

BUDGET 2016

Pre-Budget Meeting

September 9, 2015



Message from CAO

Strategic Priorities guidelines:

- No additional increase in taxes
- No reduction of services
- No new user fees
- No additional debt impacting tax rate
- Do not use Working Capital Fund for priorities
- Spend \$200,00 annual debt capacity on CLT recommended priorities



Message from CAO



Our Vision
To Be The Best City
To Live, Work And Play

Our Mission
Strengthening Our Community; Attracting People And Investment

Our Overall Goal: Building Prosperity; Economic Development
Promoting retention, growth and diversification, while enabling investment in our City

Our First

Pillar

**Long Term
Financial
Planning**

Incorporating and balancing debt management, capital investment, asset management and sustainable funding for current infrastructure

Our Second

Pillar

**Affordable
Living**

Encouraging and enabling affordable living through innovative approaches and practices

Our Third

Pillar

**Active
Healthy
Lifestyle**

Ensuring contribution to the ongoing quality of life through daily spaces, parks, green space and multi-use paths

Our Foundation

Outstanding Customer Service Through Organizational Excellence and Best Practices

Creating an environment that enables all employees to deliver quality public services while ensuring effectiveness and efficiency

The City Of Stratford Strategic Priority Framework

Message from CAO

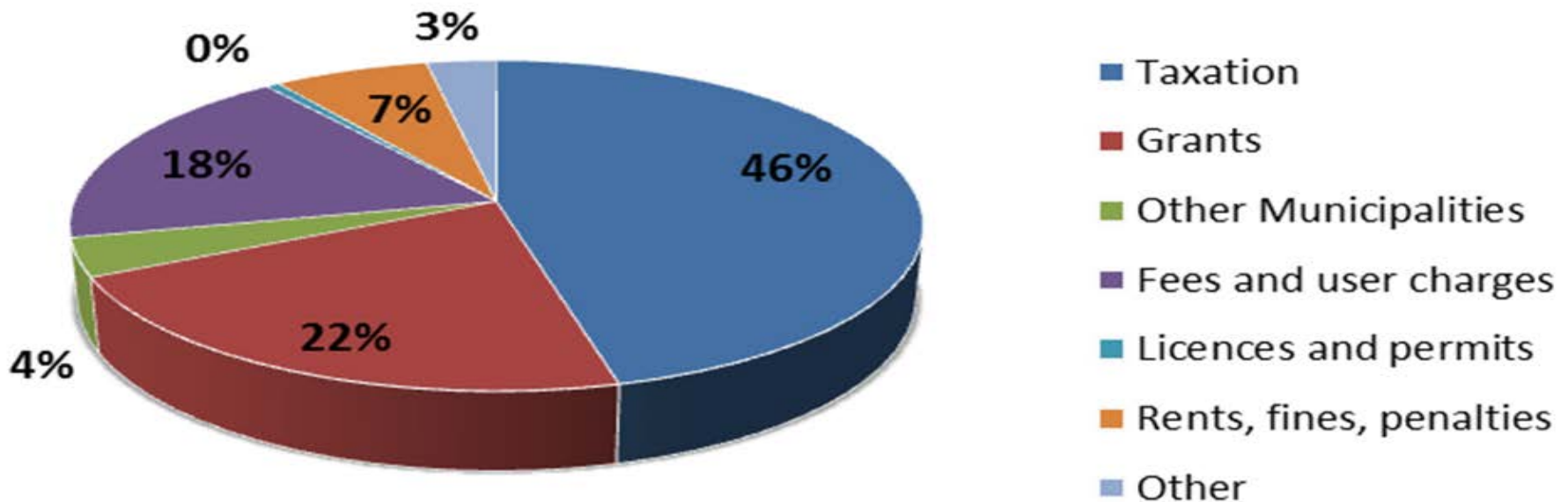
2016 Recommendations from Strategic Priorities:

- Self-Contained Breathing Apparatus - \$100,000
- Increase Social Housing Capital by \$50,000
- Increase Building Reserves by \$50,000



