

CITY OF STRATFORD

2015 BUDGET

PRELIMINARY BUDGET
PRESENTATION

December 16, 2014



Message from the 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 the CAO

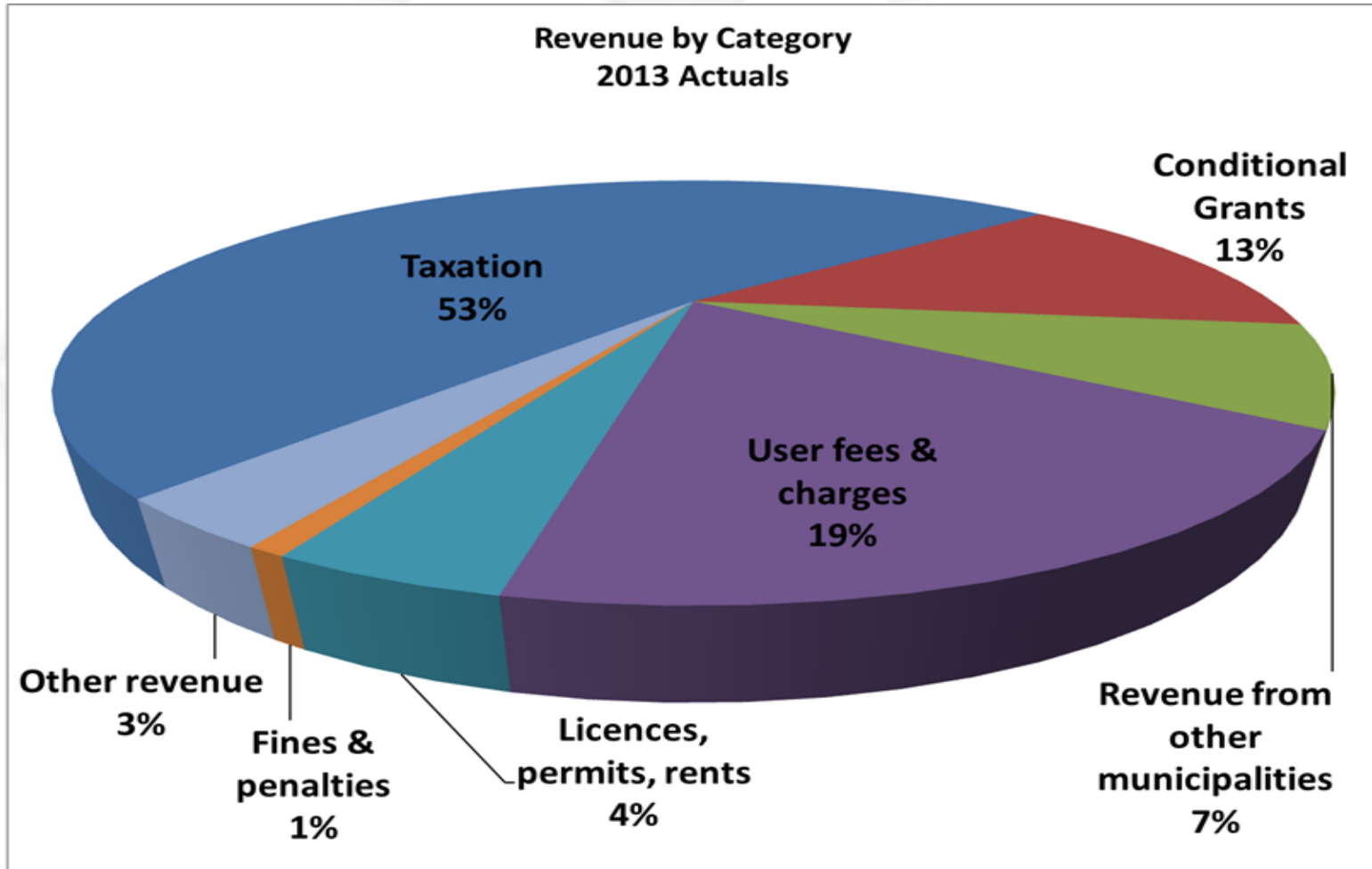


Message from the CAO

2015 Recommendations from Strategic Priorities:

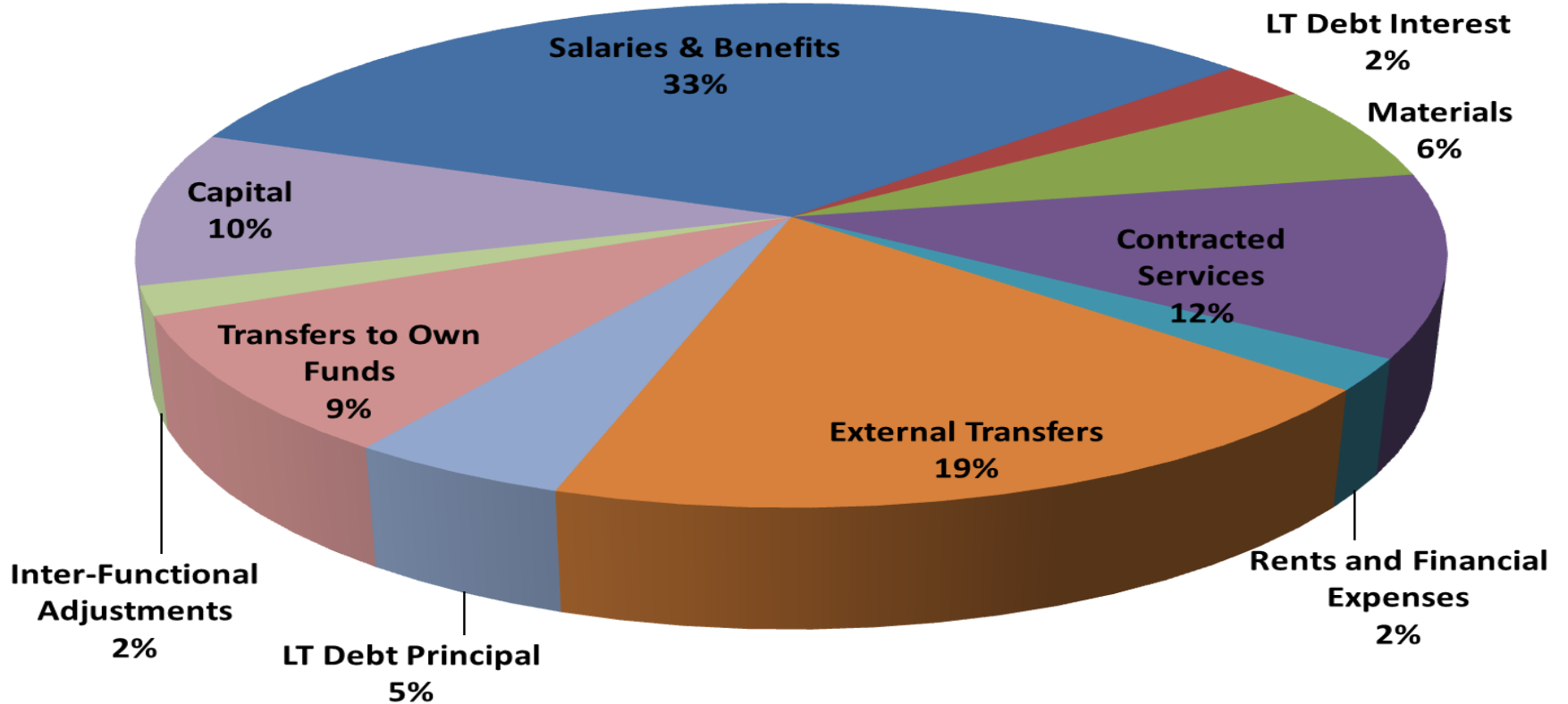
- Complete an Affordable Housing Formal Strategy (estimated cost \$50,000)
- Increase Social Housing Capital by \$50,000
- Increase Building Reserves by \$50,000
- Allocate \$50,000 to IT Infrastructure

