



Stratford City Council
Regular Council Open Session
AGENDA

Meeting #: 4759th

Date: Monday, November 25, 2024

Time: 7:00 P.M.

Location: Council Chamber, City Hall

Council Present: Mayor Ritsma - Chair Presiding, Councillor Beatty, Councillor Biehn, Councillor Briscoe, Councillor Burbach, Councillor Henderson, Councillor Hunter, Councillor McCabe, Councillor Nijjar, Councillor Sebben, Councillor Wordofa

Staff Present: Tatiana Dafoe - City Clerk, Kim McElroy - Director of Social Services, Tim Wolfe - Director of Community Services, Taylor Crinklaw - Director of Infrastructure Services, Karmen Krueger - Director of Corporate Services, Adam Betteridge - Director of Building and Planning Services, Neil Anderson - Director of Emergency Services/Fire Chief, Dave Bush - Director of Human Resources, Audrey Pascual - Deputy Clerk

To watch the Council meeting live, please click the following link:

<https://video.isilive.ca/stratford/live.html>

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

<https://calendar.stratford.ca/meetings> following the meeting.

Pages

1. Call to Order:

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

Land Acknowledgment

Moment of Silent Reflection

Singing of O Canada

Respectful Conduct Statement

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:**

11 - 24

Motion by

THAT the Minutes of the Regular Meeting of Council of The Corporation of the City of Stratford dated November 12, 2024, 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 November 25, 2024, be added to the Agenda as printed.

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

5.1 At the November 25, 2024, Session, under the Municipal Act, 2001, as amended, matters concerning the following items were considered:

4.1 Confidential Report of the Chief Executive Officer of investStratford with respect to the 2024 Annual Review of the City Industrial Land Pricing Policy - (CM-24-11) - 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).

5.1 Confidential Report of the Chief Administrative Officer with respect to a Proposed Acquisition and Disposition of Land and Development of the Grand Trunk Site - (CM-24-12) – 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); 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)).

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

6.1 Presentation of the Annual Accessibility Award

Motion by

THAT the presentation by Roger Koert and Andy Mark, on behalf of the Accessibility Advisory Committee, of the 2024 Annual Accessibility Award, be heard.

6.2 Request for Delegation by Robert Ritz, Regarding Item 7.2

Robert Ritz will be asking Council to permit staff to:

- work on the Erie Street Parking Lot Development project with the application of any unsolicited proposal for a public-private partnership, and to
- develop this site into a building with underground parking that contains additional parking spaces for use by residents who live or work in the downtown core.

Motion by

THAT Robert Ritz be heard.

7. Orders of the Day:

7.1 Resolution - 2024 Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan (COU24-148) 25 - 89

John Murphy, representing DFA Infrastructure International Inc. will be presenting the 2024 Water and Wastewater Study and Financial Plans.

Motion by

Staff Recommendation: THAT Council receive the City of Stratford's 2024 Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan prepared by DFA Infrastructure International Incorporated, for information.

7.2 Resolution - Erie Street Parking Lot Development Options (COU24-140) 90 - 97

Motion by

Staff Recommendation: THAT the report titled, "Erie Street Parking Lot Development Options" (COU24-140), be received for information.

7.3 Resolution - Climate-Ready Plans and Processes Funding Opportunity (COU24-141) 98 - 100

Motion by

Staff Recommendation: THAT Council supports the application and

authorizes staff to apply for the Federation of Canadian Municipalities' Local Leadership for Climate Adaptation initiative, seeking funding for Climate-Ready Plans and Processes to advance actions outlined in the Community Climate Action Plan;

AND THAT the City expansion initiative for additional staff capacity be considered during 2025 budget deliberations.

7.4 Resolution - Appointment of an Integrity Commissioner (COU24-149) 101 - 103

Motion by

Staff Recommendation: THAT the Request for Proposal (RFP-2024-22) for Integrity Commissioner Services be awarded to Boghosian + Allen LLP;

THAT as the appointed Integrity Commissioner for the City of Stratford, David Boghosian, Managing Partner of Boghosian + Allen LLP will fulfill all statutory requirements pursuant to sections 223.3 and 223.8 of the Municipal Act, 2001, and pursuant to the Municipal Conflict of Interest Act, R.S.O. c M.50, as amended;

AND THAT a by-law be enacted to authorize the Mayor and Clerk, or their respective delegates, to execute an agreement with David Boghosian, Managing Partner of Boghosian + Allen LLP for the provision of Integrity Commissioner Services to December 31, 2026, with an option to renew for two years at the sole discretion of the City of Stratford.

7.5 Resolution - Organizational Structure Changes - Corporate Services (COU24-139) 104 - 106

Motion by

Staff Recommendation: THAT report titled, "Organizational Structure Changes – Corporate Services" (COU24-139), be received;

AND THAT the Mayor and Clerk be authorized to sign relevant appointment by-laws.

7.6 Resolution - Draft 2022 Audited Financial Statements (COU24-142) 107 - 143

Motion by

Staff Recommendation: THAT the report titled, "Draft 2022 Audited Financial Statements" (COU24-142), dated November 25, 2024, be received for information;

AND THAT Council approve the Draft 2022 Audited Financial Statements to be finalized, including any minor changes if required.

- 7.7 **Resolution - Municipal Accommodation Tax (MAT) Update October 2024 (COU24-143)** 144 - 148
- Motion by
Staff Recommendation: THAT the report titled, "Municipal Accommodation Tax (MAT) Update October 2024" (COU24-143), dated November 25, 2024, be received for information.
- 7.8 **Resolution - Reserve and Reserve Fund Policy Amendments (COU24-144)** 149 - 168
- Motion by
Staff Recommendation: THAT Council approve the proposed revision to the HR Contingency Reserve target balances and clarification language;
THAT Council authorize the transfer of the Cemetery Reserve Fund into the renamed Parks, Cemetery and Recreation Reserve Fund as outlined in Report COU24-144;
THAT Council authorize the closure of the Cemetery Reserve Fund;
AND THAT Council support the amendments to the threshold language for the Water and Wastewater Rate Stabilization and Capital Reserve Funds.
- 7.9 **Resolution - H.1.5 Hiring of Employees – Administrative Policy (COU24-145)** 169 - 181
- Motion by
Staff Recommendation: THAT the report titled, "H.1.5 Hiring of Employees – Administrative Policy" (COU24-145), be received for information.
- 7.10 **Resolution - Revised Consolidated Travel and Conference Expense Policy (COU24-147)** 182 - 202
- Motion by
Staff Recommendation: THAT the report titled, "Revised Consolidated Travel and Conference Expense Policy" (COU24-147), dated November 25, 2024, be received for information;
THAT the draft Travel and Conference Expense Policy attached to Report COU24-147 be approved and staff be directed to finalize formatting of Appendix A;
AND THAT policies T.2.1 and T.2.2 be rescinded and replaced with the revised Travel and Conference Expense Policy.

- 7.11 Resolution - 10-Year Dark Fibre Lease Agreement with Rhyzome (COU24-146)** 203 - 205
- Motion by
Staff Recommendation: THAT the report titled, "10-Year Dark Fibre Lease Agreement with Rhyzome" (COU24-146), be received for information;
- AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the Dark Fibre Lease Agreement and any related documents.**
- 7.12 Correspondence - Resignation from the Ad-Hoc Grand Trunk Renewal Committee**
- Motion by
THAT the resignation of Andy Bicanic from the Ad-Hoc Grand Trunk Renewal Committee be accepted.
- 8. Business for Which Previous Notice Has Been Given:**
- None scheduled.
- 9. Reports of the Standing Committees:**
- 9.1 Report of the Finance and Labour Relations Committee:**
- Motion by
THAT the Report of the Finance and Labour Relations Committee dated November 25, 2024, be adopted as printed.
- 9.1.1 Council Remuneration Review (FIN24-032)** 206 - 229
- THAT the Director of Corporate Services be authorized to proceed with the Council Remuneration Review as further outlined in Option 1 in this report (FIN24-032);
- AND THAT upon receipt and approval of the final remuneration report by Council, the Clerk be directed to prepare a new Council Remuneration By-law to reflect the recommended process for and final recommendations arising from the Council Remuneration Review, and to repeal By-law 20-98.
- 9.1.2 New Multi-Residential Property Subclass (FIN24-031)** 230 - 234
- THAT the Report titled, "New Multi-Residential Property Subclass" (FIN24-031), be received for information.

9.2 Report of the Infrastructure, Transportation and Safety Committee:

Motion by

THAT the Report of the Infrastructure, Transportation and Safety Committee dated November 25, 2024, be adopted as printed.

9.2.1 Request an Exemption to Noise Control By-law 113-79 for the Winter Wander-land Event (ITS24-019) 235 - 237

THAT approval be granted to the Downtown Stratford BIA, for an exemption to Noise Control By-law 113-79 for the Winter Wander-land event located in Market Square, Stratford, on Sunday, December 1, 2024, from 11:00 a.m. to 5:30 p.m. from the following provisions:

- Unreasonable Noise [Schedule 1, clause 8];
- The operation of loudspeakers and amplification of sound [Schedule 2 clause 2];
- Loading and unloading [Schedule 2 clause 4].

10. Notice of Intent:

10.1 Notice of Intent to Amend Water and Wastewater Rates 238 - 239

At the December 16, 2024, Regular meeting, Stratford City Council will consider the 2025 Water and Wastewater Rate Study and Financial Plans, including the proposed water and wastewater rates and charges for 2025 and subsequent years. A By-law to amend the 2025 water and wastewater rates will also be considered by Council.

Additional details are available in the attached Notice.

10.2 Notice of Intent to Remove a Holding Provision 240 - 241

At the December 16, 2024, Regular meeting, Stratford City Council will consider removing a holding provision for the lands at 16 Kastner Street.

Additional details about the application and the removal of the holding provision are available in the attached Notice.

10.3 Notice of Public Meeting 242 - 243

Stratford City Council will hold a public meeting on Monday, December 16, 2024, at 7:00 p.m., in Council Chambers to hear all interested

persons with respect to the draft amendment to the Building By-law 112-2005, as amended, including Fee Schedule "A".

Additional details about the public meeting and the proposed changes are available in the attached Notice.

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 11.3 be taken collectively.

Motion by

THAT By-laws 11.1 to 11.3 be read a First and Second Time.

Motion by

THAT By-laws 11.1 to 11.3 be read a Third Time and Finally Passed.

11.1 Agreement - Dark Fibre Lease Agreement with Rhyzome 244

To authorize the entering into and execution of a Dark Fibre Lease Agreement with Festival Hydro Services Inc. operating as Rhyzome Networks.

11.2 Appoint Deputy Treasurer 245

To appoint a Manager of Financial Services and Deputy Treasurer for The Corporation of the City of Stratford and to repeal By-law 15-2021.

11.3 Appoint Integrity Commissioner 246

To appoint an Integrity Commissioner for The Corporation of the City of Stratford and to repeal By-law 188-2018.

12. Consent Agenda: CA-2024-191 to CA-2024-194 247

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 December 16, 2024 in the Council Chamber, City Hall.

Motion by

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

- **Social Services Committee [7:05 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 November 25, 2024 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):

248

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

By-law 11.4 Confirmatory By-law

To confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on November 25, 2024.

Motion by

THAT By-law 11.4 be read a First and Second Time.

Motion by

THAT By-law 11.4 be read a Third Time and Finally Passed.

15.3 Adjournment of Council Meeting

Meeting Start Time:

Meeting End Time:

Motion by

THAT the November 25, 2024, Regular Council meeting adjourn.



**Stratford City Council
Regular Council Open Session
MINUTES**

Meeting #: 4758th
 Date: Tuesday, November 12, 2024
 Time: 7:00 P.M.
 Location: Council Chamber, City Hall

Council Present: Mayor Ritsma - Chair Presiding, Councillor Beatty, Councillor Briscoe, Councillor Burbach, Councillor Hunter, Councillor McCabe, Councillor Nijjar, Councillor Wordofa

Regrets: Councillor Biehn, Councillor Henderson, Councillor Sebben

Staff Present: Joan Thomson - Chief Administrative Officer, Kim McElroy - Director of Social Services, Tim Wolfe - Director of Community Services, Taylor Crinklaw - Director of Infrastructure Services, Karmen Krueger - Director of Corporate Services, Adam Betteridge - Director of Building and Planning Services, Neil Anderson - Director of Emergency Services/Fire Chief, Dave Bush - Director of Human Resources, Audrey Pascual - Deputy Clerk, Victoria Trotter - Council Committee Coordinator

Also Present: Zac Gribble – Executive Director, Destination Stratford, Members of the Public and Media

1. Call to Order:

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

Councillor Biehn, Councillor Henderson, and Councillor Sebben provided regrets.

Land Acknowledgment

Moment of Silent Reflection

Singing of O Canada

Respectful Conduct Statement

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 McCabe declared a pecuniary interest on Item 7.12 Accessibility Advisory Committee Appointments. A member of Councillor McCabe's family is on the Committee.

Councillor Hunter declared a pecuniary interest on Item 7.5 Stratford Hockey Club Agreement Renewal 2024. Councillor Hunter's company is the primary sponsor of the club.

3. Adoption of the Minutes:

R2024-442

Motion by Councillor Beatty

Seconded by Councillor Nijjar

THAT the Minutes of the Regular Meeting of Council of The Corporation of the City of Stratford dated October 28, 2024, be adopted as printed.

Carried

4. Adoption of the Addendum to the Agenda:

There was no addendum to the November 12, 2024, Regular Council agenda.

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

5.1 At the November 6, 2024, Session under the Municipal Act, 2001, as amended, a matter concerning the following item was considered:

4.1 Confidential Report of the Chief Administrative Officer with respect to a Shared Services Agreement (CM-24-03) – 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 the update and advice subject to solicitor client privilege were received.

5.2 At the November 12, 2024 Session, under the Municipal Act, 2001, as amended, matters concerning the following items were considered:

4.1 Confidential Verbal Update of the Chief Administrative Officer with respect to a Litigation/Potential Litigation Matter and Solicitor-Client Privileged Advice (CM-24-11) - Litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board (section 239.(2)(e)) and Advice that is subject to solicitor-client privilege including communications necessary for that purpose (section 239.(2)(f)).

5.1 Confidential Report of the City Clerk with respect to 2024 Accessibility Advisory Committee Applications (CM-24-04) – Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

5.2 Confidential Report of the City Clerk with respect to 2024 Active Transportation Advisory Committee Applications (CM-24-05) - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

5.3 Confidential Report of the City Clerk with respect to 2024 Communities in Bloom Advisory Committee Applications (CM-24-06) - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

5.4 Confidential Report of the City Clerk with respect to 2024 Energy and Environment Advisory Committee Applications (CM-24-07) - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

5.5 Confidential Report of the City Clerk with respect to 2024 Heritage Stratford Applications (CM-24-08) - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

5.6 Confidential Report of the City Clerk with respect to 2024 Stratfords of the World (Ontario) Advisory Committee Applications (CM-24-09) - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

5.7 Confidential Report of the City Clerk with respect to Ad-Hoc Grand Trunk Renewal Committee Youth Representative Applications (CM-24-10) - Personal matters about an identifiable individual(s) including municipal employees or local board employees (section 239.(2)(b)).

At the In-camera session, for Item 4.1 an update and advice subject to solicitor-client privilege were received and direction was provided to the Chief Administrative and City Solicitor regarding the matter. For Items 5.1 to 5.7, personal information regarding the appointments to the different committees were considered.

6. Hearings of Deputations and Presentations:

None scheduled.

7. Orders of the Day:

7.1 Resolution - Consideration of Intent to Declare as Surplus – 270 Water Street (COU24-133)

R2024-443

Motion by Councillor McCabe

Seconded by Councillor Burbach

THAT the Report titled, “Consideration of Intent to Declare as Surplus – 270 Water Street (COU24-133),” be received;

THAT staff be authorized to initiate the intent to dispose of 270 Water Street process with the intent to maintain the building and heritage designations, excluding the eastern balance of the property;

THAT staff be authorized to schedule a public meeting in accordance with Policy P.3.1 Sale and Other Disposition of Land to hear from members of the public with respect to the potential disposition of this building, excluding the eastern balance of the property;

AND THAT a follow up report be prepared including a summary of the public feedback from the public meeting, for Council's consideration.

Carried

7.2 Resolution - Nominations for the Destination Stratford Board of Directors (COU24-138)

R2024-444

Motion by Councillor Beatty

Seconded by Councillor McCabe

THAT Councillor Hunter be appointed as the second Council representative to the Destination Stratford Board of Directors for the remainder of the term to November 14, 2026.

Carried

7.3 Resolution - 2025 Council, Committee, and Sub-committee Meeting Schedule (COU24-127)

R2024-445

Motion by Councillor Burbach

Seconded by Councillor Briscoe

THAT the 2025 Council, Committee and Sub-committee meeting schedule be approved, and staff be directed to schedule the meetings accordingly.

Carried

7.4 Resolution - Stratford Poet Laureate and Youth Poet Laureate Program (COU24-132)

Members of Council thanked Destination Stratford and the Stratford Public Library for bringing the initiative forward and commended how it supports the City's cultural plan.

R2024-446

Motion by Councillor Burbach

Seconded by Councillor McCabe

THAT Council authorize the proposed three-year pilot Poet Laureate and Youth Poet Laureate Program, in partnership with Destination Stratford and the Stratford Public Library.

Carried

7.5 Resolution - Stratford Hockey Club Agreement Renewal 2024 (COU24-131)

R2024-447

Motion by Councillor McCabe

Seconded by Councillor Nijjar

THAT Council authorize a five-year renewal of the agreement between the City of Stratford and the Stratford Hockey Club Inc. for use of the William Allman Memorial Arena to August 30, 2029;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the agreement on behalf of the municipal corporation.

Carried

Councillor Hunter, having declared a pecuniary interest regarding this item, did not vote or participate in the discussion.

7.6 Resolution - Appointment of Youth Representative to the Ad-Hoc Grand Trunk Renewal Committee (COU24-128)

R2024-448

Motion by Councillor McCabe

Seconded by Councillor Briscoe

THAT the Terms of Reference for the Ad-Hoc Grand Trunk Renewal Committee be amended to increase the number of Youth Representative from one (1) to two (2) members;

THAT Ryen Ropp-Robinson and Zachary Schultz be appointed as youth representatives to the Ad-Hoc Grand Trunk Renewal Committee to September 30, 2025 or until a successor is appointed;

AND THAT Ryen Ropp-Robinson be granted an exemption from the residency requirement in the Appointments Policy C.3.1.

Carried

7.7 Resolution - Appointments to the Communities in Bloom Advisory Committee (COU24-129)

A member noted that the Communities in Bloom Advisory Committee has been fortunate to have engaged members and added that Stratford will

be hosting the National Symposium next year so additional members who can assist with the work will be beneficial.

R2024-449

Motion by Councillor Beatty

Seconded by Councillor Nijjar

THAT the Terms of Reference for the Communities in Bloom Advisory Committee be amended to increase the number of citizen appointments from five (5) to seven (7) members;

THAT Barb Hacking and Cindy Carlson be appointed as citizen representatives to the Communities in Bloom Advisory Committee to November 14, 2026, or until a successor is appointed by Council and that an exemption be granted from the term limit in the Appointments Policy C.3.1.

Carried

R2024-450

Motion by Councillor Beatty

Seconded by Councillor Hunter

THAT Yvonne O'Reilly and Linda Wakenhut be appointed as citizen representatives to the Communities in Bloom Advisory Committee to November 14, 2026, or until a successor is appointed by Council

Carried

7.8 Resolution - Appointments to the Active Transportation Advisory Committee (COU24-130)

R2024-451

Motion by Councillor Burbach

Seconded by Councillor McCabe

THAT Joel B. LaCourse, Rhonda Gesinghaus Vaters, and E. David Daghish be appointed as citizens-at-large to the Active Transportation Advisory Committee to November 14, 2026, or until a successor is appointed by Council;

AND THAT Pat Ranney be appointed as the Cycle Stratford representative to the Active Transportation Advisory Committee to November 14, 2026, or until a successor is appointed by Council.

Carried

7.9 Resolution - Appointments to the Energy and Environment Advisory Committee (COU24-134)

R2024-452

Motion by Councillor Burbach**Seconded by** Councillor McCabe**THAT Anna Stratton, Julia Schneider, Linda Wakenhut, and Ken Clarke be appointed as citizen representatives to the Energy and Environment Advisory Committee to November 14, 2026, or until a successor is appointed by Council;****THAT Vanni Azzano be appointed as the Civic Beautification and Environmental Awareness Representative to the Energy and Environment Advisory Committee to November 14, 2026, or until a successor is appointed by Council and that an exemption be granted from the term limit in the Appointments Policy C.3.1;****AND THAT Craig Merkley be appointed as the Avon River Environment Association representative the Energy and Environment Advisory Committee to November 14, 2026, or until a successor is appointed by Council and that an exemption be granted from the term limit in the Appointments Policy C.3.1.**

Carried

7.10 Resolution - Appointments to Heritage Stratford (COU24-135)

R2024-453

Motion by Councillor McCabe**Seconded by** Councillor Beatty**THAT Andy Bicanic and Barb Cottle be appointed as citizen representatives to the Heritage Stratford Committee to November 14, 2026, or until a successor is appointed by Council.**

Carried

7.11 Resolution - Appointments to the Stratfords of the World (Ontario) Advisory Committee (COU24-136)**Motion by** Councillor Wordofa**THAT Joyce Mohr, Linda Hawken, Joan Ayton, Kathy Hill, Susan L. Kummer, and Barbara Finkelstein be appointed as citizen representatives**

to the Stratfords of the World (Ontario) Advisory Committee to November 14, 2026, or until a successor is appointed by Council;

AND THAT Joan Ayton and Susan L. Kummer be granted an exemption from the term limit in the Appointments Policy C.3.1.

There was no seconder for the motion.

R2024-454

Motion by Councillor McCabe

Seconded by Councillor Beatty

THAT Joyce Mohr, Linda Hawken, Kathy Hill, and Barbara Finkelstein be appointed as citizen representatives to the Stratfords of the World (Ontario) Advisory Committee to November 14, 2026, or until a successor is appointed by Council.

Carried

7.12 Resolution - Accessibility Advisory Committee Appointments (COU24-137)

R2024-455

Motion by Councillor Burbach

Seconded by Councillor Briscoe

THAT Jenny Weber, Diane Sims, Jamie Pritchard, Roger Koert, and Brittany McCabe be appointed as citizens-at-large to the Accessibility Advisory Committee for a two year term to November 14, 2026, or until a successor is appointed by Council;

AND THAT Diane Sims be granted an exemption from the term limit in the Appointments Policy C.3.1.

Carried

Councillor McCabe, having declared a pecuniary interest regarding this item, did not vote or participate in the discussion.

8. Business for Which Previous Notice Has Been Given:

None scheduled.

9. Reports of the Standing Committees:

9.1 Report of the Social Services Committee

R2024-456

Motion by Councillor Burbach

Seconded by Councillor McCabe
THAT the Report of the Social Services Committee dated November 12, 2024 be adopted as printed.

Carried

9.1.1 Ontario Works 2025 Provincial Allocation (SOC24-012)

THAT the report titled, "Ontario Works 2025 Provincial Allocation" (SOC24-012), be received for information.

9.2 Report of the Community Services Committee

R2024-457

Motion by Councillor Beatty

Seconded by Councillor Burbach

THAT the Report of the Community Services Committee dated November 12, 2024, be adopted as printed.

Carried

9.2.1 Proposed Free Transit Day (COM24-007)

THAT a Free Transit Day be authorized by waiving transit fares for one (1) day on November 26, 2024;

AND THAT the financial transaction be recorded as interfunctional as noted in Report COM24-007.

10. Notice of Intent:

None noted

11. Reading of the By-laws:

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

R2024-458

Motion by Councillor McCabe

Seconded by Councillor Briscoe

THAT By-law 129-2024 be read a First and Second Time.

Carried two-thirds support

Councillor Hunter, having declared a pecuniary interest, did not vote or participate in the discussion of this by-law.

R2024-459

Motion by Councillor Beatty

Seconded by Councillor Burbach

THAT By-law 129-2024 be read a Third Time and Finally Passed.

Carried

Councillor Hunter, having declared a pecuniary interest, did not vote or participate in the discussion of this by-law.

R2024-460

Motion by Councillor Hunter

Seconded by Councillor Nijjar

THAT By-law 130-2024 be read a First and Second Time.

Carried two-thirds support

Councillor McCabe, having declared a pecuniary interest, did not vote or participate in the discussion of this by-law.

R2024-461

Motion by Councillor Burbach

Seconded by Councillor Briscoe

THAT By-law 130-2024 be read a Third Time and Finally Passed.

Carried

Councillor McCabe, having declared a pecuniary interest, did not vote or participate in the discussion of this by-law.

11.1 Agreement - Stratford Hockey Club Arena Use - By-law 129-2024

To authorize the entering into and execution of an amendment to the operating agreement with the Stratford Hockey Club Inc. for use of the William Allman Memorial Arena for a further five year term to August 30, 2029.

11.2 Appointments to Advisory Committees and Boards - By-law 130-2024

To amend By-law 4-2023, as amended, to make appointments to advisory committees and boards.

12. Consent Agenda: CA-2024-181 to CA-2024-190

12.1 CA-2024-189

R2024-462

Motion by Councillor Burbach

Seconded by Councillor Nijjar

WHEREAS official statistics from the Government of Ontario confirm that rural roads are inherently more dangerous than other roads;

AND WHEREAS, despite only having 17% of the population, 55% of the road fatalities occur on rural roads; AND WHEREAS, rural, northern, and remote municipalities are fiscally strained by maintaining extensive road networks on a smaller tax base;

AND WHEREAS, preventing crashes reduces the burden on Ontario's already strained rural strained health care system;

AND WHEREAS, roadway collisions and associated lawsuits are significant factors in runaway municipal insurance premiums. Preventing crashes can have a significant impact in improving municipal risk profiles;

THEREFORE, BE IT RESOLVED THAT the Council of The Corporation of the City of Stratford requests that the Government of Ontario take action to implement the rural road safety program that Good Roads has committed to lead. It will allow Ontario's rural municipalities to make the critical investments needed to reduce the high number of people being killed and seriously injured on Ontario's rural roads; and

FURTHER THAT a copy of this resolution be forwarded to Premier Doug Ford, Hon. Prabmeet Sarkaria, Minister of Transportation, Hon. King Surma, Minister of Infrastructure, Hon. Rob Flack, Minister of Agriculture, Hon. Lisa Thompson, Minister of Rural Affairs, Hon. Trevor Jones, Associate Minister of Emergency Preparedness and Response, and Hon. Sylvia Jones, Minister of Health, and Good Roads; and

FURTHER THAT this resolution be circulated to all municipalities in Ontario requesting their support.

Carried

13. New Business:

13.1 Remembrance Day Celebration

The Mayor thanked Rick Boon and the organizing committee for the Remembrance Day Ceremony. The Mayor also thanked members of the

Legion, the Air Force, the Army, the Navy, and all the members of military service who assisted with the event. The Mayor noted that the event was well represented by members of Council and staff as well as the residents.

14. Adjournment to Standing Committees:

The next Regular Council meeting is November 25, 2024, in the Council Chamber, City Hall.

R2024-463

Motion by Councillor Burbach

Seconded by Councillor Nijjar

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

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

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

Carried

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 November 12, 2024 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

There were no disclosures of pecuniary interest made by a member at the November 12, 2024 Council Reconvene meeting.

15.2 Reading of the By-laws (reconvene):

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

By-law 11.3 Confirmatory By-law - By-law 131-2024

To confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on November 12, 2024.

R2024-464

Motion by Councillor Burbach

Seconded by Councillor Hunter

THAT By-law 131-2024 be read a First and Second Time.

Carried two-thirds support

R2024-465

Motion by Councillor McCabe

Seconded by Councillor Wordofa

THAT By-law 132-2024 be read a Third Time and Finally Passed.

Carried

15.3 Adjournment of Council Meeting

R2024-466

Motion by Councillor Wordofa

Seconded by Councillor McCabe

THAT the November 12, 2024, Regular Council meeting adjourn.

Carried

Meeting Start Time: 7:00 p.m.

Meeting End Time: 7:26 p.m.

Reconvene Meeting Start Time: 7:31 p.m.

Reconvene Meeting End Time: 7:36 p.m.

Mayor - Martin Ritsma

Deputy Clerk - Audrey Pascual



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Council
From: Taylor Crinklaw, Director of Infrastructure
Report Number: COU24-148
Attachments: 2024 Water and Wastewater Rate Study & O. Reg 453/07 Financial Plan

Title: 2024 Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan

Objective: To present to Council the City of Stratford's 2024 Water and Wastewater Rate Study and Financial Plan as prepared by DFA Infrastructure International Inc.; and at a future meeting, to seek Council endorsement of the respective Financial Plans as per Ontario Regulation 453/07; and to adopt having the respective Water and Wastewater Rates come into effect January 1, 2025.

Background: Section 19 of the Safe Drinking Water Act requires municipal councillors and officials to provide oversight to ensure a statutory standard of care is imbedded into water systems management. Effective financial stewardship enables the sustainable and safe management of the City's water system. Under Ontario Regulation 453/07, financial management is a compliance requirement mandating municipalities to prepare "Financial Plans" detailing the projected financial position and operations for a minimum period of six years.

A Financial Plan is one of five requirements required to obtain a Municipal Drinking Water License (MDWL). The Plan must be valid until the MDWL expiry date. The City's MDWL expires on June 18, 2025, and the next Financial Plan must be in the process of being updated by the time of the MDWL expiry.

Language regarding Wastewater Infrastructure financial management is not nearly as prescriptive as water infrastructure, however, the City's principles toward sustainable financial management are the same.

One of the primary goals is to establish consistent and predictable rates to support capital planning. A major factor influencing this is the historical minimal investment in infrastructure and the recent inflationary spike in capital construction costs. The City's 10-year capital budgeting strategy, combined with the City's Asset Management Plan,

aim to secure sufficient funding to address the significant gap in infrastructure renewal for assets that are well beyond their service life. The recommended fees generated through this Water and Wastewater Rate study help align funding needs with capital renewal.

Analysis: The attached 2024 Water and Wastewater Rate Study for the City constitutes the foundation for the water and wastewater financial plans. It additionally furnishes detailed projections of capital, operational, and reserve fund positions, capital asset inventories, projected consumption volumes, and rate calculations.

Some of the key highlights include:

- The rate study assumes a capital spending program (2025-2034) for water and wastewater to be \$33,341,000 and \$51,962,000, inflated respectively.
- The study assumes annual operating expenditures to increase by 2% and up to 5% for expenditures related to fuel, chemicals, and materials.
- Wastewater Rates are proposed to increase by 2% annually for the next five years.
- Water Rates are proposed to increase by 7% annually for the next five years.

Further details are provided in the attached 2024 Water and Wastewater Rate Study and O.Reg 453/07 Financial Plan.

The purpose of this report is to present the City of Stratford's 2024 Water and Wastewater Rate Study and Financial Plan, prepared by DFA Infrastructure International Incorporated, for Council's information. At the next Council meeting, staff will request Council's endorsement of the Financial Plan in accordance with Ontario Regulation 453/07 and propose the implementation of the new Water and Wastewater Rates effective January 1, 2025.

Financial Implications:

Financial impact to current year operating budget:

No impact to current year budget as this study period will take effect in 2025.

Financial impact on future year operating budget:

If adopted, Water and Wastewater user fees will increase by 7% and 2% respectively in 2025 and annually thereafter. This will help collect the necessary revenue to provide reliable service and sustainable asset renewal.

Link to asset management plan and strategy:

There is a direct link between the rates required and the 10-year capital forecast. Each project in the 10-year capital forecast is funded primarily through user fees, and occasionally long-term debt, to balance current costs with future costs. As assets are renewed and replaced, the asset conditions and forecasted replacements are then updated into the City's Asset Management Plan.

Alignment with Strategic Priorities:

Enhance our Infrastructure

The recommendations outlined in these studies and in this report take significant steps forward to providing the necessary funds required for long-term sustainable asset renewal.

Build Housing Stability

Core infrastructure is included in the recommended fee structure, including future development. If adopted this report will assist in providing the necessary funds to support existing and future residents.

Alignment with One Planet Principles:

Health and Happiness

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

Sustainable Water

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

Staff Recommendation: THAT Council receive the City of Stratford's 2024 Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan prepared by DFA Infrastructure International Incorporated, for information.

Prepared by: Taylor Crinklaw, Director of Infrastructure Services
Recommended by: Taylor Crinklaw, Director of Infrastructure Services
 Karmen Krueger, Director of Corporate Services
 Joan Thomson, Chief Administrative Officer

City of Stratford

2024 Water and Wastewater Rate Study & O. Reg 453/07 Financial Plan



DFA Infrastructure International Inc.

November 13, 2024



DFA Infrastructure International Inc.

33 Raymond Street St. Catharines Ontario Canada L2R 2T3

Telephone: (905) 938 -0965 Fax: (905) 937-6568

November 13, 2024

Karmen Krueger, CPA,CA
Director of Corporate Services
The Corporation of the City of Stratford
P.O. Box 818, 1 Wellington Street
Stratford, Ontario
N5A 6W1

Re: 2024 Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan

Dear Karmen:

We are pleased to submit to you the above noted report entitled: "2024 Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan". Please let me know if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to read 'Derek Ali', is written over a horizontal line.

DFA Infrastructure International Inc.

Derek Ali, MBA, P.Eng.

President

Table of Contents

Transmittal Letter

Table of Contents

1	Introduction.....	1
1.1	Background.....	1
1.2	Purpose	1
2	Regulatory Requirements.....	1
2.1	Provincial Regulations.....	1
2.2	City of Stratford By-Law.....	3
3	Methodology	3
3.1	Full Cost Considerations.....	3
3.2	Full Cost Assessment.....	6
3.3	Data Sources	6
4	Customer Growth	7
4.1	Current Customers	8
4.2	Customer Growth Projections.....	8
5	Volume Projections	8
5.1	2024 Water Consumption and Billed Wastewater Volume.....	8
5.2	Projected Water Consumption and Billed Wastewater Volume.....	9
6	Capital Budget Requirements	9
6.1	Debt Financing.....	9
6.2	Reserve Fund Requirements	10
7	Operations & Maintenance (O&M) Cost Projections	12
8	Sustainable User Rates and Revenues	14
8.1	Current Rates and Charges	14
8.2	Water Rates and Revenue Projection.....	15
8.3	Wastewater Rates and Revenue Projection	16
9	O.Reg 453/07 Water System Financial Plan No. 074-301	17
9.1	Water Tangible Capital Assets (TCA) Analysis.....	18
9.2	Water Financial Statements	19
9.2.1	Water - Statement of Financial Position.....	19
9.2.2	Water - Statement of Operations	21
9.2.3	Water - Statement of Cash Flow.....	22
9.3	Lead Service Pipe Removal.....	23
10	Wastewater System Financial Plan.....	23
10.1	Wastewater Tangible Capital Assets (TCA) Analysis.....	24
10.2	Wastewater Financial Statements	25

10.2.1 Wastewater - Statement of Financial Position.....	25
10.2.2 Wastewater - Statement of Operations	26
10.2.3 Wastewater - Statement of Cash Flows	28

11 Conclusions & Recommendations29

Appendices

Appendix A:	2024 Water and Wastewater Rates (Schedule “E” from By-Law No. 117-2023)
Appendix B:	2024 – 2034 Customer Growth Projections
Appendix C-1:	2025 – 2034 Capital Forecast- Water
Appendix C:2:	2025 – 2034 Capital Forecast- Wastewater
Appendix D:	2025 – 2034 Water and Wastewater Debt Continuity Schedule
Appendix E:	2025 – 2034 Reserve and Reserve Fund Projections
Appendix F:	2025 – 2034 Operating Budget Forecast - Water
Appendix G:	2025 – 2034 Operating Budget Forecast – Wastewater
Appendix H:	Projected 2025 – 2034 Sustainable Water Rates and Revenues
Appendix I:	Projected 2025 – 2034 Sustainable Wastewater Rates and Revenues
Appendix J:	Requirements of O. Reg 453/07

Tables

Table 3-1: Cost Components and Drivers.....	4
Table 3-2: Data Sources.....	7
Table 4-1: 2024 Customer Count.....	8
Table 4-2: Customer Growth Projection.....	8
Table 3:1 2025-2034 Projected Water and Wastewater Volumes	9
Table 7-1: 2025 Draft Water Operating Budget	13
Table 7-2: 2025 Draft Wastewater Operating Budget	14
Table 8-1: Current 2024 Water and Wastewater Rates and Charges.....	15
Table 8-2: Projected Water Rates and Revenues	16
Table 8-3: Projected Wastewater Rates and Revenues.....	17
Table 9-1: Water – Asset Amortization and 2024 Net Book Value (NBV)	19
Table 9-2: Water – Statement of Financial Position	20
Table 9-3: Water – Statement of Operations	22
Table 9-4: Water – Statement of Cash Flow.....	23
Table 10-1: Wastewater – Asset Amortization and 2024 Net Book Value (NBV)	25
Table 10-2: Wastewater - Statement of Financial Position	26
Table 10-3: Wastewater - Statement of Operations	27
Table 10-4: Wastewater - Statement of Cash Flow	28

1 Introduction

1.1 Background

The City of Stratford (City) currently services approximately 13,500 water customers and 13,300 wastewater customers. The City's water comes from the Stratford Well Supply, which is owned and operated by the City. The water system is metered and utilizes a rate structure with a monthly fixed charge based on meter size, and a 2-step decreasing block volumetric rate of \$2.92 per cubic metre for the first block (first 3m³/month) and \$1.19 per cubic metre for the second block (after first 3m³/month). All water customers are subject to a minimum monthly volumetric charge of \$8.76 a month. The wastewater system utilizes a single monthly fixed charge with a 2-step decreasing block volumetric rate of \$4.48 per cubic metre for the first block (first 3m³/month) and \$1.83 per cubic metre for the second block (after first 3m³/month). All wastewater customers are subject to a minimum monthly volumetric charge of \$13.44 a month.

The last Water and Wastewater Rate review was conducted by the City was in 2020, as such City staff and Council recognized the need to update the rate study. Accordingly, DFA Infrastructure International Inc. (DFA) was retained by the City to conduct a comprehensive Water and Wastewater Rate Review. The study includes determination of the full cost of service for water and wastewater over ten (10) years from 2025 to 2034 inclusive, and the calculation of rates that sustainably fund the cost of service, while treating ratepayers in a fair and equitable manner.

The City is also required to prepare and submit an updated Water System Financial Plan to meet the requirements of the Drinking Water Quality Management System as defined under O.Reg. 453/07 for renewal of its water distribution system licence.

1.2 Purpose

The primary purpose of this Water and Wastewater Rate Study is to:

- Identify the full costs of managing the City's water and wastewater systems based on the most recent available information;
- Update the City's current rates and charges to its customers, using the existing structure of a monthly base charge and a 2-step decreasing block consumption rate per cubic metre that will recover the full costs of supplying and distributing drinking water, and collection and treatment of wastewater;
- Prepare an updated Water System Financial Plan in accordance with the requirements of O.Reg. 453/07 for the renewal of the licence for the City's water distribution system; and
- Prepare a Sanitary Sewer System Financial Plan similar to that required for water under O. Reg 453/07.

2 Regulatory Requirements

2.1 Provincial Regulations

Provincial requirements governing water and wastewater services primarily include the following:

- The Environmental Assessment Act (EAA);
- The Safe Drinking Water Act (SDWA);
- The Municipal Act (MA);
- The Development Charges Act (DCA);
- The Sustainable Water and Sewage Systems Act, 2002 (SWSA); and
- The Water Opportunities and Conservation Act, 2010 (WOA).

The first two (2) set out the technical requirements related to service delivery. The EA Act applies to expansion of existing facilities and establishment of new capacity such as the installation of new pipes to service growth in customers.

The Safe Drinking Water Act, 2002 (SDWA) has significant implications to the daily operations as it sets out the water sampling and other operational requirements (in O. Reg. 170/03) for ensuring that the water delivered to consumers is of high quality and safe for consumption. The SDWA has been a major influence over the past decade in terms of adjustments to operational practices and water quality assurance. In addition, there is also a requirement under this Act (O.Reg. 188/07) for drinking water providers to establish a Drinking Water Quality Management System (DWQMS) and obtain licences for their respective water systems. As part of the DWQMS, and as required under O. Reg. 453/07 (Financial Plans Regulation), operating authorities must submit a financial plan for their respective water systems as a condition of licensing. There are also many regulations and guidelines that deal with design and operation standards that mandate certain activities be undertaken as part of service delivery.

The Municipal Act, Part VII, Section 293 requires municipalities to establish reserves for dealing with long-term liabilities. This applies directly to the water systems and the future liabilities associated with their age and condition. The Municipal Act also permits the municipalities to establish fees for cost recovery and requires public input prior to any fee adjustments. The Development Charges Act and regulations establishes the requirements for the recovery of portions of future growth-related capital expenditures to be incurred by municipalities. The Sustainable Water and Sewage Systems Act, 2002 requires that water systems be financially sustainable. The Water Opportunities and Conservation Act, 2010 is the most recent legislation to be enacted influencing water system management. It requires sustainability plans to be prepared for water systems and overlaps somewhat with the SWSA.

The Sustainable Water and Sewage Systems Act, 2002

One of the main recommendations contained in Justice O'Connor's report on the Walkerton incident is the need for municipalities to identify the full cost of water services and to develop a sustainable plan to finance these costs. This resulted in the establishment of the Sustainable Water and Sewage Systems Act, 2002 in December 2002 which requires operators of Water systems to report full costs and the method of cost recovery to the Province of Ontario. However, the Sustainable Water and Sewage Systems Act, 2002 was never proclaimed into force, nor were the regulations necessary for the act to operate ever developed. Under the Sustainable Water and Sewage Systems Act, 2002, the municipalities are required to submit to the Province of Ontario:

- A report prepared by a Professional Engineer, identifying the full cost of water services;
- A report identifying a sustainable method by which municipalities would recover these costs;

- The comments made by the City’s Auditor following a review of both reports; and
- Copies of Council resolutions accepting the recommendation of reports.

The Water Opportunities and Conservation Act, 2010

The WOA was enacted in November 2010 and the regulations are pending. This legislation promotes water conservation and requires municipalities to develop:

- Water conservation plans;
- Sustainability plans for water, wastewater & stormwater management; and
- Asset management plans.

Financial plans are required as a component of the water sustainability and asset management plans.

The DWQMS Requirements

Regulation 188/07 under the Safe Drinking Water Act requires Ontario municipalities to apply for and obtain Drinking Water System Licences as part of their overall DWQMS. One of the requirements to obtain a drinking water licence is to prepare and submit a financial plan in accordance with O.Reg. 453/07.

2.2 City of Stratford By-Law

City By-law No. 117-2023 establishes the City’s rates and charges for 2024, including the rates and charges that apply to the various water and wastewater customer classes. Schedule “E” to By-law 117-2023 contains the 2024 water and wastewater rates charges and is attached as Appendix A.

3 Methodology

The Rate Study gives consideration to the full costs (or the required investment) associated with managing the City’s water and wastewater systems over a ten (10) year period from 2025 to 2034 inclusive, and the recovery of those costs (or revenue plan) through proposed rates and charges to customers. Life cycle costs of assets from the City’s Asset Management Plan were also considered to ensure the full replacement and/or rehabilitation needs given that some water and wastewater system assets (e.g. water mains and sewer mains) can have life expectancies in the 50 to 100 year range. Rates are then developed that recover the full costs of water and wastewater services.

3.1 Full Cost Considerations

Calculation of the City’s full cost of managing the water and wastewater systems is based on the draft 2025 budgets related to the primary activities required to deliver water and wastewater services to City customers. Higher costs are generally expected in the future as the water and wastewater business environment changes. The impact can be mitigated however by fully understanding, assessing and planning for future water and wastewater system costs.

Determination of the full cost of managing the City's water and wastewater systems takes into account the factors that have a bearing on the cost of providing reliable water and wastewater services to the customers over the long-term. These included both current and future considerations that would influence the cost of managing the systems (and the revenues required to sustain them). Table 3-1 notes the main drivers of cost. The assumptions made are noted in the respective sections of this report.

Table 3-1: Cost Components and Drivers

Cost Component	Cost Drivers	Future Cost Implications
Water and Wastewater systems operations and maintenance (O&M)	<p>This is the annual cost of operating and maintaining the current system including direct (e.g. operations staff) and indirect costs (e.g overhead, charge backs etc).</p> <p>Changes in regulations can result in additional (O&M) activities and added costs. This was evident when the regulations under the Safe Drinking Water Act took effect. Municipalities were required to undertake specific activities in the interest of water quality management (e.g sampling, analysis and reporting of water quality). More recently, the DWQMS meant additional costs for water system operational plans and licensing albeit not annually. It is expected that pending regulations under the Water Opportunities Act and greater enforcement of compliance requirements by the Ministry of the Environment, Conservation and Parks (MECP) would require more actions to be undertaken (and increased costs) by municipalities.</p>	<p>This is a direct annual cost that is reasonably consistent (fixed) from year to year but requires adjustment to account for non-recurring items, operational changes, variable cost (e.g. chemical use) changes and inflation. Non-rate revenues from administrative fees and grants offset these costs.</p> <p>The long term impact of new regulations on costs are difficult to predict. However, the costs are expected to rise as more stringent requirements are established and compliance enforcement by the MECP increases.</p> <p>Operating costs are assumed to increase by 2% annually.</p>
Effective Date of City Rates	Timing of the City rate increase will have an impact on the level of revenue generated from users.	For the purposes of the study the annual City increase is assumed to occur on January 1.
Customer Growth	As the existing urban areas are developed, the addition of new customers would increase the total demand for water. A corresponding rise in wastewater volume requiring treatment would also be expected	<p>The increase in demand, if significant, would increase volumes of water consumed and wastewater treated, and variable costs in the year the new customers are added.</p> <p>Customer Growth is based on the City's 2022 Development Charges Study</p>
Consumption Volume (m3)	Consumption is a function of the number of customers (existing and new growth), weather conditions and the economic environment. The weather conditions have a significant influence on how much water is consumed in a given year. For example, lower temperatures and wet	The annual consumption volume is unpredictable. Fluctuations can result in higher than anticipated costs or lower revenues and lead to budget deficits. An operating reserve would

Cost Component	Cost Drivers	Future Cost Implications
	<p>weather tend to result is less water consumption. Dry weather and higher temperatures increase water consumption. Wet weather would also mean more stormwater entering the wastewater system (known as inflow and infiltration) The loss of large (commercial or industrial) customers perhaps due to economic climate would reduce demand.</p>	<p>minimize the risk of deficits and stabilize rates (i.e. minimize rate spikes) It is assumed that consumption will continue to increase as a result of new customer growth.</p>
<p>New growth related services</p>	<p>This refers to installation of new assets to increase the system capacity to facilitate new development and build out of the approved service areas within the City</p>	<p>Would result in capital investments in the year the new infrastructure is needed. Note that financing of these costs can be through debt or cash from reserves after third party contributions are considered (e.g. grants, developer contributions etc.)</p> <p>Growth related capital investments are as provided from the City's 2025 - 2034 Capital Plan Forecast and 2022 Development Charges Study..</p>
<p>Asset preservation and renewal</p>	<p>This is mainly the replacement of aging Tangible Capital Assets (TCA) e.g. old water mains, plant components, well components etc. that have exceeded their service life.</p>	<p>Would result in future capital expenditures in the year in which the assets require replacement or rehabilitation to extend their useful lives. Allowances must be made as part of the annual costs to account for the future replacement of these assets Financing can be through a combination of debt and reserve funds.</p> <p>Asset renewal needs are as provided from the City's 2025-2034 Capital Plan Forecast.</p>
<p>Other capital expenditures</p>	<p>These are capital expenditures other than those needed for growth and asset renewal. These would include cost of studies and implementation of operational improvements of the water and wastewater systems such as water loss reduction measures and wastewater I & I reduction programs.</p>	<p>Would increase costs in the year the expenditure is required. Financing can be through a combination of debt and reserves.</p> <p>Other capital investments are as provided from the City's 2025 - 2034 Capital Plan Forecast.</p>
<p>Capital Financing</p>	<p>Capital financing for projects can be from four (4) main sources: Debt financing, reserves, annual rates and third party contributions (grants etc.). Grant funding is available only when approved and is therefore not a predictable source of financing for financial planning purposes. The greater the debt financing, the higher the annual amount (costs) needed to repay the principal and interest on any current or future debt. Financing</p>	<p>Annual costs would increase to provide for reserve contributions and debt repayment. It should be noted that using debt financing would minimize spikes in funding required for capital projects and allocates cost to future users</p>

Cost Component	Cost Drivers	Future Cost Implications
	from reserves can only be used if sufficient funds are available. Therefore annual contributions to reserves are required to build balances for use in future years. Financing from rates do not increase annual costs but tend to drive up rates in the year the capital expenditure is required.	It is assumed that debt financing will be used when funds from other sources (reserves, grants, etc) are insufficient to finance the current year's capital program
Inflation	This is the annual rate of inflation as reported by Statistics Canada.	Annual inflation is assumed to be 2% for operating expenditures, with 3% being used for capital expenditures.
Market competition and pricing	The level of competition within the market place depends on the number of service providers available. Additionally, the capacity of industry service providers to meet the increasing demand for their services may tend to increase prices. Tender prices for future capital projects would be influenced by the market conditions at the time of tendering.	Potential higher prices depending on the future behaviour of the industry.

