



2020 Financial Plan



Presentation Outline

- Budget Highlights
- Mill Rate Comparison
- Tax Result Comparison



Budget - Highlights

- Section 164(3) of the Municipal Act states that the financial plan must include a balanced budget
- Due to COVID 19, Municipalities must still meet this requirement
- Revenue shortfalls have been address through expense reductions



Budget Highlights

- Net residential property mill rate increase is 10.9% and Commercial increase 6.9%
 - City of Thompson Mill tax requirement increased by 2.22% (\$235,772) from 2019 from \$10,826,010 to \$11,061,782
 - Provincial ESL tax requirement reduced by 7.8% (\$100,870), and SDML increased their tax requirement by 3.7% (\$321,920)
- Special levy increased by \$5.40 from \$69.15 to \$74.55

* 2019 Inflation rate was 2.5%



Budget Highlights

| | 2020 Tax Requirement | 2019 Tax Requirement | Difference | % Change |
|-----------------------------------|----------------------|----------------------|------------|----------|
| Provincial Education Support Levy | 1,191,994 | 1,292,864 | -100,870 | -7.8% |
| SDML Levy | 8,982,294 | 8,660,374 | 321,920 | 3.7% |
| City of Thompson Levy | 11,061,782 | 10,826,010 | 235,772 | 2.2% |



Budget Highlights

- 2020 is a reassessment year
- Total assessments reduced from \$477,358,360 in 2019 to \$443,291,170

| Property Class | Net Increase/ Decrease |
|-------------------------------|------------------------|
| Residential 1 | -12.86% |
| Residential 2 | -1.69% |
| Institutional | -0.09% |
| Other Property (Commercial) | 2.00% |
| Residential Condos and Co-Ops | 5.64% |
| Grant In Lieu | 1.98% |
| Personal Property | 7.24% |



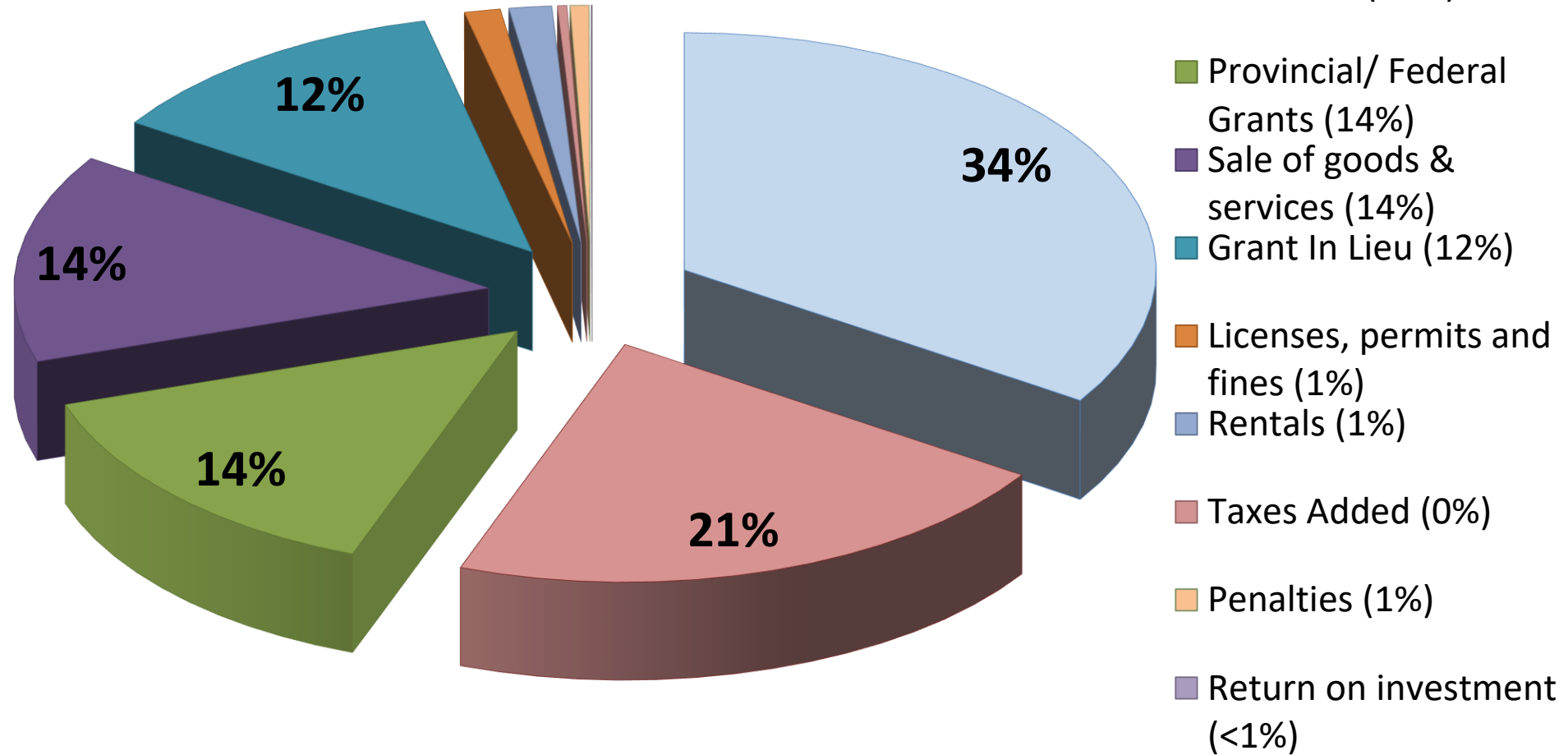
Revenues - Highlights

- Fees & Fines increased by 2.0%, consistent with the 2019 tax increase
- Provincial grants will not increase for 2020 (frozen at 2016 levels) .



