



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

Date: Tuesday, October 21, 2025
Time: 4:30 P.M.
Location: Council Chamber, City Hall
Sub-committee Present: Councillor Hunter - Chair Presiding, Councillor McCabe - Vice Chair, Councillor Beatty, Councillor Burbach, Councillor Nijjar
Staff Present: Karmen Krueger - Director of Corporate Services, Audrey Pascual - Deputy Clerk, Miranda Franken - Council Clerk Secretary

To watch the Sub-committee 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

The Chair to call the meeting to Order.

Land Acknowledgment

Moment of Silent Reflection

Respectful Conduct Statement

2. Disclosure of Pecuniary Interest and the General Nature Thereof

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

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

Name, Item and General Nature of Pecuniary Interest

3. Delegations

None scheduled.

4. Report of the Director of Corporate Services

4.1 Destination Stratford Update Sept 16, 2025 (FIN25-028) 4 - 13

Zac Gribble, Executive Director, Destination Stratford, will present the update.

Motion by

Staff Recommendation: THAT the report titled, "Destination Stratford Update Sept 16 2025" (FIN25-028), dated September 16, 2025, be received for information.

4.2 Treasurer's Statement for Development Charges and Parkland Reserve Funds 2024 (FIN25-031) 14 - 22

Motion by

Staff Recommendation: THAT the 2024 Treasurer's Statement for City of Stratford Development Charges Reserve Funds be received for information;

AND THAT the 2024 Treasurer's Statement for City of Stratford Parkland Dedication Reserve Fund be received for information.

4.3 Festival Hydro Update for Q2 ending June 30, 2025 (FIN25-032) 23 - 39

Motion by

Staff Recommendation: THAT the Festival Hydro Inc. financial results and commentary for the period ended June 30, 2025, be received for information;

AND THAT Festival Hydro Services Inc. financial results and commentary for the period ended June 30, 2025, be received for information.

4.4 Municipal Debt Updates and Limits (FIN25-033) 40 - 48

Motion by

Staff Recommendation: THAT the report titled, "Municipal Debt Updates and Limits" (FIN25-033), be received for information.

5. Report of the Council Committee Coordinator

5.1 Take-out Container Levy Update (FIN25-034)

49 - 53

Motion by

Staff Recommendation: THAT the review of a mandatory Single-use and Takeaway Items By-law in the City of Stratford, similar to the by-law developed by the City of Toronto, be referred to staff.

6. Advisory Committee/Outside Board Minutes

There are no Advisory Committee/Outside Board minutes to be provided to Sub-committee.

7. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is November 18, 2025, at 4:30 p.m. in the Council Chamber, City Hall.

8. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by

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



MANAGEMENT REPORT

Date: September 16, 2025
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: FIN25-028
Attachments: Destination Stratford Update Sept 16 2025

Title: Destination Stratford Update Sept 16, 2025

Objective: To receive an update on activities and financials for Destination Stratford for 2025 to date.

Background: Destination Stratford gives regular updates to Council through the Finance and Labour Relations Sub-committee.

Analysis: Zac Gribble from Destination Stratford has been invited to attend to present the report for Destination Stratford.

In 2025, the City contribution to Destination Stratford is budgeted at \$643,552 plus \$150,000 toward the Lights On Stratford program, for a total contribution of \$793,552 (\$150,000 coming from Municipal Accommodation Tax revenues and \$643,552 via the tax levy). Destination Stratford has a total operating budget of \$1,440,802 in 2025.

Beyond the financial contributions from the City, there are some in-kind impacts that are provided in the form of facility costs at 47 Downie, and specific program supports from the Community Services division including the Al Fresco program. The costs relating to the building are included in the City Facilities division and were estimated at \$89,930 in 2025, consisting of custodial costs, heat, hydro, water, and other general maintenance.

Financial Implications:

Financial impact to previous year and current year operating budgets:
 None identified because of this report.

Financial impact on future year operating budgets:
 None identified because of this report.

Alignment with Strategic Priorities:

Work Together For Greater Impact

This includes building meaningful partnerships to address community needs and implementing the Sports Tourism strategy in partnership with the City, Destination Stratford and local sports development groups and industry partners.

Alignment with One Planet Principles:

Equity and Local Economy

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

Staff Recommendation: THAT the report titled, "Destination Stratford Update Sept 16 2025" (FIN25-028), dated September 16, 2025, 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
Approved for Council by:	André Morin, Chief Administrative Officer



Council Finance & Labour Relations Update

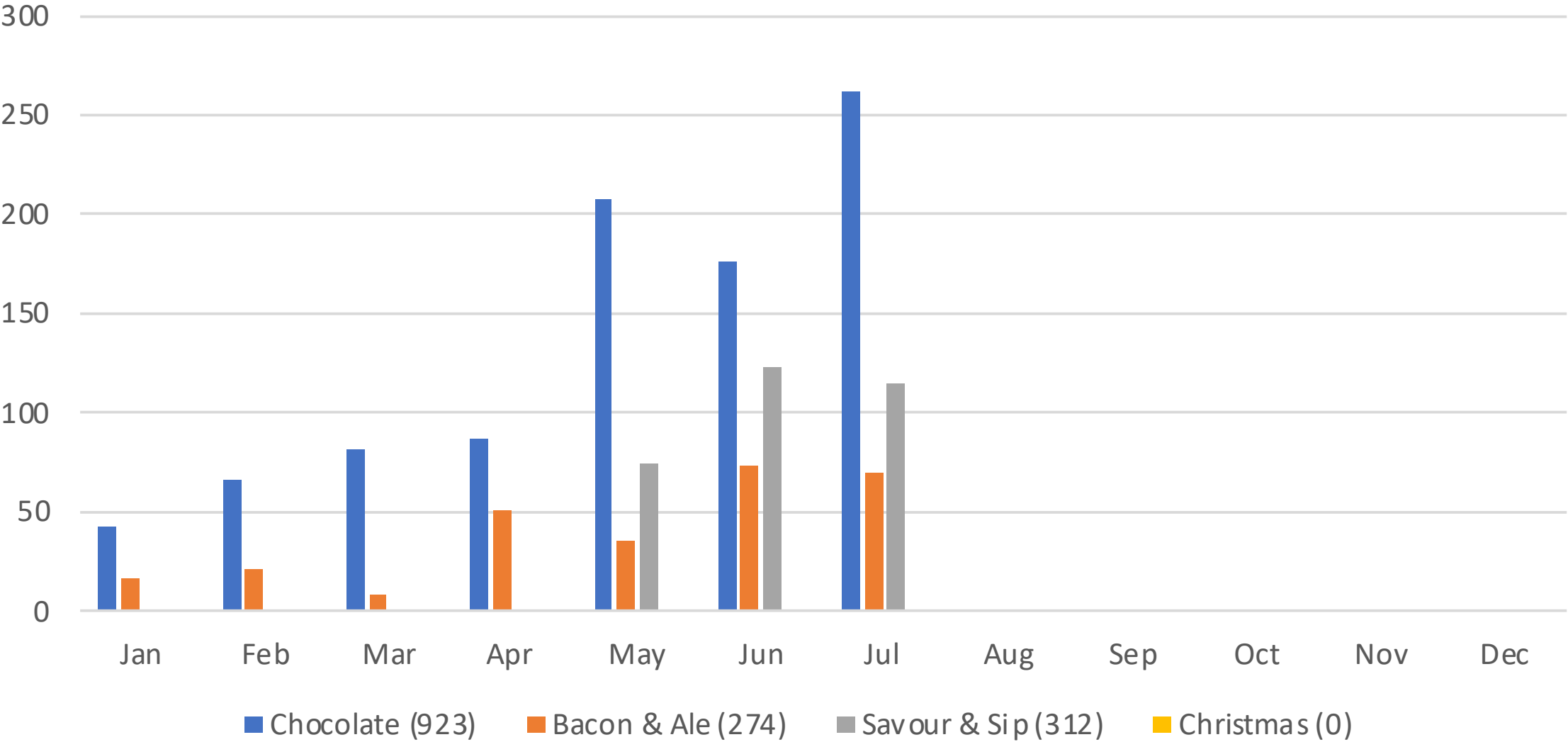
September 16, 2025

- 2025 YTD budget is on track
- 2024 Audited Financial Statements
- MAT Q2
- \$25,000 Ontario Seniors Community Grant Program | Stratford Walking Soccer
- \$50,000 Ontario Cultural Attractions Fund grant
- \$55,000 Experience Ontario grant
- Nature Canada | Bird Friendly City Application
- Stratford After Dark / Après Theatre Music Pop-up Fund
- Stratford Poet Laureate Program

