



**The Corporation of the City of Stratford
Finance and Labour Relations Sub-committee
Open Session
AGENDA**

Date: Tuesday, November 20, 2018
Time: 4:30 P.M.
Location: Council Chamber, City Hall
Sub-committee Present: Councillor Clifford - Chair Presiding, Councillor Mark Beatty, Councillor McManus, Councillor Vassilakos
Staff Present: Michael Humble - Director of Corporate Services, Jodi Akins - Council Clerk Secretary

Pages

1. Call to Order

The Chair to call the meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

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3. Delegations

None scheduled.

4. Report of Festival Hydro Inc.

4.1 Financial Statements and Commentary for Festival Hydro Inc. (FHI) – Q3 ending September 30, 2018 (FIN18-065) 4 - 9

Ysni Semsedini and Kelly McCann will be present at the meeting to speak to the financial statements.

Motion by _____

Staff Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ending September 30, 2018, be received for information.

5. Report of Festival Hydro Services Inc.

5.1 Financial Statements and Commentary for Festival Hydro Services Inc. (FHSI) – Q3 ending September 30, 2018 (FIN18-066) 10 - 15

Ysni Semsedini and Kelly McCann will be present at the meeting to speak to the financial statements.

Motion by _____

Staff Recommendation: THAT the Festival Hydro Services Inc. financial statements and commentary for the period ending September 30, 2018, be received for information.

6. Report of investStratford

6.1 Stratford Economic Enterprise Development Corporation – 2018 Quarterly Report 3 (FIN18-067) 16 - 22

Joani Gerber will be present at the meeting to speak to the report.

Motion by _____

Staff Recommendation: THAT the Stratford Economic Enterprise Development Corporation (SEED Co.) quarterly report dated November 20, 2018, be received as information.

7. Report of the Stratford Tourism Alliance

7.1 Stratford Tourism Alliance – 2018 Quarterly Report 3 (FIN18-068) 23 - 36

Lori DeGraw will be present at the meeting to speak to the report.

Motion by _____

Staff Recommendation: That the Stratford Tourism Alliance report dated November 20, 2018, be received for information.

8. Advisory Committee/Outside Board Minutes

There are no Advisory Committee/Outside Board minutes to be provided to Sub-committee at this time.

9. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is December 18, 2018 at 4:30 p.m. in the Council Chamber, City Hall.

10. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by _____

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.



Corporate Services Department

MANAGEMENT REPORT

Date: November 20, 2018
To: Finance and Labour Relations Sub-committee
From: Michael Humble, Director of Corporate Services
Report#: FIN18-065
Attachments: FHI – Q3 2018 financial statements

Title: Financial Statements and Commentary for Festival Hydro Inc. (FHI) – Q3 ending September 30, 2018

Objective: To consider the financial reports from FHI for the period ending September 30, 2018.

Background: City Council is updated quarterly on the financial position of FHI.

Analysis: As noted in the attached statements, representatives of Festival Hydro will attend the meeting to answer questions.

Financial Impact: Not applicable.

Staff Recommendation: **THAT the Festival Hydro Inc. financial statements and commentary for the period ending September 30, 2018, be received for information.**

Michael Humble, Director of Corporate Services

Rob Horne, Chief Administrative Officer

To: Tom Clifford and the Finance and Labour Relations Committee
From: Ysni Semsedini, CEO
Re: Financial Statement Commentary for the period ended
September 30, 2018

Net income for the period is \$1.8M, which is \$449K ahead of the YTD budget. Detailed commentary on the balance sheet and statement of operations are noted below:

BALANCE SHEET COMMENTARY:

Regulatory Assets – Regulatory assets have moved into a payable position since Q3 2017. The global adjustment variance account has reduced through the year based on final pricing charged by the IESO being slightly less than the first estimate pricing used to bill our customers.

In addition, the RSVA power account is fluctuating monthly based on billed commodity estimates and amounts paid to the IESO net of RPP settlement amounts.

INCOME STATEMENT COMMENTARY

Gross Margin on Service Revenue (Distribution Revenue) – The gross margin on service revenue (or Distribution Revenue) is ahead of budget by \$20K.

Other Revenue – is ahead of budget by \$589K. This is mainly due to a conservation incentive accrued and expected to be received in Q4 pertaining to results achieved in the provincial conservation programs.