3.2 Full Cost Assessment

The full cost assessment identifies the current and future costs (i.e. the full costs) associated with the management of the water and wastewater systems over the next ten (10) years (2025 to 2034). The key cost areas include:

- Operations & Maintenance (O&M) cost projections;
- Capital Budget based on the draft capital forecast;
- Tangible Capital Asset (TCA) projections including asset replacement needs;
- Debt servicing requirements; and
- Reserve fund requirements.

The non-rate revenues associated with the systems are also identified. These are defined as revenues that are routinely generated each year by the daily operations and include miscellaneous revenues and recoveries. It is important to note that the non-rate revenues do not include the revenues generated by the water and wastewater user rates. The full cost developed through the various analyses in this study identify the revenue requirements for the water and wastewater systems and form the basis for the future rates and charges.

3.3 Data Sources

The primary sources of data used in this review are listed in Table 3-3. In addition, information was also developed from discussions with input from City staff, as required.

Table 3-2: Data Sources

Item	Data Source
Asset Life Expectancy	<ul style="list-style-type: none"> City's TCA Policy and Asset Management Plan Information Provided by the City
Asset Replacement Costs	<ul style="list-style-type: none"> City's TCA Policy and Asset Management Plan Historical Costs Provided by the City indexed to 2025 and the City's draft 2025 Water and Wastewater Capital Budget Forecast
Asset Values	<ul style="list-style-type: none"> City's TCA Policy and Asset Management Plan Information Provided by the City
O & M Costs and Revenue Projections	<ul style="list-style-type: none"> City's draft 2025 Water and Wastewater Operating Budget
Capital Cost Projections	<ul style="list-style-type: none"> City's draft 2025 Water and Wastewater Capital Budget Forecast
Debt	<ul style="list-style-type: none"> City's draft 2025 Water and Wastewater Operating Budgets and draft 2025-2034 Capital Budget Forecast
Investments, Reserve balances etc.	<ul style="list-style-type: none"> Information provided by the City
Existing Customers	<ul style="list-style-type: none"> City's Customer count Provided by the City
Growth	<ul style="list-style-type: none"> Information Provided by the City including information contained in the City's
Water and Wastewater Volumes	<ul style="list-style-type: none"> City's actual historical Consumption Volumes provided by the City's 2022 Development Charges Study

4 Customer Growth

The cost of service depends on the number and type of customers and corresponding demand. Although most costs are fixed, variable costs such as annual chemical use and hydro costs can increase depending on the level of customer growth and water consumption and wastewater treated. Capital costs related to increasing system capacity to accommodate customer growth can also be influenced by growth and demand. In addition, the current rate structure is comprised of a monthly fixed (base charge) per customer plus a 2-step decreasing block consumption rate per cubic metre based on the metered volume of water consumed (billed wastewater flows). Therefore, forecasting customer growth and annual water consumption volumes is essential to projecting future costs, revenue requirements and rates.

4.1 Current Customers

There are currently approximately 13,475 metered water customers and 13,326 metered wastewater customers based on information provided by the City. This number is expected to increase over the 2025 – 2034 forecast period. Table 4-1 shows the current total number of residential and commercial customers.

Table 4-1: 2024 Customer Count

2024 Water and Wastewater Customers			
Customers by Meter Size	Water Customers	Wastewater Customers	
Under 1 "	13,057	12,908	
1"	54	54	
1.5"	170	170	
2"	154	154	
3"	25	25	
4"	15	15	
6"	-	-	
8"	-	-	
Total	13,475	13,326	

4.2 Customer Growth Projections

Table 4-2 shows the increase in total customers over the 2024-2034 forecast period. Customer growth projections reflect the residential and commercial customer growth for the City as contained in the City's 2022 Development Charges Study. Customer growth over the 2024-2034 forecast period is projected to be 1,700. 2025-2034 detailed customer growth projections by year are presented in Appendix B.

Table 4-2: Customer Growth Projection

Service	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Water	13,653	13,832	14,010	14,188	14,367	14,545	14,724	14,902	15,039	15,175
Wastewater	13,504	13,683	13,861	14,039	14,218	14,396	14,575	14,753	14,890	15,026

5 Volume Projections

5.1 2024 Water Consumption and Billed Wastewater Volume

There are estimated to be approximately 13,475 metered water customers projected to consume approximately 2.9 million m³ in 2024. For wastewater, there are approximately 13,326 metered customers that are projected to generate in 2024 approximately 2.8 million m³ of wastewater flows. These volumes include approximately 0.5 million in flows that would be deemed to be contained in the minimum block charge, which volumes are charged a higher volumetric rate than the volumes that exceed the monthly minimum volume of 3 m³ per month per customer.

5.2 Projected Water Consumption and Billed Wastewater Volume

Projected water consumption and billed wastewater flow increases are based on projected customer growth. The 2025-2034 volume projections are shown below in Table 5-1.

Table 3:1 2025-2034 Projected Water and Wastewater Volumes

Water	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Projected Water Consumption	2,901,051	2,924,226	2,947,402	2,970,577	2,993,752	3,016,927	3,040,102	3,063,277	3,081,042	3,098,806
Water Consumption within Minimum Charge	491,521	497,942	504,363	510,784	517,205	523,626	530,046	536,467	541,389	546,311
Water Consumption to be Charged	2,409,530	2,426,285	2,443,039	2,459,793	2,476,547	2,493,302	2,510,056	2,526,810	2,539,653	2,552,495

Wastewater	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Projected Wastewater Flows	2,878,542	2,901,717	2,924,893	2,948,068	2,971,243	2,994,418	3,017,593	3,040,768	3,058,533	3,076,297
Wastewater Flows within Minimum Charge	486,157	492,578	498,999	505,420	511,841	518,262	524,682	531,103	536,025	540,947
Wastewater Flows to be Charged	2,392,385	2,409,140	2,425,894	2,442,648	2,459,402	2,476,157	2,492,911	2,509,665	2,522,508	2,535,350

6 Capital Budget Requirements

The future water and wastewater capital budget requirements are presented in Appendix C. This appendix reflects the projects identified by the City's draft 2025 to 2034 capital forecast. There is approximately \$31.3 million in projected water related capital expenditures and approximately \$52.0 million in projected wastewater related capital expenditures required between 2025 and 2034.

Appendix C also shows the projected sources of financing for the annual water and wastewater capital requirements. The level of water and wastewater rates have a direct impact on the mix of capital financing. The City will continue to finance its' capital requirements through cash from capital reserves. The City will however be required to incur debt to cashflow projects in years when sufficient capital reserve funds are not available. Debt financing and the reserve fund requirements are discussed in Sections 6.1 and 6.2.

6.1 Debt Financing

Issuance of debt allows for funds to be available in the year the project is required to proceed, with repayment of the debt occurring in future years. This approach supports the principle of user pay such that the beneficiaries of the new assets pay for their use through the debt repayment. Financing from capital reserve requires that sufficient funds be available in the reserve in the year the project is undertaken, through annual contributions from the operating budget to the reserve in prior years. Therefore, without debt or reserve financing, major rate increases, or "spikes" would be required in the project year to raise sufficient funds to cover the project expenditures.

The City will be required to borrow over the forecast period to fund both the projected water and wastewater capital programs. There is also existing debt for wastewater previously issued for the funding of past capital projects. The existing balance of wastewater debt is approximately \$17.2 million, which will be fully retired by 2036.

Approximately \$3.3 million in new non-growth-related water debt is projected to be required over the forecast period to fund the water capital program, whereas approximately \$8.3 million in new non-growth-related wastewater debt and \$0.7 million in new growth-related wastewater debt is projected to be required over the forecast period to fund the wastewater capital program. The repayment of the wastewater growth-related debt will be funded from future wastewater development charge receipts and therefore will not impact on the rate payer and rates.

It is assumed that new debt is issued with a term of 20 year and at an interest rate of 3.5%. Appendix D provides the details on 2025-2034 continuity of projected outstanding water and wastewater debt, showing annually new debt requirements and debt principal repayments.

6.2 Reserve Fund Requirements

There are two (2) separate capital related reserve funds for both water and wastewater for which projections are made over the study period:

- The Capital Reserve Fund; and
- Development Charges Reserve Fund.

There are also Rate Stabilization Reserves for both water and wastewater services. The Rate Stabilization Reserves will provide a source of funding for water and wastewater to mitigate user rate changes during the preparation of the annual operating budget and to protect the City against any unanticipated expenditures of an operating nature. Operating reserves are maintained over the forecast period between 5% and 10% of annual operating expenditure budgets

Appendix E shows the continuity schedule for each capital reserve fund and rate stabilization reserve projection. These schedules show the transfers to and from the respective reserve and reserve fund, and the opening and closing balances.

Water Capital Reserve Fund

The Water Capital Reserve Fund is the primary source of funding for non-growth-related water capital projects and has a projected closing balance in 2024 of approximately \$3.1 million. Annual contributions to the water capital reserve fund are increasing over the forecast period to ensure sufficient funds are available to finance the water capital program. In years where insufficient water reserve funds were available to fund the net non-growth water capital program, debt was required. A minimum balance of \$0.5 million was maintained in the water capital reserve fund to finance any unplanned emergency capital works should they arise.

The average annual water capital reserve fund contribution over the forecast period is estimated at \$2.6 million per year. The closing balance of the water capital reserve fund is projected at \$3.3 million by 2034, representing about 101% of the 10-year average annual water capital program. This ensures that the City is in a strong position to begin funding water capital works beyond the study period.

Wastewater Capital Reserve Fund

The Wastewater Capital Reserve Fund is the primary source of funding for non-growth-related wastewater capital projects and has a projected closing balance in 2024 of approximately \$4.2 million. The annual contributions to the wastewater capital reserve are increasing so that sufficient funds are available to finance the wastewater capital program. In years where insufficient wastewater reserve funds were available to fund the net non-growth wastewater capital program, debt was required. A minimum balance of \$0.5 million was maintained in the wastewater capital reserve fund to finance any unplanned emergency capital works should they arise.

The average annual wastewater capital reserve fund contribution over the forecast period is estimated at \$3.4 million per year. The closing balance of the wastewater capital reserve is projected to increase to approximately \$5.8 million by 2034. The 2034 closing balance represents about 107% of the 10-year average annual wastewater capital program. This ensures that the City is in a strong position to begin funding wastewater capital works beyond the study period.

Water Development Charges Reserve Fund

The Water Development Charges Reserve Fund has a projected closing balance in 2024 of \$0.5 million, with an increase to \$0.9 million by 2034. There are two (2) growth-related water capital projects identified over the forecast period which will require \$0.5 million from the water development charges reserve fund. Annual contributions to the water development charges reserve fund are based on the customer growth projections detailed in Section 4, with current water development charges being indexed annually by 3%.

Wastewater Development Charges Reserve Fund

The Wastewater Development Charges Reserve Fund has a projected closing balance in 2024 of approximately \$2.3 million, increasing to approximately \$2.9 million by 2034. There are six (6) growth-related wastewater capital projects identified over the forecast period which will require development charges funding of \$9.7 million. As there were years in which the required wastewater development charges funding exceeded the available wastewater development charges reserve fund balance, \$0.7 million in growth-related debt will be required over the forecast period. The future debt servicing on the wastewater growth-related debt will be recovered from future wastewater development charges proceeds and as such will not impact on the projected required user revenues. Annual contributions to the wastewater development charges reserve fund are based on the customer growth projections detailed in Section 4, and current wastewater development charge rates indexed annually by 3%.

Water Rate Stabilization Reserve

The water rate stabilization reserve has a projected 2024 closing balance of approximately \$1.2 million, representing about 21% of the 2024 water expenditure budget. The City's policy regarding the water rate stabilization reserve is to have a maximum target balance of 10%.

It is proposed that in 2025 \$0.7 million from this reserve be transferred to the water capital reserve fund where funds are needed to minimize the use of debt in funding the water capital program. Over the forecast period the water rate stabilization reserve maintains a balance of between 5% and 10% of the annual water expenditure budget, which is an industry best practice.

Wastewater Rate Stabilization Reserve

The wastewater rate stabilization reserve has a projected 2024 closing balance of approximately \$1.4 million, representing about 18% of the 2024 wastewater expenditure budget. The City's policy regarding the wastewater stabilization reserve is to have a maximum target balance of 10%.

It is proposed that in 2025 \$0.8 million from this reserve be transferred to the wastewater capital reserve fund where funds are needed to minimize the use of debt in funding the wastewater capital program. Over the forecast period the wastewater rate stabilization reserve maintains a balance of between 5% and 10% of the annual wastewater expenditure budget, which is an industry best practice

7 Operations & Maintenance (O&M) Cost Projections

The annual operating budgets are based on the operations and maintenance needs of the City's water and wastewater systems. These include operations and maintenance costs related to the water system (i.e. water purchases and water distribution), and the wastewater system (i.e. treated wastewater and wastewater collection). These costs generally include the staffing, materials, utilities and other costs related to the following:

- Administration;
- Contracted Services;
- Minor Capital; and
- Maintenance.

Transfers to reserves and debt servicing are typically included in the annual O&M budgets. These costs have however been addressed separately for the purposes of this report and are noted in Section 6.

A portion of the O&M costs is offset by non-rate revenues. These include:

- Inter-functional maintenance charges;
- Recoveries ,and
- User fees.

The projection of the gross costs and non-rate revenues over the study period is based on the City's draft 2025 Water and Wastewater Operating Budgets. Operating costs beyond 2025 are increased annually by 2%

Table 7.1 and Table 7.2 show the City's draft 2025 operating budgets for water and wastewater services including the net amount to be recovered from customers.

Appendix F summarizes the projected 2025 – 2034 water systems gross operating & maintenance costs, non-rate revenues and net costs to be recovered from customers through the City's base and consumption charges. The net annual costs of the water system are expected to increase from \$6.3 million in 2025 to approximately \$10.4 million by 2034. The \$4.1 million increase in water operating cost over the forecast period is mainly due to a projected increase in the transfer to the capital reserve fund needed to fund the water capital program, inflationary cost increases, and the addition of debt servicing costs.

Appendix G summarizes the projected 2025 – 2034 wastewater systems gross operating & maintenance costs, non-rate revenues and net costs to be recovered from customers through the City's base and consumption charges. The net annual costs of the wastewater system are expected to increase from \$8.4 million in 2025 to \$10.3 million by 2034. The \$1.9 million increase in wastewater operating cost over the forecast period is due to a projected increase in the transfer to the capital reserve fund needed to fund the wastewater capital program and inflationary cost increases. These increases are however offset by a reduction in projected debt servicing costs.

Table 7-1: 2025 Draft Water Operating Budget

2025 Draft Operating Budget	
<u>Operating Expenditures</u>	
WATER ADMINISTRATION	\$ 3,096,912
WATER SUPPLY	\$ 873,750
WATER DISTRIBUTION	\$ 1,342,960
Sub Total Operating Expenditures	\$ 5,313,622
<u>Capital-Related</u>	
Transfer to Capital Reserves and Reserve Funds	\$ 1,191,615
Sub Total Capital Related Expenditures	\$ 1,191,615
Total Expenditures	\$ 6,505,237
Total Operating Revenue	\$ 172,640
Net Water Costs To Be Recovered From Users	\$ 6,332,597

Table 7-2: 2025 Draft Wastewater Operating Budget

2025 Draft Operating Budget	
Operating Expenditures	
SANITARY ADMINISTRATION	\$ 292,361
SANITARY TREATMENT	\$ 1,587,300
SANITARY COLLECTION	\$ 1,969,060
Sub Total Operating Expenditures	\$ 3,848,721
Capital-Related	
Existing Debt (Principal) - Non-Growth Related	\$ 2,187,116
Existing Debt (Interest) - Non-Growth Related	\$ 544,755
Transfer to Capital Reserves and Reserve Funds	\$ 2,560,483
Sub Total Capital Related Expenditures	\$ 5,292,354
Total Expenditures	
	\$ 9,141,075
Total-Non Rate Revenues	\$ 324,000
Contributions from Capital Reserve	\$ 435,650
Total Operating Revenue	
	\$ 759,650
Net Wastewater Costs To Be Recovered From Users	
	\$ 8,381,425

8 Sustainable User Rates and Revenues

Appendix H presents the projected 2025 – 2034 sustainable water rates and revenues. Appendix I presents the projected 2025-2034 sustainable wastewater rates and revenues. These rates and revenues are based on the City's current water and wastewater rate structure. The costs and revenues contained in Section 6 (Capital Budget Requirements) and Section 7 (Operating & Maintenance Cost Projections), and the projected growth contained in Section 4 (Customer Growth) and Section 5 (Volume Projections) were considered in calculating the sustainable user rates and revenues as presented in this section.

8.1 Current Rates and Charges

The City's current rate structure and rates are shown in Table 8-1. The water rate structure includes a monthly fixed charge based on meter size, and a 2-step decreasing block volumetric rate. The wastewater rate structure includes a single monthly fixed charge and a 2-step decreasing block volumetric rate

The water rate structure includes a monthly fixed charge based on meter size, and a 2-step decreasing block volumetric rate of \$2.92 per cubic metre for the first block (first 3m³/month) and \$1.19 per cubic metre for the second block (after first 3m³/month). All water customers are subject to a minimum monthly volumetric charge of \$8.76 a month (. The wastewater rate structure includes a single monthly fixed charge with a 2-step decreasing block volumetric rate of \$4.48 per cubic metre for the first block (first 3m³/month) and \$1.83 per cubic metre for the second block (after first 3m³/month). All wastewater customers are subject to a minimum monthly volumetric charge of \$13.44 a month.

Table 8-1: Current 2024 Water and Wastewater Rates and Charges

Rate Structure Component	Meter Size	Rates	
		Water	Wastewater
Block 1 - First 3 cubic metres (monthly)* of water consumed		\$ 2.92	\$ 4.48
Block 2 - Additional cubic metres of water consumed		\$ 1.19	\$ 1.83
Fixed Annual Charges Based on Meter Size (\$/Year)	Under 1 "	\$ 114.00	\$ 123.00
	1"	\$ 177.00	\$ 123.00
	1.5"	\$ 225.00	\$ 123.00
	2"	\$ 276.00	\$ 123.00
	3"	\$ 372.00	\$ 123.00
	4"	\$ 486.00	\$ 123.00
	6"	\$ 825.00	\$ 123.00
	8"	\$ 1,116.00	\$ 123.00

* Customers are subject to a minimum monthly charge based on 3 cubic metres

8.2 Water Rates and Revenue Projection

Table 8-2 presents the projected sustainable water rates and revenues for the five (5) year period 2025 – 2029. Based on the full cost assessment of the City's water system the current water rates are required to be increased annually by 7% over the 2025-2029 period, with annual increases of 3% over the 2030-2034 period. These increases are required to ensure that the water system remains financially stable over the next 10 years. As noted above, Appendix H presents the projected 2025 – 2034 sustainable water rates and revenues

Table 8-2: Projected Water Rates and Revenues

Base Charge (Projected Annual Base Charges and Revenues)					
Base Charge	2025	2026	2027	2028	2029
Annual Increase %Increases	7.00%	7.00%	7.00%	7.00%	7.00%
Under 1 "	\$ 121.98	\$ 130.52	\$ 139.65	\$ 149.43	\$ 159.89
1"	\$ 189.39	\$ 202.65	\$ 216.83	\$ 232.01	\$ 248.25
1.5"	\$ 240.75	\$ 257.60	\$ 275.63	\$ 294.93	\$ 315.57
2"	\$ 295.32	\$ 315.99	\$ 338.11	\$ 361.78	\$ 387.10
3"	\$ 398.04	\$ 425.90	\$ 455.72	\$ 487.62	\$ 521.75
4"	\$ 520.02	\$ 556.42	\$ 595.37	\$ 637.05	\$ 681.64
6"	\$ 882.75	\$ 944.54	\$ 1,010.66	\$ 1,081.41	\$ 1,157.11
8"	\$ 1,194.12	\$ 1,277.71	\$ 1,367.15	\$ 1,462.85	\$ 1,565.25
Projected Revenue Generated from Base Charge	\$ 1,728,834	\$ 1,873,132	\$ 2,029,160	\$ 2,197,853	\$ 2,380,221
Block 1 (Projected Annual Minimum Charge Rates & Revenues)					
Block 1	2025	2026	2027	2028	2029
Annual Increase %Increases	7.00%	7.00%	7.00%	7.00%	7.00%
Block 1 (First 3 cubic metres per month)	\$ 3.12	\$ 3.34	\$ 3.58	\$ 3.83	\$ 4.10
Minimum Charge (Annual)	\$ 112.48	\$ 120.35	\$ 128.78	\$ 137.79	\$ 147.44
Number of Customers	13,653	13,832	14,010	14,188	14,367
Projected Revenues Generated from Minimum Charge	\$ 1,535,708	\$ 1,664,673	\$ 1,804,169	\$ 1,955,037	\$ 2,118,186
Block 2 (Projected Annual Uniform Rates & Revenues)					
Block 2	2025	2026	2027	2028	2029
Annual Increase %Increases	7.00%	7.00%	7.00%	7.00%	7.00%
Block 2 (Uniform Rate for additional cubic metres)	\$ 1.27	\$ 1.36	\$ 1.46	\$ 1.56	\$ 1.67
Total Projected Water Consumption	2,901,051	2,924,226	2,947,402	2,970,577	2,993,752
Water Consumption within Minimum Charge	491,521	497,942	504,363	510,784	517,205
Water Consumption to be Charged	2,409,530	2,426,285	2,443,039	2,459,793	2,476,547
Projected Revenue Generated from Uniform Rate	\$ 3,068,055	\$ 3,305,645	\$ 3,561,465	\$ 3,836,901	\$ 4,133,448
Total Water User Revenues	\$ 6,332,597	\$ 6,843,450	\$ 7,394,794	\$ 7,989,792	\$ 8,631,855

8.3 Wastewater Rates and Revenue Projection

Table 8-3 presents the projected sustainable wastewater rates and revenues for the five (5) year period 2025 – 2029. Based on the full cost assessment of the City’s wastewater system the current wastewater rates are required to be increased annually by 2% over the 2025-2029 period, with annual increases of 1% over the 2030-2024 period. These increases are required to ensure that the wastewater system remains financially stable over the next 10 years. As noted above, Appendix I presents the projected 2025-2034 sustainable wastewater rates and revenues.

Table 8-3: Projected Wastewater Rates and Revenues

Base Charge (Projected Annual Wastewater Base Charges and Revenues)					
Base charge	2025	2026	2027	2028	2029
Annual Increase %Increases	2.00%	2.00%	2.00%	2.00%	2.00%
Under 1 "	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
1"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
1.5"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
2"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
3"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
4"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
6"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
8"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80
Projected Revenue Generated from Base Charges	\$ 1,694,257	\$ 1,750,966	\$ 1,809,267	\$ 1,869,199	\$ 1,930,804
Block 1 (Projected Annual Minimum Charge Rates & Revenues)					
Block 1	2025	2026	2027	2028	2029
Annual Increase %Increases	2.00%	2.00%	2.00%	2.00%	2.00%
	\$ 4.57	\$ 4.66	\$ 4.75	\$ 4.85	\$ 4.95
Minimum Charge (Annual)	\$ 164.51	\$ 167.80	\$ 171.15	\$ 174.57	\$ 178.07
Number of Customers	13,504	13,683	13,861	14,039	14,218
Projected Revenues Generated from Minimum Charge	\$ 2,221,543	\$ 2,295,901	\$ 2,372,346	\$ 2,450,930	\$ 2,531,708
Block 2 (Projected Annual Uniform Wastewater Rates & Revenues)					
Block 2	2025	2026	2027	2028	2029
Annual Increase %Increases	2.00%	2.00%	2.00%	2.00%	2.00%
Uniform Rate per Cubic Metre	\$ 1.87	\$ 1.90	\$ 1.94	\$ 1.98	\$ 2.02
Total Projected Wastewater Flows	2,878,542	2,901,717	2,924,893	2,948,068	2,971,243
Wastewater Flows within Minimum Charge	486,157	492,578	498,999	505,420	511,841
Wastewater Flows to be Charged	2,392,385	2,409,140	2,425,894	2,442,648	2,459,402
Projected Revenue Generated from Uniform Rate	\$ 4,465,626	\$ 4,586,838	\$ 4,711,112	\$ 4,838,521	\$ 4,969,143
Total Wastewater User Revenues	\$ 8,381,426	\$ 8,633,706	\$ 8,892,724	\$ 9,158,650	\$ 9,431,656

9 O.Reg 453/07 Water System Financial Plan No. 074-301

Regulation 188/07 under the Safe Drinking Water Act requires Ontario municipalities to apply for and obtain Drinking Water System Licences as part of their overall DWQMS. One of the requirements of holding a valid drinking water licence is preparing and submitting to the Province an updated financial plan in accordance with O.Reg. 453/07. The financial plan must include financial statements on the following:

- The proposed or projected financial position of the drinking water systems;
- The proposed or projected gross cash receipts and gross cash payments;
- The proposed or projected financial operations of the drinking water system; and
- Details on the extent to which the above information applies to the replacement of lead service pipes, if applicable.

Appendix J lists each requirement of the regulation and references the respective financial statements and other relevant information required under each regulatory requirement. The financial plan must apply to a period of at least six (6) years with the first year being the year the existing license expires. As the City's license will expire in 2025 the updated Water System Financial Plan will be for the period of six (6), or from 2025 to 2030. This plan is based on the results of the rate study. Upon Council's approval the financial plan would be made available to the public at no charge and posted on the City's website. It will also be submitted to the Province as part of the City's drinking water license renewal application.

This section presents an updated water system financial plan as defined in O.Reg. 453/07, thereby allowing the City to fulfil its obligations under the drinking water licensing regulations for the renewal of its drinking water systems license. The number for the updated financial plan is 074-301.

9.1 Water Tangible Capital Assets (TCA) Analysis

The results of the rate study contained in this report are used as the basis for preparing the water system financial plan. The City's Tangible Capital Asset inventories were also used in the preparation of the water system financial plan. The amortization of the tangible capital assets is shown as a "non-cash" annual cost that reflects the annual "use" of assets until the end of their respective useful lives. Allowances are made to finance the replacement and/ or rehabilitation of the existing assets once they "expire" and can no longer play a role in providing the required drinking water service to customers. It should be noted however that since amortization is based on the original (historical) cost at the time the asset was placed in service it does not account for inflation since the year of installation. Therefore, basing asset replacement costs on amortization alone is not sufficient to cover the future replacement needs.

The TCA projections contained in the City's water financial plan are based on the following assumptions:

- Amortization of existing assets is based on the City's Tangible Capital Assets Policies and Procedures. Amortization of new infrastructure investments is based on straight line depreciation with half year depreciation charged in the year of acquisition;
- Historical costs, life expectancy and remaining useful life are as identified in the TCA data provided by the City;
- Fully depreciated assets continue to be used in service i.e. no asset removals; and
- New assets to be acquired are based on the capital forecast presented. The forecast includes projects in the City's Capital Budget Forecast.

Water Asset Value

The water system is comprised of the following asset classes:

- Equipment;
- Hydrant;
- Network Structures;
- Pressure Mains;

- System Valves;
- Wells; and
- Misc Water Assets.

Table 10-2 shows the projected capital asset value based on historical cost and accumulated amortization to 2024. This is reflected as the net book value (NBV) i.e. the “accounting” value and indicates that the water system is approximately 44% depreciated or has approximately 56% remaining life based on the TCA data. This suggests that the water system assets are almost halfway through their service life.

Table 9-1: Water – Asset Amortization and 2024 Net Book Value (NBV)

2024 Water Asset Details		
Historical Cost	\$ 34,298,786	100%
Accumulated Amortization	\$ 14,948,005	44%
Net Book Value	\$ 19,350,781	56%

9.2 Water Financial Statements

This financial plan involves the review, analysis and assessment of financial information contained in the rate study including costs, revenues, debt, cash transactions and Tangible Capital Assets (TCA) to prepare the following three (3) financial statements covering the period 2025 - 2030 as required under O.Reg 453/07:

- Statement of Financial Position;
- Statement of Operations; and
- Statement of Cash Flow

9.2.1 Water - Statement of Financial Position

The Statement of Financial Position is presented in Table 9-2. This statement summarizes the City’s water-related financial and non-financial assets i.e. Tangible Capital Assets (TCA) and liabilities and provides the net financial asset (or net debt) position and accumulated surplus related to managing the water system. The financial assets are primarily cash balances in the water reserves and reserve funds. Liabilities consist of the development charge reserve fund balances (i.e. deferred revenues) and water long-term debt. The non-financial assets (TCA) include the City’s water infrastructure. The historical costs are amortized over the asset life to arrive at the net book value each year from 2025 to 2030. New assets are added in the years acquired, developed or built. Contributed assets are primarily new infrastructure and facilities that would be transferred to the City’s ownership and control by developers as they are completed. However, this is assumed to be zero. It is also assumed that other non-financial assets such as inventory and prepaid expenses are zero.

Contained within the Statement of Financial Position are important indicators, the first being net financial assets (or net debt) which is defined as the difference between financial assets and liabilities. This indicator provides a measure of the water system’s “future revenue requirement”. Table 9-2 indicates that in 2025, the City's water system will be in a net financial asset position of \$1.7 million. This will decrease to a net debt position of \$1.8

million by 2030. A net financial asset position indicates that financial resources will be available to fund future operations. A net debt position indicates that financial resources will be required to fund future operations. The change from a net financial assets position to a net debt position is due to a reduction in financial assets, along with a small increase in deferred revenues (development charges reserves) and the addition of long-term debt.

The next important indicator contained in the Statement of Financial Position is the net book value of TCA. Table 9-2 shows that net TCA are expected to increase over the forecast period by about \$10.5 million. This indicates that the City has plans to invest in tangible capital assets greater than the consumption of existing assets. Further, a consumption ratio consisting of the accumulated amortization of the City's TCA as a percentage of historical cost ratio highlights the aged condition of the assets and their potential replacement needs. The City's Water Asset Consumption Ratio increases over the forecast period from 38% to 27%, suggesting that the water system would be approximately a quarter of its life expectancy by 2030 and that adequate funds too are being allocated to finance the replacement or rehabilitation of aging assets as they expire.

Another important indicator in the Statement of Financial Position is the accumulated surplus. This indicator provides a measure of the resources available to the City for managing its water system. The accumulated surplus is projected to increase slightly from approximately 24.2 million in 2025 to approximately \$32.5 million by 2030. The accumulated surplus consists of non-financial assets that are made up of the net TCA balance representing past investments in water infrastructure, reduced by the net debt balance that is required to fund future operations.

Table 9-2: Water – Statement of Financial Position

	2025	2026	2027	2028	2029	2030
Financial Assets						
Cash, Receivables and Investment	\$2,254,692	\$1,378,533	\$1,469,509	\$1,366,295	\$2,162,081	\$1,647,319
Total Financial Assets	\$2,254,692	\$1,378,533	\$1,469,509	\$1,366,295	\$2,162,081	\$1,647,319
Financial Liabilities						
Accounts Payable & Deferred Revenue	\$590,462	\$342,372	\$433,348	\$330,134	\$426,237	\$526,301
Long-term Liabilities	\$0	\$1,230,795	\$1,878,009	\$3,114,452	\$2,996,371	\$2,874,158
Total Financial Liabilities	\$590,462	\$1,573,167	\$2,311,357	\$3,444,586	\$3,422,609	\$3,400,459
Net Financial Assets (Net Debt)	\$1,664,230	(\$194,634)	(\$841,848)	(\$2,078,291)	(\$1,260,528)	(\$1,753,140)
Non-Financial Assets						
Tangible Capital Assets	\$36,201,255	\$38,780,129	\$40,640,720	\$43,162,320	\$44,451,303	\$46,683,586
Accumulated Amortization	(\$13,687,014)	(\$13,144,715)	(\$13,021,719)	(\$12,583,129)	(\$12,797,326)	(\$12,460,851)
Total Non-Financial Assets	\$22,514,240	\$25,635,414	\$27,619,001	\$30,579,191	\$31,653,978	\$34,222,736
Accumulated Surplus	\$24,178,470	\$25,440,780	\$26,777,153	\$28,500,900	\$30,393,450	\$32,469,596
Financial Indicators						
Increase (Decrease) in Net Financial Assets	(\$2,636,981)	(\$1,858,864)	(\$647,214)	(\$1,236,443)	\$817,763	(\$492,612)
Increase (Decrease) in Tangible Capital Assets	\$3,163,460	\$3,121,173	\$1,983,588	\$2,960,190	\$1,074,787	\$2,568,758
Increase (Decrease) in Accumulated Surplus	\$526,479	\$1,262,310	\$1,336,373	\$1,723,747	\$1,892,550	\$2,076,146
Water Asset Consumption Ratio	38%	34%	32%	29%	29%	27%

9.2.2 Water - Statement of Operations

The Statement of Operations is presented in Table 9-3. It summarizes the annual revenues and expenses associated with managing the City's water system. It provides a report on the transactions and events that have an influence on the accumulated surplus. The main revenue items included are:

- Revenues from Water Rates and Charges;
- Earned Revenues (capital and operating contributions from development charges, and capital contributions from third parties); and
- Other Revenues (user revenues and recoveries).

The main expense items are:

- The annual cost of operating and maintaining the water systems and non-TCA capital;
- Interest on long-term debt; and
- Amortization expenses on existing and added TCA.

The operating surplus (or deficit) is an important indicator contained in the Statement of Operations. An operating surplus (deficit) measures whether operating revenues generated in a year were sufficient to cover operating expenses incurred in that year. It is important to note that an annual surplus is necessary to ensure funds will be available to address non-expense items such as TCA acquisitions over and above amortization expenses, reserve/reserve fund contributions for asset replacement and rate stabilization, and repayment of outstanding debt principal. A ratio of operating surplus to total revenue is shown in Table 9-3 and reflects the percent of total revenue that can be allocated to funding the non-expense items noted above.

Table 9-3: Water – Statement of Operations

	2025	2026	2027	2028	2029	2030
Water Revenue						
Rate Revenue	\$6,332,597	\$6,843,450	\$7,394,794	\$7,989,792	\$8,631,855	\$8,976,072
Earned Revenue	\$142,400	\$555,458	\$292,702	\$273,288	\$0	\$0
Other Revenue	\$26,644	\$19,143	\$19,401	\$19,664	\$28,570	\$21,253
Total Revenues	\$6,501,641	\$7,418,051	\$7,706,897	\$8,282,743	\$8,660,425	\$8,997,326
Water Expenses						
Operating Expenses	\$5,313,622	\$5,419,894	\$5,528,292	\$5,638,858	\$5,751,635	\$5,866,668
Interest on Debt	\$0	\$0	\$43,078	\$65,730	\$109,006	\$104,873
Amortization	\$661,540	\$735,847	\$799,153	\$854,407	\$907,234	\$949,639
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$5,975,162	\$6,155,741	\$6,370,523	\$6,558,996	\$6,767,875	\$6,921,180
Annual Surplus/(Deficit)	\$526,479	\$1,262,310	\$1,336,373	\$1,723,747	\$1,892,550	\$2,076,146
Accumulated Surplus/(Deficit), Beginning of Year	\$23,651,991	\$24,178,470	\$25,440,780	\$26,777,153	\$28,500,900	\$30,393,450
Accumulated Surplus/ (Deficit), End of Year	\$24,178,470	\$25,440,780	\$26,777,153	\$28,500,900	\$30,393,450	\$32,469,596
Financial Indicators						
Increase (Decrease) in Total Revenues	\$379,706	\$916,410	\$288,845	\$575,847	\$377,682	\$336,900
Increase (Decrease) in Total Expenses	\$455,258	\$180,579	\$214,782	\$188,473	\$208,879	\$153,305
Increase (Decrease) in Annual Surplus	(\$75,553)	\$735,831	\$74,063	\$387,374	\$168,803	\$183,596
Operating Surplus Ratio	8.1%	17.0%	17.3%	20.8%	21.9%	23.1%

9.2.3 Water - Statement of Cash Flow

The Statement of Cash Flow is presented in Table 9-4. This statement summarizes the main cash inflows and outflows related to the water system in four (4) main areas - operating, capital, investing and financing, and shows the annual changes in cash.

The operating cash transactions begin with the surplus or deficit identified in the Statement of Operations. This figure is adjusted to add or subtract non-cash items that were included as revenues or expenses (e.g. amortization expenses and earned revenues). It is assumed that there are no “investing activities” over the period. The capital section indicates the amounts to be spent to acquire capital assets (TCA) or to be received from the sale of assets. In the City’s case, it is assumed that there are no assets to be sold to generate cash. The financing section identifies funds received from development charge receipts and interest earned on the reserve fund balance and proceeds from the issuance of debenture as cash inflows, and the portion of debt repaid as cash outflows.

Table 9-4 indicates that cash is being generated from operations, which is used in funding the acquisition of TCA and towards building internal reserves. The City's cash position is projected to decrease over the forecast period from \$2.3 million in 2025 to a \$1.6 million in 2030.

Table 9-4: Water – Statement of Cash Flow

	2025	2026	2027	2028	2029	2030
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	\$526,479	\$1,262,310	\$1,336,373	\$1,723,747	\$1,892,550	\$2,076,146
Non-Cash Items						
Amortization	\$661,540	\$735,847	\$799,153	\$854,407	\$907,234	\$949,639
Earned Revenue	(\$142,400)	(\$555,458)	(\$292,702)	(\$273,288)	\$0	\$0
Net Change in Cash Provided by Operating Activities	\$1,045,619	\$1,442,699	\$1,842,824	\$2,304,867	\$2,799,784	\$3,025,784
Capital Activities						
Purchase of TCA	(\$3,825,000)	(\$3,857,020)	(\$2,782,741)	(\$3,814,597)	(\$1,982,021)	(\$3,518,397)
Net Change in Cash Used in Capital Activities	(\$3,825,000)	(\$3,857,020)	(\$2,782,741)	(\$3,814,597)	(\$1,982,021)	(\$3,518,397)
Financing Activities						
DC Collections	\$88,001	\$87,359	\$90,977	\$92,271	\$96,103	\$100,064
External Financing	\$142,400	\$220,008	\$292,702	\$77,802	\$0	\$0
Proceeds From Long-Term Debt	\$0	\$1,230,795	\$690,736	\$1,305,914	\$0	\$0
Repayment of Long-Term Debt	\$0	\$0	(\$43,522)	(\$69,471)	(\$118,080)	(\$122,213)
Net Change in Cash Used in Financing Activities	\$230,401	\$1,538,162	\$1,030,893	\$1,406,517	(\$21,977)	(\$22,149)
Net Change in Cash and Cash Equivalents	(\$2,548,980)	(\$876,159)	\$90,976	(\$103,214)	\$795,786	(\$514,762)
Cash and Cash Equivalents, Beginning of the Year	\$4,803,672	\$2,254,692	\$1,378,533	\$1,469,509	\$1,366,295	\$2,162,081
Cash and Cash Equivalents, End of the Year	\$2,254,692	\$1,378,533	\$1,469,509	\$1,366,295	\$2,162,081	\$1,647,319

9.3 Lead Service Pipe Removal

The financial plan is also required to detail the extent to which the information described above relates directly to the replacement of lead service pipes.

The City is in the process of developing a Lead Policy along with a potential subsidy program. It is estimated that there are approximately 1,800 lead service lines within the City, and the complete replacement of these lines would pose a significant financial burden. The proposed approach is to offer a lead subsidy during reconstruction projects. As part of our standard practice, the City would already replace lead service lines up to the property line; however, this policy would extend to consider subsidizing replacements on the private side. By aligning the subsidy with capital projects, the City can better manage the financial impact of lead service replacements.

10 Wastewater System Financial Plan

Preparing a Wastewater System Financial Plan is not mandatory but has become a municipal best practice over the past few years. It is typically prepared in accordance with the requirements of O.Reg 453/07 which applies to water systems.

This financial plan involves the review, analysis and assessment of the wastewater financial information contained in the rate study including costs, revenues, debt, cash transactions and Tangible Capital Assets (TCA) to prepare the projected 2025-2030 financial statements that include the following:

- The proposed or projected financial position of the drinking wastewater systems;
- The proposed or projected gross cash receipts and gross cash payments; and
- The proposed or projected financial operations of the wastewater system; and

The wastewater system financial plan applies to a period of (6) six years from 2025 to 2030 to be consistent with the period covered by the water system financial plan. It is anticipated that the financial plan would be made available to the public at no charge on the City’s website following final approval of the rate study and financial plan by Council.

10.1 Wastewater Tangible Capital Assets (TCA) Analysis

The results of the rate study contained in this report are used as the basis for preparing the wastewater system financial plan. The City’s Asset Inventories were also used in the preparation of the wastewater system financial plan. The amortization of the tangible capital assets is shown as a “non-cash” annual cost that reflects the annual “use” of assets until the end of their respective useful lives. Allowances are made to finance the replacement and/ or rehabilitation of the existing assets once they “expire” and can no longer play a role in providing the required wastewater service to customers. However, it should be noted that since amortization is based on the original (historical) cost at the time the asset was placed in service it does not account for inflation since the year of installation. Therefore, basing asset replacement costs on amortization alone is not sufficient to cover the future replacement needs.

The TCA projections contained in the City’s wastewater financial plan are based on the following assumptions:

- Amortization of existing assets is based on the City’s Tangible Capital Assets policies and procedures. Amortization of new infrastructure investments is based on straight line depreciation with half year depreciation charged in the year of acquisition;
- Historical costs, life expectancy and remaining useful life as per the TCA data provided by the City;
- Fully depreciated assets continue to be used in service i.e. no asset removals; and
- New assets to be acquired are based on the capital forecast. The forecast includes projects in the City’s Capital Budget Forecast and asset replacement projections based on the City’s Asset Management Plan.

Wastewater Asset Value

The wastewater system is comprised of the following asset classes:

- Equipment;
- Pressure Mains;
- Gravity Mains;
- Manholes;
- Network Structures; and
- Misc Wastewater Assets.

Table 10-1 shows the current capital asset value based on historical cost and accumulated amortization to 2024. This is reflected as the net book value (NBV) i.e. the “accounting” value and indicates that the wastewater

system is approximately 35% depreciated or has approximately 65% remaining life based on the TCA data. This suggests that the water system assets are approximately a third of their service life.

Table 10-1: Wastewater – Asset Amortization and 2024 Net Book Value (NBV)

2024 Wastewater Asset Details		
Historical Cost	\$ 65,636,668	100%
Accumulated Amortization	\$ 23,120,540	35%
Net Book Value	\$ 42,516,129	65%

10.2 Wastewater Financial Statements

This financial plan involves the review, analysis and assessment of financial information contained in the rate study including costs, revenues, debt, cash transactions and Tangible Capital Assets (TCA) to prepare the following three (3) financial statements covering the period 2025 - 2030 as required under O. Reg 453/07:

- Statement of Financial Position;
- Statement of Operations; and
- Statement of Cash Flow.

10.2.1 Wastewater - Statement of Financial Position

The Statement of Financial Position is presented in Table 10-2. This statement summarizes the City's wastewater related financial and non-financial assets (Tangible Capital Assets – TCA) and liabilities and provides the net financial asset/ (net debt) position and accumulated surplus related to managing the wastewater system. The financial assets are primarily cash balances in the wastewater reserves and reserve funds. Liabilities consist of the development charge reserve fund balances (i.e. deferred revenues) and wastewater long-term debt. The non-financial assets (TCA) include the City's wastewater infrastructure. The historical costs are amortized over the asset life to arrive at the net book value each year from 2025 to 2030. New assets are added in the years acquired, developed or built. Contributed assets are primarily new infrastructure that would be transferred to the City's ownership and control by developers as they are completed. However, this is assumed to be zero. It is also assumed that other non-financial assets such as inventory and prepaid expenses are zero.

Contained within the Statement of Financial Position are important indicators, the first being net financial assets (or net debt) which is defined as the difference between financial assets and liabilities. This indicator provides a measure of the wastewater system's "future revenue requirement". Table 10.2 indicates that in 2025, the City's wastewater system will be in a net debt position in the amount of \$12.1 million. There will be an increase in the net debt position to \$12.3 million by 2030. The net debt position indicates that financial resources will be required to fund future operations. The slight increase in net debt is due to a combination of a decrease in the cash position offset by a decrease in liabilities, mainly through a reduction in deferred revenue and long-term debt.

The next important indicator contained in the Statement of Financial Position is the net book value of TCA. Table 10-2 shows that net TCA are expected to grow by \$26.7 over the forecast period, or from \$48.8 million in 2025 to \$75.5 million 2030. This indicates that the City has plans to invest in tangible capital assets more than the

consumption of existing assets. Further, a consumption ratio consisting of the accumulated amortization of the City's TCA as a percent of historical cost ratio highlights the aged condition of the assets and their potential replacement needs. The City's Wastewater Asset Consumption Ratio decreases over the forecast period from 32% in 2025 to 23% in 2030, suggesting that the wastewater system would be approximately a quarter through its life expectancy by 2030 and that adequate funds to are being allocated to finance the replacement or rehabilitation of aging assets as they expire.

Another important indicator in the Statement of Financial Position is the accumulated surplus. This indicator provides measure of the resources available to the City for managing its wastewater system. The accumulated surplus is projected to increase from approximately \$36.7 million in 2025 to approximately \$63.2 million by 2030. The accumulated surplus consists of non-financial assets that are made up of the net TCA balance representing past investments in wastewater infrastructure, reduced by the net debt balance that is required to fund future operations.

Table 10-2: Wastewater - Statement of Financial Position

	2025	2026	2027	2028	2029	2030
Financial Assets						
Cash,Receivables and Investment	\$3,980,449	\$1,148,355	\$2,180,622	\$3,009,581	\$4,165,428	\$1,236,063
Total Financial Assets	\$3,980,449	\$1,148,355	\$2,180,622	\$3,009,581	\$4,165,428	\$1,236,063
Financial Liabilities						
Accounts Payable & Deferred Revenue	\$1,043,633	\$0	\$910,523	\$1,861,227	\$2,067,169	\$87,709
Long-term Liabilities	\$15,061,608	\$14,180,926	\$12,000,276	\$12,415,915	\$10,399,836	\$13,411,377
Total Financial Liabilities	\$16,105,240	\$14,180,926	\$12,910,799	\$14,277,141	\$12,467,005	\$13,499,086
Net Financial Assets (Net Debt)	(\$12,124,791)	(\$13,032,571)	(\$10,730,177)	(\$11,267,561)	(\$8,301,576)	(\$12,263,022)
Non-Financial Assets						
Tangible Capital Assets	\$71,462,750	\$78,155,576	\$80,162,901	\$84,635,947	\$87,236,510	\$97,670,438
Accumulated Amortization	(\$22,639,383)	(\$22,442,786)	(\$22,807,200)	(\$22,575,907)	(\$23,054,934)	(\$22,164,589)
Total Non-Financial Assets	\$48,823,367	\$55,712,790	\$57,355,701	\$62,060,039	\$64,181,576	\$75,505,849
Accumulated Surplus	\$36,698,576	\$42,680,218	\$46,625,524	\$50,792,479	\$55,879,999	\$63,242,827
Financial Indicators						
Increase (Decrease) in Net Financial Assets	(\$526,924)	(\$907,781)	\$2,302,395	(\$537,384)	\$2,965,985	(\$3,961,446)
Increase (Decrease) in Tangible Capital Assets	\$6,307,238	\$6,889,423	\$1,642,911	\$4,704,338	\$2,121,536	\$11,324,273
Increase (Decrease) in Accumulated Surplus	\$5,780,314	\$5,981,642	\$3,945,306	\$4,166,954	\$5,087,521	\$7,362,828
Water Asset Consumption Ratio	32%	29%	28%	27%	26%	23%

10.2.2 Wastewater - Statement of Operations

The Statement of Operations is presented in Table 10-3 It summarizes the annual revenues and expenses associated with managing the City's wastewater system. It provides a report on the transactions and events that have an influence on the accumulated surplus. The main revenue items included are:

- Revenues from Wastewater Rates and Charges;

- Earned Revenues (capital and operating contributions from development charges, and capital contributions from third parties); and
- Other Revenues (user revenues and recoveries).

The main expense items are:

- The annual cost of operating and maintaining the wastewater system and non-TCA capital;
- Interest on long-term debt; and
- Amortization expenses on existing and new TCA.

The operating surplus/ (deficit) is an important indicator contained in the Statement of Operations. An operating surplus/ (deficit) measures whether operating revenues generated in a year were sufficient to cover operating expenses incurred in that year. It is important to note that an annual surplus is necessary to ensure funds will be available to address non-expense items such as TCA acquisitions over and above amortization expenses, reserve/reserve fund contributions for asset replacement and rate stabilization, and repayment of outstanding debt principal. A ratio of operating surplus to total revenue is shown in Table 10-3 and reflects the percent of total revenue that can be allocated to funding the non-expense items noted above.

