

Media Release



Imagine that!

Stratford Approves 2020-21 Budget

For Immediate Release: March 30, 2020

At the special council meeting held today, Stratford Town Council passed resolutions to adopt the 2020/21 Town operating and capital budgets and the 2020/21 Utility operating and capital budgets. Before Council passed the 2020/21 budgets, Councillor Gail MacDonald, the Chair of the Finance and Technology Committee, took time to highlight some of the prior year's accomplishments and to outline some of the items planned for the upcoming budget year.

"We remain committed to being fiscally responsible with the Town's tax dollars", said Councillor Gail MacDonald, Chair of the Finance and Technology Committee, "while also balancing the requests and expectations of residents for services and programs. Our plans, like yours, are changing daily as we respond to and deal with the ongoing COVID-19 situation. It is an unprecedented situation, one which we won't fully know the impacts of for quite some time but we want residents to understand that though times are tough right now, the budget takes a longer view on the existing commitments and investments the Town of Stratford has made, and is making".

Within the Town of Stratford's 2020/21 budget, a \$38,000 COVID-19 Contingency Fund has been created. With the ongoing global situation affecting everyone in the community, Stratford Town Council thought it prudent to establish this fund to deal with any number of issues the Town, or its residents and businesses, may face in the months ahead. At this time the fund includes \$38,000 available to mitigate the impact on residents and on our business community. Criteria, and the process for accessing this fund, will be put in place as quickly as possible.

"We encourage our residents to continue to *Think Stratford* and support our local business community," commented Stratford Mayor Steve Ogden. "This will be particularly important once we get to the other side of the current COVID-19 situation. This fund will allow the Town some flexibility to respond to the situation as it continues to develop and as potential gaps are identified from funding announced by other levels of government. Right now we continue to urge residents to follow all of the recommendations of Dr. Heather Morrison so that we can get through this as quickly as possible, and with as little impact as possible."

As social distancing is necessary due to the pandemic, the 2020/21 budget meeting was held in a different format than is traditionally used. The majority of Council members attended the meeting virtually while the general public were able to view it through a live broadcast on the Town of Stratford's Facebook page.

Councillor MacDonald presented the budgets which include some of the following highlights:

- In the 2020/21 Town of Stratford budget, revenue of \$7,051,600 and expenses of \$7,051,500 is forecast, with a resulting surplus of \$100. The majority of the Town's revenue, approximately \$4.7 million, is derived from property tax with the Municipal Support Grant providing approximately \$1.2 million in revenue.

- Creation of a \$38,000 COVID-19 Contingency Fund available to be used towards the safety of our residents, helping those in need and/or to mitigate the economic impact on businesses.
- In order to balance the budget this year, and after a very tough budget in 2019/20 which required significant cuts, an increase to the municipal tax rate is required. This is the first tax increase since 2003 for residential customers. A one cent increase will be phased in over the next two budget years with the 2020/21 municipal tax rate moving from \$0.44 per \$100 of assessment for residential properties to \$0.445 per \$100 of assessment. This equates to approximately \$11 for the average residential property value in Stratford this upcoming year. It is important to note that the residential tax rate remains lower than comparable municipalities on PEI.
- As annual fire dues have risen significantly, from \$153 per commercial unit to \$609 per commercial unit, commercial properties will also see an increase in the 2020/21 budget from \$0.99 per \$100 of assessment for commercial properties to \$1.25, phased in over two years (\$1.16 per \$100 of assessed value in the 2020/21 budget year). This rate is still lower than most comparable municipalities on PEI. The average increase for businesses is approximately \$600 per year, which is less than the cost of providing fire protection. Commercial property tax rates have not been increased since they were first established in 1995. As well, assessed values of commercial properties have remained the same from the time of original assessment while residential property assessments are adjusted annually in accordance with CPI increases. While we recognize the negative impact of COVID-19 on many of our businesses, the steep increase to fire protection costs necessitates this increase. The Town's COVID-19 Contingency Fund may be available to help any business in need of assistance as a result.
- To create a fairer tax structure, and to minimize the impact to any one group, the Town of Stratford is adopting the same tax structure as Charlottetown and Cornwall through the creation of new tax groups. Included is a non-resident tax group, which is equal to double the equivalent resident tax rates in each tax group and applies to property owners living outside of PEI. Apartment/multi-units and hotels/motels will be moved from the current residential tax rate to their respective apartments/multi-unit tax group and hotel/motel tax group, with the move phased in over two years. In the 2020/21 budget both groups will move to \$0.60 per \$100 of assessed value with a further move to \$0.66 per \$100 of assessed value the following year.
- The 2020/21 capital budget is \$4,317,900, which after funding in the amount of \$3,288,100 is received, will be a net cost \$1,029,800 to taxpayers. Included in funding for Town capital is \$2,022,000 in New Deal Gas Tax Funding, \$1,206,100 in Investing in Canada funding and \$55,000 in other funding. The capital funding support from our federal and provincial partners is critical to keeping tax rates reasonable and is very much appreciated. The major projects planned within the capital budget are the completion of a bike lane on Keppoch Road and the sidewalk and bike lane on Georgetown Road which is subject to funding approval as is the purchase of the land for the Community Campus. As land negotiations are continuing a supplemental budget will be required for the purchase once an agreement is reached.
- The Utility Capital Budget is \$8,068,100 of which the Town will receive infrastructure funding of \$4,818,800 from the Clean Water Wastewater Fund and \$1,102,900 from the Investing in Canada Fund for a net capital of \$2,146,400.
- The waste water delivery system to the Charlottetown Pollution Control Plant will come online later this year followed by the decommissioning of our lagoons. While we won't know the full impact that this will have on our rates, we must ensure that operating costs are covered. The following rate increases will be in effect with the 2020/21 budget:

- The water for a single family dwelling (SFD) will go from \$75.30 to \$82.05 per quarter;
- The sewer for a single family dwelling (SFD) will go from \$121.00 to \$122.86 per quarter;
- The consumption charge for metered water will go from \$0.89 to \$0.97 per cubic meter; and
- The consumption charge for metered sewer will go from \$1.43 to \$1.45 per cubic meter.
- Other highlights from the 2020/21 Town of Stratford budget include:
 - A natural playground and washroom facility at Fullerton's Creek Conservation Park
 - A new environmental coordinator position to carry out environmental initiatives including tree preservation, ecologically sensitive land preservation and stewardship, greenhouse gas emission reduction initiatives, watershed rehabilitation, and erosion and sediment control.
 - Implementation of a web portal module that will allow customers to access their utility and recreation accounts and pay their bill online, as well as to allow the Town to switch to electronic billing. The purchase of integrated software will encompass all Town of Stratford departments once implemented. Sign up is expected to begin with the April billing period allowing for electronic billing to begin in July for those who choose to do so. Electronic billing will improve sustainability by saving on both paper and postage costs.
 - Addition of casual maintenance staff for evening sport field and trail maintenance coverage in the summer and outdoor skating rink and trail grooming in the winter months.
 - Funding for the final phase of the Glen Stewart and Stratford Elementary Schools playground
 - Extended utility maintenance worker weeks to respond to our growing infrastructure and maintenance requirements
 - Human resource support for Town staff
 - Continued expansion of the Town's active transportation network through a combination of expanded trail grooming; construction of sidewalk, multi-use paths and bike lanes and further natural trail development in partnership with private landowners.

“While the budget we put forward today does contain tax increases, Mayor and Council worked hard to minimize the impact to any one group by looking at all of the tax groups and sharing the responsibility to create a balanced budget,” added Councillor MacDonald. “We took a lot of time to create this budget, including presenting a draft version of it to residents and stakeholders at a public meeting in February. Through the comments received following that meeting as part of our collaborative approach to the budget process, we have the final version here today. And while at that time, and throughout the majority of the time that the budget was being put together, COVID-19 was not an immediate concern to us in Canada, your Council is aware of the impact it is having now. Despite this, we have increased costs which require the tax increases for us to be able to deliver on our commitments and responsibilities. Given that municipalities are not permitted to run deficit budgets and with so many years of making do with no tax increases, this year we had no other option before us. Tax rates however remain lower overall than comparable municipalities on PEI. We remain committed to our community and are continuing to do everything that we can to support you during this time and into the future.”

A summary document as well as the full budget details are both available on the Town of Stratford's website at www.townofstratford.ca. The Town also has a number of resources and information available to residents on their website related to COVID-19.

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