



Imagine that!

TOWN OF STRATFORD

2017 BUDGET

February 8, 2017

Presented by Deputy Mayor Randy Cooper
Chair of the Finance and Technology Committee



Town of Stratford - 2017 Budget

Imagine that!

Welcome, members of Council, media and residents and staff of the Town of Stratford. It is my pleasure to present to you the 2017 Town of Stratford budget. I am pleased to present another balanced budget where we are able to continue to provide all of our current services and programs, add a few new initiatives, and address some requests from our residents, community organizations and partners. We also have some significant new capital projects as well as a number of capital projects that are carried over from previous years. These include the continuation of the Georgetown Road Sidewalk, completion of the Trans Canada Trail along Mason Road, and another phase of Fullerton's Creek Conservation Park development.

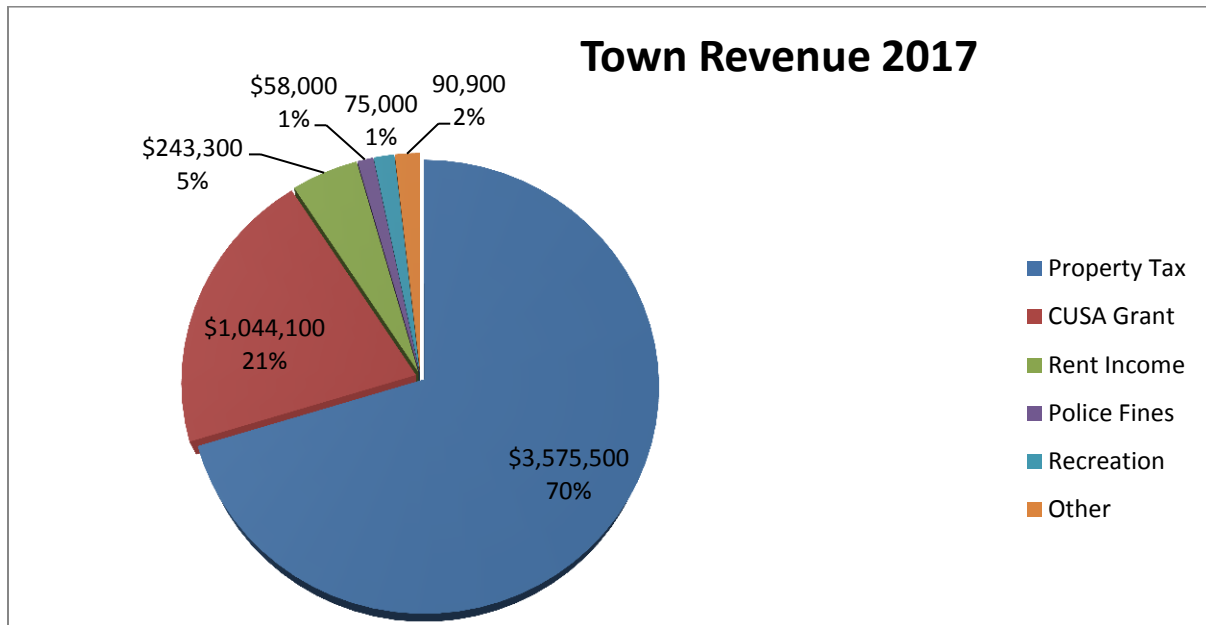
Our property tax revenue has slowed down as a result of the Island's cooling real estate market, and also due to the provincial government's funding formula change in 2008 from a tax credit to a grant system for municipalities. We remain optimistic that the current provincial government will make good on their promise to reinstate the tax credit system which will see monies previously reallocated to the province returned to municipalities.

Since Stratford is a thriving community, with a strong real estate market, our property tax assessments remain high. However, our municipal tax rate remains the lowest in the province, amongst full serviced municipalities. Residents continue to, and deserve to be, proud to live, work and play in Stratford.

There are great things happening in Stratford; and your Council, alongside Town staff, continues to work hard on your behalf every day. We are ready to work with you to make the tough decisions, to find ways to continue to grow the Town, and to provide the services that you as a resident count on.

Town Revenue

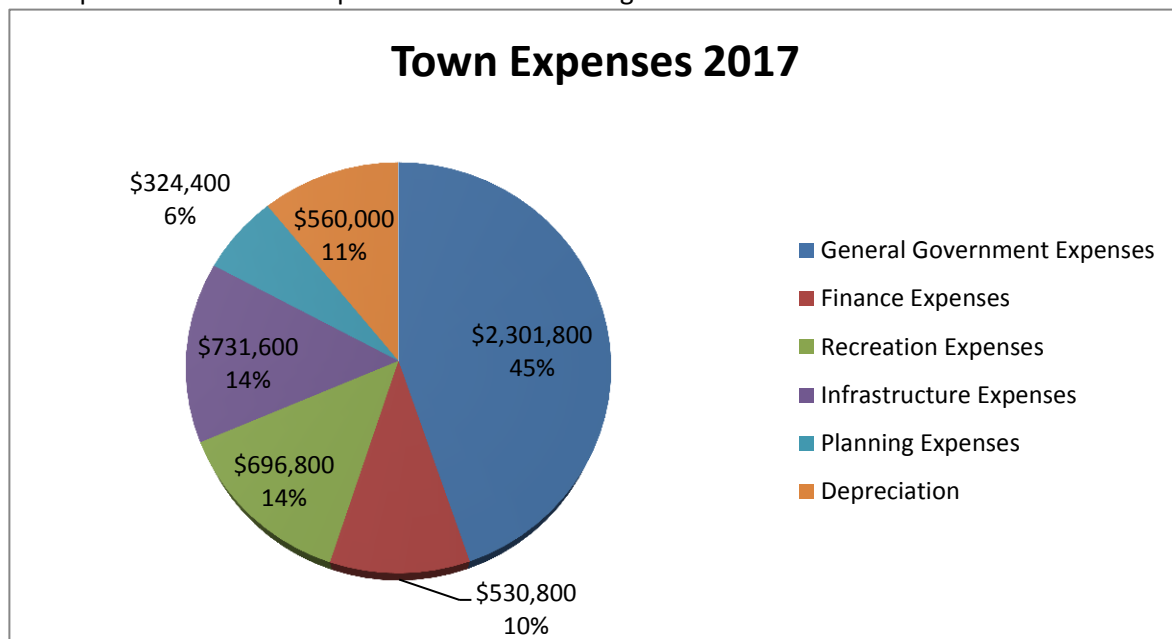
In the 2017 Town budget, we are forecasting revenue of \$5,086,800 and expenses of \$5,145,400, with a resulting deficit of \$58,600; however on a cash flow basis, we have a surplus of \$71,400.



