

2018 FINANCIAL PLAN PRESENTATION



RURAL MUNICIPALITY OF GIMLI

Welcome

Welcome to the 2018 Financial Plan Hearing.

We thank you for attending.

This presentation will give a general overview of the 2018 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 next 1 to 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 2018 Challenges

- ▶ The main challenges in 2018 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.

Revenues

	2017 Budget	2017 Actual	2018 Budget
Tax levy & Grants in lieu of Taxes	14,318,437	14,314,917	14,711,597
Less: Requisitions – Schools	(6,243,456)	(6,243,456)	(6,416,174)
Net Municipal Tax	8,074,981	8,071,462	8,295,423
Taxes Added	102,000	297,612	135,000
Unconditional Grants	598,500	627,457	626,757
Conditional Grants	443,741	379,949	279,514
Federal Gas Tax Funding	315,666	319,500	315,666
Gimli Recreation Centre	618,927	512,069	681,659
Total Other Revenue	1,259,375	1,650,562	1,283,030
Transfers from Reserves	220,000	203,548	
Total Revenue	11,633,190	12,062,159	11,617,049

Expenditures

	2017 Budget	2017 Actuals	2018
General Government Services	1,611,781	1,437,735	1,642,524
Protective Services	874,504	929,474	918,467
Transportation Services	3,620,169	3,034,035	3,606,188
Environmental Health Services	706,173	611,769	783,679
Public Health and Welfare Services	87,211	87,111	89,908
Environmental Development Services	108,882	99,345	132,093
Economic Development Services	238,775	172,073	213,016
Recreation and Cultural Services	1,632,495	1,243,842	1,753,666
Fiscal Services	2,109,435	4,359,186	1,830,998
Transfers – Deferred Surplus – – Reserves –	560,666	(177,280)	560,666
Total Basic Expenditure	11,550,090	11,797,290	11,531,206
Allowance For Tax Assets –	83,102		85,843
Total Expenditures	11,633,192	11,797,290	11,617,049

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

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:

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

2017 to 2018 Mill Rates

Evergreen School Division's mill rate has decreased from 10.500 to 9.770 a decrease of .730 of a mill

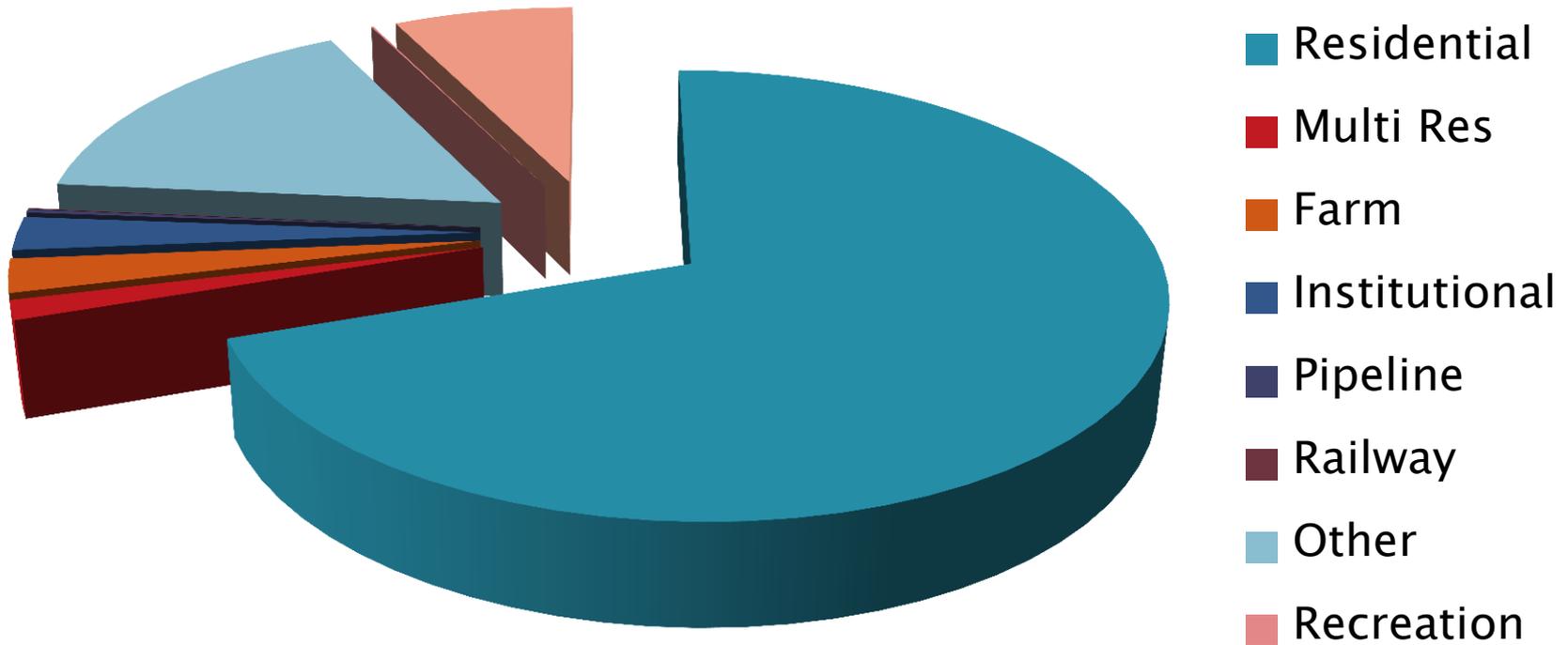
The Provincial Levy increased from 10.944 to 10.984 an increase of .040 of a mill

