

# 2021 FINANCIAL PLAN PRESENTATION



RURAL MUNICIPALITY OF GIMLI

# Welcome

Welcome to the 2021 Financial Plan Hearing.

This presentation will give a general overview of the 2021 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 2021 Challenges

- ▶ Despite the impacts of COVID 19 the 2021 Financial Plan will continue to reflect Council's ongoing directive to make every effort to manage existing debt servicing and minimize taxation impacts; by balancing the requirements in service delivery for our residents, visitors and businesses.
- ▶ 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:

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

## 2020 to 2021 Mill Rates

Evergreen School Division's mill rate has decreased from 8.828 in 2020 to 8.809 for 2021

The Provincial Levy decreased from 11.137 to 10.979 a decrease of .158 of a mill

The Municipality's General Mill Rate has increased from 13.216 to 13.621 an increase of .405 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 is the province wide reassessment year.
- ▶ The 2020/2021 Assessments are based on the 2018 market values.

# Assessment Changes from 2020 to 2021

	2020	2021	Increase/ Decrease
Residential	361,243,190	368,908,110	7,664,920
Multi Res	7,726,830	7,726,830	0
Farm	16,275,310	16,335,470	60,160
Institutional	13,584,460	13,386,860	-197,600
Pipeline	1,397,350	1,397,350	0
Railway	304,060	304,060	0
Commercial	88,264,310	88,476,070	211,760
Recreation	457,680	457,680	0
Condo	36,745,190	37,348,860	603,670
<b>Totals</b>	<b>525,998,380</b>	<b>534,341,290</b>	<b>8,342,910</b>

# 2020 Assessment by Classification

Residential 69.04%

Multi Res 1.45%

Farm 3.06%

Institutional 2.51%

Pipeline 0.26%

Railway 0.06%

Other 16.56%

Recreation 0.09%

Condo 6.99%



# Revenues

		2020	2020	2021
		Budget	Actual	Budget
Tax Levy – Page 8		14,876,102	14,874,635	15,199,060
Grants in Lieu of Taxes – Page 8		251,476	251,476	253,559
Sub-total		15,127,579	15,126,112	15,452,619
	Requisitions (deduct) – Page 8			
		-6,550,737	-6,551,408	-6,565,756
Net Municipal Taxes and Grants in Lieu of Taxes		8,576,842	8,574,703	8,886,863
Other Revenue – Page 2		3,577,480	3,749,234	3,708,423
Transfer-Accumulated Surplus & Reserves – Page 2		3,526,985	0	3,948,245
Total Revenue		15,681,306	12,323,987	16,543,531

# Expenditures

	2020	2020	2021
	Budget	Actual	Budget
General Government Services	1,924,809	1,774,741	2,008,407
Protective Services	935,360	909,145	1,005,955
Transportation Services	4,163,668	2,862,052	4,068,543
Environmental Health Services	882,021	834,779	907,134
Public Health and Welfare Services	91,673	91,673	91,525
Environmental Development Services	139,552	113,399	161,431
Economic Development Services	198,856	139,914	253,076
Recreation and Cultural Services	1,666,565	1,355,411	1,760,996
Fiscal Services	5,015,008	3,327,354	5,288,938
<b>Transfers – Deferred Surplus – Page 9</b>			
– Reserves – Page 5	577,640	342,544	910,280
<b>Total Basic Expenditure</b>	<b>15,595,152</b>	<b>11,751,013</b>	<b>16,456,284</b>
<b>Allowance For Tax Assets – Page 8</b>	<b>86,155</b>	<b>-</b>	<b>87,246</b>
<b>Total Expenditure</b>	<b>15,681,306</b>	<b>11,751,013</b>	<b>16,543,531</b>
<b>Net Operating Surplus (Deficit)</b>	<b>0</b>	<b>572,924</b>	<b>0</b>

# Municipal Mill Rates

	2020	2021	Change
General	13.216	13.621	+0.405
Reserves	.295	.291	-0.004
General Debt	1.401	1.513	+0.112
Urban Debt	.602	.598	-0.004
Rural Debt	.204	.031	-0.173
Total Urban Municipal	15.514	16.023	+0.509
Total Rural Municipal	15.116	15.456	+0.340

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

# 2021 Mill Rate Impact–Rural

What is the Impact of the 2021 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2020 Municipal Taxes in the Rural Area were \$1360.44

The 2021 Municipal Taxes will be \$1,391.04

**An Increase of \$30.60 yearly.**

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

# 2021 Mill Rate Impact–Urban

What is the Impact of the 2021 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2020 Municipal Taxes in the Urban Area were \$1,396.26

The 2021 Property Taxes will be \$1,442.07

**An Increase of \$45.81 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	12.21
Protective Services	6.11
Transportation Services	24.73
Environmental Health Services	5.51
Public Health and Welfare Services	0.55
Environmental Development Services	0.98
Economic Development Services	1.53
Recreation and Cultural Services	10.70
Fiscal Services	32.15
Reserves	5.53
<b>TOTAL</b>	<b>\$100.00</b>



# Setting Funds Aside for Future Use

## Transfers to Reserves

**\$910,280**

*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	\$665,280

# 2020 Successes

Fire Department Radios	15,836.00
Security Camera Upgrade – Rec Centre	18,933.68
Rec Centre Washroom Upgrades	15,511.10
Exterior Rec Centre Painting	8,735.00
Municipal Office Building Retrofits Bolier Upgrade In Progress	118,303.02
Goldfield Drainage In Progress	4,718.90
Autumnwood Drainage In Progress	20,375.00
Utility Freezing Unit	4,841.75
Service Truck	24,075.00
Snow Bucket	17,114.65
Grader	318,175.20
Sterling & Trailer	59,275.00
Flat Deck	8,000.00
Trench Box	6,687.50
Ballfield Resurface/Infield Mix	17,477.56
Solvin Road Sidewalk	268,707.27

# 2020 Successes Continued

Electric Car Charging Station Power Hookup	30,421.51
Mb Housing Sewer Hookup	44,896.00
Speed Counter	3,584.50
Emergency Power Standby Generator	2,990.00
Aurora Way Restoration	57,460.00
Pelican Beach Road Base	610,155.77
Water Line Renewal portion of 1st Avenue	148,386.47
Doctor Retention Incentive	37,000.00
2nd Installment Viking Park Phase 2	150,000.00

# **Planned Development & Purchase Priorities 2021**

**The 2021 planned development projects and purchases are identified on the Capital Budget sheet in the 2021 Financial Plan.**

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

# MEETING THE 2021 CHALLENGE

- ▶ The 2021 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 2021 Financial Plan presentation.

Thank you

*We welcome your questions and comments*