The majority of the Town's revenue, more than 3.5 million dollars, is from property tax as well as the Municipal Support Grant which is just over a 1 million dollars. Town revenue is up 6% from 2016.

Town Expenses

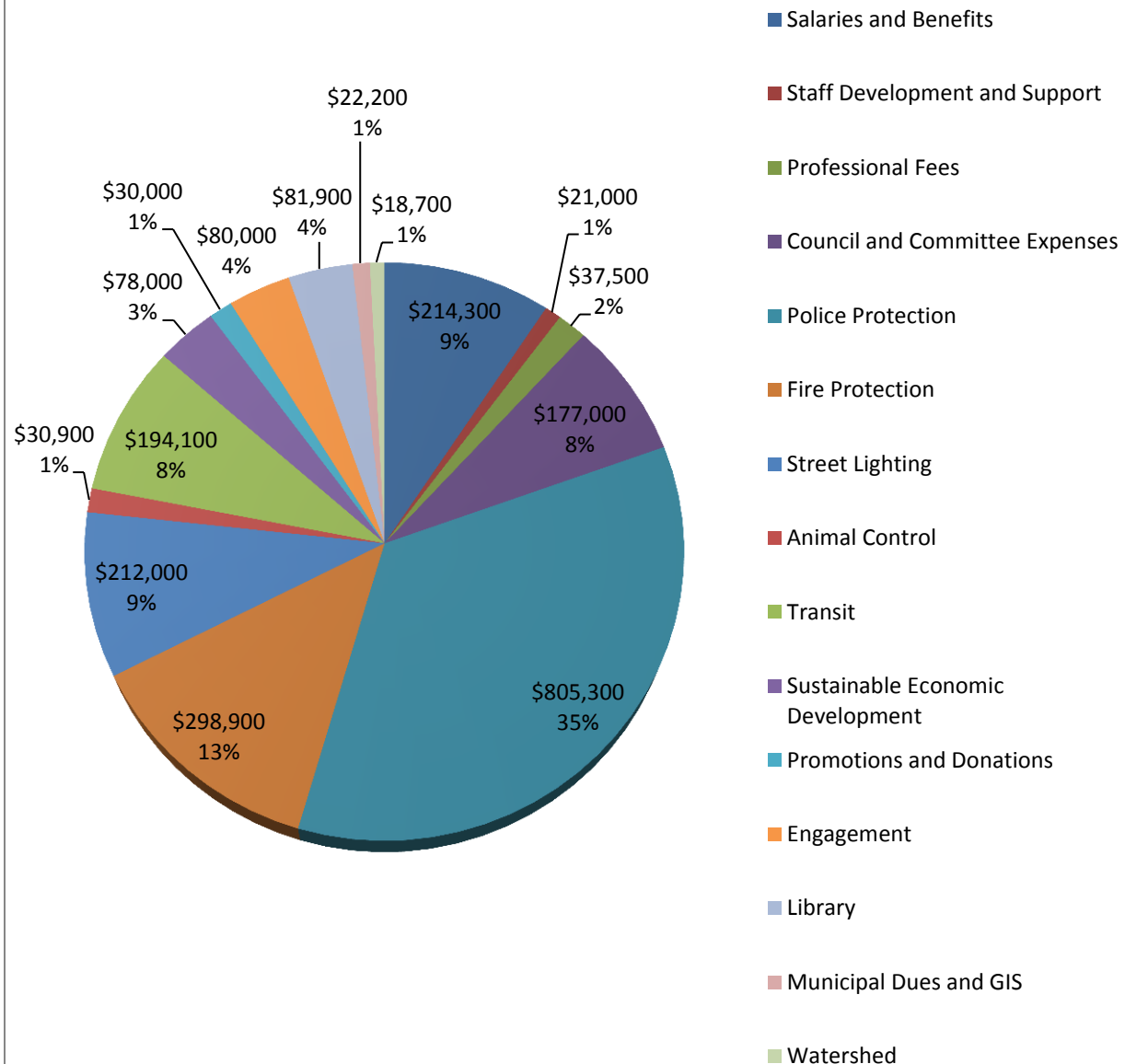
Town expenses for 2017 are up 5% over the 2016 budget.



General Government

The expenses in the General Government category include all of the expenses that are not attributable to the four line departments such as: police protection, fire protection, Council expenses, CAO's office expenses, street lighting, transit, sustainability, citizen engagement, library, and animal control.

General Government Expenses 2017



One of our signature sustainability initiatives, the development of a Community Energy Plan, will be completed in 2017. Council has also earmarked \$15,000 to move into the implementation phase of the plan to work with residents and businesses to reduce their energy use/cost and greenhouse gas emissions. We will apply for additional funding from the FCM Municipal Green Fund to stretch our investment further.

