

# 2022 FINANCIAL PLAN PRESENTATION



RURAL MUNICIPALITY OF GIMLI

# Welcome

Welcome to the 2022 Financial Plan Hearing.

This presentation will give a general overview of the 2022 Financial Plan.

There will be an opportunity for questions following the presentation. Or if you would like you are welcome to email your questions to the Municipal Office at [gimli@rmgimli.com](mailto:gimli@rmgimli.com)



# 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 2022 Challenges

- ▶ The main challenges in 2022 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 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 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.



# 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:

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

## 2021 to 2022 Mill Rates

Evergreen School Division's mill rate has decreased from 8.809 in 2021 to 8.713 for 2022

The Provincial Levy decreased from 10.979 to 10.855 a decrease of .124 of a mill

The Municipality's General Mill Rate has increased from 13.621 to 13.962 an increase of .341 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.
- ▶ The reference date for the next reassessment is being moved to support property owners impacted by COVID-19. For 2023 reassessment, the reference date will be April 1, 2021.



# Assessment Changes from 2021 to 2022

	2021	2022	Increase/ Decrease
Residential	368,908,110	376,445,710	7,537,600
Multi Res	7,726,830	7,726,830	0
Farm	16,335,470	16,352,710	17,240
Institutional	13,386,860	13,386,860	0
Pipeline	1,397,350	1,397,350	0
Railway	304,060	304,060	0
Commercial	88,476,070	88,641,320	165,250
Recreation	457,680	394,890	-62,790
Condo	37,348,860	37,876,450	527,590
Totals	<b>534,341,290</b>	<b>542,526,180</b>	<b>8,184,890</b>

# 2022 Assessment by Classification

Residential 69.39%

Multi Res 1.42%

Farm 3.01%

Institutional 2.47%

Pipeline 0.26%

Railway 0.06%

Other 16.34%

Recreation 0.07%

Condo 6.98%



# Revenues

		2021	2021	2022
		Budget	Actual	Budget
Tax Levy – Page 8		15,199,060	15,197,742	15,560,908
Grants in Lieu of Taxes – Page 8		253,559	253,559	246,394
Sub-total		15,452,619	15,451,301	15,807,302
	Requisitions (deduct) – Page 8			
		-6,565,756	-6,565,878	-6,558,417
Net Municipal Taxes and Grants in Lieu of Taxes		8,886,863	8,885,423	9,248,885
Other Revenue – Page 2		3,708,423	4,169,354	3,719,461
Transfer-Accumulated Surplus & Reserves – Page 2		3,948,245	1,920,567	3,102,454
Total Revenue		16,543,531	14,975,344	16,070,800

# Expenditures

	2021	2021	2022
	Budget	Actual	Budget
General Government Services	2,008,407	1,354,464	2,062,668
Protective Services	1,005,955	904,124	1,115,597
Transportation Services	4,068,543	3,885,499	4,717,229
Environmental Health Services	907,134	863,595	909,419
Public Health and Welfare Services	91,525	91,525	88,760
Environmental Development Services	161,431	129,114	150,841
Economic Development Services	253,076	156,058	273,020
Recreation and Cultural Services	1,760,996	1,173,182	1,760,270
Fiscal Services	5,288,938	3,431,878	4,351,511
<b>Transfers – Deferred Surplus – Page 9</b>			
– Reserves – Page 5	910,280	2,483,401	592,761
<b>Total Basic Expenditure</b>	<b>16,456,284</b>	<b>14,472,841</b>	<b>16,022,076</b>
<b>Allowance For Tax Assets – Page 8</b>	<b>87,246</b>	<b>-</b>	<b>48,724</b>
<b>Total Expenditure</b>	<b>16,543,531</b>	<b>14,472,841</b>	<b>16,070,800</b>
<b>Net Operating Surplus (Deficit)</b>	<b>0</b>	<b>502,503</b>	<b>0</b>



# Municipal Mill Rates

	2021	2022	Change
General	13.621	13.962	+0.341
Reserves	.291	.287	-0.004
General Debt	1.513	1.493	-0.020
Urban Debt	.598	.593	-0.005
Rural Debt	.031	.030	-0.001
Total Urban Municipal	16.023	16.335	+0.312
Total Rural Municipal	15.456	15.772	+0.316

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

# 2022 Mill Rate Impact–Rural

What is the Impact of the 2022 Budget on the Municipal Portion of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2021 Municipal Taxes in the Rural Area were \$1391.04

The 2022 Municipal Taxes will be \$1,419.48

An Increase of \$28.44 yearly.

The increase reflects the increase in the General Mill Rate & the maturity of a debenture



# 2022 Mill Rate Impact–Urban

What is the Impact of the 2022 Budget on the Municipal Portion of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2021 Municipal Taxes in the Urban Area were \$1,442.07

The 2022 Property Taxes will be \$1,470.15

An Increase of \$28.08 yearly. The increase reflects the increase in the General Mill Rate & the maturity of a debenture

# Where your Municipal Tax Dollars Go

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

	Dollars
General Government Services	12.87
Protective Services	6.96
Transportation Services	29.44
Environmental Health Services	5.68
Public Health and Welfare Services	0.55
Environmental Development Services	0.94
Economic Development Services	1.70
Recreation and Cultural Services	10.99
Fiscal Services	27.17
Reserves	3.70
<b>TOTAL</b>	<b>\$100.00</b>



# Setting Funds Aside for Future Use

## Transfers to Reserves \$592,761

*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	\$347,761

# 2021 Successes

Airport Main Ramp & Parking	37,350.00
Municipal building Windows and Boiler	232,670.67
Glen Bay Drainage	59,708.00
Goldfield Drainage Outfall Pipe	531,570.96
Dog Park	23,417.81
Electric Car Charging Station	20,389.04
New Horizon Water Hook Up	3,310.75
Generator Installation	71,646.40
Corona Road Improvement	10,811.00
Property Acquisition	381,910.93
Roadside Mowers	86,816.40
Sidewalk Machine	158,771.91
Rotary Brush	25,000.00
HE Truck Scanner	14,863.18
Fuel System Upgrade Public Works	13,669.84
Beach Cleaner	65,541.78



# 2021 Successes Continued

Tractor	15,000.00
Zoom Lift	30,000.00
Art Club Lighting Upgrades	6,385.90
Half Tonne	18,497.09
Multisport Park – Landmark Planning	5,447.50
Water Front Conceptual Plan Ongoing	300.00
Autumnwood Shop Roof	11,872.58
Building 19 Lean To Roof	6,406.37
Centre Ave West Sidewalk	60,801.66
Ball Diamonds	24,764.92
Active Trail	3,626.98
Snow Gate	4,000.00
Water Meter Installation	4,487.31
Mercury Drive Paving	195,424.25
Corona Crescent Paving	234,956.76

# Planned Development & Purchase Priorities 2022

The 2022 planned development projects and purchases are identified on the Capital Budget sheet in the 2022 Financial Plan.

\*If projects are not completed or purchases not made the funds will not be taken from the Reserves.



# MEETING THE 2022 CHALLENGE

- ▶ The 2022 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.

This concludes the 2022 Financial Plan  
presentation.

Thank you

*We welcome your questions and comments*