Table 10-3: Wastewater - Statement of Operations

	2025	2026	2027	2028	2029	2030
Wastewater Revenue						
Rate Revenue	\$8,381,426	\$8,633,706	\$8,892,724	\$9,158,650	\$9,431,656	\$9,616,703
Earned Revenue	\$2,198,400	\$2,247,399	\$48,850	\$48,850	\$825,451	\$3,016,592
Other Revenue	\$352,330	\$336,730	\$344,843	\$351,584	\$368,685	\$363,972
Total Revenues	\$10,932,156	\$11,217,835	\$9,286,417	\$9,559,085	\$10,625,792	\$12,997,267
Wastewater Expenses						
Operating Expenses	\$3,848,721	\$3,925,695	\$4,004,209	\$4,084,294	\$4,165,979	\$4,249,299
Interest on Debt	\$544,755	\$479,661	\$460,176	\$395,048	\$421,190	\$356,998
Amortization	\$758,365	\$830,836	\$876,726	\$912,789	\$951,103	\$1,028,143
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$5,151,841	\$5,236,193	\$5,341,111	\$5,392,131	\$5,538,272	\$5,634,440
Annual Surplus/(Deficit)	\$5,780,314	\$5,981,642	\$3,945,306	\$4,166,954	\$5,087,520	\$7,362,827
Accumulated Surplus/(Deficit), Beginning of Year	\$30,918,262	\$36,698,576	\$42,680,218	\$46,625,524	\$50,792,478	\$55,879,999
Accumulated Surplus/ (Deficit), End of Year	\$36,698,576	\$42,680,218	\$46,625,524	\$50,792,478	\$55,879,999	\$63,242,826
Financial Indicators						
Increase (Decrease) in Total Revenues	\$2,211,586	\$285,679	(\$1,931,418)	\$272,668	\$1,066,708	\$2,371,475
Increase (Decrease) in Total Expenses	\$685,925	\$84,351	\$104,919	\$51,019	\$146,142	\$96,168
Increase (Decrease) in Annual Surplus	\$1,525,660	\$201,328	(\$2,036,336)	\$221,648	\$920,566	\$2,275,307
Operating Surplus Ratio	52.9%	53.3%	42.5%	43.6%	47.9%	56.6%

10.2.3 Wastewater - Statement of Cash Flows

the Statement of Cash Flow is presented in Table 10-4. This statement summarizes the main cash inflows and outflows related to the wastewater system in four (4) main areas - operating, capital, investing and financing, and shows the annual changes in cash.

The operating cash transactions begin with the surplus or deficit identified in the Statement of Operations. This figure is adjusted to add or subtract non-cash items that were included as revenues or expenses (e.g. amortization expenses). It is assumed that there were no “investing activities” over the period. The capital section indicates the amounts spent to acquire capital assets (TCA) or received from the sale of assets. In the City’s case, it is assumed that there are no assets to be sold to generate cash. The financing section identifies funds received from development charge receipts and interest earned on the reserve fund balance, external financing such as provincial and federal grants, and proceeds from the issuance of debenture as cash inflows, and the portion of debt repaid as cash outflows.

Table 10-4 indicates that cash is generated from operations, which is used in funding the acquisition of TCA and towards building internal reserves. The City's cash position is projected to decrease over the forecast period from \$4.0 million in 2025 to approximately \$1.2 million in 2030.

Table 10-4: Wastewater - Statement of Cash Flow

	2025	2026	2027	2028	2029	2030
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	\$5,780,314	\$5,981,642	\$3,945,306	\$4,166,954	\$5,087,520	\$7,362,827
Non-Cash Items						
Amortization	\$758,365	\$830,836	\$876,726	\$912,789	\$951,103	\$1,028,143
Earned Revenue	(\$2,198,400)	(\$2,247,399)	(\$48,850)	(\$48,850)	(\$825,451)	(\$3,016,592)
Net Change in Cash Provided by Operating Activities	\$4,340,279	\$4,565,079	\$4,773,182	\$5,030,892	\$5,213,172	\$5,374,379
Capital Activities						
Purchase of TCA	(\$7,065,603)	(\$7,720,259)	(\$2,519,638)	(\$5,617,127)	(\$3,072,639)	(\$12,352,417)
Net Change in Cash Used in Capital Activities	(\$7,065,603)	(\$7,720,259)	(\$2,519,638)	(\$5,617,127)	(\$3,072,639)	(\$12,352,417)
Financing Activities						
DC Collections	\$906,590	\$920,517	\$959,373	\$999,554	\$1,031,394	\$1,037,132
External Financing	\$0	\$283,250	\$0	\$0	\$0	\$0
Proceeds From Long-Term Debt	\$0	\$1,318,916	\$0	\$2,611,924	\$0	\$5,049,670
Repayment of Long-Term Debt	(\$2,187,116)	(\$2,199,597)	(\$2,180,650)	(\$2,196,285)	(\$2,016,079)	(\$2,038,129)
Net Change in Cash Used in Financing Activities	(\$1,280,527)	\$323,085	(\$1,221,277)	\$1,415,193	(\$984,685)	\$4,048,673
Net Change in Cash and Cash Equivalents	(\$4,005,850)	(\$2,832,094)	\$1,032,267	\$828,959	\$1,155,848	(\$2,929,365)
Cash and Cash Equivalents, Beginning of the Year	\$7,986,300	\$3,980,449	\$1,148,355	\$2,180,622	\$3,009,581	\$4,165,428
Cash and Cash Equivalents, End of the Year	\$3,980,449	\$1,148,355	\$2,180,622	\$3,009,581	\$4,165,428	\$1,236,063

11 Conclusions & Recommendations

The following are the main conclusions regarding the water system:

1. Approximately \$31.3 million in water capital expenditures is identified between 2025 and 2034, of which all will be financed from the capital reserves, development charges, third party contributions and long-term debt.
2. The net annual water expenditures are expected to increase from \$6.3 million in 2025 to \$10.4 million by 2034.
3. The financial statements for the water system are prepared based on the results of the rate study analyses and projections, indicate the following:
 - The accumulated surplus is projected to increase from approximately \$24.2 million in 2025 to approximately \$32.5 million by 2030.
 - The operating surplus ratio is projected to increase from approximately 8% in 2025 to 23% in 2030.
 - The cash position is projected to decrease from \$2.3 million in 2025 to a \$1.6 million in 2030.

These indicate that the financial outlook for the water system over the 6-year period 2025 to 2030 is good.

The following are the main conclusions regarding the wastewater system:

4. Approximately \$52.0 million in wastewater capital expenditures is identified between 2025 and 2034 of which all will be financed from the capital reserves, development charges, third party contributions and long-term debt.
5. The net annual wastewater expenditures are expected to increase, from \$8.4 million in 2025 to \$10.3 million by 2034.
6. The financial statements for the wastewater system are prepared based on the results of the rate study analyses and projections, indicate the following:
 - The accumulated surplus is projected to increase from approximately \$36.7 million in 2025 to approximately \$63.2 million by 2030.
 - The operating surplus ratio is projected to increase from approximately 53% in 2025 to 57% in 2030.
 - The cash position is projected to decrease from \$4.0 million in 2025 to \$1.2 million in 2030.

These indicate that the financial outlook for the water system over the 6-year period 2025 to 2030 is good.

The following are the main recommendations resulting from the water and wastewater rate study:

7. That implementation of Water Rates and Charges as contained in Appendix H be approved to achieve full cost recovery and long-term sustainable financing of the City's water system.
8. That implementation of Wastewater Rates and Charges as contained in Appendix I be approved to achieve full cost recovery and long-term sustainable financing of the City's wastewater system.
9. That transfers to the water and wastewater capital reserves be increased to levels as presented in Appendix E to adequately fund the capital requirements, subject to annual reviews, of the water and wastewater system's capital needs.
10. That the O.Reg. 453/07 Water System Financial Plan No. 074-301 including the Financial Statements contained herein be approved by Council and submitted to the Province of Ontario in accordance with the Drinking Water System License renewal requirements and O. Reg. 453/07.
11. That the Wastewater System Financial Plan including the Financial Statements contained herein be received by Council.
12. That a copy of the Water Financial Plan No. 074-301 and the Wastewater Financial Plan be posted on the City's website and made available to the public at no charge.

APPENDICES

Appendix A

2024 Water and Wastewater Rates (Schedule “E” from By-Law No. 117-2023)

THIS IS SCHEDULE "E" TO BY-LAW 117-2023

of The Corporation of the City of Stratford

passed this 25th day of September, 2023

**INFRASTRUCTURE AND DEVELOPMENT SERVICES
FEES AND CHARGES****Miscellaneous**

Item	Fee
Land transfer inquiries	\$60.00 per land transfer inquiry
Street Permit: Hoarding on City Sidewalk Excavation on Road Allowance	\$65.00
Hydration Station Rental	\$25.00 per day

Administrative Fees

Item	Fee
New Sewer and/or Water Connections	\$180.00 plus actual cost of the project
Sewer and/or Water Repairs	\$80.00 plus actual cost of the project
Private Sidewalk and Curb: Driveway widenings or relocation Curb or sidewalk replacement Damage deposit and repair	\$80.00 plus actual cost of the project
Sidewalk or Curb Repair for Utility Companies	\$40.00 per location plus actual cost of the project
Miscellaneous Invoice: Damaged sign and traffic signals Street cleaning (mud, fuel, oil) Sewer flushing Garbage pickup Road Closures for MTO, etc.	7% with minimum of \$80.00 Plus actual cost of the activity
Payroll Burden on invoices to the public	45%
Warehouse Fee on the invoices to the public for material taken from stock	15%
Temporary Access Across Municipal Property (Policy P.3.6) Fees and damage deposits subject to annual Consumer Price Index increase	\$50 per application, plus damage deposit of \$100 per metre of private property abutting city property
As Built Drawings	\$25.00 per sheet

Water Rates

Consumption Charge	2023
First 3 cubic metres	\$2.81/m ³
All additional cubic metres	\$1.15/m ³
Minimum consumption charge	\$8.43

Monthly Flat Charge	2023
Under 1 inch meter	\$9.25
1 inch meter	\$14.25
1½ inch meter	\$18.00
2 inch meter	\$22.00
3 inch meter	\$29.75
4 inch meter	\$39.00
6 inch meter	\$66.00
8 inch meter	\$89.25

Sanitary Sewer

Sewage Service Rate	2023
First 3 cubic metres	\$4.39/m ³
All additional cubic metres	\$1.79/m ³
Minimum consumption charge	\$13.17
Fixed monthly charge	\$9.25

Development, Subdivision and Condominium Servicing Agreements

Item	Fee
a) Administrative fees for preparation of an agreement	\$2,240.00
b) Review fees for Engineering Submissions	
i. Variable fee per single detached or semi detached dwelling lot per submission	\$55.00
ii. Variable fee per block per submission (excluding road widening and reserve blocks)	\$110.00
c) Construction Inspection Fee (prior to registration of agreement)	2% of total construction cost estimate
d) Subdivision Tree fee (prior to registration of agreement) Number of required trees to be determined by the Manager of Parks, Forestry and Cemetery	\$300.00 per tree

Waste Management

Waste Management Rates	2021
Bag Tag	\$3.70
Bag or Can at Landfill Site	\$4.80
Minimum scale rate	\$20.00
Tip Fee – regular – loose loads of waste	\$85.50 per tonne
Tip Fee – regular – more than five (5) bags or cans of waste	\$85.50 per tonne
Tip Fee – regular – loads of recyclables, brush or yard waste 200 kilograms or greater	\$85.50 per tonne
Tip Fee – large hauler – waste haulers bringing in excess of 10,000 tonnes of waste in a twelve-month period	\$80.00 per tonne
Tip Fee – Asbestos	\$170.00 per tonne
Scale down – car	\$20.00
Scale down – truck	\$25.00
Scale down – trailer	\$22.75
Scale down- Roll off	\$12.25/cubic yard
Scale down – Packer	\$17.50/cubic yard
Large Item Tag	\$13.50
Recycle Box	\$7.30
Backyard Composter	\$28.32
White Goods – Freon removal	\$43.00
White Goods – No Freon	\$25.00
Televisions & computer monitors	\$0.00
Commission Fee on sale of garbage bag tags	5%
Finished compost produced through the City's organic diversion program to Commercial Users and Landscapers	\$3.50/cubic metre

An administrative fee of \$25.00, excluding applicable taxes, shall be charged by the City to provide duplicate copies of tickets for tipping fees when requested to do so.

Tipping Fees for Eligible Brownfields Sites

Developers of contaminated properties who are eligible for tax increment-based grant financing under the City's brownfields program will:

- A) pay the tipping fees for the minimum projected quantities of contaminated soil to be removed as recommended in a Phase II Environmental Assessment prepared

Consolidated to March 25, 2024

by a recognized environmental engineering firm, such report to be accepted by the City's Director of Infrastructure and Development Services; and

- B) enter into an agreement with the City to pay the tipping fees, over time, for any quantities of contaminated soil that are actually delivered in excess of the projected minimum amount by agreeing that the City shall deposit the amount of all tax increments, for which the developer would otherwise be entitled to relief by way of grant, to the tipping fee reserve until the balance of the amount owing is paid, with any portion of the tipping fees still owing to the City at the end of the tax increment-based grant financing period to be then immediately due and payable.

Further that the Director of Infrastructure and Development Services be authorized to make arrangements with developers who qualify under this policy to either accept contaminated soil at the Stratford landfill site or divert quantities to another landfill site.

Site Alteration

Item	Fee
Site Alteration Permit Fee	\$500.00
Site Alteration Permit Renewal Fee	\$500.00
Site Alteration Transfer of Permit Fee	\$250.00
Preparation of Site Alteration Agreement Fee (including registration fee)	All costs to be recouped from the Applicant

Appendix B

2025-2034 Water and Wastewater Customer Growth Projections

APPENDIX B: CUSTOMER GROWTH PROJECTIONS

Water Customers by Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Under 1 "	13,235	13,414	13,592	13,770	13,949	14,127	14,306	14,484	14,621	14,757
1"	54	54	54	54	54	54	54	54	54	54
1.5"	170	170	170	170	170	170	170	170	170	170
2"	154	154	154	154	154	154	154	154	154	154
3"	25	25	25	25	25	25	25	25	25	25
4"	15	15	15	15	15	15	15	15	15	15
6"	-	-	-	-	-	-	-	-	-	-
8"	-	-	-	-	-	-	-	-	-	-
Total Water Customers	13,653	13,832	14,010	14,188	14,367	14,545	14,724	14,902	15,039	15,175

Wastewater Customers by Meter Size	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Under 1 "	13,086	13,265	13,443	13,621	13,800	13,978	14,157	14,335	14,472	14,608
1"	54	54	54	54	54	54	54	54	54	54
1.5"	170	170	170	170	170	170	170	170	170	170
2"	154	154	154	154	154	154	154	154	154	154
3"	25	25	25	25	25	25	25	25	25	25
4"	15	15	15	15	15	15	15	15	15	15
6"	-	-	-	-	-	-	-	-	-	-
8"	-	-	-	-	-	-	-	-	-	-
Total Wastewater Customers	13,504	13,683	13,861	14,039	14,218	14,396	14,575	14,753	14,890	15,026

Appendix C-1

2025-2034 Capital Forecast - Water

Appendix C-1: 2025-2034 Capital Forecast - Water

Project Description	Water 2025 - 2034 Capital Forecast									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Miscellaneous Water Repairs	\$ 100,000	\$ 105,060	\$ 110,334	\$ 115,829	\$ 121,555	\$ 127,520	\$ 133,734	\$ 140,206	\$ 146,945	\$ 153,963
Mechanical Upgrades to Wells	\$ 100,000	\$ 105,060	\$ 110,334	\$ 115,829	\$ 121,555	\$ 127,520	\$ 133,734	\$ 140,206	\$ 146,945	\$ 153,963
Bulk Water Station Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well Chlorination System Upgrades	\$ 65,000	\$ 66,950	\$ 68,959	\$ 71,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glendon/Neal Watermain Connection Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O'Loane Watermain at Perth Line 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Tower Safety Upgrades	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Romeo Treatment Facility Upgrades	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rehabilitation Flood Control Structures	\$ 160,000	\$ 247,200	\$ 328,879	\$ 87,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Linear Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asphalt Resurfacing	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551	\$ 115,927	\$ 119,405	\$ 122,987	\$ 126,677	\$ 130,477
Albert Street Reconstruction 2023 PHASE I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Watermain Relining	\$ 800,000	\$ 824,000	\$ -	\$ 1,092,727	\$ -	\$ 1,275,201	\$ -	\$ 1,352,861	\$ -	\$ 1,565,728
Albert Street Reconstruction 2024=Phase 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Moderwell Street - Local Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Avondale Avenue - Hibernia to Cemetery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023 Carryover - Albert Street Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Avondale and Avon Reconstruction	\$ 1,210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lorne Downie Intersection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Huron Street Phase 2 - John to Matilda	\$ 500,000	\$ 927,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
East Gore Watermain Looping	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Daly Ave with Birmingham to Worsley	\$ -	\$ 618,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Queen Street- Regent to Brunswick	\$ -	\$ 319,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mowat Street - West Gore to Brydges	\$ -	\$ -	\$ 196,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Brunswick Street - Queen to King	\$ -	\$ -	\$ 525,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Perth Street - Downie to Taylor	\$ -	\$ -	\$ 498,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connecting Link Project - Ontario Downtown	\$ -	\$ -	\$ 572,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
North Street - Lakeside to Water	\$ -	\$ -	\$ 265,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Relining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McDonald Street - Willow to Devon	\$ -	\$ -	\$ -	\$ 305,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jones Street - Caledonia to Britannia	\$ -	\$ -	\$ -	\$ 409,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Norfolk Street - Borden to Romeo	\$ -	\$ -	\$ -	\$ 786,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mercer Street - Caledonia to Britannia	\$ -	\$ -	\$ -	\$ 404,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Perth Street - Taylor to Borden	\$ -	\$ -	\$ -	\$ -	\$ 720,326	\$ -	\$ -	\$ -	\$ -	\$ -
Brunswick Street - King to Romeo	\$ -	\$ -	\$ -	\$ -	\$ 568,382	\$ -	\$ -	\$ -	\$ -	\$ -
Connecting Link Project	\$ -	\$ -	\$ -	\$ -	\$ 112,551	\$ -	\$ -	\$ -	\$ -	\$ -
Queen Street - Brunswick to Water	\$ -	\$ -	\$ -	\$ -	\$ 225,102	\$ -	\$ -	\$ -	\$ -	\$ -
Water Street - Parkview to Queen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539,062	\$ -	\$ -	\$ -	\$ -
Birmingham Street - Cambria to Daly	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,782	\$ -	\$ -	\$ -	\$ -
Stratford Street - St. David to Cambria	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,673	\$ -	\$ -	\$ -	\$ -
Douglas Street - Huntingdon to John	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 463,710	\$ -	\$ -	\$ -	\$ -
East Gore Street - Taylor to Borden	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,097	\$ -	\$ -	\$ -
Romeo Street - Ontario to Brunswick	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,305	\$ -	\$ -	\$ -
Woods Street - Birmingham to St. Vincent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,216	\$ -	\$ -	\$ -
West Gore - St. Vincent to John	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 676,431	\$ -	\$ -
John Street storm - West Gore to Cambria	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,494	\$ -	\$ -
Grange Street - Waterloo to Front	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,924	\$ -	\$ -
Laurier Street - East Gore to Norfolk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,709	\$ -	\$ -
Avon Street - Avondale to McLagan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 715,725	\$ -
Cobourg Street - Waterloo to Front	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 943,744	\$ -
Welll Street - Brunswick to Regent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,677	\$ -
Brunswick Street - Front to Queen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,716
Douglas Street - Forman to Huntingdon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 756,768
Norfolk Street - Downie to Borden	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,304,773
Short Street - Matilda to O'Loane	\$ -	\$ -	\$ -	\$ 315,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McCarthy Road - Orr to O'Loane	\$ -	\$ 541,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Expenditures	\$3,825,000	\$3,857,020	\$2,782,741	\$3,814,597	\$1,982,021	\$3,518,397	\$1,467,490	\$3,631,818	\$2,206,713	\$4,261,389
Capital Financing										
External Contributions	\$ 142,400	\$ 220,008	\$ 292,702	\$ 77,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development Charges	\$ -	\$ 335,450	\$ -	\$ 195,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Growth Related Debenture Requirements	\$ -	\$ 1,230,795	\$ 690,736	\$ 1,305,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Growth Related Debenture Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Contributions (Capital From Current)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Capital Reserve	\$3,682,600	\$2,070,767	\$1,799,302	\$2,235,396	\$1,982,021	\$3,518,397	\$1,467,490	\$3,631,818	\$2,206,713	\$4,261,389
Total Capital Financing	\$3,825,000	\$3,857,020	\$2,782,741	\$3,814,597	\$1,982,021	\$3,518,397	\$1,467,490	\$3,631,818	\$2,206,713	\$4,261,389

Appendix C-2

2025-2034 Capital Forecast - Wastewater

Appendix C-2: 2025-2034 Capital Forecast - Wastewater

Project Description	Wastewater 2025 - 2034 Capital Forecast									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Water Pollution Control Plant Improvements	\$ 420,000	\$ 437,750	\$ 456,187	\$ 480,800	\$ 506,479	\$ 533,266	\$ 561,205	\$ 590,339	\$ 620,717	\$ 652,387
Basement Isolation	\$ 30,000	\$ 31,930	\$ 33,949	\$ 36,060	\$ 38,267	\$ 40,575	\$ 42,986	\$ 45,505	\$ 48,137	\$ 50,886
Miscellaneous Sanitary Repairs	\$ 30,000	\$ 31,930	\$ 33,949	\$ 36,060	\$ 38,267	\$ 40,575	\$ 42,986	\$ 45,505	\$ 48,137	\$ 50,886
Sanitary Relining Subsidy	\$ 50,000	\$ 52,530	\$ 55,167	\$ 57,915	\$ 60,777	\$ 63,760	\$ 66,867	\$ 70,103	\$ 73,473	\$ 76,982
Pumping Station Upgrades	\$ 100,000	\$ 105,060	\$ 110,334	\$ 115,829	\$ 121,555	\$ 127,520	\$ 133,734	\$ 140,206	\$ 146,945	\$ 153,963
Pumping Station Security Upgrades	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pumping Station Magnetic Flow Meters	\$ 75,000	\$ 77,250	\$ 79,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pumping Station Maintenance Program	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP Aeration Piping and Valves	\$ -	\$ 566,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP Sludge Storage Clean Out	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP Aeration Sluice Gates	\$ -	\$ 185,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP Grit Removal System	\$ -	\$ 1,545,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP New Aeration Blower	\$ -	\$ -	\$ 212,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP SCADA Replacements	\$ -	\$ -	\$ 106,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WPCP Sludge Storage Upgrades	\$ -	\$ -	\$ -	\$ 2,185,454	\$ -	\$ 5,796,370	\$ -	\$ -	\$ -	\$ -
WPCP Bar Screen Strategies	\$ -	\$ -	\$ -	\$ -	\$ 225,102	\$ -	\$ -	\$ -	\$ -	\$ -
Digester Concrete repairs	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Digester Cover	\$ 1,583,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Digester Coating and insulation	\$ 503,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Digester Hydraulic Mixing System	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Digester Process compliance	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sanitary Master Plan Update 2022 CF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O'Loane Ave. Trunk Sanitary Phase 1	\$ 2,290,000	\$ 2,060,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ontario St Sanitary Upgrade East of CHMeier	\$ -	\$ 824,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quinlan Sanitary Pumping Station and Forcemain, Phase	\$ -	\$ -	\$ -	\$ -	\$ 450,204	\$ -	\$ -	\$ -	\$ -	\$ -
Tertiary Filter Upgrade WPCP	\$ -	\$ -	\$ -	\$ -	\$ 326,398	\$ 2,967,742	\$ -	\$ -	\$ -	\$ -
Huron Street Sanitary Extension west	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,313,458	\$ -	\$ -	\$ -
Ontario Street Sanitary Extension	\$ -	\$ 412,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Linear Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Asphalt Resurfacing	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551	\$ 115,927	\$ 119,405	\$ 122,987	\$ 126,677	\$ 130,477
Sewer Relining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Watermain Relining	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Albert Street Reconstruction 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Moderwell Street - Local Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Avondale Avenue - Hibernia to Cemetery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023 Carryover - Albert Street Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023 Carryover - Connecting Link Resurfacing-Ontario/Er	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Avondale and Avon Reconstruction	\$ 670,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lorne Downie Intersection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Huron Street Phase 2 - John to Matilda	\$ 374,603	\$ 438,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
East Gore Watermain Looping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Daly Ave with Birmingham to Worsley	\$ -	\$ 484,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Queen Street- Regent to Brunswick	\$ -	\$ 365,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mowat Street - West Gore to Brydges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Brunswick Street - Queen to King	\$ -	\$ -	\$ 397,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Perth Street - Downie to Taylor	\$ -	\$ -	\$ 371,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connecting Link Project - Ontario Downtown	\$ -	\$ -	\$ 408,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
North Street - Lakeside to Water	\$ -	\$ -	\$ 148,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Relining	\$ -	\$ -	\$ -	\$ 993,388	\$ -	\$ 1,194,404	\$ -	\$ 1,267,143	\$ -	\$ 1,344,312
McDonald Street - Willow to Devon	\$ -	\$ -	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jones Street - Caledonia to Britannia	\$ -	\$ -	\$ -	\$ 322,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Norfolk Street - Borden to Romeo	\$ -	\$ -	\$ -	\$ 622,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mercer Street - Caledonia to Britannia	\$ -	\$ -	\$ -	\$ 327,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Perth Street - Taylor to Borden	\$ -	\$ -	\$ -	\$ -	\$ 540,244	\$ -	\$ -	\$ -	\$ -	\$ -
Brunswick Street - King to Romeo	\$ -	\$ -	\$ -	\$ -	\$ 416,438	\$ -	\$ -	\$ -	\$ -	\$ -
Connecting Link Project	\$ -	\$ -	\$ -	\$ -	\$ 112,551	\$ -	\$ -	\$ -	\$ -	\$ -
Queen Street - Brunswick to Water	\$ -	\$ -	\$ -	\$ -	\$ 123,806	\$ -	\$ -	\$ -	\$ -	\$ -
Water Street - Parkview to Queen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,746	\$ -	\$ -	\$ -	\$ -
Birmingham Street - Cambria to Daly	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,077	\$ -	\$ -	\$ -	\$ -
Stratford Street - St. David to Cambria	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,746	\$ -	\$ -	\$ -	\$ -
Douglas Street - Huntingdon to John	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 463,710	\$ -	\$ -	\$ -	\$ -
East Gore Street - Taylor to Borden	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Romeo Street - Ontario to Brunswick	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,680	\$ -	\$ -	\$ -
Woods Street - Birmingham to St. Vincent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,108	\$ -	\$ -	\$ -
West Gore - St. Vincent to John	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 553,443	\$ -	\$ -
John Street storm - West Gore to Cambria	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,494	\$ -	\$ -
Grange Street - Waterloo to Front	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,157	\$ -	\$ -
Laurier Street - East Gore to Norfolk	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,215	\$ -	\$ -
Avon Street - Avondale to McLagan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,382	\$ -
Cobourg Street - Waterloo to Front	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 899,407	\$ -
Weill Street - Brunswick to Regent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,677	\$ -
Brunswick Street - Front to Queen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,716
Douglas Street - Forman to Huntingdon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,148
Norfolk Street - Downie to Borden	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109,057
Total Capital Expenditures	\$7,065,603	\$7,720,259	\$2,519,638	\$5,615,623	\$3,072,639	\$12,352,417	\$2,925,428	\$3,653,098	\$2,685,553	\$4,351,814
Capital Financing										
External Contributions	\$ -	\$ 283,250	\$ -	\$ -	\$ -	\$ -	\$ 328,364	\$ -	\$ -	\$ -
Development Charges	\$ 2,198,400	\$ 1,964,149	\$ -	\$ -	\$ 776,601	\$ 2,967,742	\$ 1,105,990	\$ -	\$ -	\$ -
Non-Growth Related Debenture Requirements	\$ -	\$ 624,635	\$ -	\$ 2,611,924	\$ -	\$ 5,049,670	\$ -	\$ -	\$ -	\$ -
Growth Related Debenture Requirements	\$ -	\$ 694,281	\$ -	\$ -	\$ -	\$ -	\$ 10,449	\$ -	\$ -	\$ -
Wastewater Capital Reserve	\$ 4,867,203	\$ 4,153,944	\$ 2,519,638	\$ 3,003,699	\$ 2,296,038	\$ 4,335,005	\$ 1,480,625	\$ 3,653,098	\$ 2,685,553	\$ 4,351,814
Total Capital Financing	\$7,065,603	\$7,720,259	\$2,519,638	\$5,615,623	\$3,072,639	\$12,352,417	\$2,925,428	\$3,653,098	\$2,685,553	\$4,351,814

Appendix D

2025-2034 Water and Wastewater Debt Continuity Schedule

Appendix D: Water and Wastewater Debt Continuity Schedules (2025-2034)

Table D-1

Water Service										
Non Growth-Related Debt										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$ -	\$ -	\$ 1,230,795	\$ 1,878,009	\$ 3,114,452	\$ 2,996,371	\$ 2,874,158	\$ 2,747,667	\$ 2,616,749	\$ 2,481,248
New Debt	\$ -	\$ 1,230,795	\$ 690,736	\$ 1,305,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Repayment	\$ -	\$ -	\$ 43,522	\$ 69,471	\$ 118,081	\$ 122,214	\$ 126,491	\$ 130,918	\$ 135,500	\$ 140,243
Interest Payment	\$ -	\$ -	\$ 43,078	\$ 65,730	\$ 109,006	\$ 104,873	\$ 100,596	\$ 96,168	\$ 91,586	\$ 86,844
Closing Balance	\$ -	\$ 1,230,795	\$ 1,878,009	\$ 3,114,452	\$ 2,996,371	\$ 2,874,158	\$ 2,747,667	\$ 2,616,749	\$ 2,481,248	\$ 2,341,006

(Note: There is no projected growth-related debt for water)

Table D-2

Wastewater Service										
Non Growth-Related Debt										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$17,248,724	\$15,061,608	\$13,486,645	\$11,352,633	\$11,802,120	\$ 9,913,507	\$13,057,049	\$11,133,640	\$ 9,862,355	\$ 9,241,460
New Debt	\$ -	\$ 624,635	\$ -	\$ 2,611,924	\$ -	\$ 5,049,670	\$ -	\$ -	\$ -	\$ -
Principal Repayment	\$ 2,187,116	\$ 2,199,597	\$ 2,134,012	\$ 2,162,437	\$ 1,888,613	\$ 1,906,128	\$ 1,923,409	\$ 1,271,285	\$ 620,895	\$ 415,902
Interest Payment	\$ 544,755	\$ 479,661	\$ 414,014	\$ 362,145	\$ 298,126	\$ 238,469	\$ 179,047	\$ 119,196	\$ 83,282	\$ 57,134
Closing Balance	\$15,061,608	\$13,486,645	\$11,352,633	\$11,802,120	\$ 9,913,507	\$13,057,049	\$11,133,640	\$ 9,862,355	\$ 9,241,460	\$ 8,825,558

Table D-3

Wastewater Service										
Growth-Related Debt										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$ -	\$ -	\$ 694,281	\$ 669,730	\$ 644,321	\$ 618,022	\$ 590,802	\$ 573,079	\$ 543,551	\$ 512,990
New Debt	\$ -	\$ 694,281	\$ -	\$ -	\$ -	\$ -	\$ 10,449	\$ -	\$ -	\$ -
Principal Repayment	\$ -	\$ -	\$ 24,551	\$ 25,410	\$ 26,299	\$ 27,220	\$ 28,172	\$ 29,528	\$ 30,561	\$ 31,631
Interest Payment	\$ -	\$ -	\$ 24,300	\$ 23,441	\$ 22,551	\$ 21,631	\$ 20,678	\$ 20,058	\$ 19,024	\$ 17,955
Closing Balance	\$ -	\$ 694,281	\$ 669,730	\$ 644,321	\$ 618,022	\$ 590,802	\$ 573,079	\$ 543,551	\$ 512,990	\$ 481,359

Appendix E

2025-2034 Water and Wastewater Reserve and Reserve Fund Projections

Appendix E: Water and Wastewater Reserve and Reserve Fund Projections (2025-2034)

Table E-1

City of Stratford Water Service Water Capital Reserve										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$3,071,299	\$1,134,318	\$ 506,250	\$ 506,250	\$ 506,250	\$1,205,932	\$ 591,107	\$2,288,186	\$2,069,290	\$3,534,325
Transfer from Operating	\$1,191,615	\$1,436,449	\$1,793,052	\$2,229,146	\$2,666,815	\$2,896,273	\$3,136,321	\$3,387,374	\$3,628,115	\$3,879,438
Transfer from Operating Reserve	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital	\$3,682,600	\$2,070,767	\$1,799,302	\$2,235,396	\$1,982,021	\$3,518,397	\$1,467,490	\$3,631,818	\$2,206,713	\$4,261,389
Transfer to Operating	\$ 160,000									
Closing Balance	\$1,120,314	\$ 500,000	\$ 500,000	\$ 500,000	\$1,191,044	\$ 583,809	\$2,259,937	\$2,043,743	\$3,490,691	\$3,152,373
Interest	\$ 14,004	\$ 6,250	\$ 6,250	\$ 6,250	\$ 14,888	\$ 7,298	\$ 28,249	\$ 25,547	\$ 43,634	\$ 39,405
Reserve Balance as a Percent of 10 Year Average Capital Program	36%	16%	16%	16%	38%	19%	72%	65%	111%	101%

Table E-2

City of Stratford Water Service Water Development Charges Reserve Fund										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$ 502,461	\$ 590,462	\$ 342,372	\$ 433,348	\$ 330,134	\$ 426,237	\$ 526,301	\$ 630,458	\$ 738,844	\$ 832,778
Development Charge Proceeds	\$ 80,711	\$ 83,133	\$ 85,627	\$ 88,195	\$ 90,841	\$ 93,566	\$ 96,373	\$ 99,265	\$ 83,652	\$ 86,162
Transfer to Capital		\$ 335,450		\$ 195,486						
Transfer to Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ 583,173	\$ 338,145	\$ 427,998	\$ 326,058	\$ 420,975	\$ 519,804	\$ 622,675	\$ 729,723	\$ 822,496	\$ 918,939
Interest	\$ 7,290	\$ 4,227	\$ 5,350	\$ 4,076	\$ 5,262	\$ 6,498	\$ 7,783	\$ 9,122	\$ 10,281	\$ 11,487

Table E-3

Water Service 2025 - 2034 Rate Stabilization Reserve										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Stabilization Reserve Opening Balance	\$1,229,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912
Contributions from Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions to Capital Reserve	\$ 700,000									
Contributions to Operating Budget										
Closing Balance	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912	\$ 529,912
Percent of Net Operating Expenditures	8.4%	7.7%	7.2%	6.6%	6.1%	5.9%	5.7%	5.5%	5.3%	5.1%

Appendix E: Water and Wastewater Reserve and Reserve Fund Projections (2025-2034)

Table E-4

City of Stratford Wastewater Service Wastewater Capital Reserve										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$ 4,208,752	\$ 2,294,712	\$ 506,250	\$ 627,994	\$ 506,250	\$ 1,456,155	\$ 506,250	\$ 2,228,806	\$ 2,606,741	\$ 4,755,686
Transfer from Operating	\$ 2,560,483	\$ 2,359,232	\$ 2,633,629	\$ 2,875,705	\$ 3,227,966	\$ 3,378,850	\$ 3,175,665	\$ 3,998,851	\$ 4,775,785	\$ 5,169,976
Transfer from Operating Reserve	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital	\$ 4,867,203	\$ 4,153,944	\$ 2,519,638	\$ 3,003,699	\$ 2,296,038	\$ 4,335,005	\$ 1,480,625	\$ 3,653,098	\$ 2,685,553	\$ 4,351,814
Transfer to Operating	\$ 435,650									
Closing Balance	\$ 2,266,382	\$ 500,000	\$ 620,241	\$ 500,000	\$ 1,438,178	\$ 500,000	\$ 2,201,290	\$ 2,574,559	\$ 4,696,974	\$ 5,573,848
Interest	28,330	6,250	7,753	6,250	17,977	6,250	27,516	32,182	58,712	69,673
Reserve Balance as a Percent of 10-Year Average Capital Program	44%	10%	12%	10%	28%	10%	42%	50%	90%	107%

Table E-5

City of Stratford Wastewater Service Wastewater Development Charges Reserve Fund										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$ 2,335,443	\$ 1,043,633	\$ -	\$ 910,523	\$ 1,861,227	\$ 2,067,169	\$ 87,709	\$ -	\$ 1,062,679	\$ 1,963,605
Development Charge Proceeds	893,705	920,517	948,132	976,576	1,005,873	1,036,050	1,067,131	1,099,145	926,270	954,058
Transfer to Capital	\$ 2,198,400	\$ 1,964,149			\$ 776,601	\$ 2,967,742	\$ 1,105,990			
Transfer to Operating	\$ -	\$ -	\$ 48,850	\$ 48,850	\$ 48,850	\$ 48,850	\$ 48,850	\$ 49,586	\$ 49,586	\$ 49,586
Closing Balance	\$ 1,030,748	\$ -	\$ 899,282	\$ 1,838,248	\$ 2,041,648	\$ 86,626	\$ -	\$ 1,049,559	\$ 1,939,363	\$ 2,868,077
Interest	\$ 12,884	\$ -	\$ 11,241	\$ 22,978	\$ 25,521	\$ 1,083	\$ -	\$ 13,119	\$ 24,242	\$ 35,851

Table E-6

Wastewater Service 2025 - 2034 Rate Stabilization Reserve										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Stabilization Reserve Opening Balance	\$ 1,442,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105
Contributions from Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions to Capital Reserve	\$ 800,000									
Contributions to Operating Budget										
Closing Balance	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105	\$ 642,105
Percent of Net Operating Expenditures	7.7%	7.4%	7.2%	7.0%	6.8%	6.7%	6.5%	6.4%	6.3%	6.2%

Appendix F

2025-2034 Operating Budget Forecast Water

Appendix F: Water Operating Budget Forecast (2025-2034)

City of Stratford Water Service Operating Budget Forecast										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Expenditures										
WATER ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-350-4300-2100 F.T. SALARIES & WAGES	\$ 732,240	\$ 746,885	\$ 761,822	\$ 777,059	\$ 792,600	\$ 808,452	\$ 824,621	\$ 841,114	\$ 857,936	\$ 875,095
G-350-4300-2500 F.T. BENEFITS---F.T. Benefits & Employer Costs	\$ 248,510	\$ 253,480	\$ 258,550	\$ 263,721	\$ 268,995	\$ 274,375	\$ 279,863	\$ 285,460	\$ 291,169	\$ 296,992
G-350-4300-2700 OTHER PAYROLL EXPENSES	\$ 750	\$ 765	\$ 780	\$ 796	\$ 812	\$ 828	\$ 845	\$ 862	\$ 879	\$ 896
G-350-4300-3010 CLOTHING	\$ 8,400	\$ 8,568	\$ 8,739	\$ 8,914	\$ 9,092	\$ 9,274	\$ 9,460	\$ 9,649	\$ 9,842	\$ 10,039
G-350-4300-3050 MATERIALS	\$ 2,600	\$ 2,652	\$ 2,705	\$ 2,759	\$ 2,814	\$ 2,871	\$ 2,928	\$ 2,987	\$ 3,046	\$ 3,107
G-350-4300-3070 OFFICE SUPPLIES	\$ 800	\$ 816	\$ 832	\$ 849	\$ 866	\$ 883	\$ 901	\$ 919	\$ 937	\$ 956
G-350-4300-3090 PHOTOCOPIER LEASE---Copier/Printer Lease	\$ 390	\$ 398	\$ 406	\$ 414	\$ 422	\$ 431	\$ 439	\$ 448	\$ 457	\$ 466
G-350-4300-3100 POSTAGE	\$ 400	\$ 408	\$ 416	\$ 424	\$ 433	\$ 442	\$ 450	\$ 459	\$ 469	\$ 478
G-350-4300-3110 PRINTING	\$ 250	\$ 255	\$ 260	\$ 265	\$ 271	\$ 276	\$ 282	\$ 287	\$ 293	\$ 299
G-350-4300-3120 MEALS & MEETING COSTS	\$ 1,800	\$ 1,836	\$ 1,873	\$ 1,910	\$ 1,948	\$ 1,987	\$ 2,027	\$ 2,068	\$ 2,109	\$ 2,151
G-350-4300-4010 ADVERTISING	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,653	\$ 2,706	\$ 2,760	\$ 2,815	\$ 2,872	\$ 2,929	\$ 2,988
G-350-4300-4020 SERVICE CONTRACTS	\$ 4,000	\$ 4,080	\$ 4,162	\$ 4,245	\$ 4,330	\$ 4,416	\$ 4,505	\$ 4,595	\$ 4,687	\$ 4,780
G-350-4300-4040 CONSULTANTS	\$ 15,600	\$ 15,912	\$ 16,230	\$ 16,555	\$ 16,886	\$ 17,224	\$ 17,568	\$ 17,919	\$ 18,278	\$ 18,643
G-350-4300-4050 CONTRACTORS	\$ 687,050	\$ 700,791	\$ 714,807	\$ 729,103	\$ 743,685	\$ 758,559	\$ 773,730	\$ 789,204	\$ 804,989	\$ 821,088
G-350-4300-4060 COURIER/FREIGHT	\$ 200	\$ 204	\$ 208	\$ 212	\$ 216	\$ 221	\$ 225	\$ 230	\$ 234	\$ 239
G-350-4300-4090 LEGAL	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541	\$ 552	\$ 563	\$ 574	\$ 586	\$ 598
G-350-4300-4097 MEMBERSHIPS	\$ 4,400	\$ 4,488	\$ 4,578	\$ 4,669	\$ 4,763	\$ 4,858	\$ 4,955	\$ 5,054	\$ 5,155	\$ 5,258
G-350-4300-4101 CONSERVATION AUTHORITY LEVY	\$ 815,750	\$ 832,065	\$ 848,706	\$ 865,680	\$ 882,994	\$ 900,654	\$ 918,667	\$ 937,040	\$ 955,781	\$ 974,897
G-350-4300-4142 TRAINING - EXPENSES	\$ 36,700	\$ 37,434	\$ 38,183	\$ 38,946	\$ 39,725	\$ 40,520	\$ 41,330	\$ 42,157	\$ 43,000	\$ 43,860
G-350-4300-5062 PROPERTY TAXES	\$ 74,753	\$ 76,248	\$ 77,773	\$ 79,328	\$ 80,915	\$ 82,533	\$ 84,184	\$ 85,868	\$ 87,585	\$ 89,337
G-350-4300-7901 INTERFUNCTIONAL IT SUPPORT	\$ 72,658	\$ 74,111	\$ 75,593	\$ 77,105	\$ 78,647	\$ 80,220	\$ 81,825	\$ 83,461	\$ 85,130	\$ 86,833
G-350-4300-7902 INTERFUNCTIONAL ADMIN SERVICES	\$ 317,332	\$ 323,679	\$ 330,152	\$ 336,755	\$ 343,490	\$ 350,360	\$ 357,367	\$ 364,515	\$ 371,805	\$ 379,241
G-350-4300-7903 INTERFUNCTIONAL MAINTENANCE	\$ 2,830	\$ 2,887	\$ 2,944	\$ 3,003	\$ 3,063	\$ 3,125	\$ 3,187	\$ 3,251	\$ 3,316	\$ 3,382
G-350-4300-7906 INTERFUNCTIONAL INSURANCE	\$ 48,869	\$ 49,846	\$ 50,843	\$ 51,860	\$ 52,897	\$ 53,955	\$ 55,034	\$ 56,135	\$ 57,258	\$ 58,403
G-350-4300-7907 INTERFUNCTIONAL TELEPHONE	\$ 8,630	\$ 8,803	\$ 8,979	\$ 9,158	\$ 9,341	\$ 9,528	\$ 9,719	\$ 9,913	\$ 10,111	\$ 10,314
G-350-4300-9010 OFFICE EQUIPMENT & FURNISHINGS	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541	\$ 552	\$ 563	\$ 574	\$ 586	\$ 598
G-350-4300-9040 TOOLS & SMALL EQUIPMENT	\$ 8,500	\$ 8,670	\$ 8,843	\$ 9,020	\$ 9,201	\$ 9,385	\$ 9,572	\$ 9,764	\$ 9,959	\$ 10,158
4325 WATER SUPPLY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-350-4325-2100 F.T. SALARIES & WAGES	\$ 189,050	\$ 192,831	\$ 196,688	\$ 200,621	\$ 204,634	\$ 208,726	\$ 212,901	\$ 217,159	\$ 221,502	\$ 225,932
G-350-4325-2500 F.T. BENEFITS---F.T. Benefits & Employer Costs	\$ 59,400	\$ 60,588	\$ 61,800	\$ 63,036	\$ 64,296	\$ 65,582	\$ 66,894	\$ 68,232	\$ 69,597	\$ 70,988
G-350-4325-3040 HYDRO	\$ 285,000	\$ 290,700	\$ 296,514	\$ 302,444	\$ 308,493	\$ 314,663	\$ 320,956	\$ 327,375	\$ 333,923	\$ 340,601
G-350-4325-3050 MATERIALS	\$ 190,000	\$ 193,800	\$ 197,676	\$ 201,630	\$ 205,662	\$ 209,775	\$ 213,971	\$ 218,250	\$ 222,615	\$ 227,068
G-350-4325-3140 REPAIRS & MAINTENANCE - BUILDINGS & EQUIPMENT	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082	\$ 22,523	\$ 22,974	\$ 23,433	\$ 23,902
G-350-4325-3180 VEHICLE - FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-350-4325-4020 SERVICE CONTRACTS	\$ 105,000	\$ 107,100	\$ 109,242	\$ 111,427	\$ 113,655	\$ 115,928	\$ 118,247	\$ 120,612	\$ 123,024	\$ 125,485
G-350-4325-4040 CONSULTANTS	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631	\$ 5,743	\$ 5,858	\$ 5,975
G-350-4325-4050 CONTRACTORS	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082	\$ 22,523	\$ 22,974	\$ 23,433	\$ 23,902
G-350-4325-4060 COURIER/FREIGHT	\$ 300	\$ 306	\$ 312	\$ 318	\$ 325	\$ 331	\$ 338	\$ 345	\$ 351	\$ 359
4350 WATER DISTRIBUTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-350-4350-2100 F.T. SALARIES & WAGES	\$ 557,750	\$ 568,905	\$ 580,283	\$ 591,889	\$ 603,727	\$ 615,801	\$ 628,117	\$ 640,679	\$ 653,493	\$ 666,563
G-350-4350-2110 P.T. SALARIES & WAGES	\$ 62,440	\$ 63,689	\$ 64,963	\$ 66,262	\$ 67,587	\$ 68,939	\$ 70,318	\$ 71,724	\$ 73,158	\$ 74,622
G-350-4350-2500 F.T. BENEFITS---F.T. Benefits & Employer Costs	\$ 174,540	\$ 178,031	\$ 181,591	\$ 185,223	\$ 188,928	\$ 192,706	\$ 196,560	\$ 200,492	\$ 204,501	\$ 208,591
G-350-4350-2510 P.T. BENEFITS---P.T. Benefits & Employer Costs	\$ 12,180	\$ 12,424	\$ 12,672	\$ 12,926	\$ 13,184	\$ 13,448	\$ 13,717	\$ 13,991	\$ 14,271	\$ 14,556
G-350-4350-3040 HYDRO	\$ 7,500	\$ 7,650	\$ 7,803	\$ 7,959	\$ 8,118	\$ 8,281	\$ 8,446	\$ 8,615	\$ 8,787	\$ 8,963
G-350-4350-3050 MATERIALS	\$ 220,000	\$ 224,400	\$ 228,888	\$ 233,466	\$ 238,135	\$ 242,898	\$ 247,756	\$ 252,711	\$ 257,765	\$ 262,920
G-350-4350-4020 SERVICE CONTRACTS	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 11,041	\$ 11,262	\$ 11,487	\$ 11,717	\$ 11,951
G-350-4350-4050 CONTRACTORS	\$ 67,500	\$ 68,850	\$ 70,227	\$ 71,632	\$ 73,064	\$ 74,525	\$ 76,016	\$ 77,536	\$ 79,077	\$ 80,669
G-350-4350-7820 TRANSFER TO RESERVE FUNDS	\$ 90,700	\$ 92,514	\$ 94,364	\$ 96,252	\$ 98,177	\$ 100,140	\$ 102,143	\$ 104,186	\$ 106,270	\$ 108,395
G-350-4350-7903 INTERFUNCTIONAL MAINTENANCE	\$ 60,000	\$ 61,200	\$ 62,424	\$ 63,672	\$ 64,946	\$ 66,245	\$ 67,570	\$ 68,921	\$ 70,300	\$ 71,706
G-350-4350-7905 INTERFUNCTIONAL FLEET	\$ 80,350	\$ 81,957	\$ 83,596	\$ 85,268	\$ 86,973	\$ 88,713	\$ 90,487	\$ 92,297	\$ 94,143	\$ 96,026
Sub Total Operating Expenditures	\$ 5,313,622	\$ 5,419,894	\$ 5,528,292	\$ 5,638,858	\$ 5,751,635	\$ 5,866,668	\$ 5,984,001	\$ 6,103,681	\$ 6,225,755	\$ 6,350,270
Capital-Related										
Existing Debt (Principal) - Non-Growth Related	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Debt (Interest) - Non-Growth Related	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Non-Growth Related Debt (Principal)	\$ -	\$ -	\$ 43,522	\$ 69,471	\$ 118,081	\$ 122,214	\$ 126,491	\$ 130,918	\$ 135,500	\$ 140,243
New Non-Growth Related Debt (Interest)	\$ -	\$ -	\$ 43,078	\$ 65,730	\$ 109,006	\$ 104,873	\$ 100,596	\$ 96,168	\$ 91,586	\$ 86,844
Transfer to Capital Reserves and Reserve Funds	\$ 1,191,615	\$ 1,436,449	\$ 1,793,052	\$ 2,229,146	\$ 2,666,815	\$ 2,896,273	\$ 3,136,321	\$ 3,387,374	\$ 3,628,115	\$ 3,879,438
Sub Total Capital Related Expenditures	\$ 1,191,615	\$ 1,436,449	\$ 1,879,652	\$ 2,364,347	\$ 2,893,902	\$ 3,123,360	\$ 3,363,407	\$ 3,614,461	\$ 3,855,201	\$ 4,106,524
Total Expenditures	\$ 6,505,237	\$ 6,856,343	\$ 7,407,944	\$ 8,003,205	\$ 8,645,537	\$ 8,990,028	\$ 9,347,408	\$ 9,718,142	\$10,080,956	\$10,456,795
Non-Rate Revenues										
User Fees	\$ 2,640	\$ 2,693	\$ 2,747	\$ 2,802	\$ 2,858	\$ 2,915	\$ 2,973	\$ 3,033	\$ 3,093	\$ 3,155
Recoverables	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 11,041	\$ 11,262	\$ 11,487	\$ 11,717	\$ 11,951
Total-Non Rate Revenues	\$ 12,640	\$ 12,893	\$ 13,151	\$ 13,414	\$ 13,682	\$ 13,956	\$ 14,235	\$ 14,519	\$ 14,810	\$ 15,106
Operating Subsidies										
Contributions from Development Charges Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from Capital Reserve	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 172,640	\$ 12,893	\$ 13,151	\$ 13,414	\$ 13,682	\$ 13,956	\$ 14,235	\$ 14,519	\$ 14,810	\$ 15,106
Net Water Costs To Be Recovered From Users	\$ 6,332,597	\$ 6,843,450	\$ 7,394,794	\$ 7,989,792	\$ 8,631,855	\$ 8,976,072	\$ 9,333,174	\$ 9,703,623	\$10,066,147	\$10,441,689