City of Thompson Revenues

Total Revenue- \$32,224,638



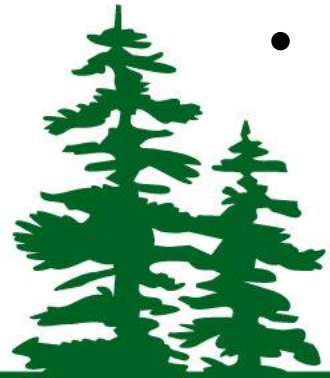
Transfers (21%)

- Accounts for the transfers from the reserves:
 - To fund capital projects (subject to parameters set by Council)

| | | |
|------------------------|-------------------|-----------------------|
| Gas Tax Reserve | Equipment Reserve | Public Safety Reserve |
| Infrastructure Reserve | Building Reserve | |

- Election
- Affordable housing initiatives
- Landfill Reserves
- Accommodation tax (\$500K)**

** Impacted by COVID



Provincial/ Federal Grants (14% of Revenues)

| Operating | | Capital | |
|-------------------|--------------------|---------------------------|------------------|
| Basket Funding * | 2,669,041 | Gas Tax* | 736,104 |
| Firefighter Grant | 328,600 | Additional Basket Funding | 246,000 |
| MLLC CSO Grant | 30,000 | Total capital | <u>\$982,104</u> |
| Cultural Grant | 9,200 | | |
| Ambulance Grant | 198,749 | | |
| Total Operating | <u>\$3,385,590</u> | | |

* Amounts based on census numbers



Sales of Goods and Services (12%)

- Includes:
 - Ambulance Revenue (\$2.4M)**
 - Garbage Pick-up, Landfill fees (\$943K)**
 - Custom Work, Transit (\$201K)**
 - Recreation revenues (\$594K- TRCC including arenas, Fitness Area and outside rentals)**

** Impacted by COVID



Licenses, Permits and Fines (1%)

Includes:

- ~\$45,000 in business licenses (approximately 250 licenses annually)
- ~\$12,500 in animal licenses
- ~\$225,000 in building inspections (including plumbing, etc.)**
- ~\$125,000 in by-law and traffic fines**
- Other small licenses and taxi transfers are included here

** Impacted by COVID



Rentals (1%)

Rentals mainly includes RCMP rentals

- 25 year lease agreement
- Receive rental revenue from the Rural RCMP for their proportionate share of the public safety building costs
- Includes an additional amount for 2019 for the provincial prisoners in the Public Safety Building

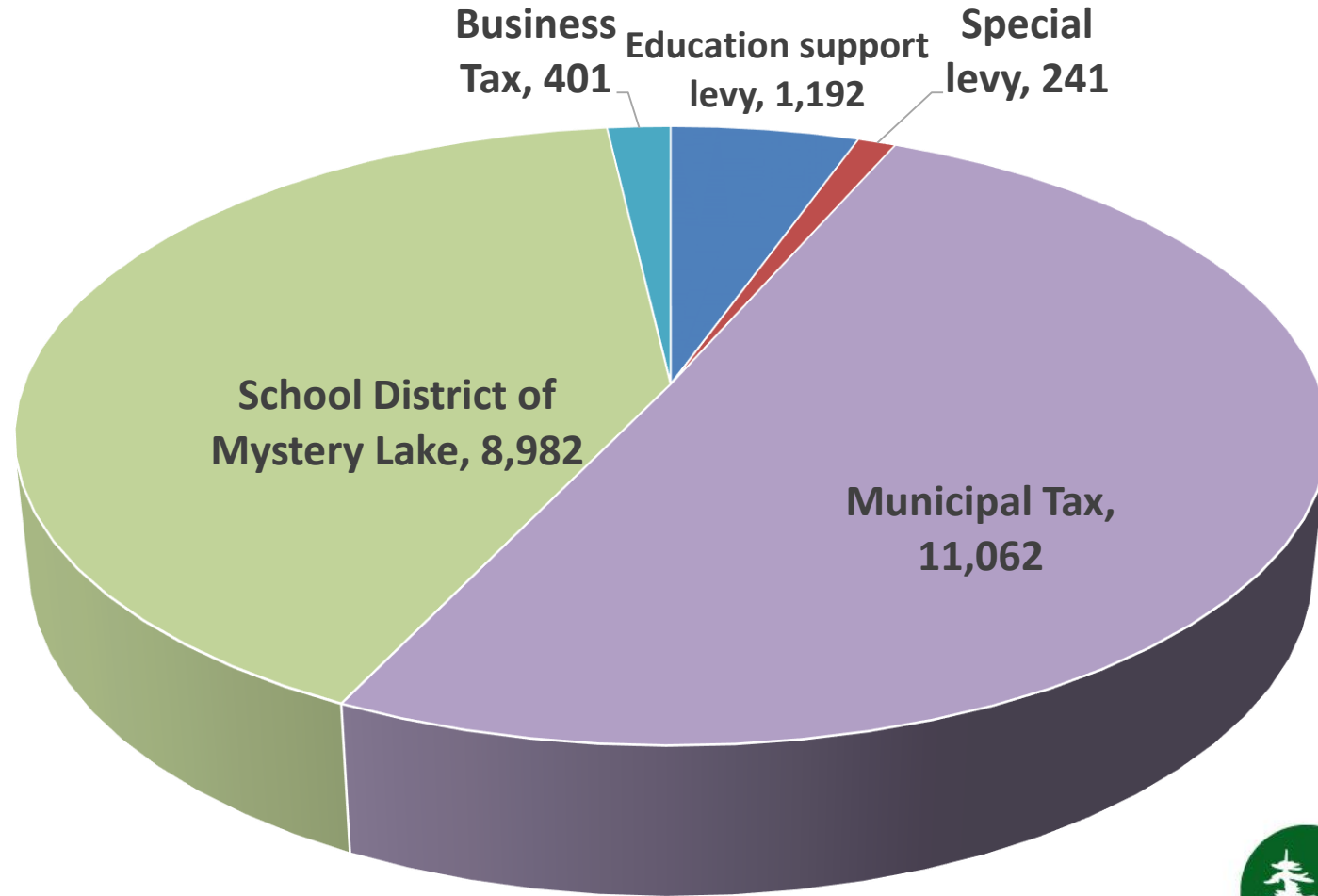


Taxes Added and Penalties

- Taxes added (\$100,000)
 - Results from changes in assessments during the year (buildings completed or updated, etc.)
- Penalties (\$203,000)
 - Monthly amount of 1.25% on outstanding taxes



2020 Property Taxes- Thousands



Accommodation Tax

- The City budgets \$500,000 annually in revenue from the Hotel Accommodation Tax.
 - Due to COVID 19, the 2020 expected to be much lower than prior years
 - Council reviewed the distribution, and have prioritized spending for 2020 based on the reduced revenue expected

** Impacted by COVID



Accommodation Tax

- The Hotel Accommodation Tax By-Law has been amended to allow Council to decide through resolution where the annual funding will be allocated between the following reserves:
 - Infrastructure Reserve (2020 80%)
 - Public Safety Reserve (2020 20%)



