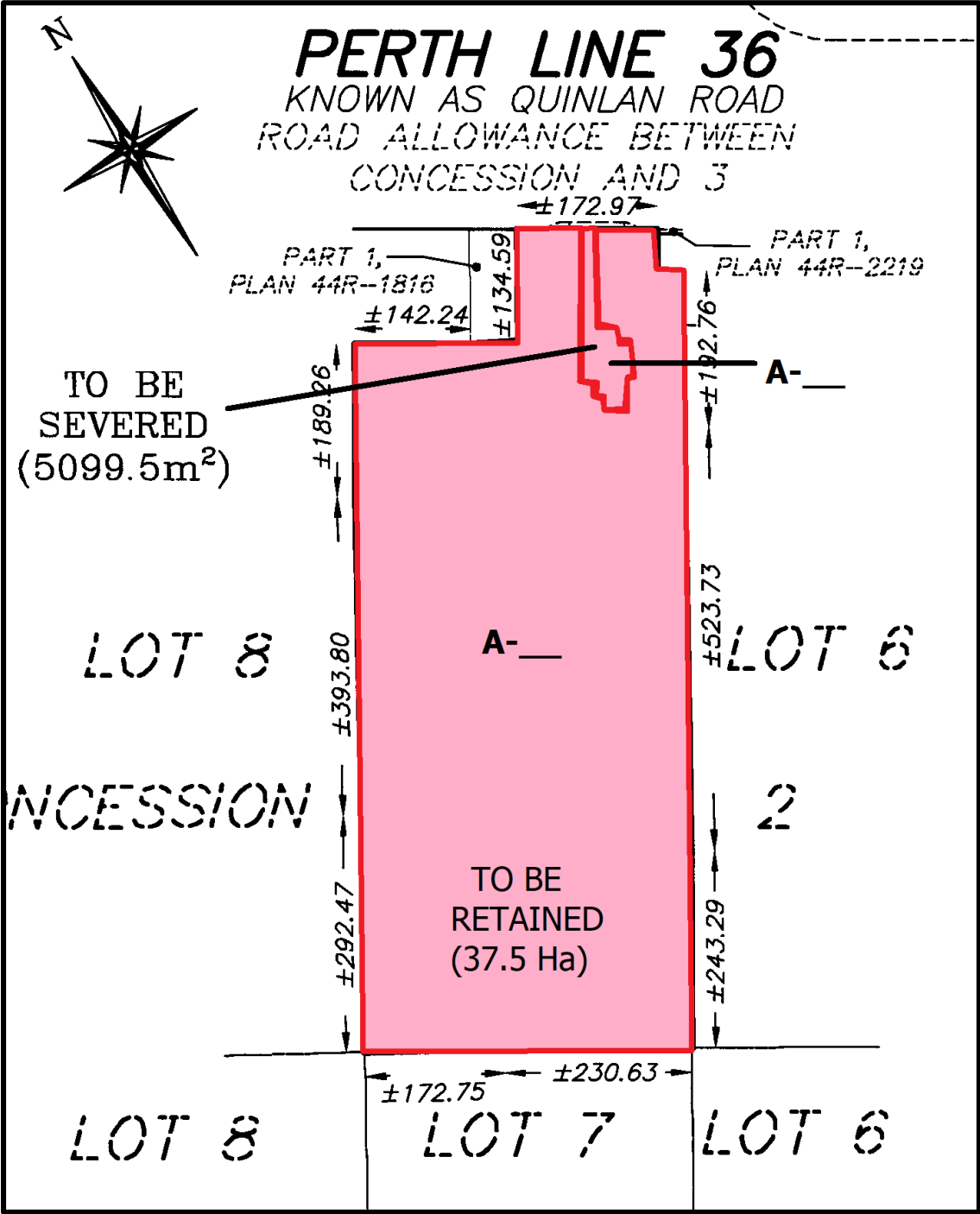
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Clerk – Tatiana Dafoe

**This is Schedule "A" to By-law XXX-2022  
Adopted this 27 day of June, 2022**

Amending 10-2022  
of  
The Corporation of the City of Stratford

**4253 Perth Line 36**





**BY-LAW NUMBER XX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

---

BEING a By-law to authorize the acceptance of a tender, entering into of a contract and the undertaking of the work by Fer-Pal Construction Ltd. for the Willow Street Watermain Relining Contract [T-2022-16].