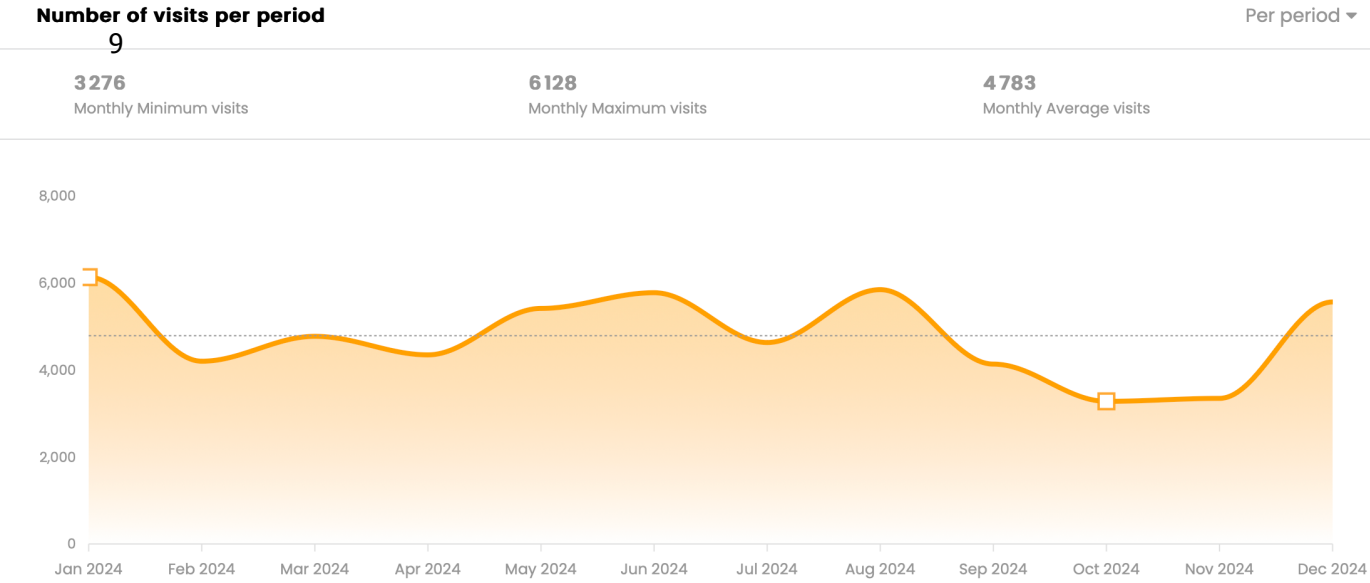
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Destination Stratford 2025 Budget	2024 Adjusted	2024 Actual	2025 Adjusted	2025 Actual	Notes		
				as of 2025-08-20			
REVENUE							
3999 · MAT DS PORTION	300,000	329,536	380,000	71,969	Estimate based on 2024		
4050 · MARKETING SALES	138,500	137,947	138,250	62,117			
4260 · PARTNERSHIPS	722,800	696,108	782,856	700,199			
(4001 · City of Stratford Portion)	618,800	618,800	643,552	643,552			
4017 · CITY LOS CONTRIBUTION (MAT)	150,000	150,000	150,000	150,000			
9999 · TRANSFER FROM RESERVES	158,621	83,621	75,000	0			
TOTAL REVENUE	1,469,921	1,397,216	1,526,106	984,284			
EXPENSE							
5100 · CONTRACT AND CONSULTING	15,000	23,675	17,500	9,548	Destination Stewardship Council		
DESTINATION DEVELOPMENT							
5992 · STRATFORD AL FRESCO (MAT)	35,000	37,252	37,500	16,570			
5997 · LIGHTS ON STRATFORD (MAT)	300,000	300,000	300,000	300,000	City + DS matched contribution		
5999 · SPORT TOURISM OFFICE (MAT)	75,000	49,283	80,000	34,451			
6480D · PAYROLL · DEVELOPMENT	157,991	151,117	165,761	110,822			
5950 · SPECIAL PROJECTS	78,000	57,291	140,000	46,528	Destination Development Projects		
5990 · PARTNERSHIPS	31,000	36,125	31,750	28,250	Destination Development Fund		
Total Development	676,991	631,072	755,011	536,620			
DESTINATION MARKETING							
6480M · PAYROLL · MARKETING	236,986	226,676	248,641	166,233			
6000 · MARKETING - INTERNET	19,475	20,627	19,477	7,403			
6150 · MARKETING - MEDIA & PRINT	132,590	121,456	97,490	64,066			
6151 · MARKETING - RADIO	2,500	0	2,500	0			
6152 · MARKETING - TRAILS, INFLUENCERS	130,971	133,824	146,150	61,395			
Total Marketing	522,522	502,586	514,258	299,098			
ADMINISTRATION							
5637 · BANK CHARGES	4,000	4,051	4,000	3,163			
5645 · INSURANCE	5,250	5,683	8,500	6,344			
5660 · TRAVEL	2,500	406	2,500	426			
6153 · PROFESSIONAL FEES	23,200	17,827	22,200	1,628			
6155 · FACILITY MAINTENANCE	2,000	2,359	4,750	2,700			
6480A · PAYROLL · ADMIN	131,659	125,931	138,134	92,352			
6540 · OFFICE EXPENDITURES	32,800	22,947	25,850	16,376			
6550 · EVENT EXPENSES	2,000	5,750	5,000	3,474			
7000 · TELEPHONE/COMMUNICATIONS	17,000	17,763	17,000	9,460			
Total Administration	220,409	202,717	227,934	135,922			
TOTAL EXPENSE	1,434,921	1,360,051	1,514,702	981,188			
5154 Transfer to Reserve	35,000	35,000.00	10,000	0			
NET REVENUE	0	2,165	1,404	3,096			

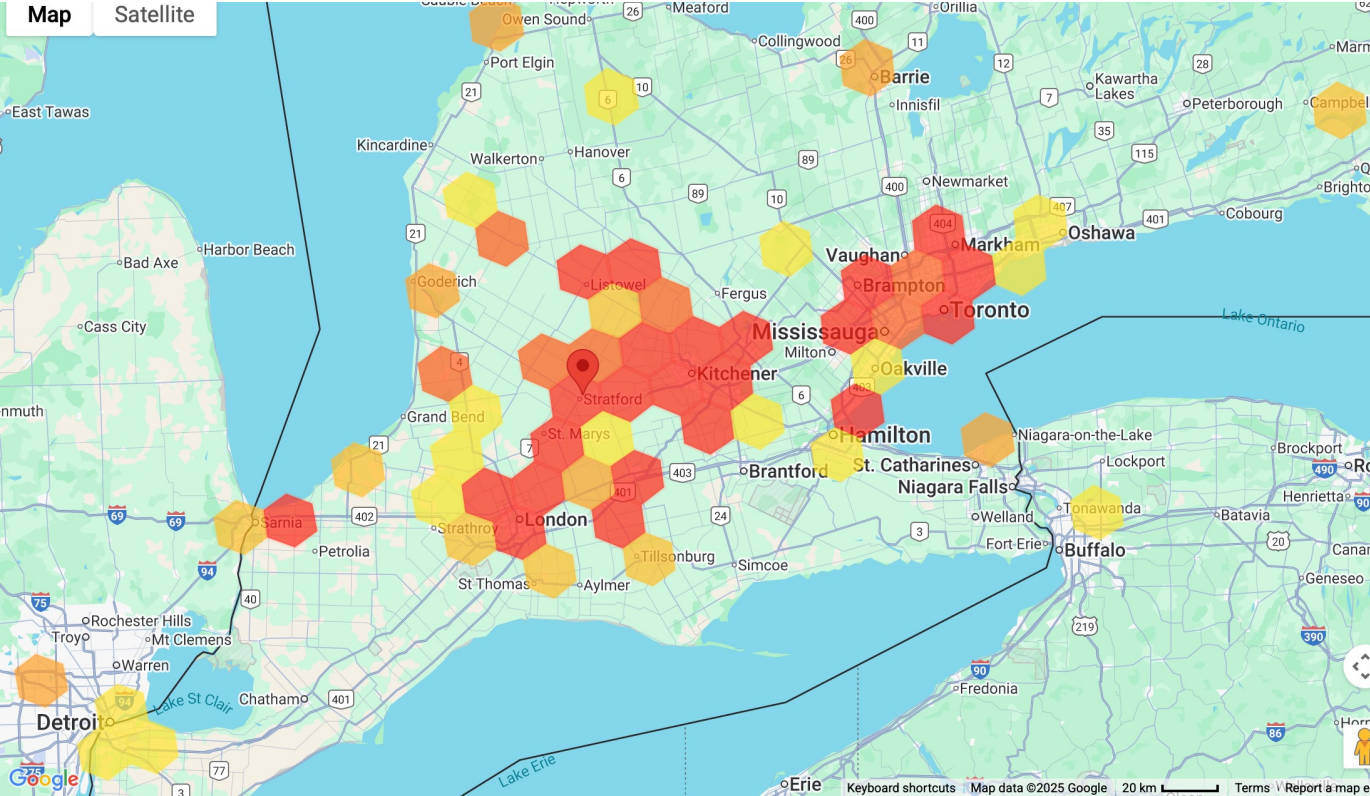
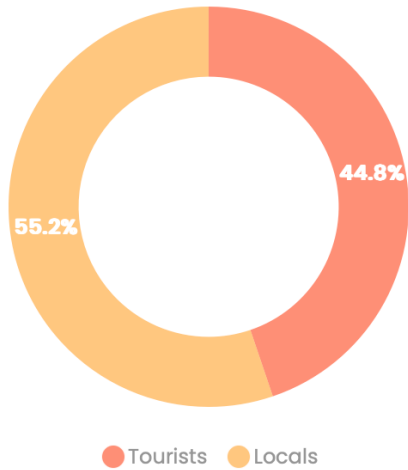
2025 JAN-JUL
Culinary Trail Sales To Date
1,509



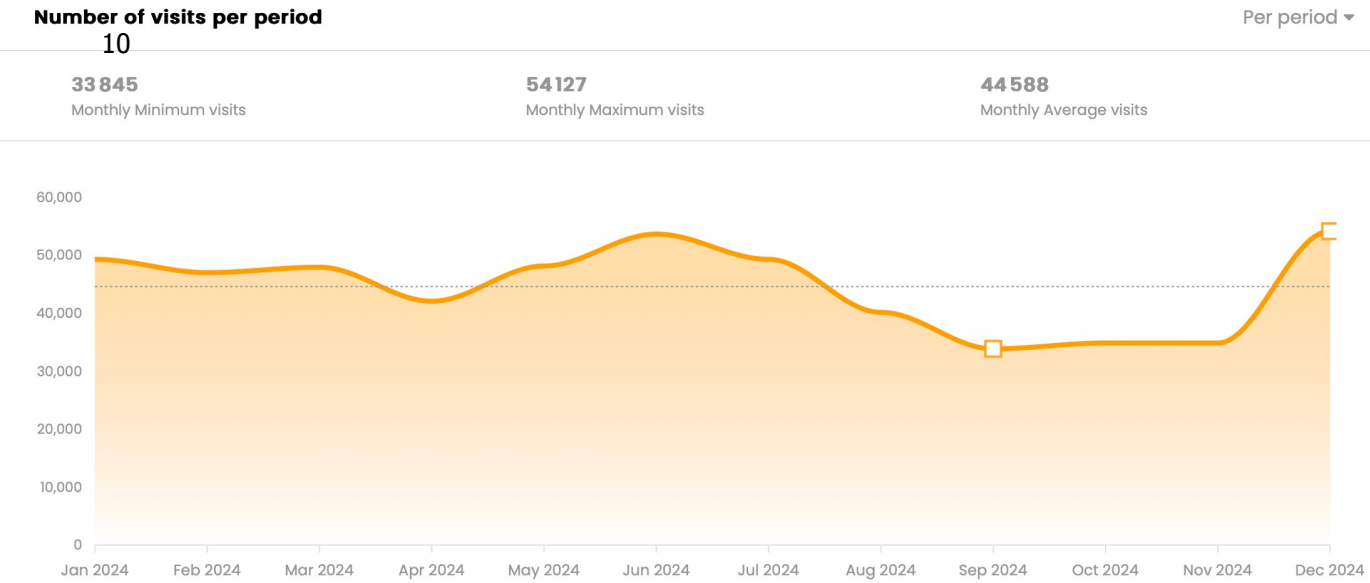
2024 Mobility Data Reports Tom Patterson Island



