

2019 FINANCIAL PLAN PRESENTATION



RURAL MUNICIPALITY OF GIMLI

Welcome

Welcome to the 2019 Financial Plan Hearing.

We thank you for attending.

This presentation will give a general overview of the 2019 Financial Plan.

There will be an opportunity for questions following the presentation.



The Financial Plan

After a careful and extensive review Council makes the financial decisions for the Municipality. When making those decisions, their role as elected officials is to safeguard the taxpayer's money and make the best use of financial resources; while maintaining or improving service levels.

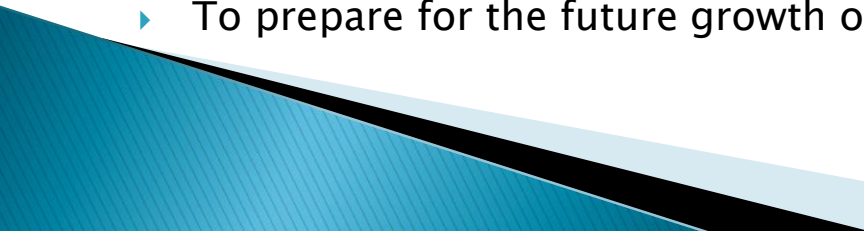
At the center of the municipal finance system is the budget. Through the budget, Council decides the municipality's priorities for the current year and the upcoming 5 years by balancing the funds for each program or service.

The budget is the single most important policy decision council makes each year. Careful budget planning and control mean better services for the residents.

The budget of a municipality reflects its policies.



The 2019 Challenges

- ▶ The main challenges in 2019 continue to reflect Council's ongoing directive to make every effort to manage existing debt servicing and minimize taxation impacts by balancing the increased growth in service delivery to our assessment growth.
 - ▶ Council continues to balance a large number of community requests for project funding in alignment with the delivery of expected and required Municipal services as well as the management of debt servicing and the funding of Reserves.
 - ▶ Commitment to continue to find new ways to manage the delivery of municipal and community services in the most efficient and cost effective manner.
 - ▶ To maintain the financial objective to fund Reserves from Municipal taxation
 - ▶ To minimize the use of borrowing for Capital Purchases both current and long term with grant opportunities.
 - ▶ To maintain the goals of our long range debt management and the establishment of new revenue sources for the Municipality.
 - ▶ To always provide a balanced approach to managing the needs of Municipality while remaining mindful of the importance of being stewards of the environment.
 - ▶ To prepare for the future growth of our community.
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TAXATION

Every year Council meets to set the municipal budget for the coming year. After revenues such as grants from other governments and user fees are taken into account, the balance of the budget must come from property taxes which is referred to the General Mill Rate. The formula used to calculate taxes is:

$$\text{Portioned Assessment} \times \text{Mill Rates (both municipal \& school)} / 1000 = \text{Property Taxes}$$

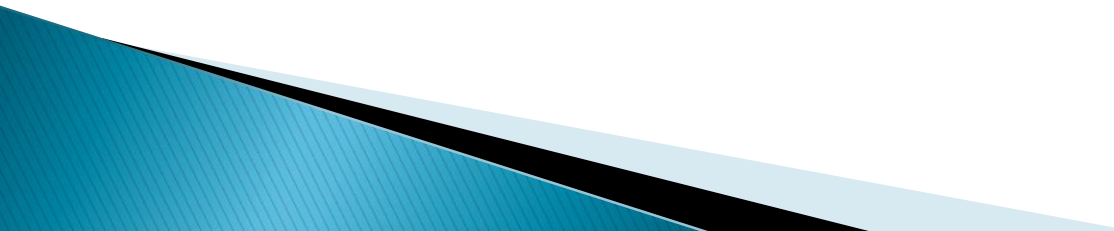
2018 to 2019 Mill Rates

Evergreen School Division's mill rate has remained the same at 9.770 from 2018

The Provincial Levy increased from 10.984 to 11.050 an increase of .066 of a mill

The Municipality's General Mill Rate has increased from 12.571 to 13.279 an increase of .708 of a mill