2013 Financial Summary

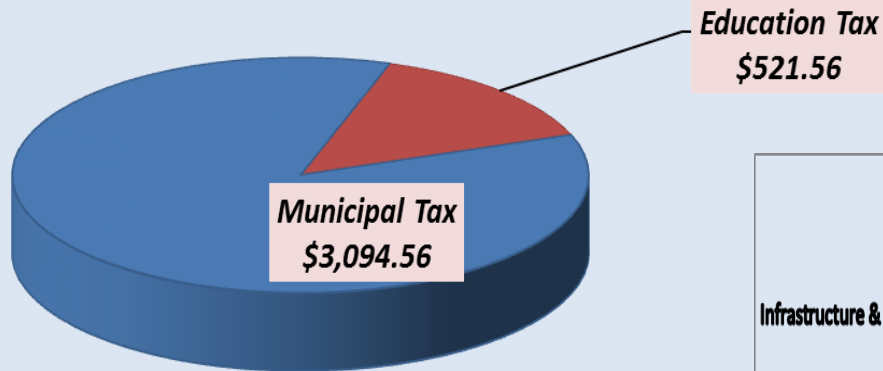


2013 Financial Summary

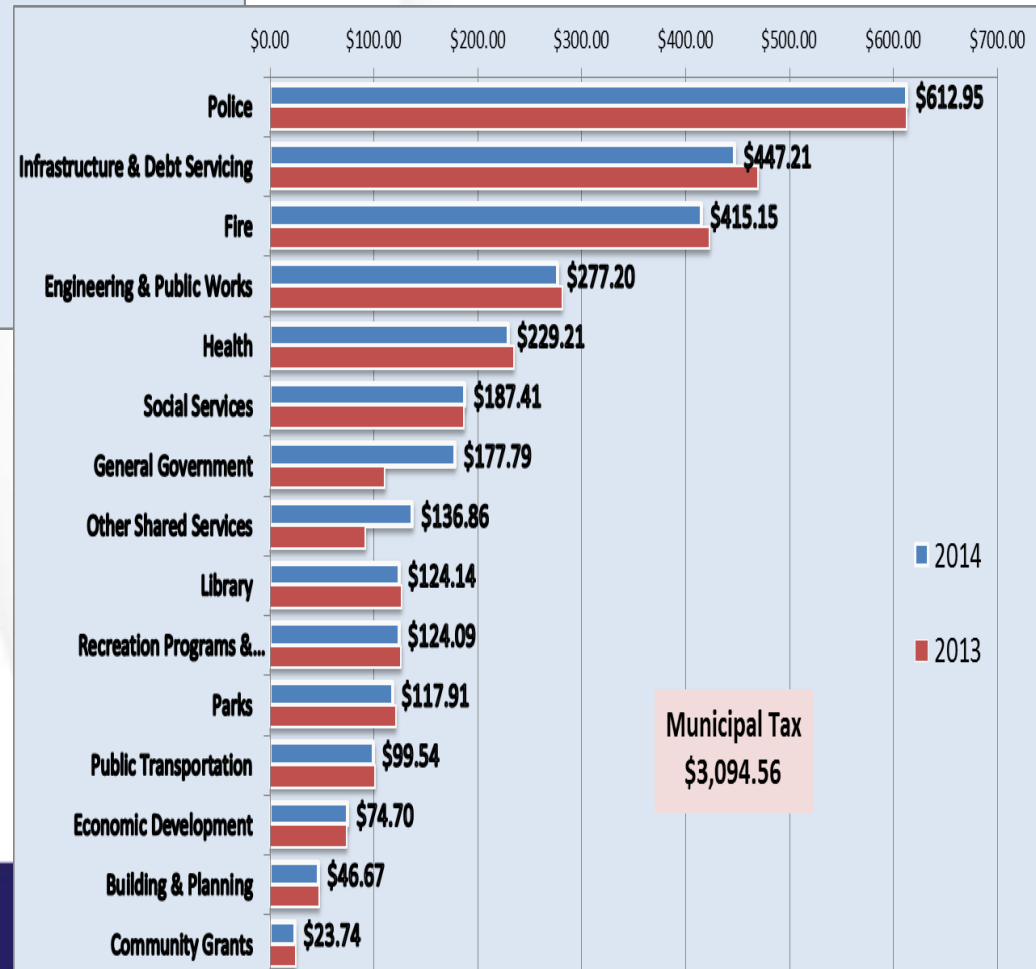
**EXPENDITURES BY CATEGORY
2013 ACTUALS**



2014 Municipal Tax Burden Average Stratford Home - \$3,616.12



2014 Budget Highlights



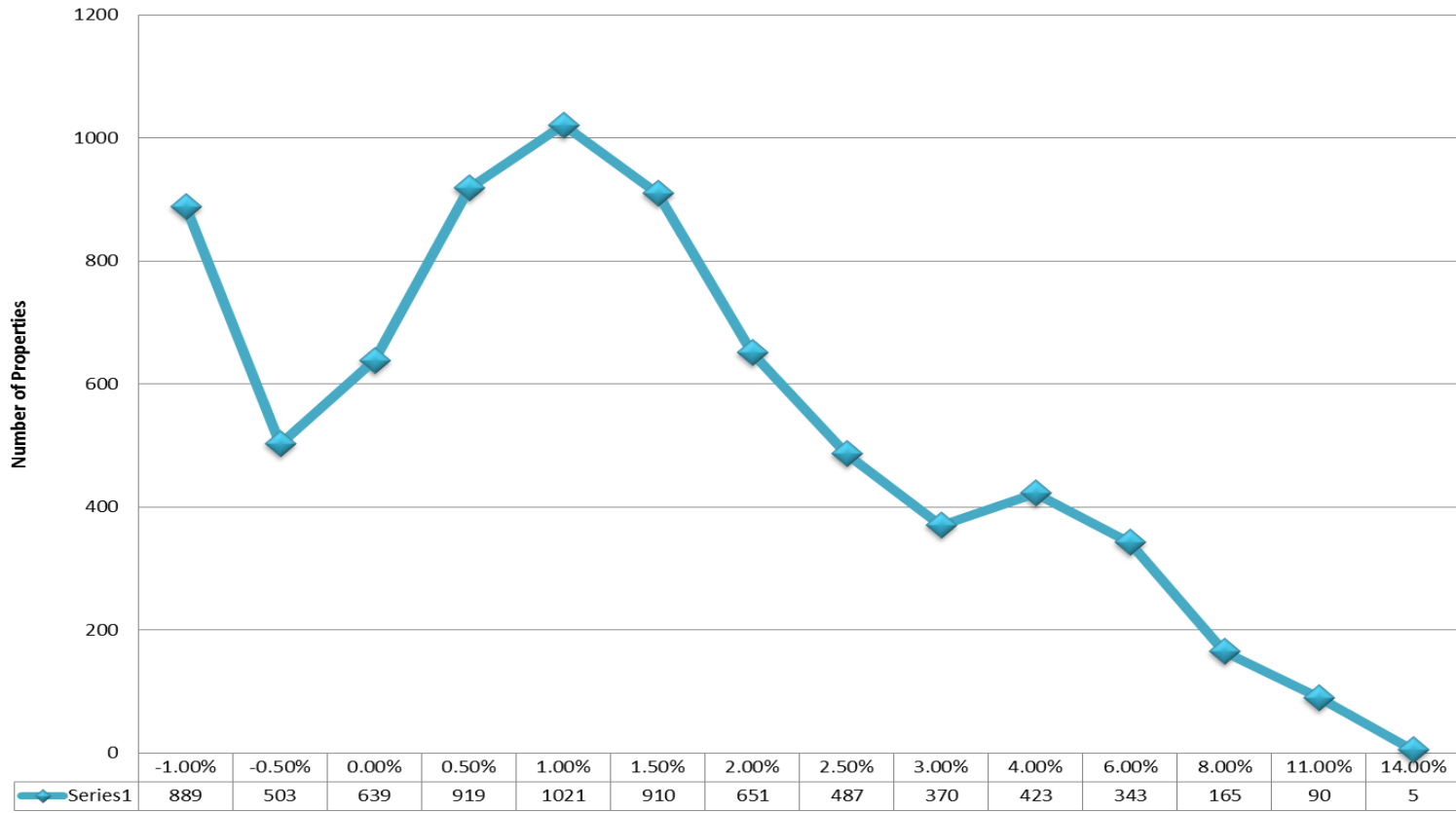
- ❑ 2014 Total Budget = \$118,301,788
- ❑ 2014 Capital Budget = \$21,534,243
- ❑ 2014 Tax Levy = \$49,374,898
- ❑ 2014 Net Mun Levy Inc. = 1.61%
- ❑ 2014 Avg Res. Mun Tax Inc = 1.87%
- ❑ 2014 Net Levy Inc. = 1.01%
- ❑ 2014 Avg Res. Total Tax Inc = 1.33%

2014 Budget – Property Tax Implications

Class	Difference Between 2013 and 2014 Taxation					
	Municipal		Education		Total Change	
	\$	%	\$	%	\$	%
Taxable						
Residential	577,307	1.87%	-96,695	-1.79%	480,612	1.33%
New Multi-residential	10,510	16.78%	1,378	12.58%	11,888	16.16%
Multi-residential	123,439	3.46%	-744	-0.26%	122,695	3.18%
Pipelines	1,473	1.08%	-1,382	-1.47%	91	0.04%
Farm	3,158	14.98%	400	10.85%	3,558	14.36%
Com Grand Total	108,112	1.08%	-31,621	-0.54%	76,491	0.48%
Ind Grand Total	-42,677	-1.07%	-29,346	-1.71%	-72,022	-1.27%
Grand Total	781,322	1.61%	-158,010	-1.18%	623,312	1.01%

2014 Distribution of Residential Property Tax Changes

Distribution Chart - 2014 Residential Single Detached Dwelling Property Tax Change by Percentage



Tax Rate Increase vs. Levy Increase

Tax Rate Increase/Decrease:

- Only represents the change in one of the factors affecting the average property tax bill

Levy Increase/Decrease:

- Represents the average property tax levy increase/decrease over the prior year

2014 Residential Total Tax
Rate Change = **-1.21%**

2013 Res Rate = 0.01424669

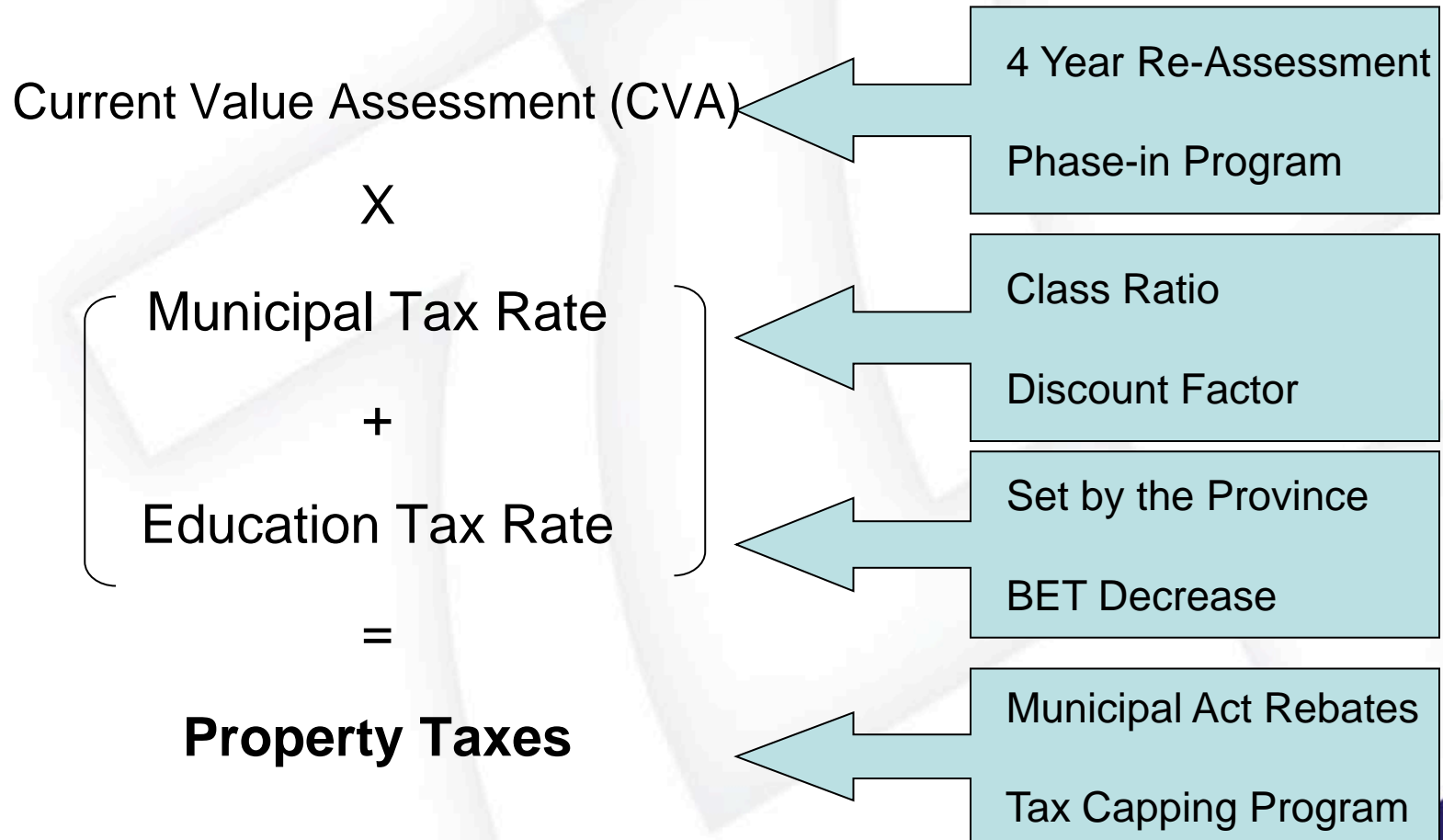
2014 Res Rate = 0.01407462

2014 Residential Average
Levy Change = **+1.01%**

Property Tax Policy Review

SIMPLE TERMS

OTHER FACTORS



CVA

- 4 Year Assessment Cycle
- Valuation as of **January 1, 2012** for the taxation years 2013, 2014, 2015, 2016
- Next Valuation will be **January 1, 2016** applying to the years 2017 – 2020

Assessment Phase-In

The 2007 and 2008 Provincial Budgets introduced mandatory assessment Phase-in across all property classes

- Only re-assessment (equity) increases are phased in
- Decreases are applied immediately
- Increase is phased in equally over the 4 years

Assessment Phase-In

	Prior to Phase-In		Phase In			
	2008	2009	2009	2010	2011	2012
Property 1	100,000	120,000	105,000	110,000	115,000	120,000
Property 2	100,000	100,000	100,000	100,000	100,000	100,000
	200,000	220,000	205,000	210,000	215,000	220,000
Budget Requirement	5,000	5,000	5,000	5,000	5,000	5,000
General Tax Rate	2.50%	2.27%	2.44%	2.38%	2.33%	2.27%
Property 1 Annual Tax	2,500	2,727	2,561	2,619	2,674	2,727
Property 2 Annual Tax	2,500	2,273	2,439	2,381	2,326	2,273