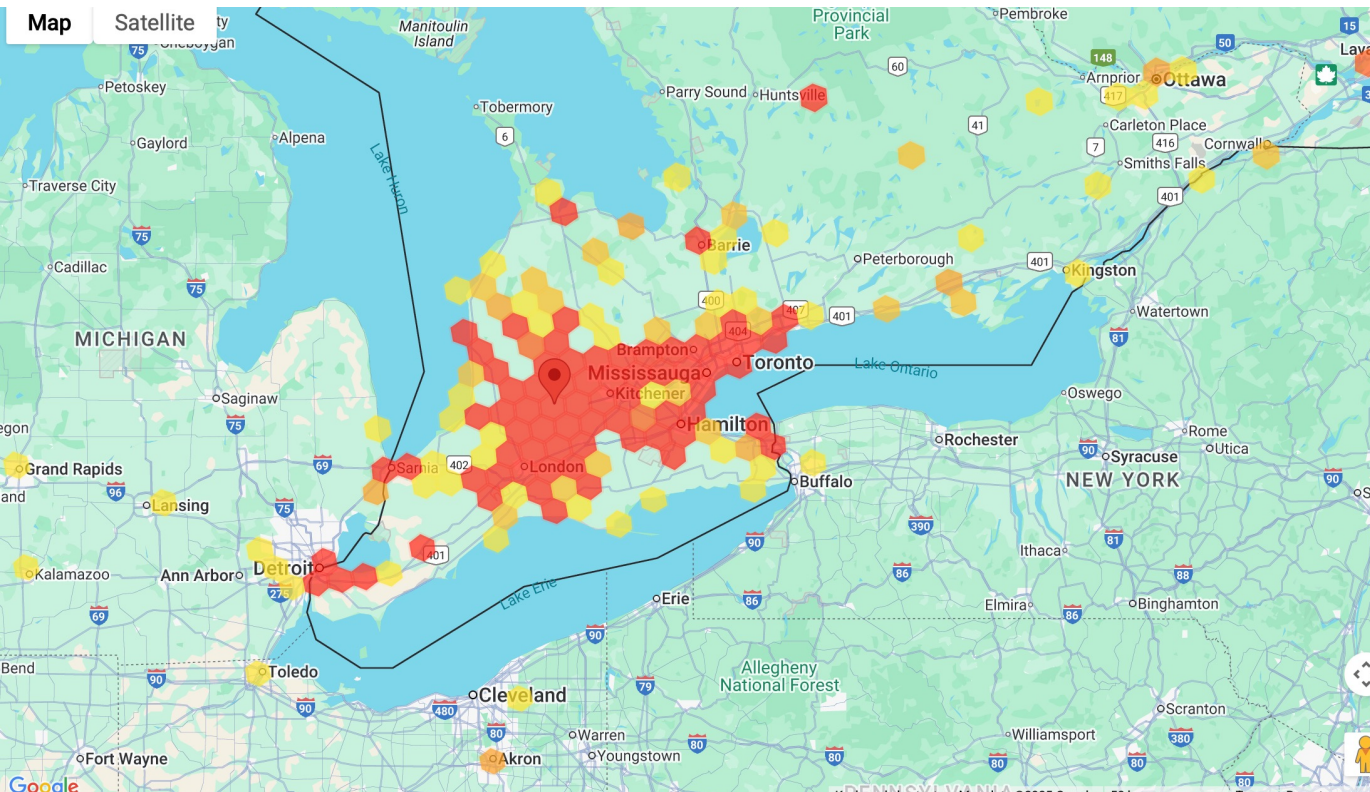
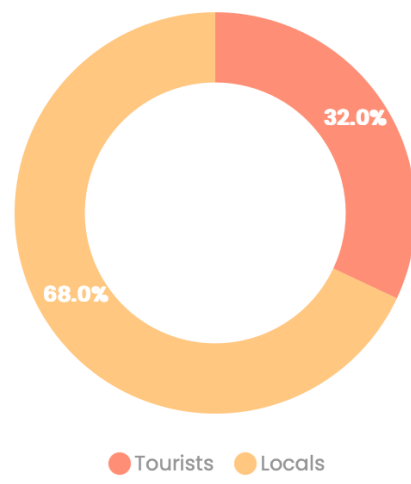
Proportion of tourists and local visitors ⓘ



2024 Mobility Data Reports Market Square



Proportion of tourists and local visitors





STRATFORD WALKING SOCCER

[HOME](#)

[STRATFORD SLOTHS](#)

[EVENTS](#)

[ABOUT WALKING SOCCER](#)

[RESOURCES](#)

[OUR COMMUNITY](#)

[BLOG](#)

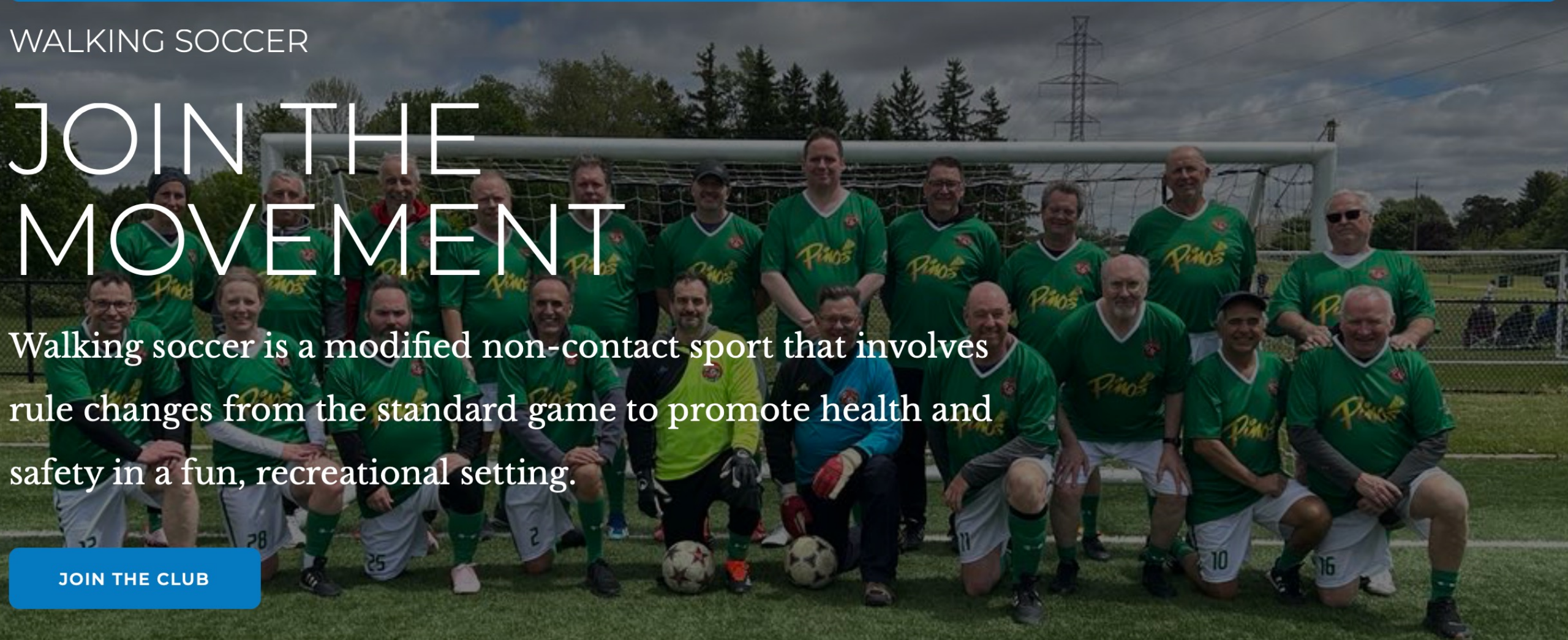
[CONTACT](#)

WALKING SOCCER

JOIN THE MOVEMENT

Walking soccer is a modified non-contact sport that involves rule changes from the standard game to promote health and safety in a fun, recreational setting.

[JOIN THE CLUB](#)



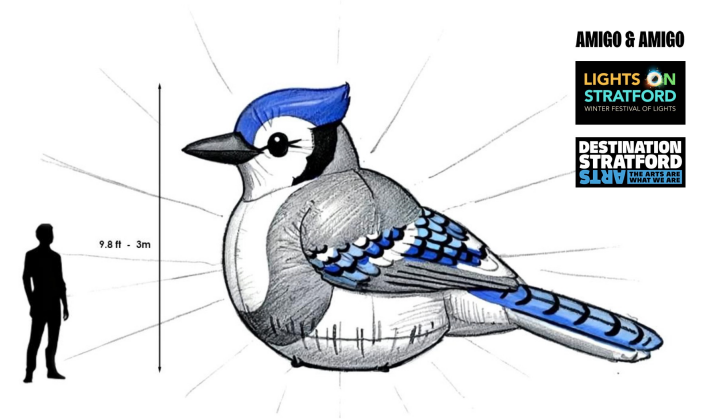
LIGHTS ON
STRATFORD
WINTER FESTIVAL OF LIGHTS

DESTINATION
STRATFORD
ARTS THE ARTS ARE
WHAT WE ARE



DECEMBER 12 - JANUARY 18

LIGHTSONSTRATFORD.CA





MANAGEMENT REPORT

Date: October 21, 2025
To: Finance and Labour Relations Sub-Committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services
Report Number: FIN25-031
Attachments: 1) 2024 Treasurer's Statement of Development Charge Reserve Fund;
 2) Development Charge Reserve Funds Activity by Fund;
 3) Parkland Reserve Fund Activity

Title: Treasurer's Statement for Development Charges and Parkland Reserve Funds 2024

Objective: To provide Committee and Council with legislatively required reports under the Development Charges Act, 1997 and the Planning Act, as amended with Bill 108, 138 and 197 showing the funds received and outlaid in the year.

Background: In accordance with the Development Charges Act, 1997 (DCA), Planning Act, and the City's Development Charges By-law 41-2022, the Treasurer is required to provide Council with an annual Treasurer's Statement on the Development Charges and the City's Parkland Dedication reserve funds.

Development Charges

Development Charges Reserve Fund Statement Section 12 of O.Reg. 82/98 prescribes the information that must be included in the Treasurer's Statement. The collection of these charges and ultimate spending of the funds is captured in the Development Charges Background Study, the most recent of which was adopted in April 2022.

The information is in addition to the opening and closing balance for the previous year and the transactions relating to that year. For each reserve fund, the following information is provided:

1. A description of the service for which the fund was established. If the fund was established for a service category, the service is the category.
2. For the credits in relation to the service or service category for which the fund was established,

- i. the amount outstanding at the beginning of the previous year, given in the year, used in the year and outstanding at the end of the year,
 - ii. the amount outstanding at the beginning of the previous year and outstanding at the end of the year, broken down by individual credit holder.
- 3. The amount of any money borrowed from the fund by the municipality during the previous year and the purpose for which it was borrowed.
- 4. The amount of interest accrued during the previous year on money borrowed from the fund by the municipality.
- 5. The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.
- 6. A schedule that identifies credits recognized under section 17 and, for each credit recognized, sets out the value of the credit, the service against which the credit is applied, and the source of funds used to finance the credit.

The following is also prescribed as information to be included in the Statement of the Treasurer:

- 1. For each project that is financed, in whole or in part, by development charges,
 - i. the amount of money from each reserve fund established under section 33 of the Act that is spent on the project, and
 - ii. the amount and source of any other money that is spent on the project.
- 2. For each service for which a development charge is collected during the year,
 - i. whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law, and
 - ii. if the answer to subparagraph i is no, the amount the municipality now expects to incur and a statement as to why this amount is expected.
- 3. For any service for which a development charge was collected during the year but in respect of which no money from a reserve fund was spent during the year, a statement as to why there was no spending during the year. As per item (2), the City expects to incur the amount of capital costs that were estimated in the development charge background study during the term of the development charge by-law. Further, spending occurred from each reserve fund in which development charges were collected as per item (3). The Treasurers' Statement to be completed as part of the above requirements are included as Attachments 1 and 2 to this report.

Parkland Dedication

Park Dedication Reserve Fund Statement Section 42 of the Planning Act and Section 7 of O.Reg. 509/20 prescribes the information that must be provided to Council with the annual Treasurer's statement on the City's Cash in Lieu of Park Land, known as the Parkland Dedication Reserve Fund. For this reserve fund:

1. All money received by the municipality and all money received on the sale of land less any amount spent by the municipality out of its general funds in respect of the land, shall be paid into a special account and spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes.
2. The money in the special account may be invested in securities in which the municipality is permitted to invest, and the earnings derived from the investment of the money shall be paid into the special account.
3. The Treasurer of the municipality shall each year, on or before the date specified by the council, give Council a financial statement relating to the special account.
4. The statement shall include, for the preceding year:
 - a) statements of the opening and closing balances of the special account and of the transactions relating to the account.
 - b) statements identifying,
 - i. any land or machinery acquired during the year with funds from the special account,
 - ii. any building erected, improved or repaired during the year with funds from the special account,
 - iii. details of the amounts spent, and
 - iv. for each asset mentioned in subclauses (i) and (ii), the manner in which any capital cost not funded from the special account was or will be funded.
5. The amount of money borrowed from the special account and the purpose for which it was borrowed.