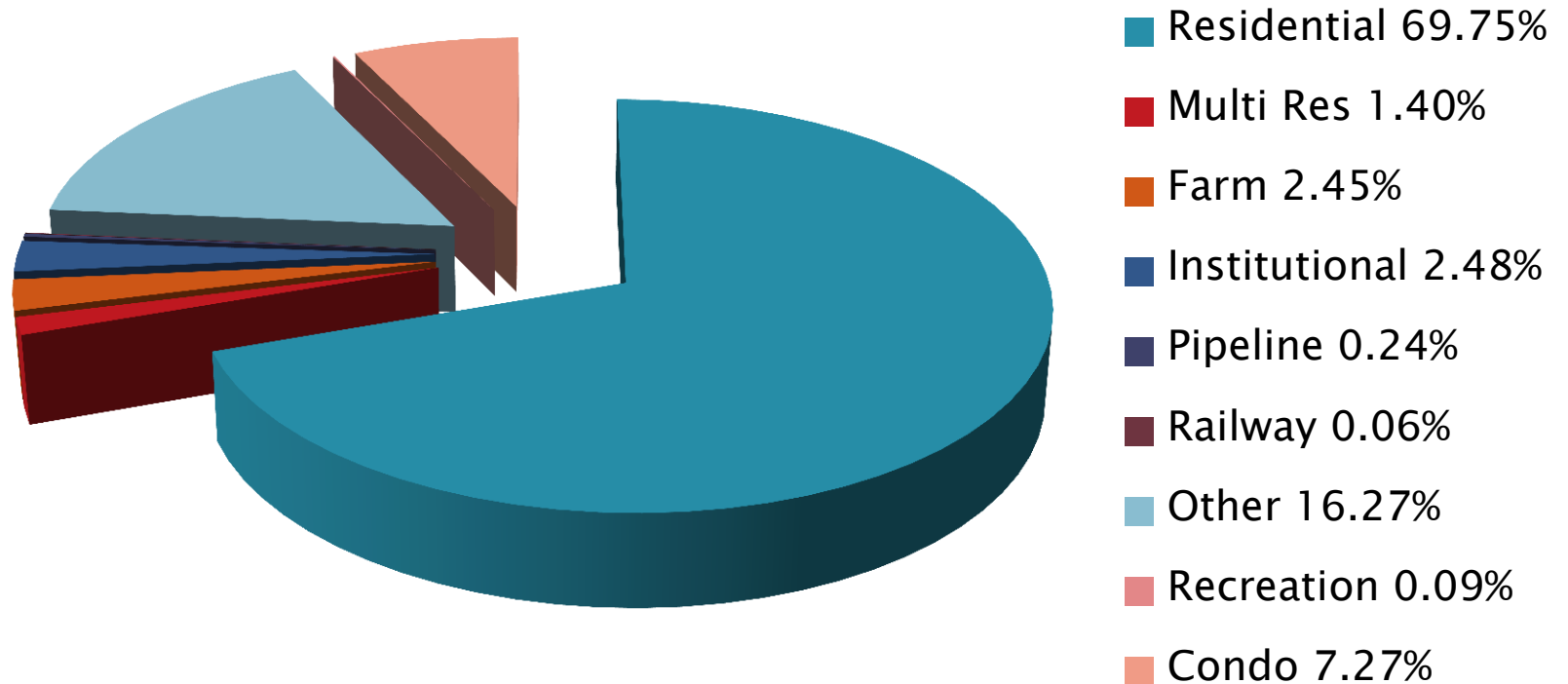
Where do Assessments Come From?

- ▶ Assessment Services is responsible for the assessment of all real and personal property in the province and outside the City of Winnipeg.
 - ▶ Properties in Manitoba are assessed every two years to ensure assessment values keep pace with changing real estate market values.
 - ▶ 2020 will be the next province wide reassessment year.
 - ▶ The 2020 Assessments are based on the 2018 market values.
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Assessment Changes from 2018 to 2019

	2018	2019	Increase/ Decrease	Percentage of Growth Total
Residential	360,941,260	368,212,150	7,270,890	68.479%
Multi Res	7,394,170	7,394,170	--	
Farm	12,855,940	12,939,740	83,800	.789%
Institutional	12,827,840	13,084,720	256,880	2.42%
Pipeline	1,282,200	1,282,200	--	
Railway	294,960	294,960	--	
Commercial	83,411,900	85,875,570	2,463,670	23.204%
Recreation	460,490	460,490	--	
Condo	37,818,400	38,360,730	542,330	5.108%
Totals	517,287,160	527,904,730	10,617,570	100%