Operating and Maintenance (O & M) Expenses – O&M costs are over budget by \$127K at the end of Q3. \$70K of this relates to expenses incurred that are anticipated to be refunded through our property insurance policy. In addition, costs were incurred relating to inspection of the transformer station and resulting maintenance.

Billing, Collecting & Admin Costs – Billing and collecting costs are \$24K over budget. This is partially due to the timing difference between budget and actual for vacations that get booked to payroll burden and allocated to various accounts in the general ledger as compared to non-vacation labour which is charged directly to admin. This timing difference is reversing each month as vacation is used up. In addition, there is one service contract equaling about \$8K of this variance to the end of Q3.

Total Controllable Costs – Total controllable costs are \$152K over budget as a result of the items noted above.

LOAN COVENANT RATIOS

The Loan Covenant liquidity ratios and debt to equity ratios as prescribed by our major lenders, RBC and Infrastructure Ontario are being met.

Text	Pre Yr YTD	Cur Yr YTD
ASSETS		
Current		
Accounts Receivable	5,946,244.00	6,507,573.00
Inventory	192,258.00	449,213.00
Prepaid Expenses	207,252.00	230,480.00
Due from FHSI	218,092.00	355,418.00
Corporate PILS Recoverable	124,722.00	32,661.00
Unbilled Revenue	6,736,978.00	7,197,524.00
	13,425,544.00	14,772,866.00
Property, Plant & Equipment	52,053,949.00	52,389,084.00
Intangible Assets	2,130,686.00	2,106,499.00
Future payments in lieu of income taxes	581,413.00	294,815.00
Regulatory Assets	1,873,590.00	-299,323.00
Total Assets	70,065,180.00	69,263,941.00
LIABILITIES		
Current		
Bank Indebtedness	4,283,319.00	2,582,447.00
Accounts Payable & Accrued Liabilities	7,491,517.00	7,682,427.00
Current Portion of Consumer Deposits	878,156.00	866,550.00
Current Portion of Long Term Loans	186,834.00	193,387.00
Dividends Declared	0.00	0.00
Promissory Note	15,600,000.00	15,600,000.00
	28,439,825.00	26,924,809.00
Unrealized loss on interest rate swap	807,158.00	583,448.00
Deferred Revenue	746,920.00	906,948.00
Employee Future Benefits	1,406,895.00	1,438,708.00
Long Term Debt		
Consumer Deposits over one year	0.00	0.00
RBC Loan - LT Portion	12,181,000.00	11,749,000.00
Infrastructure Ontario Loan - LT Portion	1,459,923.00	1,292,945.00
	13,640,923.00	13,041,945.00

Text	Pre Yr YTD	Cur Yr YTD
Equity		
Share Capital - Common	9,468,388.00	9,468,388.00
Share Capital - Preferred	6,100,000.00	6,100,000.00
Retained Earnings	9,590,095.00	11,002,541.00
Accumulated Other Comprehensive Income	-135,021.00	-202,843.00
Total Equity	25,023,462.00	26,368,086.00
Total Equity	70,065,180.00	69,263,941.00

