



2023 Draft Budget – Executive Summary

The City of Stratford 2023 draft budget reflects the resources required to meet our service delivery requirements to our residents and businesses. Further, it includes a number of investments consistent with previously identified Strategic Plan priorities. The budget is the primary tool for determining the pace at which achieving strategic goals and providing exemplary services for residents can occur.

The draft budget consists of planned operating revenues and expenditures with previous year comparators. The 10-year capital forecast consists of the proposed 2023 projects and an estimate of the costs of future identified projects. These capital projects, or assets, are reflected in the City's Asset Management Plan, which remains a significant driver in determining the costs of delivering services.

Overriding themes and strategies have emerged from the development of the 2023 Budget and will be reinforced through the presentation and documents:

- long-term financial planning around asset maintenance and replacement remains the single largest impact to the budgetary requirements. Continuing to work towards a sustainable financial plan around these assets must be a priority not only because it represents responsible financial stewardship, but because provincial legislation is requiring this for municipalities to participate in the grant arena
- prioritizing investment and specific services is aligned with capacity and constraints to deliver and to maintain a reasonable pace of the service delivery
- the COVID-19 Pandemic recovery continues to cause some uncertainties, with changing business needs, supply chain challenges, significant inflationary concerns, and availability of Provincial grant funding
- ongoing records management and digital transformation is needed to become the modern and customer-centric City our community expects
- Continuing to build Indigenous relationships and prioritizing awareness around diversity, equity and accessibility in the community and internally in assisting the evolution of our corporate culture
- Climate change is happening around us and the City is responding by applying a climate lens across everything we do including capital replacements, new construction, and energy optimization initiatives



- Recent adoption and implementation of Bill 23 is not explicitly captured in the draft budget but is likely to inform some of the upcoming conversations, as the City learns what some of the financial and operational impacts may be and how to best plan for these

The total 2023 operating expenditure budget is \$138.8 million; investment is focused on maintaining a status quo service delivery. The planned 2023 capital projects total \$61.7 million and primarily focus on infrastructure renewal of our aging assets and building infrastructure to support our City's services. The operating and capital budgets are funded by different revenue streams, including property taxes, user fees, rates, grants, development charges and investment income.

Some of the highlights included in the City's 2023 draft budget and workplan include:

- Continued road and linear work with the utilization of provincial funding, including Connecting Link and Ontario Community Infrastructure funds
- Investing in hybrid fleet renewal to ensure safe and consistent service delivery in transit, public works, roads, environmental and community services
- Investing in increasingly accessible renewals of City-owned buildings, recreation facility and social housing as items arise for repair and replacement
- Rehabilitation of Dunn's bridge and other necessary routine maintenance
- Continuation of the 2022 project to replace aging underground fuel tanks in several locations
- Improvements to the Erie Street parking lot
- Delivering more timely and efficient processing of development applications and building inspections in accordance with changing legislation.
- Implementation of electric vehicle charging stations with the assistance of provincial funding applied for in 2022
- Continued focus on recreational programming and facility usage through individual and group agreements
- Ongoing attention to information technology including hardware upgrades, and video surveillance equipment, as well as continued vigilance over City and resident information and cyber security measures
- Ongoing collaborations with our municipal partners to deliver and receive shared services, including social and public housing, children's services, homelessness initiatives, Ontario Works and community transit, paramedic, provincial offenses, and archival services, plus Huron-Perth Public Health services



- Providing ongoing administrative supports to internal and external boards and committees, including the Stratford Public Library Board, the Police Services Board, the Downtown Stratford Business Improvement Area
- Continuing investments to benefit Stratford residents and visitors, current and future, with SeedCo and Destination Stratford
- Working with our wholly or partially owned enterprises, including Spruce Lodge, Festival Hydro Inc, and Festival Hydro Services Inc., plus administering social housing through Stratford-Perth Housing Corporation
- Protection and safety of residents continues to be a priority with law enforcement by Stratford Police Service, municipal by-law enforcement, fire suppression and education activities in the fire department
- Undertaking of facility feasibility and space needs studies for both the Stratford Public Library and the Stratford Police Service
- Recommended use of borrowing to address some of the facility investments required, to spread some of the costs over longer periods, noting a net reduction in the annual long-term debt repayment as previous loans are retired
- Responding to above-average inflationary pressures with the help of the City's stabilization reserves, recognizing the excellence in past efforts to build reserves and focus on cost-containment through COVID

The draft budget informs the local tax rate, which is projected as a 3.88% increase over 2022. Combined with the education rate, the draft total tax rate increase would be expected to be a 3.55% increase over 2022 final tax rate. This translates into \$178.45 annually (or \$14.87 monthly) on a residential property valued at \$350,000.

Further information will be provided at the upcoming budget presentations beginning January 10, 2023.



CITY OF STRATFORD

DRAFT 2023 BUDGET

For further information regarding the City of Stratford's Draft 2023 Budget, please contact the following:

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If you require any budget documents in **larger print** or in an **alternate format**, please contact by email at stfdbudget@stratford.ca, or by phone at 519-271-0250 ext. 5202.