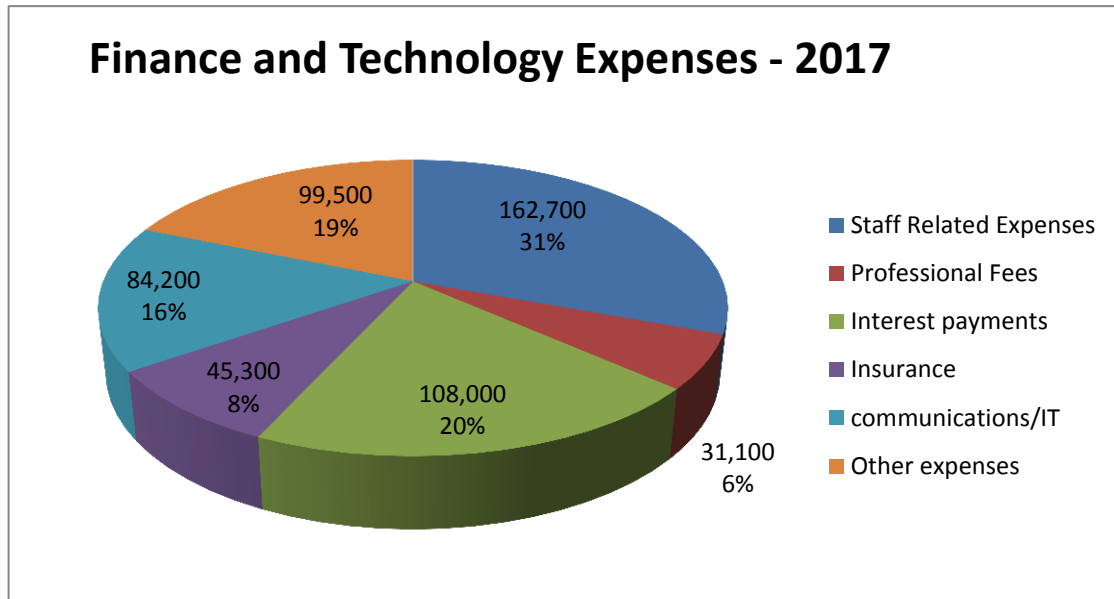
Other highlights for the General Government section of the 2017 operating budget include:

- the development of an electronic records management strategy to ensure that electronic records are retained and accessible.
- the development of a strategy to identify, protect, and preserve natural areas in Stratford in perpetuity. A workshop was recently held with experts, residents and stakeholders to identify the economic, ecological, social and cultural value of natural areas with a view to developing a natural areas lens to facilitate the first step – identification of areas to protect.
- the beginning of an interpretive signage program to educate residents and others of the value of natural areas.
- an allowance for an increase in council remuneration pending Council's review of an independent report of Council and staff remuneration.
- an allowance of \$30,000 to upgrade the town's website to improve engagement, transparency and accountability.
- a 1.2% increase in staff salaries to match the 2016 cost of living increase for PEI.
- a 2% increase in fire dues levied by the Crossroads Rural Community Fire Company.

In the capital budget, there is an allowance of \$500,000 for the development of a park on the Waterfront, subject to the acquisition of land in the form of a parkland dedication from the developer, funded from the New Deal program. There is also funding for additional transit infrastructure to take advantage of funding that has not been spent from the federal/provincial transit infrastructure program, and funding in the amount of \$200,000 for a solar energy installation at the Stratford Town Centre, subject to funding from other levels of government. This will save an estimated 110,000 Kwh of electricity, at a cost of approximately \$15,000 per year and reduce the Town's greenhouse gas emissions by 32.4 tonnes per year.

Finance and Technology

In the Finance and Technology Department budget, the largest expense, outside of staff expenses, is the interest payment on the Town debt. Each year the interest on the Town's long term debt has been decreasing. We budget for a cash flow surplus to ensure that our annual principal payments on long term debt is satisfied.

