



Town of Stratford - 2012 Budget Presentation

Councillor Randy Cooper, Chair of Finance and Administration

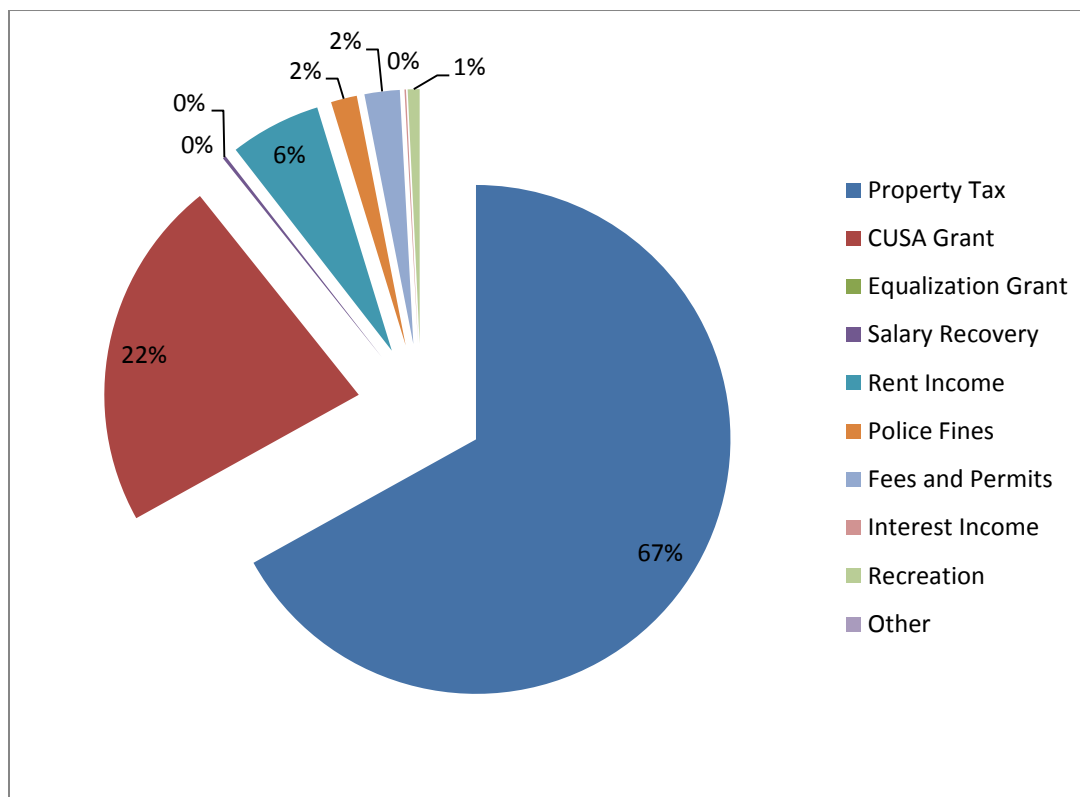
Your Worship Mayor Dunphy, Members of Council, residents of the Town of Stratford. It is my pleasure to present to you the 2012 Town of Stratford budget. The Town of Stratford continues to be the most desirable place to live, as evidenced by our continued strong growth in 2011. The total value of development permits issued in 2011 was \$30,043,819 which is the third year in a row that the value of development permits exceeded 30 million dollars. This strong growth and Council's commitment to prudently manage the dollars entrusted to us by taxpayers allow us to keep our tax rates reasonable. I am pleased to announce that there will be no increase in the municipal tax rate for the Town of Stratford in 2012. It will remain at \$.44 per \$100 of assessment for residential properties and \$.99 per \$100 of assessment for commercial properties.

Development Permit History	
year	permit values
2005	\$11,505,100
2006	\$14,687,775
2007	\$24,446,165
2008	\$22,108,360
2009	\$31,374,253
2010	\$30,020,140
2011	\$30,043,819

A particularly good sign in 2011 was the growth in commercial assessment which increased by more than \$4,000,000. Council is committed to increasing the availability of goods and services locally and increasing job opportunities in the Town provided that the commercial development does not compromise the beauty and character of the Town. We are looking forward to another good year in 2012 with the completion of Phase 1 of Southport Landing on the waterfront. One of the important components of the waterfront development is the preservation of green space on the waterfront for residents to enjoy.