Text	Pre Yr YTD	Cur Yr YTD	Cur Yr YTD Bdg	Cur to Bdg YTD Var	Cur to Bdg YTD Var%
REVENUE					
SERVICE REVENUE	63,584,162.00	58,867,451.00	65,926,825.00	-7,059,374.00	-10.71%
COST OF POWER	55,607,355.00	50,554,078.00	57,633,740.00	-7,079,662.00	-12.28%
GROSS MARGIN (DISTRIBUTION REVENUE)	7,976,808.00	8,313,373.00	8,293,085.00	20,288.00	0.24%
OTHER OPERATING REVENUE					
	700,674.00	1,284,778.00	695,750.00	589,028.00	84.66%
OPERATING & MAINTENANCE EXPENSE					
TRANSFORMER & DISTRIBUTION STATION EXPENSE	97,507.00	142,213.00	98,715.00	43,498.00	44.06%
DISTRIBUTION LINES & SERVICES OVERHEAD	985,791.00	1,065,612.00	1,020,098.00	45,514.00	4.46%
U/G DISTRIBUTION LINES & SERVICES.	120,767.00	157,756.00	128,967.00	28,789.00	22.32%
DISTRIBUTION TRANSFORMERS	29,709.00	102,628.00	30,874.00	71,754.00	232.41%
DISTRIBUTION METERS	293,023.00	287,468.00	312,385.00	-24,917.00	-7.98%
CUSTOMER PREMISES	157,189.00	172,926.00	210,838.00	-37,912.00	-17.98%
TOTAL OPERATING AND MAINTENANCE	1,683,984.00	1,928,600.00	1,801,874.00	126,726.00	7.03%
ADMINISTRATION					
BILLING, COLLECTING & METER READING	960,984.00	903,004.00	975,545.00	-72,541.00	-7.44%
ADMINISTRATION	1,551,821.00	1,757,579.00	1,661,225.00	96,354.00	5.80%
TOTAL ADMINISTRATION	2,512,805.00	2,660,582.00	2,636,770.00	23,812.00	0.90%
ALLOCATED DEPRECIATION					
	-112,216.00	-121,012.00	-122,670.00	-1,658.00	-1.35%
TOTAL CONTROLLABLE COST					
	4,084,573.00	4,468,171.00	4,315,973.00	152,198.00	3.53%
NET INCOME BEFORE DEP'N, INTEREST & TAX					
	4,592,908.00	5,129,980.00	4,672,862.00	457,118.00	9.78%
DEPRECIATION					
	1,819,904.00	1,872,047.00	1,863,190.00	8,857.00	0.48%
INTEREST EXPENSE	1,273,866.00	1,274,355.00	1,270,577.00	3,778.00	0.30%
INTEREST INCOME	-16,875.00	-33,386.00	-28,755.00	4,631.00	16.11%
NET INCOME BEFORE SWAP, ICM & PBA & INC TAXES	1,516,014.00	2,016,965.00	1,567,850.00	449,115.00	28.65%
CURRENT TAX	70,000.00	146,250.00	146,250.00	0.00	0.00%
NET INCOME BEFORE SWAP & ICM	1,446,014.00	1,870,715.00	1,421,600.00	449,115.00	31.59%
Unrealized Gain/Loss on Swap	0.00	0.00	0.00	0.00	0.00%
Marketable Security - recorded as OCI	0.00	0.00	0.00	0.00	0.00%
NET INCOME	1,446,014.00	1,870,715.00	1,421,600.00	449,115.00	31.59%

Festival Hydro Inc.

KEY FINANCIAL RATIOS & STATEMENT OF CASH POSITION

AS AT September 30, 2018

Key Financial Ratios:	<u>Actual Ratio</u>	<u>Required Ratio</u>
RBC Compliance Ratio - Funded Debt to Total Capital	0.55	Less than 0.65
Infrastructure Ont Compliance - Debt to Equity Test	39:61	Less than 75:25
Infrastructure Ont Compliance - Debt Service Ratio	2.33X	Not less than 1.30X

	<u>September 2017</u>	<u>December 2017</u>	<u>September 2018</u>
Cash from Operations			
Net Income	1,446,014	2,106,228	1,870,715
Depreciation	1,819,904	2,409,159	1,872,047
Unrealized loss on interest rate swap	-	(155,889)	-
Net Change in Receivables/Payables/Var Accts	(2,049,192)	(1,693,536)	877,931
Contributed capital	223,072	378,468	539,822
Total Cash Provided	<u>1,439,798</u>	<u>3,044,430</u>	<u>5,160,515</u>
Loan Repayments	391,113	579,948	405,592
Cash Used - Capital Expenditures	1,994,200	2,908,329	2,369,415
Cash Used - Dividends paid	728,670	1,119,000	795,975
	<u>3,113,983</u>	<u>4,607,277</u>	<u>3,570,982</u>
Increase (Decrease) in Cash Position	(1,674,185)	(1,562,847)	1,589,533
Bank Indebtedness, Beg of Period	<u>(2,609,133)</u>	<u>(2,609,133)</u>	<u>(4,171,980)</u>
Bank Indebtedness, End of Period	<u>(4,283,318)</u>	<u>(4,171,980)</u>	<u>(2,582,447)</u>



Corporate Services Department

MANAGEMENT REPORT

Date: November 20, 2018
To: Finance and Labour Relations Sub-committee
From: Michael Humble, Director of Corporate Services
Report#: FIN18-066
Attachments: FHSI - Rhyzome – Q3 2018 financial statements

Title: Financial Statements and Commentary for Festival Hydro Services Inc. (FHSI) – Q3 ending September 30, 2018

Objective: To consider the financial reports from FHSI for the period ending September 30, 2018.