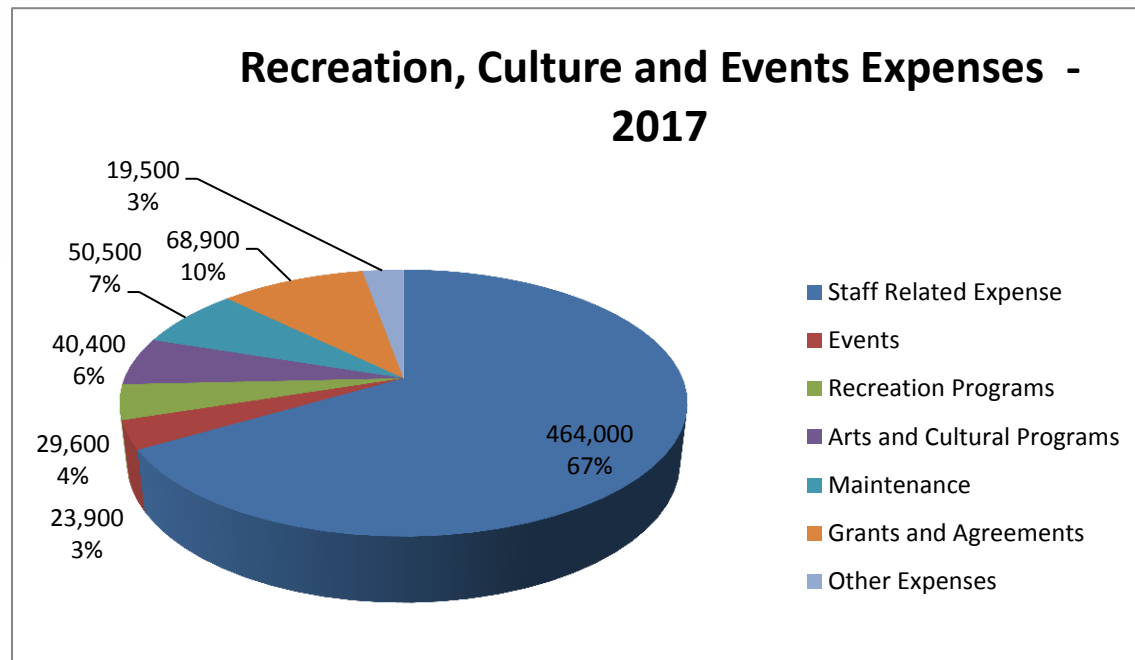


Some of the additional investments we are making in order to build the best community possible include:

- The introduction of a web portal module which would allow customers to access their utility accounts and pay their bill online. This will also allow us to switch to electronic billing.
- Purchase integrated software that will encompass all Town of Stratford departments. This project is subject to approval of a funding application.

Recreation, Culture and Events

The Recreation Culture & Events Department budget continues to support close to 100 programs and events that the Town offers and/or supports each year. We have focused a lot of our time on expanding our Youth Centre, and have seen growth in the number of participants taking part in our family-oriented events and Youth Centre drop-in times. We will be offering a March Break and Summer Day Camp for school aged children in 2017.



Other investments from the Recreation, Culture and Events budget to help make Stratford the best community possible include:

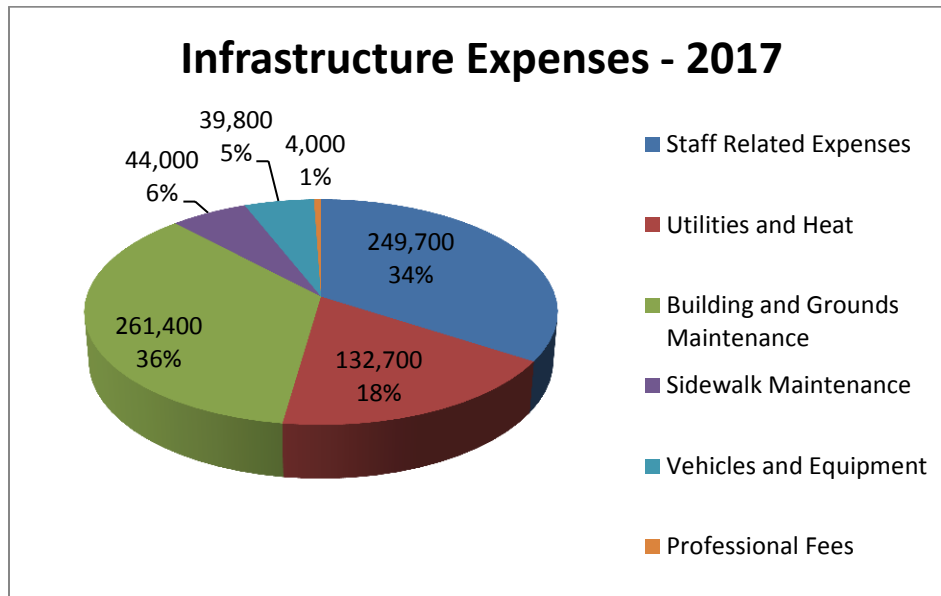
- Funding in the capital budget for the continued development of parks and playgrounds (\$90,000), splash pad (\$158,000), and resurfacing of the Bunbury outdoor rink (\$38,000).

Funding of \$340,000 in the capital budget to develop a partnership for a skateboard park in Stratford to support our active youth.

- Funding of \$180,000 in the capital budget to continue the development of Fullerton's Creek Conservation Park – a new multi-use municipal park. This phase will include a multi-purpose playing field, benches, garbage receptacles, 5-tier bleachers, and two sport shelters. This will be funded from New Deal Funding.
- Funding for the Pownal Rink in the amount of \$50,000 and the CARI pool in the amount of \$15,000.
- Continued funding for arts and culture programming to ensure that residents can strengthen all aspects of their physical, mental and spiritual health.

Infrastructure

The Department of Infrastructure budget includes the maintenance of all Town owned facilities, equipment, trails, and sidewalks.

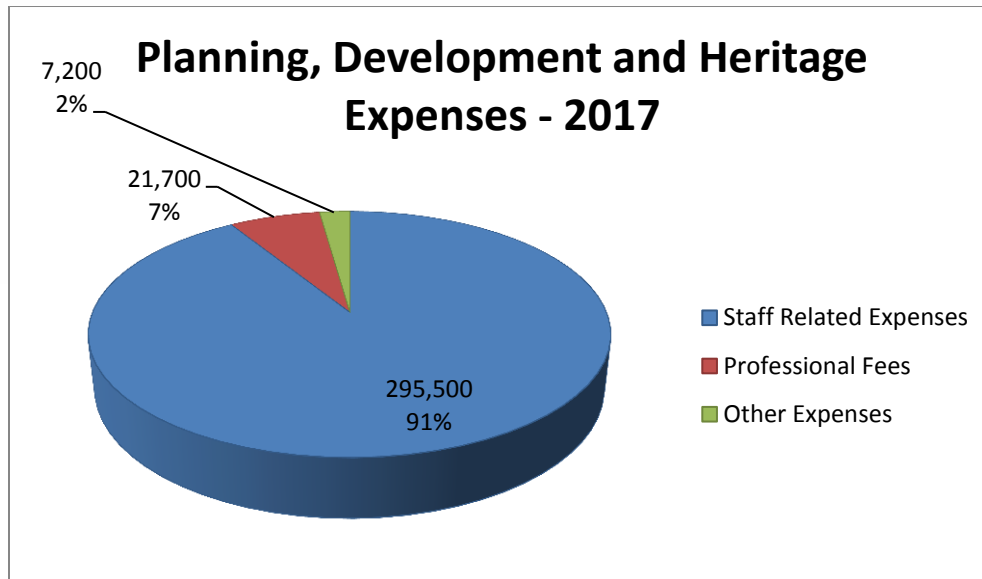


Some of the targeted investments to help make Stratford the best community possible include:

- Completion of the Trans Canada Trail along the Mason Road. This work is being completed to finish the trail section and create trail loops throughout the Town. The capital budget amount is \$240,000 which is funded through New Deal Funding.
- Sidewalk and bike lane construction. An allowance of \$430,000 is included in the capital budget, funded by New Deal funding. This project is contingent on the Provincial Department of Transportation Infrastructure and Energy infilling the ditches along any proposed alignment. The main section being considered for this year is the continuation of the Georgetown Road and crosswalk landing areas.
- Town Centre capital repairs and additions in the amount of \$269,000 which include: solar panel array, new LED lighting, council chambers storage, fencing and concrete apron for garbage storage area, and paving in front of the town centre entrance.
- \$45,000 in upgrades to the Cotton Park Youth/Seniors Centre which include: roof replacement, wall sill plate replacement and a new firewall.
- \$25,000 worth of energy efficiency upgrades to the MacNeil Centre.

Planning, Development and Heritage

In 2017, the focus of the Planning, Development and Heritage Department will be to continue with the development of our new Development Bylaw, which will largely implement the Town's Official Plan adopted in 2015.



In order to continue to improve the planning and development control function in the Town, the priorities are as follows:

- Staff and Committee will proceed with drafting the new Bylaw, with the aid of professionals to help with the drafting and marketing of the new Development Bylaw.
- In order to celebrate Stratford's Heritage, \$5,400 will be added to the existing heritage fund to allow for the new Heritage Subcommittee to complete Town heritage projects, including the planned book release for *Stratford's Heroes of WWI*, the development of the Town of Stratford Wikipedia main page, and continuing with the historical maps now displayed in the Town Hall.

Capital Budget

We are budgeting \$2,905,500 for capital items in 2017 which, after infrastructure funding and partnerships in the amount of \$2,571,000, will be a net cost of \$334,500 to taxpayers. Funding includes New Deal funding in the amount of \$1,628,000, Provincial Infrastructure funding in the amount of \$200,000, anticipated partnerships funding of \$484,000, Canada 150 funding of \$43,500, Green Municipal Fund of \$100,000, and CWWF funding of \$115,500.

In summary, we are continuing to make strategic investments in priority areas to meet the needs of residents now and into the future, and to build the best community possible. At the same time we are mindful of the trust placed in us by you, as taxpayers, to be prudent and responsible with your money. Detailed revenue and expense tables for the town are included at the end of this report.

Stratford Utility Corporation

The town continues to make a substantial investment in our water system infrastructure. The Town of Stratford currently has a water supply system that includes four wellfields. The four wellfields include Fullerton's Creek, Beacon Hill, Cable Heights, and Pondside wellfields. The overall capacity of the system is 1,475 imperial gallons per minute that pumps into a 265,000 imperial gallon storage tank located on the Georgetown Road.

The current system is able to sustainably supply enough water to the town for the next 10 to 20 years, depending on the rate of development and conservation efforts. As part of the Town's overall strategy to use our resources sustainably, water metering is being implemented in 2017/2018. The water metering project will be implemented over a two-year period, with \$563,000 being allocated in 2017.

Based on the above information and additional data entered into the water model, it was determined that the Town was not charging enough in water rates to cover the capital and operational expenses. As a result, the Town will be increasing our Single Family Dwelling quarterly water rate from \$68.25 to \$72.25 per quarter, as of July 2017.

Waste Water Treatment Facility

As most residents of Stratford know, the replacement of the Wastewater Treatment Plant has been and continues to be the number one priority of Council. It would be the most expensive infrastructure project in the history of the Town, and we require federal and provincial infrastructure money in order to proceed and keep the required sewer rate increase for residents manageable. We were excited to hear that there was finally money allocated in the 2016 federal budget for water and wastewater infrastructure, and we proceeded to finalize the estimated capital and operating costs of our options so that we could consult with residents and apply for funding. We narrowed down the options to two - the construction of a new Sequencing Batch Reactor (SBR) Treatment Plant in Stratford or pumping our sewer to the City's waste water treatment plant on Riverside Drive. Residents indicated that they preferred to build a plant in Stratford because it was less expensive, more environmentally friendly and we would be in control of future costs of the plant. Council made a decision in September of 2016 to proceed to build a new SBR plant in Stratford.