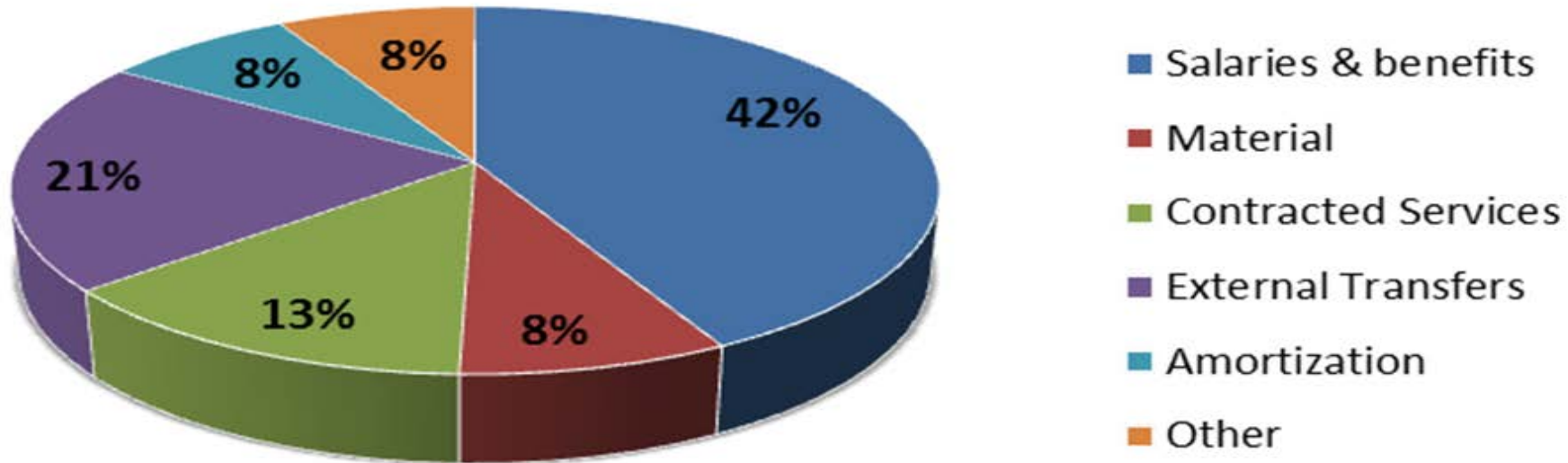
2014 Financial Summary

Revenue by Category: 2014



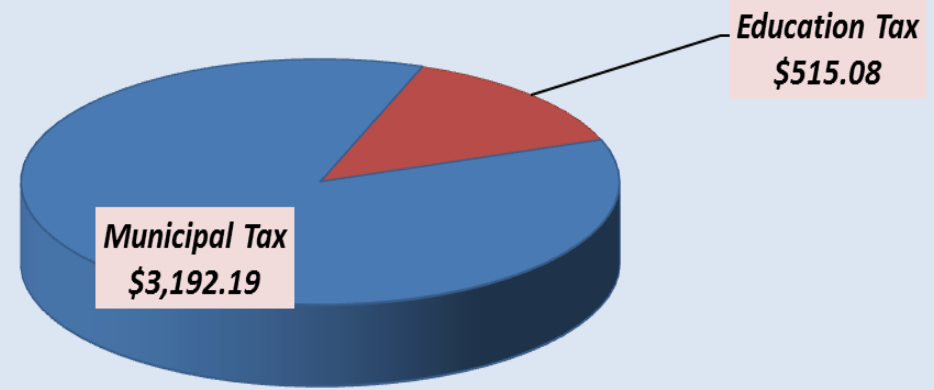
2014 Financial Summary

Expenditures by Category: 2014

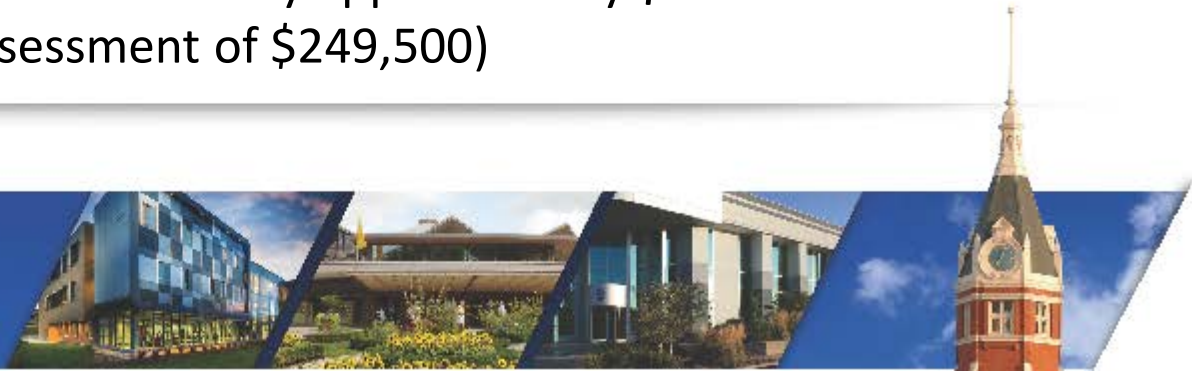


2015 Budget Information

Average Stratford Home - \$3,707.27



- ❑ Total 2015 Municipal Tax Levy is **\$51,290,607**
- ❑ Net 2015 Tax Levy Increase is **2.59%**
- ❑ Total 2015 Municipal Tax Levy increase is **3.88%**
- ❑ Average 2015 Residential Municipal property tax increase is **2.85%**
- ❑ Average 2015 Residential Total property tax increase is **2.22%**
(including education rates)
- ❑ The average Residential tax bill increased by approximately **\$75.88**
per year (based on average assessment of \$249,500)



Economic and Growth Outlook 2016