6. The amount of interest accrued on any money borrowed from the special account.
7. The Treasurer shall give a copy of the statement to the Minister on request.
8. The Council shall ensure that the statement is made available to the public.
9. The report shall explain how land conveyed to the municipality and funds from the special account spent during the preceding year contributed to addressing the need for parkland in the municipality that was set out in the parks plan.

Per item (9) land conveyed to the City and funds collected under park dedication are pivotal to addressing the City's parkland needs to strengthen the community's wellbeing. The City annually uses these funds to address land acquisition, new park and park related infrastructure and manage existing park needs as per the City's parks plan. The Treasurer's Statement is included as Attachment 3 to this report.

Similarly, Section 42 of the Planning Act allows municipalities to accept cash-in-lieu of parkland equal to the value of the land that would otherwise be conveyed. Annual reporting on the revenues earned and expended in the year is required.

Both sources represent fundamental funding tools for the City.

Once these reports are reviewed by Council, they must be made available for the public and are forwarded to the Ministry of Municipal Affairs & Housing upon request.

Analysis:

Development Charges

In 2024, the City collected \$2,511,982 in development charges (2023, \$1,864,755) from developers and contributed from the City's taxpayers to keep the funds whole of \$349,009 (2023, \$352,133). Specifically this relates to Bill 23, and provincial legislation that required municipalities to i) phase in any increases from the previous DC level of charges, and ii) to provide waivers and discounts for eligible developments. The funds earned a total of \$586,097 in interest (2023, \$436,036). There was a prior year adjustment required of \$61,142 due to an incorrect year-end accrual in 2022.

Eligible projects outlined in the Development Charges Background Study (2022) were funded in part with development charges, which resulted in a year-end balance of \$19,887,155 as outlined in the report attached.

The specific projects supported by development charges in 2024 included Growth Studies including the ongoing Official Plan Review and Sanitary Master Plan. Library collection materials were purchased, and sidewalk and equipment capital projects that are outlined in the DC background study were undertaken. Renovations were also

completed for the space at 798 Erie for the Stratford Police Service using Development Charges. Debt repayment towards the Quinlan pumping station and recreation centres respectively, completed in previous years is also reflected.

Parkland Dedication

Also in 2024, the City collected \$195,525 in parkland dedication fees (2023, \$26,500). The funds earned a total of \$43,329.66 (2023, \$32,702.40) in interest.

In 2024, there were no projects specifically funded from Parkland Dedication funds (2023, nil).

The fund balances for Development Charges, Parkland Dedication and all other Reserve Funds recorded in the City's records are substantially supported by cash held in reserve fund bank accounts and reserve fund investment accounts.

Planned utilization of Development Charges funds and Parkland Dedication funds are included in the 10-year capital plans as applicable and as allowed within the legislation.

The current Development Charges background study expires in April 2027 and is included in the 2026 workplan for staff to undertake. This review will include consultation with the CAO, members of the Corporate Leadership and Management Teams, other stakeholders and integration to the extent possible with the official plan and strategic goals of Council to ensure that costs of growth are funded from development charges to the extent allowed.

Financial Implications:

Financial impact to current and future year operating budgets:

There is no direct financial impact from these reports, as they are prepared retrospectively to report on historical transactions to meet the City's legislated reporting requirements.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

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

Alignment with One Planet Principles:

Not applicable: There is no alignment with One Planet Principles, as these reports are prepared retrospectively to report on historical transactions to meet the City's legislated reporting requirements.

Staff Recommendation: THAT the 2024 Treasurer's Statement for City of Stratford Development Charges Reserve Funds be received for information;

AND THAT the 2024 Treasurer's Statement for City of Stratford Parkland Dedication Reserve Fund 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
André Morin, CPA, Chief Administrative Officer

THE CORPORATION OF THE CITY OF STRATFORD ANNUAL TREASURER'S STATEMENT OF DEVELOPMENT CHARGE RESERVE FUNDS FOR BY-LAW 2022-41 - for Year Ending December 31, 2024												
Attachment 1												
Development Charge Category	Public Works (Facilities & Fleet) ²	Fire Protection Services	Police Services	Parks & Recreation Services ³	Library Services	Growth Studies ⁴	Waste Diversion	INFRASTRUCTURE SERVICES Services Related to Highways ⁵	Wastewater Services	Water Services	AREA SPECIFIC Storm Water & Drainage	Total
Opening Balance - January 01, 2024	708,026	1,509,942	859,862	6,903,949	1,279,883	203,338	200,517	3,451,338	1,749,721	690,256	-220,889	17,335,942
Plus:												
Development Charge Collections from Developers	178,650	84,407	119,531	463,940	84,963	68,371	88,372	536,384	601,906	53,368	232,092	2,511,982
Development Charge Exemptions Funded by City ¹	20,353	9,000	14,931	70,981	12,593	7,858	13,128	78,067	87,548	8,565	25,984	349,009
Interest	25,430	48,695	28,985	221,031	41,154	4,704	9,102	120,706	62,349	22,812	1,129	586,097
Repayment of Monies Borrowed from Fund												0
Sub Total	224,433	142,101	163,447	755,952	138,710	80,933	110,602	735,157	751,802	84,745	259,205	3,447,088
Less:												
Amounts Transferred to Capital (or Other) Funds	70,156		39,822	148,640	20,000	124,896		81,232	375,381			860,128
Amounts Refunded												0
Amounts Loaned to Other DC Service Category												0
Credits												0
SubTotal	70,156	0	39,822	148,640	20,000	124,896	0	81,232	375,381	0	0	860,128
Closing Balance - December 31, 2024	\$ 862,303	\$ 1,652,043	\$ 983,486	\$ 7,511,261	\$ 1,398,593	\$ 159,375	\$ 311,119	\$ 4,105,263	\$ 2,126,142	\$ 775,001	\$ 38,316	\$ 19,922,902
Funds Committed via Capital Forecast not yet spent	360,000				169,744				2,198,400			2,728,144
Closing Balance, not yet committed	502,303	1,652,043	983,486	7,511,261	1,228,849	159,375	311,119	4,105,263	-72,258	775,001	38,316	17,194,758
¹ Includes exemptions for the creation of affordable residential units and attainable residential units, for non-profit housing developments and for inclusionary zoning residential units and phased-in component per Bill 23. ² Previously known as Other Transportation ³ Service Category includes previously labelled "Indoor and Outdoor Recreation" ⁴ Previously known as Administrative Services ⁵ Previously known as Roads & Traffic												
Fire, Waste Diversion, Water and Storm Development Charge Reserve funds had no planned spending in the year, but planned spending is outlined in the DC background study and 10-year capital forecasts, updated annually.												
The Municipality is compliant with S.S. 59.1 (1) of the Development Charges Act, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed except as permitted by the Development Charges Act or another Act												

THE CORPORATION OF THE CITY OF STRATFORD
Amounts Transferred to Capital (or Other) Funds - Capital Fund Transactions
Development Charge Reserve Funds Activity (by fund)
- for Year Ending December 31, 2024

Attachment 2

Project Name	Gross Capital Cost	DC Reserve Fund	Other Reserves	Grants	Funding Source Other Contributions	Debt Financing	Tax Levy	Total
Police Services								
789 Erie St Reno	236,054	39,822	196,231	0	0	0	0	236,054
Sub-Total - Police Services	236,054	39,822	196,231	0	0	0	0	236,054
Parks & Recreation Services								
Debt Repayment - Recreation Centre (2009)		78,484	0	0	0	0	0	78,484
Pickup Truck	70,156	70,156	0	0	0	0	0	70,156
Sub-Total - Parks & Recreation	70,156	148,640	0	0	0	0	0	148,640
Library								
Library Collection	282,497	20,000	225,368	0	37,129	0	0	282,497
Sub-Total - Library	282,497	20,000	225,368	0	37,129	0	0	282,497
Growth								
Official Plan Review	95,359	85,823	9,536	0	0	0	0	95,359
Sanitary Master Plan Update	78,146	39,073	39,073	0	0	0	0	78,146
Sub-Total - Growth	173,505	124,896	48,609	0	0	0	0	173,505
Public Works								
Pickup Truck	70,156	70,156	0	0	0	0	0	70,156
Sub-Total - Public Works	70,156	70,156	0	0	0	0	0	70,156
Services Related to Highways								
Missing Sidewalks on Collector and Arterial	42,367	21,183	21,183	0	0	0	0	42,367
New Sidewalks, Collector and Arterial	120,097	60,049	60,049	0	0	0	0	120,097
Sub-Total - Services Related to Highways	162,464	81,232	81,232	0	0	0	0	162,464
Wastewater Services								
Debt Servicing for Quinlan Pumping Station		375,381	0	0	0	0	0	375,381
Sub-Total - Wastewater Services	0	375,381	0	0	0	0	0	375,381
Grand Total	\$ 994,832	\$ 860,128	\$ 551,440	\$0	\$ 37,129	\$0	\$ -	\$ 1,448,697

THE CORPORATION OF THE CITY OF STRATFORD
Treasurer's Statement Under Section 42 of the Planning Act
Parkland Reserve Fund Activity
For the Year Ended - December 31, 2024

Attachment 3

Opening Balance - January 1, 2024		\$1,360,898
Cash in Lieu Collected During 2024		
90 Hibernia St - A. Evans	12,500	
489 Douro St - Culliton	8,000	
172 Frederick St - Culliton	4,300	
161 Nelson St - Old Park Developments	5,725	
Vivian Line - Peoplecare	165,000	
2024 Reserve Fund Interest	43,330	
		\$238,855
Total Funds Available		\$1,599,752
Less: Funds Spent During 2024		
	0.00	
	0.00	
		0.00
Closing Balance - December 31, 2024		\$1,599,752



MANAGEMENT REPORT

Date: October 21, 2025
To: Finance and Labour Relations Sub-Committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: FIN25-032
Attachments: FHI and FHSI Q2 2025 Updates

Title: Festival Hydro Update for Q2 ending June 30, 2025

Objective: To receive an update on Festival Hydro Inc. (FHI) and Festival Hydro Services Inc. (FHSI) financial results and activities at second quarter ending June 30, 2025.

Background: City Council is updated regularly on the financial and operating activities of Festival Hydro.

Analysis: Please refer to the attached statements for your information.

Financial Implications:

Financial impact to current and future year operating budgets:

The reports are being provided for information and there are no significant financial impacts to note for current or future year operating budgets. Dividend and interest payments are on track as projected for 2025.

Alignment with Strategic Priorities:

This report does not align with one of the Strategic Priorities as it is provided for information only.

Alignment with One Planet Principles:

Not applicable:

This report does not align with one of the One Planet Principles as it is provided for information only.