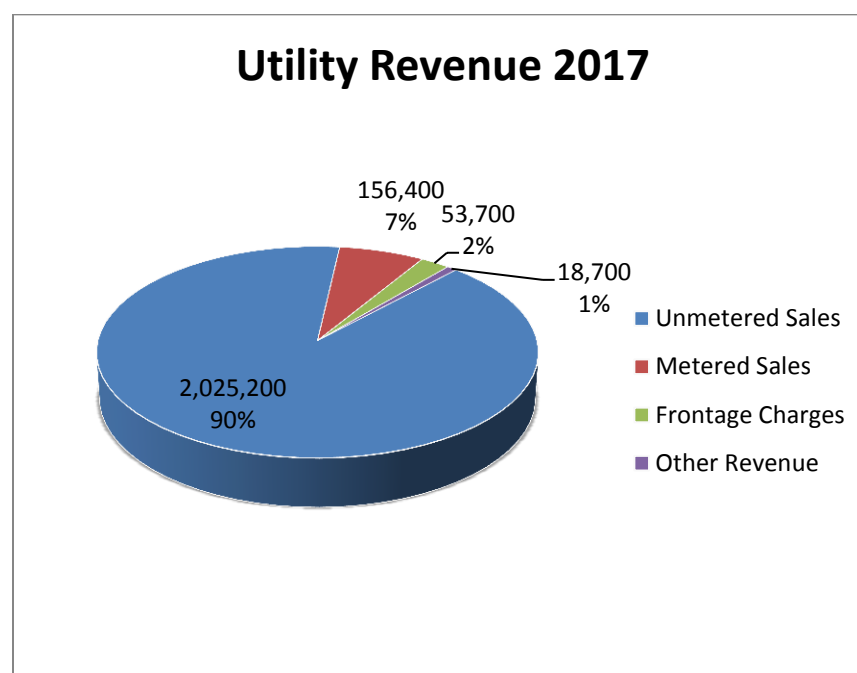
Residents will also likely know that the Province has indicated that they are not prepared to provide infrastructure funding for the Stratford plant option based on their belief that pumping our sewer to the Charlottetown plant is the best option economically and environmentally, overall. While it is not the Town's preferred option, Council has indicated that they could accept it if the cost to ratepayers was not more than our own plant option and if there was some control mechanism protect Stratford from future rate shocks.

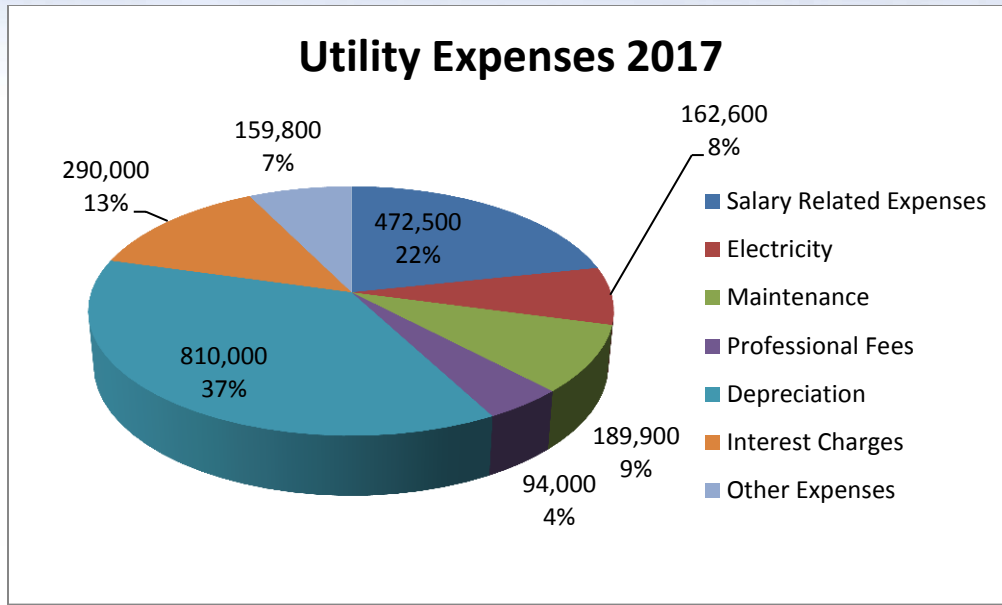
We have included \$8,600,000 in the capital budget for the construction of the delivery system that is required to pump our sewer to the Charlottetown Plant. Council has not authorized the project to proceed, and will not authorize the project to proceed, until we are satisfied that we have addressed the concerns of residents about cost and control.

To pay for the cost of the plant upgrade or replacement, the rates will be increased in phases over a three year period:

Sewer Single Family Dwelling per Quarter	2017 Budget	2018 Budget	2019 Budget
	\$95.00	\$108.00	\$121.00
	SFD – single family dwelling rate		

We are budgeting for revenue of \$2,254,000, which is from our unmetered and metered customers. Expenses are budgeted at \$2,178,800, resulting in a \$75,200 surplus; however once our debt payments are made, we actually end up with a cash flow surplus of \$352,200.





Some of the targeted investments within the Utility budget include:

- Water servicing to the Hopeton Road and Horton Park Subdivision area (\$636,500, contingent on funding from the Clean Water and Waste Water fund);
- Water servicing to the Eastern Realities Areas (\$3,208,300, contingent on funding from the Clean Water and Waste Water fund);
- Continued study and repairs as a result of our inflow and infiltration system analysis at a cost of \$100,000; and
- Replacement of the existing lagoon system (\$8,600,000, contingent on funding from the Clean Water and Waste Water fund).

Summary

In summary, we will be looking closely at our long term Utility needs in 2017, with a view to developing a long term financial plan. We will also be continuing to analyze expenses through the rate model to ensure that rates are equitable among our customers, sufficient to meet our long term needs, stable, fair, and predictable for our customers. Detailed revenue and expense tables for the Utility are included in this document.

Members of Council, ladies and gentlemen, that concludes my budget presentation. Thank you for your attention.