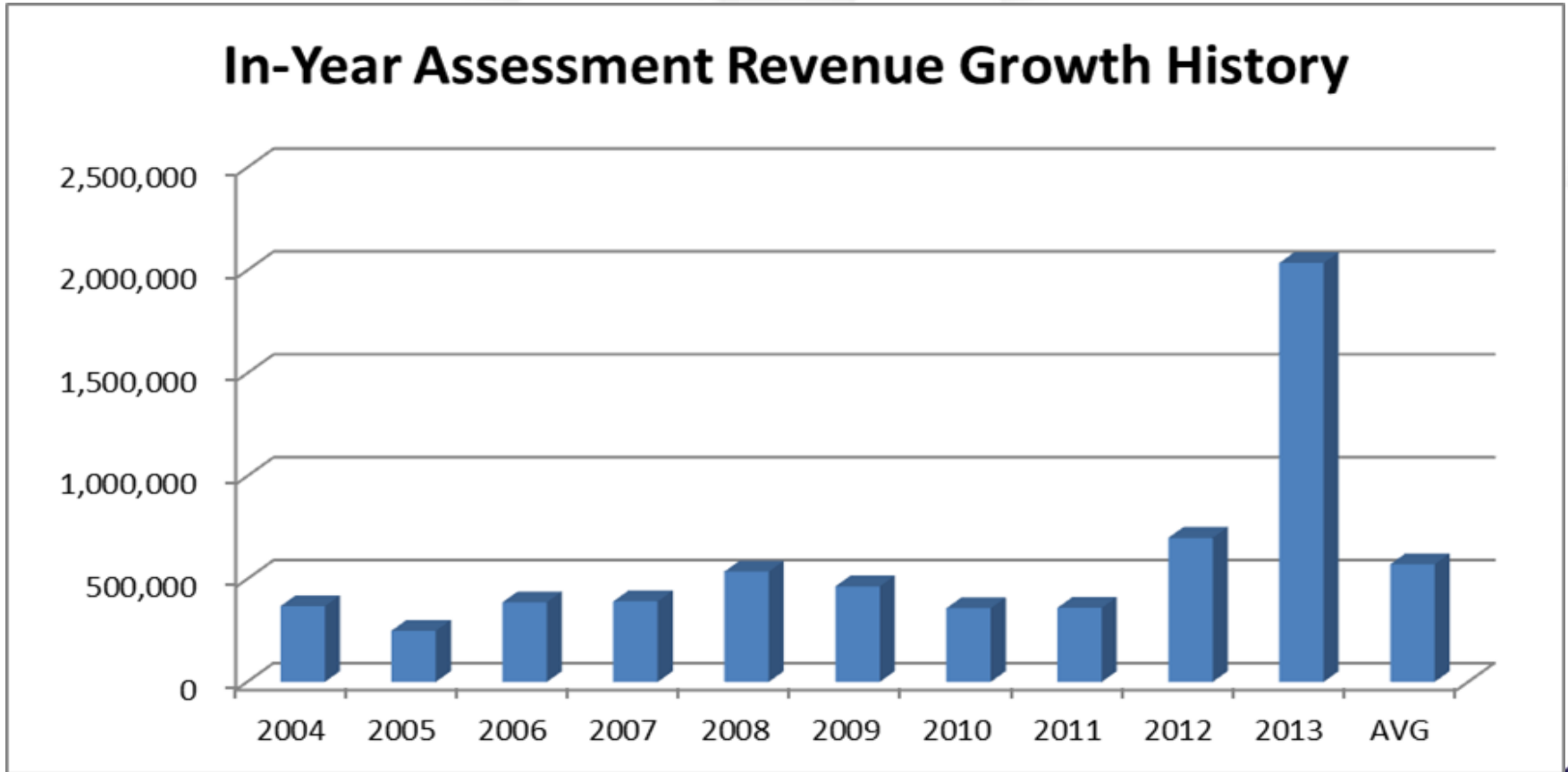
Real Assessment Growth

	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 Assessment Growth

	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 History



Assessment Equity Changes and Tax Shifts

Class	2013 Total Year End	2014 Total	Tax Shift	
	Municipal	Municipal	Municipal	
			\$	%
Taxable				
Residential	30,858,931	30,918,328	59,397	0.19%
New Multi-residential	62,631	71,936	9,305	14.86%
Multi-residential	3,567,558	3,630,188	62,630	1.76%
Pipelines	136,878	136,071	-806	-0.59%
Farm	21,089	23,847	2,759	13.08%
Managed Forests	0	0	0	0.00%
Com Grand Total	9,971,109	9,913,167	-57,942	-0.58%
Ind Grand Total	3,975,381	3,900,040	-75,341	-1.90%
Grand Total	48,593,577	48,593,578	1	0.00%

Stratford Tax Class Ratios



Residential
1.0



Multi-Residential
2.153900



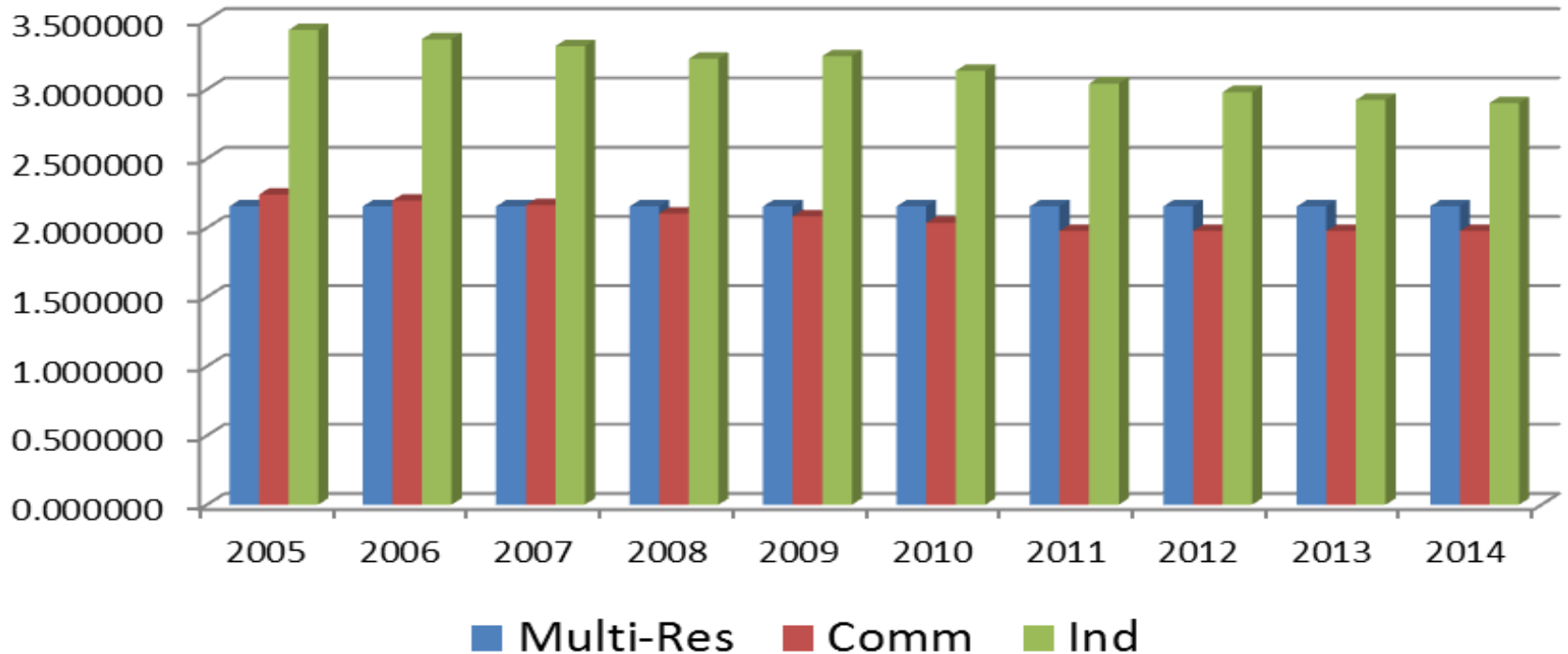
Commercial
1.975939



Industrial
2.900491

Historical Tax Ratios

Stratford Tax Ratios



Economic & Growth Outlook 2015

Projections:

Population - .25% growth

New Housing Units – 105 (approx 10% inc.)

