

SPECIAL COUNCIL MEETING

March 27, 2019

Approved

DATE: March 27, 2019

TIME: 7:00 p.m.

PLACE Stratford Town Centre, 234 Shakespeare Drive

ATTENDANCE: Deputy Mayor Gary Clow; Councillors Derek Smith; Darren MacDougall; Steve Gallant; Gail MacDonald; Robert Hughes, CAO; Kim O'Connell, Director of Finance and Technology; and Mary McAskill, Recording Clerk

REGRETS: Councillor Jill Burridge

CHAIR: Mayor Steve Ogden

1. CALL TO ORDER

Mayor Steve Ogden called the meeting to order at 7:00 p.m. and welcomed those in attendance.

Mayor Ogden took a moment to acknowledge that the land upon which we gather is the unceded territory of the Mi'Kmaq people, and we pay our respects to the indigenous Mi'Kmaq people of this territory past, present, and future.

This Special Meeting was called to pass the 2019/2020 budget and Mayor Ogden noted the Chair of the Finance Committee Gail MacDonald will be called upon to present the budget. Once the budget presentation is concluded questions from the audience will be allowed, but not once the Council meeting reconvenes.

Mayor Ogden noted that it has been a very difficult year. Council has struggled with the budget for quite a period of time and all of Council agreed that they did not want to increase either commercial or residential taxes. Mayor Ogden believes that the Town tax rate is the lowest on the Island, and the commercial tax rate is the second lowest among comparable size towns. One of the issues and it may not be well known to people, is in the Town of Stratford a typical home assessed at \$250,000, the total tax bill for this year is approximately \$3550. Of this amount \$2162 (61%) goes to the province, and \$1387 (39%) goes to the Town. Mayor Ogden explained that in 1995 when the Town was formed, the province transferred 20 cents per \$100 of assessment in property tax to the Town to help pay for services that the Town assumed at the time. Since that time all costs have increase substantially due to inflation, population growth and new infrastructure has been added and

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it is still badly needed to serve a growing population. For example, in 1995 when the Town was formed the population was just a little more than 5000, and today we are over 10,000 and will probably approach 11,000 very soon.

In 2008, the province took the 20 cents tax transfer and changed it to a grant which has caused the Town to struggle to keep up with demands of a fast growing community – particularly for new infrastructure. Stratford was part of a group of municipalities that negotiated a new revenue sharing agreement with the province in 2016 – the province was in a deficit situation at the time and revenue generated since that revenue sharing agreement has not been sufficient to keep up with the growth needs. Stratford is concerned about its ability to financially keep up with the demands of a growing community and the infrastructure requirements that are identified in the five year capital plan to service the population. We have raised those concerns with the province and there were some good discussions, and I am pleased to say that the province has agreed to work with us to find a solution.

At this time Mayor Ogden asked the Chair of Finance and Technology - Councillor Gail MacDonald to present the 2019/2020 budget.

2. **BUDGET PRESENTATION** – At this time Councillor Gail MacDonald presented the 2019/2020 budget (see attached copy).

Mayor Ogden thanked Councillor MacDonald, Kim O’Connell, Finance Director, Councillors, and staff for all of their hard work on the budget.

There were no questions asked by audience members at this time and Councillor MacDonald moved on to the resolutions.

3. **Resolution FT005-2019 Adoption of 2019/20 Operating Budget**

Moved by Councillor Gail MacDonald

Seconded by Councillor Darren MacDougall

BE IT RESOLVED that the 2019/20 Town of Stratford Operating Budget with revenue of \$6,384,700 and expenses of \$6,383,000 for a surplus of \$1,700 and a cash flow surplus of \$115,700, be hereby approved in accordance with the attached revenue and expense tables:

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	Actual 2017	Budget April 2018 to March 2019	Budget April 2019 to March 2020
Property Tax	\$3,562,545	\$3,818,400	\$4,161,800
CUSA Grant	\$982,172	\$1,047,500	\$1,147,700
Salary Recovery	\$10,000	\$10,000	\$10,000
Rent Income	\$262,263	\$246,000	\$757,100
Police Fines	\$40,516	\$60,000	\$60,000
Fees and Permits	\$86,367	\$85,500	\$148,000
Interest Income	\$6,597	\$150	\$100
Recreation	\$77,770	\$81,500	\$95,500
Other	\$11,635	\$3,300	\$4,500
Total Operating Revenue	\$5,039,865	\$5,352,350	\$6,384,700
Government Grants	\$1,041,138	\$0	\$0
Total Revenue	\$6,081,003	\$5,352,350	\$6,384,700