TOWN OF STRATFORD REVENUE AND EXPENSE TABLES

Town Revenue

Operating	Actual 2015	Budget 2016	Budget 2017
Property Tax	\$3,368,421	\$3,467,400	\$3,575,500
CUSA Grant	\$905,747	\$914,900	\$1,044,100
Salary Recovery	\$9,000	\$10,000	\$10,000
Rent Income	\$221,539	\$240,300	\$243,300
Police Fines	\$53,990	\$58,000	\$58,000
Fees and Permits	\$47,181	\$45,000	\$80,000
Interest Income	\$7,375	\$1,500	\$900
Recreation	\$68,397	\$79,300	\$75,000
Other	\$143,838	\$0	\$0
Total Revenue	\$4,825,488	\$4,816,400	\$5,086,800

Town Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
General Government Expenses	\$2,078,293	\$2,214,000	\$2,301,800
Finance Expenses	\$523,228	\$529,300	\$530,800
Recreation Expenses	\$630,812	\$636,200	\$696,800
Infrastructure Expenses	\$660,508	\$681,800	\$731,600
Planning Expenses	\$279,157	\$316,500	\$324,400
Depreciation	\$611,339	\$511,000	\$560,000
Total Expenses	\$4,783,337	\$4,888,800	\$5,145,400

Surplus

Operating	Actual 2015	Budget 2016	Budget 2017
Total Surplus	\$42,151	(\$72,400)	(\$58,600)
Add: Depreciation	\$611,339	\$511,000	\$560,000
Less: Principal payment	(\$366,532)	(\$406,000)	(\$430,000)
Total Cash Flow Surplus	\$286,958	\$32,600	\$71,400

General Government Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
Salaries and Benefits	\$188,196	\$196,000	\$214,300
Staff Development and Support	\$26,780	\$20,500	\$21,000
Professional Fees	\$31,342	\$37,000	\$37,500
Council and Committee Expenses	\$142,492	\$156,600	\$177,000
Police Protection	\$743,089	\$794,300	\$805,300
Fire Protection	\$288,655	\$290,100	\$298,900
Street Lighting	\$204,673	\$215,000	\$212,000
Animal Control	\$29,763	\$30,300	\$30,900
Transit	\$180,766	\$192,000	\$194,100
Sustainable Economic Development	\$42,845	\$77,000	\$78,000
Promotions and Donations	\$31,654	\$32,000	\$30,000
Engagement	\$47,727	\$50,000	\$80,000
Library	\$88,941	\$85,000	\$81,900
Municipal Dues and GIS	\$17,757	\$18,500	\$22,200
Watershed	\$13,613	\$19,700	\$18,700
Total General Govt Expenses	\$2,078,293	\$2,214,000	\$2,301,800

Finance and Technology Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
Salaries and Benefits	\$138,579	\$141,100	\$138,200
Staff Development and Travel	\$13,068	\$14,000	\$11,500
Professional Fees	\$11,369	\$10,000	\$31,100
Workers Compensation	\$5,613	\$12,500	\$13,000
Insurance	\$54,371	\$46,400	\$45,300
Computer/Internet	\$35,388	\$40,000	\$42,800
Telephone/Fax	\$39,232	\$41,000	\$41,400
Administrative Expenses	\$47,859	\$50,100	\$47,700
Bank Charges	\$11,070	\$12,500	\$11,000
Capital - Interest Payments	\$125,369	\$120,000	\$108,000
Stratfords of the World	\$218	\$1,000	\$1,000
Property Tax	\$27,115	\$27,500	\$27,800
Property Tax rebate	\$13,977	\$13,200	\$12,000
Total Finance Expenses	\$523,228	\$529,300	\$530,800

Recreation, Culture and Events Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
Salaries and Benefits	\$407,085	\$424,900	\$464,000
Staff Development and Travel	\$9,577	\$10,000	\$9,000
Professional Fees	\$6,047	\$6,000	\$6,000
Events	\$23,116	\$22,400	\$23,900
Programs	\$30,829	\$30,000	\$29,600
Farmers Market	\$7,094	\$2,500	\$2,500
Arts & Culture	\$27,263	\$27,000	\$40,400
Rink Operations	\$831	\$1,000	\$1,000
Maintenance	\$40,740	\$42,500	\$50,500
Promotion	\$4,330	\$1,000	\$1,000
Grants and Agreements	\$73,900	\$68,900	\$68,900
Total Recreation Expenses	\$630,812	\$636,200	\$696,800

Infrastructure Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
Salaries and Benefits	\$234,740	\$249,200	\$246,700
Staff Development and Travel	\$2,024	\$3,000	\$3,000
Professional Fees	\$863	\$4,000	\$4,000
Electricity	\$90,497	\$91,500	\$97,000
Water & Sewer	\$14,694	\$15,000	\$17,700
Heating Fuel	\$14,459	\$18,000	\$18,000
Building/Grounds Maintenance	\$189,135	\$216,300	\$261,400
Sidewalk Maintenance	\$83,245	\$44,000	\$44,000
Vehicles and Equipment	\$30,851	\$40,800	\$39,800
Total Infrastructure Expen	\$660,508	\$681,800	\$731,600

Planning, Development and Heritage Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
Salaries and Benefits	\$251,142	\$272,000	\$282,200
Staff Development and travel	\$9,738	\$14,400	\$13,300
Professional Fees	\$7,130	\$22,200	\$21,700
Administrative Expenses	\$625	\$1,400	\$1,800
Heritage	\$10,522	\$6,500	\$5,400
Total Planning Expenses	\$279,157	\$316,500	\$324,400