In the 2012 budget, we are forecasting revenue of \$4,227,400 and expenses of \$4,039,400 with a resulting surplus of \$188,000. We have to generate this level of surplus for two reasons. Because the principal payments on Town debt exceeds the amount of depreciation contained in our budget pursuant to Public Sector Accounting Board guidelines, a surplus is required to maintain a positive cash flow. As well, the Town has adopted a strategy for debt reduction using a target of 4% of yearly revenue. More information is contained later in this report on this topic. The majority of the Town's revenue is received from Property Tax and from the Municipal Support Grant. The grant system was introduced by the province in 2008 where they reduced our property tax rate for non-commercial property by \$.20 per \$100 of assessment and replaced it with a grant.

TOWN REVENUE



The Grant has not increased at the same rate as our assessment increases which results in the Town receiving more than \$200,000 less revenue in 2012 and the number grows each year. The good news is that the province has appointed a committee that is working collaboratively with municipalities to come up with a new revenue sharing arrangement in accordance with the recommendations of the Commissioner on Land and Local Governance. We hope to see that new formula in place in 2012, but we have budgeted based on the status quo.

Sustainable Stratford – Results Matter

In 2011 the Town adopted a new strategic performance management system, which we call Sustainable Stratford – Results Matter, to increase transparency and accountability to our residents and to ensure that we deliver results. The system is a blend of our sustainability vision and pillars, and the Balanced Scorecard which is used by more than 65% of Fortune 1000 Companies. Our vision is:

To become a sustainable community where the social needs of residents are taken care of, where our culture and heritage are rich, diverse and celebrated, where the limits of the earth to sustain us are recognized and respected, where there is a thriving local economy and where there is a transparent and responsive local government.

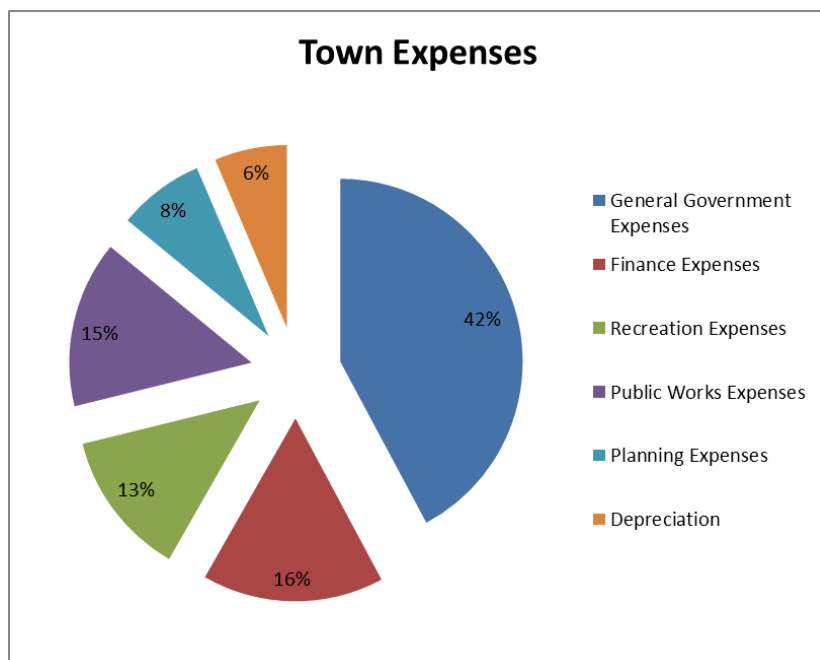
Members of Council and staff worked extensively in 2011 to develop the new system. We have identified 16 high level strategic objectives across the five sustainability pillars to move the Town towards the desired future state. Our mission is:

To continually strive to find out what current and future residents and stakeholders need and want, and then deliver it.

We have identified 48 corporate level initiatives that are designed to move us toward our vision. We have also identified 38 corporate performance measures which we will report on to resident stakeholders so that taxpayers can see how we are progressing toward our goals. There has been funding allocated to a number of these initiatives in the 2012 budget to get us on our way. This will be a tool for our residents to monitor our progress on different initiatives which are marked as priority items in the eyes of our residents, staff and Council.

Town Expenses

Town expenses are divided into six categories which are General Government, Finance, Recreation, Public Works, Planning and Depreciation.