Projections:

Population - .25% growth

New Housing Units – 100

Ontario GDP – 2.4%

Ontario Employment – 1.3%

CPI – 2.0%



Property Tax Policy Review

SIMPLE TERMS

Current Value Assessment

X

Municipal Tax Rate

+

Education Tax Rate

=

Property Taxes

OTHER FACTORS

4 Year Re-Assessment

Phase-in Program

Class Ratio

Discount Factor

Set by the Province

BET Decrease

Municipal Act Rebates

Tax Capping Program



Real Assessment Growth

	Property A	Property B	Property C	Total
2012 CVA	100,000	100,000		200,000
2013 CVA	100,000	100,000	80,000	280,000
2012 Tax Rate				2.00%
2013 NTR				2.00%
2012 Taxes	\$2,000	\$2,000	\$0	\$4,000
2013 Taxes	\$2,000	\$2,000	\$1,600	\$5,600

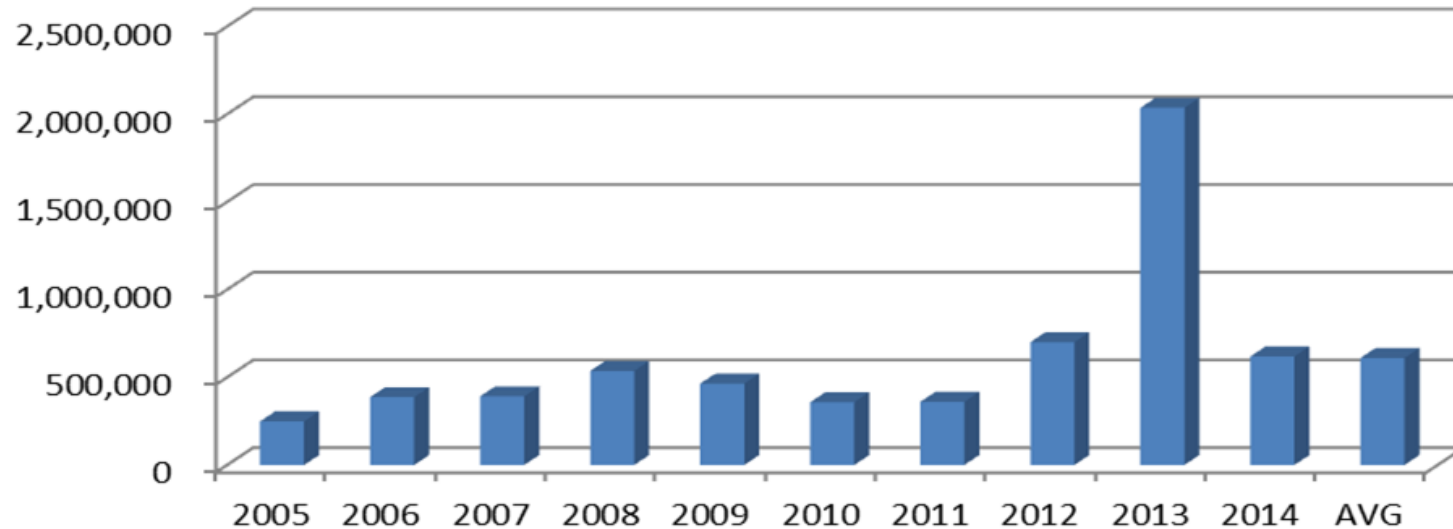
Equity/Market Assessment Growth or Change