Town Capital Budget

Capital	Budget 2016	Budget 2017	
Park Development	\$70,000	\$90,000	
Recreation Centre Equipment	\$8,000	\$8,000	
Recreation Capital Projects	\$8,000	\$20,000	
Sidewalk/Bike Path Construction	\$860,000	\$430,000	
Trail Construction	\$104,000	\$240,000	***
Canada 150 Projects	\$85,500	\$87,000	
	\$0		
Equipment Replacements/Additions	\$77,500	\$21,000	
Town Centre Capital Repairs/Additions	\$80,000	\$69,000	
Cotton Park Building Repairs/Additions	\$20,000	\$45,000	
Other Building/Grounds Repairs/Additions	\$0	\$25,000	
Public Art	\$12,000	\$0	
Computer Hardware	\$139,000	\$185,500	***
Skateboard Park	\$350,000	\$340,000	***
Entry and Waterfront Landscaping	\$250,000	\$500,000	***
Diversity and Inclusion Park		\$50,000	
Transit	\$89,900	\$72,000	
Splash Park	\$100,000	\$158,000	***
Community Energy Initiatives		\$200,000	
Wellfield Park	\$275,000	\$180,000	
Paving		\$30,000	
Shore Access		\$155,000	
Total Capital Expenses	\$2,528,900	\$2,905,500	
*** projects not completed in 2016 and re-budgeted in 2017.			

Capital Funding	Budget 2016	Budget 2017
New Deal Funding	\$1,558,900	\$1,628,000
CWWF Fund	\$0	\$115,500
Canada 150 Fund	\$42,700	\$43,500
Skatepark Fundraiser	\$200,000	\$200,000
TIE sidewalk/bikelane Partnership	\$270,000	\$200,000
Provincial Infrastructure Fund	\$150,000	\$200,000
NDCC-Municipal Strategic Component	\$62,500	
Other Grants	\$0	\$184,000
Total Capital Funding	\$2,284,100	\$2,571,000
Net Capital Expenditure	\$244,800	\$334,500

STRATFORD UTILITY CORPORATION REVENUE AND EXPENSE TABLES

Revenue and Expense Summary

Operating	Actual 2015	Budget 2016	Budget 2017
Unmetered Sales	\$1,676,957	\$1,812,300	\$2,025,200
Metered Sales	\$135,796	\$126,300	\$156,400
Frontage Charges	\$47,610	\$48,600	\$53,700
Penalty Charges/Late Fees	\$29,771	\$11,000	\$15,000
Connection Fees	\$2,640	\$2,500	\$2,100
Interest Income	\$2,913	\$1,500	\$1,500
Other Income	\$0	\$100	\$100
Donated Capital	\$169,559	\$0	\$0
Total Revenue	\$2,065,246	\$2,002,300	\$2,254,000
Total Expenses	\$2,058,932	\$2,016,400	\$2,178,800
Total Surplus	\$6,314	-\$14,100	\$75,200
Less: Donated Capital	(\$169,559)		
Add: Depreciation	\$773,734	\$720,000	\$810,000
Less: Principal payments	(\$551,353)	(\$555,000)	(\$533,000)
Total Cash Flow Surplus	\$59,136	\$150,900	\$352,200

Detailed Utility Expenses

Operating	Actual 2015	Budget 2016	Budget 2017
Salaries	\$431,811	\$433,700	\$464,500
Property Taxes	\$5,160	\$6,500	\$6,500
Interest & Service Charges	\$14,500	\$20,000	\$20,000
Interest on Long Term Debt	\$268,947	\$265,000	\$270,000
Workers Compensation	\$6,663	\$8,000	\$8,000
Honorariums	\$1,000	\$1,000	\$1,000
Electricity	\$186,219	\$159,000	\$162,600
Telephone	\$21,371	\$18,500	\$20,000
Snow Removal	\$11,143	\$7,700	\$7,700
Repairs & Maintenance	\$178,878	\$140,000	\$151,500
Office Expenses	\$11,467	\$12,400	\$12,400
Software Maintenance	\$9,736	\$19,300	\$19,300
Postage	\$11,753	\$14,800	\$14,800
Summer Maintenance - Grass	\$3,270	\$5,000	\$3,700
Professional Fees	\$13,275	\$14,000	\$14,000
Consulting	\$44,143	\$60,000	\$80,000
Rentals - Office	\$0	\$22,700	\$22,700
Rentals - maintenance bldg., tractor	\$0	\$14,600	\$14,600
Meetings & Travel	\$9,617	\$10,000	\$10,000
Dues & Fees	\$0	\$2,200	\$2,500
Insurance	\$12,757	\$13,000	\$13,000
Tools & Equipment	\$6,919	\$8,000	\$8,000
Vehicle	\$20,429	\$18,000	\$19,000
Tree Planting/Water Conservation	\$16,140	\$18,000	\$18,000
Miscellaneous	\$0	\$0	\$0
Contingency	0	5,000	5,000
Depreciation	\$773,734	\$720,000	\$810,000
Total Expenses	\$2,058,932	\$2,016,400	\$2,178,800

Utility Capital Budget

Capital	Budget 2016	Budget 2017	
Misc Capital Items	\$100,000	\$145,000	
Replacement Aptos Pumping Station	\$160,000		
Water and Sewer Extensions	\$1,000,000	\$3,844,800	
Replace Treatment Plant		\$8,600,000	
Small Equipment Purchases			
SCADA System upgrades.			
Metering	\$375,000	\$563,000	***
New Utility Truck	\$60,000		
Total Capital Expenses	\$1,695,000	\$13,152,800	
Capital Funding	Budget 2016	Budget 2017	
Build Canada Funding	\$666,700		
CWWF Funding		\$9,333,600	
NDCC- Municipal Strategic Component	\$80,000		
Total Capital Funding	\$746,700	\$9,333,600	
Net Capital Expenditure	\$948,300	\$3,819,200	
*** projects not completed in 2016 and re-budgeted in 2017.			