



2024 Draft Budget – Executive Summary

The City of Stratford, like most Canadian municipalities, experienced another year with high inflation, supply chain issues, and overall financial pressures in 2023. However, the 2024 draft budget reflects an effort to maintain current service levels, while incorporating goals and objectives around identified community issues and concerns. Building a sustainable financial plan around these priorities includes some shifts in how capital works are planned, as well as how operations are performed.

The 2024 draft budget reflects the resources required to meet our current service delivery without cuts to services.

It also incorporates accessibility initiatives, maintaining and possibly increasing investment in social housing, and builds the climate change lens into everything the City does.

It includes contributions to the local hospital, continued community supports like grants and other recreational subsidies, and it balances many services like transit and recreation, between charging low-cost user fees and relying on the tax levy to assist those who most need it.

The budget is the primary tool for determining the pace at which achieving strategic goals is determined, and as usual, this budget is an attempt to balance this pace with available resources.

The draft budget documents include details of planned operating revenues and expenditures and shows current and previous comparators. The 10-year capital forecast contains proposed 2024 projects and an estimate of the costs of subsequent year projects, which is substantially informed by the City's Asset Management Plan. The Asset Management Plan remains a significant driver in ensuring that all the costs of delivering services are considered.

The 2024 operating expenditure budget is expected to increase by \$19.5 million while non-taxation revenues are expected to increase by \$12 million. The result is a proposed levy impact increase of \$7.6 million.



Proposed capital projects in the year are expected to cost \$43.8 million (2023 - \$61.7 million) with the emphasis on infrastructure renewal of the linear and road assets and facilities and buildings infrastructure that support the City's services.

The operating budget and capital program are funded by several revenue streams, including user fees, grants, reserve funds and development charges, investment income and property taxes.

Emerging themes have emerged from the development of the 2024 Budget and will be reinforced through the presentation and documents:

- Financial sustainability of our assets is critical to ensure continued service.
- Climate change initiatives come with an upfront cost.
- Tangible infrastructure used in service delivery is expensive and has been hit the hardest with inflation, supply chain issues and labour shortages.
- Inflationary impacts on the operating budget have been noticeable, but manageable to date, with the largest impact showing in the transfers to capital reserve funds for current and future assets.
- Continuing to build and prioritize awareness around diversity, equity and accessibility in the community and internally in assisting the evolution of the community and the City's corporate culture.
- Ongoing efficiencies in operations must be sought to ensure the City can continue to meet demands for how people want to engage with the City.
- Provincial downloads continue to affect the City's available resources, resulting in the tax base having to 'step in', particularly with development, housing, climate change, health care and more.

Some of the significant impacts in the City's 2024 draft budget and workplan include:

- Continued road and linear work with a reliance on provincial funding, including Connecting Link and Ontario Community Infrastructure Funds.
- Ongoing transit services with the move to more energy efficient buses funded entirely by provincial grants.
- Investing in hybrid fleet renewal to ensure safe and consistent service delivery in public works, roads, environmental and community services.
- Investing in increasingly accessible renewals of City-owned buildings, recreation facility and social housing units as items arise for repair and replacement.



- 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.
- The City is starting to see and feel the effects of Bill 23 and passing some of these costs of growth onto the taxpayer.
- Providing ongoing administrative supports to internal and external boards and committees, including the Stratford Public Library Board, the Stratford Police Services Board, and the Downtown Stratford Business Improvement Area.
- Continuing investments in Economic Development and Tourism to draw people to the City at a sustainable rate.
- Working with our wholly and partially owned enterprises, including Festival Hydro Inc., Festival Hydro Services Inc. and Spruce Lodge, plus administering social housing through Perth-Stratford 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.
- Inclusion of facility requirements in the 10-year forecasts for both the Stratford Public Library and the Stratford Police Service.
- Long-term debt as a tool to finance long-term infrastructure remains an option for expansion related items that may be considered.
- Responding to above-average inflationary pressures and one-time expenses by reinvesting prior-year surpluses from the City's stabilization reserves.

The City experienced increases to its property assessment base of almost \$69 million. This growth helps to mitigate the effects of the draft budget on the overall tax rates for existing property owners. So while the total levy increase in dollars for the draft budget is 10.54%, the total tax rate effect is less than this- projected at an 8.27% increase over 2023. This preliminary estimate translates into \$435 annually (or \$36 monthly) on a residential property valued at \$350,000. Since property is still based on 2016 values and as there have been no changes to the current value assessments for the 2024 budget year, the impacts to residents are limited to budget-related impacts.

Further information will be provided at the upcoming budget presentations beginning December 14th, 2023.

City of Stratford
2024 Draft Budget Change Analysis
At November 15, 2023

Purpose: To summarize current year proposed budget increases and reasons for changes from previous year for illustration purposes.