Background: City Council is updated quarterly on the financial position of FHSI.

Analysis: As noted in the attached statements. Representatives of Festival Hydro will attend the meeting to answer questions.

Financial Impact: Not applicable.

Staff Recommendation: **THAT the Festival Hydro Services Inc. financial statements and commentary for the period ending September 30, 2018, be received for information.**

Michael Humble, Director of Corporate Services

Rob Horne, Chief Administrative Officer

To: Tom Clifford and the Finance and Labour Relations Committee
From: Ysni Semsedini, CEO
Re: Commentary on Financial Results –
For the period ended September 30, 2018

The net income for the period was \$211K which is \$114K ahead of budget. Detailed commentary on the balance sheet and income statement activity are noted below:

Balance Sheet Commentary:

Capital asset additions - Additions to the end of Q3 are \$128K, 19% of budget. Details on the capital spend to date as noted below:

WiFi Capital – Total spend of \$77K relates to costs for completing the AP installation project. The budget for 2018 anticipated a \$22K spend on collector updates and a \$30K spend on the AP project. The overspend on the AP project is a result of unplanned relocation of various AP's to improve the functionality of the network and stabilize the customer experience. The pilot for the collector update will be completed before year end.

Fiber Capital – Total YTD spend on fibre is \$50K for network expansion for new customer connectivity. We anticipate an underspend of \$520K of fibre capital due to the timing of the fibre loop build and the planned work on temporary splices. Although work continues on the loop, we do not expect to be billed for any of it in 2018 as the asset would not be available for use.

Income Statement Commentary:

Revenues – Revenues are \$17K ahead of budget mainly as a result of fibre and WIFI revenue being ahead of budget as a result of new contracts. Consulting revenue is lower than budget due to the timing of IT resources hired to subcontract out as compared to budget.

Operating Expenses – Operating expenses are below budget by \$76K. This is driven by resource costs being below budget by \$56K due to the timing of resource hiring as compared to budgeted timing. Admin expenses are also below budget by \$16K due to less spend on marketing materials for our wireless campaign than planned.

Text	Cur Yr YTD	Pre Yr YTD
CURRENT ASSETS		
CASH	84,677.00	67,085.00
ACCOUNTS RECEIVABLE & PREPAIDS	126,690.00	63,059.00
INCOME TAX RECEIVABLE/(PAYABLE)	-889.00	-397.00
OTHER ASSETS	0.00	0.00
INVENTORY	9,832.00	11,728.00
TOTAL CURRENT ASSETS	220,309.00	141,474.00
FIXED ASSETS		
GROSS BOOK VALUE	5,494,077.00	5,336,041.00
ACCUMULATED DEPRECIATION	-3,213,862.00	-2,943,051.00
NET BOOK VALUE	2,280,215.00	2,392,991.00
INVESTMENT TAX CREDIT RECEIVABLE	64,000.00	64,000.00
TOTAL ASSETS	2,564,523.00	2,598,464.00
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	-60,755.00	-112,849.00
DUE TO FESTIVAL HYDRO INC.	-355,418.00	-218,092.00
CURRENT PORTION OF LTD	-75,744.00	-74,023.00
PROMISSORY NOTE	-372,000.00	-372,000.00
TOTAL CURRENT LIABILITIES	-863,915.00	-776,964.00
DEFERRED REVENUE	-170,732.00	-207,320.00
DEFERRED TAX LIABILITIES	-113,000.00	-62,000.00
RBC FINANCING	-595,553.00	-895,937.00
EQUITY		
SHARE CAPITAL	-249,236.00	-249,236.00
RETAINED EARNINGS	-572,089.00	-407,009.00
TOTAL EQUITY	-821,324.00	-656,244.00

Text	Cur Yr YTD	Pre Yr YTD
TOTAL LIABILITIES & EQUITY	-2,564,523.00	-2,598,464.00

Text	Pre Yr YTD	Cur Yr YTD Bdg	Cur Yr YTD
REVENUE			
Total Revenue	1,045,055.00	1,032,025.00	1,049,046.00
Total Operating Expenses	584,303.00	678,208.00	602,605.00
Net Income Before Depreciation & Interest	460,753.00	353,817.00	446,441.00
Depreciation	247,500.00	195,001.00	194,271.00
Interest Income	-323.00	0.00	-532.00
Interest Expense	42,278.00	48,675.00	41,526.00
Net Income for the Period before Taxes	171,298.00	110,142.00	211,177.00
Current Tax Provision	0.00	0.00	0.00
Future Tax Provision	0.00	12,751.00	0.00
Net Income for the Period before Taxes	171,298.00	97,392.00	211,177.00