Ontario GDP – 2.5%

Ontario Employment – 1.5%

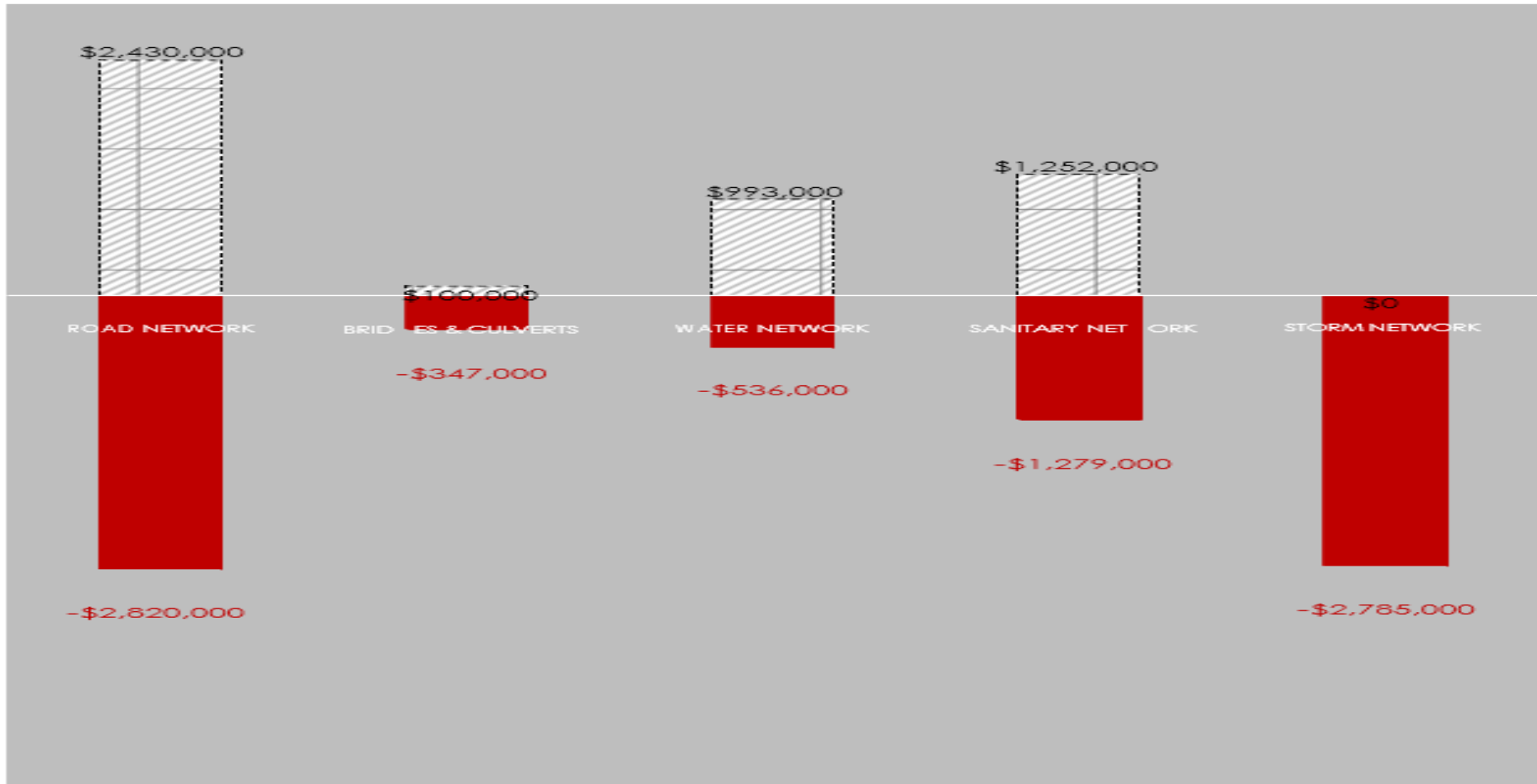
CPI – 1.9%

2015 Unknowns & Challenges



- Police, CUPE 1385, IBEW 636, and CUPE 197 currently under negotiation or will be under negotiation for 2015
- Two reserves that fund debt repayments are or will be depleted in 2015
- 2015 County Roads Phase-In - \$325,000 increase (Fully Phased-In by 2016)
- Future of Market Square and Cooper Site
- Infrastructure Deficit