Accommodation Tax- Projects Funded

| Infrastructure Reserve | Public Safety Reserve | Affordable Housing Reserve | Economic Development/ Tourism |
|--|---|---|---|
| 2020 | | | |
| Cell Painting, Heater for PW Mechanical Bay, RCMP Roof, Asbestos and Mold Removal, Audible Pedestrian Crossing, Dehumidifier for GB, Asset Management Software, Playground replacement | Fire and EMS Radio Replacement, Fire Hall Ventilation System Layout | Homeless Shelter, | Tourism Strategy, Heritage North Museum |
| 2019 | | | |
| Replacement of Heating System- CH, Small Capital, Splash Pad, Library heating | Fire Hall Heaters, Emergency Operations Center | Homeless Shelter, Thompson Housing Agency | |



Expenses- Highlights

- Status quo budget- only contractual increases included (RCMP contract, hydro, caretaking, CBA increases, etc.)
- In addition to expense reduction initiatives from 2018 and 2019 additional reductions have been implemented for 2020
- Total expense reduction for 2020 **\$636,723**, the total for 2018 to 2020 is \$1,927,705



2020 Expenses Reduction

- Amalgamation of positions
- Transfer of labour position to meet landfill requirements
- Reduction of spending in Communications, CSO's, facility attendants
- Additional fees for fire re-inspections and airport response



2019 Expenses Reduction

- Position reduction (vacant positions)
 - Project Specialist
 - Public Safety Manager
 - RCMP Clerk
 - Labourer
- Reduction of 1/3 of remaining PW seasonal hours and all of remaining Recreation Seasonal workers



2019 Expenses Reduction

- Elimination of holiday gifts
- Elimination of Downtown improvement budget
- Reduction of City Clothing budget
- Reduction of professional fees
- Recreation reductions- MB Games Budget, Nickel Days, Festive Decorations, 2 special events, Concerts in the park, arts program, Outdoor skating rink hours, millennium trail
- Reduce development legal fees, economic development expenses and engineering services



2018 Expenses Reductions

- Reduction of seasonal and summer students by 50%
- Reduction in controlled entity funding
- Elimination of the summer day camps at the TRCC
- Reduction of hours at TRCC front desk
- Reduction in waiving of fees
- Eliminate 1 outdoor area attendant
- Reduction of admin training
- Eliminate all meals at meetings
- Reduce taxes to landfill

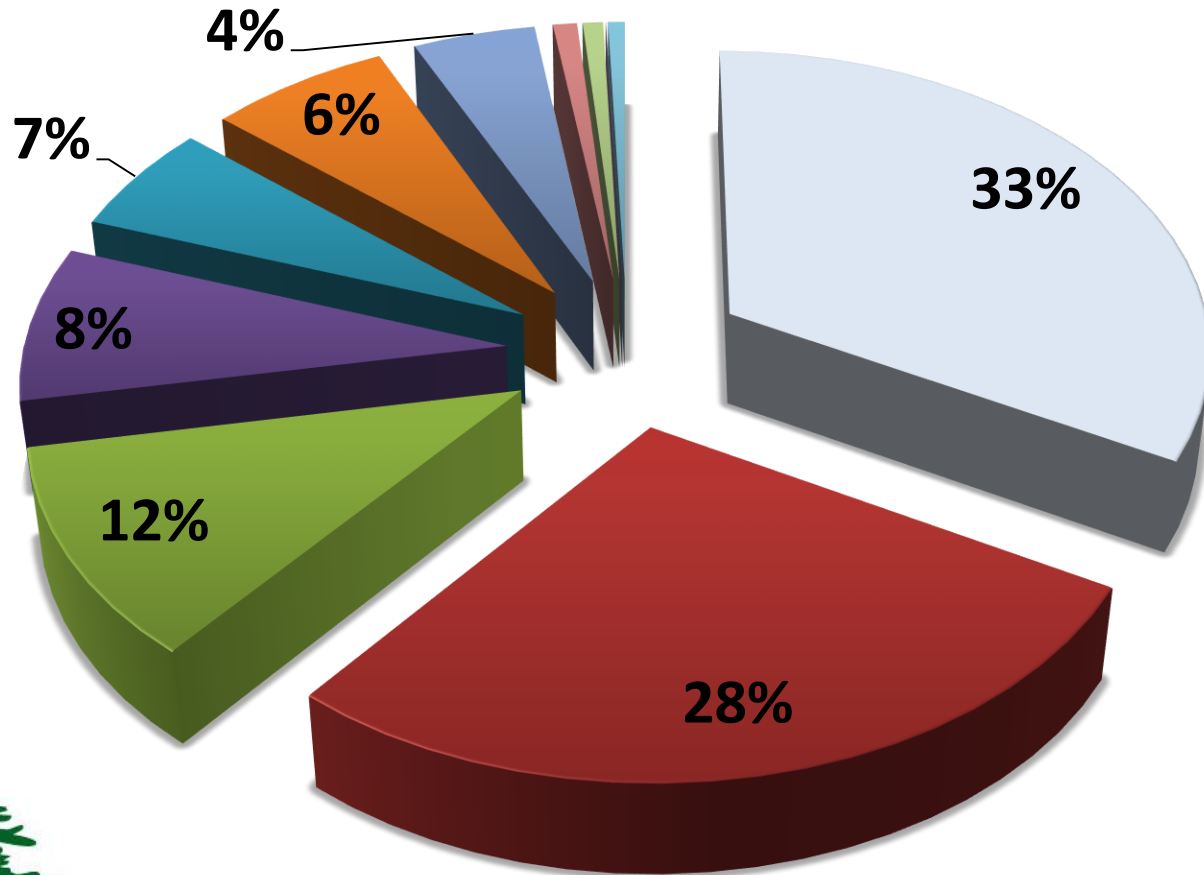


2020 COVID Impacts

- Reduction of revenues in recreation, ambulance, landfill, transit, by-law infractions and building fees
- To offset these revenue losses, the following cost savings have been implemented
 - »Transit has been suspended until School resumes
 - »TRCC staff have been reassigned to other vacant positions until at least August 15th
 - »Vacant Director of PS not being filled for 2020
 - »Recreation special events have been suspended for 2020