The Municipality's General Mill Rate has increased from 12.566 to 12.571 an increase of .005 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.
 - ▶ 2018 is a province wide reassessment year.
 - ▶ The 2018 Assessments are based on the 2016 market values.
- 

2018 Assessment by Classification



Assessment Changes from 2017 to 2018

	2017	2018	Increase/ Decrease	Percentage of Growth Total
Residential	348,800,550	360,941,260	12,140,710	66.921%
Multi Res	5,219,550	7,394,170	2,174,620	11.987%
Farm	11,991,740	12,855,940	864,200	4.764%
Institutional	12,500,910	12,827,840	326,930	1.802%
Pipeline	1,295,800	1,282,200	-13,600	
Railway	281,540	294,960	13,420	0.074%
Commercial	80,789,800	83,411,900	2,622,100	14.453%
Recreation	560,630	460,490	-100,140	
Condo	38,308,590	37,818,400	-490,190	
Totals	499,749,110	517,287,160	17,538,050	100%

Municipal Mill Rates

	2017	2018	Change
General	12.566	12.571	0.005
Reserves	.311	.300	-0.011
General Debt	1.476	1.428	-0.048
Urban Debt	1.018	.996	-0.022
Rural Debt	.267	.257	-0.01
Total Urban Municipal	15.371	15.295	-0.076
Total Rural Municipal	14.620	14.556	-0.064

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

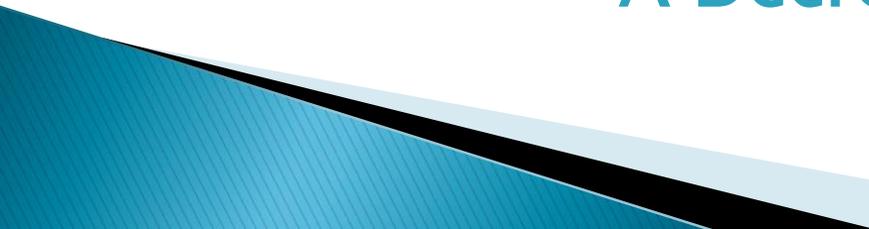
2018 Mill Rate Impact–Rural

What is the Impact of the 2018 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2017 Municipal Taxes in the Rural Area were \$1315.80