	Property A	Property B	Total
2012 CVA	100,000	100,000	200,000
2013 CVA	100,000	120,000	220,000
2012 Tax Rate			2.00%
2013 NTR			1.82%
2012 Taxes	\$2,000	\$2,000	\$4,000
2013 Taxes	\$1,818	\$2,182	\$4,000



Net Tax Growth

In-Year Assessment Revenue Growth History



Tax Shifts due to Market/Equity Changes

Class	2014 Total Year End	2015 Returned Roll	Municipal Tax Shift	
	Municipal	Municipal	Municipal	
			\$	%
Residential	32,123,654	32,173,608	49,954	0.16%
New Multi-residential	73,141	82,150	9,009	12.32%
Multi-residential	3,734,636	3,809,927	75,291	2.02%
Pipelines	143,304	142,452	-852	-0.59%
Farm	30,348	33,454	3,105	10.23%
Managed Forests	0	0	0	0.00%
Commerical	10,255,280	10,192,730	-62,550	-0.61%
Industrial	3,902,460	3,829,264	-73,196	-1.88%
Grand Total	50,262,823	50,263,584	761	0.00%



Stratford Tax Class Ratios



Residential
1.0



Multi-Residential
2.153900



Commercial
1.975939



Industrial
2.876600



2016 Budget Risks and Unknowns

- Salaries
 - Represents approximately \$34M
 - Some union contracts have expired or will expire at the end of 2015
- Benefits
 - Represents approximately \$9.2M
 - OMERS remains in a deficit (although improving)
 - WSIB – liability costs increasing



2016 Budget Risks and Unknowns

- Infrastructure Deficit
- Cooper Site
- Upcoming Major Capital Projects
 - Market Square
 - Queen Street Reconstruction
 - Housing



2016 Budget Risks and Unknowns

- Costs outside the Control of City Council
 - Represented an increase of \$850,000 in 2015 and expected to be similar in 2016
- Funded Long Term Debt Reserves