Infrastructure Deficit

AVERAGE ANNUAL FUNDING REQUIRED vs. AVERAGE ANNUAL FUNDING AVAILABLE

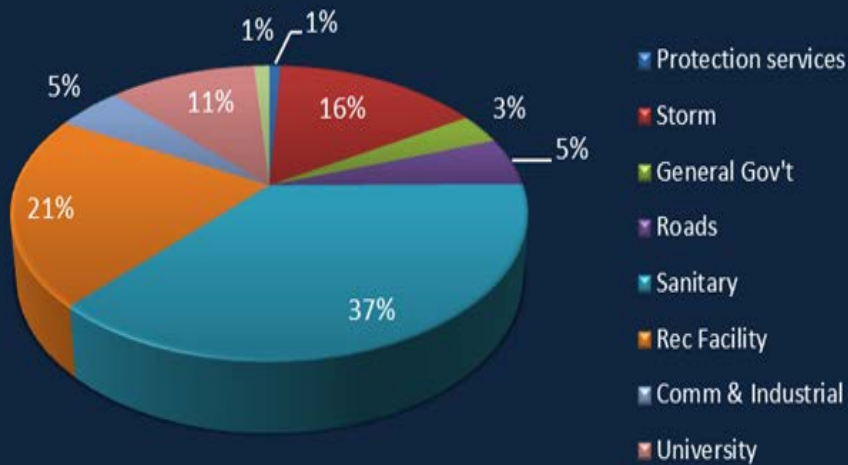


Total Annual Deficit: **-\$7,767,000**

 Annual Funding Available
 Annual Funding Deficit

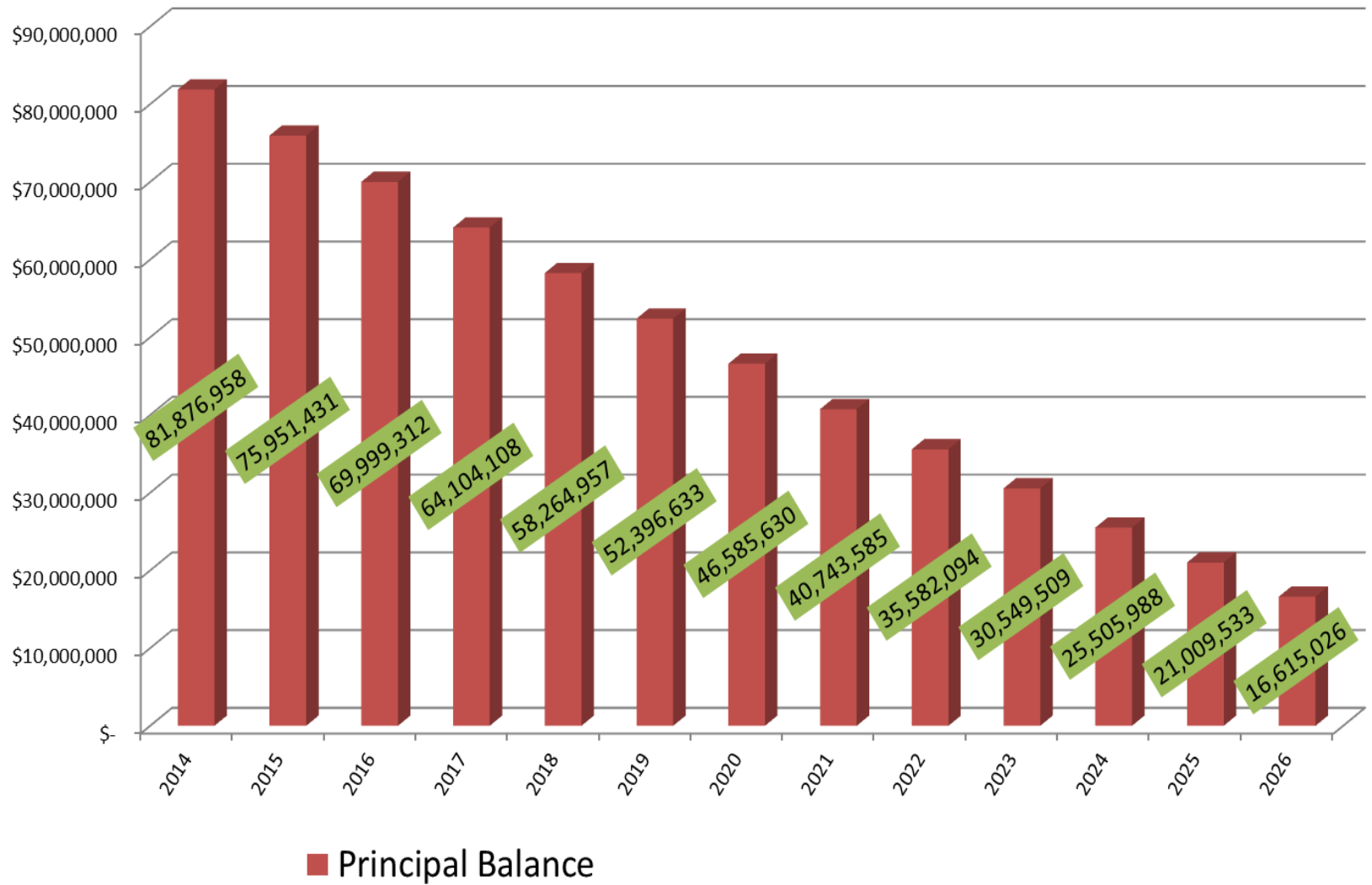
Long Term Debt at a Glance

**Debt Allocation
December 31, 2013**

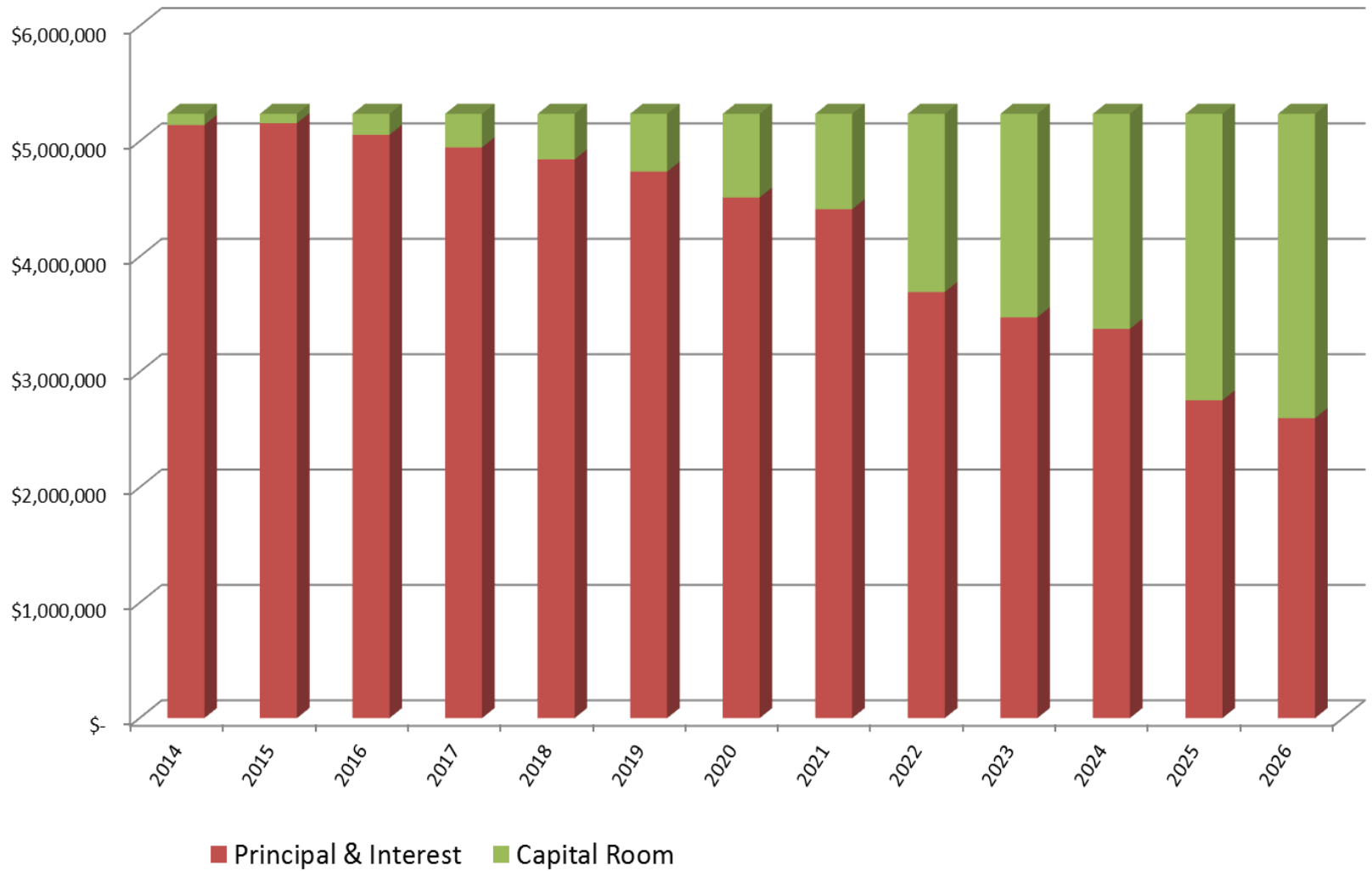


Description	Initial Term	Year Complete	Balance at December 31, 2012	Balance at December 31, 2013
RBC - \$3M	20	2025	2,176,669.14	2,044,249.21
RBC - \$11M	20	2022	6,860,340.81	6,209,926.17
IO - \$33.5	25	2032	26,126,979.84	24,787,134.72
IO - \$1.7M	10	2017	759,045.73	590,368.89
IO - \$5.7M	20	2028	4,627,220.04	4,338,018.80
IO - \$21.042M	15	2026	19,639,792.66	18,236,950.32
IO - \$5.5M	15	2024	4,400,000.02	4,033,333.36
IO - \$1.295M	25	2034	1,181,992.74	1,142,032.80
IO - \$16.8M	25	2034	14,798,405.60	14,125,750.80
IO - \$1.34M	20	2024	804,000.00	737,000.00
Unfinanced			12,061,993.79	12,500,000.00
SubTotal			\$ 93,436,440.37	\$ 88,744,765.07