2019 Assessment by Classification



Revenues

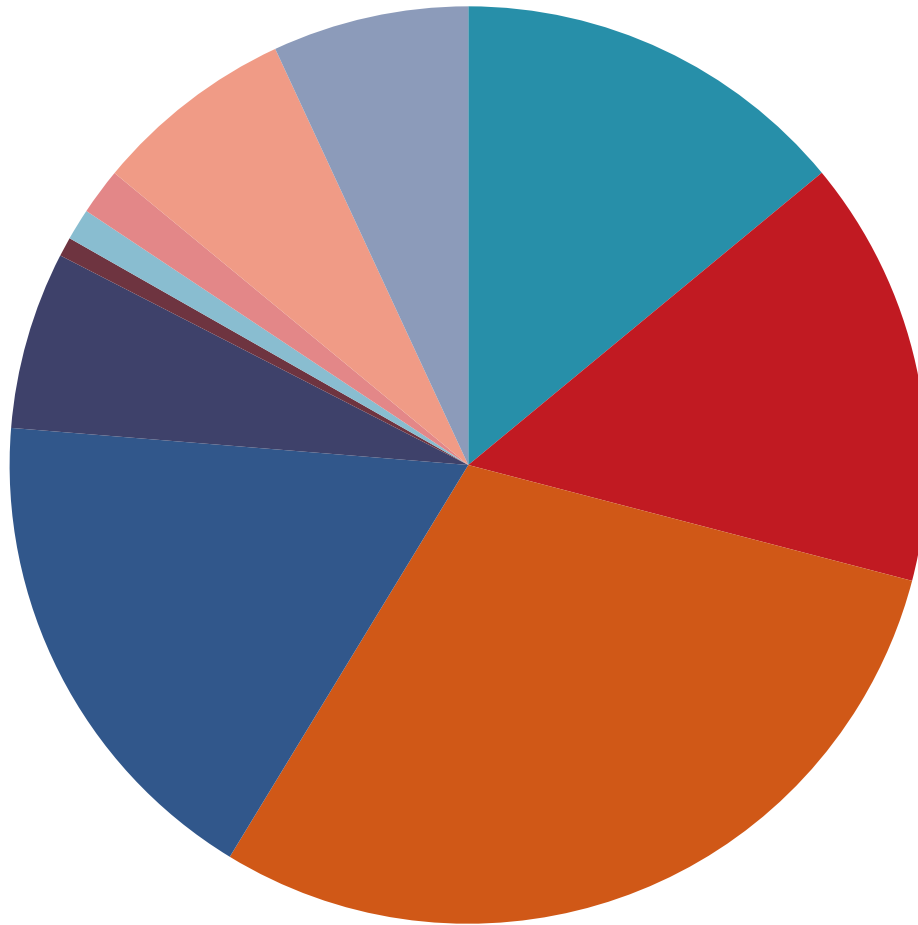
	2018 Budget	2018 Actual	2019 Budget
Tax levy & Grants in lieu of Taxes	14,711,597	14,710,146	15,394,628
Less: Requisitions – Schools	(6,416,174)	(6,416,174)	(6,593,207)
Net Municipal Tax	8,295,423	8,293,972	8,801,421
Taxes Added	135,000	219,199	150,000
Unconditional Grants	626,757	626,789	628,926
Conditional Grants	279,514	59,798	195,981
Federal Gas Tax Funding	315,666	330,697	649,034
Gimli Recreation Centre	681,659	542,300	609,445
Total Other Revenue	1,283,030	2,359,283	1,460,239
Transfers from Reserves			
Total Revenue	11,617,049	12,432,038	12,495,046

Expenditures

	2018 Budget	2018 Actuals	2019
General Government Services	1,642,524	1,494,232	1,848,667
Protective Services	918,467	890,260	918,110
Transportation Services	3,606,188	3,300,115	3,828,363
Environmental Health Services	783,679	760,460	809,876
Public Health and Welfare Services	89,908	90,360	87,773
Environmental Development Services	132,093	96,178	143,736
Economic Development Services	213,016	190,911	202,527
Recreation and Cultural Services	1,753,666	1,514,348	1,960,035
Fiscal Services	1,830,998	1,803,740	1,714,198
Transfers – Deferred Surplus –			
– Reserves –	560,666	1,568,815	894,035
Total Basic Expenditure	11,531,206	11,709,418	12,407,320
Allowance For Tax Assets –	85,843	–	87,726
Total Expenditures	11,617,049	11,709,418	12,495,046