BUDGET

Finance & Labour Relations Committee will meet on the following dates to review the City's 2023 draft budget and make recommendations to Council for its final approval.

All meetings will be held via Zoom.

Tuesday, January 10, 2023 – 5:30 p.m.

Tuesday, January 24, 2023 – 5:30 p.m.

Tuesday, February 7, 2023 – 5:30 p.m.

Tuesday, February 21, 2023 – 5:30 p.m.

(Please note this information is subject to change)

City of Stratford
2023 Draft Budget Change Analysis
At December 9, 2022

Purpose: To summarize current year proposed budget increases and reasons for changes from previous year for illustration purposes.			
			Percentage Change in Levy
	68,264,126	Previous Net Tax Levy	
	72,221,153	Current Proposed Net Levy	
	3,957,027	Starting Increase to Net Levy	5.80%
Consists of Significant Impacts:			
1	210,000	Wage amounts 'gapped' in 2022 budget (50% and 75% of expansion salaries)	0.31%
2	1,296,113	Change in FT Wages	1.90%
3	132,918	Change in PT Wages including parallel	0.19%
4	598,907	Chg. in Benefit (Increase) includes new offer of OMERS for PT	0.88%
5	179,900	Phase in Britannia II long-term debt (50%)	0.26%
6	3,345,781	Increase in transfers to Reserve funds-10-year capital	4.90%
7	(1,704,336)	Reduction in long-term debt payments	-2.50%
8	1,397,744	Inflationary Impacts and Other non-itemized	2.05%
9	(1,500,000)	Use of Tax Stabilization Reserves (prior surpluses) to mitigate increased costs	-2.20%
	3,957,027	Starting Increase to Net Levy Draft Budget	5.80%
Not included / Future Year Impacts			
10	179,900	Long Term Debt - Britannia (half included above) \$179,900 deferred to 2024	0.26%
11	400,000	Long Term Debt - City Hall (not included est. 15 year, \$400,000) deferred to 2024	0.59%
12	963,236	2023 expansion requests	1.41%
13	337,500	St. Marys pledge after hospice of \$162,500 finished: \$5 million over 10 years \$500,000	0.49%
14	TBD	Construction /build costs for Cooper Site	TBD
15	TBD	Potential impacts to tax levy from Bill 23	TBD

**City of Stratford
Residential Tax Rate Analysis
At December 9, 2022**

Purpose: To summarize prior year budget increases and their impact to the net levy and residential tax rates

Note: assessment value changes for the sample tax calculation over the period have not been considered, as these are determined by MPAC and market conditions. So, while the tax rate increases have remained low, a property owner's taxes may still have increased, if their property's assessed values increased. Changes to a property's assessed values are not within the City's control.

Cumulative increase to combined total tax rates over 10 years from below	5.61%
Cumulative increase to total taxes payable over 10 years due to tax rate increases	\$ 276.20
Change in total taxes payable compared to 2022	\$ 178.45
Monthly impact estimated in 2023 on average home valued at \$350,000	\$ 14.87

	Starting Net Levy Budget in Dollars	Levy Increase in Dollars	Levy Increase % over Prior	Estimated Resulting Local Tax Rate	Estimated Education Rate	Estimated Total Tax Rate	Estimated Increase in Local Tax Rate	Estimated Increase in Total Tax Rate	Estimated Total Taxes on \$350,000 home
2023 Proposed	\$ 68,264,126	\$ 3,957,027	5.80%	0.01333376	0.00153	0.01486376	3.88%	3.55%	\$ 5,202.32
2022	\$ 64,714,288	\$ 3,549,838	5.59%	0.01283590	0.00153	0.01435390	5.70%	4.98%	\$ 5,023.87
2021	\$ 63,457,399	\$ 1,256,889	2.02%	0.01214359	0.00153	0.01367359	1.38%	1.22%	\$ 4,785.76
2020	\$ 62,200,510	\$ 2,980,290	5.03%	0.01197832	0.00153	0.01350832	-0.40%	-0.94%	\$ 4,727.91
2019	\$ 59,220,220	\$ 2,543,141	4.49%	0.01202594	0.00161	0.01363594	-0.31%	-0.93%	\$ 4,772.58
2018	\$ 56,677,079	\$ 1,613,217	2.93%	0.01206350	0.00170	0.01376350	-1.41%	-1.88%	\$ 4,817.23
2017	\$ 55,063,862	\$ 1,677,924	3.14%	0.01223654	0.00179	0.01402654	0.71%	-0.02%	\$ 4,909.29
2016	\$ 53,385,938	\$ 2,095,327	4.09%	0.01214987	0.00188	0.01402987	0.54%	-0.04%	\$ 4,910.45
2015	\$ 51,290,611	\$ 1,915,714	3.88%	0.01208509	0.00195	0.01403509	0.34%	-0.28%	\$ 4,912.28
2014	\$ 49,374,897	\$ 2,818,542	6.05%	0.01204462	0.00203	0.01407462	-0.68%	-1.21%	\$ 4,926.12