Staff Recommendation: THAT the Festival Hydro Inc. financial results and commentary for the period ended June 30, 2025, be received for information;

AND THAT Festival Hydro Services Inc. financial results and commentary for the period ended June 30, 2025, 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
André Morin, CPA, Chief Administrative Officer



Financial Statements

Prepared For:

Finance & Labour Relations Sub-Committee

October 2025

To: Mark Hunter and the Finance and Labour Relations Committee

Agenda: Financial Statement Commentary for the period ended June 30, 2025

From: Alyson Conrad, CFO

NET INCOME:

Net income for the period is \$869K, which is 73K below the YTD budget. Detailed commentary on the balance sheet and statement of operations are noted below:

BALANCE SHEET COMMENTARY:

Accounts Receivable – The accounts receivable balance is \$1.045M lower than it was in June of 2024. This variance is the result of the following:

- Electric receivables are \$169K lower than June 2024 with decreases in most arrears buckets. FHI customer service staff have prioritized collections efforts where possible within customer service rules in order to ensure these balances do not increase during times of economic uncertainty.
- Water and sewer receivables are down by \$60K compared to June 2024, similarly to electric receivables, there are decreases in most arrears buckets.
- OER has decreased by \$550K compared to the prior year because of a large increase in the OER rate from 19.3% to 13.1%.
- The remaining difference is due to a decrease in recoverable work receivables mainly due to the reimbursement of a large construction deposit.

Electric receivables are being continuously monitored due to the disconnection moratorium which ended on April 30, 2025. The customer service staff have been diligently working through the disconnection process with customers and attempting to receive payments or make payment arrangements prior to disconnection. Payment arrangements have increased but have been relatively successful. The highest risk in this area are larger commercial customers who may not show any collection risks. FHI monitors any public information available on commercial customers.

Inventory – Inventory has decreased by \$108K compared to June 2024 but increased by \$241K from yearend. The increase from yearend is due to proactively ordering in preparation for capital work planned throughout the summer months. Most of the inventory is allocated for specific work. Lead times have been improving.

Unbilled Revenue – This balance is \$888K higher than the balance in June of 2024. As of May 1, 2025, the IESO moved from the Hourly Ontario Energy Price (HOEP) to the Ontario Price (also referred to as the Ontario Electricity Market Price) for wholesale electricity customers in Ontario. The Ontario Price is an improved system that incorporates costs previously included in the Wholesale Market Charge and offers a more transparent and potentially more efficient way to price electricity. The new Ontario Price is based on the Day-Ahead Ontario Zonal Price and includes adjustments for real-time consumption changes

through the Load Forecast Deviation Adjustment (LFDA). Due to higher demand in Southwestern Ontario in May and June, this cost was higher than the prior year.

Regulatory Assets – The regulatory asset balance has increased by \$1.032M since June 2024. Global Adjustment (GA) has seen large variances between the first estimate on which customers are billed and the final estimate which FHI is billed by the IESO. The difference sits in the variance account. For example, the first estimate in May was 4 cents and the final estimate was 13.5 cents, therefore resulting in a receivable for FHI. This has swung in the opposite direction in June but not by the same variance.

A/P and Accrued Liabilities – This balance has decreased by \$1.79M from the June 2024 balance. Trade receivables have decreased by \$400K from the prior year as well as a decrease in the IESO invoice accrual by \$640K. Lastly, in 2024 FHI returned the overpayment of CDM funding from the IESO for the Conservation First Framework in the amount of \$700K.

Due to FHSI – The balance remains in a payable position. This is due to underspending on capital projects and lower revenues than budgeted in FHSI.

INCOME STATEMENT COMMENTARY

Gross Margin on Service Revenue (Distribution Revenue) – The distribution revenue to the end of Q2 2025 is \$70K below budget. Through the first six months of the year, there have been decreases in usage in the Greater than 50 kW customer classes. This could be a result of some of the economic uncertainty that is ongoing. This may pick up through the remainder of the summer where hot weather significantly impacts this customer class. The residential class is behind budget due to less customer growth than expected.

Other Revenue – Other revenue is running \$8K below budget at the end of Q2. Most other revenues are trending close to budget and expect to continue through to the end of the year.

Controllable Costs - Total controllable costs are \$190K above budget to the end of Q2.

Transformer & Distribution Station Expenses are over budget by \$16K. This is due higher in labour costs as the AMI 2.0 rollout has occurred slightly behind schedule and therefore the related labour has not yet be capitalized. As the year progresses FHI anticipates that this balance should align with the budget.

Distribution Lines & Services Overhead costs are over budget by \$156K. This is due to several reasons. The first relates to tree trimming by \$35K as all of our tree trimming outside of Stratford was done in Q1 instead of throughout the year; this will continue to trend closer to budget as year progresses. There were several damaged masts and stacks repaired from February to April which caused additional costs in for disconnects, reconnects, and repairs to wire going from the pole to the service in the amount of \$40K, we do expect to make up some of this difference throughout the year. FHI made an adjustment in 2025 to record the current year vacation accrual. This will be a one time hit in 2025 and this accounts for the majority of the remaining variance.

U/G Distribution Lines & Services expenses are up by \$49K. The same large freeze and thaw that caused issues for O/H also caused numerous underground issues with significantly higher than historical costs and time allocated to these issues. We anticipate this cost line to be overbudget by \$30K at the end of the year.

Customer Premises expenses are \$36K over budget. A large portion was due to damages at a customer's premise which were reimbursed as it was less than the insurance deductible. The remaining variance is also due to the vacation adjustment in the amount of \$15K.

Billing, Collecting and Meter Reading expenses are \$23K below budget. Most costs are relatively close to budget. There are some software costs that are behind budget as there are still some CIS improvements being made to the system and these costs have been capitalized instead of expensed.

Administration expenses are down overall by \$34K. The majority of this balance is due to the timing of administrative costs that occur in the second half of the year that have not yet been spent.

Interest expenses are down by \$136K due to the budget including the \$5M SWAP loan for the full year but this was not drawn on until April. FHI expects that this expense will get closer to budget as the interest rate was slightly higher than budgeted for this loan.

CASH FLOW COMMENTARY

As per the cash flow statement, the June 30 cash balance decreased by \$2.84M since March 2024. In April 2025, FHI drew on a new \$5M SWAP loan to assist with financing capital projects. This loan was planned for in the Cost of Service Application.

LOAN COVENANT RATIOS

The Loan Covenant liquidity ratios and debt to equity ratios as prescribed by our lender, RBC, are being met.

**Presented for information purposes.*

FESTIVAL HYDRO INC.

Balance Sheet
For the period ending June 30, 2025

	YTD as at Jun 30, 2024	YTD as at Dec 31, 2024	YTD as at Jun 30, 2025	YTD Bdgt as at Dec 31, 2025		YTD as at Jun 30, 2024	YTD as at Dec 31, 2024	YTD as at Jun 30, 2025	YTD Bdgt as at Dec 31, 2025
ASSETS					LIABILITIES				
Current Assets					Current Liabilities				
Accounts Receivable	7,094,836	8,499,148	6,049,862	8,500,000	Bank Indebtedness	1,249,010	4,778,478	3,732,667	4,091,721
Inventory	758,972	410,006	650,822	200,000	Accounts Payable & Accrued Liabilities	10,129,564	10,587,244	8,342,942	11,000,000
Prepaid Expenses	462,475	650,790	841,874	500,000	Current Portion of Consumer Deposits	913,346	1,186,600	934,803	1,000,000
Corporate PILS Recoverable	1,069,008	1,180,429	1,152,803	—	Current Portion of Long Term Loans	464,929	1,199,649	706,207	1,055,685
Unbilled Revenue	5,365,084	7,166,152	6,252,676	5,500,000	Dividends Declared	—	147,478	147,478	200,000
					Promissory Note	15,600,000	15,600,000	15,600,000	15,600,000
					Due to FHSI	89,054	94,301	55,524	-125,000
	14,661,321	17,906,525	14,948,038	14,700,000		28,356,849	33,593,749	29,519,619	32,822,406
Property, Plant & Equipment	62,372,432	66,549,243	67,040,595	68,030,141	Other Liabilities				
					Future payments in Lieu of Income Taxes	3,518,269	3,028,217	3,028,217	1,706,586
Other Assets					Deferred Revenue	3,450,770	4,804,267	4,856,481	3,619,600
Intangible Assets	2,676,773	3,469,096	3,915,279	3,969,636	Employee Future Benefits	1,024,453	1,006,032	1,006,032	1,024,453
Unrealized Gain on Interest Rate Swap	454,755	285,958	285,958	454,755					
Regulatory Assets	6,057,458	4,543,408	7,089,444	5,000,000	Long Term Debt				
					Consumer Deposits Over One Year	—	1,032,050	—	400,000
					RBC Loan - LT Portion	14,061,648	12,861,999	17,861,999	14,542,998
					TOTAL LIABILITIES	50,411,990	56,326,314	56,272,348	54,116,043
					EQUITY				
					Share Capital - Common	9,468,388	9,468,388	9,468,388	9,468,388
					Share Capital - Preferred	6,100,000	6,100,000	6,100,000	6,100,000
					Retained Earnings	20,352,357	20,991,353	21,570,403	22,580,097
					Accumulated Other Comprehensive Income	-109,996	-131,825	-131,825	-109,996
					TOTAL EQUITY	35,810,749	36,427,916	37,006,966	38,038,489
TOTAL ASSETS	86,222,739	92,754,230	93,279,314	92,154,532	TOTAL LIABILITIES AND EQUITY	86,222,739	92,754,230	93,279,314	92,154,532

FESTIVAL HYDRO INC.

Statement of Capital For the period ending June 30, 2025

	YTD as at Jun 30, 2024	YTD as at Jun 30, 2025	YTD Bdgt as at Jun 30, 2025	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
DISTRIBUTION					
Distribution Overhead	769,372	449,924	534,398	-84,473	-16%
Underground Conductor and Devices	490,643	392,025	653,625	-261,600	-40%
Distribution Transformers	415,168	455,166	252,500	202,666	80%
Services	135,017	163,103	109,070	54,033	50%
Distribution Meters	192,073	318,956	714,209	-395,253	-55%
SCADA/Distribution Automation	33,645	10,756	35,750	-24,994	-70%
Tools and Miscellaneous Equipment	8,613	10,880	23,100	-12,220	-53%
TOTAL DISTRIBUTION	2,044,530	1,800,810	2,322,651	-521,841	-22%
OTHER CAPITAL					
Land and Buildings	501,120	90,252	177,500	-87,248	-49%
Transformer Station	66,495	22,342	99,800	-77,457	-78%
Vehicles and Trailers	9,043	266,526	185,000	81,526	44%
Computer Hardware and Software	604,257	703,056	514,941	188,115	37%
Contributed Capital	-157,249	-391,141	-163,594	-227,547	139%
TOTAL OTHER CAPITAL	1,023,665	691,036	813,647	-122,611	-15%
TOTAL CAPITAL	3,068,196	2,491,846	3,136,298	-644,453	-21%

FESTIVAL HYDRO INC.