Operating	Actual 2017	Budget April 2018 to March 2019	Budget April 2019 to March 2020
General Government Expenses	\$2,316,890	\$2,443,500	\$2,782,600
Finance Expenses	\$478,072	\$543,700	\$795,600
Recreation Expenses	\$671,050	\$742,500	\$713,200
Infrastructure Expenses	\$733,495	\$784,300	\$1,037,200
Planning Expenses	\$307,779	\$305,200	\$334,400
Depreciation	\$518,095	\$560,000	\$720,000
Total Expenses	\$5,025,381	\$5,379,200	\$6,383,000

Operating	Actual 2017	Budget April 2018 to March 2019	Budget April 2019 to March 2020
Total Surplus	\$1,055,622	(\$26,850)	\$1,700
Add Depreciation	\$518,095	\$560,000	\$720,000
Less Principal Payment	(\$408,473)	(\$452,000)	(\$606,000)
Total Cash Flow Surplus	\$1,165,244	\$81,150	\$115,700

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BE IT FURTHER RESOLVED that the non-commercial municipal tax rate be set at \$0.44 per \$100 of assessment for 2019.

BE IT FURTHER RESOLVED that the commercial municipal tax rate be set at \$0.99 per \$100 of assessment for 2019.

Discussion: This resolution bears the recommendation of the Finance Committee.

Question: **CARRIED**

4. Resolution FT006-2019 Adoption of 2019/20 Operating Budget

Moved by Councillor Gail MacDonald

Seconded by Deputy Mayor Gary Clow

WHEREAS as part of the new Municipal Government Act the Town of Stratford is required to submit a five year capital expenditure plan that includes an asset management program; and

WHEREAS the Town of Stratford is currently participating in an Asset Management Cohort Program with other PEI municipalities, which will eventually provide the Town with the required deliverables under the Municipal Government Act for Asset Management;

BE IT RESOLVED that the attached 2019/20 Capital Budget be approved in the amount of \$9,046,000 less New Deal funding of \$2,315,000, less Investing in Canada funding of \$190,600 and CWWF –Clean Water and Waste Water fund of \$57,800 for a net Town Capital Budget of \$6,482,600.

BE IT FURTHER RESOLVED that the attached four year capital plan covering the years 2020 to 2024.

Capital	Budget 2018/19	Budget 2019/20
Park Development	\$100,000	\$72,500
Recreation Centre Equipment	\$8,000	\$8,000
Recreation Capital Projects	\$112,000	\$75,000
Sidewalk/Bike Path Construction	\$557,000	\$350,000
Trail Construction	\$50,000	
Canada 150 Projects		
Street Lighting	\$13,000	\$75,000

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Equipment Replacements/Additions	\$83,600	\$60,000
Town Centre Capital Repairs/Additions	\$206,000	\$120,000
Cotton Park Building Repairs/Additions		\$35,000
Other Building/Grounds Repairs/Additions	\$54,000	
Emergency Services Facility	\$5,000,000	\$7,354,000
Public Art	\$15,000	\$15,000
Computer Hardware	\$139,000	\$103,000
Skate Park	\$310,000	\$5,000
Waterfront Park	\$0	\$580,000
Diversity and Inclusion Park	\$0	
Transit	\$144,000	\$33,500
Traffic Calming	\$30,000	
Kelly's Pond Watershed Restoration		\$150,000
Community Energy Initiatives		
Fullerton's Creek Conservation Park	\$212,000	\$10,000
Paving	\$30,000	
Shore Access	\$200,000	
Aerial Photography Project	\$45,000	
Total Capital Expenses	\$7,308,600	\$9,046,000
projects not completed in 2018/19 and re-budgeted in 2019/20		