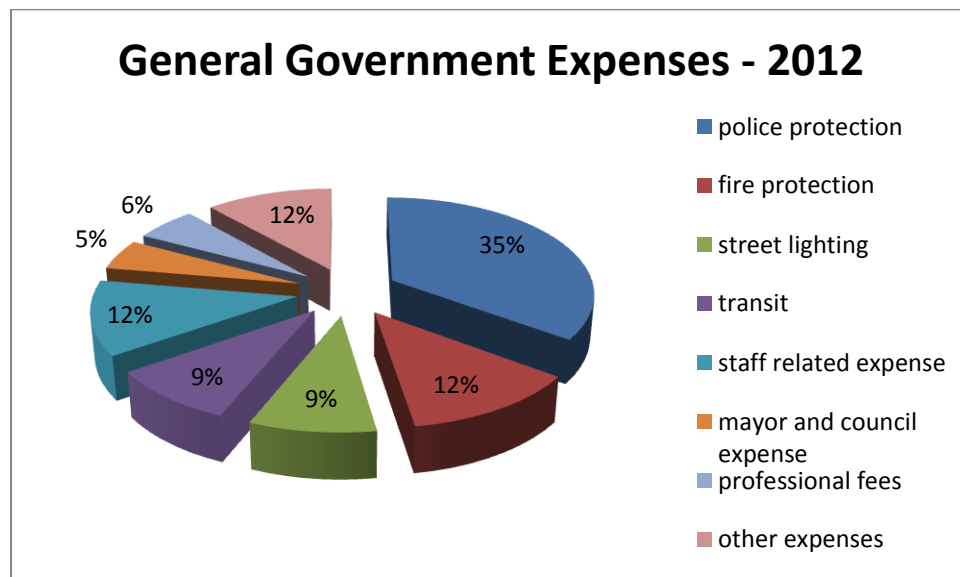


General Government

The largest category of General Government includes the big ticket items of police protection, fire protection, transit and street lighting.

The fire protection expense is forecast to increase by more than 20% in 2012 due to a planned rate hike of fire dues by the Cross Roads Rural Community Fire Company. The rate hike is only a portion of the projected need of the fire company and money has been set aside in 2012 to hire a consultant, in cooperation with the fire company, to assess their equipment, manpower and training needs so that a long term financial plan can be developed. The review may also result in lower fire insurance rates for some residents if our water supply system is deemed suitable for community fire protection in areas of the Town.

Another initiative that will be supported under General Government is the implementation of the Traffic Safety Plan. The draft plan was developed by a committee formed to examine ways to reduce speeding and improve pedestrian safety in the Town. There is also money allocated in the capital budget for signage and traffic calming to support this initiative. As well, an allowance was also made for additional legal expenses so we can recover the cost of the work that is required to correct the deficiencies that we discovered in the construction of the Stratford Town Centre. Overall, General Government expenses are increasing by almost 9% driven mainly by increased investments in community safety.



Finance and Administration

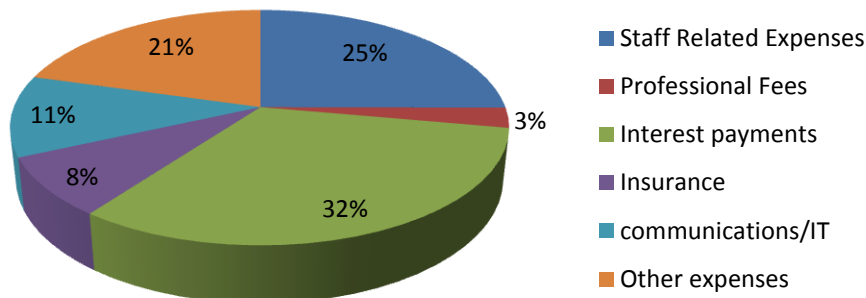
In Finance and Administration, the largest expense is the interest payment on the debt. The Town of Stratford has been steadily decreasing the debt, and we have been generating and using the town surplus revenue to pay for our capital expenditures in most years instead of borrowing money to cover capital additions.

Each year our interest on long term debt has also been decreasing. We budget for a surplus to at least cover the difference between depreciation and what our annual principal payments would be, so that each year the full amount of our principal payments on long term debt is satisfied. Overall, the expenses in the Finance and Administration Department are reduced by 2.5% thanks mainly to lower interest payments.