Income Statement For the period ending June 30, 2025

	YTD as at Jun 30, 2024	YTD as at Jun 30, 2025	YTD Budget at Jun 30, 2025	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
REVENUE					
Service Revenue	38,624,139	45,012,934	40,780,160	4,232,774	10%
Cost of Power	31,959,217	37,647,454	33,344,427	4,303,027	13%
GROSS MARGIN (DISTRIBUTION REVENUE)	6,664,922	7,365,480	7,435,733	-70,253	(1%)
Other Operating Revenue	509,968	591,201	598,947	-7,746	(1%)
OPERATING & MAINTENANCE EXPENSE					
Transformer & Distribution Station Expense	211,811	169,480	153,040	16,440	11%
Distribution Lines & Services Overhead	946,012	1,068,544	912,742	155,802	17%
U/G Distribution Lines & Services	96,917	166,692	117,596	49,097	42%
Distribution Transformers	40,930	30,240	43,306	-13,066	(30%)
Distribution Meters	174,636	179,325	179,254	71	0%
Customer Premises	116,443	160,750	124,219	36,531	29%
TOTAL OPERATING AND MAINTENANCE	1,586,750	1,775,031	1,530,157	244,875	16%
ADMINISTRATION					
Billing, Collecting & Meter Reading	755,945	793,574	816,136	-22,562	(3%)
Administration	1,709,392	1,921,094	1,954,838	-33,743	(2%)
TOTAL ADMINISTRATION	2,465,337	2,714,668	2,770,974	-56,306	(2%)
Allocated Depreciation	-67,686	-66,066	-66,066	-0	0%
TOTAL CONTROLLABLE COST	3,984,401	4,423,634	4,235,065	188,569	4%
NET INCOME BEFORE DEP'N, INTEREST & TAX	3,190,489	3,533,047	3,799,615	-266,568	(7%)
Depreciation	1,400,473	1,554,311	1,554,311	0	0%
Interest Expense	950,934	1,019,702	1,155,881	-136,179	(12%)
Interest Income	-154,238	-57,808	—	-57,808	(100%)
NET INCOME BEFORE SWAP, ICM & PBA & INC TAXES	993,320	1,016,841	1,089,423	-72,582	(7%)
Current Tax	85,985	147,626	147,626	—	—
NET INCOME BEFORE SWAP, ICM & FUTURE TAX	907,335	869,215	941,797	-72,582	(8%)
Unrealized Gain/Loss on Swap	—	—	—	—	—
Future Tax	—	—	—	—	—
Marketable Security - Recorded as OCI	—	—	—	—	—
NET INCOME	907,335	869,215	941,797	-72,582	(8%)

FESTIVAL HYDRO INC.

Cash Flow Statement For the period ending June 30, 2025

	YTD as at Dec 31, 2024	YTD as at Jun 30, 2025	YTD Bdgt as at Jun 30, 2025
Cash from Operations			
Net Income	1,760,604	869,215	470,899
Depreciation	2,815,498	1,554,311	777,156
Amortization of Deferred Revenue in Other Revenue	-21,857	52,214	-19,151
Unrealized Loss on Interest Rate Swap	168,797	—	82,533
Change in OCI	—	—	-13,879
Decrease/(Increase) in Receivables	569,178	2,354,286	-250,000
Decrease/(Increase) in Inventory	-198,001	-240,816	—
Decrease/(Increase) in Prepaids	-341,968	-191,084	-12,500
Decrease/(Increase) in Due to/from FHSI	64,946	-38,777	-6,250
Decrease/(Increase) in PILS	-437,336	27,626	—
Decrease/(Increase) in Unbilled Revenues	-250,684	913,476	—
Decrease/(Increase) in Future Tax	-490,052	—	—
Decrease/(Increase) in Regulatory Assets	1,446,323	-2,546,037	-250,000
Increase/(Decrease) in Payables	222,380	-2,244,302	—
Increase/(Decrease) in Deposits	330,381	-1,283,847	—
Increase/(Decrease) in Employee Future Benefits	-18,421	—	-13,469
Contributed Capital	1,541,685	391,141	81,797
Net Cash Provided	7,161,473	-382,595	847,135
Cash from Financing			
Loan Repayments	750,364	493,443	313,334
Loan Advance	-2,500,000	-5,000,000	-1,250,000
Cash Used - Capital Expenditures	9,385,546	2,882,987	1,649,946
Cash Used - Dividends Paid Current Year	390,330	—	97,583
Cash Used - Dividends Declared in Prior Year	233,750	195,165	50,000
Net Cash Used	8,259,990	-1,428,406	860,862
Increase (Decrease) in Cash Position	-1,098,517	1,045,811	-13,727
Bank Indebtedness, Beg of Period	-3,679,961	-4,778,478	-4,778,478
Bank Indebtedness, End of Period	-4,778,478	-3,732,666	-4,792,204
Bank and Line of Credit Analysis	2024	2025	
High balance (YTD)	5,281,013	2,537,690	
Low Balance (YTD)	-6,552,953	-8,377,148	
Overdraft interest (annualized)	133,767	267,245	
Interest rate (avg annual for period)	6.75%	5.09%	
Average overdraft balance	1,983,139	5,250,386	



Financial Statements

Prepared For:

Finance & Labour Relations Sub-Committee

October 2025

To: Mark Hunter and the Finance and Labour Relations Committee
Agenda: Commentary on Financial Results –
 For the period ended June 30, 2025
From: Alyson Conrad, CFO

Net Income:

The net income(loss) for the period was (\$19.5K), which is \$34K lower than budget and \$25K lower than at this point last year. Detailed commentary on the balance sheet and income statement activity are noted below:

Balance Sheet Commentary:

A/R & Prepaids – This balance is \$11K higher than Q2 2024. New yearly support licenses were purchased this year and are being brought into expense for the duration of the license with the remaining held in prepaids.

Outstanding accounts receivable balances are generally held in Festival Hydro as they hit the intercompany account and revenues when they are billed, not when they are collected. They are being monitored through the monitoring of the miscellaneous AR aging in Festival Hydro. We will continue to monitor the aged miscellaneous AR balances regularly to ensure Rhyzone receivables are not impacting Festival's cash flows increasingly.

Capital Asset Additions – Spend to date is \$45K compared to budget of 180K or 25%. Capital spend includes work to support FHI and civil work in St. Marys as well as customer specific expansions. GPON equipment and WiFi controller equipment was purchased in alignment with the budget. Capital spend for potential Videotron build-out requirements were built into the budget in the amount of \$125K which will not be spent until a signed contract has been completed which has not occurred to date.

Due to / from Festival Hydro Inc. – The balance remains in a receivable position at the end of Q2. This is due to underspending on capital projects and lower revenues than budgeted. The balance has decreased from yearend which is expected.

Deferred Revenue and POP Loan – Deferred revenue and the POP Loan agree to amortization schedules.

Income Statement Commentary:

Revenues – Revenues are \$77K lower than budget in Q2. Dark Fibre revenue is down by \$33K. Projects that were anticipated in both dark and lit fibre did not materialize. Consulting revenue is down by \$20K due to a cancelled project for network design consulting as a result of economic factors. Co-locate revenue is also down compared to budget by \$11K due to no new customers at this time.

Operating Expenses – Operating expenses are below budget by \$4K at the end of Q2. Due to lower than planned revenue, discretionary expenses have been limited. There have been lower than budget fibre operating expense by \$24K with a portion of this expense was budgeted due to the above noted projects that did not materialize. There were some slightly higher staffing costs due to a position that was budgeted as a ½ of an FTE. This position was filled as a fully time position for the first six months of the year and is no longer filled, however the cost was spread out over the full 12 months in the budget. In addition, both FHI and FHSI adjusted its vacation liability to account for the 2025 accrual that had previously not been accrued. This is a one time hit in the financial statements.

Cash Flow Commentary:

The cash balance has increased slightly to \$16K from the March 2025 balance. Management has decided to retain a higher balance in the bank account to manage monthly cash flow expenses.

FESTIVAL HYDRO SERVICES INC.

Balance Sheet

For the period ending June 30, 2025

	YTD as at Jun 30, 2024	YTD as at Dec 31, 2024	YTD as at Jun 30, 2025	Bdgt as at Dec 31, 2025		YTD as at Jun 30, 2024	YTD as at Dec 31, 2024	YTD as at Jun 30, 2025	Bdgt as at Dec 31, 2025
ASSETS					LIABILITIES				
Current Assets					Current Liabilities				
Cash	6,877	10,654	15,570	62,392	Accounts Payable	38,438	56,259	52,693	40,000
Accounts Receivable & Prepaids	47,685	27,978	58,415	60,000	Current Portion of LTD	22,078	45,004	22,502	45,868
Due to/from Festival Hydro Inc.	7,131	94,301	55,524	-125,000	Promissory Note	372,000	372,000	372,000	372,000
Inventory	89,054	7,059	7,059	8,000					
Income Tax Receivable/(Payable)	11,859	1,615	13,015	-20,916					
Total Current Assets	162,607	141,606	149,583	-15,524	Total Current Liabilities	432,516	473,262	447,194	457,868
Fixed Assets					Other Liabilities				
Gross Book Value	5,483,244	5,620,453	5,665,783	6,018,538	Deferred Revenue	436,301	398,347	357,185	330,461
Accumulated Depreciation	-2,980,404	-3,142,723	-3,282,761	-3,450,927	Deferred Tax Liabilities	248,000	227,000	227,000	276,197
Net Book Value	2,502,840	2,477,730	2,383,022	2,567,612	Long Term Debt				
					POP Loan Long Term Portion	233,825	188,821	188,821	142,956
					TOTAL LIABILITIES	1,350,642	1,287,430	1,220,200	1,207,482
					EQUITY				
					Share Capital	249,236	249,236	249,236	249,235
					Retained Earnings	1,065,569	1,082,670	1,063,169	1,095,371
					TOTAL EQUITY	1,314,804	1,331,906	1,312,404	1,344,606
TOTAL ASSETS	2,665,446	2,619,336	2,532,605	2,552,088	TOTAL LIABILITIES AND EQUITY	2,665,446	2,619,336	2,532,605	2,552,088

FESTIVAL HYDRO SERVICES INC.

Statement of Capital For the period ending June 30, 2025

	YTD as at Jun 30, 2025	YTD Budget at Jun 30, 2025	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var%
CAPITAL				
Computer Equipment - Hardware	9,028	32,500	-23,472	(72%)
Computer Software	—	5,000	-5,000	(100%)
Buildings	—	5,000	-5,000	(100%)
Fibre Capital	32,217	125,000	-92,783	(74%)
WiFi Capital	4,085	12,500	-8,415	(67%)
TOTAL CAPITAL	45,330	180,000	-134,670	(75%)

FESTIVAL HYDRO SERVICES INC.

Statement of Operations For the period ending June 30, 2025

	YTD as at Jun 30, 2024	YTD as at Jun 30, 2025	YTD Budget at Jun 30, 2025	Cur to Bdg YTD Var\$	Cur to Bdg YTD Var\$
TOTAL REVENUE	696,045	636,510	713,138	-76,628	(11%)
TOTAL OPERATING EXPENSES	506,302	499,989	503,673	-3,684	(1%)
NET INCOME BEFORE DEPRECIATION & INTEREST	189,744	136,521	209,465	-72,944	(35%)
Depreciation	164,400	140,038	151,350	-11,312	(7%)
Interest Expense	18,606	16,195	18,950	-2,755	(15%)
Interest Income	-232	-211	-300	89	(30%)
NET INCOME FOR THE PERIOD BEFORE TAXES	6,970	-19,501	39,465	-58,966	(149%)
Current Tax Provision	1,500	—	10,458	-10,458	(100%)
Future Tax Provision	—	—	14,099	-14,099	(100%)
NET INCOME(LOSS) FOR THE PERIOD	5,470	-19,501	14,908	-34,410	(231%)

FESTIVAL HYDRO SERVICES INC.