The 2018 Property Taxes will be \$1310.04

A Decrease of \$5.76



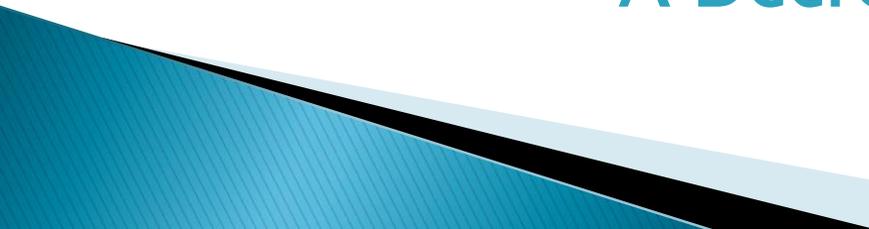
2018 Mill Rate Impact–Urban

What is the Impact of the 2018 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2017 Municipal Taxes in the Urban Area were \$1383.39

The 2018 Property Taxes will be \$1376.55

A Decrease of \$6.84



Setting Funds Aside for Future Use

Transfers to Reserves

\$560,666

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	\$315,666

2017 Successes

- ▶ Fenced in the Arnes Waste Disposal site & Purchased a Landfill Packer
- ▶ Purchased Road Re Claimer for the Public Works Department
- ▶ Completed Drainage – Viking Park
- ▶ Completed Road works on the 2016 & 2017 listed in the 2016 & 2017 Road Improvement Plans
- ▶ Purchased the property adjacent to the Gimli Fire Hall for future development of our existing Fire Hall
- ▶ Constructed the Public Washroom at the South end of the Gimli Beach
- ▶ Completed the majority of the Outdoor Aquatic Centre
- ▶ Completed the Municipal Building Heating & Ventilation Upgrades
- ▶ Purchased Play Ground Equipment and improved beautification in the Urban area
- ▶ Completed the upgrades to Rec Centre Canteen
- ▶ Purchased Fire Department Breathing Apparatus Equipment

Planned Development & Purchase Priorities 2018

The 2018 Capital Budget includes the purchases and improvements of the following:

- ▶ Purchase Ripper & Thumb, Bradco, Loader, Service Truck, Highway Tractor, Tandem, Low Bed for the Public Works Department
 - ▶ Fencing the Hazzard Waste Site and the 2nd Ave Public Parking Lot
 - ▶ Construction of a new Landfill cell at the Arnes Landfill
 - ▶ Drainage for Autumnwood Drive
 - ▶ Beautification in the Urban Center – 1st Ave Walkway Park
 - ▶ Construct a walking track in the Vesturland Park
 - ▶ Complete final work on the Outdoor Aquatic Centre
 - ▶ Acquisition of property for future use
 - ▶ Increase accessibility on the Gimli Beach
 - ▶ Improve the current Baseball Field
 - ▶ Complete Pavillion upgrades
 - ▶ Upgrades to the Gimli Recreation Centre
 - ▶ Purchase and install playground equipment for public park in Sandy Hook
 - ▶ Dependent on Grant funding Road Improvement Projects
- ▶ **Please refer to the 2018 Financial Plan– 2018 Capital Page for Sources of Funding**

The Five Year Plan

	2019	2020	2021	2022	2023
- Fire Truck			500000		
- Loaders		210000			
- Service Trucks	30000	30000	30000		30000
- Dump Trucks					
- Surveying Equipment	30000				
- Kabota Mower/Snow Blower		35000			
- Grader	300000				
- PW Shop expansion				1000000	
- Municipal Flooring	10000				
- PW Compound Expansion		30000			
- landfill cell		130000			150000
- Rec Facility Portable Stage	50000				
- Rec Facility Software	10000				
- Rec Facility Well					
-Climbing Wall - Beach	25000				
Computers & Software			25500		
Sidewalks	50000	50000	50000	50000	
Airport Weather Station	35000				
UTILITIES					
Water Renewal - Town Utility	2000000	2000000			
Regional Sewage Line					
Sewer Extentions	400000	400000			
Goldfield Drainage Lift Staton	800000				

MEETING THE 2018 CHALLENGE

- ▶ The 2018 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 our the 2018 Financial Plan presentation.

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

Thank you

We welcome your questions and comments