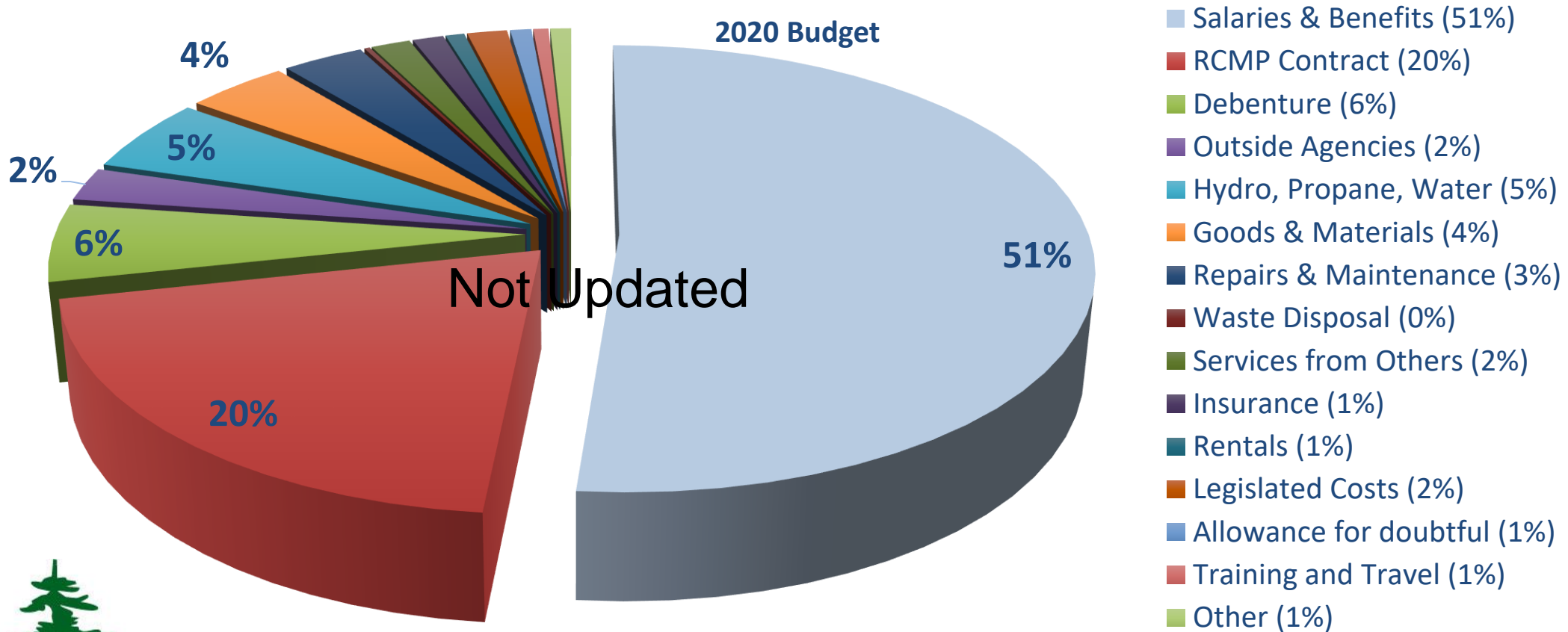
City of Thompson 2020 Expenses



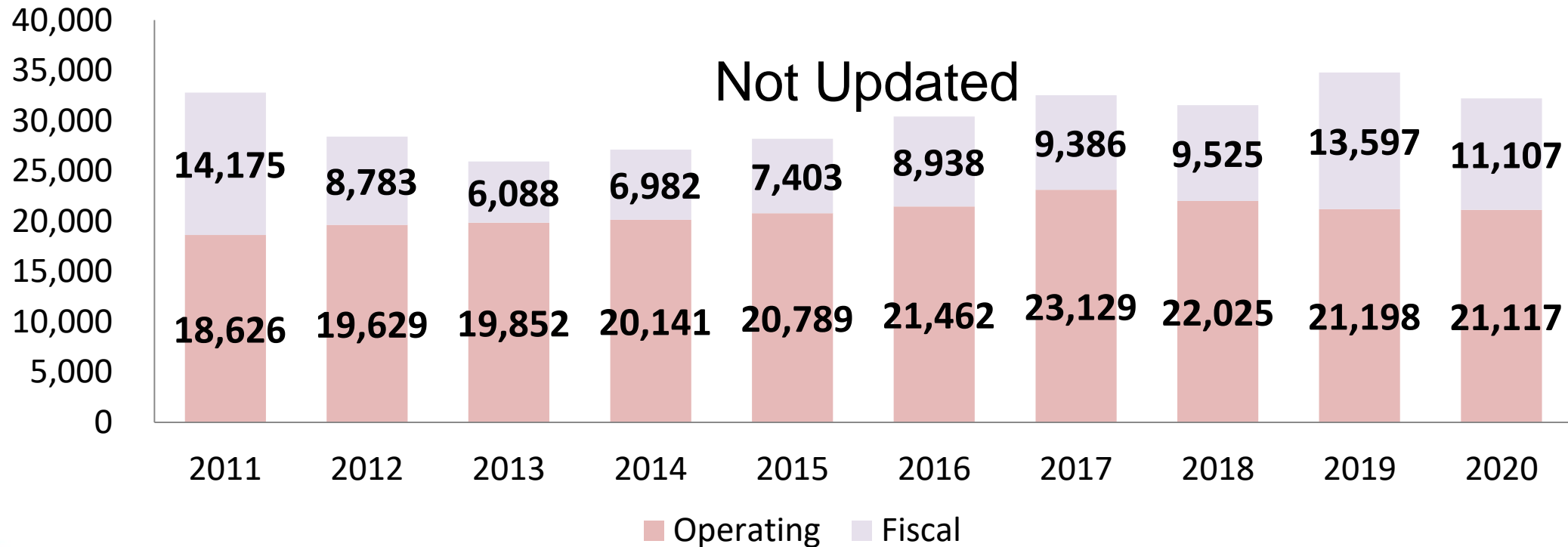
- Protective Services (33%)
- Fiscal Services (28%)
- Transportation Services (12%)
- Recreation and Culture Services (8%)
- Transfer from Reserves (6%)
- General Government (7%)
- Environmental Health Services (5%)
- Economic Development Services (1%)
- Public Health and Welfare Services (1%)
- Environmental Development Services (<1%)

Total Expense \$32,224,638

2020 Budget Costs by Category



Year-Over-Year Summary- Thousands



*2019 fiscal includes WWTP transfer (\$3.478M) to reduce debenture



Debentures

- The City has an available borrowing limit of \$33.4M
- The new Waste Water Treatment Plant requires debenture room of \$12.167M
- The new aquatic facility requires debenture room of \$5.4M
- Principal of \$6,166,048 outstanding on existing debentures (excluding utility debentures)
- Total payment of \$1,285,024 included in the 2020 budget
 - \$979,973 principal
 - \$305,051 interest



Debentures

| | Original Balance | Principal Remaining | Annual Payment | Interest rate | Completed in |
|------------------------|------------------|---------------------|------------------|---------------|--------------|
| Rescue Pumper | 472,038 | 109,767 | 58,198 | 4.0% | 2021 |
| UCN Drive | 385,000 | 122,825 | 44,155 | 3.9% | 2022 |
| GB Parking Lot | 160,000 | 52,604 | 20,000 | 6.9% | 2023 |
| TRCC | 10,915,000 | 4,878,271 | 1,013,210 | 5.5% | 2027 |
| Recreation Projects | 660,000 | 375,178 | 59,765 | 4.0% | 2027 |
| UCN Drive& Burntwd Sth | 990,000 | 627,403 | 89,697 | 4.0% | 2028 |
| | | | | | |
| Total Operating | | 6,166,048 | 1,285,024 | | |