Details on each department can be found on pages 4-6 of the Financial Plan

Expenditures



- General Government Services 14.01%
- Recreation and Cultural Services 15.06%
- Transportation Services 29.64%
- Fiscal Services 17.59%
- Environmental Health Services 6.26%
- Public Health and Welfare Services 0.68%
- Environmental Development Services 1.11%
- Economic Development Services 1.64%
- Protective Services 7.10%
- Reserves 6.91%

Municipal Mill Rates

	2018	2019	Change
General	12.571	13.279	+0.708
Reserves	.300	.294	-0.006
General Debt	1.428	1.399	-0.029
Urban Debt	.996	.980	-0.016
Rural Debt	.257	.252	-0.005
Total Urban Municipal	15.295	15.952	+0.657
Total Rural Municipal	14.556	15.224	+0.668

Additional Mill Rates apply to Properties within Local Improvements are subject to Local Improvement Levies

2019 Mill Rate Impact–Rural

What is the Impact of the 2019 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2018 Municipal Taxes in the Rural Area were \$1310.04

The 2019 Property Taxes will be \$1,370.16

An Increase of \$60.12 yearly \$5.01 per month



2019 Mill Rate Impact–Urban

What is the Impact of the 2019 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2018 Municipal Taxes in the Urban Area were \$1376.55

The 2019 Property Taxes will be \$1,435.68

An Increase of \$59.13 yearly \$4.93 per month



Where your Municipal Tax Dollars Go

– the calculations below are based on
\$100 of General Municipal Taxes Levied

	Dollars
General Government Services	15.12
Protective Services	7.51
Transportation Services	31.3
Environmental Health Services	10
Public Health and Welfare Services	0.7
Environmental Development Services	1.17
Economic Development Services	1.65
Recreation and Cultural Services	16.02
Fiscal Services	14.01
Reserves	2.52
TOTAL	\$100.00



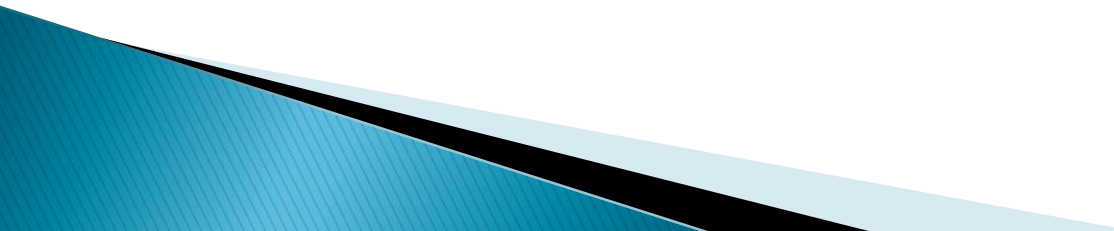
Setting Funds Aside for Future Use

Transfers to Reserves \$894,035

This years budget continues to fund reserves to enable the effective management of capital expenditures

General Reserve	\$ 90,000
Road Maintenance Reserve	\$ 50,000
Equipment Replacement Reserve	\$105,000
Federal Gas Tax	\$649,035

2018 Successes

- ▶ Outdoor Aquatic Centre opened July 2018
 - ▶ Watermain Renewal along 7th Avenue was completed
 - ▶ Purchased one service truck and two Front-End Loaders for Public Works Department
 - ▶ Purchased new washroom facility for the Arnes Landfill
 - ▶ Completed fencing for the Hazardous Waste Site
 - ▶ Beautification of 1st Avenue Walkway Park
 - ▶ Purchased new Security and Telephone Systems for the Recreation Centre
 - ▶ Upgrades to the Recreation Fitness Centre
 - ▶ Purchased new Accessible Wheelchairs for Gimli Beach and the Outdoor Aquatic Centre
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Planned Development & Purchase Priorities 2019

The 2019 Capital Budget includes the purchases and improvements of the following:

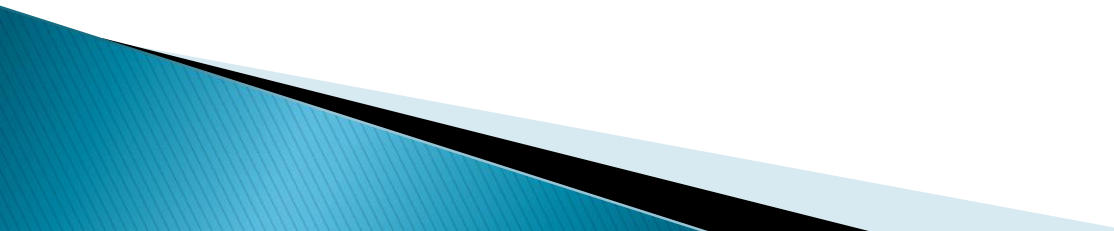
- ▶ Purchase Ripper & Thumb, Bradco, Service Truck, Tandem, Low Bed for the Public Works Department
- ▶ Viking Park Phase 2 & Waterfront Development
- ▶ Replacement of water meters in the Urban Centre
- ▶ Construction of a new Landfill cell at the Arnes Landfill
- ▶ Goldfield Drainage Project
- ▶ Regional Incentive for plan for Physician – 9 year plan
- ▶ Additional sidewalks within the RM
- ▶ Purchase of Weather Station for Gimli Airport
- ▶ Acquisition of property for future use
- ▶ Improvement to the Baseball Field
- ▶ Creation of a Municipal Dog Park
- ▶ Complete Pavillion kitchen upgrades
- ▶ Purchase an Electrical Car Charging Station
- ▶ Upgrades to the Gimli Recreation Centre
- ▶ Dependent on Grant funding Road Improvement Projects

- ▶ **Please refer to the 2019 Financial Plan– 2019 Capital Page for Sources of Funding – If projects are not completed the funds will not be taken from the Reserves.**

The Five Year Plan

PURPOSE	2020	2021	2022	2023	2024	Total
PROTECTIVE SERVICES						
– 3/4 Tonne 4 wd Fire Dept	100,000					100,000
– Fire Truck	500,000					500,000
– Phase 2 Gen set Project	55,000					55,000
PW EQUIPMENT PURCHASES						
– Service Trucks	30,000	30,000	30,000	30,000	30,000	150,000
– Dump Trucks	50,000					50,000
– Surveying Equipment	30,000					30,000
– Refuse Truck						
– Kabota Mower/Snow Blower	40,000					40,000
– Roadside Mower	25,000					25,000
– Grader	300,000					300,000
PW/MUNICIPAL BUILDINGS						
– PW Shop expansion				1,000,000		1,000,000
– Municipal Flooring		10,000				10,000
– PW Compound Expansion	150,000					150,000
LANDFILL						
– Landfill cell				175,000		175,000
PARKS & RECREATION						
– Rec Facility Portable Stage	50,000					50,000
– Picnic Shelter Sports Park	10,000					10,000
– Rec Facility Well	8,000					8,000
– Climbing Wall – Beach	25,000					25,000
– Paved Parking			300,000			300,000
– Computers & Software				30,000		30,000
– Sidewalks	50,000	50,000	50,000	50,000	50,000	250,000
– Viking Park Phase 2 & Waterfront Development	150,000					150,000
AIRPORT						
– Airport Resurfacing Ramp	200,000	200,000	200,000	200,000	200,000	1,000,000
DRAINAGE PROJECTS						
– Autumnwood Drainage	100,000					100,000
Road Improvement Projects	138,500	138,500	138,500	138,500	138,500	692,500
UTILITIES						
Water Renewal – Town Utility	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Regional Sewage Line		2,500,000	2,500,000			5,000,000
Sewer Extentions		400,000	400,000	400,000		1,200,000

MEETING THE 2019 CHALLENGE

- ▶ The 2019 Balanced Budget has attempted to manage taxation increases by effectively redistributing past budget allocations and providing more efficient use of operational funding, while funding reserves and managing our debt servicing requirements.
 - ▶ The commitment of Council remains in place to increase reserves and reduce the current dependency on debt to finance capital projects and purchases in the Municipality.
 - ▶ The Long Range Debt Management Program will be reflective of the need to utilize growth to recover a portion of the debt financing through Utility Rates, Capital Development Levies, Added Taxes, User Fees and a “Developer Pay” strategy.
 - ▶ The Goal is to Limit Borrowing for Infrastructure such as sewer, water and new roads.
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This concludes our the 2019 Financial Plan presentation.

Tonight's Presentation will appear on the RM of Gimli's website.

Thank you

We welcome your questions and comments