Festival Hydro Services Inc.
STATEMENT OF CAPITAL
For the Period Ended September 30, 2018

	<u>2017</u>	<u>2018</u>	<u>2018</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual YTD</u>
Sentinel Lights	\$1,440	\$0	\$0
ISP Equipment/Computer HW & SW	\$10,975	\$22,100	\$270
WiFi	\$280,374	\$52,000	\$77,688
Fibre Optic Cable - FHI	\$75,319	\$605,300	\$50,340
Contributed Capital - Wightman	\$10,413		\$0
Total Capital Expenditures	\$378,521	\$ 679,400	\$128,298

Festival Hydro Services Inc.
STATEMENT OF CASH POSITION
For the Period Ended September 30, 2018

	<u>Dec 2017</u>	<u>Q3 2017</u>	<u>Q3 2018</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
<i>Cash from Operations</i>			
Net Income	125,201	171,298	211,177
Future tax provision	51,000	-	-
Depreciation	324,041	247,500	194,270
Change in value of options	8,800	8,800	-
Change in Deferred revenue	(13,142)	(10,178)	(33,624)
New Contributed capital (non-cash)	(10,413)	(10,413)	-
Net Change in Receivables/Payables	77,508	67,395	(123,450)
Total Cash Provided	562,995	474,402	248,373
<i>Cash Used/Received</i>			
Capital expenditures	(368,108)	(338,369)	(128,298)
RBC loan repayment	(293,560)	(219,537)	(224,640)
	(661,668)	(557,906)	(352,938)
<i>Increase (Decrease) in Cash Position</i>	(98,673)	(83,504)	(104,565)
<i>Cash and due to FHI beginning of Year</i>	(67,503)	(67,503)	(166,176)
Cash and due to FHI end of Period	(166,176)	(151,007)	(270,741)



MANAGEMENT REPORT

Date: November 20, 2018
To: Finance & Labour Relations Sub-committee
From: Michael Humble, Director of Corporate Services
Report#: FIN18-067
Attachments: investStratford Q3 report – Nov 20 2018

Title: Stratford Economic Enterprise Development Corporation – 2018 Quarterly Report 3

Objective: To update members of Sub-committee on recent and upcoming activities for the Stratford Economic Enterprise Development Corporation (SEED Co./investStratford).

Background: See attached presentation.

Analysis: Joani Gerber, Chief Executive Officer of SEED Co., will be presenting a quarterly update to Sub-committee.

Financial Impact: Not applicable.

Staff Recommendation: **THAT the Stratford Economic Enterprise Development Corporation (SEED Co.) quarterly report dated November 20, 2018, be received as information.**

A handwritten signature in black ink, appearing to read "Michael Humble", written over a horizontal line.

Michael Humble, Director of Corporate Services

A handwritten signature in black ink, appearing to read "Rob Horne", written over a horizontal line.

Rob Horne, Chief Administrative Officer

Finance & Labour Relations Sub-Committee – Nov 20, 2018

Investment Attraction

- ' Quebec Delegation/AutoTech Summit
 - ' Hosted a delegation of companies from Quebec
- ' ScutiX - German Data Centre
- ' Intelligent Transportation Symposium
 - ' World Congress – featured as a primary partner of the CDN delegation
 - ' Completed meetings with both the Denmark & Swedish Trade Commissions
 - ' Limited leads, however Stratford the only Ontario jurisdiction in attendance



Investment Attraction – Q4

- ' Oct, 2018 – Specialty Equipment Manufacturing Association (SOMA)
- ' Application submitted to Industry Canada for financial support of activities focused on the UK & German market – working with the CDN Embassy & Trade Commission Offices



Finance & Labour Relations Sub-Committee – Nov 20, 2018

Business Retention & Expansion

- (Wright Business Park
 - (Pre-Consultations/Reserves – 4 parcels
 - (Active Leads – 3 parcels
- (Two new company expansions in the final site planning phase totaling close to 32,000 square feet of additions to existing facilities.