Note that a 1% change in the levy from the previous year = 730,245

		Pct Increase in Levy
73,024,514	Previous (2023) Net Tax Levy	
7,694,921	Starting Increase to Net Levy	10.54%
80,719,435	Current Draft Net Levy	

Legislative and Mandatory Impacts

1	1,331,329	Wages, driven largely by collective agreements (CPI and other approved changes in	1.82%
2	807,294	Increase to costs to reflect changes to employer remittance costs and employee ber	1.11%
3	400,000	Fire Dispatch implementation per RFP/mediation	0.55%
4	414,970	Increase to costs to reflect changes to WSIB self-funding (excl Library/Police)	0.57%
5	126,857	Increase to costs to insurance premiums estimated 10%-15% used 10%	0.17%
		Increase to costs to Community Supports to reflect impacts of Bill 23 /DCs (2022/2023 actuals = \$350,000 actual but this is likely a low number for 2024 and beyond)	
6	350,000		0.48%
			4.70%

Sustainability Impacts to Maintain Current Service Delivery, including access to grants

		Increase to infrastructure requirements to reflect underfunded 10-year capital plan and effects of climate change initiatives of approximately 10% of the total	
7	5,008,000	transfers to capital reserves = \$1.75mm	6.86%
8	50,000	Increase to costs to reflect underfunded Post-Employment Benefit Liability (\$4 millic	0.07%
		Increased costs city-wide for IT (licensing, security, hardware, support) across all	
9	179,467	departments reflected via interfunctional allocations	0.25%
			7.17%

Impacts Resulting from Approved Service Enhancements during 2023

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10	176,058	Net increase to Community Grants (reduced applications, hospital pledge)	0.24%	
11	212,089	Increase to costs to reflect effects of gapping 2023 expansion staffing initiatives	0.29%	
				0.53%

Partner/Shared Service Impacts

12	619,493	Increase to shared services (approximately 8% increase over previous)	0.85%	
13	1,239,071	Increase to Outside Boards (Police)-increase of 9.8% over previous	1.70%	
14	204,938	Increase to Outside Boards (Library) - increase of 7.6% over previous	0.28%	
15	35,350	Increase to SeedCo (Excluding expansion noted below)	0.05%	
16	25,380	Increase to Destination Stratford	0.03%	
17	56,566	Slight decrease in anticipated dividend revenue Festival Hydro	0.08%	
				2.99%

Mitigating Tools to Reduce Cost Impacts

18	(337,366)	Parking division revenues (no transfers to capital reserves in 2024)	-0.46%	
19	(454,575)	Miscellaneous efficiencies or reductions not otherwise itemized Additional use of prior year surpluses to assist current year required capital	-0.62%	
20	(1,000,000)	transfers	-1.37%	
21	(1,750,000)	Use of prior year surpluses (tax stabilization reserve) to mitigate one-time increases	-2.40%	
				-4.85%
7,694,921 Starting Increase to Net Levy Draft Budget			10.54%	

Expansion Initiatives

1	120,000	Corporate-Wide Municipal Facilities Space Utilization Master Plan	0.16%	
2	-	Corporate-Wide Grand Trunk Site - Next Steps	0.00%	

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3	150,000	Corporate Services Community Improvement Plans (phased-in approach)-Housing, (0.21%
4	35,000	Human Resources Website Accessibility Software	0.05%
5	20,000	Building & Planning E-Permitting Software Add-On Module	0.03%
6	80,000	Community Services Parks & Recreation Master Plan	0.11%
7	180,000	Community Services/Facilities Interim Space Design and Construction - 82 Erie Street	0.25%
8	-	Infrastructure Services (Environmental) Vehicle - fleet addition - no levy impact	0.00%
9	-	Infrastructure Services (Social Services) Vehicle - fleet addition - no levy impact	0.00%
10	215,000	Infrastructure Services Servicing Vacant City-Owned Land for Affordable Housing	0.29%
11	1,720	Social Services Special Needs Resourcing Software	0.002%
12	500,000	Social Services Affordable Housing Project 398 Erie Street - 12 units (debenture rep	0.68%
13	150,000	Destination Stratford Lights On Stratford for 2024/2025 and beyond	0.21%
15	80,000	Corporate-Wide Housing Concierge (dependent upon Housing Accelerator Fund Gra	0.11%
16	70,807	Corporate Services Asset Management Manager	0.10%
17	118,000	Building & Planning By-Law Officer (Community Safety and Wellbeing) - Pilot extens	0.16%
18	-	Community Services Cultural Sport/Sponsorship Coordinator - funded from 2023 av	0.00%
19	-	Infrastructure Services PT Water Operator (no levy impact- paid from fees)	0.00%
20	103,950	Infrastructure Services Climate Change Coordinator (2 year contract)	0.14%
21	50,641	Social Services Resource Teacher	0.07%
22	(213,219)	Mitigating Tools to Reduce 2024 Impacts (gapping of salaries/wages from above)	-0.29%
	1,661,899	Potential additions to draft budget for Expansion Initiatives	2.28%
	9,356,820	Potential draft budget including expansion initiatives	12.81%



CITY OF STRATFORD

DRAFT 2024 BUDGET

For further information regarding the City of Stratford's Draft 2024 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 2024 draft budget and make recommendations to Council for its final approval.

All meetings will be held in the City Hall Council Chambers.

Thursday, December 14, 2023 – 9:00 a.m. to 4:00 p.m.

Friday, December 15, 2023 – 9:00 a.m. to 4:00 p.m.

(Please note meeting dates and times are subject to change)