Controlled Entities

- Council directive to controlled entities to utilize surpluses where appropriate.
- Year 7 of the Debt reduction strategy being implemented
 - Thompson Recycle Center \$74,078 annually for 15 years
 - Thompson Zoological Society \$19,214 annually for 10 years



Controlled Entities

| | 2020 | 2019 |
|-----------------------------|-----------|-----------|
| Thompson Housing Agency** | \$0 | \$50,000 |
| Thompson Public Library ** | \$235,000 | \$237,500 |
| Thompson Zoological Society | \$12,000 | \$30,000 |
| Thompson Recycling Center | \$200,000 | \$200,000 |

** Impacted by COVID



Community Groups

- The 2019 Plan includes the following contributions to community groups:

| | 2020 | 2019 |
|--------------------------|----------|----------|
| Museum** | \$60,000 | \$61,500 |
| Homeless Shelter | \$20,000 | \$20,000 |
| Curling Club (Insurance) | \$9,000 | \$9,000 |
| Humane Society* | \$31,126 | \$31,126 |

* Fee for service

** Impacted by COVID

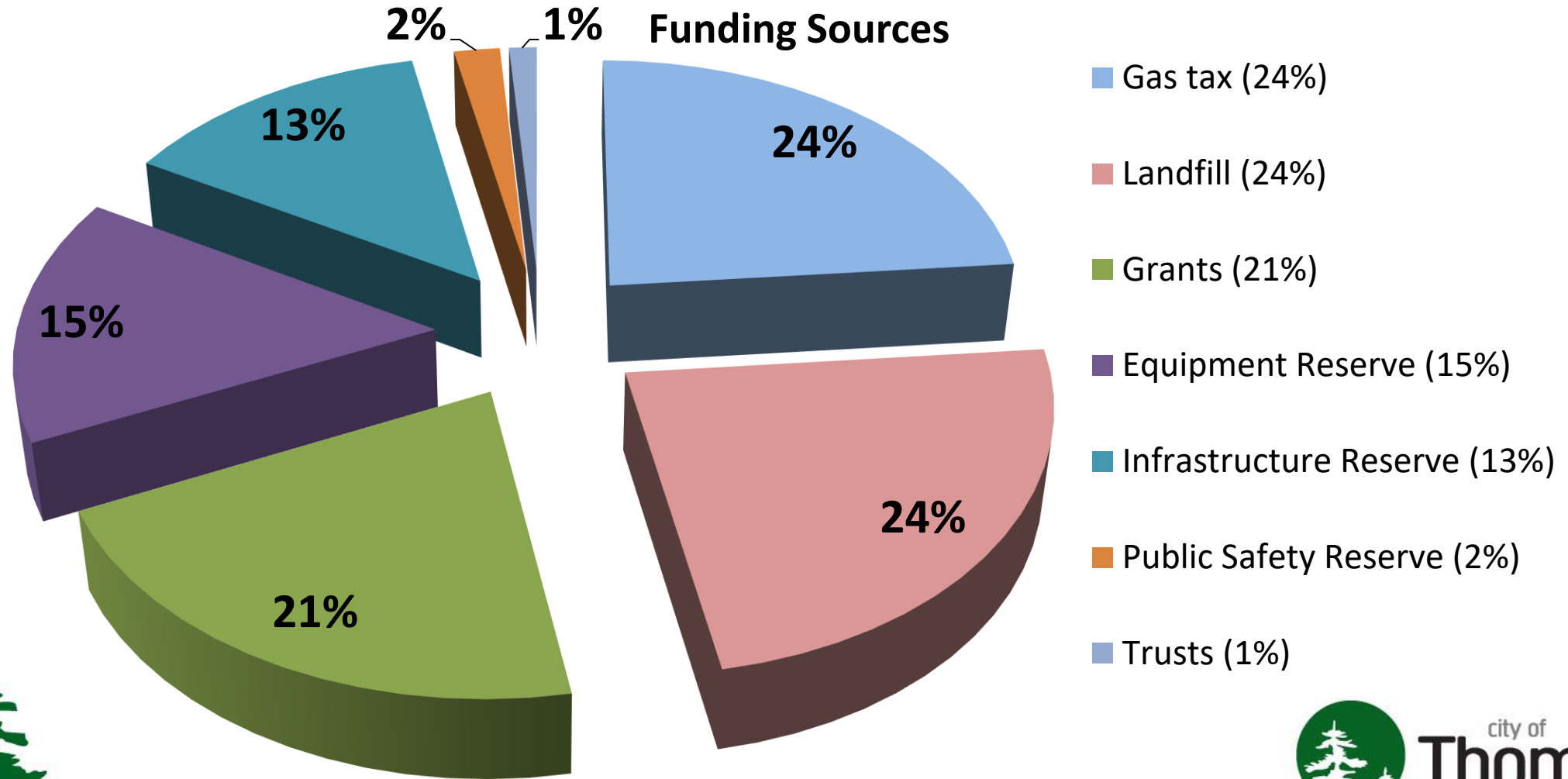


Capital Funding

- Zero property tax dollars have been required for the purchase of capital for the seventh consecutive year



Sources of Capital Funding



Capital Projects

| Capital Project | Value | Funding Source |
|-------------------------------------|-------------|--|
| Compactor For Landfill | \$1,300,000 | Landfill Reserve |
| Thompson Drive/ Milling Repairs | \$1,093,000 | Gas Tax Revenues, Municipal Road Grant |
| Pool Study | \$940,000 | General Reserve |
| Transit Bus | \$520,379 | Equipment reserve/ PTIF funding |
| Upgrade of Radio System- Fire & EMS | \$145,000 | Public Safety Reserve, revenues |
| Playground Replacements | \$140,000 | Equipment Reserve, Grants |
| Purchase of Zamboni | \$127,000 | Equipment Reserve |
| RCMP Cell Painting | \$70,000 | Infrastructure Reserve, Revenues |