Business Retention & Expansion – Q4

- (Development Lands Project – the design RFP for Crane Avenue (23 acres) is out.
- (investStratford Board – will have a pricing and land deposit policy recommendation for Council to consider in early 2019

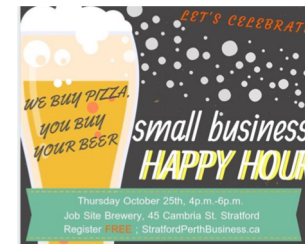
Finance & Labour Relations Sub-Committee – Nov 20, 2018

Business Creation & Entrepreneurship

- ' Fielded 59 enquiries, spent 98 hours in direct consulting and supported the start-up/expansion of 43 small businesses (Jul/Aug/Sept; total catchment area)
- ' The final cohort of Starter Company has launched – collaborating with RTO4, CCC, STA & others to support small businesses improving their online presence
- ' Small Business Week – Happy Hour & 5-Day “Tip of the Day” Facebook Series
- ' Historical Success Rates – between 2013-2017, 66% of the businesses we’ve supported via direct consulting are still in existence

Business Creation & Entrepreneurship – Q4

- ' Summer Company – Province awarded additional \$5,000 for marketing the program within our catchment area
- ' Online instagram program runs through to December
- ' 12 days of Holidays featuring Small Businesses in the Catchment area



Finance & Labour Relations Sub-Committee – Nov 20, 2018

Workforce Development

- ' Skills Advance Program
 - ' Graduated a cohort of participants in Oct, 2018. More industries have signed up to participate
- ' Transportation
 - ' Collaborating w/City Transit to promote the new industrial route – one-pagers, email blasts, etc. to local employers.
- ' Housing Roundtable
 - ' Initial meetings w/City Housing Department, Infrastructure to research & develop recommendations for Council consideration

Workforce Development – Q4

- ' Transportation project
- ' United Way & Centre for Employment & Learning – new Canadian landing program

Finance & Labour Relations Sub-Committee – Nov 20, 2018

Marketing & Communications

-) Company Openings/Ribbon Cuttings
 -) Stackpole; Samsonite
-) Amazing Race
 -) Stratford featured prominently – investStratford team pivotal in set up & execution
-) Trillium Network for Advanced Manufacturing
 -) Collaborating on success stories & GIS mapping tool
-) Accessible Media Inc.
 -) Interviewed Mayor & Staff for Shifting Gears; Autonomous Vehicles
 -) Featured the Stratford project



Marketing & Communications – Q4

-) Completion of Web Updates – fresh appeal; user-experience; land listings
-) Rural Economic Development Project, Smart City Value Proposition – in full swing

Finance & Labour Relations Sub-Committee – Nov 20, 2018

Governance & Management

- 2019 Operating Budget – reviewed w/Corporate Services & will include a Restricted Reserve Fund
- By-Laws updated to reflect Council direction w/respect to Board Member recruitment
- Thanks to Councilors Beatty and Brown and Mayor Mathieson for their service during the inaugural 4 years of investStratford!

Governance & Management – Q4

- Begin recruitment efforts for replacements for retiring Board Members (2019)



Corporate Services Department

MANAGEMENT REPORT

Date: November 20, 2018
To: Finance and Labour Relations Sub-committee
From: Michael Humble, Director of Corporate Services
Report#: FIN18-068
Attachments: Stratford Tourism Alliance 2018 Update – Q3

Title: Stratford Tourism Alliance – 2018 Quarterly Report 3

Objective: To receive an update on the Stratford Tourism Alliance's activities and financial position so far in 2018.

Background: Stratford Tourism Alliance (STA) gives regular updates to Council through the Finance & Labour Relations Sub-Committee.

Analysis: Representatives from STA have been invited to attend as a delegation to present the attached report.

Financial Impact: None noted.

Staff Recommendation: That the Stratford Tourism Alliance report dated November 20, 2018, be received for information.

Michael Humble, Director of Corporate Services

Rob Horne, Chief Administrative Officer

Finance and Labour Relations

2018 Q3 & Mid-Q4 Update



Executive Summary

- Revenue is tracking well at 96.4% of budget by end of Q3 & mid-Q4. Outstanding receivables are grant money reimbursements and Stratford Tourism Supplement payments from partner accommodators.
- Expenses on target at 77.6% of budget by end of Q3 & mid-mid-Q4. All special project, on-going expenses, and City loan repayment on track for year-end.