---

**WHEREAS** Section 8(1) of the Municipal Act, 2001, S.O. 2001, c.25, as amended, provides that the powers of a municipality under this or any other Act, shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

**AND WHEREAS** Section 9 of the Municipal Act, 2001, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

**AND WHEREAS** Section 10(1) of the Municipal Act 2001, provides that a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. That the tender [T-2022-16] of Fer-Pal Construction Ltd. for the Willow Street Watermain Relining Contract be accepted and the Mayor and Clerk, or their respective delegates, be and the same are hereby authorized to execute the contract for the said work and to affix the corporate seal thereto.
2. The accepted amount of the tender [T-2022-16] for the Willow Street Watermain Relining Contract is \$1,198,071.20, including HST.
3. That Fer-Pal Construction Ltd. is authorized to undertake the Willow Street Watermain Relining Contract, pursuant to the said tender and as directed by the Director of Infrastructure and Development Services, or delegate, of The Corporation of the City of Stratford.

Read a FIRST, SECOND and THIRD time and

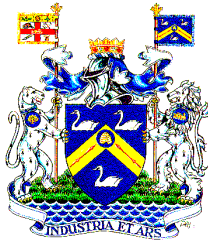
FINALLY PASSED this 27th day of June, 2022.

---

Mayor – Daniel B. Mathieson

---

Clerk – Tatiana Dafoe



**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

---

BEING a By-law to amend By-law 178-2018, as amended, to make an appointments to the Festival Hydro Inc. and Festival Hydro Services Inc. Board of Directors.

---

**WHEREAS** Council of The Corporation of the City of Stratford adopted By-law 178-2018 to appoint Council Members to Sub-committees of Council and Standing Committees of Council and to Advisory Committees, Boards and Agencies and to appoint Citizens to Advisory Committees and Boards during the 2018 term of municipal office;

**AND WHEREAS** Council of The Corporation of the City of Stratford deems it necessary to make further appointments to its Advisory Committees, Committees and Boards;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. That By-law 178-2018, as amended, is further amended by deleting Section 2.7 c) and replacing with the following new section:  

"2.7 c) John Tapics and Gerry Guthrie are hereby re-appointed to Festival Hydro Inc., Board of Directors for four-year terms to November 30, 2026, or until successors are appointed."
2. That By-law 178-2018, as amended, is further amended by deleting Section 2.8 b) and replacing with the following new section:  

"2.8 b) Gerry Guthrie is hereby re-appointed to Festival Hydro Services Inc., Board of Directors for a four-year term to November 30, 2026 or until a successor is appointed by City Council."
3. All other provisions of By-law 178-2018, as amended, remain in force and effect.
4. This By-law shall come into force and take effect upon final passage thereof.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 27th day of June, 2022.

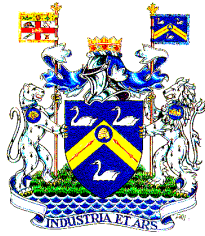
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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe





**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

---

BEING a By-law to authorize the acceptance of an easement in gross from LCIR2 INC over Parts 3 and 4, Plan 44R-2800 for access to the storm and sanitary sewers.

---

**WHEREAS** Section 9 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

**AND WHEREAS** Section 10(1) of the Municipal Act, 2001, provides that a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

**AND WHEREAS** LCIR2 INC has applied for a Plan of Condominium to convert the existing apartment building into a condominium at the lands known municipally as 84 Church Street;

**AND WHEREAS** a 1950mm x 2800mm storm arch and 1200mm diameter storm sewer run through the property at 84 Church Street along the southern property line, and a 450mm diameter sanitary sewer runs further south in the adjacent property and LCIR2 INC agreed to convey an easement in gross as described herein to The Corporation of the City of Stratford for access to the storm and sanitary sewers over Parts 3 and 4, Plan 44R-2800;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. That The Corporation of the City of Stratford hereby accepts easements in gross from LCIR2 INC over the lands described in Paragraph 2 herein.
2. The lands to which the easements in gross referred to in Paragraph 1 herein, are described as follows:
  - a) Part of Lots 343, Plan 20, now designated as Parts 3 and 4 on Plan 44R-2800, being part of instrument 257330.
3. The Mayor and Clerk, or their respective delegates, of The Corporation of the City of Stratford are hereby authorized to execute all documents related to this grant of easement.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 27th day of June, 2022.