Cash Flow Statement For the period ending June 30, 2025

	YTD as at Dec 31, 2024	YTD as at Jun 30, 2025	YTD Bdgt as at Jun 30, 2025
Cash from Operations			
Net Income	18,302	-19,501	14,908
Future tax provision	-21,000	—	14,099
Current tax provision (ITC portion)	27,000	—	10,458
Depreciation	332,489	140,038	151,350
Amortization of contributed capital	-77,900	-31,867	-31,867
Amortization of deferred revenue	-4,012	-9,295	-9,379
Net Change in Receivables/Payables	-4,903	-45,404	-214
Net Cash Provided	269,976	33,971	149,355
Cash from Financing			
Capital expenditures - FHI	-156,414	-45,330	-180,000
Loan - Wightman	-44,156	-22,502	-22,502
Loan from/(repayment to) Festival	-64,946	38,777	37,500
Net Cash Used	-265,516	-29,055	-165,002
Increase (Decrease) in Cash Position	4,459	4,916	-15,647
Cash Beg of Period	6,194	10,654	10,654
Cash End of Period	10,654	15,570	-4,993



MANAGEMENT REPORT

Date: October 21, 2025
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Report Number: FIN25-033
Attachments: Target Metric Calculations - 2023
 Annual Debt Repayment Limit (Schedule 81 from FIR 2023 used for 2025 borrowing limits)

Title: Municipal Debt Updates and Limits

Objective: To provide Sub-committee and Council with an update on the City's borrowing capacity (annual repayment limits), as well as current debt levels, the status of current debt-financed projects and to seek approval for next steps regarding previously authorized debt-financed projects.

Background:

Borrowing Capacity (Annual Repayment Limits (ARL))

Annually, the Ministry of Municipal Affairs & Housing (MMAH) authorizes the maximum amount available to commit to payments relating to debt and financial obligations for municipalities based on the municipality's Financial Information Return (FIR). The limit is calculated as 25% of certain annual operating fund revenues.

The ARL is prepared in accordance with Ontario Regulation 403/02 based on the second previous year's FIR that is submitted annually to MMAH.

This report is to provide Council with information with respect to the City's existing levels of long-term debt based on the 2023 FIR (for 2025), as well as some additional analysis regarding the impact of previous borrowing decisions on borrowing capacity based on the provincial limits.

Current Debt Levels and Compliance with Debt Policy

The City's Long-term debt policy requires an annual review of total debt and an analysis of certain financial metrics to identify any areas of concern with respect to financial health and debt levels. These are attached to this report.

Analysis:

Borrowing Capacity/Annual Repayment Limits (ARL)

Attached to this report is a copy of the 2023 Annual Debt Repayment Limit, which governs limits effective January 1, 2025.

The calculation for the City of Stratford's 2025 ARL effective 1st January 2023, as provided by MMAH, is as follows:

2023 Net Revenues	\$110,996,060
25% of Net Revenues	\$27,749,015
Less 2023 Net Debt Charges	(\$8,062,293)
Unadjusted 2025 Annual Repayment Limit	\$19,686,722

Note that the above figures do not include the loan yet to be incurred (ie Britannia II which is authorized for an additional \$4.5 million) which reduces this available limit slightly for the annual payment. These figures were substantially the same in 2022.

Current Debt Levels and Compliance with Debt Policy

Based on these adjusted limits, the City has legislated capacity to undertake additional long-term borrowings of approximately \$191 million, depending on loan terms, rates and amortization periods. It is important to note that incurring debt at this level would result in significant impact to the tax levy unless alternative repayment sources could be secured and will not be recommended.

The City is currently paying down existing debt at the rate of around \$6 million in principal payments per year. Not all of this comes from the tax levy, however, as some is funded by user fees (water, sanitary) and development charges.

The table below provides summary information on the total approved debt, both issued and pending, categorized by the nature of the repayment obligations.

	Tax Supported	From User Fees	From DCs	Total
Debt Issued at Dec 31, 2024	\$ 31,339,321	\$ 14,016,332	\$ 4,058,412	\$ 49,414,065
To be repaid 2025	\$ 3,126,444	\$ 2,187,116	\$ 1,820,283	\$ 7,133,843
Debt Approved but not issued	\$ 17,796,698	\$ -	\$ -	\$ 17,796,698
Total Projected at Dec 31, 2025	\$ 46,009,575	\$ 11,829,215	\$ 2,238,130	\$ 60,076,920
Percentage by Source	77%	20%	4%	100%

Status of Previously Authorized Projects

Britannia Phase II

At the November 29, 2021, Special Council meeting, Council authorized the Britannia Project proceed with the understanding that long-term debt would be required to finance the portion of the project that was not funded from the province. The build project was financed in the interim from existing reserves intended for regular capital programs that now require replenishment from a borrowed source. The amount to be financed is now below \$4 million.

The recommended repayment period is proposed as 12-15 years, to reflect the reduced balances since 2021 from tax repayments. Using an estimated current borrowing rate of 4.50% for the first five years, the annual payments of principal and interest are estimated at \$450,000.

Cooper/Grand Trunk Site

The status of the current indebtedness loans is outlined below. Since 2020, there have been additional expenses that were cash-flowed from committed bank funds but were not specifically assigned a funding source. Staff are highlighting for awareness now and once the outcome from the Ontario Land Tribunal is known, we will advise the amount to be financed and recommended actions at that time.

Loan #	Original Amt	Origin Year	End Date	Annual P&I	Current
14,15,17,18,19	\$14,050,000	2015	2040	\$680,720	\$7,348,617
Internal	\$5,897,975	2019	2029	\$691,423	\$3,166,513
Total loans	\$19,947,975	-	-	\$1,372,143	\$10,515,131
Unfinanced	\$3,672,398	2026	TBD	TBD	\$3,672,398
Total to be financed	\$23,620,373	-	-	TBD	\$14,187,529

398 Erie Street

This housing project is expected to require \$4.9 million once completed, and a subsequent report will come forward to seek approval for the specific dollars and repayment term when the project is complete. The debt repayment for this project is included in the 2025 and subsequent budgets.

9 Fulton (Milverton, Perth Stratford Housing Corporation) - shared service

This housing project is expected to require \$4.6 million once completed, and a subsequent report will come forward to seek approval for the specific dollars and repayment term when the project is complete. This project will be shared with the County of Perth and St. Marys based on weighted assessment and as such the final financial structure may differ, depending on whether partners have available reserves, or wish to borrow for their contributions. The debt repayment for this project is not included in the 2025 and subsequent budgets.

Capital Lease Financing Agreements

In accordance with Ontario Regulation 653/05 of the *Municipal Act, 2001*, and the City's Lease Financing policy (F.1.10), the City Treasurer is required to report annually on capital lease financing agreements.

The City has contractual lease agreements for vehicles; the amount is not a material component of the City's total long-term financing and is limited to a couple of vehicles within the Stratford Police Service.

In the Treasurer's opinion, all financing leases were made in accordance with Ontario Regulation 653/05 of the *Municipal Act, 2001*, and the City's Lease Financing policy (F.1.10).

Current Debt Levels and compliance with Long-Term Debt and Borrowing Policy (the "Policy")

The Policy states: The Municipal Treasurer must ensure that the Municipality is financially viable and able to access the capital markets and borrowing instruments. Before entering any borrowing arrangements, the Municipal Treasurer will complete a financial analysis of at least the following ratios and the achievement of the following targets / norms and comment on the actual results as compared to industry norms and/or common practices, any variances therein, and the financial implications of same.

Attached, calculations are performed for the audited year-end December 31, 2023, and a conclusion for each is noted.

Financial Implications:

Financial impact to current year operating budget:

None. It is noted that the Britannia II project and 398 Erie were internally funded during construction and repayments have been factored into the City's annual budgets. Once the loans are drawn, the City's short-term cash flows will be replenished as these balances are otherwise committed for other purposes. This will not have an impact to the tax levy.

Financial impact on future year operating budget:

Once the Milverton project is closer to completion and final debt amounts known, further discussions with the City's shared services partners and Stratford Council will be required around financing these projects and impact on future operating budgets.

Alignment with Strategic Priorities:

Enhance our Infrastructure

This report aligns with this priority through using long-term debt as a financial tool which has allowed the City to further investment in current infrastructure by borrowing for various things like stormwater infrastructure, fire trucks and recreational facilities.

Build Housing Stability

This report aligns with this priority as continuing to balance the use of long-term debt with grants and taxation as a direct financing tool, the City can invest strategically in housing initiatives that benefit the community by adding to the available supply.

Work Together For Greater Impact

This report aligns with this priority as the historic investment in readying the Grand Trunk site for development has allowed the City to get to a point where meaningful progress can continue.

Alignment with One Planet Principles:

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

Staff Recommendation: THAT the report titled, "Municipal Debt Updates and Limits" (FIN25-033), 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
André Morin, CPA, Chief Administrative Officer

City of Stratford
Financial Measures in Debt Policy at December 31, 2023

Purpose: To perform annual calculations regarding the City's debt policy F.1.20 presented to Council August 8, 2022 to determine compliance or non-compliance with the policy. Targets are for purposes of establishing trends of financial health of the organization and should not be considered in isolation. Data Source is the annual audited Financial Statements

Formulas for Financial Measures

Percentage of Total Debt to Assets

A = B/C x 100; where

A = Percentage debt in relation to assets,

B = (Long term Liabilities + Current Portion of Long term liabilities)

C= Total assets

Target = Less than 10%

Exceeds target, but includes PSAB adjusted long-term liabilities

	2023	2022	2021
	25.5%	25.3%	25.9%
\$	128,408,708	\$ 122,621,643	\$ 116,808,361
\$	503,352,823	\$ 485,385,447	\$ 450,555,645

Debt Servicing Percentage of Total Revenue

A = B/C x 100; where

A = Percentage debt principal repayment in relation to Revenue

B = (Current Portion of Long term liabilities)

C= (Total income for the year)

Target = Less than 5% of Revenue

Within Target

	3.4%	3.4%	4.2%
\$	5,708,339	\$ 5,619,840	\$ 6,253,872
\$	166,156,782	\$ 164,015,589	\$ 150,611,193

Percentage of Interest Paid to Operating Expenditure

A = B/C x 100; where

A = Percentage Interest paid in relation to Operating Expenditure

B = Interest paid

C= Operating expenditure

Target = Less than 5%

Within Target

	1.5%	1.8%	1.5%
\$	2,334,474	\$ 2,379,437	\$ 1,920,798
\$	153,969,404	\$ 134,990,888	\$ 128,556,027

Formulas for Financial Measures**Percentage of Total Debt to Equity (Accumulated Surplus)**

A = B/C x 100; where

A = Percentage debt in relation to Equity

B = (Long-term Liabilities + Current Portion of long term Liabilities)

C = Funds and Reserves, Accumulated Surplus

Target = Less than 15%

Exceeds target, but includes PSAB adjusted long-term liabilities**Current Ratio**

A = B/C x 100; where

A = Ratio of Current Assets in relation to Current Liabilities

B = Current Assets

C = Current Liabilities

Norm = better than 2:1

Within Target**Liquidity Ratio**

A = B/C x 100; where

A = Ratio of Cash Assets in relation to Current Liabilities

B = Cash Assets (e.g. Unrestricted Cash, Bank)

C = Current Liabilities

Norm = At least 1.5: 1

Within Target

	2023	2022	2021
	34.2%	33.8%	35.0%
\$	128,408,708	\$ 122,621,643	\$ 116,808,361
\$	374,944,115	\$ 362,763,804	\$ 333,747,284
	2.778	2.596	2.624
\$	65,113,690	\$ 60,507,862	\$ 56,284,418
\$	23,439,796	\$ 23,308,601	\$ 21,452,173
	2.026	1.711	2.014
\$	47,483,126	\$ 39,886,053	\$ 43,201,943
\$	23,439,796	\$ 23,308,601	\$ 21,452,173

Conclusion: Most metrics are in compliance. City's cash flows and liquidity are within healthy ranges. Debt load relative to overall accumulated surplus is higher than desired but reflects aging infrastructure and PSAB adjusted inclusions which, over time, will improve as infrastructure is replaced and debt reduces.