Capital Funding	Budget 2018/19	Budget 2019/20
New Deal Funding	\$1,266,000	\$2,315,000
CWWF Fund	\$57,800	\$57,800
Canada 150 Fund	\$0	
Investing in Canada	\$0	\$190,600
TIE sidewalk/bike lane Partnership	\$200,000	
Other Grants	\$105,000	
Total Capital Funding	\$1,628,800	\$2,563,400

Net Capital Expenditure	\$5,679,800	\$6,482,600
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Capital	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Other Building/Grounds Repairs/Additions	\$ 15,000			
Fullertons Creek Conservation Park	\$ 240,000			
Shore Access	\$ 500,000.00			
Solar Pannels	\$ 325,000.00	\$ 130,000.00		
Re-circulation pump for Splash Pad	\$ 100,000.00			
Dry Storage Building at Maintenance Building Site	\$ 262,500.00			
Active Transportation Path Construction/Sidewalk	\$ 350,000.00	\$ 350,000.00	350,000	350,000
Park Development	\$ 100,000.00	\$ 100,000.00	100,000	100,000
Public Art	\$ 15,000.00	\$ 15,000.00	\$ 15,000	\$ 15,000
Waterfront Park & Connecting Trails	\$ 1,000,000.00			
Computer Replacement	\$ 15,000.00	\$ 15,000.00	26,000	
Equipment Replacements	\$ 53,000.00	\$ 70,000.00	50,000	50,000
Transit		\$ 87,200.00	87,200	
Kelly's Pond Watershed Restoration	\$ 150,000.00			
Town Centres Additions/Replacements	\$ 170,000.00	\$ 3,850,000.00	3,050,000	3,050,000
Community School Campus	\$ 6,525,000.00	\$ 15,225,000.00	5,450,000	
Total Capital Expenses	\$ 9,820,500	\$ 19,842,200	\$ 9,128,200	\$ 3,565,000
Capital Funding	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Investing in Canada	\$ 5,796,700	\$ 13,674,100	\$ 3,994,900	\$ 2,199,000
New Deal Funding	\$ 1,395,000	\$ 825,000	\$ 350,000	\$ 350,000
Other Funding			\$ 2,250,000	
Total Capital Funding	\$ 7,191,700	\$ 14,499,100	\$ 6,594,900	\$ 2,549,000
Net Capital Expenditure	\$ 2,628,800	\$ 5,343,100	\$ 2,533,300	\$ 1,016,000

Discussion: This resolution bears the recommendation of the Finance Committee.

Question: **CARRIED**

5. Resolution FT007-2019/ Adoption of 2019/20 Utility Operating Budget

Moved by Councillor Darren MacDougall

Seconded by Councillor Gail MacDonald

BE IT RESOLVED that the attached 2019-20 Stratford Utility Corporation operating budget with revenues of \$2,642,500 and expenses of \$2,610,200 for a surplus of \$32,300 be approved as follows:

Revenue	Actual 2017	Budget April to March 2019	Budget April to March 2020
Unmetered Sales Sewer	\$1,235,398	\$1,525,000	\$313,400
Unmetered Sales Water	\$818,831	\$907,000	\$108,000
Metered Sales Sewer	\$103,461	\$101,600	\$1,282,000
Metered Sales Water	\$82,473	\$81,600	\$859,500
Frontage Charges Sewer	\$40,495	\$49,000	\$30,100
Frontage Charges Water	\$17,816	\$18,800	\$8,000

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Penalty Charges/Late Fees	\$28,161	\$25,000	\$30,000
Connection Fees	\$4,240	\$6,700	\$7,000
Interest Income	\$7,055	\$2,500	\$500
Other Income	\$30,854	\$0	\$4,000
Donated Capital	\$146,125	\$0	\$0
Total Operating Revenue	\$2,514,909	\$2,717,200	\$2,642,500
Government Grants	\$2,084,365	\$0	\$0
Total Revenue	\$4,599,274	\$2,717,200	\$2,642,500