Estimated Future Total Debt - Based on No New Borrowing



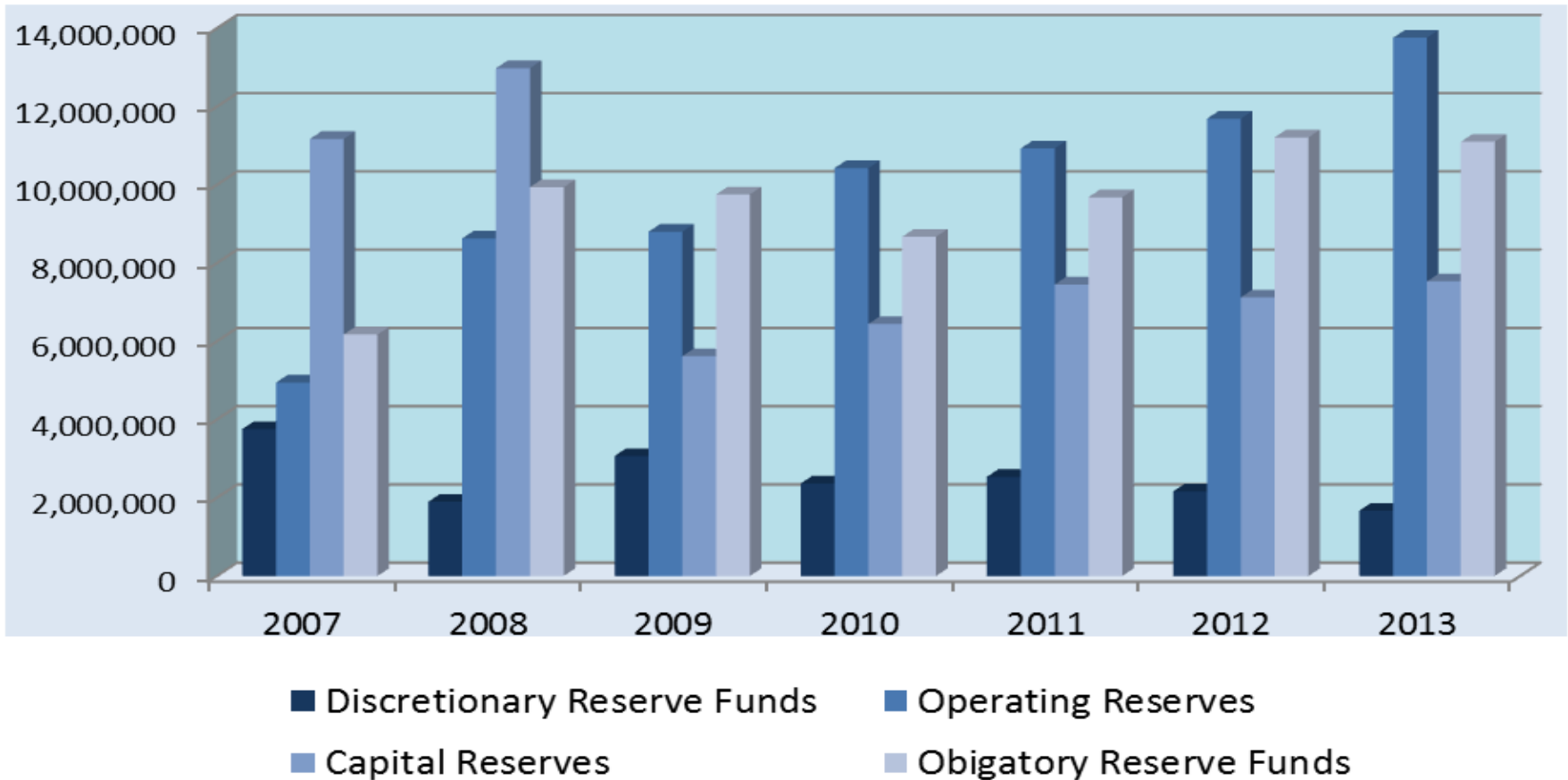
Estimated Future Debt Payments - Tax Base Only



Other Commitments

Hospital Redevelopment	\$5,000,000
MRI	\$ 500,000
Balance Owing – Dec 31/14	\$1,250,000
Annual City Budget	\$ 300,000
2012 Resolution – Surplus	\$ 200,000
Festival Hydro Annual Cont.	\$ 50,000

Reserves & 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

2015 BUDGET Timelines - Options

Jan 13/15 – Committee

Jan 20/15 – Committee

Jan 27/15 – Committee

Feb 3/15 – Committee

Feb 10/15 – Committee

10 Days Public Notice

Feb 23/15 – Final Approval

Jan 13/15 – Committee

Jan 20/15 – Committee

Jan 27/15 – Committee

Feb 3/15 – Committee

Feb 10/15 – Open House

Feb 17/15 - Committee

10 Days Public Notice

Mar 9/15 – Final Approval

Public Consultation

Citizen Engagement Tool

<http://stratford.citizenbudget.com/>

Public Comment Sheets

http://www.stratfordcanada.ca/en/insidecityhall/resources/2015_Budget/2015_budget_comment_sheet.pdf

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Current Direction

- Approved 2014 Corporate Dashboard
 - Draft budget tabled with City Council under a 2% residential tax increase over previous year.
- 2014 Strategic Priorities Report
 - Will be reviewed by Council at an Orientation meeting (to be scheduled)

NEXT STEPS

Corporate Leadership is reviewing draft budget for further revisions to achieve Council direction

- Current Draft includes a 2.33% Levy Increase
- Prepare Service level reduction options for Council deliberations

Prepare and Present Draft 2015 Budget Binder for January 13, 2015 Committee Meeting

Thank you