FIR2023: Stratford C

Asmt Code: 3111

MAH Code: 65101

Schedule 81

ANNUAL DEBT REPAYMENT LIMIT

based on the information reported for the year ended December 31, 2023

DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT

NOTE: THE ESTIMATED ANNUAL REPAYMENT LIMIT IS EFFECTIVE JANUARY 01, 2025
Please note that fees and revenues for Homes for the Aged are not reflected in this estimate

Debt Charges for the Current Year		1
		\$
0210	Principal (SLC 74 3099 01).	6,229,432
0220	Interest (SLC 74 3099 02).	1,832,861
0299		Subtotal
		8,062,293
0610	Payments for Long Term Commitments and Liabilities Financed from the Consolidated Statement of Operations (SLC 42 6010 01)	0
9910	Total Debt Charges	8,062,293

Excluded Debt Charges		1
		\$
1010	Electricity - Principal (SLC 74 3030 01)	0
1020	Electricity - Interest (SLC 74 3030 02)	0
1030	Gas - Principal (SLC 74 3040 01)	0
1040	Gas - Interest (SLC 74 3040 02)	0
1050	Telephone - Principal (SLC 74 3050 01)	0
1060	Telephone - Interest (SLC 74 3050 02)	0
1099		Subtotal
		0
1410	Debt Charges for Tile Drainage / Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)	0
1411	Provincial Grant Funding for Repayment of Long Term Debt (SLC 74 3120 01 + SLC 74 3120 02)	0
1412	Lump Sum (Balloon) Repayments of Long Term Debt (SLC 74 3110 01 + SLC 74 3110 02)	0
1420		Total Debt Charges to be Excluded
		0
9920	Net Debt Charges	8,062,293

		1
		\$
1610	Total Revenues (SLC 10 9910 01)	171,586,851
Excluded Revenue Amounts		
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)	0
2210	Ontario Grants, Including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC10 0815 01)	42,692,902
2220	Canada Grants, Including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)	2,341,310
2225	Deferred Revenue Earned (Provincial Gas Tax) (SLC 10 0830 01)	84,675
2226	Deferred Revenue Earned (Canada Gas Tax) (SLC 10 0831 01)	1,875,868
2230	Revenue from Other Municipalities, Including Revenue for Tangible Capital Assets (SLC 10 1099 01 + SLC 10 1098 01)	12,757,437
2240	Gain (Loss) on Sale of Land & Capital Assets (SLC 10 1811 01)	136,288
2250	Deferred Revenue Earned (Development Charges) (SLC 10 1812 01)	702,311
2251	Deferred Revenue Earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)	0
2256	Deferred Revenue Earned (Community Benefits Charges) (SLC 10 1815 01)	0
2252	Donated Tangible Capital Assets (SLC 53 0610 01)	0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)	0
2255	Other Revenue (SLC 10 1890 01 + SLC 10 1891 01 + SLC 10 1892 01 + SLC 10 1893 01 + SLC 10 1894 01 + SLC 10 1895 01 + SLC 10 1896 01 + SLC 10 1897 01 + SLC 10 1898 01)	0
2299		Subtotal
		60,590,791
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged	
2610		Net Revenues
		110,996,060
2620		25% of Net Revenues
		27,749,015
9930	ESTIMATED ANNUAL REPAYMENT LIMIT	19,686,722

For Illustration Purposes Only				
Annual Interest Rate		Term		
0.06		@	15	years =
				191,202,346



MANAGEMENT REPORT

Date: October 21, 2025
To: Finance and Labour Relations Sub-committee
From: Vicky Trotter, Council Committee Coordinator
Report Number: FIN25-034
Attachments: Management Report FIN25-017: Take-out Container Levy

Title: Take-out Container Levy Update

Objective: To provide an update on the request from the Energy and Environment Advisory Committee for Council to direct staff to investigate the legislative regulations of a take-out container levy program for the City of Stratford.

Background: At the October 7, 2024 Energy and Environment Advisory Committee meeting the following motion was passed:

THAT the Energy & Environment Advisory Committee request Stratford City Council direct staff to investigate the legislative regulations of a take-out container levy program for the City of Stratford.

At the June 17, 2025 Finance and Labour Relations Sub-committee meeting the following motion was passed:

THAT the Energy and Environment Advisory Committee are directed to undertake research to determine if an Ontario municipality has adopted a take-out container levy and what the programs include and report back to the Council Committee Coordinator.

Management Report FIN25-017 is attached for reference.

Analysis: The Energy and Environment Advisory Committee undertook research and found that no Ontario municipality has implemented levies for non-reusable takeout containers. Additionally, provincial legislation, namely the Municipal Act, does not permit municipalities to levy taxes outside of property and accommodation taxes.

The City of Toronto, whom is governed under the City of Toronto Act, adopted a Single-use and Takeaway Items By-law in 2024 which includes the following:

No retail business establishment operator shall provide or permit the provision of a single-use accessory food item to a customer unless:

- (1) First asking the customer if they want the single-use accessory food item and the customer responds that they do, including responses given by telephone, self service kiosk, or using an internet-based ordering platform;
- (2) First receiving a request from the customer for the single-use accessory food item, including requests given by telephone, self-service kiosk, or using an internet based ordering platform; or
- (3) A customer obtains the single-use accessory item from a self-serve accessory food item station.

Single use accessories typically include items such as cutlery, napkins, and condiments.

The success of this by-law and whether it is enforced are unknown at this time. Staff have noted Toronto's approach includes providing businesses with resources to support compliance and encouraging voluntary elimination of other unnecessary items whereas E&E's motion states that the "Ask-First" by-law would be mandatory for businesses.

At the September 4, 2025 Energy & Environment Advisory Committee meeting the following motion was passed based on the research completed:

THAT the Energy & Environment Advisory Committee requests Stratford City Council direct staff to draft a by-law to consider implementing a mandatory "Ask First" policy for Stratford businesses, similar to the City of Toronto;

AND THAT the Energy & Environment Advisory Committee will provide financial support for the cost of signage and distribution to businesses.

Staff have confirmed the intent of the motion does align with the recommendations outlined in the Community Climate Action Plan, specifically Program Area 6 – *Towards Zero Waste*. It is also staff's understanding some businesses already allow customers to bring in a re-usable container for use.

To action this recommendation, staff would need to undertake a review of legislative regulations surrounding an "ask first" by-law. As part of this review, the City would consult legal counsel to understand whether the City has the authority to mandate such a by-law or whether participation would need to be voluntary. If it was determined that the by-law could be implemented staff would proceed to consult with the public to gather community feedback prior to proceeding, develop clear public-facing guidelines, arrange for the design and printing of signage, drafting of the by-law and tailored communication should the by-law be adopted. This will require significant staff resources to implement effectively.

If it is determined the City cannot implement this by-law then a report advising such would be presented for the information of Council.

In consultation with the Infrastructure Services Department this project would align with the work of the Supervisor of Waste Operations. In the 2026 Draft Budget, staff have outlined the 2026 workplan for waste management services. This plan is predominantly influenced by the required transition of the Blue Box program and waste collection services, the design and installation of an expanded methane collection system required to ensure continued disposal of waste at the landfill, and the development of long-term strategies to be formulated as part of the proposed 2026 Waste Rate Study. If this initiative is undertaken, progress will hinge on the Supervisor of Waste's availability, which is limited during 2025 and 2026.

Financial Implications:

Financial implications to future years budgets:

Financial implications of implementing an ask-first by-law for single use accessory food items have not been identified at this time.

Legal considerations:

Legal services will be required to understand whether the City is able to adopt such a by-law. Costs for this review could be approximately \$500 - \$3,000 and could likely be incorporated into operating budgets.

Alignment with Strategic Priorities:

Intentionally Change to Support the Future

This report aligns with this priority as it may help to reduce consumption of single use products should it be implemented.

Alignment with One Planet Principles:

Material and Products

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

Zero Waste

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

Staff Recommendation: THAT the review of a mandatory Single-use and Takeaway Items By-law in the City of Stratford, similar to the by-law developed by the City of Toronto, be referred to staff.

Prepared by:

Vicky Trotter, Council Committee Coordinator

Recommended by:

Taylor Crinklaw, Director of Infrastructure Services

André Morin, CPA, Chief Administrative Officer



MANAGEMENT REPORT

Date: June 17, 2025
To: Finance and Labour Relations Sub-committee
From: Vicky Trotter, Council Committee Coordinator
Report Number: FIN25-017
Attachments: None

Title: Take-out Container Levy (FIN25-017).docx

Objective: To consider the request from the Energy and Environment Advisory Committee for City Council to direct staff to investigate the legislative regulations of a take-out container levy program for the City of Stratford.

Background: At the October 7, 2024 Energy and Environment Advisory Committee meeting the following motion was passed:

THAT the Energy & Environment Advisory Committee request Stratford City Council direct staff to investigate the legislative regulations of a take-out container levy program for the City of Stratford.

The purpose of this report is to consider this request.

Analysis: To action this recommendation, staff would need to undertake a review of legislative regulations surrounding a take-out container levy program. As part of this review, the City would need to consult legal counsel to understand whether the City has the authority to implement such a levy. To staff's knowledge no other municipality has implemented a program of this kind.

Following the review, if the levy could be implemented staff would need to develop the program, determine how it would be administered, along with an education campaign for consideration by Council. If it is determined the City cannot implement this levy then a report advising such would be presented for the information of Council.

Currently, the Infrastructure Services Department does not have the capacity to complete this investigation due to large scale ongoing provincial legislative changes, approved 2025 projects and day-to-day activities. If Council desires to consider this initiative further, request as part of the 2026 Budget Process that it be included as part of 2026 Work Plans for Infrastructure Services.

Options for consideration:

1. Direct Infrastructure Services Staff to undertake the review: THAT staff undertake a review of a take-out container levy program as part of its 2026 Work Plan and report back to the respective Council Sub-committee.
2. Direct the Energy and Environment Advisory Committee to undertake research: THAT the Energy and Environment Advisory Committee are directed to undertake research to determine if an Ontario municipality has adopted a take-out container levy and what the programs include and report back to the Council Committee Coordinator.
3. File the request (meaning take no action): THAT the request from the Energy and Environment Advisory Committee to direct staff to investigate the legislative regulations of a take-out container levy program for the City of Stratford be filed.

Financial Implications:

Not applicable:

There are no financial implications to be reported as a result of this report. Financial implications of implementing a take-out container levy have not been researched.

Alignment with Strategic Priorities:

Not applicable: This report does not align with one of the Strategic Priorities as the request is for a take-out container levy to be investigated.

Alignment with One Planet Principles:

Material and Products

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

Zero Waste

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

Staff Recommendation: THAT the Finance and Labour Relations Sub-committee provide direction on the request from the Energy and Environment Advisory Committee to research a take-out container levy program.

Prepared by:

Vicky Trotter, Council Committee Coordinator
Tatiana Dafoe, City Clerk

Recommended by:

Taylor Crinklaw, Director of Infrastructure
Adam Betteridge, Interim Chief Administrative Officer