Appendix G

2025-2034 Operating Budget Forecast Wastewater

Appendix G: Wastewater Operating Budget Forecast (2025-2034)

City of Stratford Wastewater Service Operating Budget Forecast										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Expenditures										
SANITARY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-330-4100-2700 OTHER PAYROLL EXPENSES	\$ 400	\$ 408	\$ 416	\$ 424	\$ 433	\$ 442	\$ 450	\$ 459	\$ 469	\$ 478
G-330-4100-3010 CLOTHING	\$ 4,200	\$ 4,284	\$ 4,370	\$ 4,457	\$ 4,546	\$ 4,637	\$ 4,730	\$ 4,824	\$ 4,921	\$ 5,019
G-330-4100-3050 MATERIALS	\$ 3,000	\$ 3,060	\$ 3,121	\$ 3,184	\$ 3,247	\$ 3,312	\$ 3,378	\$ 3,446	\$ 3,515	\$ 3,585
G-330-4100-4020 SERVICE CONTRACTS	\$ 5,400	\$ 5,508	\$ 5,618	\$ 5,731	\$ 5,845	\$ 5,962	\$ 6,081	\$ 6,203	\$ 6,327	\$ 6,453
G-330-4100-4142 TRAINING - EXPENSES	\$ 8,500	\$ 8,670	\$ 8,843	\$ 9,020	\$ 9,201	\$ 9,385	\$ 9,572	\$ 9,764	\$ 9,959	\$ 10,158
G-330-4100-5062 PROPERTY TAXES	\$ 166,127	\$ 169,450	\$ 172,839	\$ 176,295	\$ 179,821	\$ 183,418	\$ 187,086	\$ 190,828	\$ 194,644	\$ 198,537
G-330-4100-7901 INTERFUNCTIONAL IT SUPPORT	\$ 30,274	\$ 30,879	\$ 31,497	\$ 32,127	\$ 32,770	\$ 33,425	\$ 34,093	\$ 34,775	\$ 35,471	\$ 36,180
G-330-4100-7906 INTERFUNCTIONAL INSURANCE	\$ 69,460	\$ 70,849	\$ 72,266	\$ 73,712	\$ 75,186	\$ 76,689	\$ 78,223	\$ 79,788	\$ 81,383	\$ 83,011
G-330-4100-9040 TOOLS & SMALL EQUIPMENT	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631	\$ 5,743	\$ 5,858	\$ 5,975
4125 SANITARY TREATMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-330-4125-3040 HYDRO	\$ 350,000	\$ 357,000	\$ 364,140	\$ 371,423	\$ 378,851	\$ 386,428	\$ 394,157	\$ 402,040	\$ 410,081	\$ 418,282
G-330-4125-4020 SERVICE CONTRACTS	\$ 1,300	\$ 1,326	\$ 1,353	\$ 1,380	\$ 1,407	\$ 1,435	\$ 1,464	\$ 1,493	\$ 1,523	\$ 1,554
G-330-4125-4040 CONSULTANTS	\$ 80,000	\$ 81,600	\$ 83,232	\$ 84,897	\$ 86,595	\$ 88,326	\$ 90,093	\$ 91,895	\$ 93,733	\$ 95,607
G-330-4125-4050 CONTRACTORS - OCWA	\$ 999,000	\$ 1,018,980	\$ 1,039,360	\$ 1,060,147	\$ 1,081,350	\$ 1,102,977	\$ 1,125,036	\$ 1,147,537	\$ 1,170,488	\$ 1,193,897
G-330-4125-4090 LEGAL	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631	\$ 5,743	\$ 5,858	\$ 5,975
G-330-4125-4104 SLUDGE SERVICES	\$ 152,000	\$ 155,040	\$ 158,141	\$ 161,304	\$ 164,530	\$ 167,820	\$ 171,177	\$ 174,600	\$ 178,092	\$ 181,654
4150 SANITARY COLLECTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G-330-4150-2100 F.T. SALARIES & WAGES	\$ 801,670	\$ 817,703	\$ 834,057	\$ 850,739	\$ 867,753	\$ 885,108	\$ 902,811	\$ 920,867	\$ 939,284	\$ 958,070
G-330-4150-2500 F.T. BENEFITS---F.T. Benefits & Employer Costs	\$ 270,620	\$ 276,032	\$ 281,553	\$ 287,184	\$ 292,928	\$ 298,786	\$ 304,762	\$ 310,857	\$ 317,074	\$ 323,416
G-330-4150-3040 HYDRO	\$ 41,200	\$ 42,024	\$ 42,864	\$ 43,722	\$ 44,596	\$ 45,488	\$ 46,398	\$ 47,326	\$ 48,272	\$ 49,238
G-330-4150-3045 WATER / SEWAGE	\$ 880	\$ 898	\$ 916	\$ 934	\$ 953	\$ 972	\$ 991	\$ 1,011	\$ 1,031	\$ 1,052
G-330-4150-3050 MATERIALS	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297	\$ 44,163	\$ 45,046	\$ 45,947	\$ 46,866	\$ 47,804
G-330-4150-3140 REPAIRS & MAINTENANCE - BUILDINGS & EQUIPMENT	\$ 7,500	\$ 7,650	\$ 7,803	\$ 7,959	\$ 8,118	\$ 8,281	\$ 8,446	\$ 8,615	\$ 8,787	\$ 8,963
G-330-4150-4020 SERVICE CONTRACTS	\$ 32,500	\$ 33,150	\$ 33,813	\$ 34,489	\$ 35,179	\$ 35,883	\$ 36,600	\$ 37,332	\$ 38,079	\$ 38,841
G-330-4150-4050 CONTRACTORS	\$ 100,000	\$ 102,000	\$ 104,040	\$ 106,121	\$ 108,243	\$ 110,408	\$ 112,616	\$ 114,869	\$ 117,166	\$ 119,509
G-330-4150-7820 TRANSFER TO RESERVE FUNDS	\$ 143,000	\$ 145,860	\$ 148,777	\$ 151,753	\$ 154,788	\$ 157,884	\$ 161,041	\$ 164,262	\$ 167,547	\$ 170,898
G-330-4150-7902 INTERFUNCTIONAL ADMIN SERVICES	\$ 419,020	\$ 427,400	\$ 435,948	\$ 444,667	\$ 453,561	\$ 462,632	\$ 471,885	\$ 481,322	\$ 490,949	\$ 500,768
G-330-4150-7905 INTERFUNCTIONAL FLEET	\$ 110,960	\$ 113,179	\$ 115,443	\$ 117,752	\$ 120,107	\$ 122,509	\$ 124,959	\$ 127,458	\$ 130,007	\$ 132,607
G-330-4150-7907 INTERFUNCTIONAL TELEPHONE	\$ 1,710	\$ 1,744	\$ 1,779	\$ 1,815	\$ 1,851	\$ 1,888	\$ 1,926	\$ 1,964	\$ 2,004	\$ 2,044
Sub Total Operating Expenditures	\$ 3,848,721	\$ 3,925,695	\$ 4,004,209	\$ 4,084,294	\$ 4,165,979	\$ 4,249,299	\$ 4,334,285	\$ 4,420,971	\$ 4,509,390	\$ 4,599,578
Capital-Related										
Existing Debt (Principal) - Non-Growth Related	\$ 2,187,116	\$ 2,199,597	\$ 2,134,012	\$ 2,148,014	\$ 1,873,758	\$ 1,890,828	\$ 1,907,650	\$ 1,255,053	\$ 604,176	\$ 347,450
Existing Debt (Interest) - Non-Growth Related	\$ 544,755	\$ 479,661	\$ 414,014	\$ 350,519	\$ 286,932	\$ 227,722	\$ 168,758	\$ 109,380	\$ 73,953	\$ 27,932
New Non-Growth Related Debt (Principal)	\$ -	\$ -	\$ 22,088	\$ 22,861	\$ 116,021	\$ 120,082	\$ 302,847	\$ 313,446	\$ 324,417	\$ 335,772
New Non-Growth Related Debt (Interest)	\$ -	\$ -	\$ 21,862	\$ 21,089	\$ 111,706	\$ 107,646	\$ 280,181	\$ 269,582	\$ 258,611	\$ 247,256
New Growth Related Debt (Principal)	\$ -	\$ -	\$ 24,551	\$ 25,410	\$ 26,299	\$ 27,220	\$ 28,172	\$ 29,528	\$ 30,561	\$ 31,631
New Growth Related Debt (Interest)	\$ -	\$ -	\$ 24,300	\$ 23,441	\$ 22,551	\$ 21,631	\$ 20,678	\$ 20,058	\$ 19,024	\$ 17,955
Transfer to Capital Reserves and Reserve Funds	\$ 2,560,483	\$ 2,359,232	\$ 2,633,629	\$ 2,875,705	\$ 3,227,966	\$ 3,378,850	\$ 3,175,665	\$ 3,998,851	\$ 4,775,785	\$ 5,169,976
Sub Total Capital Related Expenditures	\$ 5,292,354	\$ 5,038,490	\$ 5,274,455	\$ 5,467,038	\$ 5,665,235	\$ 5,773,977	\$ 5,883,951	\$ 5,995,897	\$ 6,086,527	\$ 6,177,971
Total Expenditures	\$ 9,141,075	\$ 8,964,186	\$ 9,278,664	\$ 9,551,332	\$ 9,831,214	\$ 10,023,276	\$ 10,218,236	\$ 10,416,868	\$ 10,595,918	\$ 10,777,548
Non-Rate Revenues										
Recoverables	\$ 131,000	\$ 133,620	\$ 136,292	\$ 139,018	\$ 141,799	\$ 144,635	\$ 147,527	\$ 150,478	\$ 153,487	\$ 156,557
Interfunctional Maintenance	\$ 193,000	\$ 196,860	\$ 200,797	\$ 204,813	\$ 208,909	\$ 213,088	\$ 217,349	\$ 221,696	\$ 226,130	\$ 230,653
Total-Non Rate Revenues	\$ 324,000	\$ 330,480	\$ 337,090	\$ 343,831	\$ 350,708	\$ 357,722	\$ 364,877	\$ 372,174	\$ 379,618	\$ 387,210
Operating Subsidies										
Contributions from Development Charges Reserve Fund	\$ -	\$ -	\$ 48,850	\$ 48,850	\$ 48,850	\$ 48,850	\$ 48,850	\$ 49,586	\$ 49,586	\$ 49,586
Contributions from Capital Reserve	\$ 435,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 759,650	\$ 330,480	\$ 385,940	\$ 392,682	\$ 399,558	\$ 406,573	\$ 413,727	\$ 421,760	\$ 429,203	\$ 436,796
Net Wastewater Costs To Be Recovered From Users	\$ 8,381,425	\$ 8,633,706	\$ 8,892,724	\$ 9,158,650	\$ 9,431,656	\$ 9,616,703	\$ 9,804,509	\$ 9,995,108	\$ 10,166,714	\$ 10,340,753

Appendix H

2025-2034 Sustainable Water Rates and Charges

Appendix H: Projected 2025-2034 Sustainable Water Rates and Revenues

Base Charge (Projected Annual Base Charges and Revenues)										
Base Charge	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Increase % Increases	7.00%	7.00%	7.00%	7.00%	7.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Under 1 "	\$ 121.98	\$ 130.52	\$ 139.65	\$ 149.43	\$ 159.89	\$ 164.69	\$ 169.63	\$ 174.72	\$ 179.96	\$ 185.36
1"	\$ 189.39	\$ 202.65	\$ 216.83	\$ 232.01	\$ 248.25	\$ 255.70	\$ 263.37	\$ 271.27	\$ 279.41	\$ 287.79
1.5"	\$ 240.75	\$ 257.60	\$ 275.63	\$ 294.93	\$ 315.57	\$ 325.04	\$ 334.79	\$ 344.84	\$ 355.18	\$ 365.84
2"	\$ 295.32	\$ 315.99	\$ 338.11	\$ 361.78	\$ 387.10	\$ 398.72	\$ 410.68	\$ 423.00	\$ 435.69	\$ 448.76
3"	\$ 398.04	\$ 425.90	\$ 455.72	\$ 487.62	\$ 521.75	\$ 537.40	\$ 553.52	\$ 570.13	\$ 587.23	\$ 604.85
4"	\$ 520.02	\$ 556.42	\$ 595.37	\$ 637.05	\$ 681.64	\$ 702.09	\$ 723.15	\$ 744.85	\$ 767.19	\$ 790.21
6"	\$ 882.75	\$ 944.54	\$ 1,010.66	\$ 1,081.41	\$ 1,157.11	\$ 1,191.82	\$ 1,227.57	\$ 1,264.40	\$ 1,302.33	\$ 1,341.40
8"	\$ 1,194.12	\$ 1,277.71	\$ 1,367.15	\$ 1,462.85	\$ 1,565.25	\$ 1,612.21	\$ 1,660.57	\$ 1,710.39	\$ 1,761.70	\$ 1,814.55
Projected Revenue Generated from Base Charge	\$ 1,728,834	\$ 1,873,132	\$ 2,029,160	\$ 2,197,853	\$ 2,380,221	\$ 2,481,001	\$ 2,585,686	\$ 2,694,419	\$ 2,799,855	\$ 2,909,192
Block 1 (Projected Annual Minimum Charge Rates & Revenues)										
Block 1	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Increase % Increases	7.00%	7.00%	7.00%	7.00%	7.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Block 1 (First 3 cubic metres per month)	\$ 3.12	\$ 3.34	\$ 3.58	\$ 3.83	\$ 4.10	\$ 4.22	\$ 4.34	\$ 4.48	\$ 4.61	\$ 4.75
Minimum Charge (Annual)	\$ 112.48	\$ 120.35	\$ 128.78	\$ 137.79	\$ 147.44	\$ 151.86	\$ 156.42	\$ 161.11	\$ 165.94	\$ 170.92
Number of Customers	13,653	13,832	14,010	14,188	14,367	14,545	14,724	14,902	15,039	15,175
Projected Revenues Generated from Minimum Charge	\$ 1,535,708	\$ 1,664,673	\$ 1,804,169	\$ 1,955,037	\$ 2,118,186	\$ 2,208,817	\$ 2,302,980	\$ 2,400,804	\$ 2,495,515	\$ 2,593,748
Block 2 (Projected Annual Uniform Rates & Revenues)										
Block 2	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Increase % Increases	7.00%	7.00%	7.00%	7.00%	7.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Block 2 (Uniform Rate for additional cubic metres)	\$ 1.27	\$ 1.36	\$ 1.46	\$ 1.56	\$ 1.67	\$ 1.72	\$ 1.77	\$ 1.82	\$ 1.88	\$ 1.93
Total Projected Water Consumption	2,901,051	2,924,226	2,947,402	2,970,577	2,993,752	3,016,927	3,040,102	3,063,277	3,081,042	3,098,806
Water Consumption within Minimum Charge	491,521	497,942	504,363	510,784	517,205	523,626	530,046	536,467	541,389	546,311
Water Consumption to be Charged	2,409,530	2,426,285	2,443,039	2,459,793	2,476,547	2,493,302	2,510,056	2,526,810	2,539,653	2,552,495
Projected Revenue Generated from Uniform Rate	\$ 3,068,055	\$ 3,305,645	\$ 3,561,465	\$ 3,836,901	\$ 4,133,448	\$ 4,286,254	\$ 4,444,508	\$ 4,608,400	\$ 4,770,776	\$ 4,938,748
Total Water User Revenues	\$ 6,332,597	\$ 6,843,450	\$ 7,394,794	\$ 7,989,792	\$ 8,631,855	\$ 8,976,072	\$ 9,333,174	\$ 9,703,623	\$ 10,066,147	\$ 10,441,689

Appendix I

2025-2034 Sustainable Wastewater Rates and Charges

Appendix I: Projected 2025-2034 Sustainable Wastewater Rates and Revenues

Base Charge (Projected Annual Wastewater Base Charges and Revenues)									
Base charge	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Increase %Increases	2.00%	2.00%	2.00%	2.00%	2.00%	1.00%	1.00%	1.00%	1.00%
Under 1 "	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
1 "	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
1.5"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
2"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
3"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
4"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
6"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
8"	\$ 125.46	\$ 127.97	\$ 130.53	\$ 133.14	\$ 135.80	\$ 137.16	\$ 138.53	\$ 139.92	\$ 141.3
Projected Revenue Generated from Base Charges	\$ 1,694,257	\$ 1,750,966	\$ 1,809,267	\$ 1,869,199	\$ 1,930,804	\$ 1,974,576	\$ 2,019,030	\$ 2,064,176	\$ 2,104,13
Block 1 (Projected Annual Minimum Charge Rates & Revenues)									
Block 1	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Increase %Increases	2.00%	2.00%	2.00%	2.00%	2.00%	1.00%	1.00%	1.00%	1.00%
	\$ 4.57	\$ 4.66	\$ 4.75	\$ 4.85	\$ 4.95	\$ 5.00	\$ 5.05	\$ 5.10	\$ 5.1
Minimum Charge (Annual)	\$ 164.51	\$ 167.80	\$ 171.15	\$ 174.57	\$ 178.07	\$ 179.85	\$ 181.65	\$ 183.46	\$ 185.3
Number of Customers	13,504	13,683	13,861	14,039	14,218	14,396	14,575	14,753	14,89
Projected Revenues Generated from Minimum Charge	\$ 2,221,543	\$ 2,295,901	\$ 2,372,346	\$ 2,450,930	\$ 2,531,708	\$ 2,589,103	\$ 2,647,392	\$ 2,706,588	\$ 2,758,98
Block 2 (Projected Annual Uniform Wastewater Rates & Revenues)									
Block 2	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Increase %Increases	2.00%	2.00%	2.00%	2.00%	2.00%	1.00%	1.00%	1.00%	1.00%
Uniform Rate per Cubic Metre	\$ 1.87	\$ 1.90	\$ 1.94	\$ 1.98	\$ 2.02	\$ 2.04	\$ 2.06	\$ 2.08	\$ 2.1
Total Projected Wastewater Flows	2,878,542	2,901,717	2,924,893	2,948,068	2,971,243	2,994,418	3,017,593	3,040,768	3,058,53
Wastewater Flows within Minimim Charge	486,157	492,578	498,999	505,420	511,841	518,262	524,682	531,103	536,02
Wastewater Flows to be Charged	2,392,385	2,409,140	2,425,894	2,442,648	2,459,402	2,476,157	2,492,911	2,509,665	2,522,50
Projected Revenue Generated from Uniform Rate	\$ 4,465,626	\$ 4,586,838	\$ 4,711,112	\$ 4,838,521	\$ 4,969,143	\$ 5,053,025	\$ 5,138,087	\$ 5,224,345	\$ 5,303,59
Total Wastewater User Revenues	\$ 8,381,426	\$ 8,633,706	\$ 8,892,724	\$ 9,158,650	\$ 9,431,656	\$ 9,616,703	\$ 9,804,509	\$ 9,995,108	\$10,166,71

Appendix J

Requirements of O. Reg. 453/07

Appendix J: Requirements of O.Reg. 453/07

Requirements		How Requirements are Met
1.	The financial plan must be approved by a resolution that is passed by,	
	i. The council of the municipality, if the owner of the drinking water system is a municipality.	<ul style="list-style-type: none"> It is expected the Council will approve the updated financial plan before December 31, 2024.
	ii. The governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.	<ul style="list-style-type: none"> N/A
2.	The financial plan must apply to a period of at least six years.	As the financial plan is based on the Water and Wastewater Rate Review, it will run for the 6-year period from 2025 to 2030 inclusive.
3.	The first year to which the financial plan must apply must be the year determined in accordance with the following rules:	
	i. If the financial plan is required by subsection 2, the first year to which the financial plan must apply must be the year in which the drinking water system's existing municipal drinking water licence would otherwise expire. Financial Plan can be updated before they otherwise expire.	<ul style="list-style-type: none"> The financial plan is being updated to coincide with the results of the water and wastewater rates review. The current drinking water licence will expire on June 18, 2025, therefore the first year of the updated financial plan will be 2025
	ii. If the financial plan is required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.	<ul style="list-style-type: none"> N/A
4.	Subject to subsection (2), for each year to which the financial plan apply, the financial plan must include the following:	
	i. Details of the proposed or projected financial position of the drinking water system itemized by:	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	a. Total financial assets	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	b. Total liabilities	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	c. Net financial assets (debt)	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan.
	d. Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses.	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan. TCA Projections in Financial Plan.

Appendix J: Requirements of O.Reg. 453/07

	e.	Changes in tangible capital assets that are additions, donations, write downs and disposals.	<ul style="list-style-type: none"> See Statement of Financial Position for all water systems combined in Financial Plan. TCA Projections in Financial Plan.
	ii.	Details of the proposed or projected financial operations of the drinking water system itemized by,	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
	a.	Total revenues, further itemized by water rates, user charges and other revenues.	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
	b.	Total expenses, further itemized by amortization expenses, interest expenses and other expenses	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
	c.	Annual surplus or deficit, and	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
	d.	Accumulated surplus or deficit	<ul style="list-style-type: none"> See Statement of Operations for all water systems combined in Financial Plan.
	iii.	Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	a.	Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges, - done in full cost report	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	b.	Capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	c.	Investing transactions that are acquisitions and disposal of investments,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	d.	Financing transactions that are proceeds from the issuance of debt and debt repayment.	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	e.	Changes in cash and cash equivalents during the year,	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	f.	Cash and cash equivalents at the beginning and end of the year.	<ul style="list-style-type: none"> See Statement of Cash Flow for all water systems combined in Financial Plan.
	iv.	Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.	<ul style="list-style-type: none"> There is no dedicated lead service pipe removal program in place. If lead pipe is discovered during normal operations, it is replaced accordingly. Therefore, there are no significant material financial costs associated with lead pipe removal.
5.		The owner of the drinking water system must.	
	i.	Make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,	<ul style="list-style-type: none"> This will be done by the municipality following Council approval.

Appendix J: Requirements of O.Reg. 453/07

	ii.	Make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet,	<ul style="list-style-type: none"> The Financial Plan will be posted on the Municipality's website and made available for public review at no charge.
	iii.	Provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.	<ul style="list-style-type: none"> A notice will be issued following Council approval.
6.		The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).	<ul style="list-style-type: none"> Will be submitted following Council approval.
		Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared.	<ul style="list-style-type: none"> The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	1.	Sub-subparagraphs 4 i A, B and C of subsection (1).	<ul style="list-style-type: none"> The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	2.	Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).	<ul style="list-style-type: none"> The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Council
From: Taylor Crinklaw, Director of Infrastructure Services
Report Number: COU24-140
Attachments: Archibald Engineering report Erie Street Parking Lot Alternatives dated November 13, 2024

Title: Erie Street Parking Lot Development Options

Objective: To provide additional information regarding development options for the Erie Street parking lot and to provide Council a general workplan to eventually progress development options for the site.

Background: At the August 12, 2024, Council Meeting, Staff were requested to investigate alternative options for the site and to report back to Council. To provide a timely response, Staff requested a general review and response be facilitated by Archibald Engineering. The corresponding review is detailed in the attached letter.

Staff have taken steps to move forward with the Erie Street resurfacing project. In tonight's meeting, as part of the City's purchasing policy, Staff have listed in the Consent Agenda a notification of the intent to tender for the resurfacing work.

Analysis: The attached report succinctly summarizes background for the Erie Street parking lot, points for consideration and recommended steps of action. The following paragraph highlights some of the key findings identified in the report.

The report's analysis indicates that there is no immediate need for additional parking. Due to the complexities of the site, any development will require time, significant staff resources, and may have substantial costs. Additionally, the future use of the Erie Street parking lot could be significantly affected by the potential development of the Grand Trunk Railway (GTR) site. Considering the uncertainty surrounding the ultimate type and density of redevelopment at the GTR Site, it may be premature to proceed with further development. The underlying recommendation provided in the report is that it is prudent to proceed with the cost-effective short duration improvements associated with resurfacing the Erie Street parking lot.

Recognizing the concerns raised by Council in August, Staff have adjusted the resurfacing design. Largely, adjustments were made to the draft resurfacing project

that would reduce the useful life of the project to be more in the range of 10 to 15 years and in-turn reduce overall project costs. The design also allows for future modifications if easements are revised in a way that would support optimized site development.

In terms of a general workplan, Staff support the recommended short and long-term actions as listed below.

1. Resurface the Erie Street Parking Lot in 2024 or 2025.
2. Resolve and adjust easements to a level that facilitates optimal development (2025-2027).*
3. Update the Downtown Parking Strategy Report following City Council approval of the redevelopment types and densities for the GTR Site (2026-2027)
4. In 2030 (Year 5 following resurfacing) formally review timing of the GTR Site build out and the implications on the Erie Street Parking Lot.
5. In 2033 (Year 8 following resurfacing) present a comprehensive strategy report to City Council with a timeline for redevelopment of the Erie Street Parking Lot.
6. In 2035 (Year 10 following resurfacing) proceed with preferred development if desired.

* The timelines associated with adjusting the easements may vary significantly, as they are largely dependent on receptiveness of abutting landowners to the proposed changes.

Several risk factors must be considered if the decision is made to proceed with development at this time. If the development process were to start now, it would still be years before any changes would be seen onsite. During this period, the existing parking lot would remain in its current state, with several deteriorating components that increase the risk of legal claims due to poor conditions, as well as erode public trust.

As noted in the analysis, proceeding with a development now may result in a product that does not align well with the future needs of the City. Particularly, as it relates to decisions that still need to be made about what is desired to be built at the GTR site. Lastly, embarking on such a large-scale initiative would divert staff resources and priorities away from the GTR site, potentially jeopardizing the progress of its development.

Financial Implications:

Financial impact to current year operating budget:

There are no associated impacts to the current year operating budget.

Financial impact on future year operating budget:

There are no financial recommendations made because of this management report.

Alignment with Strategic Priorities

Enhance our Infrastructure

This report highlights the benefits of resurfacing a highly utilized parking lot in the City. It also proposes a long-term planning strategy that would cost-effectively optimize the use of City assets.

Alignment with One Planet Principles:

Culture and Community

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

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

Staff Recommendation: THAT the report titled, "Erie Street Parking Lot Development Options" (COU24-140), be received for information.

Prepared by: Taylor Crinklaw, Director of Infrastructure Services

Recommended by: Joan Thomson, Chief Administrative Officer

ARCHIBALD ENGINEERING
environmental professionals

415 Stillmeadow, Waterloo, Ontario
archibald.engineering@rogers.com
519-746-2139

Ms. Joan Thomson
Chief Administrative Officer
City of Stratford
Stratford Ontario

November 13, 2024

Dear Ms. Thomson:

Re: Erie Street Parking Lot Alternatives

We understand that at its August 12, 2024 meeting, City Council provided the following direction to staff related to the existing municipal surface parking lot on Erie Street.

THAT Council authorize staff to proceed with the design and issuing a tender for the resurfacing of the Erie Street Parking Lot at this time;

THAT the matter with respect to the Erie Street Parking Lot project be referred to staff to investigate alternative options for the site;

AND THAT staff be directed to report back with alternative options for the consideration of Council at a future meeting.

As requested, we have reviewed the extensive background information available related to previous assessments for this surface parking lot, and the parking and development concept recently presented to City Council by Mr. Robert Ritz of R. Ritz Architect.

While City Council has authorized staff to issue a tender for the resurfacing of the Erie Street Parking Lot as noted above, it is prudent to confirm that resurfacing is the most appropriate short-term option prior to awarding a tender for this work with an upper limit estimated cost of \$750,000.

This letter report presents our independent professional opinion on feasible short and long-term alternative uses for this surface parking lot and is organized as follows.

- A) Background
- B) Previous Assessments of the Erie Street Parking Lot
- C) Need for Additional Downtown Parking
- D) Feasible Short-Term Alternatives
- E) Feasible Long-Term Alternatives
- F) Recommended Short and Long-Term Actions

A) BACKGROUND

Since the 1960s, the Erie Street Parking lot has been utilized for surface parking needs in the downtown core, and with only pedestrian access to the City Hall area through "Allen's Alley".

Summary documentation from the City Clerks Office confirms that portions of the property have restrictive easements and rights-of-way as follows.

Easements

Three (3) standard easements are in place for utilities including a water main, gas main, electrical service and Bell phone lines. While these easements are all with public bodies including the City of Stratford, it is likely that in the case of redevelopment for multi-level parking or other purposes, that all costs associated with replacement/relocation of these utilities would be solely the responsibility of the City (as developer) or a private developer. While these costs may be significant, it is likely that these restrictions could be overcome amicably in a reasonable timeframe.

Rights-of-Way

Clerks Office records indicate that seventeen (17) abutting landowners have vehicular and/or pedestrian rights-of-way over the Erie Street Parking Lot. It is estimated that approximately ten (10) holders of rights-of-way have vehicular access rights, some of which include access to all lands between the rear of their Wellington Street properties and Erie Street. These vehicular rights agreements seem to have been developed because of the closure of “Allen’s Alley” to vehicular traffic in the 1960s. At least three of the agreements grant use of parking spaces within the municipal parking lot in perpetuity.

While we offer no legal opinion on these agreements or the granting of “in perpetuity” rights, it is our professional opinion that some of these restrictions will be challenging, time-consuming and costly to resolve for any structures proposed on the Erie Street Parking Lot that would in any way restrict truck access to the rear of nearly all the abutting Wellington Street properties.

B) PREVIOUS ASSESSEMENTS OF THE ERIE STREET PARKING LOT

Since establishment of this parking lot, there have been numerous reviews for possible intensification of parking at this location. Key studies, findings and relevant costs are noted below.

1988 – Assessment of Structured Parking on Erie Street Lot (Read Voorhees and Associates)

This comprehensive report concluded that downtown parking needs were best addressed by continued and expanded use of the Cooper Site. The cost per additional parking space was estimated to be \$14,500 (1988 dollars) with little revenue opportunity to offset capital and operating costs.

2005 – Request for Proposals for Private Development of the Erie Street Parking Lot

Private sector proposals were requested and received in 2005 for improved parking and commercial development. After public input, the process was terminated and the parking lot remained unchanged.

2014 – Staff Recommendation to Reconstruct Erie Street Parking Lot

Staff presented reconstruction options including two-level structured parking adding between 39 and 69 net additional parking spaces. The bare cost for the above-ground parking structure was

quoted at between \$24,000 and \$35,000 (2014 dollars) per net additional space. No action was taken.

2016 – Downtown Parking Strategy (D Sorbara Parking and Systems Consulting)

This comprehensive study concluded that *“The Erie lot shows excess capacity. While its geometry is best suited to a parking structure, the current parking metrics do not provide a solid case for building a parking structure today or in the short-range planning horizon.”*

Another key conclusion was that *“...in order for an additional layer of parking (say 200 parking spaces) on the Erie lot to become critical, the downtown floor space volume would have to increase between 11,111 and 20,000 square meters (215,000 square feet) based on observed peak hour trip demands attraction.”*

2019 - Staff Recommendation to Reconstruct Erie Street Parking Lot

After public input, this project was deferred.

2024 – Staff Recommendation to Resurface/Delegation by Robert Ritz

The July 24, 2024 Infrastructure, Transportation and Safety (ITS) Committee Report (24-016) presented both resurfacing (\$750,000) and full reconstruction (\$2 million) options for this surface parking lot. Staff recommended the resurfacing option.

Mr. Robert Ritz (R. Ritz Architect) spoke as a delegation to Council. Mr. Ritz also presented detailed drawings for a development concept including a five (5) level underground parking garage, ground floor retail, and residential condominiums on higher floors. Mr. Ritz did not provide an estimated capital cost for either the underground parking spaces or the above-ground development.

C) NEED FOR ADDITIONAL DOWNTOWN PARKING

It is not currently possible to determine long-term downtown parking needs until City Council confirms the density and development type for the Grand Truck Railway (GTR) Site, also commonly referred to as the Cooper Site.

For example, if following completion of the current Ad Hoc Committee review process, City Council confirms high-density residential zoning over most of the available GTR site, then overall downtown parking needs can be determined. More than likely an aboveground parking structure would be required as originally presented in the approved 2018 Master Plan for the GTR Site. The originally proposed location for the parking structure is behind the existing UW building abutting Cooper Street. Aboveground parking structures are far more cost-effective than underground structures, even if soils are not environmentally impacted. Larger multi-level structures also result in lower “per space” costs compared to smaller structures.

At this time, it is premature to assess the need and revenue potential for a parking structure on the Erie Street Parking Lot. Given its size and complexity, development of the GTR Site will drive downtown parking needs for the foreseeable future.

Also, the above-referenced 2016 Downtown Parking Strategy Report highlights that the current free all-day parking policy on the GTR Site may contribute to overstating paid parking needs in the downtown. That is, once free parking is eliminated parking demand may actually be reduced by as much as 33% as drivers seek alternatives to paid downtown parking. This concept is a key

consideration when developing any economic analysis of expanded parking capacity at the Erie Street Parking Lot.

D) FEASIBLE SHORT-TERM ALTERNATIVES

Staff have presented a well-considered and cost-effective recommendation to resurface the Erie Street Parking Lot in the near future. Resurfacing and reconstruction of this lot has been deferred several times.

Considering the uncertainty surrounding the ultimate type and density of redevelopment at the GTR Site, it would be premature to proceed with any additional development activity at the Erie Street Parking Lot at this stage.

Resurfacing provides for 10-15 years of ongoing parking capacity while the scope of the GTR Site redevelopment is formalized and implemented.

It is already apparent that this is a complex site, and its development will require substantial staff time and financial resources. Reallocating either of these resources would jeopardize maintaining the current momentum towards effective redevelopment of this brownfield site.

D) FEASIBLE LONG-TERM ALTERNATIVES

While the existing easements and rights-of-way present challenges to redeveloping the Erie Street Parking Lot, there may be several feasible redevelopment alternatives for this property once the GTR Site is nearing full build out. Options include mixed-use buildings that incorporate residential units, office spaces, and retail areas, and may also feature upgraded parking structures.

If Stratford continues to grow, and downtown density (both commercial and residential) increases significantly, then there will likely be an economic case for several development alternatives.

However, it would be premature and highly speculative at this time to forecast suitable development alternatives in the period following build out of the GTR Site.

F) RECOMMENDED SHORT AND LONG-TERM ACTIONS

In conclusion, additional downtown parking needs related to the GTR Site and elsewhere are likely to be most cost-effectively met on the GTR Site as proposed in the 2018 Master Plan. This is best determined by a Parking Strategy Update following City Council approval of GTR Site development types and densities.

Resurfacing the Erie Street Parking Lot will allow the City to maintain redevelopment focus on the GTR Site for the next 10-15 years.

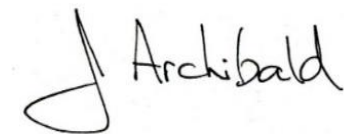
Our recommended short and long-term actions are listed below.

- 1) Resurface the Erie Street Parking Lot in 2024 or 2025.
- 2) As resources permit, resolve and adjust easements to a level that facilitates optimal development (2025-2027).

- 3) Update the Downtown Parking Strategy Report following City Council approval of the redevelopment types and densities for the GTR Site (2026-2027)
- 4) In 2030 (Year 5 following resurfacing) formally review timing of the GTR Site build out and the implications on the Erie Street Parking Lot.
- 5) In 2033 (Year 8 following resurfacing) present a comprehensive strategy report to City Council with a timeline for redevelopment of the Erie Street Parking Lot.
- 6) In 2035 (Year 10 following resurfacing) proceed with preferred development if desired. .

Thank you for the opportunity to assist the City with this project.

Yours truly;

A handwritten signature in black ink that reads "Jim Archibald". The signature is written in a cursive style with a large, stylized initial "J".

Jim Archibald P.Eng.
Principal



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Council
From: Sadaf Ghalib, Climate Change Program Manager
Report Number: COU24-141
Attachments: None

Title: Climate-Ready Plans and Processes Funding Opportunity

Objective: To provide an overview of Green Municipal Fund's Climate-Ready Plans and Processes funding opportunity available to municipalities intended to support climate adaptation and resilience initiatives.

Staff are seeking Council direction to proceed with the funding application to support a 2025 budget expansion request for additional staff capacity.

The application deadline is November 29, 2024.

Background: At the August 12, 2024, Regular Council meeting, Council adopted the following resolution:

THAT the Community Climate Action Plan (CCAP) be adopted;

THAT staff be directed to:

- Identify and advance actions in CCAP that can be implemented within the existing staffing capacity and budget resources;
- Include CCAP programs and supporting resources required for consideration in the 2025 multi-year budget process;

AND THAT staff be authorized to continue to explore potential funding opportunities through senior levels of government.

Staff have identified a funding opportunity from the Federation of Canadian Municipalities (FCM) Green Municipal Fund Program. Through the Climate-Ready Plans and Processes funding, the City may qualify for a grant covering up to 70% of eligible costs, up to a maximum of \$140,000.

Subject to Council approval, the City is well-positioned to submit a successful application to this program to support additional staff capacity required for the Climate Action Division.

Analysis: Staff have identified an expansion initiative in the 2025 draft budget for a 2-year pilot position (Community Energy Liaison) for Council's consideration. This contract position is anticipated to support capacity-building and initiate priority recommendations of the Community Climate Action Plan (CCAP).

The Climate-Ready Plans and Processes funding covers staff remuneration and benefits. Subject to Council deliberations and should the City's funding application be successful, it can help alleviate up to 70% budgetary implications for the expansion request.

This funding is intended to help communities adapt for the impacts of climate change, by developing climate risk assessments and climate adaptation plans, which are critical for safeguarding infrastructure, protecting essential services, and ensuring the well-being of all residents. As such, this is well aligned with the objectives of CCAP to accelerate climate action and ensure community-wide resilience.

If the application is successful, Council would still have the final decision whether to proceed with the position during 2025 Budget deliberations.

The application deadline is November 29, 2024.

Financial Implications:

Financial impact to current year operating budget:

There is no financial implication to the City's current year operating budget because of making an application to the grant funding opportunity.

Financial impact on future year operating budget:

Should the funding application be successful, the City's contribution toward the contract position reduces to 30% for each year of the two-year contract position. Based on estimated financial impact in the 2025 draft budget, the annual impact of the expansion is reduced to approximately \$31,455 (or 30% of annual salary and benefits). For a 2-year contract position this would translate to approximately \$62,910, as compared to the expansion costs identified of \$140,150 annually.

Link to Asset Management Plan and Strategy:

No direct link, however as the funding intends to support climate adaptation plans critical for safeguarding infrastructure, there is an indirect link to the asset management plan and asset management strategy.

Alignment with Strategic Priorities:

Not applicable: This report does not align with one of the Strategic Priorities as staff are seeking Council direction to proceed with a grant funding opportunity.

Alignment with One Planet Principles:

Sustainable Water

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

Local and Sustainable Food

Promoting sustainable humane farming and healthy diets high in local, seasonal organic food and vegetable protein.

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

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.

Zero Carbon Energy

Making buildings and manufacturing energy efficient and supplying all energy with renewables.

Staff Recommendation: THAT Council supports the application and authorizes staff to apply for the Federation of Canadian Municipalities' Local Leadership for Climate Adaptation initiative, seeking funding for Climate-Ready Plans and Processes to advance actions outlined in the Community Climate Action Plan;

AND THAT the City expansion initiative for additional staff capacity be considered during 2025 budget deliberations.

Prepared by: Sadaf Ghalib, Climate Change Program Manager
Recommended by: Taylor Crinklaw, Director of Infrastructure Services
 Joan Thomson, Chief Administrative Officer



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Council
From: Tatiana Dafoe, City Clerk
Report Number: COU24-149
Attachments: None

Title: Appointment of an Integrity Commissioner

Objective: To award the Request for Proposal for Integrity Commissioner Services (RFP-2024-22) for the City of Stratford.

Background: The Municipal Act, 2001, requires all municipalities to appoint an Integrity Commissioner. Broadly, the role of an Integrity Commissioner is to ensure adherence to the Code of Conduct for Members of Council and Designated Boards as well as the Municipal Conflict of Interest Act (MCIA). Further, the Integrity Commissioner provides advice and education to Members of Council on the rules contained within each. The Integrity Commissioner may conduct inquiries regarding whether a Member of Council or a local board has contravened the Code of Conduct or certain Sections of the MCIA.

At the May 13, 2024 Regular Council meeting, Council adopted the following resolution:

THAT a request for proposal be issued in 2024 for integrity commissioner services;

AND THAT the following requirements be mandatory:

- the successful bidder will have at least ten (10) years of legal or quasi-judicial experience, or senior municipal management; and
- minimum of three (3) references for whom the proponent has satisfactorily provided Integrity Commissioner services in the past 5 years; and
- the term of the contract be to December 31, 2026.

Following receipt of the direction above, staff issued a Request for Proposal (RFP-2024-22). The purpose of this Report is to provide Members of Council with the results of the procurement process and seek approval for the appointment of a new Integrity Commissioner for the City of Stratford.

Analysis: A total of four proposals were received from the following organizations in response to Request for Proposal RFP-2024-22:

- Good Sense Workplace Solutions
- ADR Chambers Inc.
- Loopstra Nixon LLP
- Boghosian + Allen LLP

Proposals were assessed against the following criteria:

- Experience
- Approach and methodology
- Knowledge of Ontario Municipal Act
- Experience with the Municipal Conflict of Interest Act
- Public Relations and Education
- Municipal References
- Financial

Following an evaluation of each proposal, two submissions were shortlisted and interviewed: ADR Chambers Inc. and Boghosian + Allen LLP. It is recommended that David Boghosian, Managing Partner of Boghosian + Allen LLP be appointed as the City of Stratford's Integrity Commissioner to December 31, 2026, with an option to renew for two years at the sole discretion of the City of Stratford.

Mr. Boghosian has over 30 years of experience in providing a broad range of legal services to municipalities including integrity commissioner services. Mr. Boghosian currently acts as Integrity Commissioner for several municipalities, including but not limited to: the Township of Pelham, the Township of Caledon, the City of Greater Sudbury, the City of Hamilton, and Norfolk County.

Upon appointment, it will be important for Council and the public to understand the role and purpose of the Integrity Commissioner, the impact of this office and how to communicate with the Integrity Commissioner. Communications, contact information and general information will be provided on the City of Stratford's website.

Financial Implications:

Financial impact to current year and future year operating budgets:

Funds are included in the annual budget for Integrity Commissioner services with a lump sum amount based on historical hourly volumes. No variances are expected in 2024 or 2025.

Legal considerations:

The City is required to appoint an integrity commissioner in accordance with the Municipal Act, 2001.

Alignment with Strategic Priorities:

Not applicable: This report does not directly align with one of the Strategic Priorities. The City is statutorily required to appoint an Integrity Commissioner as required by the Municipal Act, 2001.

Alignment with One Planet Principles:

Not applicable: This report does not directly align with the One Planet Principles. The City is statutorily required to appoint an Integrity Commissioner as required by the Municipal Act, 2001.

Staff Recommendation: THAT the Request for Proposal (RFP-2024-22) for Integrity Commissioner Services be awarded to Boghosian + Allen LLP;

THAT as the appointed Integrity Commissioner for the City of Stratford, David Boghosian, Managing Partner of Boghosian + Allen LLP will fulfill all statutory requirements pursuant to sections 223.3 and 223.8 of the Municipal Act, 2001, and pursuant to the Municipal Conflict of Interest Act, R.S.O. c M.50, as amended;

AND THAT a by-law be enacted to authorize the Mayor and Clerk, or their respective delegates, to execute an agreement with David Boghosian, Managing Partner of Boghosian + Allen LLP for the provision of Integrity Commissioner Services to December 31, 2026, with an option to renew for two years at the sole discretion of the City of Stratford.

Prepared by: Tatiana Dafoe, City Clerk

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services
Joan Thomson, Chief Administrative Officer



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Members of Council
From: Joan Thomson, Chief Administrative Officer
Report Number: COU24-139
Attachments: None

Title: Organizational Structure Changes - Corporate Services

Objective: To provide Council with information on organizational chart /administrative changes to reporting and administrative impacts.

Background: As services evolve, shifts in reporting structure and titles is required to best reflect the operations of departments and ensure business continuity in the event of change or turnover.

Over the past several years, the Corporate Services Department has worked to better align staffing resources for finance and tax roles with reporting and customer needs. In 2022, the Manager of Revenue and Taxation was created to reflect financial reporting requirements and broaden the role beyond taxation alone.

A subsequent administrative change has been to merge the 'Tax Division' into the 'Finance Division' recognizing that taxation is a component of municipal financial services and can function as part of the Finance Division.

Analysis: The Treasurer has several statutory responsibilities and functions identified in the Municipal Act, 2001. Section 286 outlines some of these and subsection (2) outlines that Deputy Treasurers can also be appointed.

286 (1) A municipality shall appoint a treasurer who is responsible for handling all the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality, including,

(a) collecting money payable to the municipality and issuing receipts for those payments;

(b) depositing all money received on behalf of the municipality in a financial institution designated by the municipality;

- (c) paying all debts of the municipality and other expenditures authorized by the municipality;
- (d) maintaining accurate records and accounts of the financial affairs of the municipality;
- (e) providing the council with such information with respect to the financial affairs of the municipality as it requires or requests;
- (f) ensuring investments of the municipality are made in compliance with the regulations made under section 418, if applicable; and
- (g) complying with any requirements applicable to the treasurer under section 418.1. 2001, c. 25, s. 286 (1); 2017, c. 10, Sched. 1, s. 35.

Deputy treasurers

(2) The municipality may appoint deputy treasurers who shall have all the powers and duties of the treasurer under this and any other Act. 2001, c. 25, s. 286 (2).

While Council can assign (and has assigned) delegated authorities for various things, like signatories, there is a needed element in the Corporate Services structure of the function of Deputy Treasurer. Appointing a Deputy Treasurer is not a requirement but is identified as good practice to ensure continuity in the event of unplanned or extended absences.

When the City experienced such an event previously, the step taken was to appoint an 'Acting Treasurer', but this does not provide the ongoing statutory support or succession planning for business continuity and does cease once a new Treasurer is appointed.