Expenses	Actual 2017	Budget April 2018 to March 2019	Budget April 2019 to March 2020
Salaries	\$424,275	\$519,600	\$608,300
Property Taxes	\$6,662	\$6,900	\$7,100
Interest & Service Charges	\$26,478	\$26,500	\$74,000
Interest on Long Term Debt	\$241,978	\$259,000	\$290,000
Workers Compensation	\$2,317	\$10,000	\$11,500
Honorariums	\$800	\$1,000	\$1,000
Electricity	\$184,150	\$169,000	\$195,000
Telephone	\$19,344	\$19,000	\$20,000
Snow Removal	\$7,315	\$7,700	\$9,200
Repairs & Maintenance	\$125,942	\$130,000	\$138,000
Office Expenses	\$15,070	\$14,000	\$15,000
Software Maintenance	\$12,798	\$19,000	\$20,000
Postage	\$11,778	\$14,800	\$15,600
Summer Maintenance - Grass	\$0	\$4,000	\$5,000
Professional Fees	\$9,463	\$14,000	\$14,000
Consulting	\$0	\$80,000	\$60,000
Rentals - Office	\$37,300	\$35,400	\$37,900
Rentals - maintenance bldg., tractor	\$0	\$14,600	\$14,600
Meetings & Travel	\$6,360	\$11,000	\$11,000
Dues & Fees	\$0	\$3,300	\$3,400
Insurance	\$11,187	\$13,300	\$13,600

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Tools & Equipment	\$9,457	\$8,000	\$8,000
Vehicle	\$17,477	\$19,500	\$20,000
Tree Planting/Water Conservation	\$14,857	\$18,000	\$18,000
Contingency	0	0	0
Depreciation	\$880,220	\$860,000	\$1,000,000
Total Expenses	\$2,065,228	\$2,277,600	\$2,610,200

Total Surplus	\$2,534,046	\$439,600	\$32,300
Less: Donated Capital	\$0	\$0	\$0
Less: Government Transfers	(\$2,084,365)		
Add: Depreciation	\$880,220	\$860,000	\$1,000,000
Less: Principal payments	(\$551,353)	(\$593,000)	(\$684,000)
Total Cash Flow Surplus	\$778,548	\$706,600	\$348,300

Discussion: This resolution bears the recommendation of the Finance Committee.

Question: **CARRIED**

6. Resolution FT008-2019/ Adoption of Utility Capital Budget

Moved by Councillor Darren MacDougall

Seconded by Councillor Derek Smith

WHEREAS as part of the new Municipal Government Act the Town of Stratford is required to submit a five year capital expenditure plan that includes an asset management program; and

WHEREAS the Town of Stratford is currently participating in an Asset Management Cohort Program with other PEI municipalities, which will eventually provide the Town with the required deliverables under the Municipal Government Act for Asset Management;

BE IT RESOLVED that the attached 2019/20 Utility Capital Budget be approved in the amount of \$14,856,000 less Investing in Canada funding of \$2,668,100 and CWWF –Clean Water and Waste Water fund of \$8,193,800 and MSC Gas Tax – Municipal Strategic Component of \$55,000 for a net Capital expenditure of \$3,939,100.

BE IT FURTHER RESOLVED that the attached four year capital plan covering the years 2020 to 2024.

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Capital	Budget 2018/19	Budget 2019/20
Misc Capital Items	\$45,000	\$ 116,000
Water and Sewer Extensions	\$2,967,000	\$ 3,150,000
Replace Treatment Plant	\$10,920,000	\$10,925,000
Inflow Infiltration Study Recommendations	\$100,000	\$100,000
Solar Array Water Stations	\$400,000	\$ 450,000
SCADA Upgrades		\$100,000
Metering	\$653,000	\$ 15,000
Total Capital Expenses	\$15,085,000	\$14,856,000
Capital Funding	Budget 2018/19	Budget 2019/20
CWWF Funding	\$8,190,000	\$8,193,800
MSC Funding		\$ 55,000
Investing in Canada		\$ 2,668,100
Green Fund	\$293,332	
Total Capital Funding	\$8,483,332	\$10,916,900
Net Capital Expenditure	\$6,601,668	\$3,939,100