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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe



**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

---

BEING a By-law to authorize the entering into and execution of a Temporary Road Construction and License Agreement with 2091192 Ontario Ltd. for the construction of a temporary road extension of McCarthy Road West.

---

**WHEREAS** Section 8(1) of the *Municipal Act, 2001, S.O. 2001, c.25 as amended*, provides that the powers of a municipality under this or any other Act, shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

**AND WHEREAS** Section 9 of the *Municipal Act, 2001*, provides that a municipality has the capacity, rights, powers and privileges of natural persons for the purpose of exercising its authority under this or any other Act;

**AND WHEREAS** Section 10(1) of the *Municipal Act, 2001*, provides that a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

**AND WHEREAS** 2091192 Ontario Ltd. ("209 Ontario") is the owner of certain lands located in the City of Stratford municipally identified as 1051 – 1113 O'Loane Avenue (the "Property");

**AND WHEREAS** 209 Ontario wishes to subdivide and/or develop the Property for the purposes of residential development;

**AND WHEREAS** the City requires an area of approximately 1.780 acres from the Property, more particularly described in the Temporary Road Construction and License Agreement, for the purposes of constructing a temporary road to act as a temporary road extension of McCarthy Road West to connect O'Loane Avenue to McCarthy Road West;

**AND WHEREAS** any application submitted by 209 Ontario to develop the Property shall include the area identified by the City for the Temporary Road Extension as a permanent road for the purposes of providing access to and egress from the proposed development on the Property and connecting McCarthy Road to O'Loane Avenue;

**AND WHEREAS** the Parties deem it necessary to enter into a Temporary Road Construction and License Agreement with 209 Ontario setting out the terms and conditions for access to the property and construction of the temporary road;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. That the Temporary Road Construction and License Agreement between 2091192 Ontario Ltd., and The Corporation of the City of Stratford be entered into, and the Mayor and Clerk of The Corporation of the City of Stratford, or their respective delegates, be and the same are hereby authorized to execute the said agreement on behalf of The Corporation of the City of Stratford and to affix the corporate seal of this Corporation thereto.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 27th day of June, 2022.

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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe



**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

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BEING a By-law to amend By-law 10-2022 as amended, with respect to zone change application Z17-21 to amend the Residential First Density Zone R1(4)-36 and Residential Fourth Density Zone R4(2)-25(H12) at 4110 Perth Line 36 to a Residential Fourth Density R4(2) with site specific regulations.

---

**WHEREAS** authority is given to the Council of The Corporation of the City of Stratford by Section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended, to pass this by-law;

**AND WHEREAS** the said Council has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

**AND WHEREAS** the Council of The Corporation of the City of Stratford deems it in the public interest that By-law 10-2022, as amended, known as the City of Stratford Zoning By-law, be further amended;

**NOW THEREFORE BE IT ENACTED** by the Council of The Corporation of the City of Stratford as follows:

1. That Schedule "A", Map 3 to By-law 10-2022, is hereby amended:

by changing from a Residential First Density R1(4)-36 and Residential Fourth Density R4(2)-25(H12) to a Residential Fourth Density R4(2) with site specific provisions those lands outlined in heavy solid lines and described as R4(2)-30 and R4(2)-29(H12) on Schedule "A", attached hereto and forming part of this By-law, and known municipally as 4110 Perth Line 36, Stratford Ontario.

2. That By-law 10-2022 as amended, be further amended by adding to Section 15.4 being the Exceptions of the Residential Fourth Density R4(2) Zone the following:

"15.4.29

- a) Defined Area (Block 143 4110 Perth Line 36)

Residential Fourth Density (R4(2)-29(H12)) as shown on Schedule "A", Map 2

- b) Permitted Uses:

- Street Townhouse Dwelling
- Townhouse Dwelling

- c) Minimum Lot Area (interior and corner): 160m<sup>2</sup>

- d) Minimum Lot Depth: 27m

- e) Minimum Front Yard Depth: 4.5m

- f) Minimum Interior Side Yard Width: 1.5m

- g) Minimum Depth between a rear patio door and the East and West Lot

Lines: 6.0m

- h) Maximum Lot Coverage (Main Building): 45%
- i) Maximum Lot Coverage (Main and Accessory Building): 50%
- j) Maximum Density: 45upnh

k) General Use Regulations:

- That a parking area be permitted in the front yard setback
- That a driveway be considered a legal parking space
- Tandem parking (up to a maximum of 2 vehicles) shall be permitted in a driveway accessory to a townhouse dwelling unit and shall be counted towards meeting the required parking
- That the minimum size for a parking space in a garage be 2.8m in width by 5.5m in length
- That no accessible parking space be required.