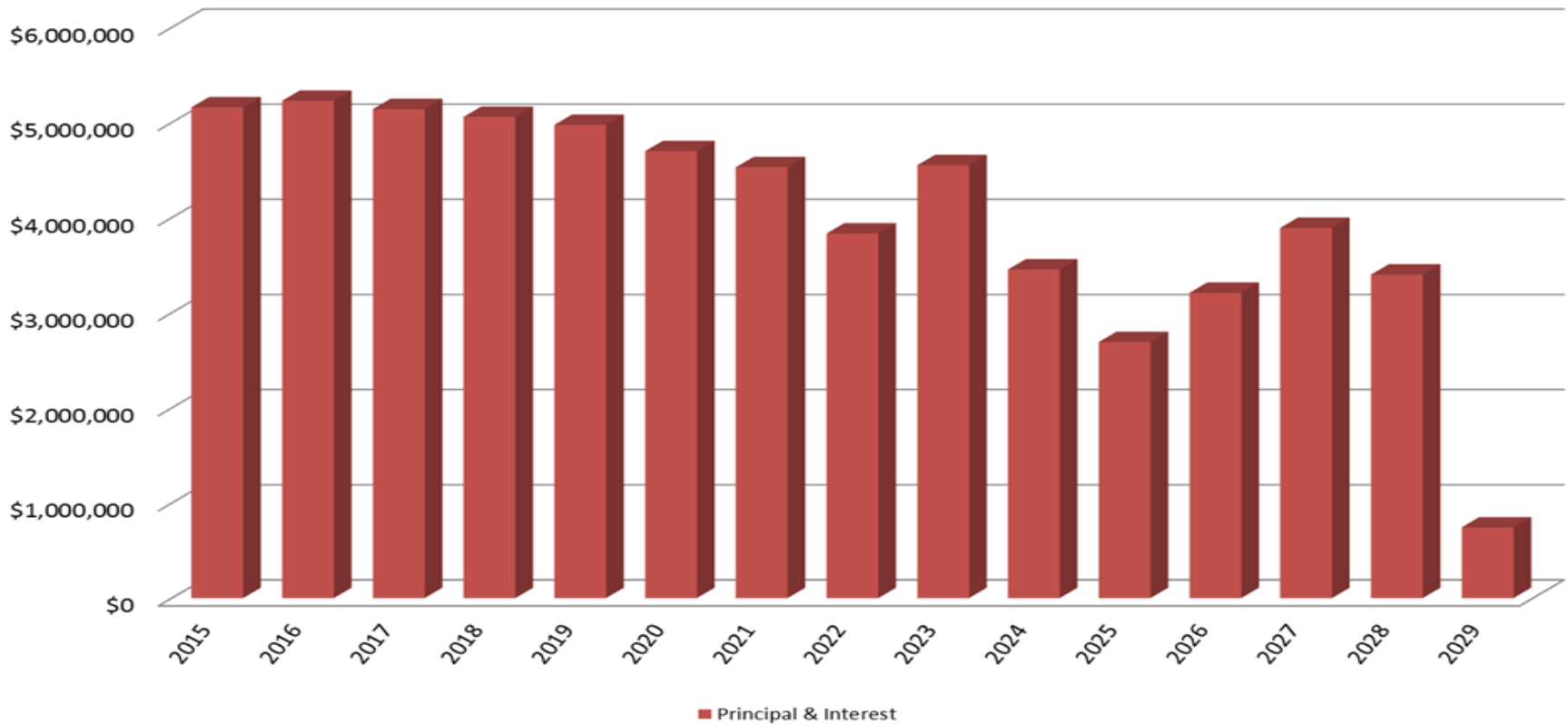
Long Term Debt Summary

			2014 Actual	2015 Projected		
Description	Initial	Year Complete	Balance	Principal	Interest	Balance
	Amortization Period					
RBC - \$3M	20	2025	1,905,727.51	145,015.59	73,265.13	1,760,711.92
RBC - \$11M	20	2022	5,520,115.64	709,561.87	135,855.41	4,810,553.77
IO - \$33.5	25	2032	23,447,289.60	1,339,845.12	593,963.25	22,107,444.48
IO - \$1.7M	10	2017	421,692.05	168,676.84	9,371.36	253,015.21
IO - \$5.7M	20	2028	4,048,817.56	289,201.24	108,625.50	3,759,616.32
IO - \$21.042M	15	2026	16,834,107.98	1,402,842.34	529,086.21	15,431,265.64
IO - \$5.5M	15	2024	3,666,666.70	366,666.66	152,999.25	3,300,000.04
IO - \$1.295M	25	2034	1,100,986.66	42,161.86	29,443.96	1,058,824.80
IO - \$16.8M	25	2034	13,453,096.00	672,654.80	657,173.05	12,780,441.20
IO - \$1.34M	20	2024	670,000.00	67,000.00	18,159.07	603,000.00
RBC - \$4.550M	25	2027	4,550,000.00	84,960.28	86,146.67	4,465,039.72
RBC - \$4.5M	25	2028	4,500,000.00	83,588.17	86,400.00	4,416,411.83
RBC - \$1.3M	5	2020	1,311,186.00	168,812.07	15,297.17	1,142,373.93
RBC - \$2M	10	2025	2,000,000.00	119,066.31	33,200.00	1,880,933.69
RBC - \$1.5M	20	2023	1,500,000.00	39,107.74	25,100.00	1,460,892.26
RBC - \$1.5M (2)	20	2026	1,500,000.00	37,978.98	28,000.00	1,462,021.02
SubTotal			86,429,685.70	5,987,139.86	2,582,086.03	80,692,545.84