2018 Actuals vs Budget – Revenues Q3 & Mid-Q4²⁶

	Jan - Oct 18	Budget	% of Budget
Ordinary Income/Expense			
Income			
4000 · INTEREST INCOME	263.79	100.00	263.8%
4050 · MARKETING SALES	74,729.25	94,275.00	79.3%
4240 · MEMBERSHIP SALES	59,030.99	55,410.00	106.5%
4260 · PARTNERSHIPS*	613,563.00	608,500.00	100.8%
4280 · DESTINATION MARKETING FUND	74,597.49	95,000.00	78.5%
Total Income	822,184.52	853,285.00	96.4%

2018 Actuals vs Budget – Expenses Q3 & Mid-Q4²⁷



	Jan - Oct 18	Budget	% of Budget
Expense			
5100 · CONTRACT AND CONSULTING	17,594.95	5,500.00	319.9%
5107 · 5107 Four Season Development	1,016.17	5,000.00	20.3%
5633 · BANK & MERCHANT SERVICE F...	2,486.12	3,800.00	65.4%
5645 · INSURANCE	3,831.36	3,600.00	106.4%
5660 · TRAVEL	905.45	1,500.00	60.4%
5950 · SPECIAL PROJECTS	11,500.00	15,000.00	76.7%
5990 · Spec Proj - RTO Animation Fund	6,508.80	10,000.00	65.1%
6000 · MARKETING - INTERNET	52,279.00	103,730.00	50.4%
6150 · MARKETING - PRINT	59,074.51	84,500.00	69.9%
6151 · MARKETING - RADIO			
5470 · Radio	0.00	1,000.00	0.0%
Total 6151 · MARKETING - RADIO	0.00	1,000.00	0.0%
6152 · MARKETING*	36,910.85	57,200.00	64.5%
6153 · PROFESSIONAL FEES	12,289.00	23,000.00	53.4%
6155 · FACILITY MAINTENANCE	1,618.04	5,500.00	29.4%
6480 · PAYROLL	337,977.39	417,850.00	80.9%
6540 · OFFICE EXPENDITURES	20,614.36	34,650.00	59.5%
6550 · EVENT EXPENSES	7,584.03	10,700.00	70.9%
7000 · TELEPHONE/COMMUNICATIONS	7,321.89	8,500.00	86.1%
7300 · Stratford Always On Project	34,683.43		
Total Expense	614,195.35	791,030.00	77.6%
Other Income/Expense			
Other Expense			
5451 · Transfer to Reserve	0.00	20,000.00	0.0%
7100 · City Repayment on Loan	0.00	42,187.50	0.0%
Total Other Expense	0.00	62,187.50	0.0%

Current Active Partners – 205

- Current Active Partners - 205
- YOY increase from 184 in Oct 2017
- 2018 YTD total of 44 new active partners, 23 lost

In-person Visitor Update

YTD totals: 58,255 (6,428 visitor or 11% YOY decrease)

Acknowledging the numbers for 2018 are down; front-line staff noted a change in the quality of interactions with visitors this year. Compared with previous years, full-time and summer staff found a significant increase in opportunities to offer visitors more time and meaningful customer service in 2018.

- Centre News: new frontline office hours (Mon – Sat 10-6, Sun and holidays 11-3, closed on major stats). New summer hours will be 10–6, seven days a week. Creates consistent, reliable hours for Stratford’s visitors. New STA branding signage installed at Downie St centre.

Alignment with Regional Partners

- Attended Tourism Town Hall hosted by Toronto Tourism, to compare notes with other regions. Powerful data shared re: Ontario tourism sector job numbers (390,000 people) and economic impact (\$34 billion industry overall). Many colleagues looking at possible tourism scenarios and opportunities resulting from legalization of cannabis.
- Updated Christmas trail receiving big uptake with partners in regional communities. Launched Nov. 1st.
- Worked with Board of Destination Marketing Association to establish Guiding Principles for Hotel Tourism Fees legislation implementation in municipalities across Canada.

Community Collaborations

- Exploring creation of series of modules with University of Waterloo on “Digital Tourism Innovation”. Plan to evolve into future full course offering.
- July 31st Amazing Race broadcast at City Hall a great success. 250 seats reserved within hours. **Destination Ontario reports show reach of 8.97 million and media value at \$3.68 million.**
- STA advised CBC Murdoch Mysteries location scouts and assisting new Brittlestar morning show for Rogers.
- Working with Alison Jordan to better inform local businesses about sports tournaments coming into the City. Will continue to work closely to develop deeper, longer-range strategies.