3. That By-law 10-2022 as amended, be further amended by adding to Section 15.4 being the Exceptions of the Residential Fourth Density R4(2) Zone the following:

“15.4.30

- a) Defined Area (Block 148 4110 Perth Line 36)

Residential Fourth Density (R4(2)-30) as shown on Schedule “A”, Map 2

b) Permitted Uses:

- Street Townhouse Dwelling
- Townhouse Dwelling

- c) Minimum Lot Area (interior and corner): 160m<sup>2</sup>

- d) Minimum Lot Depth: 27m

- e) Minimum Front Yard Depth: 4.5m

- f) Minimum Interior Side Yard Width: 1.5m

- g) Minimum Depth between a rear patio door  
the West Lot Line: 6.0m

- h) Maximum Lot Coverage (Main Building): 45%

- i) Maximum Lot Coverage (Main and Accessory Building): 50%

- j) Maximum Density: 45upnh

l) General Use Regulations:

- That a parking area be permitted in the front yard setback
- That a driveway be considered a legal parking space
- Tandem parking (up to a maximum of 2 vehicles) shall be permitted in a driveway accessory to a townhouse dwelling unit and shall be counted towards meeting the required parking
- That the minimum size for a parking space in a garage be 2.8m in width by 5.5m in length
- That no accessible parking space be required.

3. This By-law shall come into effect upon Final Passage and in accordance with the Planning Act.

Read a FIRST, SECOND and THIRD time and  
FINALLY PASSED this 27th day of June, 2022.

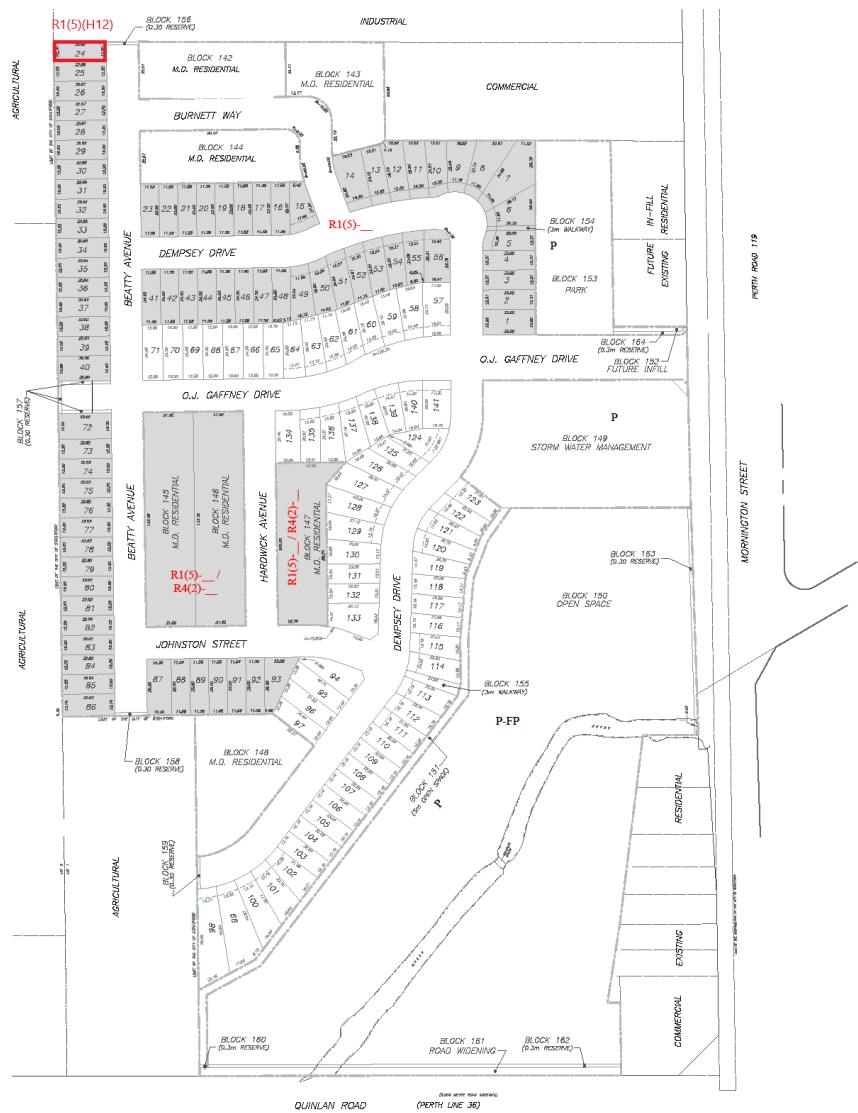
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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe

## 4110 Perth Line 36





**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

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BEING a By-law to amend By-law 10-2022 as amended, with respect to zone change application Z18-21 to amend the Residential First Density Zone R1(4)-36 at 4110 Perth Line 36 to a Residential First Density R1(5) and a Residential Fourth Density R4(2) with site specific regulations.

---

**WHEREAS** authority is given to the Council of The Corporation of the City of Stratford by Section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended, to pass this by-law;

**AND WHEREAS** the said Council has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

**AND WHEREAS** the Council of The Corporation of the City of Stratford deems it in the public interest that By-law 10-2022, as amended, known as the City of Stratford Zoning By-law, be further amended;

**NOW THEREFORE BE IT ENACTED** by the Council of The Corporation of the City of Stratford as follows:

1. That Schedule "A", Map 3 to By-law 10-2022, is hereby amended:

by changing from a Residential First Density R1(4)-36 to a Residential First Density R1(5) with site specific regulations and a Residential Fourth Density R4(2) with site specific provisions those lands outlined in heavy solid lines and described as R1(5)-39 and R1(5)-39/R4(2)-31 on Schedule "A", attached hereto and forming part of this By-law, and known municipally as 4110 Perth Line 36, Stratford Ontario.

2. That By-law 10-2022 as amended, be further amended by adding to Section 15.1, being the Exceptions of the Residential First Density R1(5) Zone, the following:

"15.1.39

- a) Defined Area (4110 Perth Line 36)

Residential First Density (R1(5)-39) as shown on Schedule "A", Map 2

- b) Exterior Side Yard Width: Where a corner lot is situated so that its rear lot abuts an adjacent rear lot line, the exterior side yard with shall be a minimum of 1.2m. In all other cases, it shall be a minimum of 4.5m.

- c) Minimum Lot Frontage (Corner Lot): 11.5m



- d) Minimum Lot Area (Corner Lot): 375m<sup>2</sup>
  - e) Minimum interior side yard: 1.2m
  - f) Maximum Lot Coverage:
    - Main Building (One Storey): 50%
    - Main Building (Two Storey): 45%
  - g) Maximum Lot Coverage:
    - Main Building and Accessory Building (One Storey): 55%
    - Main Building and Accessory Building (Two Storey): 50%
3. That By-law 10-2022 as amended, be further amended by adding to Section 15.4 being the Exceptions of the Residential Fourth Density R4(2) Zone the following:

“15.4.31

- a) Defined Area (4110 Perth Line 36)  
Residential Fourth Density (R4(2)-31) as shown on Schedule “A”, Map 2
  - b) Permitted uses:
    - i) Street Townhouse Dwelling
  - c) Minimum Front Yard Depth: 4.5m
  - d) Minimum Rear Yard Depth: 6.0m
  - e) Exterior Side Yard Width: Where a corner lot is situated so that its rear lot abuts an adjacent rear lot line, the exterior side yard with shall be a minimum of 1.2m. In all other cases, it shall be a minimum of 4.5m.
  - f) Maximum Lot Coverage:
    - i) Main Building: 45%
    - ii) Main Building and Accessory Building: 50%
  - g) Maximum Density: 45 upnh
  - h) General use regulations:
    - Any attached or detached garage shall not exceed sixty (60) percent of the elevation facing the front lot line or an exterior side lot line, where the garage is oriented to the said lot line of a dwelling erected on a lot (measured from the inside wall of outside wall to inside face of outside wall).
    - A garage shall not project more than 1.0m meters beyond the building elevation facing the front lot line or exterior lot line
    - In all cases any part of an attached or detached garage shall provide a parking space between the garage door and the road allowance
3. This By-law shall come into effect upon Final Passage and in accordance with the Planning Act.