	2007	2008	2009	2010	2011
debt	\$5,971,215	\$5,549,008	\$5,198,866	\$4,833,739	\$4,465,442
debt reduction	\$261,141	\$422,207	\$350,142	\$365,127	\$368,297
revenue	\$3,623,492	\$3,569,694	\$3,671,337	\$3,738,136	\$3,995,700
debt reduction target (4% of revenue)	\$144,940	\$142,788	\$146,853	\$149,525	\$159,828
actual debt reduction (% of revenue)	7.21%	11.83%	9.54%	9.77%	9.22%

The other expense category in Finance and Administration includes property taxes, the property tax rebate to bonafide farms and not profit organizations, and administrative expenses such as office supplies, equipment leases etc. Also included here is funding to host three functions for the *Stratfords of the World* reunion which is being held here in September 2012. Delegates will come from Stratfords in New Zealand, England, the US, Ontario and Australia. Further information on the reunion can be found in the link to Stratfords of the World on the Town website.

Finance and Administration Expenses - 2012



Recreation

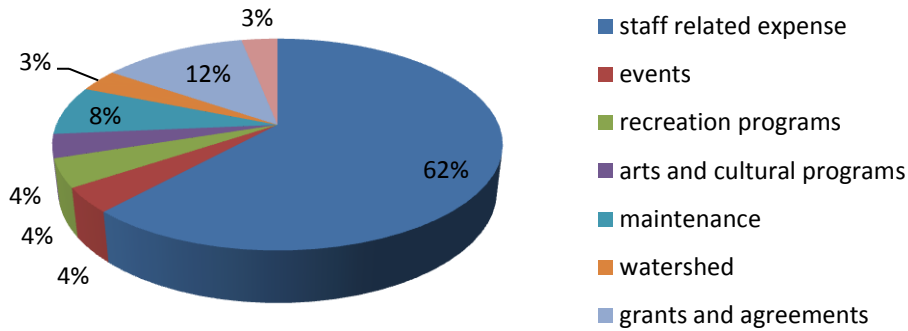
Our Recreation Department is planning to again offer a Summer Day Camp for kids. This was done as a pilot project in 2011 and was a big success, and parents may wish to register their children early to get the theme weeks they want. Another initiative funded in the recreation budget is the watershed protection which includes planting trees within our parks and trails.

We are also putting some money aside for the Stratford and Area Watershed Group so that they can eventually dredge Kelly's Pond in Pondsides Park which has silted up considerably in recent years from development and construction.

Additional funding has been allocated for Arts and Culture programming to continue to ensure that residents can avail themselves of programming to strengthen all aspects of their physical, mental and spiritual health. In 2011 there was a very successful 'Art Days' program held at Glen Stewart School and Stratford Elementary School that we plan to build on. As well, there will be new arts and culture programs for children and adults. One of our big cultural activities is our 'Celebration of Life' event that occurs during the Winter Carnival. We have seen the number of people attending this event steadily increase from year to year.

The recreation budget also contains funding for Grants and Agreements for organizations that we support - such as the CARI Complex and the Pownal Rink. There is also \$5,000 set aside for the improvement of the grounds at Glen Stewart School contingent on matching funds being found by the school. Overall, we are increasing the recreation department budget by more than 10% to invest in additional initiatives for the health and wellness of our residents.