In a review of how tasks are divided, and the complexity and varied financial portfolio, it has been determined that many of the day-to-day tasks are already being completed by the managers and staff. To make this recognized statutorily, it is recommended that both manager positions have Deputy Treasurer included in their titles, and that they be appointed by by-law. By having two roles with the legislative authority of the Treasurer, this effectively protects the City from effects that unplanned changes can cause.

The manager positions in the Finance Division of Corporate Services, currently have appropriate signing authority with the financial institutions, investment firms and for most day-to-day operations, however formalizing the statutory functions will ensure that the authority is covered under the Municipal Act definitions and any applications, not just those assigned internally or through specific delegation.

Internal delegations will still exist as the Treasurer ultimately is the responsible authority but in the event of a change, will allow for relatively seamless coverage for all matters.

Financial Implications:

Financial impact to current year operating budget: There are no anticipated financial implications. There are no effective changes to current roles or delegated authorities identified at this time.

Financial impact on future year operating budget:

None anticipated

Alignment with Strategic Priorities:

Not applicable: This report does not directly align with one of the Strategic Priorities but represents best practices for succession planning and business continuity in the event of change.

Alignment with One Planet Principles:

Not applicable: This report is not aligned with the One Planet Principles as it is administrative in nature.

Staff Recommendation: THAT report titled, "Organizational Structure Changes – Corporate Services" (COU24-139), be received;

AND THAT the Mayor and Clerk be authorized to sign relevant appointment by-laws.

Prepared by: Joan Thomson, Chief Administrative Officer

Recommended by: Joan Thomson, Chief Administrative Officer



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Members of Council
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: COU24-142
Attachments: Draft 2022 Audited Financial Statements

Title: Draft 2022 Audited Financial Statements

Objective: To provide background information and an overview of material highlights in the Draft 2022 Audited Financial Statements and to obtain approval of the Draft 2022 Audited Financial Statements.

Background: Audited financial statements provide a consolidated and independently verified overview of a municipality's financial activities over the course of the previous fiscal year and its financial position at the end of that year. The intent is enhanced transparency and public accountability of local government financial affairs.

Financial statements must be prepared annually by the City's Treasurer in accordance with Public Sector Accounting Board (PSAB) standards as defined by Chartered Professional Accountants of Canada (CPA Canada) and must be independently audited by a qualified and authorized auditor in Ontario. The auditor reports directly to the local council and provides an audit opinion on the statements.

Section 224 (e) of the Municipal Act, 2001 states that it is the role of Council to maintain the financial integrity of the municipality. This function is fulfilled through various activities, including policy setting, budget approvals, review of regular variance reports (currently provided quarterly to the Finance and Labour Relations Subcommittee) to name a few. Another of these is approval of the audited financial statements.

Once completed, the audited financial statements must be available for public inspection and a copy of the statements must be provided to various funding agencies upon request. The financial statements are also used as the basis for completing the Financial Information Return (FIR) that is used by the Ministry of Municipal Affairs and Housing for further analysis, and to assess the Municipality's financial health in relation to other municipalities and determine eligibility for various funding streams.

Analysis: Due to many variables, the 2022 financial statements were significantly delayed in being completed. New staff worked with the auditing firm, which provided much appreciated guidance and support, as the Finance Division worked towards stability.

Generally, the financial statements consolidate the activities of the City's general operations, with those of our wholly and partially owned government business enterprises and partnerships, including Festival Hydro Inc, Festival Hydro Services Inc, Huron Perth Public Health, Spruce Lodge and SEEDCo.

While staff report regularly to the Finance and Labour Relations Sub-committee on the general operations and significant risk factors and variances, this is done for the general operations only. The typical reports include reporting on the cash activities, but do not include adjustments to the budgets and actuals to reflect Public Sector Accounting Board (PSAB) guidelines, which are necessary adjustments for the audited statements and other reporting the City is required to complete.

The result of converting the day-to-day financial reporting from a cash basis to a fully consolidated, PSAB adjusted basis is often a very different 'bottom line'. Cash surpluses reported are often rolled up and adjusted such that assessing the overall financial health of the City is done using very different figures than used by staff and Council. Both are valid methods; however, the full-accrual approach does include specific adjustments for items like how capital and reserve transactions are recorded. Because the cash method is more relatable for residents, this is the day-to-day approach taken by the City for internal reporting.

The adjusted statements are not really used internally as the City relies on the modified presentation of the budgets and variance analysis to make decisions requiring cash. The statements can, however, be useful for external parties to compare the City to other similar entities using the same accounting principles. It should be noted that there are still a few policy choices that can affect comparability, including things like asset useful lives, as an example.

Regardless of adjustments for PSAB, the regular reporting the City uses is reflective of the general requirement for and use of cash and presents a valid picture at the December 31, 2022 date.

Highlights from the Draft 2022 Audited Financial Statements

Statement of Financial Position

Cash and Cash equivalents decreased from \$43 million to \$39 million due to a decrease in general and reserve balances between cash and investments and increased investment in Tangible Capital Assets. Trade and other receivables show an increase of approximately \$8 million, which is mainly due to the timing of grant revenues received for capital projects.

The remainder of the \$10 million change is due to investment in Festival Hydro amounts required to be reported as revenues, along with some smaller shifts in other receivables.

Payables and other liabilities increased by approximately \$5 million, between deferred revenues (attributed to provincial grants) and general trade payables due to timing differences at year-end. Long-term debt balances decreased only slightly due to borrowing occurring in the year.

Amounts invested in Tangible Capital Assets increased by \$25 million due to infrastructure investment, the largest of which was the Queen St storm project.

Income Statement

Total Revenues increased by \$10 million over the previous year. \$5 million was from increases in taxation revenues, mainly in the residential and commercial classifications and as a result in increased assessment from growth. The investment the City holds in Festival Hydro accounted for 4 million of the change. There was a shift between other revenue lines to account for the differences.

Total expenses increased compared to the prior year by approximately \$13 million. The largest component of this variance to Council-approved budget is related to the adjustments required to comply with PSAB, for things like debt repayment, transfers to and from reserve funds and amortization expense but there was also increased operating expenses in all departments.

Accumulated Surplus

Both the budgeted annual surplus and the actual figures have been adjusted for PSAB. As mentioned earlier, the City (like many municipalities) prepares its budget on a modified accrual basis. This means that most items are budgeted based on cash outlay including debt repayments and transfers to the capital reserve funds. The budget also does not include non-cash expenses like amortization, and therefore adjustments are required to ensure the financial reporting is consistent with PSAB guidelines.

Accumulated surplus consists of the historical values of tangible capital assets, is reduced by corporate liabilities to reserves and reserve funds and amounts to be recovered. This is not to be confused with cash operating surplus, that is reported to Council through management reports. In 2022, the cash surplus of \$1,169,805 (2021-\$3,076,500) was transferred to the Tax Stabilization Reserve.

Statement of Cash Flow

This schedule breaks down the sources of cash and the use of cash as compared to the prior year. As indicated, the main reason for the change is due to timing differences between receipt of cash and expending of cash and often fluctuates year-over-year.

Notes to the Financial Statements

Notes and qualitative context are just as important as the financial data to interpret financial statements. Working with the auditors, staff continue to improve the qualitative descriptions and provide disclosures that are above those required by PSAB standards. Better disclosures of commitments and multi-year contracts is one example.

Automating the Financial Statement Process

Prior to 2021, most of the City's working papers and those of the auditors were paper-based and the systems used by both entities not well-interfaced. This resulted in inefficient preparation for the audit by the City, and suboptimal audit processes by the auditor. Considerable time has been spent by both parties to ensure that fulsome working papers are prepared by staff and that mapping and grouping of accounts is done consistently at both ends. This is expected to considerably improve the efficiency of the audit process and allow for future audits to be completed much quicker.

Overall conclusion on 2022

Despite the lingering effects of the Covid-19 pandemic, the overall financial health of the Corporation remained good when assessing by common accounting metrics. Long-term financing strategies for the asset management plan and how the City uses long-term debt to address these remain significant considerations looking to the future. Decisions around current and future service levels and their lifecycle costs will continue to require scrutiny.

With respect to the 2023 year-end financial statements, staff are already working with the auditor to have completed as soon as possible, aiming for first quarter of 2025. 2024 will also be a priority to ensure the City returns to having the statements prepared in the first half of the subsequent year.

Next Steps

Once the 2022 audited financial statements are approved and prepared in final format, these will be signed and provided to the ministries and financial institutions that require them and published to the City's website.

Staff will finalize the 2022 Financial Information Return (FIR) for submission to the Ministry of Municipal Affairs and Housing and expect this to be submitted before the end of 2024.

The City has cash-flowed some capital works that will be funded via bank loans. Drawing these loans is dependent upon having reasonably current financial statements for the bank. Funding these projects to replenish cash for other purposes will occur in the 2025. This process does not impact the 2022 audited financial information but will affect subsequent statements of cash flow and reserve fund balances.

Financial Implications:

Financial impact to current year operating budget:

The 2022 audited financial statements have little bearing on the 2024 operating cash budget. The cash basis surplus that was previously communicated of \$1,169,805 from the 2022 year-end is reflected in the Tax Stabilization Reserve and has since been utilized in developing the 2024 draft budget.

Financial impact on future year operating budget:

The budgets are prepared with the expectation that surpluses or deficits will not occur. Sometimes they do but given the reliance on this reserve in the draft 2024 budget process, this is not expected to be an option in future years to the same extent.

Link to asset management plan and strategy:

There is an indirect connection between the audited financial statements and the asset management plan. One of the more significant PSAB adjustments relates to the treatment of the City's regular 'Transfers to Reserves' for Capital purposes, and the non-cash adjustments to budget for amortization and other non-cash expenses. Asset acquisitions and disposals overlap, but the financial statements take a historical cost approach, while the asset management activities look to future cost replacements.

Alignment with Strategic Priorities:

Intentionally Change to Support the Future

This report aligns with this priority as the City improves its financial reporting and improves efficiencies of reporting.

Alignment with One Planet Principles:

Not applicable: This report is a financial administrative report and does not align with One Planet Principles.

Staff Recommendation: THAT the report titled, "Draft 2022 Audited Financial Statements" (COU24-142), dated November 25, 2024, be received for information;

AND THAT Council approve the Draft 2022 Audited Financial Statements to be finalized, including any minor changes if required.

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

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Joan Thomson, Chief Administrative Officer

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

Draft Nov 13

THE CORPORATION OF THE CITY OF STRATFORD**For the year ended December 31, 2022****INDEX**

Management Report	1
INDEPENDENT AUDITORS' REPORT	2 - 3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 30

Draft Nov 13

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Stratford

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Stratford (the 'Corporation'), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2022, and the consolidated results of its operations, its consolidated changes and net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 these consolidated financial statements in accordance with Canadian public sector accounting standards, 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 consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these 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 consolidated 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 the Corporation'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 the Corporation'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 the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Date of Approval
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE CITY OF STRATFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2022	2021
Financial Assets		
Cash and cash equivalents (Note 2)	39,886,053	43,201,943
Taxes receivable	2,490,604	2,224,491
Trade and other receivable	18,131,205	10,857,984
Loans receivable (Note 3)	904,359	1,101,008
Investments (Note 4)	28,463,673	26,394,975
Investment in government business enterprises (Note 5)	51,285,420	47,484,869
Land held for resale	347,651	347,651
	141,508,965	131,612,921
Financial Liabilities		
Accounts payable and accrued liabilities	23,308,601	21,452,173
Deferred revenue (Note 7)	30,289,872	26,726,239
Solid waste landfill closure and post closure liability (Note 8)	3,736,000	3,620,000
Employee benefits payable (Note 10)	15,781,318	15,234,090
Long-term debt (Note 11)	49,505,852	49,775,859
	122,621,643	116,808,361
Net Financial Assets	18,887,322	14,804,560
Non-Financial Assets		
Tangible capital assets (Note 20)	342,667,114	317,863,185
Inventory	314,853	317,629
Prepaid expenses	832,382	715,791
Other non-financial assets (Spruce Lodge)	62,133	46,119
	343,876,482	318,942,724
Total Net Assets	362,763,804	333,747,284
Accumulated Surplus (Note 13)	362,763,804	333,747,284

Contractual Obligations (Note 9)

Contingencies (Note 14)

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE CITY OF STRATFORD**CONSOLIDATED STATEMENT OF OPERATIONS**

For the year ended December 31	2022 Budget (Note 21)	2022	2021
Revenue			
Net municipal taxation	68,826,984	68,549,192	63,776,067
Payments-in-lieu of taxation	-	512,484	492,423
Conditional grants	30,849,323	45,172,093	38,518,425
Revenue from other municipalities	7,473,377	10,810,051	11,759,586
User fees and service charges	24,154,500	26,893,006	24,384,711
Licenses, permits and rents	4,765,611	7,176,903	4,507,268
Fines and penalties	555,000	504,981	489,345
Other revenue	2,465,774	5,123,528	4,268,903
Income from government business enterprises	-	6,214,976	2,414,465
	139,090,569	170,957,214	150,611,193
Expenses			
General government	10,017,714	11,564,338	8,644,694
Protection services	23,998,973	25,002,656	23,143,078
Transportation services	12,186,301	15,233,109	14,429,286
Environmental services	11,629,425	13,530,162	12,604,808
Health services	8,995,016	9,665,847	10,085,063
Social and family services	29,132,830	33,949,531	28,410,278
Social housing	8,583,500	14,005,682	13,780,260
Recreation and cultural services	12,143,689	12,566,066	11,367,789
Planning and development	6,442,035	6,415,122	6,090,771
	123,129,483	141,932,513	128,556,027
Annual Surplus	15,961,086	29,024,701	22,055,166
Increase (decrease) in Net Municipal Position	15,961,086	29,024,701	22,055,166
Change in proportionate consolidation (Note 18)	-	(8,181)	(229,968)
Opening Accumulated Surplus	333,747,284	333,747,284	311,922,086
Ending Accumulated Surplus (Note 13)	349,708,370	362,763,804	333,747,284

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE CITY OF STRATFORD
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2022 Budget (Note 21)	2022	2021
Annual Surplus	15,961,086	29,024,701	22,055,166
Acquisition of tangible capital assets	(40,235,075)	(25,968,722)	(23,924,812)
Acquisition of tangible capital assets - WIP	-	(9,450,314)	(2,743,865)
Amortization of tangible capital assets	10,035,361	10,035,361	9,879,261
(Gain)/loss on disposal of tangible capital assets	-	518,760	191,319
Proceeds from sale of tangible capital assets	-	44,624	37,618
	(14,238,628)	4,204,410	5,494,687
Change in inventory	-	2,776	14,238
Change in other non-financial assets	-	(16,014)	102,119
Change in prepaid expenses	-	(116,591)	818,691
Change in Net Financial Assets (Debt)	(14,238,628)	4,074,581	6,429,735
Net Financial Assets (Debt), Beginning of the Year	14,804,560	14,804,560	8,454,514
Change in proportional consolidation (Note 18)	-	8,181	(79,689)
Net Financial Assets (Debt), End of the Year	565,932	18,887,322	14,804,560

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE CITY OF STRATFORD**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended December 31	2022	2021
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus	29,024,701	22,055,166
Items not involving cash:		
Amortization of tangible capital assets	10,035,361	9,879,261
Loss/(Gain) on disposal of tangible capital assets	518,760	191,319
Government business enterprise net earnings	(4,439,150)	(3,305,351)
Changes in non-cash operating working capital:		
Trade and other receivables	(7,273,221)	(4,005,562)
Taxes receivable	(266,113)	160,563
Inventory	2,776	14,238
Prepaid expenses	(116,591)	818,691
Other non-financial assets	(16,014)	102,119
Accounts payable and accrued liabilities	1,856,428	5,325,238
Deferred revenue	3,563,633	3,290,533
Employee benefits payable	547,228	1,222,097
Solid waste landfill closure and post closure liability	116,000	283,093
	33,553,798	36,031,405
Financing Activities		
Long-term debt advanced	5,349,833	-
Repayment of long-term debt	(5,619,840)	(6,253,872)
	(270,007)	(6,253,872)
Investing Activities		
Dividends from Government business enterprises	638,599	890,886
Net increase in investments	(2,068,698)	(1,449,884)
Net (increase)/decrease in loans receivable	196,649	191,043
	(1,233,450)	(367,955)
Capital transactions		
Purchase of tangible capital assets	(35,419,036)	(26,668,677)
Proceeds from the sale of tangible capital assets	44,624	37,618
	(35,374,412)	(26,631,059)
Change in Cash and Cash Equivalents	(3,324,071)	2,778,519
Cash and Cash Equivalents, Beginning of Year	43,201,943	40,503,113
Change in proportionate consolidation (Note 18)	8,181	(79,689)
Cash and Cash Equivalents, End of Year	39,886,053	43,201,943

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Stratford (the "Corporation") are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants Canada. Significant aspects of accounting policies are as follows:

(a) Reporting entities

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the Corporation and include the activities of all committees of Council and the following local boards, municipal enterprises and utilities which are accountable to the Corporation for the administration of their financial affairs and resources and are owned or controlled by the Corporation.

(i) Consolidated entities:

- Stratford Public Library
- Police Services Board
- Board of Parks
- Downtown Stratford BIA
- Perth & Stratford Housing Corporation
- SEED Co.

(ii) Proportionally consolidated entities:

The following entities are proportionally consolidated with the financial statements of the Corporation based on an approved funding agreement effective January 1, 2022.

	2022	2021
Perth District Health Unit	23.26%	23.40%
Spruce Lodge Home for the Aged	41.11%	41.13%
Spruce Lodge Home Assistance Corporation	41.11%	41.13%
Spruce Lodge Foundation	41.11%	41.13%

The method of consolidation is based on notional weighted assessment as stated in the new shared services costing agreement.

(iii) Equity accounting:

Government business enterprises are accounted for by the modified equity method. Under the modified equity method, the accounting principles of government business enterprises are not adjusted to conform to the Corporation's accounting principles and inter-organizational transactions and balances are not eliminated. However, inter-organizational gains and losses are eliminated on assets remaining with the government reporting entities at the reporting date.

The government business enterprises include:

- Festival Hydro Inc.
- Festival Hydro Services Inc.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of accounting:

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand, cash held in financial institutions and temporary investments with maturities of 60 days or less.

(d) Bank indebtedness:

Bank indebtedness is a fluctuating short term line of credit held in a financial institution.

(e) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, and include interest charges when these charges are directly attributable to the capital project. Donated or contributed assets are capitalized and recorded at their estimated fair value upon acquisition. Leased capital assets are valued at the present value of the future minimum lease payments. Certain tangible capital assets for which historical cost information is not available have been recorded at current replacement cost deflated by a relevant inflation factor.

Works of art and other historical treasures are accounted for in the same method as the other tangible capital assets, with the exception that they are not amortized.

Work in progress identified in this and subsequent notes relates to assets under construction. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 to 30 years
Buildings and building equipment	15 to 50 years
Computer equipment	5 years
Furniture and fixtures	15 to 30 years
Vehicles	2 to 25 years
Machinery and equipment	5 to 25 years
Linear assets	20 to 40 years
Other capital assets	50 years
Roads	15 to 60 years
Bridges	60 to 75 years
Water and wastewater facilities	35 to 100 years
Underground and other networks	100 years

(f) Land held for resale:

The land held for resale is recorded at the lower of cost and net realizable value.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Tax revenues:

In 2022, the Corporation billed over \$68.4 million in property tax revenue for municipal purposes. A further \$11.5 million in provincial education taxes were collected on behalf of the Province of Ontario for education purposes and remitted to the Province during the year, and do not form part of these financial statements. The authority to levy and collect property taxes is established under the Municipal Act, 2001, the Assessment Act, the Education Act and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with provincial legislation and Council approved policies, in order to raise the revenues required to meet operating and capital budget requirements. Education tax rates are established by the Province of Ontario each year in order to fund the costs of education on a Province-wide basis.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The Corporation may receive supplementary assessment information over the course of the year from MPAC that identify new or previously omitted assessments. Property taxes for these supplemental/omitted amounts are then billed according to the approved tax rate for the applicable property class.

Taxation revenues in any given year may also be reduced as a result of reductions in assessment values rising from assessment appeals. Each year, an amount is identified in the budget to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals, or other deficiencies in tax revenue.

(h) Deferred revenue:

The recreational land (Planning Act), development charges fund, and sub divider contributions are prescribed by legislation, or agreement and are reported as deferred revenue on the consolidated statement of financial position. Grants that are received in the year, but are subject to external restrictions that have not been fulfilled, are recorded in deferred revenue until those obligations are met. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(i) Long-term investments:

Long-term investments are recorded at cost less any amounts written-off to reflect a permanent decline in market value below cost. Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise government and corporate bonds, debentures, pooled investment funds and short-term instruments of various financial institutions.

Investment income earned is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

(j) Inventory:

Inventory is valued at the lower of cost and net realizable value on a first-in, first-out basis.

(k) Employee benefits payable:

The Corporation provides post-retirement health care, life insurance and unused sick leave benefits to eligible retired employees. The benefits earned by employees are actuarially determined using management's best estimate of salary escalation, retirement ages of employees and expected benefit costs.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee benefits payable (Continued):

Past service costs from plan amendments related to prior period employee services are accounted for in the period of the plan amendment. The effects of a gain or loss from settlements or curtailments are expensed in the period they occur. Net actuarial gains and losses related to the employee benefits are amortized over the average remaining service life of the related employee group. Employee future benefit liabilities are discounted at the Corporation's cost of borrowing using estimated rates for debt with maturities similar to expected benefit payments in the future. The costs of workplace safety and insurance obligations are actuarially determined and are expensed.

(l) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The amounts subject to such estimates include employee benefits payable, assessment appeals, claims provisions, and solid waste landfill closure and post-closure liability. Actual results could differ significantly from those estimates.

(m) Transactions on behalf of others:

Trust funds operated by the Corporation amounting to \$2,965,117 (2021 - \$2,884,171) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations, as they are reported on separately. The Trust funds held by the Corporation consist primarily of funds related to legislated perpetual care amounts and prepaids relating to cemetery activity.

(n) Government transfer revenue

Government transfer revenue is recorded once it is authorized by the transferring government and the Corporation is eligible to receive the transfer. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3410 of the Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

Government transfers include social assistance program funding representing 80-100% of certain social services programs, social service administration funding covering 50% of certain administration costs and transfers for social housing totaling approximately 20% of costs of the program.

In addition, the Corporation periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from both senior levels of government as a result of an allocation of gas tax funds.

(o) Contaminated sites:

Public Sector Accounting Handbook section 3260 - Liability for Contaminated Sites, requires that the Corporation recognize a liability for remediation of contaminated sites when contamination of a site, for which the Corporation is directly responsible or accepts responsibility, exceeds an existing environmental standard and a reasonable estimate of the remediation costs can be made. The Corporation has established an inventory of municipally owned sites and is in the process of evaluating if it will be required to recognize a liability for remediation of any of the sites.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

2. CASH AND CASH EQUIVALENTS

The following is a breakdown of cash and cash equivalents and bank indebtedness:

	2022	2021
General bank accounts	3,478,336	8,523,874
General reserve bank accounts	36,404,380	34,674,432
Petty cash	3,337	3,637
	39,886,053	43,201,943

3. LOANS RECEIVABLE

The following loans are outstanding at December 31:

	2022	2021
Stratford Perth Museum	256,333	269,966
Heritage Conservation District Loans	32,709	49,002
Stratford Soccer Association	50,000	60,000
Stratford Perth Museum (2)	117,451	124,721
Stratford Chef School	37,353	145,754
Stratford Soccer Association Turf Field	410,513	451,565
	904,359	1,101,008

The Stratford Perth Museum loan matures in 2037, has an interest rate of 3% with repayments of \$1,791 being made monthly.

The Heritage Conservative District loans are interest-free 10 year loans with maturity dates between March 2023 and July 2033.

The Stratford Perth Museum (2) matures in 2038, has an interest rate of 0.5% with repayments of \$656 being made monthly.

The Stratford Soccer Association loan is a 15 year interest-free loan maturing September 2028 with an yearly payment of \$10,000.

The Stratford Chef School loan is a 6 year loan at an interest rate of 5%.

The Stratford Soccer Association turf field loan is a 15 year interest-free loan maturing December 2032 with a yearly payment of \$41,051.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

4. INVESTMENTS

	2022	2022	2021	2021
	Cost	Market Value	Cost	Market Value
Restricted Deposit notes/GIC's	2,358,861	2,022,306	4,436,385	4,357,896
Restricted Fixed Income	17,574,685	15,164,599	13,587,732	15,309,350
Total Restricted	19,933,546	17,186,905	18,024,117	19,667,246
Unrestricted Deposit notes/GICs	1,245,459	1,026,073	1,656,960	1,656,960
Unrestricted Fixed Income	7,284,668	6,851,801	6,713,898	6,714,413
Total Unrestricted	8,530,127	7,877,874	8,370,858	8,371,373
Total	28,463,673	25,064,779	26,394,975	28,038,619

Long-term investments earn interest between 0.95% and 5.15% and have maturity dates between January 2023 and March 2031.

Draft Nov 2022

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The Corporation holds a 100% interest in Festival Hydro Inc. and Festival Hydro Services Inc. as follows:

	2022	2021
Festival Hydro (a)	49,639,035	45,896,146
Festival Hydro Services Inc. (b)	1,646,385	1,588,723
	51,285,420	47,484,869
(a) Festival Hydro Inc.:	2022	2021
Financial position:		
Current assets	13,904,829	14,565,257
Capital assets	58,854,033	57,113,909
Other assets	2,591,168	1,734,841
Total assets	75,350,030	73,414,007
Regulatory balances	7,503,962	4,527,854
Current liabilities	15,289,157	13,115,959
Demand loan payable to the City of Stratford	15,600,000	15,600,000
Post-employment benefits	1,009,878	1,361,643
Other liabilities	15,815,090	15,836,536
Total liabilities	47,714,125	45,914,138
Regulatory balances	1,100,832	1,731,577
Equity	34,039,035	30,296,146
Financial activities:		
Revenues	68,881,680	72,338,384
Operating expenses	(67,405,916)	(69,125,670)
Finance costs (net)	172,396	(939,719)
Income tax	(1,096,421)	(917,289)
Net movement in regulatory balances	3,526,491	1,758,928
Other comprehensive income (loss)	303,258	80,606
Equity, beginning of year	30,296,146	27,991,792
Dividends paid or payable on shares	(638,599)	(890,886)
Equity, end of year	34,039,035	30,296,146
Investment in Festival Hydro Inc.:		
Equity, end of year	34,039,035	30,296,146
Demand loan payable to the City of Stratford	15,600,000	15,600,000
Net investment	49,639,035	45,896,146

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

(b) Festival Hydro Services Inc.:	2022	2021
Financial Position:		
Current assets	54,169	78,847
Capital assets	2,840,389	3,078,178
Other assets	70,719	29,990
Total assets	2,965,277	3,187,015
Current liabilities	56,021	33,211
Demand loan payable to the City of Stratford	372,000	372,000
Other liabilities	1,262,911	1,565,081
Total liabilities	1,690,932	1,970,292
Equity	1,274,345	1,216,723
Financial activities:		
Revenues	1,371,559	1,336,141
Operating expenses	(1,247,932)	(1,137,808)
Finance costs (net)	(43,965)	(49,222)
Income tax	(22,000)	(39,000)
Equity, beginning of year	1,216,723	1,106,612
Dividends on common shares	-	-
Equity, end of year	1,274,385	1,216,723
Investment in Festival Hydro Services Inc.:		
Equity, end of year	1,274,385	1,216,723
Demand loan payable to the City of Stratford	372,000	372,000
Net investment	1,646,385	1,588,723

During the year, and within the normal course of operations, the Corporation was provided water and sewer billing and collection services by Festival Hydro Inc. Amounts paid to Festival Hydro Inc. by the corporation were \$499,716 (2021 - \$494,093).

The Corporation also leases space from Festival Hydro Inc. for which it paid rent of \$33,477 (2021 - \$27,638) during the year.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

6. PENSION AGREEMENT

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The 2022 contribution rates are 9.0% for employee earnings below the year's maximum pensionable earnings and 14.6% thereafter for employees with a normal retirement age of 65. The 2021 contribution rates were 9.0% for employees earning below the year's maximum pensionable earnings and 14.6% thereafter for employees with a normal retirement age of 60. Employees and employers contribute jointly to the plan.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Corporation to OMERS for 2022 were \$3,544,764 (2021 - \$3,554,235) and are matched by employee contributions in a similar manner. Employer contributions are recognized as an expenditure in the consolidated statement of financial activities in the year contributions are made.

The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions would be required in the future from all OMERS participants. The latest available report for the OMERS plan was December 31, 2022. At that time, the Plan reported a \$6.7 billion actuarial deficit (2021 - \$3.1 billion actuarial deficit).

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

7. DEFERRED REVENUE

	Balance at December 31 2021	Additions	Withdrawals	Balance at December 31 2022
Obligatory Reserve Funds:				
Development charges	14,531,121	6,362,993	5,508,785	15,385,329
Subdivider contributions	115,980	4,742	-	120,722
Recreational land (The Planning Act)	769,494	394,201	-	1,163,695
Federal gas tax	9,555,789	2,393,315	1,638,952	10,310,152
Provincial gas tax	424,736	489,842	418,641	495,937
Building permit inspections	-	318,465	100,988	217,477
Other current miscellaneous	728,600	2,588,475	1,354,450	1,962,625
Other consolidated entities:				
Other	600,519	38,900	5,484	633,935
	26,726,239	12,590,933	9,027,300	30,289,872
	Balance at December 31 2020	Additions	Withdrawals	Balance at December 31 2021
Obligatory Reserve Funds:				
Development charges	12,595,538	2,538,275	602,692	14,531,121
Subdivider contributions	113,325	2,655	-	115,980
Recreational land (The Planning Act)	673,955	169,315	73,776	769,494
Federal gas tax	6,241,055	4,138,159	823,425	9,555,789
Provincial gas tax	612,878	491,933	680,075	424,736
Other current miscellaneous	2,792,081	586,891	2,650,372	728,600
Other consolidated entities:				
Other	406,874	775,046	581,401	600,519
	23,435,706	8,702,274	5,411,741	26,726,239

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

8. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Solid waste landfill closure and post-closure liability accounts for anticipated closure and post-closure costs for the existing and closed landfill sites. This liability is the estimated cost to date, based on a volumetric basis, of the expenditures related to those activities required when the site or phase stops accepting waste.

Post-closure activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage system and final cover.

The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs. The liability includes the portion of the landfill that was closed in 1995. This liability is partially funded by a reserve fund.

Key assumptions in arriving at the liability are:

	2022	2021
The landfill is expected to reach capacity in 2043		
Remaining capacity as at December 31	1.25 million tonnes	1.25 million tonnes
Expected closing cost in 2022 dollars	\$ 3,736,000	\$ 3,620,000
Costs still to be recognized	\$ 3,158,662	\$ 3,093,143
Expected inflation rate	2 %	2 %
Discount rate	3.90 %	3.90 %
Estimated time needed for post-closure care	50 Years	50 Years

The Corporation has established a reserve fund to assist with the post closure costs. The reserve fund has a balance of \$577,338 (2021 - \$526,857).

9. CONTRACTUAL OBLIGATIONS

At December 31, the Corporation had a number of contracts and commitments that remained fully or partially outstanding as noted, representing future year commitments:

The Corporation has a contract with Ontario Clean Water Agency to operate the sewage system. The term of the agreement is 10 years for the period January 1, 2018 to December 31, 2027. The contract fees amounting to \$1,039,567 (2021 - \$996,072) are reported in the Consolidated Statement of Operations. The 2023 commitment is \$1,126,045.

The Corporation has entered into several agreements for the lease and supply of various equipment, vehicles and services with expected payments of approximately \$2,233,800 for 2023.

In February 2022, the Corporation entered into an agreement for purchase of service agreement with StormFisher Environmental Ltd. for the processing of source separated organics for \$100.01 per tonne, and expected tonnage of 1,000 annually to March 2023 with a future year commitment of \$100,000.

The Corporation has outstanding contractual obligations of approximately \$8,226,200 at December 31, 2022 for various capital works that were not completed in 2022.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

10. EMPLOYEE BENEFITS PAYABLE

Employee future benefits are liabilities of the Corporation to its employees and early retirees for benefits earned but not taken. Details are as follows:

	2022	2021
Post-retirement benefits (a)	10,999,076	11,319,748
Workplace Safety and Insurance Board Obligation (b)	4,782,242	3,914,342
	15,781,318	15,234,090

The Corporation provides benefits to retirees until they reach 65 years of age, provides certain benefits to employees on long-term disability, allows certain employees to accumulate unused sick leave to be taken as a cash payment on termination. Above values are based on actuarial and management estimates as at December 31, 2022.

(a) The actuarial analysis is only for the City of Stratford, not including WSIB. Significant assumptions used in the actuarial valuation are as follows:

	2022	2021
Discount rate	2.60 %	2.60 %
Rate of compensation increase	2.50 %	1.50 %
Healthcare cost increase	8.00 %	8.00 %

The benefit obligation continuity is as follows:

	2022	2021
Accrued benefit obligation end of prior year	10,696,300	10,605,700
Current period benefit cost	651,800	635,300
Retirement interest expenditure	281,100	281,500
Benefits paid	(1,070,000)	(826,200)
Accrued Benefit Obligation as at December 31	10,559,200	10,696,300
Unamortized actuarial (gain) loss	(228,800)	-
Liability for post-retirement benefits	10,330,400	10,696,300

Post-retirement benefits expense is as follows:

	2022	2021
Current period benefit cost	651,800	635,300
Retirement interest expenditure	281,100	281,500
Amortization of actuarial (gain) loss	166,100	179,400
Total post-retirement benefits expense	1,099,000	1,096,200

Reserves have been established to partially provide for this past service liability. The balance at the end of the year is \$5,878,907 (2021 - \$6,118,111). An amount of \$609,387 (2021 - \$nil) was paid out of reserves to employees who left the Corporation's employment during the current year.

(b) The City of Stratford is a Workplace Safety and Insurance Board (WSIB) Schedule 2 employer. The Corporation has recorded an accrual for the estimate of future benefit costs and administrative loading as calculated by actuaries. During the year, \$726,132 (2021 - \$789,409) was paid by the Corporation to the WSIB in relation to those benefits.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

11. LONG-TERM DEBT

The balance of long-term debt reported on the consolidated statement of financial position consists of total long-term debt incurred by municipal enterprises. The amount at the end of the year is as follows:

	2022	2021
OSIFA debenture bearing interest at 2.57% due June 2032	12,728,533	14,068,377
OSIFA debenture bearing interest at 2.78% due September 2024	134,000	201,000
OSIFA debenture bearing interest at 2.74% due November 2028	1,735,208	2,024,409
OMEIFA debenture bearing interest at 4.96% due November 2034	8,071,858	8,744,512
OMEIFA debenture bearing interest at 2.70% due November 2034	729,797	780,666
OMEIFA debenture bearing interest at 4.28% due December 2024	733,333	1,100,000
OMEIFA debenture bearing interest at 3.21% due December 2026	5,611,369	7,014,212
OMEIFA debenture bearing interest at 3.42% due December 2023	4,482,867	4,890,400
Royal Bank loan payable, interest at 2.63% per annum, due February 2026	-	141,254
Royal Bank loan payable, interest at 2.42% per annum, due June 2024	493,893	684,669
Royal Bank loan payable, interest at 2.84% per annum, due April 2027	3,480,287	3,633,760
Royal Bank loan payable, interest at 2.88% per annum, due April 2028	3,446,278	3,597,657
Royal Bank loan payable, interest at 2.49% per annum, due April 2025	512,591	723,151
Royal Bank loan payable, interest at 2.51% per annum, due April 2023	1,012,412	1,081,559
Royal Bank loan payable, interest at 2.80% per annum, due April 2026	1,021,765	1,090,233
Royal Bank loan payable, interest at 5.65% per annum, due October 2027	3,595,127	-
Royal Bank loan payable, interest at 5.66% per annum, due October 2027	1,716,534	-
	49,505,852	49,775,859

Principal repayments are summarized as follows:

2023	5,674,739
2024	5,708,339
2025	5,061,211
2026	4,913,662
2027	3,540,911
Thereafter	24,606,990
	49,505,852

Long-term liabilities and commitments to be financed from reserves beyond the term of Council are covered by by-law. The principal and interest payments required to service existing and pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

Total interest on long-term debt was \$2,379,437 (2021 - \$1,920,798).

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

12. PUBLIC LIABILITY INSURANCE

In recent years, there have been substantial increases in premiums charged by the insurance industry for public liability insurance. As a result, the Corporation has undertaken some portion of the risk, which would historically have been covered by outside insurers.

The Corporation is self-insured for public liability claims up to \$50,000 for any individual claim and \$50,000 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

As at December 31, 2022, there are legal claims commenced against the Corporation that remain outstanding. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

13. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of balances in reserves and reserve funds, operating surplus, capital surplus, unfunded liabilities to be recovered in the future, investment in government business enterprises and investment in tangible capital assets.

	2022	2021
Reserves set aside for specific purposes by Council:	18,154,667	17,292,291
Reserve Funds set aside for specific purpose by Council:	43,555,896	45,254,869
Amounts to be recovered:		
Investment in Government Business Enterprise	(15,972,000)	(15,972,000)
Solid waste landfill closure and post closure liability	(3,736,000)	(3,620,000)
Employee benefits payable	(15,781,318)	(15,234,090)
Long-term debt	(49,505,852)	(49,775,859)
Interest accrual on debt	(124,978)	(112,992)
Total amounts to be recovered	(85,120,148)	(84,714,941)
Cumulative operating deficit	(8,126,796)	(9,780,640)
Investment in Government Business Enterprise	51,285,420	47,484,869
Land held for resale	347,651	347,651
Work in progress	25,041,542	15,803,877
Investment in tangible capital assets	317,625,572	302,059,308
Total accumulated surplus	362,763,804	333,747,284

The cumulative operating deficit reflects the Corporation's \$1,169,805 cash-basis operating surplus as well as PSAB and consolidated adjustments.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

14. CONTINGENCIES

As of December 31, 2022, certain legal actions and other contingent liabilities are pending against the Corporation. Reference can be made to note 12 for details of the public liability insurance maintained by the Corporation. Not all contingencies can be estimated at year-end since the outcome of these matters is indeterminate at this time.

15. FINANCIAL INFORMATION FOR THE LIBRARY BOARD

The Ministry of Culture provides operating grants and pay equity grants to the Library. A condition of this grant is that the Library Board supply its financial information to the Ministry. This information may be included in the consolidated financial statements provided that the financial information of the library is identified either by a separate schedule or a note.

	2022	2021
Revenue		
Other grant revenue	6,146	8,074
Public library operating grant	57,509	57,275
Investment and interest income	35	-
Fees and charges	374,398	458,958
Donations	63,734	5,560
Total revenue	501,822	529,867
Expenses		
Wages	2,238,959	2,258,504
Materials	109,450	104,395
Services	526,298	381,795
Other	37,315	94,296
Total Expenses	2,912,022	2,838,990
Deficiency of revenue over expenses	2,410,200	2,309,123
Deficiency was funded as follows:		
Transfer from (to) reserves and reserve funds	(230,724)	(227,853)
Contribution from the Corporation	2,640,924	2,536,976
	2,410,200	2,309,123

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

16. GOVERNMENT PARTNERSHIP - HURON PERTH PUBLIC HEALTH

The Corporation of the City of Stratford is a partner in Huron Perth Public Health. The Corporation provides 23.26% (2021 - 23.40%) of the municipal funding for the Cost Shared Mandatory related programs. The Corporation's share of results of Huron Perth Public Health's financial results from operations for the year and its financial position at year-end have been consolidated within these financial statements. At December 31, 2022 Huron Perth Public Health's financial results and financial performance are as follows:

	2022	2021
Financial assets	2,888,072	2,711,957
Liabilities	(4,024,830)	(3,731,424)
Non-financial assets	5,689,986	5,572,695
Accumulated surplus	4,553,228	4,553,228
Revenues	22,273,577	23,077,870
Expenses	(22,273,577)	(24,424,804)
Annual surplus/(deficit) before restructuring adjustments	-	(1,346,934)

The Corporation's share of Huron Perth Public Health's assets, liabilities and accumulated surplus at December 31, 2022 are as follows:

Financial assets	671,766	634,598
Liabilities	(936,175)	(873,153)
Non-financial assets	1,323,491	1,304,011
Accumulated surplus	1,059,082	1,065,456

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

17. GOVERNMENT PARTNERSHIP - SPRUCE LODGE

The Corporation of the City of Stratford is a partner in Spruce Lodge Home for the Aged and its related entities. The Corporation provides 41.11% (2021 - 41.13%) of the municipal funding for the Costs Shared Mandatory related programs. The Corporation's share of results of Spruce Lodge Home for the Aged and its related entities' financial results from operations for the year and its financial position at year-end have been consolidated within these financial statements. At December 31, 2022, Spruce Lodge Home for the Aged and its related entities' financial results and financial performance are as follows:

	2022	2021
Financial assets	5,043,304	6,067,494
Liabilities	(3,384,404)	(3,052,823)
Non-financial assets	7,373,659	7,118,708
Accumulated surplus	9,032,559	10,133,379
Revenues	16,366,028	14,042,219
Expenses	(16,602,240)	(14,135,155)
Annual deficit	(236,212)	(92,936)

The Corporation's share of Spruce Lodge Home for the Aged and its related entities' assets, liabilities and accumulated surplus at December 31, 2022 are as follows:

Financial assets	2,073,302	2,495,560
Liabilities	(1,391,328)	(1,255,626)
Non-financial assets	3,031,311	2,927,925
Accumulated surplus	3,713,285	4,167,859

18. CHANGE IN PROPORTIONATE CONSOLIDATION

The change in proportionate consolidation of joint local boards is the result of new funding agreements effective January 1, 2022. The resulting changes in funding percentages and their effects are as follows:

	2022	2021	Change
Funding percentage			
Huron Perth Public Health	23.26 %	23.40 %	-0.14 %
Spruce Lodge	41.11 %	41.13 %	-0.02 %
			January 1, 2022
Effect of Change in Funding Percentages			
Tangible capital assets			
Cost			(14,202)
Accumulated amortization			5,269
Net book value			(8,933)
Net financial assets			1,260
Other non-financial assets			(508)
Change in Net Municipal Position			(8,181)

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

19. SEGMENTED INFORMATION

The Corporation of the City of Stratford is a diversified municipal government institution that provides a wide range of services to its citizens. For reporting purposes, the Corporation's operations and activities are organized in segments. The services and activities of each segment are as follows:

General government

This item is related to the revenues and expenses of the operations of the Corporation itself and cannot be directly attributed to a specific segment.

Protection services

Protection is comprised of police services, fire department and building department. The police services department is to ensure the safety and protection of the citizens and their property, preserve peace and good order, detect offenders and enforce the law. The fire department provides fire suppression service, fire prevention programs, training and education related to prevention and detection of fires. The building department enforces the building and construction codes and municipal by-laws.

Transportation services

Transportation services include public works services related to planning, development and maintenance of the roadway systems, street lighting, transit and parallel transit, parking administration and control and the operations of the Stratford Municipal Airport.

Environmental services

Environmental services include providing sanitary and storm sewer, water, waste collection and disposal and recycling services.

Health services

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. This segment also includes ambulance services and cemetery operations.

Social and Family services

Social Services provide services that are meant to help the less fortunate in society through Ontario Works assistance, child care subsidy program and best start and special needs programs. This segment also includes the operations of a municipal day care.

Social housing

Housing services are meant to help the less fortunate through social housing, affordable housing and public housing programs.

Recreation and Cultural services

Recreation and cultural services are meant to improve the health and development of the citizens. Programs such as swimming, skating, day camps, festivals and library services are provided at locations such as parks, libraries, art gallery, recreation complexes, arenas, sports field and other municipal buildings. This segment also includes grants to numerous community organizations providing recreation and cultural activities.

Planning and Development

Planning and development services manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the city centre. This segment also includes economic development and tourism.

For each reported segment, revenues and expenses represent the amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are used in preparation of segmented financial information. The revenue fund reports on municipal services that are funding primarily by property taxation revenues. Taxation and payments-in-lieu of taxes are apportioned based on the segment's net surplus. The segmented information follows the same accounting policies as disclosed in Note 1.