Read a FIRST, SECOND and THIRD time and  
FINALLY PASSED this 27th day of June, 2022.

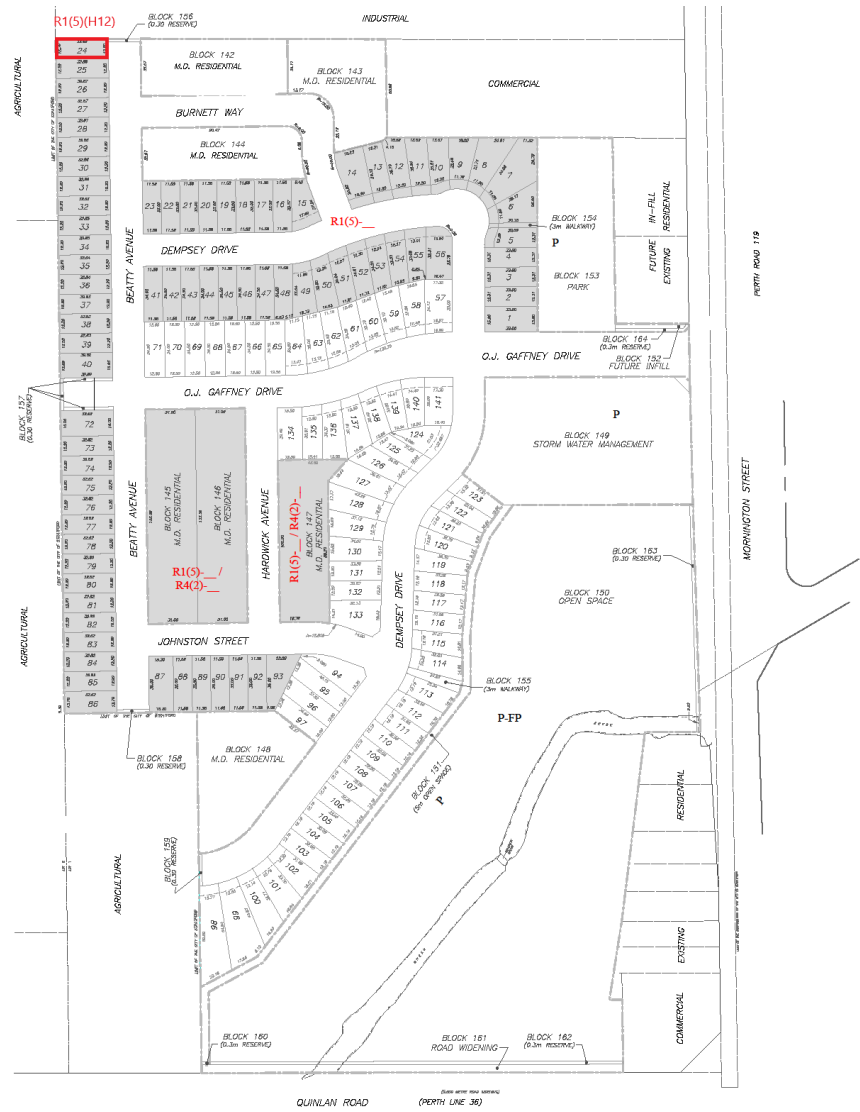
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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe