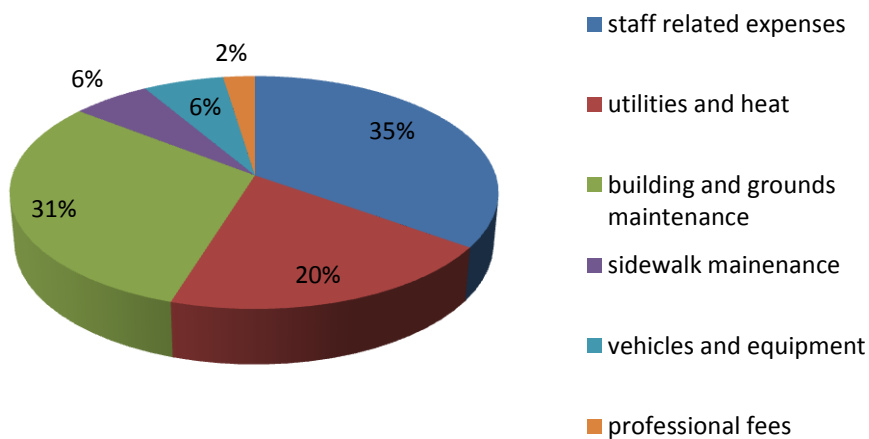
Recreation Department Expenses - 2012



Public Works

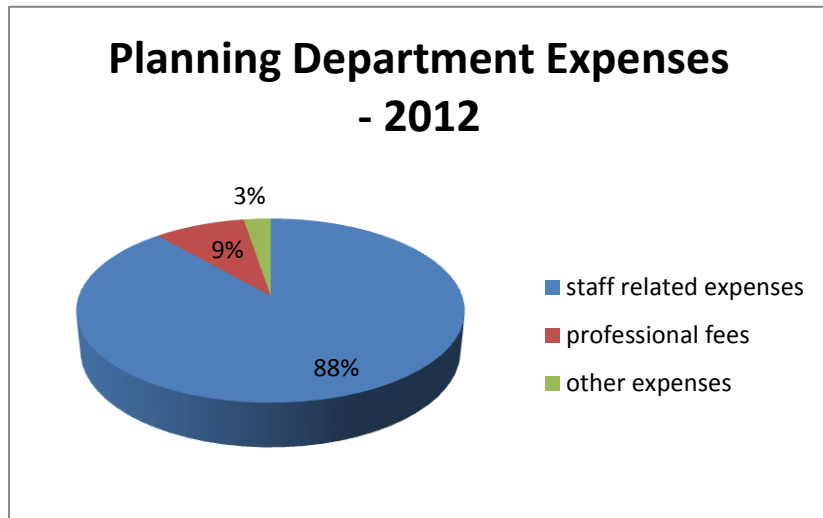
The public works department is responsible for the maintenance of all Town owned facilities and equipment, except for trails and sport fields, which are maintained by the recreation department. To help cope with the continuous increase in infrastructure, we are budgeting for an additional bay for our maintenance building in our Capital Budget. Overall, expenses are increasing by 4.8% which includes an additional investment of \$10,000 in consulting to allow staff more time for the implementation of Sustainable Stratford – Results Matter.

Public Works Expenses - 2012



Planning Department

The planning department saw the introduction of the National Building Code in 2011. We will be making additional investments in cross-training staff in the building code, and in a seasonal position to help reduce the permit processing time during the busy building season. The planning department is undertaking a housing demand study and will start the official plan review in 2012.



Capital Budget

We are budgeting \$1,359,700 for capital items in 2012 which, after New Deal and other funding, will be a net cost of \$404,700 to taxpayers. Our capital budget for 2012 will include additional investments in sidewalks, bike lanes and trails. We have enjoyed excellent cooperation from the province in recent years to install storm sewers to allow us to continue with the installation of sidewalks and bike paths on the collector roads. We plan to do a large section of trail, with funding assistance from the Trans Canada Trail Group, to establish the Trans Canada Trail through Stratford and eventually connecting to the Confederation Trail at Charlottetown and Iona. Money has been set aside for additional investment in core area projects in accordance with the Core Area Plan which sets higher standards for street construction and amenities in our commercial core. All of these projects are funded through the Federal New Deal Gas Tax Program for which we are very grateful.

We are budgeting for an emergency generator for the Stratford Town Centre. The Town of Stratford has an Emergency Measure Plan and actively takes part in emergency exercises with the province and other municipalities. A vulnerability in our ability to respond to emergencies is the lack of a generator to provide electricity and heat for residents if the Town Centre is used for a reception centre during an extended power outage. The Town Centre also houses our Emergency Operations Centre, and emergency power would ensure the continued operation of this critical function during a power outage. Acquisition of a generator is contingent on accessing funding support from the Island Community Fund.

We have allocated \$28,000 to partner with the Mayflower Seniors Club to add storage to the Cotton Centre to meet their growing needs. We are very pleased to assist this tremendously successful club and well used facility that serves our youth and seniors so well.

Other capital budget items include:

- \$68,000 to complete repairs due to construction deficiencies on the Stratford Town Centre;
- \$25,000 to update the Town entry signage and to start installing new street signs in accordance with our new signage standards. The new street blades have a larger font to make it easier for seniors and others with a visual impairment to read;
- \$100,000 for the aforementioned addition to the maintenance building; and
- \$50,000 for the aforementioned traffic calming and signage to reduce speeding and increase pedestrian safety.