THE CORPORATION OF THE CITY OF STRATFORD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

19. SEGMENTED INFORMATION (Continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning & Development	Total 2022
Revenue										
Taxation	5,626,988	12,165,819	7,412,143	6,583,521	4,703,218	16,519,200	6,814,900	6,114,410	3,121,477	69,061,676
Grants	11,193,855	667,590	519,890	418,507	4,446,003	25,780,705	1,373,506	234,852	537,185	45,172,093
Other municipalities	-	1,800,509	-	-	-	1,373,802	7,593,054	42,686	-	10,810,051
Fees and user charges	614,665	249,417	1,541,127	16,637,858	197,634	3,849,641	2,696,670	830,030	275,964	26,893,006
Licences and permits	359,646	345,215	676,172	-	363,509	-	3,149,360	1,678,372	604,629	7,176,903
Rents, fines, penalties	401,688	-	-	98,768	-	-	-	4,525	-	504,981
Other	8,610,642	27,821	19,630	12,193	2,376,955	13,368	-	130,017	147,878	11,338,504
	26,807,484	15,256,371	10,168,962	23,750,847	12,087,319	47,536,716	21,627,490	9,034,892	4,687,133	170,957,214
Expenses										
Salaries and benefits	5,555,883	21,795,581	6,399,879	3,168,315	516,647	6,108,842	324,288	6,144,468	1,188,339	51,202,242
Materials	394,995	1,001,057	2,930,976	1,463,819	108,386	1,326,764	3,038,195	1,335,948	118,917	11,719,057
Contracted Services	4,479,613	1,314,259	2,118,255	5,035,977	37,632	2,430,456	1,227,631	1,910,895	744,672	19,299,390
External Transfers	-	-	-	-	3,681,263	15,805,387	2,143,644	1,234,038	4,038,051	26,902,383
Amortization	688,415	714,166	3,639,786	2,576,994	222,779	306,445	439,129	1,447,647	-	10,035,361
Other	445,432	177,593	144,213	1,285,057	5,099,140	7,971,637	6,832,795	493,070	325,143	22,774,080
	11,564,338	25,002,656	15,233,109	13,530,162	9,665,847	33,949,531	14,005,682	12,566,066	6,415,122	141,932,513
Net Revenue (expenditure)	15,243,146	(9,746,285)	(5,064,147)	10,220,685	2,421,472	13,587,185	7,621,808	(3,531,174)	(1,727,989)	29,024,701

THE CORPORATION OF THE CITY OF STRATFORD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

19. SEGMENTED INFORMATION (Continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning & Development	Total 2021
Revenue										
Taxation	4,428,751	11,549,165	7,200,693	6,290,218	5,032,781	14,177,673	6,876,808	5,672,904	3,039,497	64,268,490
Grants	7,336,606	508,731	1,966,559	370,498	4,714,410	21,718,425	1,490,229	178,039	234,928	38,518,425
Other municipalities	104,211	1,620,078	-	-	645,507	1,654,708	7,693,639	41,443	-	11,759,586
Fees and user charges	209,060	327,122	1,164,458	15,667,131	72,760	3,383,965	2,505,457	662,327	392,430	24,384,710
Licences and permits	252,763	253,861	459,888	-	481,470	-	858,697	1,181,865	1,018,725	4,507,269
Rents, fines, penalties	370,561	-	-	116,731	-	-	-	2,053	-	489,345
Other	5,401,955	3,758	19,814	13,414	1,024,707	10,413	-	100,545	108,762	6,683,368
	18,103,907	14,262,715	10,811,412	22,457,992	11,971,635	40,945,184	19,424,830	7,839,176	4,794,342	150,611,193
Expenses										
Salaries and benefits	4,332,738	20,488,212	6,626,077	3,338,625	494,799	5,181,784	1,057,435	5,502,468	1,057,478	48,079,616
Materials	421,887	789,631	2,316,551	1,373,289	89,520	927,547	2,734,663	1,195,215	115,420	9,963,723
Contracted Services	2,505,744	1,010,757	2,010,195	4,637,960	43,625	1,614,521	1,390,814	1,591,946	608,387	15,413,949
External Transfers	413,029	-	-	-	3,600,988	14,722,442	7,072,746	970,830	3,913,889	30,693,924
Amortization	685,996	723,494	3,341,886	2,479,431	80,015	11,874	15,282	1,545,113	10,258	8,893,349
Other	285,300	130,984	134,577	775,503	5,776,116	5,952,110	1,509,320	562,217	385,339	15,511,466
	8,644,694	23,143,078	14,429,286	12,604,808	10,085,063	28,410,278	13,780,260	11,367,789	6,090,771	128,556,027
Net Revenue (expenditures)	9,459,213	(8,880,363)	(3,617,874)	9,853,184	1,886,572	12,534,906	5,644,570	(3,528,613)	(1,296,429)	22,055,166

THE CORPORATION OF THE CITY OF STRATFORD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

20. TANGIBLE CAPITAL ASSETS

	General Land	Land Improvements	Building and Building Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Linear Assets	Machinery and Equipment	Other	Infrastructure Roads	Bridges	W/WW Facilities	Underground and Other Networks	Total	Work in Progress	Grand Total
Cost																
Balance, Dec 31, 2021	17,630,468	10,299,287	84,992,541	3,029,223	5,969,851	14,343,539	4,122,727	18,476,459	140,039	129,541,190	10,169,966	93,898,098	105,987,403	498,600,791	15,803,877	514,404,668
Additions	-	335,372	1,352,732	91,171	386,327	1,492,607	-	1,725,594	-	13,650,170	72,524	1,849,304	5,012,922	25,968,723	9,450,314	35,419,037
Adjustments	(644)	(15)	(10,809)	-	(480)	-	-	(2,237)	-	(16)	-	-	-	(14,201)	-	(14,201)
Disposals	-	184,045	161,758	98,234	395,111	1,099,251	-	206,017	-	1,221,648	-	-	-	3,366,064	212,649	3,578,713
Balance, Dec 31, 2022	17,629,824	10,450,599	86,172,706	3,022,160	5,960,587	14,736,895	4,122,727	19,993,799	140,039	144,412,992	10,242,490	95,747,402	111,000,325	521,189,249	25,041,542	546,230,791
Accumulated Amortization																
Balance, Dec 31, 2021	-	2,878,308	36,838,147	2,599,508	4,586,760	7,008,792	3,590,649	12,676,124	17,718	58,596,683	3,637,609	37,865,952	26,245,233	196,541,483	-	196,541,483
Amortization	-	338,973	2,185,801	179,205	198,901	1,195,265	77,688	1,135,320	-	2,302,147	146,492	1,327,648	947,921	10,035,361	-	10,035,361
Adjustments	-	(12)	(3,534)	-	(194)	-	-	(1,517)	-	(11)	-	-	-	(5,268)	-	(5,268)
Disposals	-	172,041	124,664	96,522	395,111	1,099,251	-	201,888	-	918,422	-	-	-	3,007,899	-	3,007,899
Balance, Dec 31, 2022	-	3,217,269	38,895,750	2,778,713	4,390,356	7,104,806	3,668,337	13,608,039	17,718	59,980,397	3,784,101	39,193,600	27,193,154	203,563,677	-	203,563,677
Net Book Value Dec 31, 2022	17,629,824	7,233,330	47,276,956	243,447	1,570,231	7,632,089	454,390	6,385,760	122,321	84,432,595	6,458,389	56,553,802	83,807,171	317,625,572	25,041,542	342,667,114
Cost																
Balance, Dec 31, 2020	17,357,037	10,260,949	83,030,116	2,960,446	5,967,282	10,235,767	4,876,311	17,894,092	140,039	127,338,556	9,913,608	93,511,046	92,459,700	475,944,949	13,772,470	489,717,419
Additions	274,259	38,692	2,062,204	68,777	399,295	4,380,293	81,354	942,411	-	2,202,979	272,251	387,052	13,527,703	24,637,270	2,743,865	27,381,135
Adjustments	(828)	(354)	(75,435)	-	(725)	-	-	(18,050)	-	(345)	-	-	-	(95,737)	-	(95,737)
Disposals	-	-	24,344	-	396,001	272,521	834,938	341,994	-	-	15,893	-	-	1,885,691	712,458	2,598,149
Balance, Dec 31, 2021	17,630,468	10,299,287	84,992,541	3,029,223	5,969,851	14,343,539	4,122,727	18,476,459	140,039	129,541,190	10,169,966	93,898,098	105,987,403	498,600,791	15,803,877	514,404,668
Accumulated Amortization																
Balance, Dec 31, 2020	-	2,556,205	34,589,419	2,403,855	4,649,009	6,228,187	4,045,084	11,909,095	17,718	56,402,294	3,504,267	36,571,208	25,388,092	188,264,433	-	188,264,433
Amortization	-	322,381	2,294,493	195,653	322,887	1,053,126	77,688	1,120,146	-	2,194,627	146,375	1,294,744	857,141	9,879,261	-	9,879,261
Adjustments	-	(278)	(39,738)	-	(426)	-	-	(13,860)	-	(238)	-	-	-	(54,540)	-	(54,540)
Disposals	-	-	6,027	-	384,710	272,521	532,123	339,257	-	-	13,033	-	-	1,547,671	-	1,547,671
Balance, Dec 31, 2021	-	2,878,308	36,838,147	2,599,508	4,586,760	7,008,792	3,590,649	12,676,124	17,718	58,596,683	3,637,609	37,865,952	26,245,233	196,541,483	-	196,541,483
Net Book Value Dec 31, 2021	17,630,468	7,420,979	48,154,394	429,715	1,383,091	7,334,747	532,078	5,800,335	122,321	70,944,507	6,532,357	56,032,146	79,742,170	302,059,308	15,803,877	317,863,185

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

21. BUDGET

The Financial Plan (budget) By-law adopted by Council on February 14, 2022 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Canadian Public Sector Accounting Standards now require reporting on a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget reflects expensing all tangible capital expenditures rather than including just amortization expense. As a result, the budget figures presented in the statement of operations represent the Financial Plan adopted by Council February 14, 2022 including a proportionate consolidated budgets of local boards with adjustments as follows:

	2022
Financial Plan (budget) Bylaw deficit for the year	-
Add:	
Budgeted principal repayment of debt	8,593,071
Budgeted transfer to accumulated surplus	10,627,900
Capital Expenditures	40,235,075
Less:	
Budgeted transfers from accumulated surplus	(28,773,519)
Unfinanced Capital	(4,686,080)
Amortization	(10,035,361)
Budget surplus (deficit) per statement of operations	15,961,086

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

22. FINANCIAL INFORMATION FOR STRATFORD ECONOMIC ENTERPRISE DEVELOPMENT CORPORATION (SEED CO.)

	2022	2021
Revenue		
Ontario grants	271,988	207,428
Federal grants	182,808	19,300
Other revenue	67,493	11,370
Total revenue	522,289	238,098
Expenses		
Wages	594,821	491,362
Materials	29,615	22,459
Services	357,600	203,919
Special project	-	1,231
Other	120,233	157,461
Total expenses	1,102,269	876,432
Deficiency of revenue over expenses	579,980	638,334
Deficiency was funded as follows:		
Contribution from the Corporation	622,202	599,092
Contribution (to) from reserve	(42,222)	39,242
	579,980	638,334

23. COVID-19 PANDEMIC

During and subsequent to year end, the Corporation has been impacted by the effects of the world-wide coronavirus pandemic. The Corporation is closely monitoring its operations and is actively working to minimize the current and future impact of this unprecedented situation. Measures in place to combat the health threat of the virus have caused material disruption to Corporation services. The duration and impact of the outbreak is unknown at this time, as are the efficacy of the government and central bank interventions. Library, Recreation centres and other Corporation facilities have been closed to the public on and off throughout the pandemic. Council has approved COVID-19 Tax Relief application programs for 2022 tax instalments to provide relief to taxpayers. At the time of financial statement preparation, it is not possible to reliably estimate the length and severity of the measures nor their impact on the future financial results of the Municipality.

24. COMPARATIVE AMOUNTS

The comparative amounts presented in the consolidated financial statements have been reclassified to conform to the current year's presentation.



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Members of Council
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: COU24-143
Attachments:

1. MAT Summary Report at Oct 31 2024;
2. MAT Financial and Reserve Fund Summary Report at Oct 31 2024

Title: Municipal Accommodation Tax (MAT) Update October 2024

Objective: To provide Council with preliminary information on the MAT program revenues and expenses for the ten-months ending October 31, 2024.

Background: The City implemented the Municipal Accommodation Tax (MAT) July 1, 2023. Hotels, motels and inns are required to report stay information and remit MAT monthly, while Bed and Breakfasts (B&B) and other licensed Short-Term Rentals (STRs) are required to report and remit quarterly. Both monthly and quarterly reporters were due by mid-January to the third-party agency the City has engaged, the Ontario Restaurant, Hotel and Motel Association (ORHMA).

Information provided in a previous report is a year-to-date summary.

The scope of this report is limited to MAT reporting and is not intended to speak to licensing of establishments. Hotels and motels do not require licensing to operate in the City and are required to report MAT information monthly. Other establishments that meet the definition of transient accommodations of other types are required to report quarterly. This encompasses those entities licensed under the B&B Licensing By-law and those licensed under the Short-Term Accommodation Licensing By-law.

For the purposes of reporting MAT information, the classifications of type of accommodator are simply 'monthly' and 'quarterly'. Extracting information more granularly based on exact type of accommodator is not intended going forward, as this is not how MAT revenues are tracked by ORHMA and is an additional administrative layer.

Analysis: Monthly

At November 7, 2024, for the ten months ending October 31, 2024 there were 16 identified establishments not requiring licenses, of which 10 reported stay information and remitted MAT due to the City. There are two that staff believes are no longer operational and four requiring additional follow-up.

These monthly reporters indicated that they had a total of 102,629 available rooms during this time, and they reported occupancy or sales of 54,980 of those rooms, including emergency shelter and other MAT-exempted types. This translated into reported MAT-applicable sales of \$11,236,327, and MAT of \$449,453.

Quarterly

At November 7, 2024, for the 10 months ending October 31, 2024 there were 110 establishments that were registered with ORHMA. Of these, 45 were licensed as B&Bs and the remaining 79 as Short-Term Accommodators.

The summary and financial summary are attached to the report. This is a snapshot and excludes any reporting or remitting for the period that could occur after November 7, 2024.

After fees, the total MAT revenues were \$368,755, to be split between the tourism operator, Destination Stratford and the Municipality. As outlined when the by-laws were first established, the City's share of these revenues is to be held in a reserve until otherwise directed by Council.

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

The MAT revenues collected by the City in 2024 are reflected as revenues, with half of the net proceeds established as 'Due to Destination Stratford' in the City's accrued liabilities for the year, and the City's half reflected as a transfer to the reserve fund, resulting in no impact to the City's operating bottom line.

Financial impact on future year operating budget:

As a purpose for the use of the funds has not yet been identified at this time, there are no known impacts. When funds are directed to specific initiatives and spent, they will be recognized as revenue earned.

Alignment with Strategic Priorities:**Intentionally Change to Support the Future**

This report aligns with this priority as the City supports financial solutions not related to property taxation for projects that benefit tourism initiatives.

Alignment with One Planet Principles:

Not applicable: This report does not apply to the One Planet Principles as it is for information only.

Staff Recommendation: THAT the report titled, "Municipal Accommodation Tax (MAT) Update October 2024" (COU24-143), dated November 25, 2024, be received for information.

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

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Joan Thomson, Chief Administrative Officer

City of Stratford
Municipal Accommodation Tax Summary Report
At October 31, 2024

Purpose: to reconcile MAT reported along with deposits received from ORHMA and invoices paid to ORHMA for the 10 months ending October 31, 2024.

Month/Quarter	MAT Reported	MAT Received	Rooms Rev.	Rooms Avail.	Rms Occ.	+30 days	Refuge	Pd in full	Other	Exemptions	Net Room
Jan-24	\$20,021.22	\$20,021.22	\$537,998.61	11,110	3,532	\$5,367.02	\$31,735.00	\$366.00	\$0.00	\$37,468.02	\$500,530.59
Feb-24	\$18,264.72	\$18,264.72	\$485,236.85	10,611	3,215	\$4,350.00	\$23,382.00	\$887.00	\$0.00	\$28,619.00	\$456,617.85
Mar-24	\$21,346.85	\$21,346.85	\$558,148.09	11,336	3,632	\$4,350.00	\$20,018.00	\$0.00	\$108.80	\$24,476.80	\$533,671.29
Apr-24	\$32,265.72	\$30,931.40	\$835,636.72	10,768	5,097	\$4,290.80	\$24,703.00	\$0.00	\$0.00	\$28,993.80	\$806,642.92
May-24	\$50,394.03	\$47,884.75	\$1,289,450.06	11,623	6,430	\$0.00	\$29,260.00	\$339.50	\$0.00	\$29,599.50	\$1,259,850.56
Jun-24	\$61,942.52	\$57,296.50	\$1,569,705.44	11,632	6,945	\$0.00	\$20,221.00	\$921.50	\$0.00	\$21,142.50	\$1,548,562.94
Jul-24	\$64,284.94	\$64,284.94	\$1,628,547.69	10,338	6,919	\$0.00	\$20,491.00	\$933.00	\$0.00	\$21,424.00	\$1,607,123.69
Aug-24	\$79,607.82	\$79,607.82	\$2,029,248.73	10,388	8,297	\$0.00	\$38,315.00	\$738.00	\$0.00	\$39,053.00	\$1,990,195.73
Sep-24	\$70,516.84	\$70,516.84	\$1,793,150.01	10,063	7,499	\$0.00	\$29,475.00	\$0.00	\$754.00	\$30,229.00	\$1,762,921.01
Oct-24	\$30,808.41	\$0.00	\$770,210.33	4,760	3,414	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$770,210.33
Nov-24	\$0.00	\$0.00	\$0.00	-	-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dec-24	\$0.00	\$0.00	\$0.00	-	-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly	\$449,453.07	\$410,155.04	\$11,497,332.53	102,629	54,980	\$18,357.82	\$237,600.00	\$4,185.00	\$862.80	\$261,005.62	\$11,236,326.91
Q1-2024	\$4,472.35	\$4,472.35	\$111,808.69	1,098	36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$111,808.69
Q2-2024	\$24,729.19	\$24,656.38	\$618,229.44	1,474	785	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$618,229.44
Q3-2024	\$57,326.12	\$56,736.11	\$1,433,152.81	1,527	2,134	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,433,152.81
Q4-2024 to date	\$335.59	\$293.59	\$8,389.75	16	6	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,389.75
Total Quarterly	\$86,863.25	\$86,158.43	\$2,171,580.69	4,115	2,961	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,171,580.69
Total MAT	\$536,316.32	\$496,313.47	\$13,668,913.22	106,744	57,941	\$18,357.82	\$237,600.00	\$4,185.00	\$862.80	\$261,005.62	\$13,407,907.60

City of Stratford
Municipal Accommodation Tax Financial and Reserve Fund Summary Report
At October 31, 2024

Unaudited, prepared at November 7, 2024

Total MAT reported for 2024	\$536,316.32
2023 receivable	\$64,028.95
Total MAT Paid to the City at November 1, 2024	<u>(\$442,544.51)</u>
Total Receivable	\$157,800.76
Total Receivable > 30 days	\$8,489.62

Accounting (excludes Revenues Receivable for distribution calculation)

Amount recorded in 2024 Revenues G-139-1243-1260	(\$378,515.56)
Expenses recorded in 2024 G-139-1243-4020 (Net of HST rebate)	<u>\$9,760.70</u>
Net Revenues in 2024 /Transfer to Reserve Fund Balance G-139-1243-7820	(\$368,754.86)
50% to DS to date 2024	(\$184,377.43)
50% to Stratford Reserves to date	(\$184,377.43)
Paid to DS to date	\$101,533.39
Amount Payable to DS to date	(\$82,844.04)
Balance in City Reserve after Distribution	<u>(\$285,910.82)</u>
Check (agrees to above)	(\$368,754.86)



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Members of Council
From: Karmen Krueger, CPA, CA, Director of Corporate Services
Report Number: COU24-144
Attachments: 1) Current Policy Appendices;
 2) Draft New Policy Appendices

Title: Reserve and Reserve Fund Policy Amendments

Objective: To propose clarifying language around the HR Salary Contingency Reserve and the Cemeteries, Recreation and Facilities Reserve Funds

Background: In 2018, the Reserve and Reserve Fund Policy was approved. The intent at that time was to establish parameters around which Reserve and Reserve Funds could/should exist and to ensure these parameters were consistent with the City's long-term vision. The purpose for each Reserve and Reserve Fund was established, and threshold targets were determined.

In 2022 a fulsome review was completed, and since then there have been a few minor amendments to add new Reserves, clarify language around existing Reserves and Reserve Funds and overall, manage the policy to address evolving conditions.

Analysis: Reserve Funds for capital purposes are separated from working capital and stabilization accounts (operating Reserves). Currently, the City's Reserves and Reserve Funds consist of general Reserves, capital/departmental-specific Reserve Funds, obligatory Reserve Funds (where restricted grant funds flow through), and Development Charges Reserve Funds to be used for the established purposes.

Some Reserves and Reserve Funds have planned transfers to them through the budget process. This is most common for the capital Reserve Funds to ensure the capital program can be sufficiently funded.

Some are actively contributed to, based on specific language in the policy, like the Winter Maintenance Reserve, or the Municipal Accommodation Tax Reserve as examples.

Others were established from a single contribution at one point, and might not have a specific funding plan, but funds are for a specific purpose such as the Grand Trunk Reserve.

Once the Reserve and Reserve Fund transactions that are prescribed by the policy are completed each year, if there are cash surpluses left over, these have been historically put into the tax stabilization Reserve to be used for one-time expenses through the year, or to assist with one-time expenses when the budget is created annually.

For the past few years, the City's overall cash surpluses have been due in large part to staffing vacancies. These surpluses, through the budget process have been used to mitigate subsequent year levy pressures. The Treasurer attempts to ensure that funds used in the budget process to reduce the levy impact are offsetting 'one-time' expenses, however, in 2024 over \$3 million was used to reduce the impacts of the budget, the largest historical use.

The recommended reserve balance for the tax stabilization fund is 5% of the previous year's tax levy (2024 = \$80 million). This translates into about \$4 million and a minimum recommended low balance of \$500,000. By industry practices, this is an appropriate level to manage surprises or other unplanned expenditures. Without this, the City has financial risk if something unplanned/significant arose. The projected balance at the end of 2025 based on the preliminary draft budget is \$2.5 million.

The **HR Salary Contingency Reserve** is one of the general reserves that while having a target threshold established, was formed from combining previous reserves under a former Treasurer. No planned contributions have been established before now. With the unprecedented turnover and changes in workforce structure, this reserve has been used for one-off purposes such as gapping the outcomes from a previous salary admin review and unplanned payroll costs due to changes in management staffing. It is now substantially depleted.

After a review of the historic vacancies and how the tax stabilization funds have been utilized, the Treasurer is recommending that a portion of the corporate surplus that relates to staffing vacancies beginning in 2024 start funding the HR Salary Contingency Reserve. The recommended starting point is 25% of the surplus that relates to staffing vacancies (by comparing budgeted salaries and benefits to actuals).

This change will have an impact to the tax stabilization reserve and funds available for those one-time expenses outside of HR related matters, however, this seems a prudent course of action to better manage the volatility of the labour market experienced in recent years.

To illustrate, if the corporation had a \$2 million surplus in a year, and it was demonstrated that \$1 million of this related to staffing vacancies, then 25% of this would be transferred to the HR Salary Contingency Reserve. The result is that the Tax Stabilization would receive \$1.75 million, and the HR Salary Contingency Reserve would

have \$250,000. This strategy would be utilized until such time as the HR Salary Contingency Reserve reached its target balance. Should the need to draw upon the HR Salary Contingency Reserve exceed its contributions, the Tax Stabilization Reserve may be required to supplement the circumstance, as is the case currently.

The **Cemetery Reserve Fund** was established with the purpose 'to fund Cemeteries' and Parks' capital projects.

The **Recreation Reserve Fund** was established with the purpose 'To fund capital projects related to recreation equipment.'

These similar purposes have caused some confusion, so staff are recommending that these funds be consolidated, and renamed '**Recreation, Parks and Cemetery Reserve Fund**'. The purpose of the newly consolidated reserve fund will be updated 'To fund capital projects related to recreation, parks and cemetery'. The balance of the CEME fund would be transferred into the RECR fund and closed. The projected combined balance at December 31, 2024, in the Recreation, Parks and Cemetery reserve funds is \$506,712.

The **Facilities Reserve Fund** (FACI) will continue to be used to fund capital projects related to City Facilities, which includes recreation facilities and other facilities used for administrative purposes. The projected balance at December 31, 2024, in the FACI reserve fund is \$1,382,548.

Reserve Fund Targets

A key element of a reserve fund policy is the target levels. Targets should reflect the municipality's needs, both short and long-term, considering things like cash flow requirements, risk tolerance, rate of return expectations and the time value of money (the concept that the value of a dollar today is worth more than the value of a dollar in the future). The current targets in the policy assessed needs, as well as looking at best practices in other municipalities and are still valid but based on the evolution of asset management planning and sustainability, these targets can be fine tuned even further.

As an outcome of the water and wastewater study currently underway, staff, working with the consultants, have identified some amendments that are recommended to the thresholds of these funds. Currently, the thresholds for the rate stabilization accounts are a bit high, tying up funds for operating fluctuations that are better suited to be directed towards the capital program and infrastructure needs.

This analysis continues and any further recommendations will be presented at a future meeting.

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

There is no impact to the 2024 operating budget, as the HR changes will affect year-end adjustments and transfers only. There is no impact relating to the changes for the Cemeteries and Recreation Reserve Funds, as this proposed change is administrative in nature.

Financial impact on future year operating budget:

There is no expected effect but will depend on labour market conditions and staffing trends.

Alignment with Strategic Priorities:**Intentionally Change to Support the Future**

This report aligns with this priority as it supports the people-centred approach in decision-making and ensures economic stability for the Human Resources activities of the Corporation.

Alignment with One Planet Principles:

Not applicable: This administrative report does not directly align with One Planet Principles.

Staff Recommendation: THAT Council approve the proposed revision to the HR Contingency Reserve target balances and clarification language;

THAT Council authorize the transfer of the Cemetery Reserve Fund into the renamed Parks, Cemetery and Recreation Reserve Fund as outlined in Report COU24-144;

THAT Council authorize the closure of the Cemetery Reserve Fund;

AND THAT Council support the amendments to the threshold language for the Water and Wastewater Rate Stabilization and Capital Reserve Funds.

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



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Water Rate Stabilization

RESERVE ACCOUNT #: G-R18-WATR-0000

PURPOSE:

- To mitigate user rate changes during preparation of the annual operating budget and to protect the City against any unanticipated expenditures of an operating nature.
- This reserve would also be used to fund any unanticipated deficits that may occur in the fiscal year.

TARGET BALANCE:

- Maximum balance not to exceed 10% of the user rate Water expenditure budget.
- Once target has been met, surpluses to be reallocated to the Water Capital Reserve Fund

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Year-end net operating surplus of Water division up to reserve maximum, then balance to Water Capital Replacement Reserve Fund.

UTILIZATION OF FUNDS:

- Planned contributions to fund Operating expenses.
- Funding of Water Fund year-end operating deficit.
- Transfers to Water Capital Reserve Fund



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Wastewater/Sanitary Rate Stabilization

RESERVE ACCOUNT #: G-R18-WWTR-0000

PURPOSE:

- To mitigate user rate changes during preparation of the annual operating budget and to protect the City against any unanticipated expenditures of an operating nature.
- This reserve would also be used to fund any unanticipated deficits that may occur in the fiscal year.

TARGET BALANCE:

- Maximum balance not to exceed 10% of the user rate Wastewater/Sanitary expenditure budget.
- Once target has been met, surpluses to be reallocated to the Water Capital Reserve Fund

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Year-end operating surplus of Wastewater/Sanitary division up to reserve maximum, then balance to Wastewater/Sanitary Capital Replacement Reserve Fund.

UTILIZATION OF FUNDS:

- Planned contributions to fund Operating expenses.
- Funding of Wastewater/Sanitary Fund year-end operating deficit.
- Transfers to Wastewater/Sanitary Capital Reserve Fund



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: HR Salary Contingency

RESERVE ACCOUNT #: G-R18-HRCO-0000

PURPOSE:

- To fund significant or unbudgeted human resources costs including legal fees, recruitment ~~o~~ termination costs, costs to backfill vacant positions, etc.

TARGET BALANCE:

- Not to exceed more than 2.5% of the total annual municipal employee compensation expense budget.

FUNDING SOURCES:

- Planned contributions from the Operating budget.

UTILIZATION OF FUNDS:

- Planned contributions to fund Operating expenses.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Capital – Facilities

RESERVE ACCOUNT #: R-R11-FACI

PURPOSE:

- To fund capital projects related to life cycle needs of City Facilities.

TARGET BALANCE:

- Maximum balance as determined by the 10-year capital forecast needs for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Proceeds of disposition on sale of City facilities unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Capital - Recreation

RESERVE ACCOUNT #: R-R11-RECR

PURPOSE:

- To fund capital projects related to recreation equipment.

TARGET BALANCE:

- Maximum balance as determined by the 10-year capital forecast needs for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Proceeds of disposition on sale of assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Capital – Cemetery

RESERVE ACCOUNT #: R-R11-CEME

PURPOSE:

- To fund Cemetery and Parks capital projects.

TARGET BALANCE:

- Maximum balance as determined by the 10-year capital forecast need for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Proceeds of disposition on sale of assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



RESERVE AND RESERVE FUND POLICY F.1.13 CORPORATE SERVICES DEPARTMENT

RESERVE NAME: Capital – Water

RESERVE ACCOUNT #: R-R11-WATR

PURPOSE:

- To fund Water capital projects as identified in the current Water and Wastewater/Sanitary Rate Study, and as described in the 10-year capital plan of the City.

TARGET BALANCE:

- As set out in the current Water and Wastewater/Sanitary Rate Study.
- Maximum balances as determined by 10-year capital forecast need for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Balance of year end Water division surplus when Stabilization Reserve balance has been achieved.
- Proceeds of disposition on sale of Water assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Capital – Wastewater/Sanitary

RESERVE ACCOUNT #: R-R11-WWTR

PURPOSE:

- To fund Wastewater/Sanitary capital projects as identified in the current Water and Wastewater/Sanitary Rate Study, and as described in the 10-year capital plan of the City.

TARGET BALANCE:

- As set out in the current Water and Wastewater/Sanitary Rate Study.
- Maximum balances as determined by 10-year capital forecast need for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Balance of year end Wastewater/Sanitary division surplus when Stabilization Reserve balance has been achieved.
- Proceeds of disposition on sale of Wastewater/Sanitary assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



RESERVE AND RESERVE FUND POLICY F.1.13 CORPORATE SERVICES DEPARTMENT

RESERVE NAME: Water Rate Stabilization

RESERVE ACCOUNT #: G-R18-WATR-0000

PURPOSE:

- To mitigate user rate changes during preparation of the annual operating budget and to protect the City against any unanticipated expenditures of an operating nature.
- This reserve would also be used to fund any unanticipated deficits that may occur in the fiscal year.

TARGET BALANCE:

- Minimum balance of 5% of the user rate Water expenditure budget, maximum balance not to exceed 10% of the user rate Water expenditure budget.
- Once maximum target has been met, surpluses to be reallocated to the Water Capital Reserve Fund.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Year-end net operating surplus of Water division up to reserve maximum, then balance to Water Capital Replacement Reserve Fund.

UTILIZATION OF FUNDS:

- Planned contributions to fund Operating expenses.
- Funding of Water Fund year-end operating deficit.
- Transfers to Water Capital Reserve Fund.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Wastewater/Sanitary Rate Stabilization

RESERVE ACCOUNT #: G-R18-WWTR-0000

PURPOSE:

- To mitigate user rate changes during preparation of the annual operating budget and to protect the City against any unanticipated expenditures of an operating nature.
- This reserve would also be used to fund any unanticipated deficits that may occur in the fiscal year.

TARGET BALANCE:

- Minimum balance of 5% of the user rate Wastewater/Sanitary expenditure budget, maximum balance not to exceed 10% of the user rate Wastewater/Sanitary expenditure budget.
- Once maximum target has been met, surpluses to be reallocated to the Water Capital Reserve Fund.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Year-end operating surplus of Wastewater/Sanitary division up to reserve maximum, then balance to Wastewater/Sanitary Capital Replacement Reserve Fund.

UTILIZATION OF FUNDS:

- Planned contributions to fund Operating expenses.
- Funding of Wastewater/Sanitary Fund year-end operating deficit.
- Transfers to Wastewater/Sanitary Capital Reserve Fund.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: HR Salary Contingency

RESERVE ACCOUNT #: G-R18-HRCO-0000

PURPOSE:

To fund significant or unbudgeted human resources costs including legal fees, recruitment termination costs, costs to backfill vacant positions, etc. and to be used as required in a given year to bridge timing until the upcoming budget year for new positions approved in the year as required.

TARGET BALANCE:

- Minimum balance \$75,000.
- Target balance 1.5% of the total annual municipal employee full-time and part-time salaries/wages expense budget.

FUNDING SOURCES:

- Planned contributions from the Operating budget if/as included in the annual approved budget.
- Up to 25% of any annual surplus due to staffing vacancies (determined from salaries/wages account).

UTILIZATION OF FUNDS:

Transferred to General Fund for unplanned or unusual expenditures relating to employee compensation or other Human Resources functions as identified by the department Director and Chief Administrative Officer.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Capital – Facilities

RESERVE ACCOUNT #: R-R11-FACI

PURPOSE:

- To fund capital projects and lifecycle activities of City Facility infrastructure, including building components and any related studies, design and engineering.

TARGET BALANCE:

- Maximum balance as determined by the 10-year capital forecast needs for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Proceeds of disposition on sale of City facilities unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



RESERVE AND RESERVE FUND POLICY F.1.13 CORPORATE SERVICES DEPARTMENT

RESERVE NAME: Capital – Parks, Cemetery and Recreation

RESERVE ACCOUNT #: R-R11-RECR

PURPOSE:

- To fund capital projects and lifecycle activities related to parks, cemetery and recreation equipment, including infrastructure required to maintain parks and cemetery lands and building components, and any related studies, design and engineering.

TARGET BALANCE:

- Maximum balance as determined by the 10-year capital forecast needs for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Proceeds of disposition on sale of assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.

New Revised - Appendix A



RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT

TO BE CLOSED AND ANY BALANCE TRANSFERRED TO THE R-R11-RECR FUND



RESERVE AND RESERVE FUND POLICY F.1.13 CORPORATE SERVICES DEPARTMENT

RESERVE NAME: Capital – Water

RESERVE ACCOUNT #: R-R11-WATR

PURPOSE:

- To fund Water capital projects as identified in the current Water and Wastewater/Sanitary Rate Study, and as described in the 10-year capital plan of the City.

TARGET BALANCE:

- As set out in the current Water and Wastewater/Sanitary Rate Study.
- Minimum balance to be no less than the average annual capital expenditures as outlined in the City's capital budget and forecast plus \$500,000 to allow for unplanned items not expressly outlined in the 10-year forecast or asset management plan documents. Maximum balances not to exceed two-years of average annual capital forecast plus \$500,000 as determined by 10-year capital forecast need for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Balance of year end Water division surplus when Stabilization Reserve balance has been achieved.
- Proceeds of disposition on sale of Water assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

- Planned contributions to fund Capital projects.



**RESERVE AND RESERVE FUND POLICY F.1.13
CORPORATE SERVICES DEPARTMENT**

RESERVE NAME: Capital – Wastewater/Sanitary

RESERVE ACCOUNT #: R-R11-WWTR

PURPOSE:

- To fund Wastewater/Sanitary capital projects as identified in the current Water and Wastewater/Sanitary Rate Study, and as described in the 10-year capital plan of the City.

TARGET BALANCE:

- As set out in the current Water and Wastewater/Sanitary Rate Study.
- Minimum balance to be no less than the average annual capital expenditures as outlined in the City's capital budget and forecast plus \$500,000 to allow for unplanned items not expressly outlined in the 10-year forecast or asset management plan documents. Maximum balances not to exceed two-years of average annual capital forecast plus \$500,000 as determined by 10-year capital forecast need for City funding.

FUNDING SOURCES:

- Planned contributions from the Operating budget.
- Balance of year end Wastewater/Sanitary division surplus when Stabilization Reserve balance has been achieved.
- Proceeds of disposition on sale of Wastewater/Sanitary assets unless otherwise utilized in the budget process.

UTILIZATION OF FUNDS:

Planned contributions to fund Capital project



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Council
From: Dave Bush, Director of Human Resources
Report Number: COU24-145
Attachments: H.1.5 Hiring of Employees Policy

Title: H.1.5 Hiring of Employees – Administrative Policy

Objective: The Municipal Act, 2001 (the “Act”) requires that all municipalities adopt and maintain a policy with respect to hiring of employees. This policy provides direction and consistency to staff and information to the public about the process that will be followed with respect to the recruitment and hiring of employees. This policy has been developed to comply with the provisions of Section 270 of the Act.

Background: The Corporation of the City of Stratford (“City”) Hiring of Employees Policy is intended to support the City’s commitment to higher performance and to provide equal access to employment, promotions, transfers, and career opportunities for all existing Employees and prospective Employees based upon leadership, management, knowledge, skills and abilities.

The City’s Hiring of Employees Policy shall be utilized to attract and select qualified and competent candidates to meet the immediate staffing needs of the City and to anticipate and plan recruitment needs through progression and succession planning in consultation with the Corporate Leadership Team and their respective Departments.

Analysis: The City is updating this Policy and consolidating current recruitment related policies.

As an employer, the City commits to workplace diversity and inclusion. Having a variety of people in the workplace helps our organization to be more flexible, creative, and responsive. It helps the City to provide better service to the diverse community. The City commits to building a supportive and diverse workplace, representative of our community.

The City recognizes every applicant has a right to equal treatment with respect to recruitment and employment without discrimination or harassment because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual

orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability.

The City commits to maintaining accessible hiring and recruitment practices including providing reasonable accommodations in all parts of the hiring process for people identifying as having a disability.

Financial Implications:

Financial impact to current year operating budget:

Recruitment and staff time are supported through the current budget. There are no additional financial impacts.

Link to asset management plan and strategy:

There are no implications to asset management or strategy.

Legal considerations:

Establishing the Hiring of Employees policy in keeping with the provisions of Section 270 of the Municipal Act, 2001.

Insurance considerations:

There are no insurance implications to be reported.

Alignment with Strategic Priorities:

Work Together For Greater Impact

This report aligns with this priority as hiring the right people for the right roles is critical in strengthening the City's relationships with the community. By working together, the City can make a bigger impact.

Intentionally Change to Support the Future

This report aligns with this priority as the City must be people-centered in its decision-making, lead from City values and align internal narrative with the identity of the Stratford community.

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 report titled, "H.1.5 Hiring of Employees – Administrative Policy" (COU24-145), be received for information.

Prepared by: Dave Bush, Director of Human Resources
Recommended by: Dave Bush, Director of Human Resources
Joan Thomson, Chief Administrative Officer



The Corporation of the City of Stratford Policy Manual

Policy Number:	H.1.5
Policy Section:	Human Resources
Department:	Human Resources
Date Adopted:	May 9, 1994
Date Amended:	October 3, 2024
Scheduled for Review:	October 3, 2029
Date of Last Review:	
Policy Type:	Administrative Policy

Hiring of Employees

Policy Statement:

The Corporation of the City of Stratford ("City") Hiring of Employees Policy is intended to support the City's commitment to higher performance and to provide equal access to employment, promotions, transfers, and career opportunities for all existing Employees and prospective Employees based upon leadership, management, knowledge, skills and abilities.

The City's Hiring of Employees Policy shall be utilized to attract and select qualified and competent candidates to meet the immediate staffing needs of the City and to anticipate and plan recruitment needs through progression and succession planning in consultation with the Corporate Leadership Team and their respective Departments.

Purpose:

The Municipal Act, 2001 (the "Act") requires that all municipalities adopt and maintain a policy with respect to hiring of employees. This policy provides direction and consistency to staff and information to the public about the process that will be followed with respect to the recruitment and hiring of employees. This policy has been developed to comply with the provisions of Section 270 of the Act.

Definitions:

"Administrative Personnel" – non-union employees, many who are in a managerial or supervisory positions.

“Behavioural-based Interview Questions” – a job interviewing technique in which a candidate is asked to provide specific examples of situations from their past employment and describe how they demonstrated certain behaviours, knowledge, skills, and abilities to assess whether they have the skills and competencies required for the position.

“Chief Administrative Officer (CAO)” – person hired by Council to lead the Administration of the City.

“City” – The Corporation of The City of Stratford.

“Corporate Leadership Team (CLT)” – leaders responsible for Corporate strategic direction and leading departments.

“Employee” – a person hired by the City of Stratford to fill an approved position.

“Hiring Manager” – the manager/supervisor who is responsible for filling a vacancy, including making the hiring decision.

“Immediate Relative” – parent, spouse, child, stepchild, sibling and in-laws.

“Nepotism” – the practice among those with power or influence of favoring relatives or friends, especially by giving them jobs.

“Permanent Full-Time Employee” – an Employee who is hired to work on a full-time basis (35 hours or more per week) with no predetermined end date.

“Permanent Part-Time Employee” – an Employee who is hired to work on a part-time basis (less than 35 hours per week) with no pre-determined end date.

“Pre-Identified Candidate” – a candidate with the knowledge, skills, and abilities to do a specific job or project. For example, a former Employee who has experience in the identified area.

“Probationary Employee” – an Employee in good standing who is being considered by the City of Stratford for permanent employment subject to the satisfactory completion of the Probationary period.

“Seasonal/Casual Employee” – an Employee hired for a specific season i.e., Pools, Day Camp, Co-operative Placements etc. Upon the predetermined end date of the season, the Employee’s employment is terminated. Seasonal/Casual Employees are eligible for rehire in subsequent seasons without a competition.

“Selection Committee” – the Committee created to undertake the recruitment and selection process for a competition.

“Spouse” – the person to whom an employee is married, or with whom the employee is living in a conjugal relationship outside marriage.

“Temporary Full-Time Employee” – an Employee who is hired to work on a full-time basis (35 hours or more per week) whose employment is terminated upon predetermined end date or project completion.

“Temporary Part-Time Employee” – an Employee who is hired to work on a part-time basis (less than 35 hours per week) whose employment is terminated upon predetermined end date or project completion.

“Years of Service” – the length of continuous service of a permanent Employee including the probation period.

Scope:

This policy is applicable to all City of Stratford employees, elected officials and potential employees that have been selected for the interview process.

Procedure:

As an employer, the City commits to workplace diversity and inclusion. Having a variety of people in our workplace helps our organization to be more flexible, creative, and responsive. It helps us provide better service to our diverse community. The City commits to building a supportive and diverse workplace, representative of our community.

The City recognizes every applicant has a right to equal treatment with respect to recruitment and employment without discrimination or harassment because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability.

The City commits to maintaining accessible hiring and recruitment practices including providing reasonable accommodations in all parts of the hiring process for people identifying as having a disability.

The Human Resources Department will consider every bona fide application.

Applicants having close relatives already employed by the City will not be excluded from consideration of employment with the City. Prospective new hires or candidates for transfer or promotion must declare during the recruitment and selection process any family relationships with individuals who directly or indirectly supervise or manage the position being applied to.

Existing employees must declare and not participate in or influence any part of the recruitment and selection process where another family member is an internal or external applicant for a position.

The Corporation expects hiring practices and decision making will be centered on transparency, integrity, equal opportunity and will be free from any undue influence.

General Recruitment

The process for hiring the CAO will be at the direction of Council and approved by Council, with the advice of the Director of Human Resources.

For all new positions below the level of CAO, the CAO, the Director and/or designate(s) will initially identify staffing requirements through the annual budget process. For non-budgeted personnel, the Director, in consultation with the Chief Administrative Officer, shall present a report to Council for consideration.

Replacement of budgeted vacant positions is not automatic, and the most efficient and economical use of staff complement is a priority for the CLT. Should the Director deem that a replacement Employee is required as a Permanent or Temporary position, the vacant position will be considered as a group by CLT with budget, department efficiency and overall organizational needs being considered.

Job Posting & Advertising

The recruitment process outlined herein shall apply to internal and external candidates. Unionized positions will be posted in accordance with their Collective Agreement.

- i. The Hiring Manager shall complete a Vacant Posting Notice (VPN) to initiate the recruitment process for the job vacancy. By authorizing and submitting the VPN, the Hiring Manager will confirm that any internal departmental approval process and/or notifications have been completed.
- ii. The Director and/or designate will work with Human Resources to review the current job specifications to ensure they are up to date and accurate.
- iii. All changes to job descriptions beyond minor adjustments will require evaluation through the internal job evaluation process or the City's external compensation consultant.
- iv. A job posting is then prepared by Human Resources, in consultation with the Hiring Manager/Director and then submitted to applicable advertising agencies and for posting on the City Website.
- v. Internal and external notice shall be posted on the City of Stratford's Intranet and Web Site.
- vi. All Job Postings will be posted internally and externally for a minimum of seven (7) business days and can be extended at the discretion of the Hiring Manager in consultation with Human Resources.
- vii. If a Temporary Full-Time or Temporary Part-Time position becomes a Permanent Full-Time or Permanent Part-Time (i.e., approved through the budget process or a Permanent Employee does not return from a Leave of Absence or other work assignment), the Employee in the Temporary position may be placed in the

Permanent position without a job posting competition, subject to acceptable performance and Department Head approval.

- viii. If a vacancy for a recently filled position becomes available up to six (6) months from the date of the original job posting, the vacancy does not need to be re-posted. Candidates who applied to the original posting may be considered from the previous applications.
- ix. For proper record retention and document control, applications to open positions will only be accepted through the Employment Opportunities page on the City's website. Applicants who require accommodation during the recruitment process can contact Human Resources.

Internal Candidates

Internal Candidate Applications from interested Employees are welcomed and encouraged. Those who wish to apply are required to do so online. Internal applications will be duly considered in light of the requirements of the position and other applications received. All Internal Candidates are either interviewed or alternatively met with by the Hiring Manager as a courtesy to be advised why they will not be interviewed for the position.

All Employees currently on the payroll at the time of the posting, including Temporary contract, summer students/co-op students, part-time, are eligible to apply for all postings should they feel they have the required qualifications. Should an applicant who is currently a member of another Department become the selected candidate, then the Director and Human Resources will communicate with the impacted Director and discuss when the Employee will be made available. Internal applicants who are successful for contract positions will be backfilled in their original position, without loss of seniority.

Acknowledgement of Applications

Due to the volume of applicants received in normal recruitment, external applicants will only be contacted if they are selected for an interview.

Confidentiality of Applications

External candidate applications are kept confidential from their current employers unless otherwise authorized by the candidate.

Internal applications will remain confidential, outside of the recruitment process until an internal candidate is announced as the successful candidate, unless otherwise authorized by the candidate or as indicated in various collective agreements.

Retention of Applications

Application records are retained on file with the City in accordance with the City of Stratford's Record Retention By-Law.

Applications of those hired are retained on file permanently as part of the Employee's Corporate employee file.

Screening of Applications

The City strives to attract the best qualified candidates through the uniform application of its selection procedures.

As an equal opportunity employer, the City values diversity and is committed to the principles found in the Ontario Human Rights Code.

Initial screening and short listing of applicants will be completed by the Human Resources department and the Hiring Manger. The Hiring Manager will have an opportunity to review the full applicant pool and the screening tool. The Hiring Manager will have final decision of applicants to be interviewed, and Human Resources will arrange for preliminary interviews.

Interviews

The Human Resources department in consultation with the Hiring Manager shall develop questions and scoring format to be used by the interview team prior to setting the interview/testing date(s). The Selection Committee will review this and amend as agreed by the Committee.

A Selection Committee will be selected by the Hiring Manager and Human Resources. All Selection Committees will include at a minimum the Hiring Manager and an HR representative. All interviews below the level of Manager will include the HR Coordinator/designate and all interviews at or above the level of Manager will include the Director/Manager of Human Resources, with the exception of CAO.

Human Resources will co-ordinate the interview schedule in consultation with the Selection Committee. A Selection Committee, consisting of no less than three (3) individuals, shall be appointed to carry out the interview process. Individuals who have experience or who have been trained in the interview process would be an asset. More than one interview may be required.

For Corporate Leadership Team Positions, the Selection Committee shall include the Director of Human Resources, a Corporate Leadership Team representative (s) and the CAO.

Initial interviews will be conducted virtually to expedite the recruitment process. Second interviews will be held in person, when applicable. All interviews will be conducted in a manner that results in an exchange of information. Interviewers will ask only job-related questions, answers to which will help assess the candidate's experience and potential for the position. Ample time and opportunity to ask questions concerning the position will be given. The interview should also serve as an opportunity to present City's Strategic Priorities, compensation information, and benefit program.

The interview must assess leadership, management, customer service and technical skills. Behavioural-based Interview Questions will be used to evaluate a candidate's knowledge, skills, abilities, and behaviors required for the position. Competencies based on the City's Core Values are also very important.

Employment Reference Checks

Human Resources conducts reference checks via electronic submission online. Human Resources will ensure the final selected candidate shall have formal references completed, subject to agreement by the applicant. Final candidates who do not agree to a formal reference check will be eliminated from the selection process. The Hiring Manager will be provided with a summary report.

Reference check information is documented as part of the data collected in the selection process. Reference check material will be retained until successful completion of probation with the corporate recruitment file.

Nepotism

The City of Stratford's hiring policies are predicated on fair and equitable recruitment practices. As such, immediate relatives of the CAO and the Director of Human Resources Department shall not be employed at the City of Stratford. Immediate relatives of administrative personnel of the City of Stratford shall not be employed where such employment would be,

- a) within the same Department.
- b) where there would be direct or functional (indirect) supervision.
- c) where one party would be responsible for auditing the work of the other: and/or,
- d) where one party can exert influence over the work or career of the other.

In the event that through,

- a) marriage,
- b) promotion,
- c) transfer to the Human Resources Department or,
- d) a conflict with this policy is created.

A review by the CAO and the Director of Human Resources will take place. Resolution to the matter will be consistent with the purpose of this policy and the provisions of the Ontario Human Rights Code. Additionally, the resolution will take into consideration that which is considered acceptable to the parties involved.

As per the Municipal Act no current member of Council is eligible to apply for employment within the City.

The City will not show preference for, nor will it discriminate against, any relatives of Employees, elected representatives or appointed representatives who wish to apply for employment, promotion/transfers, or career opportunities.

No member of a Selection Committee will be a relative of any candidate interviewed for a position. Personal relationships need to be declared.

No Employee shall deal with an application for employment, promotion/transfer or career opportunities submitted by any relative.

Selection Process

If the reference check process is successful, the Manager of Human Resources or designate will enter into discussions with the preferred candidate in order to secure the candidate of choice.

If negotiations with the preferred candidate are unsuccessful, the process could repeat itself with a second candidate.

Letters of Offer of Employment

Consideration for applicants requires that the Selection Committee make a selection decision promptly. If additional time is required, all interviewed applicants should be contacted and so advised. A job offer shall be extended to the applicant by Human Resources regarding the terms and conditions of employment (i.e., Job status, job level, pay rate, hours of work, benefits, vacation, probation, professional development requirements etc.). If the candidate requires training and education as part of the offer it shall be stipulated in the hiring letter and the timeframe and consequences for not completing shall be stipulated.

The Job Classifications and Salary and Wage Ranges shall be in accordance with the Salary Administration Plan as approved and amended from time to time by the City of Stratford.

Generally, a verbal offer is made, followed by a confirming letter from Human Resources. The written offer of employment, in the City's standard format, shall be forwarded to the new Employee electronically to be signed and dated for return by the successful candidate. Included in the confirming letter of employment are the City's terms of employment, probation period and an overview of the benefits program.

At the time the position is accepted, the Hiring Manager is responsible to communicate with the Information Technology department to arrange all resources needed prior to and on the Employee's start date.

Unsuccessful Applicants

Respect and sensitivity for an applicant's confidence require that the Human Resources department be prepared to review their interview material, if requested.

Unsuccessful Internal Candidates will be contacted by the Hiring Manager and advised of the competition results, their strengths and areas of opportunity and will be provided with any career counselling the Hiring Manager deems appropriate.

The Human Resources Department will be responsible for advising all unsuccessful external interviewed applicants in writing via electronic mail.

Completion of Documentation

Prior to a new Employee commencing work, all documentation relating to payroll, income tax, benefits, pension, etc., shall be completed with the Compensation and Benefits Coordinator who will be responsible to take the necessary steps in enrolling

Employees on the appropriate benefit programs, securing the required documentation and placing them on the payroll system.

Probationary Period

A newly hired Employee shall be on probation for a minimum of six months of their employment or the time frame indicated in their respective collective agreement for unionized positions. Subject to the satisfactory completion of this probation period and the completion of a Performance Evaluation, the Employee may be placed on permanent staff, and Years of Service shall be effective from the original date of employment.

It is the responsibility of the Hiring Manager to ensure that a performance evaluation is completed whenever a Probationary Employee is proceeding from the probation period to regular status and following the determination of suitability of continuing employment, placed in the Employee's Corporate employee file along with a letter confirming the Employee has successfully completed probation.

Communication

The Human Resources department is responsible for all internal communication of new Employees, transfer of Employees and other job-related transitions.

Employee Orientation

The Hiring Manager in collaboration with Human Resources will ensure that the necessary guidance and support is provided for new staff joining the City or internal staff assuming new roles.

Orientation shall include:

- Position description and reporting relationship;
- Appropriate review of Corporate and Health & Safety Policies;
- Introduction to Staff (tour the new Employee to all departments as appropriate);
- Tour of the facilities, parking area, washrooms, first aid kits and fire exits;
- Training on the use of the computer programs and how to find information, formal training on the IT Security Policy;
- Training on equipment required for performance in the position;
- Review of Employee Orientation documents as may be developed;
- Follow-up to ensure the Employee feels at ease and can work safely in their new position.