**This is Schedule A to By-law XXX-2022**  
**Adopted this 27th day of June, 2022**  
  
Amending 10-2022  
of  
The Corporation of the City of Stratford  
  
**4110 Perth Line 36**





## **STRATFORD CITY COUNCIL**

### **CONSENT AGENDA**

June 27, 2022

#### **REFERENCE NO.    CONSENT AGENDA ITEM**

- |             |   |
|-------------|---|
| CA-2022-071 | Notification that the Infrastructure and Development Services Department intends to call tenders in accordance with the City's Purchasing Policy for Supply and Delivery of Janitorial Supplies.  |
| CA-2022-072 | <p>In accordance with By-law 102-2008 and By-law 135-2017, the Infrastructure and Development Services Department provides notification that the following streets were/will be temporarily closed for parades/street events:</p> <ul style="list-style-type: none"> <li>• For the Kinsmen Canada Day Fireworks Event - July 1, 2022:             <ul style="list-style-type: none"> <li>○ On Friday, July 1, 2022, at 8:00 a.m. to 11:00 p.m.:                 <ul style="list-style-type: none"> <li>▪ Oakdale Avenue from O'loane Avenue to Matilda Street</li> </ul> </li> <li>○ On Friday, July 1, 2022, at 6:30 p.m. to 11:00 p.m.:                 <ul style="list-style-type: none"> <li>▪ Oakdale Avenue from O'loane Avenue to Forman Avenue</li> <li>▪ Matilda Street from Galt Road to Bell Court</li> </ul> </li> </ul> </li> <li>• For the Canada Day Parade - July 1, 2022:             <ul style="list-style-type: none"> <li>○ On Friday, July 1, 2022, at 3:30 p.m. to 6:30 p.m.:                 <ul style="list-style-type: none"> <li>▪ Lakeside Drive from Waterloo Street to Front Street</li> </ul> </li> <li>○ On Friday, July 1, 2022, at 5:30 p.m. to 7:30 p.m.:                 <ul style="list-style-type: none"> <li>▪ Waterloo Street from Lakeside Drive to Mornington Street</li> <li>▪ Mornington Street from Waterloo Street to McCarthy Road</li> <li>▪ McCarthy Road from Mornington Street to Stratford Rotary Complex</li> </ul> </li> </ul> </li> </ul> |

- CA-2022-073      In accordance with By-law 135-2017, the Infrastructure and Development Services Department provides notification that the following streets were/will be temporarily closed to through traffic, local traffic only:
- St. Vincent Street at Huron Street from June 14 – June 30, 2022.
- This road closure is necessary to facilitate the construction of Huron Street through the intersection of Huron and St. Vincent Streets.
- There will be no access to and from Huron Street from St. Vincent Street.
- 
- CA-2022-074      In accordance with By-law 135-2017, the Director of Community Services granted an exemption from Noise Control By-law 113-79 for the Canada Day Event in Market Square on July 1, 2022 from 6:00 a.m. to 5:00 p.m.:
- For amplification of sound,
  - for the loading and unloading provision [Schedule 2 clause 4], and
  - from the unreasonable noise provision [Schedule 1 clause 8]
- The grant of this exemption is subject to change should new information become available prior to the start of the Event.
- All other provisions of Noise by-law 113-79 that are applicable remain in force and effect.
- 
- CA-2022-075      Notification that the Stratford Fire Department intends to issue a request for proposal for an Airport Study, in accordance with the City's Purchasing Policy and direction given during the 2022 budget deliberations.



**BY-LAW NUMBER XXX-2022  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

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BEING a By-law to confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on June 27, 2022.

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**WHEREAS** subsection 5(1) of the *Municipal Act, 2001, S.O. 2001 c.25* as amended, provides that the powers of a municipal corporation are to be exercised by its council;

**AND WHEREAS** subsection 5(3) of the *Act* provides that the powers of council are to be exercised by by-law unless the municipality is specifically authorized to do otherwise;

**AND WHEREAS** it is deemed expedient that the proceedings of the Council of The Corporation of the City of Stratford at this meeting be confirmed and adopted by By-law;

**NOW THEREFORE BE IT ENACTED** by the Council of The Corporation of the City of Stratford as follows:

1. That the action of the Council at its meeting held on June 27, 2022, in respect of each report, motion, resolution, recommendation or other action passed and taken by the Council at its meeting, is hereby adopted, ratified and confirmed, as if each report, motion, resolution or other action was adopted, ratified and confirmed by its separate by-law.
2. The Mayor of the Council and the proper officers of the City are hereby authorized and directed to do all things necessary to give effect to the said action, to obtain approvals where required, and, except where otherwise provided, to execute all documents necessary in that behalf in accordance with the by-laws of the Council relating thereto.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 27th day of June, 2022.

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Mayor – Daniel B. Mathieson

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Clerk – Tatiana Dafoe