Capital Projects- Cont'd

| Capital Project | Value | Funding Source |
|--|-------------|--------------------------------|
| Asset Management Software | \$85,000 | Infrastructure Reserve, Grants |
| Fire Hall Study | \$80,000 | Building Reserve |
| Heater for PW mechanical Bay | \$50,000 | Infrastructure reserve |
| Dehumidifier for Gordon Beard | \$40,000 | Infrastructure Reserve |
| GPS for City Vehicles | \$40,000 | Equipment Reserve |
| Ventilation for Fire Hall | \$20,000 | Public Safety Reserve |
| Completion of 2019 capital carry-over projects | \$1,684,000 | Reserves, Grants |



Capital Projects- Aquatic Facility

- The RFP for the design of the New Aquatic Facility was released May 12, 2020
- The existing Pool budget of \$449,226 is allocated to a reserve to fund the build of the new pool
- This will lessen the tax increase required when the pool resumes operations by decreasing the borrowing requirement and having existing funds to fund part of the operations



Capital Projects- Thompson Drive



Capital Projects- Milling

Elizabeth Drive



Princeton and Purdue



Waterloo

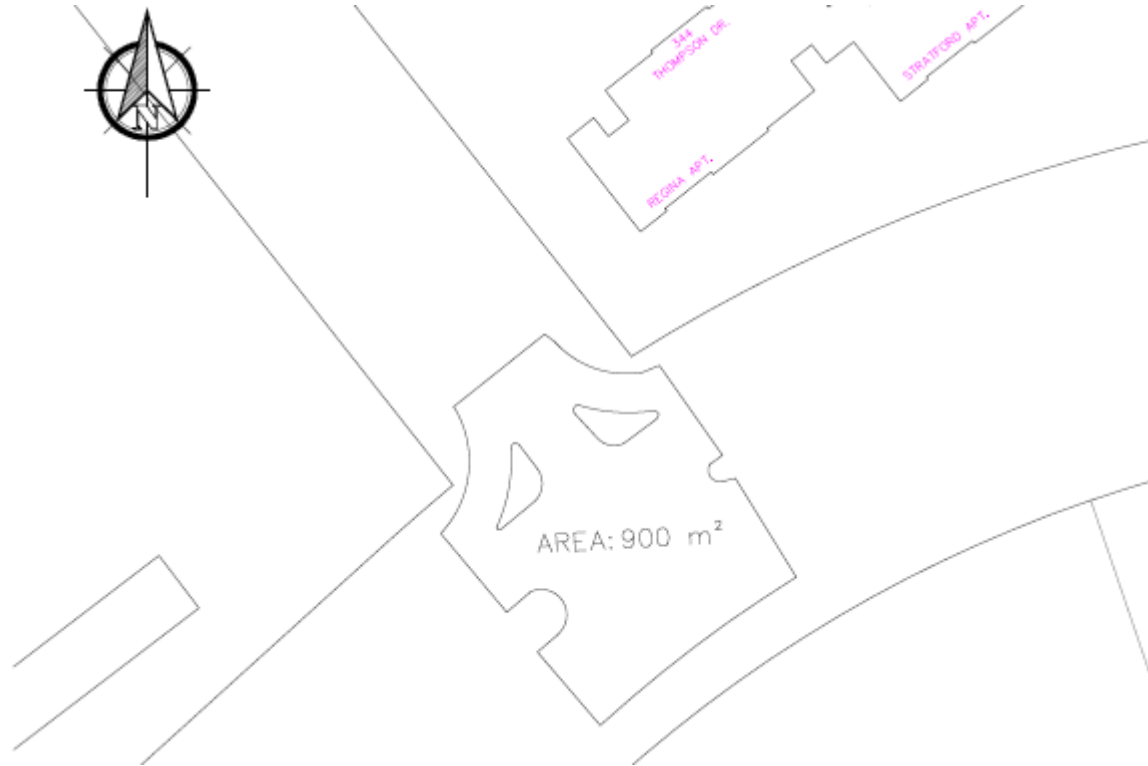
Weir Road

Capital Projects- Milling

Westwood Drive



Thompson Drive and Westwood Drive



Debentures

The parameters of the 2020 budget included no additional debentures, which will leave sufficient room for the debt requirements of the waste water treatment plant and aquatic facility.

- The WWTP debenture payments will begin in 2021



Utility

- The PUB approved the 2019 rates through board order 171/18. The City requested extension of these rates for 2020 which was approved
- 2020 Water rates are set at \$3.42/cubic meter and sewer rates are set at \$1.51/cubic meter
- The 2020 flat fee is \$92.68 (2019 \$92.68)
 - includes 14 cubic meters of water
- Vale will be charged for actual consumption in 2020