Legislative Authority:

This policy complies with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) and the Ontario Human Rights Code.

All internal candidates and external candidates shall receive equal treatment with respect to employment without discrimination because of a protected ground under the Ontario Human Rights Code.

The City will comply with all requirements of Ontario Regulation 191/11 of the AODA, the Integrated Accessibility Standards Regulation (IASR), by:

- Considering the accessibility needs of all applicants with disabilities;
- Removal of unnecessary barriers that restrict employment;
- Notifying all applicants of the availability of accommodation throughout all steps of the recruitment process; and
- Providing individual accommodation plans (upon request).

Related Documents:

- This revised Hiring of Employees Policy H.1.5 replaces the current:
H.1.1 Advertising Administrative Position of Department Head & Deputy Head,
H.1.2 Interview Team for Management,
H.1.4 Filling of Non-Management Positions,
H.1.5 Hiring Relatives, and
H.1.31 Hiring Policies.



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Members of Council
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: COU24-147
Attachments: 1) Current Policy T.2.1 – Council
 2) Current Policy T.2.2 – Employees
 3) Draft New Travel and Conference Expense Policy - Combined

Title: Revised Consolidated Travel and Conference Expense Policy

Objective: To modernize the travel and conference policies for both staff and elected officials. The intent is to consolidate the policies due to the significant similarities and to highlight any differences separately within the policy, while clarifying specific areas that have been historically unclear, resulting in inconsistent application at times.

Background: The existing Travel and Conventions Policy for staff was last reviewed in 2019. Proposed changes at that time were adopted. The Council policy has not been reviewed/reaffirmed since 2003.

Some areas requiring further clarity include identifying specific eligible expenses, required documentation and appropriate modes of transportation.

Analysis: The draft policy was reviewed by Corporate Leadership Team.

The following lists the most significant changes in more detail:

- Clarification of the authorization processes required.
- Clarification of personal vehicle use, reimbursement thereof, and the additional insurance requirements to be consistent with other City policies and recommendations from the City's municipal insurer.
- Meals and Incidentals
 - Revises limits for the amounts that may be claimed for meals including total daily maximum consistent with other policies and Canada Revenue Agency (CRA) limits;

- Clarifies what documentation is required and reaffirms how inadequate documentation may result in non-payment due to regulatory requirements for Harmonized Sales Tax (HST) and CRA;
- Addition of a section around third-party business, reimbursable providing that the expenses are reasonable and were incurred because of conducting or furthering City business.
- Accommodation
 - Clarification of cancellation expectations.
- Companion Travel
 - Added a section to clarify.
- Other Matters
 - Receipts are required to claim eligible expenses;
 - Management or employees must use Corporate Purchasing Card if possible;
 - Expense claims must be submitted within 60 days for reimbursement. This has been extended from 30 days but will be enforced going forward to ensure that financial records can be closed in a timely manner.

It is understood that as part of their position, elected officials may be required to attend municipal government events customarily involving the consumption of alcohol, such as cultural events and meetings with representatives from other levels of government. Purchases of alcohol for personal consumption may be eligible for reimbursement if they are reasonable and appropriate for conducting City business.

Financial Implications:

Financial impact to current year or future year operating budget:

There are no direct financial implications because of this report.

Insurance considerations:

Based on recommendations from the City's municipal insurer, those driving non-city-owned vehicles should carry insurance for \$2 million and advise their insurer of business-use of their personal vehicles to ensure adequate coverage in the event of an incident involving their vehicle.

Alignment with Strategic Priorities:

Not applicable: This report does not align directly with one of the Strategic Priorities, but clear consistent and transparent policies help meet City objectives.

Alignment with One Planet Principles:

Not applicable: This is an administrative financial policy and does not relate directly to One Planet Principles.

Staff Recommendation: THAT the report titled, "Revised Consolidated Travel and Conference Expense Policy" (COU24-147), dated November 25, 2024, be received for information;

THAT the draft Travel and Conference Expense Policy attached to Report COU24-147 be approved and staff be directed to finalize formatting of Appendix A;

AND THAT policies T.2.1 and T.2.2 be rescinded and replaced with the revised Travel and Conference Expense Policy.

Prepared by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Joan Thomson, Chief Administrative Officer

The Corporation of the City of Stratford

Policy Manual

T.2 Travel and Conventions

Dept: CAO's Office

Committee: Finance and Labour Relations

T.2.1 Travel and Conventions

Adopted: December 21, 1998 by R98-669

Amended: Sept. 10, 2001 by R2001-492, November 25, 2013 by R2013-466

Reaffirmed: March 10, 2003

Related Documents:

Council Policy Administrative Policy

1.0 PURPOSE AND SCOPE:

This policy is for the guidance and direction of elected officials and employees of the City of Stratford who incur expenses while travelling on authorized corporation business. Such persons are expected to use discretion and good judgement in all matters where municipal funds are spent.

2.0 OVERVIEW:

It is municipal policy to reimburse elected officials and employees for specific expenses as provided herein incurred on the City's behalf while on authorized corporation business. Such expenses must be reasonable in the circumstances and must be necessary and incidental to the performance of municipal business. The policy is not intended to reimburse elected officials and employees for expenses of a purely personal nature.

The City encourages elected officials and employees to become involved in conferences, conventions, training courses and workshops in order to network with other professionals and further develop their skills and knowledge.

3.0 AUTHORIZATION:

Prior to commitment, approval is required as follows:

3.1 Elected Officials:

The travel costs for elected officials are authorized by an allocation in the current budget for the mayor and council. Prior to commitment, there is no approval required for travel costs which are within the annual budget. Travel costs which are in excess of the travel budget for elected officials will require Council approval.

3.2 Management:

The travel costs for managers are authorized by an allocation in their current budget. Prior to commitment, there is no approval required for travel costs which are within the annual budget other than any provisions contained within this policy.

3.3 Employees:

The managers shall give prior approval for planned travel for any employee in the division. These costs must be provided for in the budget.

4.0 TRANSPORTATION:

4.1 All transportation arrangements must be approved as established under Section 3.0 and must be the most practical method of travel considering both time and total cost.

4.2 All travel by private automobile on City business will be paid at the prevailing rate plus parking charges supported by receipts to a maximum 600 km. radius of the City of Stratford.

4.3 Other forms of transportation may be used within the 600 km. radius of the City of Stratford provided such arrangements are approved as provided for in this policy.

4.4 Spousal travel costs for travel within a 600 km. radius of the City of Stratford will only be paid if the elected official or employee elects another form of transportation, but only to the extent that the cost for the alternate form of transportation for both does not exceed the costs that would normally be incurred as described in Clause 4.3 immediately above.

4.5 If a private automobile is used, out of personal preference, beyond the 600 km. radius of the City of Stratford, reimbursement will be limited to the lesser of mileage and parking expenses or an alternative transportation which could be used to travel there within one day.

4.6 When more than one employee and/or elected official attends a function, they shall attempt, where feasible, to travel together to reduce costs.

4.7 If a person is approved to travel by rental car, train or air, the City will cover the cost of first class return train fare, economy return airfare or full rental of a sub-compact car.

- 4.8 If a person is approved to travel by train or air, the City will cover reasonable costs to and from the hotel and terminal.
- 4.9 Where an authorized individual has access to a City owned vehicle, such vehicle should be utilized for the purposes of travel, where feasible.
- 4.10 A detailed log must be kept by employees driving City owned vehicles and provide it to management upon request.
- 4.11 Employees, other than Fire Department employees, using their own vehicles for approved work related business may claim mileage from the lesser distance from either the employee's normal place of work to approved destination or from employee's home to approved destination.
- 4.12 City employees who use their own vehicles for City business are advised to carry a minimum \$2,000,000 liability limit and to ensure that their insurer is aware that their vehicle is used for city business and that it is rated correctly for that use and that the employee review their Automobile Accident Benefit limits to ensure that those limits satisfy their individual needs.

5.0 MEALS AND INCIDENTALS:

- 5.1 An elected official or employee attending approved functions shall be eligible for reimbursement of actual expenses for meals plus taxes and gratuities.
- 5.2 Original itemized receipts (showing HST) will be required for meals.
- 5.3 If more than one staff are present at a meal and there is one bill, the most senior staff person will make the claim for the meal.

6.0 ACCOMMODATION:

- 6.1 An elected official or employee attending approved functions shall be eligible for reimbursement of actual hotel rate charged for single/double room plus tax.
- 6.2 The Head of Council may upgrade his or her room for the purposes of hosting meetings and delegations. Such upgrades must be reasonable in the circumstances.
- 6.3 If a member of council registers for a conference, convention, training course or workshop 45 days beyond notification to council on Order of the Day and cannot be accommodated at least at the standard convention rate, any additional costs over and above such standard rate shall not be reimbursed.
- 6.4 Accommodation expenses are only eligible within any or all of the following periods:
- the actual days of the conference, convention, training course or workshop;
 - the day previous if the function begins before noon;

- the day following if the function ends after 6:00 p.m.;
- additional days required for travel if authorized by the Chief Administrative Officer for staff and the Mayor for members of Council.

6.5 Employees who elect to stay at a private residence instead of a hotel while travelling on City business are eligible to be paid a \$30 per day per diem in lieu of hotel/motel accommodations.

7.0 REGISTRATION:

7.1 An elected official or employee attending approved functions shall have the actual amount of the registration fee paid by the City of Stratford. Registration fees for companions will be the responsibility of elected official or employee.

8.0 ADVANCES:

8.1 Travel advances may be given in respect to this policy provided that the Director of Corporate Services has ten days advance notice and is properly authorized in accordance with this policy.

8.2 The applicant is liable for the whole amount until the expenditure for which it is being requested is approved.

8.3 Any unexpended advance must be repaid within thirty days of the last day of the conference or convention.

8.4 Advance requests and reimbursement claims shall be in the format prescribed by the Director of Corporate Services.

9.0 INELIGIBLE EXPENSES:

9.1 Ineligible expenses include:

- Spousal or family expenses other than that detailed in the policy;
- Personal entertainment (hotel bar charges, movies, etc);
- Personal side trips while travelling;
- Flight insurance premiums;
- Charges for excessive personal luggage;
- Meals which have already been paid for as part of the conference package.

10.0 LOCAL BOARDS AND CITIZENS:

10.1 These policies will apply to members of local boards, with the exception of the Police Services Board and Library Board who are governed by their own policies, and other

citizens with necessary modifications, provided that prior approval is received either through the budget process or by resolution of Council.

11.0 OTHER MATTERS:

- 11.1 Receipts are required, except where noted, wherever possible, to justify expenses.
- 11.2 Where an elected official or employee is registered to attend a function, every reasonable effort shall be made by the registered participant to give appropriate notification of cancellation. Notification should be directed to the approval authority.
- 11.3 Elected officials attending conferences or conventions shall report, either verbally or in writing, to City Council on the benefits of attending the function as soon as practical.
- 11.4 Any conventions, conferences, training courses and workshops outside the Province of Ontario and within North America shall not exceed one per year for any individual elected official and no more than two shall attend any one function outside the Province of Ontario. The only exception is where the elected official has been invited to participate and the costs are substantially covered by the organization extending the invitation. Any functions outside North America must be approved by resolution of Council.
- 11.5 Any conventions, conferences, training courses and workshops outside the Province of Ontario and within North America shall not exceed one per year for any member of staff and no more than one staff member may attend any one function outside the Province. The only exception is where the staff member has been invited to participate and the costs are substantially covered by the organization extending the invitation. Any functions outside North America must be approved by resolution of Council.
- 11.6 The limitations in clauses 11.4 and 11.5 do not apply to elected officials and employees who sit on national boards and committees who meet regularly throughout the year.
- 11.7 It is recognized that, from time to time, circumstances may arise that cannot be tied to the preceding guidelines and that, in the case of staff, the chief administrative officer and, in the case of the Council or the chief administrative officer, the mayor shall have discretion to make minor exceptions to the policy that, in their opinion, fall within the overall intent of the policy.
- 11.8 The Director of Corporate Services has responsibility for monitoring this policy.
- 11.9 This policy is effective immediately upon passage by Council.

The Corporation of the City of Stratford

Policy Manual

T.2 Travel and Expense

Dept: Director of Corporate Services

Committee: Finance and Labour Relations

T.2.2 Travel and Expense for City Employees

Adopted: December 21, 1998 by R98-669

Amended: Sept. 10, 2001 by R2001-492, November 25, 2013 by R2013-466,
July 15, 2019 by R2019-313

Reaffirmed:

Related Documents:

Council Policy Administrative Policy

1.0 PURPOSE AND SCOPE:

This policy is for the guidance and direction of employees of the City of Stratford who incur expenses while travelling on authorized corporation business. Such persons are expected to use discretion and good judgement in all matters where municipal funds are spent.

2.0 OVERVIEW:

It is municipal policy to reimburse employees for specific expenses as provided herein incurred on the City's behalf while on authorized corporation business. Such expenses must be reasonable in the circumstances and must be necessary and incidental to the performance of municipal business. The policy is not intended to reimburse employees for expenses of a purely personal nature.

The City encourages employees to become involved in conferences, conventions, training courses and workshops in order to network with other professionals and further develop their skills and knowledge.

3.0 AUTHORIZATION:

Prior to commitment, approval is required as follows:

- 3.1 The travel costs for all employees must be approved by their direct supervisor. These costs must be provided for in the budget.

4.0 TRANSPORTATION:

- 4.1 All transportation arrangements must be approved as established under Section 3.1 and must be the most practical method of travel considering both time and total cost.
- 4.2 Where an authorized employee has access to a City owned vehicle, such vehicle should be utilized for the purposes of travel, where feasible.
- 4.3 Within a 50km radius of the City of Stratford, employees using their own vehicles for approved work related business may claim mileage from the lesser distance from either the employee's normal place of work to approved destination or from employee's home to approved destination.
- 4.4 For travel outside a 50km radius of the City of Stratford, employees must check with the Fleet Supervisor for availability of a City vehicle before using a personal vehicle or rental car.
- 4.5 If a Fleet vehicle is not available, the use of a personal vehicle or rental car will be authorized.
- 4.6 Authorized travel by personal vehicle on City business will be paid at the prevailing Department of Finance Canada rate for post 5,000 kilometers (plus \$0.01) plus parking charges supported by receipts to a maximum 600 km radius of the City of Stratford.
- 4.7 If a Fleet vehicle is available and a personal vehicle is used out of personal preference, reimbursement will be limited to actual gas receipts submitted.
- 4.8 City employees who use their personal vehicles for City business are advised to carry a minimum \$2,000,000 liability limit and to ensure that their insurer is aware that their vehicle is used for city business and that it is rated correctly for that use and that the employee review their Automobile Accident Benefit limits to ensure that those limits satisfy their individual needs.
- 4.9 When more than one employee attends a function, they shall attempt, where feasible, to travel together to reduce costs.
- 4.10 If an employee is approved to travel by rental car, train or air, the City will cover the cost of first class return train fare, economy return airfare or full rental of a sub-compact car.
- 4.11 If an employee is approved to travel by train or air, the City will cover reasonable costs to and from the hotel and terminal.

5.0 MEALS AND INCIDENTALS:

- 5.1 An employee attending approved functions shall be eligible for reimbursement for meals plus taxes and gratuities to a maximum of \$12 for breakfast, \$20 for lunch and \$30 for dinner.
- 5.2 Original itemized receipts (showing HST) will be required for meals.
- 5.3 There will be no reimbursement for alcohol.
- 5.4 In the absence of original itemized receipts, the City will reimburse in accordance with Canada Revenue Agency regulations currently in effect governing the Simplified Method for claiming Meal Expenses.

6.0 ACCOMMODATION:

- 6.1 An employee attending approved functions shall be eligible for reimbursement of actual hotel rate charged for single/double room plus tax.
- 6.2 Accommodation expenses are only eligible within any or all of the following periods:
- the actual days of the conference, convention, training course or workshop;
 - the day previous if the function begins before noon;
 - the day following if the function ends after 6:00 p.m.;
 - additional days required for travel if authorized by the Director of Corporate Services.

7.0 REGISTRATION:

- 7.1 An employee attending approved functions shall have the actual amount of the registration fee paid by the City of Stratford. Registration fees for companions will be the responsibility of the employee.

8.0 ADVANCES:

- 8.1 Travel advances may be given in respect to this policy provided that the Director of Corporate Services has ten days advance notice and is properly authorized in accordance with this policy.
- 8.2 The applicant is liable for the whole amount until the expenditure for which it is being requested is approved.
- 8.3 Any unexpended advance must be repaid within thirty days of the last day of the conference or convention.
- 8.4 Advance requests and reimbursement claims shall be in the format prescribed by the Director of Corporate Services.

9.0 INELIGIBLE EXPENSES:

9.1 Ineligible expenses include:

- Spousal or family expenses;
- Personal entertainment (hotel bar charges, movies, etc);
- Personal side trips while travelling;
- Flight insurance premiums;
- Charges for excess personal luggage;
- Meals which have already been paid for as part of the conference package.

10.0 OTHER MATTERS:

10.1 Receipts are required to support eligible expenses.

10.2 If an employee has a Corporate Purchasing card they should use it for eligible expenses, and not a personal credit card.

10.3 Expense claims for reimbursement must be submitted to Finance within 30 days.

10.4 Where an employee is registered to attend a function, every reasonable effort shall be made by the registered participant to give appropriate notification of cancellation. Notification should be directed to the approval authority.

10.5 Any conventions, conferences, training courses and workshops outside the Province of Ontario and within North America shall not exceed one per year for any employee and no more than one employee may attend any one function outside the Province of Ontario. The only exception is where the employee has been invited to participate and the costs are substantially covered by the organization extending the invitation. Any functions outside North America must be approved by resolution of Council.

10.6 The limitations in clause 10.5 do not apply to employees who sit on national boards and committees who meet regularly throughout the year.

10.7 It is recognized that, from time to time, circumstances may arise that cannot be tied to the preceding guidelines and that the Director of Corporate Services shall have discretion to make minor exceptions to this policy that, in their opinion, fall within the overall intent of this policy.

10.8 The Director of Corporate Services has responsibility for monitoring this policy.

10.9 This policy is effective immediately upon passage by Council.

**DRAFT**

The Corporation of the City of Stratford Policy Manual

Policy Number:	F.xx.xx
Policy Section:	Financial and Fiscal
Department:	Corporate Services
Date Adopted:	November 25, 2024
Date Amended:	
Scheduled for Review:	January xx, 2029
Date of Last Review:	
Policy Type:	Council-adopted Policy

Travel and Conference Expense Policy

Policy Statement

This policy is to provide the business rules and guidelines for travel and conference expenditures that support city business. This policy replaces T.1 and T.2 effective upon adoption.

Purpose

The purpose of this policy is to provide the business rules and guidelines for expenditures that support the Mayor, Members of Council, management and employees in performing their roles and in representing the community when attending conferences or events. The Mayor, Members of Council, management and employees are accountable to the public for the type and level of expenses incurred and are expected to exercise good judgement while incurring such expenses.

Guiding Principles

The City encourages elected officials, management and employees to become involved in conferences, conventions, training courses and workshops to network with other professionals, levels of government and to further develop their skills and knowledge to perform their duties.

Further, it is recognized that travel is sometimes required to conduct regular city business and that some of these costs are reimbursable.

It is municipal policy to reimburse elected officials, management and employees for specific expenses as provided herein incurred on the City's behalf while on authorized

corporation business. Such expenses must be reasonable in the circumstances and must be necessary and incidental to the performance of municipal business. The policy is not intended to reimburse elected officials and employees for expenses of a purely personal nature.

Failure to comply with any parts of the policy may result in an expense claim being denied.

Definitions

“Elected Official” means the Mayor and any member of Council.

“Management” means members of the City’s leadership and management teams.

“Leadership team” means the Chief Administrative Officer and all Directors of departments.

“Employees” means staff not part of the leadership and management teams.

“Authorized person” means a person who has received approval to attend a conference or travel to a specific event or on corporate business.

Application

This policy will apply to elected officials, management and employees. It will also apply to members of local boards and other citizens with necessary modifications, provided that prior approval for attendance to training or conferences is received either through the budget process or by resolution of Council. This policy is not intended to cover members and employees of the Police Services Board and Library Board which are governed by their own policies, unless this policy is adopted by their respective boards.

Any elected official, management or employee must have approval to attend a conference in advance of the event as outlined in this policy and are expected to bring back relevant information and materials that could benefit others that did not attend.

Authorization – Elected Officials

Conference and travel costs are funded by an allocation in the annual budget for the Mayor and Council.

Approval to attend a specific conference or convention for any Member of Council requires authorization from the Mayor and Chair of Finance and Labour Relations Subcommittee, with confirmation by the Director of Corporate Services that sufficient budget dollars are available to accommodate the expenditure. Specific authorization is not required for the Mayor to attend a specific conference subject to available budget.

Consideration shall be given to equity between Members of Council, the value to the community, and the balance of funds available in the approved budget. The Member wishing to attend a conference must present an estimated budget of the total cost of

attendance when seeking approval. Sample form is attached as Appendix A, subject to administrative revisions.

Authorization – Management and Employees

Conference and travel costs for management and employees are funded by an allocation in the annual budget within each department and divisional annual budgets.

Approval to attend a specific conference or convention for management and employees requires authorization from the applicable leadership team member. There is no approval required for leadership team members if there is sufficient detail in the approved budget and funding is included in the budget to accommodate the expenditure.

Consideration shall be given to impact on service delivery, the value to the Corporation, necessary requirements to maintain professional designations held, and the overall impact on the approved budget. Management and employees must ensure that the expected expenditures can be accommodated within the approved budget.

Authorization for third-party meals must be obtained from the CAO in writing in advance of the expenditure and accompany any claims for reimbursement or purchasing card supporting documentation.

Travel

All transportation arrangements must be approved as established under the **Authorization** section of this policy and must be the most practical method of travel to minimize time and total cost. For example, if flying, flights booked well in advance are typically at lower rates than those booked at the last minute. Attempts must be made to obtain the best possible pricing and value.

In determining total cost, consideration should be given to the travel time required. For example, when a conference starts at 2:00 p.m., a flight may allow the attendee to travel the morning of the event, whereas a lower-cost method of travel may require the approved person to travel the day prior and necessitate an extra night's hotel stay. Whenever possible, approved persons attending the same event should travel together (i.e. carpooling) if there is an opportunity to minimize costs.

If a person is approved to travel by train or air, the City will cover reasonable costs to and from the hotel and terminal, such as community or airport transportation, taxi, uber or other. Travel to and from the conference venue for personal excursions will be the responsibility of the approved person and will not be eligible for reimbursement.

Vehicle Travel

If an authorized person is travelling by vehicle, the City will reimburse reasonable costs for parking and highway tolls, however any vehicle infractions are the responsibility of the authorized person and not eligible for reimbursement.

Where an authorized person has access to a City-owned vehicle, such vehicle should be utilized for the purposes of travel, consistent with the City's Fleet policy.

If a personal automobile is used because of personal preference, reimbursement will be limited to the lesser of mileage and parking expenses or an alternative transportation which could be used to travel there within one day.

Authorized travel by personal vehicle on City business will be reimbursed at the prevailing Canada Revenue Agency rate for > 5,000 kilometers (plus \$0.01).

Authorized persons who use a personal vehicle regularly for City business are required to carry a minimum \$2,000,000 liability limit and are required to advise their insurer that their vehicle is used for City business and ensure their policy is rated correctly for that use. Proof of limits may be requested by the Director of Corporate Services at any time to support expense claims submitted for mileage or at the City Insurer's request. Elected officials should review their personal Automobile Accident Benefit limits to ensure that their coverage satisfies their individual needs.

Management and Employees:

Within a 75km radius of the City of Stratford, those using their own vehicles for approved work or Council-related business may claim mileage from the lesser distance from either the employee's normal place of work to approved destination or from employee's home to approved destination.

For travel outside a 75km radius of the City of Stratford, employees must check with the Fleet Supervisor for availability of a City vehicle before using a personal vehicle or rental car. If a Fleet vehicle is not available, the use of a personal vehicle or rental car is appropriate.

If a Fleet vehicle is reasonably available and a personal vehicle is used out of personal preference, reimbursement will be limited to actual gas receipts submitted.

Accommodation

Where possible, attendees should stay in the accommodation recommended by the conference organizer, if applicable, to take advantage of any negotiated reduced rates. Authorized persons should seek further approval if they are unable to book the reduced rate or find similar alternate accommodation at a similar rate. For this policy, 'similar' shall be a rate not more than 10% higher than the lowest posted negotiated rate of the specific accommodation. Where there is no pre-negotiated room rate, a reasonably priced accommodation should be selected.

In the case where a third-party booking company or website is used, the authorized person must ensure that appropriate receipts are available which itemize the accommodation costs, any incidental add-ons and all taxes separately. Separation of any fees and taxes is required for the City to claim any eligible HST rebates.

Reimbursement of accommodation will not occur without this detail, or may be at a reduced rate, to ensure maximum rebates can be claimed by the City.

Accommodation expenses are only eligible within any or all the following periods:

- the actual days of the conference, convention, training course or workshop;
- the day previous if the function begins before noon;
- the day following if the function ends after 6:00 p.m.;
- additional days required for travel if authorized per the **Authorization** section of this policy.

Event/Conference Registration

An authorized person attending approved functions shall have the actual amount of the registration fee reimbursed by the City of Stratford. Wherever possible, capturing early registration discounts is encouraged.

Attendance of some types of conferences virtually may be a lower cost and more environmentally friendly alternative to travel. Both staff and elected officials are encouraged to explore these options when appropriate.

Companion Travel

Registration fees and travel costs for companions, if the option is available, will not be reimbursed by the City of Stratford, and are the responsibility of the authorized person.

Meals and Incidentals

Where event registration includes meals, no reimbursement for meals in those periods will be allowed. Where meals are not included in the registration, the cost of meals will be reimbursed as noted below.

An authorized person attending approved functions shall be eligible for reimbursement for meals plus taxes and gratuities to a maximum daily value of \$100 including taxes or gratuities.

Original itemized receipts showing what was purchased, breakdowns of tips and applicable taxes including HST are required to be eligible for reimbursement.

In the absence of original itemized receipts, the City will reimburse for meals in accordance with Canada Revenue Agency (CRA) regulations currently in effect and described as the Simplified Method for claiming Meal Expenses. This method uses a flat

rate and is limited to the lesser of any amounts defined in this policy and the CRA maximums. Details of event attended, attendees, purpose and other details may be requested as supporting documentation and this method must be explicitly requested on the claim form.

If more than one eligible person is present at a meal and there is one bill, only one person may pay, and make the claim for the meal, noting the eligible individuals present.

Third-Party Business

It is understood that as part of their positions, elected officials and members of the leadership team may be required to attend municipal government events customarily involving alcohol, such as municipal networking events, meetings with representatives from other levels of government or cultural events that result in furthering City business.

The reimbursement of **up to 2** alcoholic beverages per person in attendance with the elected official or leadership team member is permissible provided that:

- Approval has been obtained per the **Authorization** section of this policy;
- The circumstance is appropriate and reasonable for conducting City business;
- Best judgment and discretion must be used when determining whether alcohol purchases constitute a necessary expense for conducting the business at hand and evidence of such reasonability must exist;
- Consumption of alcohol must be reasonable, moderate and appropriate for conducting City business and all City policies and laws governing the consumption of alcohol, including the operation of a motor vehicle, must be adhered to;
- The detailed receipt for reimbursement must be accompanied by the name(s) of persons with whom the claimant is meeting as well as the reason for the meeting.

Ineligible expenses

Examples of ineligible expenses are noted and may not be limited to:

- Room or travel upgrades beyond the lower cost options, such as from a room to a suite, or from economy to first class;
- Spousal or family expenses;
- Personal entertainment (hotel bar charges, pay-per-view, etc.);
- Personal side trips or outings while travelling for the specific event;
- Flight insurance premiums;
- Charges for excess personal luggage;
- Fines, late fees or other penalties incurred by an approved person;
- Meals, where meals were part of a registration/conference package.

Other Matters

Detailed receipts are **required** to support eligible expenses.

If a Corporate Purchasing Card is an available option, this should be used for eligible expenses. Use of personal credit cards is discouraged when a purchasing card is available and should only be used in cases of emergency or where there is no purchasing card.

Expense claims are encouraged on a monthly basis. Claims for reimbursement must be submitted to Finance within 60 days or they will not be paid. All approved payments will be made electronically via Electronic Funds Transfer (EFT).

Every reasonable effort shall be made by the approved person to give appropriate cancellation notice to avoid penalty or cancellation fees for accommodation and event registrations when the circumstance arises. Notification and/or confirmation of cancellation should be directed to the approver.

Any conventions, conferences, training courses and workshops outside the Province of Ontario and within North America shall not exceed one per year for any authorized person and no more than one authorized person may attend any one function outside the Province of Ontario. The only exception is where the authorized person has been invited to participate and the costs are all, or substantially covered by the organization extending the invitation. Any functions for elected officials outside North America must be approved by resolution of Council.

The limitations in the above do not apply to elected officials or employees who sit on national boards and committees who meet regularly throughout the year.

It is recognized that, from time to time, circumstances may arise that do not fit within the preceding guidelines. For management and employees, the Director of Corporate Services shall have discretion to make minor exceptions to this policy and for elected officials, the Chair or Vice Chair of the Finance and Labour Relations Committee shall have discretion to make minor exceptions to this policy that, in their opinion, fall within the overall spirit and intent of this policy.

The Director of Corporate Services has responsibility for administering this policy but shall not, unless otherwise outlined in the policy, have discretion or authority to approve other than minor exceptions.

This policy is effective immediately upon passage by Council and unless otherwise directed by Council, shall be reviewed every 5 years or at the discretion of the Chief Administrative Officer or Director of Corporate Services.

Legislative Authority:

- Not applicable

Related Documents:

- By-Law 20-98 Remuneration for Members of Council
- Purchasing Policy P.5.1

Appendix A – Sample Authorization Form

Today's Date:

Name:

Email address:

Phone number:

Purpose /Event:

Anticipated outcomes from attending the event:

Date of Event/Conference (Start Travel/End Travel/Number of days):

Mode of travel:

Expected kms expected to be reimbursed (if applicable):

Anticipated total costs (include registration and any travel costs, as well as expected meal or other allowances expected):

Authorized by:

Mayor and Chair/Vice Chair of Finance & Labour Relations Committee



MANAGEMENT REPORT

Date: November 25, 2024
To: Mayor and Council
From: Naeem Khan, Chief Technology & Security Officer
Report Number: COU24-146
Attachments: None

Title: 10-Year Dark Fibre Lease Agreement with Rhyzome

Objective: To provide Council with an overview of the proposed 10-year dark fibre lease agreement between the City and Rhyzome and seek Council's approval for the Mayor and Clerk to sign the agreement.

Background: Dark fibre, also known as unlit fibre, refers to fibre optic cables with no service or traffic running on them – an unused point-to-point connection. It's called 'dark' because the cables aren't lit by a light signal. The City has leased dark fibre from Rhyzome since the early 2000s, providing essential connectivity for various City sites. Despite the longstanding relationship, there has not been a formal agreement in place that outlines service levels, responsibilities, and terms for maintenance and support. This new agreement addresses this gap by formalizing the lease arrangement with a clear Service Level Agreement (SLA) to ensure service reliability, defined performance standards, and accountability. Establishing these terms will help the City better manage its network infrastructure and service continuity.

Analysis: The proposed 10-year dark fibre lease agreement with Rhyzome provides the City with a stable, high-capacity fibre network across multiple key sites, supporting critical connectivity needs. This arrangement is designed to meet both current and future requirements as the City's digital and operational demands continue to grow.

Key points of analysis include:

1. **Cost-Effectiveness:** The long-term lease secures fibre connectivity at a predictable cost structure. The initial rates are competitive, and this is within standard industry ranges for long-term infrastructure leases.
2. **Service Level Agreement (SLA):** The agreement includes a formal SLA, which has not previously been in place. This SLA commits Rhyzome to maintaining a

minimum uptime of 99.7% per month, with specified response times and a process for handling service interruptions. Such defined service levels will provide the City with greater reliability and accountability in network performance.

3. **Operational Impact:** Reliable network infrastructure is essential for the City's daily operations. This agreement will ensure that the necessary bandwidth and connectivity are consistently available to support these services.
4. **Risk Mitigation:** By formalizing the relationship and including indemnity and termination clauses, the City reduces potential risks associated with this agreement. The inclusion of an SLA provides further safeguards against service degradation, outlining specific steps for issue resolution and outage credits.
5. **Scalability and Future Planning:** The agreement ensures that the City's network can be expanded and adapted to future needs, with terms that allow for ongoing review and potential adjustments in alignment with evolving technology and city growth.

In summary, this agreement provides a robust foundation for the City's connectivity needs, ensuring dependable service levels while mitigating risks. It positions the City well to meet both current and projected future demands for reliable network infrastructure.

Financial Implications:

Impact on current year and future year operating budgets:

The annual costs associated with the current practice are included in the 2024 budget and are part of annual operating costs. The 2024 budget included \$67,515 and the 2025 budgets and beyond will be approximately \$82,882. It is a bit higher in the subsequent years due to some additional strands added in 2024 for a couple of locations. There are no additional financial impacts or changes anticipated under this agreement.

Legal considerations:

The proposed dark fibre lease agreement with Rhyzome has been reviewed by the City's legal counsel. The agreement includes key provisions to protect the City's interests, such as indemnity clauses, termination rights, and a Service Level Agreement (SLA) outlining performance standards and responsibilities.

Alignment with Strategic Priorities:

Enhance our Infrastructure

This report aligns with this priority as supports critical network infrastructure, securing reliable fibre connectivity across multiple city sites. The dark fibre lease supports the City's ability to maintain high-quality infrastructure that underpins essential services and future digital initiatives.

Work Together For Greater Impact

This report aligns with this priority as it reflects collaboration with Rhyzome, a key partner, to secure a long-term infrastructure solution. The agreement supports greater efficiency and reliability, enhancing the City's ability to serve residents effectively.

Intentionally Change to Support the Future

This report aligns with this priority as it formalizes the City's approach to managing network infrastructure, incorporating a Service Level Agreement (SLA) that ensures accountability, reliability, and future scalability. This proactive approach positions the City to meet evolving technological demands and support future growth.

Alignment with One Planet Principles:

Equity and Local Economy

This agreement supports local economic growth by partnering with Rhyzome, a locally based service provider. This approach contributes to the local economy and promotes sustainable community partnerships.

Zero Carbon Energy

The leased fibre infrastructure supports energy-efficient data transmission and reduces the need for on-premises server storage and related energy consumption. This aligns with the goal of promoting sustainable energy use within city operations.

Staff Recommendation: THAT the report titled, "10-Year Dark Fibre Lease Agreement with Rhyzome" (COU24-146), be received for information;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the Dark Fibre Lease Agreement and any related documents.

Prepared by: Naeem Khan, Chief Technology & Security Officer
Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
 Joan Thomson, Chief Administrative Officer



MANAGEMENT REPORT

Date: October 22, 2024
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, Director of Corporate Services
Report Number: FIN24-032
Attachments: 1. Council Remuneration By-law No. 20-98, as amended
 2. Report on Council Remuneration dated August 26, 2019

Title: Council Remuneration Review

Objective: To begin the Council remuneration review and to determine the method for completing the review.

Background: Section 283 of the Municipal Act, S.O. 2011, Chapter 25, as amended ("the Municipal Act, 2001"), provides authority for Council of a municipality to provide payment of remuneration to the Members of Council, and such remuneration may be determined in any manner that Council considers advisable.

Council remuneration can be challenging to compare given the vast differences in scope and size of municipalities in Ontario as well as the impacting economic, demographic and financial variables. Work performed by elected officials also varies significantly given jurisdiction (county, single-tier, upper and lower-tier) and is further impacted by the number and type of secondary committees and sub-committees.

In 2018, Council approved the establishment of an Ad Hoc Citizen's Committee on Council Remuneration given the Canada Revenue Agency (CRA) elimination of the 1/3 tax free exemption for members of municipal councils. The mandate of the Committee was to review and provide recommendations on the remuneration of both the Mayor and Councillors, considering related benefits and pension. The committee considered: current total compensation including the per-diem structure, roles and responsibilities, historical remuneration data and appropriate survey information and comparators.

In 2019, the following resolutions were adopted:

THAT Council Remuneration Option#2 be adopted as follows for all Members of Council:

- **A revised base pay, which accounts for the elimination of the 1/3 tax exemption retroactive to January 1, 2019; and**
- **\$4000 in lieu of group extended health care and dental coverage or the option to purchase group extended health care and dental coverage through the Corporation to commence January 1, 2020.**

The City of Stratford amended By-law No. 20-98, to reflect the recommendations arising from the Remuneration report associated with that term.

The purpose of this report is to explore options available for the completion of the current term of Council remuneration review.

Analysis: The following options have been identified for completing a Council remuneration review.

Option 1: Staff Undertake Review

The first option is to direct staff to undertake the Council Remuneration Review. The proposed review would be comprised of the following steps:

Step 1: Research: Gather elements of council remuneration from comparator municipalities, along with the City's current practices and any issues or matters requiring clarification. Comparator municipalities to include but not be limited to: City of Woodstock, City of St. Thomas, Town of St. Marys, City of Orillia.

Step 2: Analysis, Observation and Draft Report: Staff would then review the data and provide a summary of observations for base pay and/or ancillary compensation.

Step 3: The final summary report would then be presented to Council to outline comparators, methodology, elements survey, observations and recommendations relating to base pay. The report will reflect best practice in the sector gathered from informal surveys within the municipal finance staff of participating municipalities.

This option could be accommodated within the current work plan and budgets established for the Corporate Services department.

Option 2: Compensation Consultant

This option is to direct staff to undertake a fulsome Council Remuneration Review with a Compensation Consultant ("Consultant") with previous compensation market survey services. The proposed review would be comprised of three steps under the Consultant review (inclusive of a Market Study), including project initiation and collection of market data, analysis, observation and draft report and final report outlining comparators, methodology survey, and recommendations.

Costs will be incurred to have the third-party consultant undertake the review and prepare draft and final reports for consideration by Council. These funds have not been

previously identified in the operating or reserve funds and are estimated to be \$25,000-\$40,000.

Option 3: Ad-Hoc Committee

A Council Remuneration Ad-Hoc Committee could be created to fulsomely review the remuneration and benefits to be paid to Council members for the remainder of the 2022 to 2026 term of office.

An ad-hoc committee would be made up of citizen representatives and would work with staff requiring administrative support, including the gathering of information and resource materials to assist the group with its review. There would be no decision-making afforded to the ad-hoc committee, rather their role would be to gather data.

Minor costs will be incurred to recruit for an ad-hoc committee on Council remuneration. Staff support will be required from Corporate Services. The costs for the ad-hoc committee could be funded within the existing operating budget. The Council Remuneration Ad-Hoc Committee's mandate would be to:

- Conduct research
- Review existing policies and practices
- Make comparisons with similar-sized peer and neighbouring municipalities
- Produce an independent report with recommendations for the total level of compensation, benefits and expenses for the term of office.

Based on the depth of work done by the previous ad-hoc committee, staff suggest the process for this term of Council could be an update exercise consisting mainly of looking at comparator municipalities under Option 1. Utilizing staff and neighbouring municipalities' information sharing would be the basis for the update to ensure that the Council remuneration paid to elected officials is consistent with similar municipalities. A final report could be expected prior to January 1, 2025, to be implemented in 2025.

Financial Implications:

Financial impact to current year operating budget:

The intent is that any outcomes from the review would be effective on a prospective basis and could be accommodated within the 2025 budget.

Financial impact on future year operating budget:

Financial impacts will be incorporated into future year operating budgets.

Alignment with Strategic Priorities:

Not applicable: This report does not align with one of the Strategic Priorities as it deals with an administrative matter.

Alignment with One Planet Principles:

Not applicable: This report deals with an administrative matter and, as such, does not align directly with one of the One Planet Principles.

Staff Recommendation: THAT the Director of Corporate Services be authorized to proceed with the Council Remuneration Review as further outlined in Option 1 in this report;

AND THAT upon receipt and approval of the final remuneration report by Council, the Clerk be directed to prepare a new Council Remuneration By-law to reflect the recommended process for and final recommendations arising from the Council Remuneration Review, and to repeal By-law 20-98.

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



**BY-LAW NUMBER 20-98
OF
THE CORPORATION OF THE CITY OF STRATFORD**

BEING a By-law to establish the indemnity and remuneration of members of Council for the City of Stratford and to repeal By-law Number 34-90.

WHEREAS section 242 of The Municipal Act, R.S.O. 1990, chapter M.45 allows the Council of a municipality to pass by-laws for paying remuneration to the members of Council;

AND WHEREAS section 243 of *The Municipal Act* allows the Council of a municipality to pass by-laws to provide for the payment in whole or in part of such expenses of the members of Council as are actually incurred as a result of their acting either within or outside of the municipality in their capacity as members of Council;

AND WHEREAS section 244 of *The Municipal Act* allows the Council of a municipality to pass by-laws to provide for the payment of remuneration to a member of Council to serve as a member of a local board as defined in *The Municipal Affairs Act*, or of any other body, in respect of services as a member of that board;

AND WHEREAS By-law 20-98 was adopted by Council of The Corporation of the City of Stratford to establish indemnities and remuneration for the members of Stratford City Council;

AND WHEREAS Sections 8 and 9 of the *Municipal Act*, 2001, S.O. 2001, as amended, confer authority on municipalities to govern their affairs as they consider appropriate;

AND WHEREAS Section 5 of the said *Municipal Act*, 2001, S.O. 2001, as amended authorizes council to exercise the powers of the municipality by by-law;

AND WHEREAS Section 283 of the *Municipal Act*, 2001, S.O. 2001, as amended, authorizes municipalities to pay remuneration and expenses of the members of any local board of the municipality and of the officers and employees of the local board if the expenses are of those persons in their capacity as members, officers or employees, and if the expenses are actually incurred or the expenses are a reasonable estimate, in the opinion of the council or local board, of the actual expenses that would be incurred, and

AND WHEREAS it is deemed necessary to amend By-law 20-98 as amended, to reflect Council resolutions accepting the recommendations in part, arising out of the Final Report from the Council Compensation Review Ad-Hoc Committee;

NOW THEREFORE BE IT ENACTED by Council of The Corporation of the City of Stratford as follows:

1. That the annual allowance to be paid to the Mayor, shall be as follows:
 - a) Effective January 1, 2019: \$77,212.00 plus out-of-pocket expenses

and that the remuneration be indexed in future years, in accordance with the previous year's whole Consumer Price Index.

2. That the annual allowance to be paid to each member of Council, other than the Mayor, shall be as follows:

- a) Effective January 1, 2019: \$19,958.00 plus out-of-pocket expenses

and that the remuneration be indexed in future years, in accordance with the previous year's whole Consumer Price Index.

3. That the annual allowance to be paid to the Deputy Mayor, shall be as follows:

- a) Effective January 1, 2019: \$21,688.00 plus out-of-pocket expenses

and that the remuneration be indexed in future years, in accordance with the previous year's whole Consumer Price Index.

4. That, notwithstanding Section 1-3 above, the Mayor and Councillors elected to the Council of The Corporation of the City of Stratford and appointed to any other body, are entitled to receive any remuneration payable to them in that capacity, such as but not limited to Stratford Police Services Board and Festival Hydro Inc., and Festival Hydro Services Inc. so far as such remuneration is not funded by The Corporation of the City of Stratford.

5. In addition to the remuneration provided for in this By-law, Councillors shall also be paid remuneration in accordance with the scale provided for in Paragraph 6 herein, while attending the following:

- a) meetings of local boards or other bodies to which they have been appointed by Council, or on which they serve as ex-officio members, other than Council, Standing Committees or Sub-committees of Council;
- b) Trade Shows and meetings attended on behalf of the City of Stratford, outside the Corporation limits;
- c) except that where such local boards or other bodies provide a stipend or remuneration to the members appointed thereto, then the member shall receive such stipend or remuneration from the local board or other body and not the remuneration set out in paragraph 6 herein;
- d) Members of Council shall not be paid remuneration for attending the following meetings:
- i) Public Meetings;
 - ii) Presentations by consultants;
 - iii) Open Houses;
 - iv) Public consultations;
 - v) Visioning sessions;
 - vi) Ceremonial functions.

6. Any stipend or remuneration paid by local boards or other bodies as provided for in paragraph 5 herein, shall be paid to the Treasurer of the City of Stratford and not to the member of Council who sits on such local board or other body, and the Treasurer of the City of Stratford shall pay such stipend or remuneration to the member of Council:

- a) For a meeting, the duration of which is three (3) hours or less - \$60.00;
- b) For a meeting, the duration of which is more than three (3) hours in any one day - \$90.00.

7. That the mileage rate to be paid to members of Council shall be at the City's approved rate per kilometre.

8. That By-law Number 34-90 and any amendments thereto, and any other by-laws or policies inconsistent with the provisions of this By-law, are hereby and the same repealed.

9. That each member of Council will receive \$4000.00 in lieu of group extended health care and dental coverage or the option to purchase group extended health care and dental

coverage through The Corporation of the City of Stratford to commence January 1, 2020.

10. That Schedule "A" to By-law 20-98 as amended, is hereby repealed.

Read a FIRST time this 9th day of February, 1998.

Read a SECOND time this 23rd day of February, 1998.

Read a THIRD time and FINALLY PASSED this 9th day of March, 1998.

"Dave Hunt"

Mayor – Dave Hunt

"Joan Thomson"

Acting Clerk – Joan Thomson



Report on Council Remuneration

Submitted by:

The Ad-Hoc Citizen's Committee on Council Remuneration

August 26, 2019

Executive Summary:

The purpose of this report is to outline how the Ad-Hoc Citizen's Committee on Council Remuneration ("the Committee") accomplished the mandate set out by Council and provides recommendations for Mayor and Council remuneration, giving consideration to related benefits and pension and the elimination of the 1/3 tax free exemption from the Federal Government.

Council compensation is always a contentious issue with a negative perception of elected officials approving a raise for themselves. However, this Council with its experience, is in a better position to make these decisions from the Committee's recommendations. The Committee reviewed remuneration levels that we thought were commensurate with the execution of duties as well as being fair and competitive to encourage local residents to run for office. The Committee made recommendations to resolve the loss in pay from the tax change and separate recommendations to correct the disparity in Councillor remuneration versus the comparable municipalities.

Background:

In September 2018, the Corporation of the City of Stratford's City Council voted to establish an Ad-Hoc Citizen's Committee to review and provide recommendations on Mayor and Council remuneration giving consideration to related benefits and pension.

With the impending Federal Government's elimination of the 1/3 tax free exemption for members of municipal council as of January 1, 2019, Council also directed the Ad-Hoc Committee to make recommendations on how to manage the elimination of this 1/3 tax free exemption.

Review Process:

To simplify the analysis of information, the Committee chose to look at the elimination of the 1/3 exemption and Council remuneration as two separate issues.

The review process included the following components:

- Setting the foundation for the review and analysis
- Determining the appropriate comparators
- Selecting resources that would provide objective information to accomplish the mandate
- Selecting financial indicators that were appropriate to the process and the municipality

Findings:

Setting the Foundation

What is a Remuneration Review?

A compensation review consists of several factors:

- Determine the responsibilities of the position through a job analysis
- Determine the current total remuneration
- Understanding of the historical remuneration data
- Determine what criteria to use for selecting comparators
- Collect and analyze the comparator data
- Develop a pay structure which is fair and reasonable for the position while taking into consideration the position and the comparator data

Throughout the analysis, the Committee discovered there is not a set structure or methodology set out by the City of Stratford, the Municipal Act, or comparator municipalities to review Council Remuneration.

Council's Mandatory Requirements under the Municipal Act

The Municipal Act clearly outlines the legislated responsibilities for the Head of Council and Members of Council.

The Head of Council (Mayor) is charged with the following duties:

- Act as the CEO for the Municipality
 - Uphold and promote the purposes of the municipality
 - Promote public involvement in municipal activities
 - Represent the municipality in and outside of the city
 - Promote the city locally, nationally, and internationally
 - Participate in and foster activities that enhance the economic, social, and environmental well-being of the municipality and its residents
- Preside over Council meetings
- Provide leadership to Council
- Provide information and recommendations to Council with respect to the role of Council
- Represent the municipality at official functions

Members of Council are charged to:

- Represent the public and to consider the well-being and interests of the municipality
- Develop and evaluate the policies and programs
- Determine what services are offered
- Ensure administrative policies, practices, and procedures are in place to implement council decisions
- Maintain the financial integrity of the municipality

Time Requirements

An informal survey of Council Members found that on average a Councillor commits approximately ten (10) to twenty (20) hours per week to prepare for and attend meetings of Council and various advisory committees. As elected officials, they spend numerous hours responding to constituent concerns.