In summary, we are making strategic investments in priority areas to meet the needs of residents, and to create a better future for our community while being mindful of the trust placed in us by taxpayers to be prudent and responsible with their money. Detailed revenue and expense tables are attached.

TOWN OF STRATFORD REVENUE AND EXPENSE TABLES

TOWN REVENUE

Operating	Actual 2010	Budget 2011	Budget 2012
Property Tax	\$ 2,479,531	\$ 2,570,900	\$ 2,829,800
CUSA Grant	\$ 932,318	\$ 944,000	\$ 944,000
Equalization Grant	\$ 7,269	\$ -	\$ -
Salary Recovery	\$ 9,000	\$ 9,000	\$ 9,000
Rent Income	\$ 225,271	\$ 241,300	\$ 244,300
Police Fines	\$ 54,866	\$ 55,000	\$ 70,000
Fees and Permits	\$ 72,523	\$ 78,500	\$ 94,500
Interest Income	\$ 5,260	\$ 4,600	\$ 4,000
Recreation	\$ 20,178	\$ 17,300	\$ 31,800
Other	\$ 32,646		
Total Revenue	Actual 2010	Budget 2011	Budget 2012
	\$ 3,838,862	\$ 3,920,600	\$ 4,227,400

TOWN EXPENSES

Operating	Actual 2010	Budget 2011	Budget 2012
General Government Expenses	\$ 1,523,263	\$ 1,627,300	\$ 1,770,400
Finance Expenses	581,672	596,300	581,500
Recreation Expenses	465,711	500,000	553,300
Public Works Expenses	532,856	554,800	580,300
Planning Expenses	276,077	267,000	303,900
Depreciation	232,623	252,000	250,000
Total Expenses	Actual 2010	Budget 2011	Budget 2012
	\$ 3,612,201	\$ 3,797,400	\$ 4,039,400

GENERAL GOVERNMENT EXPENSES

Operating	Actual 2010	Budget 2011	Budget 2012
Salaries and Benefits	\$ 147,235	\$ 175,400	\$ 195,200
Staff Development and Travel	16,807	15,000	15,000
Staff EAP and Incentive	9,650	8,500	8,500
Professional Fees	66,572	55,000	100,000
Mayor and Council Expenses	89,487	90,700	89,800
Committee Expenses	25,924	28,500	29,500
FPEIM/FCM Dues	13,347	13,400	15,800
Election	36,073	11,000	11,000
Police Protection	514,598	592,000	620,800
Fire Protection	174,000	183,000	220,800
Street Lighting	153,273	154,000	154,000
Animal Control	25,047	26,000	27,000
Sustainable Economic Development	48,404	57,000	57,000
Promotional Expenditures	25,364	10,000	18,000
Donations and Gifts	9,905	15,000	15,000
GIS Development and Maintenance	1,823	15,000	17,000
Transit	147,808	162,800	161,000
Newsletter	17,945	15,000	15,000
Total General Govt Expenses	Actual 2010	Budget 2011	Budget 2012
	\$ 1,523,263	\$ 1,627,300	\$ 1,770,400

FINANCE AND ADMINISTRATION EXPENSES

Operating	Actual 2010	Budget 2011	Budget 2012
Salaries and Benefits	107,113	118,400	120,800
Staff Development and Travel	9,997	10,000	10,000
Professional Fees	14,674	17,000	16,000
Workers Compensation	12,852	14,000	15,000
Insurance	50,943	53,100	47,100
Computer/Internet	33,593	34,000	31,000
Telephone/Fax	28,306	32,000	34,000
Administrative Expenses	54,655	56,800	51,500
Bank Charges	4,839	5,000	12,000
Capital - Interest Payments	216,829	205,000	188,000
Community Group Support	-	1,000	1,000
Stratfords of the World	-	1,000	3,500
Property Tax	24,149	25,000	26,500
Property Tax rebate	23,722	24,000	25,100
Total Finance Expenses	Actual 2010	Budget 2011	Budget 2012
	\$ 581,672	\$ 596,300	\$ 581,500