Capital	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Misc Capital Items	\$ 12,000	\$ 12,000	\$ 12,000	\$ 87,000
Water and Sewer Extensions	\$ 3,950,000	\$ 5,465,000	\$ 4,710,000	\$ 3,025,000
Dry Storage Facility	\$ 87,500			
Inflow Infiltration Recommendations	\$100,000	100,000	100,000	100,000
Solar Array Water Stations	\$ 490,000	\$ 240,000		
Total Capital Expenses	\$ 4,639,500	\$ 5,817,000	\$ 4,822,000	\$ 3,212,000
Capital Funding	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Investing in Canada	\$ 3,254,500	\$ 4,181,800	\$ 3,452,400	\$ 2,217,300
Total Capital Funding	\$ 3,254,500	\$ 4,181,800	\$ 3,452,400	\$ 2,217,300
Net Capital Expenditure	\$ 1,385,000	\$ 1,635,200	\$ 1,369,600	\$ 994,700

Discussion: This resolution bears the recommendation of the Finance Committee.

Question: **CARRIED**

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7. Resolution FT009-2019 Approval of the 2019 Tariff

Moved by Councillor Darren MacDougall

Seconded by Councillor Derek Smith

WHEREAS a comprehensive review of water and sewer expenses, as well as a projected 5 year capital plan was completed in 2015; and

WHEREAS these projections were analyzed through utility rate models to determine the rates for the water and sewer rate payers.

BE IT RESOLVED that the attached Stratford Utility tariff for 2019, which incorporates the following, be hereby approved as follows:

- the water for a single family dwelling (SFD) will go from \$73.55 to \$75.30 per quarter as of July 2019;
- the sewer for a single family dwelling (SFD) will go from \$108.00 to \$121.00 per quarter as of July 2019;
- the consumption charge for metered water will go from \$0.8679 to \$0.8885 per cubic metre as of July 2019; and
- the consumption charge for metered sewer will go from \$1.2744 to \$1.4278 per cubic meter as of July 2019.

Discussion: Mayor Ogden noted that these are the charges needed to sustain the Utility. This resolution bears the recommendation of the Finance Committee.

Question: CARRIED

8. Resolution AE002-2019 – Open Government Bylaw, Bylaw #44 – Second Reading

Moved by Councillor Derek Smith

Seconded by Councillor Steve Gallant

WHEREAS the Town of Stratford has been implementing improvements to our governance process in order to increase accountability, engagement, transparency and sustainability; and

WHEREAS the Province has mandated that Stratford, Charlottetown, Summerside and Cornwall will be subject to the Freedom of Information and Privacy Protection Act, effective April 1, 2019; and

WHEREAS Council has decided to adopt an open by default approach wherein there is a presumption that town data, information and dialogue is open and should not be restricted

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unless there is a need to protect personal information, privacy or confidentiality. The open by default approach and the freedom of information and privacy protection requirements will be executed through a new Open Government Bylaw which seeks to:

- Improve the engagement of residents and other stakeholders in the town decision making process, which improves the understanding and acceptance of town decisions;
- Improve the evidence upon which town decisions are made;
- Improve the transparency of the town decision making process;
- Improve the free and open access to town information and data for public and private use, which can lead to increased engagement of citizens and stakeholders, beneficial apps for the public good and innovation/economic development by the private sector; and
- Improve the protection of personal information in the custody of the town.

BE IT RESOLVED that the attached Open Government Bylaw, Bylaw #44, be hereby read and approved a second time.

Discussion: This resolution bears the recommendation of the Accountability and Engagement Committee and the Committee of the Whole.

Question: **CARRIED**

9. Resolution AE003-2019 - Open Government Bylaw, Bylaw #44 - Adoption

Moved by Deputy Mayor Clow

Seconded by Councillor Derek Smith

WHEREAS the Open Government Bylaw, Bylaw #44, was read and approved a first time on February 20, 2019; and

WHEREAS the Open Government Bylaw, Bylaw #44, was read and approved a second time on March 27, 2019.

BE IT RESOLVED that the attached Open Government Bylaw, Bylaw #44, be hereby adopted and that the Mayor and Chief Administrative Officer be authorized to affix their signatures and the corporate seal of the Town thereto and to be formally declare the said bylaw passed.

Discussion: None

Question: **CARRIED**

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- 10. Adjournment:** There being no further business the meeting was adjourned at 7:53 p.m.