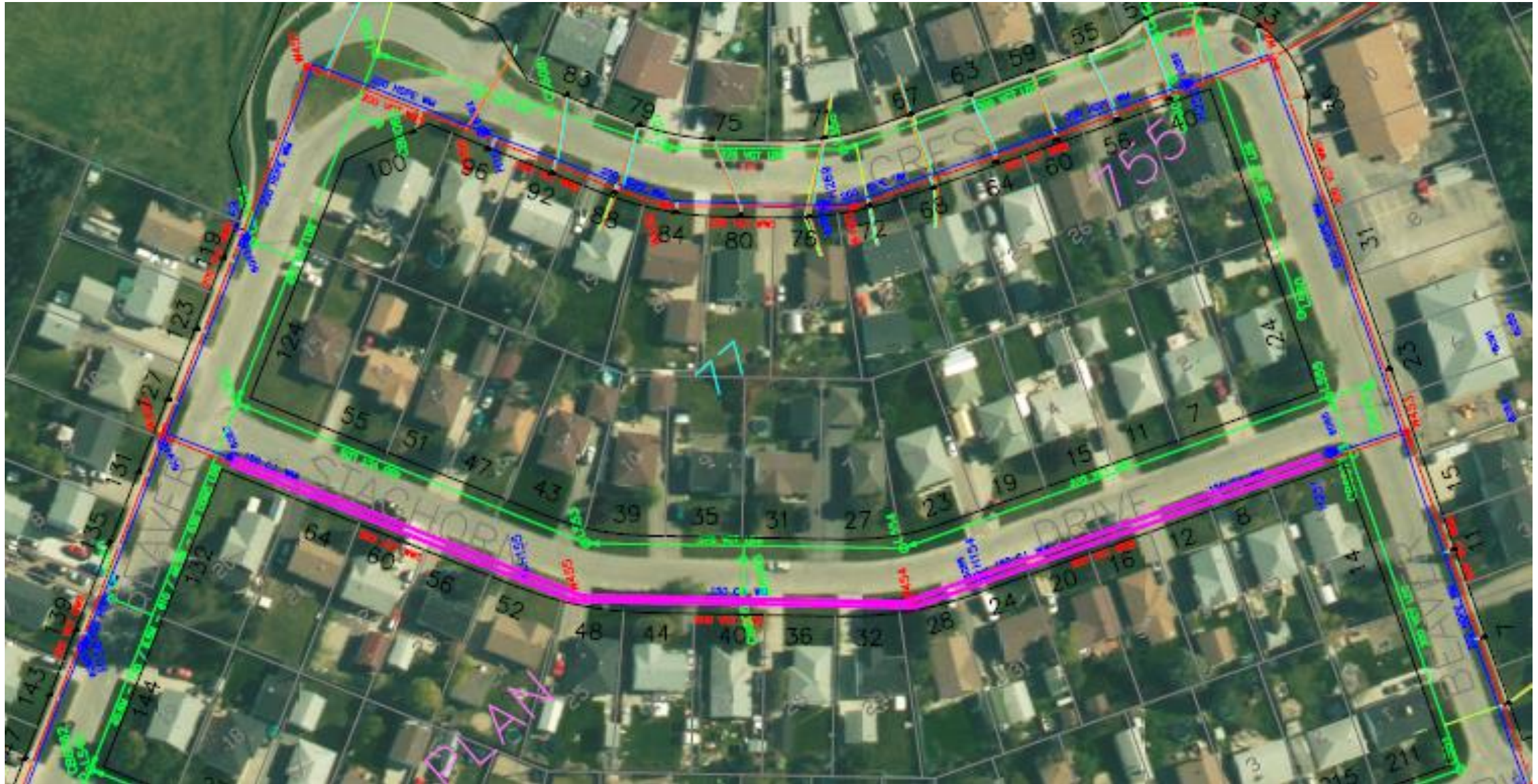
Utility Capital

The 2020 Capital Expenses include:

- Waste Water treatment plant
- Watermain and sewer renewals
- WTP Generator
- WTP Valves and Compressors
- Leak Detector
- Rate Study



2020 Watermain Capital- Staghorn

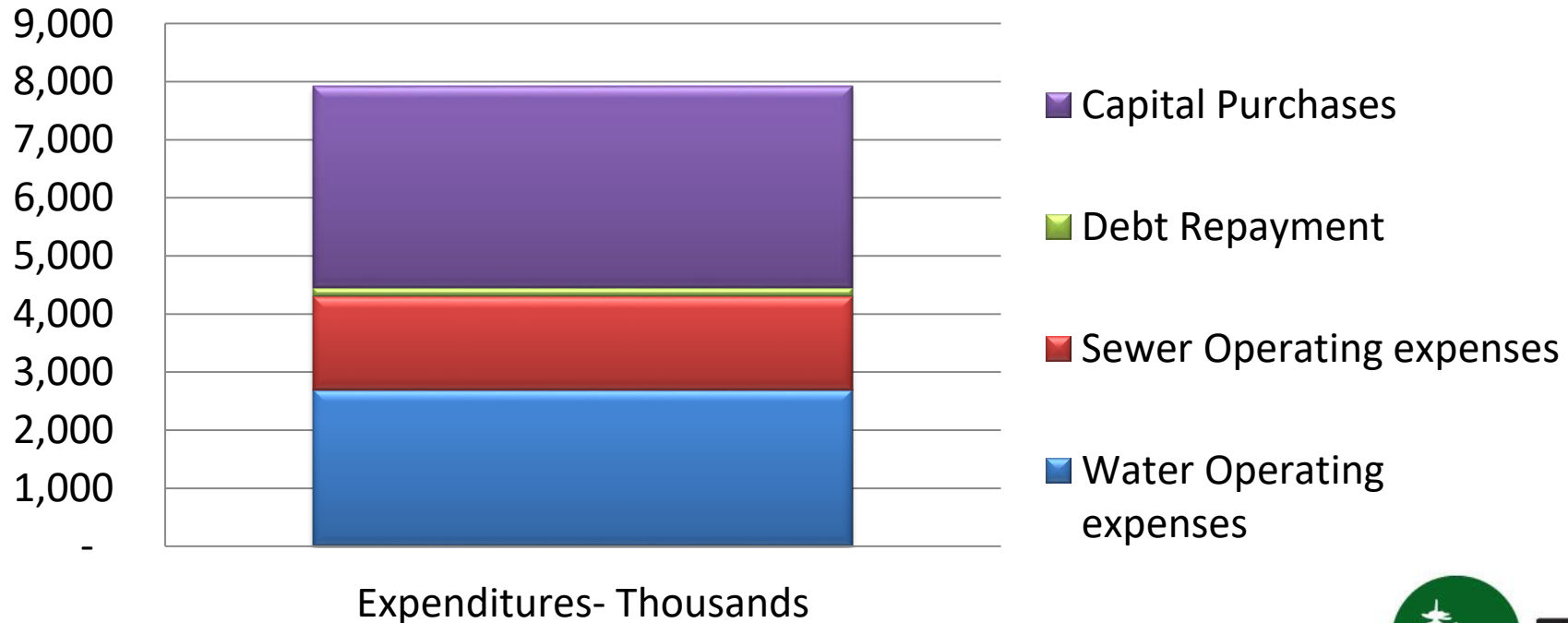


Utility- Thousands

2020 Revenues - \$7.6 M

2020 Expenses- 7.6 M

Does not include WWTP of \$36.5M.



WWTP- Financing

| | | |
|---------------------------------|---------------------|--|
| Total WWTP City Portion | \$12,167,000 | |
| FCM Grant | \$750,000 | |
| Utility Reserve | \$2,131,948 | Leaving 20% in reserve |
| General Reserve | \$3,478,367 | Leaving regulatory requirements in reserve |
| Total Borrowing Required | \$5,806,685 | |



WWTP- What does this mean

Reduction in the borrowing for WWTP impact on proposed rates

| Borrowing | Frontage/ Foot | Water Rates |
|-------------|----------------|--------------------|
| 12,167,000 | \$.81/ foot | \$.58/ cubic meter |
| Reduced to: | | |
| 5,806,685 | \$.39/ foot | \$.28/ cubic meter |



Mill Rate Comparison



Residential Mill Rate Comparison

| | 2020 Mill Rate | 2019 Mill Rate | Difference |
|------------------------------------|-----------------------|-----------------------|-------------------|
| Provincial Education Support Levy | 0 | 0.00 | 0.00 |
| SDML Levy | 20.752 | 18.549 | 11.9% |
| City of Thompson Levy | 24.954 | 22.679 | 10.0% |
| Total Residential Mill Rate | 45.706 | 41.228 | 10.9% |