RECREATION EXPENSES

Operating	Actual 2010	Budget 2011	Budget 2012
Salaries and Benefits	\$ 291,570	\$ 323,600	\$ 342,300
Staff Development and Travel	\$ 6,246	\$ 10,000	\$ 10,000
Professional Fees	\$ 3,314	\$ 5,000	\$ 5,000
Events	\$ 24,739	\$ 21,000	\$ 21,000
Programs	\$ 15,120	\$ 11,500	\$ 24,000
Watershed	\$ -	\$ 15,000	\$ 19,000
Arts & Culture	\$ 24,727	\$ 14,000	\$ 20,000
Rink Operations	\$ 690	\$ 1,000	\$ 1,100
Maintenance	\$ 46,859	\$ 39,500	\$ 41,500
Promotion	\$ 496	\$ 1,000	\$ 1,000
Grants and Agreements	\$ 51,950	\$ 58,400	\$ 68,400
Total Expenses	Actual 2010	Budget 2011	Budget 2012
	\$ 465,711	\$ 500,000	\$ 553,300

PUBLIC WORKS EXPENSES

Operating	Actual 2010	Budget 2011	Budget 2012
Salaries and Benefits	\$ 166,856	\$ 184,300	\$ 198,100
Staff Development and Travel	\$ 4,739	\$ 4,000	\$ 4,000
Professional Fees	\$ -	\$ 4,000	\$ 14,000
Electricity	\$ 87,325	\$ 82,000	\$ 82,000
Water & Sewer	\$ 13,613	\$ 12,000	\$ 14,000
Heating Fuel	\$ 12,612	\$ 13,000	\$ 20,000
Building/Grounds Maintenance	194,970	189,500	178,200
Sidewalk Maintenance	29,717	38,000	34,500
Vehicles and Equipment	23,024	28,000	35,500
Total Public Works Expenses	Actual 2010	Budget 2011	Budget 2012
	\$ 532,856	\$ 554,800	\$ 580,300

PLANNING DEPARTMENT EXPENSES

Operating	Actual 2010	Budget 2011	Budget 2012
Salaries and Benefits	\$ 207,262	\$ 227,000	\$ 247,400
Staff Development and travel	\$ 11,447	\$ 13,000	\$ 21,500
Professional Fees	\$ 50,025	\$ 17,000	\$ 27,000
Administrative Expenses	\$ 1,559	\$ 2,000	\$ 2,000
Heritage	\$ 5,784	\$ 8,000	\$ 6,000
Total Planning Expenses	Actual 2010	Budget 2011	Budget 2012
	\$ 276,077	\$ 267,000	\$ 303,900

TOWN CAPITAL BUDGET

Capital	Budget 2011	Budget 2012
Park Development	\$ 40,000	\$ 40,000
Recreation Centre Equipment	\$ 8,000	\$ 6,000
Recreation Capital Projects	\$ 138,000	\$ -
Sidewalk/Bike Path Construction	\$ 300,000	\$ 300,000
Trail Construction	\$ 60,000	\$ 130,000
Core Area Capital Projects	\$ 640,000	\$ 320,000
Signage/Branding program	\$ -	\$ 25,000
Equipment Replacements/Additions	\$ 58,000	\$ 2,700
Town Centre Capital Repairs/Additions	\$ 95,000	\$ 68,000
Maintenance Bldg. Capital Repairs/Additions	\$ -	\$ 100,000
Cotton Park Building Repairs/Additions	\$ 15,000	\$ 28,000
Other Building/Grounds Repairs/Additions	\$ 266,500	\$ 24,000
Public Art	\$ 5,000	\$ 5,000
Computer Hardware	\$ 9,000	\$ 14,000
Information Systems	\$ 10,000	\$ 35,000
LED Street Lighting Pilot	\$ 20,000	\$ -
Transit	\$ -	\$ 12,000
RCMP Office Upgrade	\$ 50,000	\$ -
Traffic Calming/Signage	\$ -	\$ 50,000
Town Centre Generator	\$ -	\$ 200,000
Total Capital Expenses	Budget 2011	Budget 2012
	\$ 1,714,500	\$ 1,359,700
Capital Funding	Budget 2011	Budget 2012
New Deal Funding	\$ 1,000,000	\$ 750,000
Trans Canada Trail (pending approval)	\$ -	\$ 55,000
Island Community Fund (pending approval)	\$ 278,000	\$ 150,000
Total Capital Funding	Budget 2011	Budget 2012
	\$ 1,278,000	\$ 955,000
Net Capital Expenditure	Budget 2011	Budget 2012
	\$ 436,500	\$ 404,700