Governance Model

The City of Stratford is a single-tier municipality. Single-tier municipalities are geographically located within a county, but are not part of the county for the municipal purposes. Single-tier municipalities have responsibilities for all local services to their residents including but not limited to: transit, water and wastewater systems and social services.

Stratford City Council consists of a Mayor, Appointed Deputy Mayor and nine (9) Councillors at large. A 'Councillor at large' structure means each Councillor represents the city as a whole, and not just a specific area or ward.

Meetings of Council include the following Standing Committees:

- Community Services
- Finance and Labour Relations
- Planning and Heritage
- Infrastructure, Transportation and Safety
- Social Services

In addition to Council, Committee of the Whole, Standing Committees and Sub-Committees, there are Statutory Committees, Boards and Advisory Committees approved by Council. The majority of committees have two (2) members of Council participating. The Committee determined that on average Councillors attend approximately six (6) additional committees, boards or other meetings on a monthly basis. There are thirty-seven (37) distinct committees or boards listed below with varied membership participation and involvement from Council members.

Statutory Committees

Statutory committees and local boards are established by a municipal by-law or provincial law, and function according to legal requirements. An example of provincial legislation requiring certain committees include the Police Services Act (Police Services Board), the Accessibility for Ontarians with Disabilities Act (Accessibility Advisory Committee) and the Ontario Heritage Act (Heritage Advisory Committee). Below is a complete list of Stratford's statutory advisory committees and local boards:

- Accessibility Advisory Committee
- Board of Park Management
- Heritage Stratford
- Library Board
- Perth District Health Unit Board
- Police Services Board
- Property Standards Committee
- Perth & Stratford Housing Corporation
- Spruce Lodge Non-Profit Housing Corporation
- Spruce Lodge Board of Management
- Stratford City Centre Business Improvement Area (BIA)

Boards Established by Council

Council representation is also required on additional committees as per their terms of reference, resolution or agreement. Council representation is also often required as part of a financial agreement. The following list outlines the boards established by Council requiring council representation:

- Festival Hydro Inc.
- Festival Hydro Services Inc.
- Joint Acquisition Committee (Hydro)
- Shared Services Committee [MLC]
- Stratford Economic Enterprise Development Co

Outside Boards

The following is a list of Outside Boards which have requested or are required to have Council representation:

- Stratford Chef School Board of Directors
- Stratford Tourism Alliance Board
- Chamber of Commerce
- Gallery/Stratford Board of Directors
- Minor Sports Council
- Municipal Golf Course Association
- Social Research and Planning Council
- Southwest Economic Alliance
- Stratford Agricultural Society
- Stratford Festival Board of Directors
- Stratford Perth Museum Association
- Stratford Summer Music Board of Directors
- Technical Training Group

Advisory Committees to Council

An advisory committee advises Council directly based on the mandate outlined in their terms of reference, usually related to a specific topic. The establishment of these Committees is at the discretion of Council. Advisory Committees of Council include:

- Ad-Hoc Transit Committee
- Active Transportation Advisory Committee
- Communities in Bloom Advisory Committee
- Energy & Environment
- Sports Wall of Fame Committee
- Stratford Town and Gown Advisory Committee
- Stratford Youth Advisory Council (SYAC)
- Stratford's of the World - Ontario Committee

Current Remuneration Structure

The remuneration structure encompasses a base pay for attending mandated meetings of Council, Committee of the Whole, and Sub-Committee meetings plus public meetings, consultant presentations, open houses, public consultations, visioning sessions, and ceremonial functions. Members of Council also receive a per diem for attending Advisory or Committees of Council. The per diem rate is \$60 for meetings three (3) hours or less or \$90 for meetings three (3) hours or more in one day. To receive payment for these meetings, Members of Council must submit their meeting attendance to the Finance Department for payment. The analysis showed that there is wide variation in terms of Councillor involvement with committees and boards.

It was also confirmed that some Councillors do not submit their meeting attendance and are therefore, not paid a per diem for attending these meetings. This adds to the difficulty in assessing work-load and compensation not only within Stratford's Council but also relative to comparators.

The base rate is adjusted annually for inflation based on figures provided by the Consumer Price Index (CPI). The per-diems are not adjusted annually based on CPI.

Stratford City Council members do not receive group benefits or pension as part of their remuneration package, however, they may participate in the City's group insurance plan at his/her expense in accordance with Council Remuneration By-law 20-98.

Councillors can claim out of town mileage expenses.

The analysis showed the comparator municipalities make provision for group benefits as part of total compensation and are mixed on the approach from payment in lieu to supported participation in the group insurance health and dental plan.

Neither comparator municipality offers Council members the opportunity to participate in a pension savings plan.

2019 Remuneration of Council

The chart below outlines the current remuneration for the Mayor and a Member of Council. For the purposes of the Committee's analysis, an assumption was made that the Mayor and each Council attended an average number of known Council, Standing Committees, Sub-Committee meetings and that there are other Advisory Committees and Boards where Council have been appointed. An estimated average per diem based on six (6) meetings per month was necessary versus relying on the Annual Statement of Remuneration as not all Councillors submit for meeting attendance as noted above. The remuneration amount did not include meetings that Councillors were paid to attend i.e. Police Services and Festival Hydro boards.

Position	Annual Base Pay (2019)	Estimated Annual Average Per Diem	Total
Mayor	\$66,869	\$0	\$66,869
Appointed Deputy Mayor	\$13,860	\$4,320	\$18,180
Per Councillor	\$12,141	\$4,320	\$16,461

Council's Impact on the Quality of Life in Stratford

A Council priority is to maintain the quality of life for Stratford residents. Council has created several discretionary committees to help accomplish this task. The analysis showed that Stratford has significantly more mandated, statutory, and discretionary committees compared to our comparator municipalities. This fact demonstrates that the Mayor and Members of Council are significantly involved in the community and that their input is valued.

Historical Data

Council created a Citizen's Advisory Committee in 2007 to explore ways to determine a fair and supportable formula to determine the appropriate rate of remuneration for members of Stratford City Council on an ongoing basis.

The previous Citizen's Advisory Committee gathered information from members of the public, current and past members of Council and current and past Mayors.

Their findings were:

- Based on the comparison with comparable municipalities across Southwestern Ontario, the remuneration for Members of Council was below the mean average of stipends
- Annual adjustments to the stipends for Council using the ongoing application of the recommended remuneration formula should be conducted.

Their recommendations were:

- Bring salaries to the mean average of similar sized municipalities in Southern Ontario
- Review current Council representation on all boards and other organizations to ascertain the necessity and/or benefit of representation
- Consider a reduction in the size of Council from ten (10) to eight (8), coincident with the next election, after reviewing the increase in workload to be allocated
- Consider implementation of information sessions, to outline Council time commitments and responsibilities for any member of the public who are considering standing for election
- Review the type and duration of meetings that are remunerated to Council
- Review Council Remuneration at the mid-term of each Council

The previous committee also recommended increases in base pay for the Mayor (\$50,000 per year), with an additional increase (\$60,000 per year) in 2008, the Deputy Mayor (\$1501 greater than the base remuneration of Council), and Council (\$10,600). They also recommended base salaries be adjusted annually for inflation based on the Consumer Price Index. The per-diem amounts were to remain at \$60 for meetings 3 hours or less and \$90 for meetings 3 hours or more in one day.

Determining Appropriate Comparators

When conducting a review of remuneration, it is helpful to determine comparisons or bench marks for the purpose of analysis. Comparators provide objective information to form the basis of a remuneration structure.

Selection of Comparators

Initially, the Committee selected 7 municipalities as comparators. All had a Council (including the Head of Council) of 9 members or less. We quickly realized this size of comparator base would be onerous. Therefore, the Committee selected St. Thomas (9 members including the Mayor) and Woodstock (7 members including the Mayor) as comparators based on the following criteria:

- Similar population
- Similar responsibilities and structure
- Comparators used by City Staff for other purposes
- Relatability/ close proximity to Stratford

Compensation Information

Surveys that provide information on council remuneration break down data in various ways. To maintain the integrity of the analysis the Committee chose the following criteria:

- Similar population
- Remuneration vs stipend
- Levels of pay
- Benefit and pension offerings
- Other benefits
- Size of Council
- How remuneration is reviewed

Selecting Resources:

Comparator Municipalities

The Committee wanted objective data. Staff collected the following information from the comparator municipalities:

- Council structure including the number of meetings they attended
- Their current remuneration
- Remuneration or base pay plus per diem
- Benefits or Pension or pay in lieu of
- How did they manage the 1/3 tax exemption discontinuation?

The following chart summarizes key comparator municipality findings:

Municipality	Stratford Base Pay	Stratford with Average Per Diem	Stratford with Average Per Diem & Adjusted for 1/3 Tax Exemption	Woodstock Adjusted for 1/3 Tax Exemption	St. Thomas Adjusted for 1/3 Tax Exemption
Type	Single Tier	Single Tier	Single Tier	Lower Tier	Single Tier
Mayor	\$66,869	\$66,869	\$77,212	\$68,640	\$64,711
Deputy Mayor	\$13,860	\$18,180	\$18,632	\$31,140	\$0
Council	\$12,141	\$16,461	\$16,679	\$28,740	\$24,260
Benefits	No	No	No	12.25% in lieu based on Council Base pay (\$3520)	Approx. cost of benefits is \$6,000 or \$2000 in lieu of taking benefits **Assume 2/3 benefit 1/3 in lieu
Pension	No	No	No	No	No
Total Compensation		Mayor: \$66,689 DM: \$18,180 Council: \$16,641	Mayor: \$77,212 DM: \$18,632 Council: \$16,679	Mayor: \$72,160 DM: \$34,660 Council: \$32,260	Mayor: \$69,411 Council: \$28,960 **Based benefit assumption estimated \$4700
Council Size		11 Mayor, Deputy Mayor, 9 Councillors		7 1 Mayor, Deputy Mayor 5 Councillors	9 1 Mayor, 8 Councillors

Remuneration Survey Data

In addition to the compensation survey information provided relative to comparators, staff provided the 2018 Municipal Council Compensation in Ontario Report from the Association of Municipal Clerks and Treasurers of Ontario (AMCTO). It is important to note this survey was released prior to the elimination of the 1/3 tax free exemption.

In August of 2017, AMCTO conducted a survey of municipalities in Ontario. The goal was to gain a better understanding of how municipalities compensated their Councils, create a resource for municipalities who are reviewing their council remuneration packages, and to add to the body of research about how local politicians are paid. While there had been a lot written about private sector compensation, there has been considerably less study of compensation for politicians at the local level. A total of 257 municipalities responded to the survey provided the following information for this report:

For populations 25,000 – 49,999:

- 75% of municipalities pay their Heads of Council (Mayor) and Council a Remuneration compared to stipend of which
 - 42% of Mayors receive a Remuneration of \$40,000 - \$60,000 per annum and 17% pay between \$60,000 - \$80,000
 - 55% of Councils receive a Remuneration of \$20,000 - \$40,000 per annum
- 63% offer a group benefits package
- 25% offer a pension contribution

Other Factors

- 33% of 257 municipalities surveyed provide group benefits
- 16% of responding municipalities provide pension contributions
- 2.72% (7 of the 257) of the respondents have 11 Members of Council compared to 44.36% (114 of 257) have 5 or 6 members, 32.68% (84 of 257) have 7 Members of Council
- 74% of respondents use the neighbouring municipalities remuneration levels to determine remuneration for their councils
- 39% of the respondents use the fiscal capacity of the municipality
- 39% ensure that Councillor pay is competitive
- 43% of municipalities have reviewed council remuneration in the last 4 years compared to 11% in the last ten years.

Financial Indicators

The financial impact to the rate payers of Stratford weighed heavy on the minds of the Committee Members. The Committee discussed at length which, if any, variances would be fair and reasonable in this situation. The ratios considered were:

- Size of Council
 - Estimated Cost Compared to Population
 - Estimated Cost Compared to Number of Households
- Population of the Municipalities
- Number of Households within the Municipalities
- The impact on the tax levy
- The impact on the operation budget

The Committee realized the information gathered was interesting but in the end was not relevant to the mandate of determining a fair and reasonable Council Remuneration. Remuneration is based on what a position is worth not the cost per population or household.

Implications on the Tax Levy

The Committee looked at the fiscal capacity of the municipality to pay. This was part of the AMCTO survey findings where "39% of the respondents use the fiscal capacity of the municipality when determining Council remuneration".

Total Impact to Tax Levy

Municipality	Council Remuneration	Tax Levy	% of Tax Levy
Stratford - pre 1/3 adjustment	\$233,199	\$59,220,220	0.39378%
Stratford - post 1/3 adjustment	\$245,955	\$59,220,220	0.4153%
St Thomas	\$258,791	\$54,784,991	0.4724%
Woodstock	\$243,486	\$56,290,470	0.4326%

Benefits & Pension

The current by-law allows Members of Council to purchase group insurance plan at their own cost. There is no provision for contributions to a pension plan.

Currently, no member of Council has purchased group insurance. To determine what is fair and reasonable for Members of Council to receive benefits and pension we looked to the comparator municipalities and the AMCTO Survey and asked the following questions:

- Who had benefits and/or pension?
- What type of benefits or pension were provided?
- What was the cost of the benefits and pension to the Municipality?

The survey highlighted that 63% of municipalities of 25,000-49,999 population surveyed offer group insurance to members of Council. The comparator municipalities offered either payment in lieu of benefits or access to group insurance (health and dental).

1/3 Tax Free Exemption

The discussion on the 1/3 tax free exemption was raised due to the elimination of this exemption by the Federal Government in January 2019.

Prior to January 1st 2019 elected officials paid no taxes on 1/3 of their compensation. That exemption was lost in 2019 resulting in a reduced net pay for all elected officials. The amount of loss would vary by individual based on their total income.

The committee contemplated two potential options outlined in the management report FIN18-042 dated June 19, 2018:

- No change in remuneration
 - Each member of Council would bear the cost of the 1/3 tax free elimination which would reduce their net pay
- Keep the Net Pay the same
 - This would be accomplished by increasing the gross pay

The Committee looked to comparator municipalities to see how they handled the situation. In both cases they kept the net pay the same. The numbers presented in this report reflect the increases in gross pay to maintain the net pay.

The Committee discussed the financial implications of both options to Members of Council and the municipality. We concluded the elimination of the tax free exemption should not impact the remuneration of Members of Council.

Recommendations:

The Committee respectfully submits the following recommendations for Council's consideration:

Management of the Elimination of the 1/3 Tax Free Exemption

The Committee recommends that the city adjust the pay levels of Mayor and Council so the net pay from the city is the same as it was before the loss of the exemption. The cost of this pay correction is \$12,758.

The chart below shows the impact by role:

	Mayor	Appointed Deputy Mayor	Councillor
Current Compensation	\$66,869	\$18,180	\$16,461
Proposed Compensation	\$77,212	\$ 18,632	\$16,679

** Compensation for Appointed Deputy Mayor and Councillors include an estimated average per diem \$4,320 for Councillors and for Deputy Mayor*

The Committee submits three (3) options to Council for implementation of this recommendation:

1. Make the change retroactive to January 1, 2019. This is the fairest method of correcting the loss in net pay.
2. Make the change January 1, 2020. This allows for the increase to be included in the 2020 budget.
3. Implement the recommendation immediately upon approval, with no retro.

It is important to note in Options 2 and 3 as listed above, members of Council would personally absorb the loss in net pay.

Remuneration for Mayor, Appointed Deputy Mayor, and Members of Council

Following review of all the factors, the Committee determined that City of Stratford Councillors are significantly under-compensated when compared to the comparator municipalities. Woodstock and St. Thomas Councillor remuneration is respectively 72% and 45% higher than Stratford.

Stratford has more Councillors per household than either of the comparators. The Committee also noticed Stratford Councillors have a much higher level of engagement through the large number of meetings attended. We concluded there was no reason why City of Stratford Councillors would not be at parity with the comparator municipalities.

The Mayor's Remuneration adjusted for the 1/3 tax exemption impact is 15.8% higher than the average of the Mayors of the other two cities. As such, the Committee felt there was no need for any enhancement other than the correction for the loss of the 1/3 tax exemption.

The Committee agreed that full benefit provision and pension contributions were not warranted. Based on the survey data from the AMCTO, 63% of municipalities with populations between 25,000 and 49,999 provide group benefits. Our comparators do offer a payment in lieu or participation in group benefits. As such, the Committee put forward a payment in lieu of benefits for consideration by Mayor and Council.

The Committee also agreed to keep the per diems at the current rate. Base pay only would be subject to annual inflationary increases based on the Consumer Price Index. The Committee did not recommend an increase in the per diems as it was believed that Council should review their governance structure and workload for Members of Council in order to move to a salary remuneration structure. Moving to a salary remuneration structure would be in line with the comparator municipalities and with the survey data from AMCTO where 75% of municipalities with a population of 25,000 to 49,999 pay a salary to Members of Council. Therefore, the Committee recommends a status quo for per diems until December 31, 2020. This date is to provide sufficient time for Council to complete a governance review.

The Committee recommends the following three (3) options for Council's consideration:

Option 1

Option 1 includes the establishment of a new base pay using the midpoint between Woodstock and St. Thomas. To determine the base pay the following rational for the calculation is provided:

Estimated Total Compensation Midpoint @ \$30,610
 Minus Estimated City of Stratford Per Diem @ \$4320
 Minus Estimated Family Benefit Costs for City of Stratford @ \$6332
Base Pay = \$19,958

This provided a new base pay of \$19,958 and with average per-diem of \$4,320 would result in a new estimated remuneration of \$24,278.

Based on the data from the comparison municipalities, the Committee recommends no change in base pay for the Mayor.

For Options 1 and 2, all members of Council would be able to purchase group insurance (health and dental) through the City at their own expense.

The total cost increase from current compensation to Option 1 is \$75,747 and a tax levy impact of 0.128%

Option 1 Impact to Mayor and Councillor Wages

	Current Mayor	Option 1	Current Councillor	Option 1
Base	\$77,212	\$77,212	\$12,359	\$19,958
Benefits	\$0	\$0	\$0	\$0
Estimated per diems	\$0	\$0	\$4,320	\$4,320
Total	\$77,212	\$77,212	\$16,679	\$24,278

***Current base pay includes adjustment for 1/3 tax exemption*

**** All base pay would be subject to annual inflation increase based on the Consumer Price Index.*

Option 2

In Option 2, an additional set dollar value is included for group health and dental coverage. The Committee determined an annual amount of \$4,000 was reasonable and fair. The benefit amount is similar to comparators (Woodstock is 12.25% or \$3520) and is representative of the approximate mid- point of family and single premium cost at the City of Stratford for health and dental coverage. The base pay is the same as Option 1 with the addition of \$4,000 for payment in lieu of health and dental benefits, for the Mayor and members of Council. The total cost increase of Option 2 is \$119,747 and a levy impact of 0.202%. Base pay would be subject to annual CPI increases.

Option 2 Impact to Mayor and Councillor Wages

	Current Mayor	Option 2	Current Councillor	Option 2
Base	\$77,212	\$77,212	\$12,359	\$19,958
Benefits	\$0	\$4,000	\$0	\$4,000
Estimated per diems	\$0	\$0	\$4,320	\$4,320
Total	\$77,212	\$81,212	\$16,679	\$28,278

***Current base pay includes 1/3 tax exemption adjustment*

**** All base pay would be subject to annual inflation increase based on the Consumer Price Index.*

Option 3

Option 3 is the same as Option 2 without the option to purchase benefits and the \$4,000 set aside in lieu of benefits would be rolled into the base pay. The total cost increase of option 3 is the same as Option 2 \$119,747 and a levy impact of 0.202%

Option 3 Impact to Mayor and Councillor Wages

	Current Mayor	Option 3	Current Councillor	Option 3
Base	\$77,212	\$81,212	\$12,359	\$23,958
Benefits	\$0	\$0	\$0	\$0
Estimated per diems	\$0	\$0	\$4,320	\$4,320
Total	\$77,212	\$81,212	\$16,679	\$28,278

***Current base pay includes 1/3 tax exemption adjustment*

**** All base pay would be subject to annual inflation increase based on the Consumer Price Index.*

The Committee discussed implementation of a phased in approach for increases.

Council Compensation and the Impact to Tax Levy

	Mayor	Appointed Deputy Mayor	Councillor	Estimated total cost	Additional cost from current	Impact to Tax Levy
# of positions	1	1	9			
Current	\$77,212	\$18,632	\$16,679	\$245,955		
Option 1	\$77,212	\$25,988	\$24,278	\$321,702	\$75,747	0.128%
Option 2 or 3	\$81,212	\$29,988	\$28,278	\$365,702	\$119,747	0.202%

Other Points for Consideration:

The Committee suggests moving to a salary structure instead of base pay and per diem. At present there is a significant difference in the workload. There are some Councillors involved with numerous committees while others very few.

The Committee suggests that Council allocate funds in the upcoming budget for a governance review. The study would consider the comparators and municipalities of similar population when reviewing:

- The current structure of the government
- The committee structure
- The number of meetings
- The number of Councillors
- Council representation on committees

The goal is to ensure the City of Stratford has effective, transparent, and fiscally responsible governance structure to represent its citizens and ratepayers.

The Committee felt that after the study, Council would in a better position to determine the number of Councillors required and how to distribute workload evenly. In addition,

this formal study would determine the number of required committees for each Member of Council. The Committee recommends completing this task by December 31, 2020. Following this Council should consider moving to a salary remuneration model without per diems.

Should Council not proceed with a governance review and change to salary, a review of the per diem rates is recommended. Per diem rates have not increased since before 2007 and have not been adjusted for inflation. If there is no change in this regard the gap between Stratford's remuneration and its comparators will increase again, resulting in the need for adjustment in the future.

The final point for Council's consideration is the continuation of an Ad-Hoc Citizen Committee to review Council Remuneration. It is the recommendation of the Committee, that a review take place once per Council term. This helps to ensure that decision making on Council Compensation is current with consideration to the impact on the tax levy. The last review of Council remuneration was in 2007. The lack of follow through on the previous committees' recommendation of reviewing mid-council term may result in a perceived large increase in Council wages. A set review of the remuneration structure would be a fiscally responsible. The Committee recommends that Council develops a framework methodology for future Ad-Hoc Committees to enable the review process to be more efficient and effective.

The Committee appreciates Council's confidence in completing this sensitive task. We completed this project to the best of our abilities. We believe we filled our mandate "to review and provide recommendations on Mayor and Council remuneration giving consideration to related benefits and pension". The Committee put great thought into our recommendations to ensure we provided Council with information to make an informed decision. We are very grateful for the support and guidance of Jacqueline Mockler, Director of Human Resources; Kathy Bjorkquist, Human Resources Coordinator; Janice Beirness, Manager of Financial Services; Tatiana Dafoe, Acting Clerk; Joan Thomson, Acting CAO; Danielle Clayton, Committee Secretary.

Respectfully submitted by:

Ad-Hoc Citizen's Committee on Council Remuneration

- **Kimberly Richardson, Chair**
- **Bob Malcolmson, Vice Chair**
- **Derek Averell**
- **Barry Jesson**
- **Jeff Skubowius**



MANAGEMENT REPORT

Date: October 22, 2024
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: FIN24-031
Attachments: None

Title: New Multi-Residential Property Subclass

Objective: To provide background information and preliminary analysis on the new Multi-Residential Property subclass.

Background: As part of the 2024 Ontario Budget, the Provincial government announced its commitment to support the development of purpose-built rental housing. It also announced that municipalities can now offer an optional reduced municipal property tax rate specifically for new multi-residential developments, where units are built or converted from a non-residential use. This initiative is part of a broader provincial strategy aimed at increasing the availability of rental housing and enhancing affordability for residents and the City of Stratford's efforts to support the creation of new purpose-built rental homes, including rent-controlled and affordable rental homes aligns with this commitment.

Ontario Regulation 140/24 creates an optional New Multi-Residential Property (Municipal Reduction) Subclass. It does not apply to existing new multi-residential class properties, those currently under construction, or those with pre-existing permits. Future purpose-built properties could receive a property tax discount of up to 35% of the municipal portion of the existing New Multi-Residential Property Class rate. In the City of Stratford, that rate is currently the same as the Residential Property tax rate.

This report provides information related to the newly proposed optional subclass and the requirements for the City to adopt a subclass. Any potential recommendations to introduce a subclass will be outlined for consideration in the annual Property Tax Related Matters report (after the approval of the 2025 budget).

Council should also be aware that properties that existed in the multi-residential class pre-2017 are currently paying a higher tax rate than residential properties, while those in the New Multi-Residential class are paying the same as the residential class. This was

intentional based on how they are valued. Multi-residential buildings use the Income Approach, whereas residential buildings use the Current Value Assessment (CVA) or Market Value Approach. When the New Multi-Residential class was created, the intent was that these properties would get the lower residential rate upon meeting certain requirements for 35 years, and then revert to the regular multi-residential class.

Analysis: The Province's introduction of this optional subclass does not result in any immediate financial impacts to the City. The Ontario Regulation 140/24 only applies to new developments and therefore all existing multi-residential properties would not be eligible for inclusion in a potential new subclass.

If the new subclass is adopted, future year operating budgets would be impacted as new properties are added to the City's assessment roll and are eligible for the reduced rate. The impact on revenue generated is dependent upon the number of properties of this nature, but per build, would be up to 35% of the residential rate multiplied by the assessed value of the property.

Once properties are in the New Multi- Residential subclass, an ongoing rate reduction would reduce the property tax revenue collected from these properties and shift any budgetary requirements to the other property classes. Over time, the financial impact on the other classes from the rate reduction would gradually increase, as new buildings are added to the assessment roll.

For further clarification, condominiums are in the Residential Property class.

Comments

Council has recognized the need to take concrete action to support the development of a range of rental homes. The City has already taken measures towards this goal including investing in additional supportive housing units at 398 Erie and providing financial support to rent-geared-to-income (RGI), affordable rental and rent-controlled homes. The New Multi-Residential (Municipal Reduction) subclass, if adopted, would complement the City's existing measures, and will further contribute to improving housing affordability for Stratford residents.

Consistent with provincial regulations, the City of Stratford currently has two property tax classes pertaining to multi-residential properties:

1. Multi-Residential
2. New Multi-Residential

Both existing classes pertain to land used for residential purposes that have seven or more self-contained units including bachelorette apartments, row housing (with the complex under single ownership), low-rise and high-rise apartment buildings.

The new subclass would specifically apply to properties within the New Multi-Residential Property class, whether newly constructed or converted from non-residential use. Municipalities now have the authority to introduce a municipal tax rate reduction of up to 35% through the enactment of a by-law. The Province has not proposed any matching reductions and the existing education rate for New Multi-Residential properties will continue to apply.

To qualify for the new subclass, the following criteria exist:

1. The City must have a by-law in effect to apply the subclass;
2. The property must be in the New Multi-Residential Property class; and
3. The property's first building permit must have been issued after the by-law's implementation.

Therefore, the new subclass would not apply to existing New Multi-Residential class properties or those currently under construction or with pre-existing permits. The responsibility for identifying properties that meet the criteria lies with the Municipal Property Assessment Corporation (MPAC).

Current and Historical Trends

In 2024, there are twelve properties in the City classified as New Multi-Residential (NT) with a total CVA of \$52 million. The total municipal tax levy for these properties is approximately \$762,246. This includes the two new City-owned Britannia St buildings, the taxes for which are part of the general tax levy. Over the last five years, the number of additional New Multi-Residential properties per year varied between 0 and 3, with an average of two new properties added each year. On average, these new properties contributed an additional CVA of approximately \$7.5 million annually. This represents a 24% increase per year in New Multi-Residential CVA.

	At time of roll		Taxrate	Taxes based on roll	New additional CVA	
	# of Properties	CVA				
2024	12	46,627,500.00	0.014656	683,394.55	4,179,700.00	9%
2023	10	42,447,800.00	0.013526	574,153.61	-	0%
2022	10	42,447,800.00	0.012824	544,333.18	14,756,700.00	35%
2021	7	27,691,100.00	0.012144	336,269.37	4,487,000.00	16%
2020	4	23,204,100.00	0.011978	277,946.14	14,075,400.00	61%
2019	3	9,128,700.00	0.012026	109,781.20		
					7,499,760.00	24%

The New Multi-Residential and Residential tax classes are taxed at the same municipal rate, which for 2024 is 0.01465647. Properties in the regular Multi-Residential Tax Class (those pre-2017) are at a rate of 0.02931295.

New Multi-Residential Tax Rate Reduction Options

Should the City introduce a New Multi-Residential Property subclass, rate reductions ranging up to 35% can be considered. If the new builds remained at historic development levels, impacts to the other property classes could be up to \$267,000 annually. As noted above, this measure supports the development of needed purpose-built rental housing and could further incentivize new rent controlled, affordable rental and RGI units. Should Council decide to implement a new subclass, it is staff's recommendation that a rate reduction cap also be implemented (example, 15%). Further analysis and recommendations will follow in the subsequent report.

Additional Considerations

- The New Multi-Residential subclass reduction applies only to the municipal tax rate and does not apply to the education portion. The Province has not proposed a matching reduction, unlike the existing Small Business Property Tax subclass.
- Introducing a New Multi-Residential subclass would result in three distinct multi-residential classifications, each assigned its own specific tax rate primarily based on timing of the development. These varying classifications may result in different tax rates for similar properties, potentially creating further financial inequity for multi-residential property owners.
- Any potential recommendations to introduce a subclass in the City of Stratford will be part of the annual Property Tax Related Matters report.

Financial Implications:

Financial impact to current year operating budget:

No impact as this report is for information.

Financial impact on future year operating budget:

There are no direct financial implications to the City regarding this potential policy choice. There would be a potential reduction of property taxes to affected properties in this new class, and this impact would be an increase to the other property classes. As the residential property class is the largest single property class, these property owners would bear most of the shift that results from the incentive program.

Alignment with Strategic Priorities:

Build Housing Stability

This initiative aligns with this priority as it directly incentivizes the building of eligible housing units at a lower-than-market rate.

Alignment with One Planet Principles:

Not applicable: This report is for information only and does not directly align with the One Planet Principles.

Staff Recommendation: THAT the Report titled, "New Multi-Residential Property Subclass" (FIN24-031), be received for information.

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

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Joan Thomson, Chief Administrative Officer



MANAGEMENT REPORT

Date: October 30, 2024
To: Infrastructure, Transportation, Safety Sub-committee
From: Kirstin Riddell, Events Coordinator
Report Number: ITS24-019
Attachments: None

Title: Request an exemption to Noise Control By-law 113-79 for the Winter Wanderland event.

Objective: To consider an exemption request from Downtown Stratford BIA from Noise Control By-law 113-79. The event is taking place on December 1, 2024, between the hours of 11:00 a.m. – 5:30 p.m.

Background: Noise By-laws are designed to reduce and control both unnecessary and excessive sounds which can be a nuisance and degrade the quality and peacefulness of neighbourhoods. The Noise By-law identifies different rules and restrictions for noise based on four geographical areas throughout the city known as zones (Quiet zone, Residential zone, Commercial zone, Park zone).

The production, reproduction, or amplification of sound is one of the sounds regulated by Noise Control By-law 113-79. The nature of this event would include this type of sounds.

Exemptions from the Noise By-law are requested for the following clauses:

Schedule 2, Clause 2 – “The operation of any electronic device or group of connected electronic devices incorporating one or more loudspeakers or other electro-mechanical transducers, and intended for the production, reproduction, or amplification of sound.”

Prohibited all day Sundays and Statutory Holidays, and from 11pm of one day to 7am next day from Monday to Thursday, and from 12am of one day to 7am next day on Friday and Saturday.

Schedule 2, Clause 4 – “The loading, unloading, delivering, packing, unpacking, or otherwise handling of any containers, products, materials or refuse

whatsoever, unless necessary for the maintenance of essential services or the moving of private household effects.”

Prohibited all day Sundays and Statutory Holidays, and from 7pm of one day to 7am next day.

Schedule 1, Clause 8 – “Unreasonable noise provision.”

Analysis: This event will be in Market Square, and surrounding City Hall, like previous years. This event is taking place on Saturday, November 30, 2024, and Sunday, December 1, 2024, between the hours of 11:00 a.m. and 5:00 p.m. As amplified noise is permitted in commercial zones on Saturdays between the hours of 7:00 a.m. and 12:00 a.m. the exemption to permit the amplification of sound in a Commercial Zone is for Sunday, December 1, 2024.

The intent of this noise exemption request is to:

- Permit the operation of loudspeakers and amplification of sound for the duration of the event.
- Allow for certain noise during set up and take down.
- Support an exemption from the unreasonable noise provision for the duration of the event.

Notice of Intent to Neighbouring Residents

A notice of the noise exemption request was issued in the Town Crier and the event organizers hand delivered notices to residents within 120m of the event location. The deadline for comments due back to staff and organizers was Friday, October 4, 2024. To date, no responses have been received.

Downtown Stratford BIA have hosted annual Winter Wander-land events safely and successfully in the City of Stratford since 2016. However, as amplified sound is now expected, an exemption to Noise Control By-law 113-79 is subject to Council review and final approval.

Financial Implications:

There are no financial implications because of this report.

Alignment with Strategic Priorities:

Work Together For Greater Impact

This report aligns with this priority as it is a community-based event featuring festive activities to bring together people of all ages which strengthens the culture of the community.

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.

Travel and Transport

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

Staff Recommendation: THAT direction be given on the Noise Control By-law Exemption requested from the Downtown Stratford BIA for the Winter Wander-land event on Sunday, December 1, 2024, from 11:00 a.m. to 5:30 p.m. from the following provisions:

- **Unreasonable Noise [Schedule 1, clause 8];**
- **The operation of loudspeakers and amplification of sound [Schedule 2 clause 2];**
- **Loading and unloading [Schedule 2 clause 4].**

Prepared by: Kirstin Riddell, Events Coordinator
Recommended by: Tim Wolfe, Director of Community Services
 Joan Thomson, Chief Administrative Officer



NOTICE OF INTENT

To endorse the 2025 Water and Wastewater Rate Study and Financial Plans and to put in effect the respective water and wastewater rates.

The 2025 Water and Wastewater Rate Study and Financial Plans, including the proposed water and wastewater rates and charges for 2025 and subsequent years, will be presented to Stratford City Council and the public at the December 16th Regular Council Meeting.

The Study and Financial Plans are prepared in accordance with the Municipal Act, 2001, and Ontario Regulation 453/07. The proposed rates are intended to take effect on January 1, 2025. At the meeting, a By-law to amend the 2025 water and wastewater rates will also be considered by Council.

Additional details about the Study and Plans may be found on EngageStratford.ca or by reaching out to the contact provided below.

Date, Time, and Location of Meeting:

Date: December 16, 2024
 Time: 7:00 p.m.
 Location: Council Chamber, second floor at Stratford City Hall,
 1 Wellington Street, Stratford, ON N5A 6W1

How to Provide Comments and Speak at the Meeting:

Your opinion on this matter is important. Please call, mail, or e-mail your comments to the **Director of Infrastructure Services** at:

Taylor Crinklaw, Director of Infrastructure Services
 82 Erie St, Stratford, ON N5A 2M4
tcrinklaw@stratford.ca
 519-271-0250 extension 5224

by December 6, 2024, in order for your comments to be included with the staff report on this matter.

For those persons who wish to appear as a delegation at the Regular Council meeting regarding this matter, please complete the Delegation Request Form, available on the City's website at stratford.ca/delegation

Alternatively, requests to speak at the meeting or comments on this matter can be made in writing by contacting the City Clerk at clerks@stratford.ca. Requests to appear as a delegation must be submitted by **4:30 p.m. on Tuesday, December 10, 2024.**

Notice of Collection:

Personal information collected as part of this Notice is pursuant to the Municipal Act, 2001 and the Municipal Freedom of Information and Protection of Privacy Act. Personal information collected will be used to assist Council in making a decision on this matter. Names, addresses, opinions and comments may be made available for public disclosure. Questions regarding this collection should be forwarded to the City Clerk, 1 Wellington Street, P.O. Box 818, Stratford, ON N5A 6W1 or by emailing tdafoe@stratford.ca or by telephone at the number below.

If you require this document in an alternate format, please contact the Clerk's Office at 519-271-0250 extension 5237 or email clerks@stratford.ca.

Dated this 20th day of November, 2024.

Tatiana Dafoe, City Clerk
The Corporation of the City of Stratford
City Hall, P.O. Box 818
Stratford ON N5A 6W1
Telephone: 519-271-0250, extension 5329
Fax: 519-273-5041
Email: clerks@stratford.ca



**NOTICE OF INTENT TO REMOVE A
HOLDING PROVISION
under the *Planning Act*
Holding Removal Application No. H01-24
Countryside Development (2014) Inc.
16 Kastner Street**

City of Stratford Council will consider removing the Holding Provision (H22) from the subject lands on **Monday, December 16, 2024 at 7:00 p.m.** in the Council Chambers at City Hall, 1 Wellington Street, Stratford.

This Application affects a property known municipally as 16 Kastner Street, located on the west side of Kastner Street and on the south side of Perth Line 36. The subject lands have a frontage of approximately 80 metres along Kastner Street and an area of approximately 1.38 hectares.

This Application proposes to remove the Holding Provision (H22) from the subject lands to permit the development of street townhouse dwellings and cluster townhouse dwellings permitted under the Residential Fourth Density R4(1)-23(H22) / R4(2)-24 (H22) Zone.

The holding provision was put in place until necessary floodplain and remediation works were completed for the McNamara Drain to the satisfaction of the City and the Upper Thames River Conservation Authority (UTRCA). The City and the UTRCA have both confirmed that the necessary works have been completed.

Your opinion on this application is important. Please call, mail, or e-mail your comments to Marc Bancroft - Tel: (519) 271-0250 ext. 5221 – mbancroft@stratford.ca - City of Stratford, Planning Division by November 29, 2024.

Further information may be obtained by visiting the Planning Division offices located at 82 Erie Street, Stratford or by calling 519-271-0250 ext. 5345 during business hours.

Personal information collected as part of this Notice is pursuant to the Municipal Act, 2001 and the Municipal Freedom of Information and Protection of Privacy Act. Personal information collected as a result of this Notice will be used to assist Council in making a decision on this application. Names, addresses, opinions and comments will be made available for public disclosure. Questions regarding this collection should be forwarded to the City Clerk, 1 Wellington Street, P.O. Box 818, Stratford ON, N5A 6W1 or by emailing: tdafoe@stratford.ca or by telephone at the number below.

If you require this document in an alternate format, contact City Hall at 519-271-0250 ext. 5237 or email: clerks@stratford.ca

This Notice was included in the 'Town Crier' published in the Beacon Herald newspaper on Saturday, November 23, 2024. This Town Crier is also posted to the City of Stratford website: www.stratford.ca.

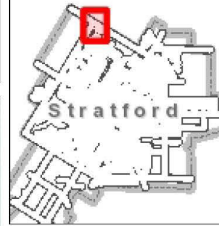
Dated November 21, 2024

Marc Bancroft, Manager of Planning
The Corporation of the City of Stratford
82 Erie Street, Stratford, ON N5A 2M4
Tel: (519) 271-0250 ext. 5221

Cc: Dave Hannam, Zelinka Priamo Ltd.
Tatiana Dafoe, City Clerk
Agencies and Departments



Location Map - H01-24 - 16 Kastner Street



Legend

- Comprehensive Zoning**
- R1 - Residential First C
 - R2 - Residential Secor
 - R3 - Residential Third
 - R4 - Residential Fourth
 - R5 - Residential Fifth C
 - MUR - Mixed Use Resi
 - C1 - Neighbourhood C
 - C2 - Highway Commer
 - C3 - Central Commer
 - C4 - Shopping Centre
 - C5 - Corridor Commer
 - AD - Grand Trunk Ancl
 - I1 - Prime Industrial
 - I2 - General Industrial
 - I3 - Secondary Industri
 - I4 - Factory District
 - IN1 - Institutional Comi
 - IN2 - Institutional Neigt
 - TH - Theatre District
 - P - Parks
 - OS - Open Space
 - A - Agricultural
 - UR - Urban Reserve
- Property Parcel**
- Avon River/Lake Vict
 - Parks
 - Aerial 2020 16cm

1: 4,514



175.4 0 87.71 175.4 Meters

Disclaimer: This map is a user generated static output from an internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

NAD_1983_UTM_Zone_17N

© City of Stratford

Map Printed: October 30, 2024

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes



Notice of Public Meeting to consider the Proposed Draft Amendment to the Building By-Law 112-2005, as amended, including Fee Schedule "A"

Stratford City Council will hold a public meeting on **Monday, December 16, 2024, at 7:00 p.m., in Council Chambers** to hear all interested persons with respect to the draft amendment to the Building By-law 112-2005, as amended, including Fee Schedule "A". The purpose of the draft amendment to the Building By-law is to inform the public, builders, designers and developers of the increase to building permit fees to be charged by the City of Stratford in accordance with Ontario Regulation 332/12. The draft By-law schedule "A" is enclosed for ease of review and reference.

How to Get Involved:

The purpose of a Public Meeting is to share information and to hear and consider public comments. Comments on the draft By-law will be reviewed by Staff prior to Council's consideration of the draft By-law.

Your comments on these matters are important. All those present at the public meeting will be given the opportunity to speak. To speak at the public meeting, when the Mayor or Chair asks if there are any members of the public wishing to provide comments or ask questions, please raise your hand and once acknowledged, proceed to the podium to provide your comments.

Written comments can also be submitted and included in the Council Agenda. The deadline to provide written comments in the agenda is no later than 4:30 p.m., on Tuesday, December 10, 2024, by any of the following ways:

- By email to clerks@stratford.ca
- In person at the Clerk's Office at Stratford City Hall, 1 Wellington Street, Stratford
- By regular mail or courier to Stratford City Clerk, 1 Wellington Street, Stratford ON N5A 6W1

To watch the meeting live please click the following link:
<https://video.isilive.ca/stratford/live.html>

Questions or comments can also be submitted to the Director of Building & Planning, Adam Betteridge, at:

82 Erie Street, Stratford, ON, N5A 2M4
abetteridge@stratford.ca
519-271-0250 extension 5219

Comments received after **Friday, December 6, 2024**, will be included with a future staff report on this matter.

Notice of Collection: Personal information collected as part of this Notice is pursuant to the Municipal Act, 2001 and the Municipal Freedom of Information and Protection of Privacy Act. Personal information collected will be used to assist Council in making a decision on this matter. Names, addresses, opinions and comments may be made available for public disclosure. Questions regarding this collection should be forwarded to the City Clerk, 1 Wellington Street, P.O. Box 818, Stratford, ON N5A 6W1 or by emailing tdafoe@stratford.ca or by telephone at the number below.

If you require this document in an alternate format, please contact the Clerk's Office at 519-271-0250 extension 5237 or email clerks@stratford.ca.

Dated this 21th day of November, 2024

Tatiana Dafoe, City Clerk
The Corporation of the City of Stratford
City Hall, P.O. Box 818
Stratford ON N5A 6W1
Telephone: 519-271-0250, extension 5329
Fax: 519-273-5041
Email: clerks@stratford.ca



**BY-LAW NUMBER XXX-2024
OF
THE CORPORATION OF THE CITY OF STRATFORD**

BEING a By-law to authorize the entering into and execution of a Dark Fibre Lease Agreement with Festival Hydro Services Inc. operating as Rhyzome Networks.

WHEREAS Section 5(3) of the Municipal Act, 2001, S.O. 2001, c.25, as amended, (“the Municipal Act, 2001”) provides that a municipal power shall be exercised by By-law;

AND WHEREAS Section 8(1) of the Municipal Act, 2001, 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 Council of The Corporation of the City of Stratford and the Festival Hydro Services Inc. operating as Rhyzome Networks wish to enter into a Dark Fibre Lease Agreement for the lease of certain dedicated optical fibre for use;

AND WHEREAS the term of the agreement shall be for a ten-year period to January 1, 2034, with an option to renew for an additional one-year period;

NOW THEREFORE BE IT ENACTED by the Council of The Corporation of the City of Stratford as follows:

1. That the Dark Fibre Lease Agreement between The Corporation of the City of Stratford and Festival Hydro Services Inc. operating as Rhyzome Networks be entered into and the Mayor and Clerk, or their respective delegates, be and the same are hereby authorized to execute the said agreement on behalf of and for this Corporation and to affix the corporate seal thereto.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 25th day of November, 2024.

Mayor – Martin Ritsma

Clerk – Tatiana Dafoe



**BY-LAW NUMBER XXX-2024
OF
THE CORPORATION OF THE CITY OF STRATFORD**

BEING a By-law to appoint a Manager of Financial Services and Deputy Treasurer for The Corporation of the City of Stratford and to repeal By-law 15-2021.

WHEREAS section 286.(2) of the *Municipal Act, S.O. 2001, c 25* as amended, provides that a municipality may appoint a deputy treasurer who shall have all of the powers and duties of the treasurer under this and any other Act;

AND WHEREAS Council adopted Delegation of Authority By-law 135-2017 as amended, to delegate certain powers and duties;

NOW THEREFORE BE IT ENACTED by Council of The Corporation of the City of Stratford as follows:

1. That Michael Koktan be appointed as Manager of Financial Services and Deputy Treasurer of The Corporation of the City of Stratford effective December 4, 2023.
2. That By-law 15-2021 to appoint a Manager of Financial Services and Acting Treasurer for The Corporation of the City of Stratford, is repealed upon this By-law coming into effect.
3. That any By-law and/or portion of any By-law inconsistent with the provisions of this By-law are hereby repealed.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 25th day of November, 2024.

Mayor – Martin Ritsma

Clerk – Tatiana Dafoe



**BY-LAW NUMBER XXX-2024
OF
THE CORPORATION OF THE CITY OF STRATFORD**

BEING a By-law to appoint an Integrity Commissioner for The Corporation of the City of Stratford and to repeal By-law 188-2018.

WHEREAS section 223.2 of the Municipal Act, 2001, S.O. 2001, c.25 as amended (“the Municipal Act, 2001”) provides that a municipality may establish a Code of Conduct for Members of Council and of its local boards;

AND WHEREAS section 223.3 of the Municipal Act, 2001, authorizes a municipality to appoint an Integrity Commissioner who reports to Council and who is responsible for performing the functions with respect to the application of the Code of Conduct;

AND WHEREAS on March 1, 2019 it becomes mandatory for a municipality to have a Code of Conduct for members of Council and of its local boards and also becomes mandatory for a municipality to appoint an Integrity Commissioner or to make arrangements for the responsibilities of an Integrity Commissioner to be provided by a Commissioner of another municipality;

AND WHEREAS a new Code of Conduct for members of Council and of its local boards was adopted by City Council and came into effect December 1, 2018;

AND WHEREAS it is necessary to appoint an Integrity Commissioner in accordance with the Municipal Act, 2001;

NOW THEREFORE BE IT ENACTED by Council of The Corporation of the City of Stratford as follows:

1. That Boghosian, Managing Partner of Boghosian + Allen LLP is hereby appointed as Integrity Commissioner for City Council and of its local boards.
2. This By-law shall come into effect upon final passage.
3. That By-law 188-2018 to appoint an Integrity Commissioner is repealed upon this By-law coming into effect.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 25th day of November, 2024.

Mayor – Martin Ritsma

Clerk – Tatiana Dafoe



STRATFORD CITY COUNCIL
CONSENT AGENDA

November 25, 2024

REFERENCE NO.	CONSENT AGENDA ITEM
CA-2024-191	<p>Notification that the Infrastructure Services Department intends to call Tenders in accordance with the City's Purchasing Policy for:</p> <ul style="list-style-type: none"> • Erie Street Parking Lot Asphalt Resurfacing
CA-2024-192	<p>In accordance with By-law 135-2017 as amended, the Infrastructure Services Department is providing notification that:</p> <p>Nelson Street between Cambria Street and West Gore Street will be closed November 6 and Thursday November 7 between 8 a.m. and 8 p.m. due to construction work. The closure is necessary for the installation of sanitary, storm and water services at 161 Nelson Street. The sidewalk on the east side will be closed at the site but the west side will remain open with the possibility of limited access throughout the duration of the job.</p>
CA-2024-193	<p>Notification that the Social Services Department, Housing Division, intends to call the following Tender in accordance with the City's Purchasing Policy;</p> <ul style="list-style-type: none"> • 398 Erie Street, Stratford Affordable Housing – Architectural Services.
CA-2024-194	<p>In accordance with By-law 135-2017 as amended, the Infrastructure Services Department is providing notification that:</p> <p>On Wednesday, November 6, 2024, between the hours of 7:00 a.m. and 10:00 a.m., the Erie Street southbound lanes from Ontario Street to St. Patrick Street, Stratford, will be closed to facilitate paving of the Erie/Ontario Street intersection.</p>



**BY-LAW NUMBER XXX-2024
OF
THE CORPORATION OF THE CITY OF STRATFORD**

BEING a By-law to confirm the proceedings of Council of The Corporation of the City of Stratford at its meeting held on November 25, 2024.

WHEREAS subsection 5(1) of the *Municipal Act, 2001, S.O. 2001 c.25*, as amended, (*the Act*) 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 November 25, 2024, 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 25th day of November, 2024.

Mayor – Martin Ritsma

Clerk – Tatiana Dafoe