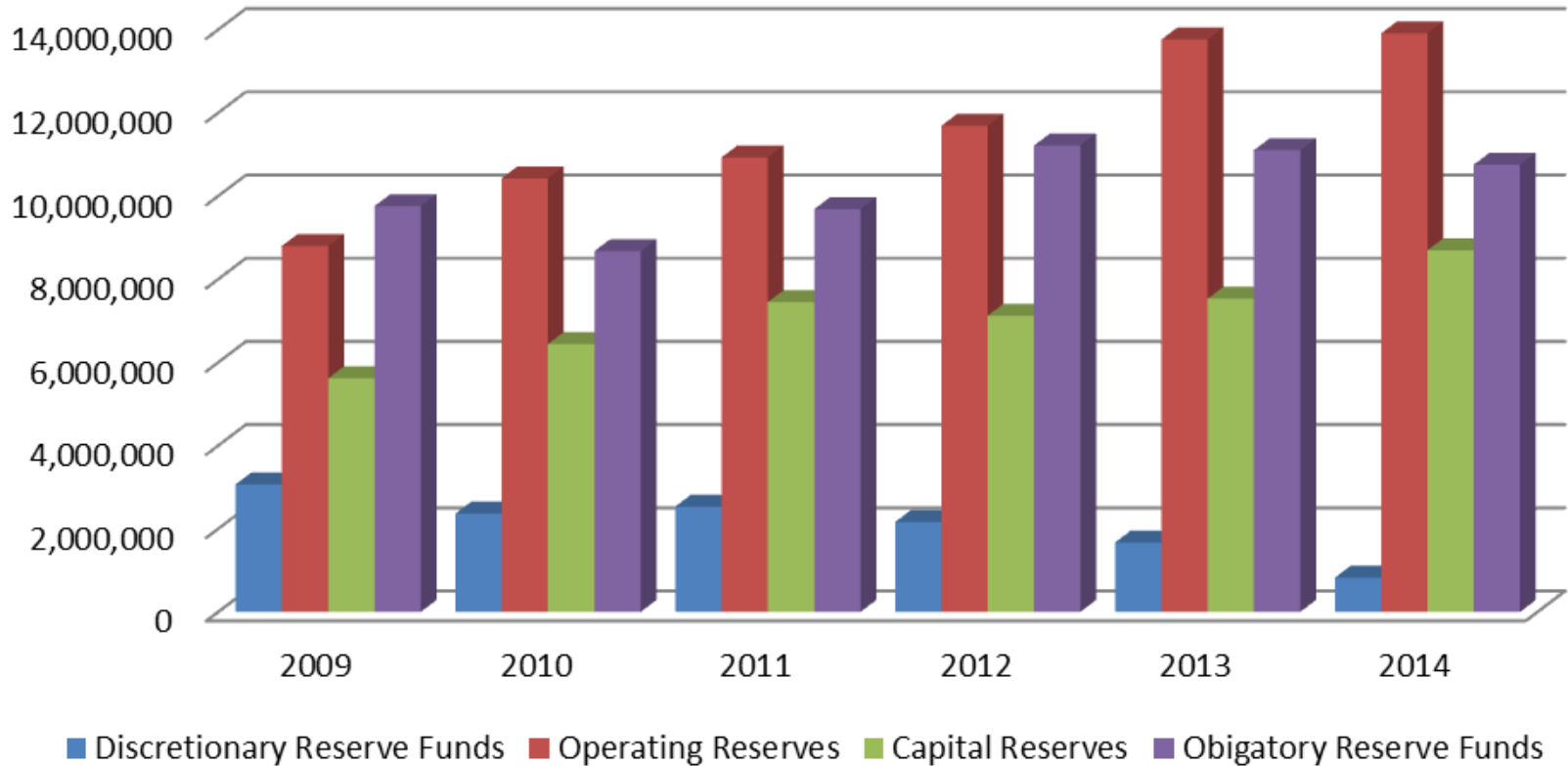


Tax Supported Debt Payments – Assuming no further debt issuance

Estimated Future Debt Payments - TAX SUPPORTED ONLY



Reserves and Reserve Funds



City Services Overview

Mayor's Office	Council Services	CAO	HR	Clerk's Office
Finance	IT	Parking	Crossing Guards	Parks
Recreation	Cemetery	Transit	Parallel Transit	Ec. Dev.
Airport	Building	Planning	Engineering	Building Maint.
Roads	Sanitary	Storm	Water	Waste
Social Services	Daycare	Housing	Child Care	Fire
Police	Library	Community Grants		
MPAC	PDHU	EMS	Spruce Lodge	Archives
Museum	STA	County Roads	Parks Patrol	911 Dispatching
Accessibility	Energy & Envir.	CIB	Heritage	2017 Sesquicentennial



Committee Budget Meetings

- September 9, 2015 – Pre-Budget Meeting and Open House
- Oct. 27 – Dec. 7, 2015 – Budget Committee Deliberations
- January 25, 2016 – Anticipated Final Budget approval