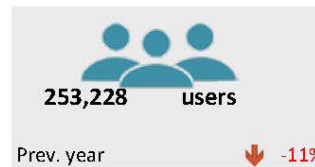
- Stratford “Love Lock” concept (designed by Off The Wall) for pedestrian bridge over R.T. Orr dam approved in principle by Parks Committee. Funding secured for possible early 2019 (Romance/Valentine’s Day) launch.
- “Top Fives” initiative launched. Focuses media attention on STA partners and creates quality content for online algorithms.
- Agency and production company designed and produced five new destination videos as part of a #StratfordAlwaysOn campaign for digital and traditional media. Campaign includes distribution in over 100,000 Toronto Star papers (226,000 readers) and Downtown Toronto screens in Dundas Square, The Path (100,000 pedestrians daily) and International Newstands (reach of 775,000) during October.

Digital Performance Q3 & Mid-Q4



October 2018 digital metrics report

A very exciting stat for October: 69% of our site visitors came to our site on a mobile device (43% phone, 26% tablet). This definitely fits in with the digital plans we are working on. Our overall site visits are still lagging behind due to the drop in the revised Google Grants Program but the gap has closed 8% over the last two months. Social engagement is holding strong even with a lower number of posts based on available resources due to Google360 and Top5 campaign boosting.



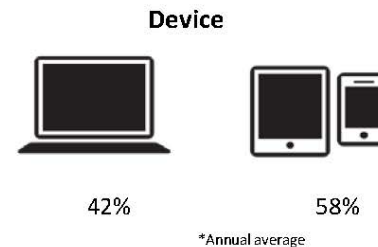
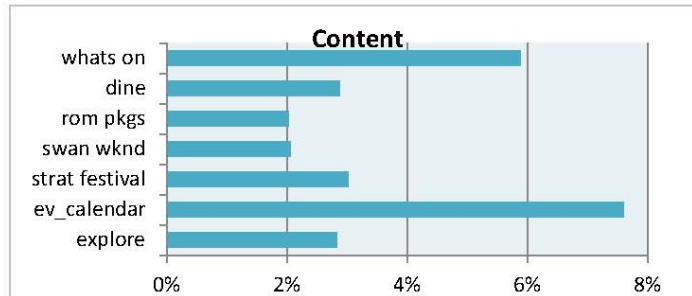
CAMPAIGN UPDATE DIGITAL ADS YTD September

\$15,008.49 spend
9,435,435 impressions
69,701 clicks - 1.5%CTR

Facebook Spend outside of CPC campaigns Sept & Oct
37,612 paid reach \$377.15 spend (inc. \$110 Partner buy)
3,832 engagements

Google Grants YTD to September 30

\$9,000 management fee
724,741 impressions
42,952 clicks
5.93% CTR
\$1.31 CPC
Cost \$56,348.29
Conversions 1,296



	Followers	Engagement/Mentions	Reach/Impressions
	14,742 ↑ 9%	139,083 ↓ -13%	2,685,431 ↓ -10%
	12,480 ↑ 2%	3,126 ↑ 10%	904,800 ↑ 7% YOY



Media Campaigns and Coverage³⁴ Q3 & Mid-Q4



- Strong YTD outreach with 164 articles/blogs/radio/TV features (95% of 2017 achievement).
- Jennifer Valentyne featuring Rocky Horror Experience and Mother/Daughter Stratford Getaway contest resulted in 300,000 total impressions and over 17,000 engagements
- Erica Ehm weekend coverage created good interactions
- German writer hosted in partnership with Ontario Tourism
- 6 Lifestyle Media Writers attended Retail FAM Trip in Oct

Upcoming:

- CTV News feature “In Your Backyard – Christmas Trail



“I’ve been thinking about it for a while....‘Oh, we have to get to Stratford’ – it’s always been on my mind,” said Mark Lysakowski, a producer with Amazing Race Canada....”Stratford is one of those great communities that people know about because of the Festival – and Bieber has made it really popular as well- ...but people go, ‘What else is there?’Stratford is much more than most people think it is.



Galen Simmons
Stratford Beacon Herald and
London Free Press
July 25, 2018

Thank you!