Commercial Mill Rate Comparison

| | 2020 Mill Rate | 2019 Mill Rate | Difference |
|-----------------------------------|-----------------------|-----------------------|-------------------|
| Provincial Education Support Levy | 8.828 | 9.770 | -9.6% |
| SDML Levy | 20.752 | 18.549 | 11.9% |
| City of Thompson Levy | 24.954 | 22.679 | 10.0% |
| Total Commercial Mill Rate | 54.534 | 50.998 | 6.9% |



Tax Result – House Assessment of \$200,000 in 2019 & reduced by
12.86% in 2020

| | 2020 Mill Rate | 2019 Mill Rate | Change | % Change |
|---------------------------|---------------------------|---------------------------|---------------|---------------------|
| Assessment | 174,280 | 200,000 | 0 | 0% |
| SDML Levy | \$1,627 | \$1,669 | -\$42 | -2.5% |
| City of Thompson Levy | \$1,957 | \$2,041 | -\$84 | -4.1% |
| Total Taxes | \$3,584 | \$3,710 | -126 | -3.4% |
| <i>Provincial Rebate*</i> | <i>\$700</i> | <i>\$700</i> | <i>\$0</i> | <i>0%</i> |
| Net Taxes | \$2,884 | \$3,010 | -\$126 | -4.19% |

Portioned Residential Assessment = 45% of assessed value (or \$90,000 taxable)

*Applicable on principal residence only

Tax Result – Commercial Property

Assessed at \$1,000,000 in 2019 increased by 2% in 2020

| | Based on 2019 Mill Rate | Based on 2019 Mill Rate | Change | % Change |
|--------------------------------------|--|--|----------------|---------------------|
| Assessment | \$1,020,000 | \$1,000,000 | 0 | 0% |
| Provincial Education Support Levy | \$5,852 | \$6,350 | -498 | -7.8% |
| SDML Levy | \$13,758 | \$12,057 | \$1,701 | 14.1% |
| City of Thompson Levy | \$16,544 | \$14,741 | \$1,803 | 10.89% |
| Total Taxes | \$36,154 | \$33,148 | \$3,006 | 9% |

Tax Result – Business Assessment of \$100,000

Business tax rate for 2020 has remained at 2019 levels

| 2020 Rate | 2019 Rate | Increase/ (Decrease) | % Change |
|------------------|------------------|---------------------------------|---------------------|
| 3.99% | 3.99% | | |
| \$3,990 | \$3,990 | \$0 | 0% |

Business assessment reflects the annual rental value of the property the business is occupying



Special Levies

The 2020 Financial Plan includes revenue from:

- A Special Levy for Water, Storm and Sewer Service Line Maintenance; 2020 amount \$241,540 (estimated at \$74.55 per residence) (2019 amount per residence was \$69.15)
- By-law 1937-2016 was passed by Council on April 11th, 2016
- 2020 is the final year for the current special levy.



Tax Result – Including Special Levy

| | 2020 Mill Rate | 2019 Mill Rate | Change | % Change |
|---------------------------|-----------------------|-----------------------|---------------|-----------------|
| Total Taxes | \$3,584 | \$3,710 | -126 | -3.4% |
| <i>Provincial Rebate*</i> | <i>\$700</i> | <i>\$700</i> | <i>\$0</i> | <i>0%</i> |
| Net Taxes | \$2,884 | \$3,010 | -\$126 | -4.19% |
| Special Levy | \$75 | \$69 | \$6 | 8.6% |
| Net Taxes | \$2,959 | \$3,079 | -\$120 | -3.90% |

Portioned Residential Assessment = 45% of assessed value (or \$90,000 taxable)

*Applicable on principal residence only

What does this mean?

If you own a home with the average assessment of \$174,680 (2019 \$200,000) you will pay the following taxes:

| | |
|-----------------------------------|----------------|
| City of Thompson | \$1,957 |
| SDML | \$1,627 |
| Total before education tax credit | \$3,584 |
| Less education tax credit | \$700 |
| Total Taxes Payable | \$2,884 |



What does this mean?

The amount you pay to the City of Thompson for Property taxes is \$1,957
In effect you are purchasing the following programs:

| | 2020 | 2019 |
|-------------------------------|-------|-------|
| General Government | \$224 | \$224 |
| Protective Services | \$780 | \$780 |
| Transportation Services | \$415 | \$415 |
| Environmental Health Services | \$89 | \$89 |
| Public Health and Welfare | \$25 | \$25 |
| Environmental Development | \$1 | \$1 |
| Economic Development | \$27 | \$27 |
| Recreation | \$329 | \$329 |
| Debenture Payments | \$149 | \$149 |



General Government

For an annual amount of \$224 you are paying for:

- Council and Council expenditures
- Administrative functions (City Manager, Finance, HR, IT, Purchasing, Legal fees, Communications)
- Insurance on all City Buildings
- Assessment services
- Elections costs



Protective Services

For an annual amount of \$780 you are paying for:

- \$598 For RCMP, which includes 38 members plus support staff
- \$106 for fire and ambulance services which operates 24 hrs a day, 7 days a week. It includes 24 Fire Medics, as well as 5 emergency medical dispatchers, auxiliary firefighters, 2 deputies and the Chief.
- \$76 for Community Safety Officers, By-law officers, Animal Control, Building Inspectors



Transportation Services

For an annual amount of \$415 you are paying for:

- Snow removal on streets and sidewalks
- Repair of streets (Paving and Patching)
- Street cleaning
- Sidewalk and curb repairs
- Street Lighting
- Transit buses and Handivan



Environmental Health Services

For an annual amount of \$89 you are paying for:

- Garbage Collection
- Recycling Program
- Spring Clean-up program
- Removal of waste in community garbage and recycling cans



Public Health and Welfare Services

For an annual amount of \$25 you are paying for:

- Cemetery care and maintenance
- Social Assistance payment to the Province of Manitoba



Economic Development Services

For an annual amount of \$29 you are paying for:

- Development Services Department which deals with all planning and development issues within the City of Thompson and the Thompson Planning District
- Economic Development Officer



Recreation and Cultural Services

For an annual amount of \$329 you are paying for:

- TRCC – CA Nesbitt Arena, Gordon Beard Arena, Bill Comaskey Wellness Center, walking track
- 3 outdoor rinks, 2 wading pools and splash park
- Tennis courts, skate park, all area parks and dog park
- Ball diamonds, soccer fields
- Millennium trail, brushing program, museum contribution, Thompson Public Library, Thompson Zoological Society (Boreal Discovery Center)



Debentures

For an annual amount of \$149 you are paying for debt for projects previously implemented within the City:

- TRCC phases
- Park projects- Skate Park, Cliff Park, MacLean Park
- Gordon Beard Parking Lot Paving
- UCN Drive
- Fire Truck



Thank You

