



2021 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 the impact of COVID 19, anticipated revenue shortfalls have been addressed through expense reductions



Property Value and Tax Relationship

- Property value growth: 0.32%
 - 2021 is not a reassessment year
- Total Property Values in Thompson
 - Commercial Properties 27%
 - Residential Properties 67%
 - Institutional 6%



Budget Highlights

- COVID Funding
- The City of Thompson received \$818,898.73 in 2020 for COVID related expenses and \$141,772 for transit
 - The City of Thompson carefully managed the spending for 2020 to ensure that a deficit was not incurred by reallocating positions and reducing spending where possible
 - The COVID funding was transferred to reserve at the end of 2020 to be used for 2021 projects



COVID-19 Allocations



Funded Items	Funding Amount
ICIP Funding Matching Dollars	\$433,900
Jumpstart Park	100,000
Increase Street Sweeping Program	60,000
Outdoor rink upgrades	50,000
Beautifying Thompson (Flags, Christmas, etc.)	40,000
Snow Birds	40,000
City Efficiency Audit	40,000
Crime Prevention through Environmental Design	20,000
Trails- Biking, Running	15,000
Playgrounds	10,000
Community Gardens	10,000



Budget Highlights

- Council applied for ICIP funding in 2019 for road projects
- 2021 plan includes the road project pending approval by Federal Government
- Each \$1 of investment by the City brings approximately \$5 in grant revenue to the City. (\$40M Project, 6.686M City Portion)
- If approved, 2021 road project would be \$5.7M, with the City share of \$.95M;
- Taxes of \$136,187 have been allocated to fund the City's portion with the remaining funding through reserve allocations

What to expect in 2021

- Municipal Property tax rate - 26.15 Mills
- Budget increase 5.37%
- Net residential property mill rate increase is 2%
- Net Commercial increase 1.64%
- Business Tax rate remains at 3.99%
- Special levy \$62.61



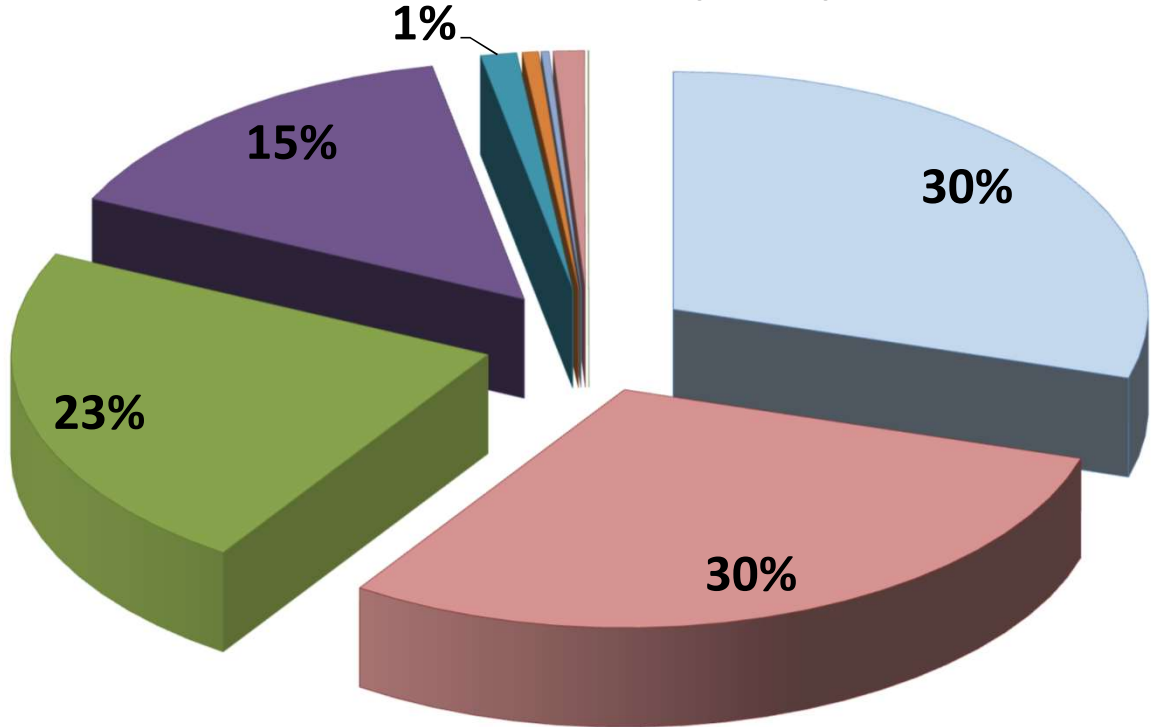
Revenues - Highlights

- Fees & Fines increased by 2.2%, consistent with the 2020 tax increase.
- Provincial operating grants will not increase for 2021 (frozen at 2016 levels):
 - The City's efforts to lobby the provincial government to increase the grants have been unsuccessful to date.
- Capital Grants increased for 2021:
 - ICIP funding pending approval
 - Doubling of Gas Tax grant
 - Fire Protection Grant
 - Affordable Housing Grant



City of Thompson Revenues

Total Revenue- \$42,248,990



- Tax Levies (30%)
- Provincial/ Federal Grants (30%)
- Transfers (23%)
- Sale of goods & services (15%)
- Licenses, permits and fines (1%)
- Rentals (1%)
- Taxes Added (0%)
- Penalties (1%)
- Return on investment (<1%)



Provincial/ Federal Grants (30% of Revenues)

Operating		Capital	
Basket Funding *	2,669,041	ICIP	4,759,143
Firefighter Grant	328,600	Gas Tax (2021 Doubled)*	1,472,208
MLLC CSO Grant	55,000	Additional Basket Funding	246,000
Cultural Grant	9,200	Fire Protection Grant	150,000
Ambulance Grant	198,749	Affordable Housing	\$1,155,800
Total Operating	<u>\$3,260,590</u>	Total capital	\$7,783,151

* Amounts based on census numbers



Transfers (23%)

- Transfers from reserves to fund capital projects
- Transfers from reserves to operating initiatives
 - Election
 - Affordable housing initiatives
 - Tourism Initiatives
- Accommodation tax (\$500K)**

** Impacted by COVID



Reserves

Reserve Balance- 2020 Unaudited	\$17,701,490
Revenue Transfer to Reserves	\$5,109,563
Reserve Capital Allocations	-\$8,033,703
Reserve Operating allocations	-\$141,900
Net 2021 Impact	<hr/> -\$3,066,400
Ending Reserve Balance	<hr/> \$14,635,450

Minimum balance of \$6M required



Sales of Goods and Services (15%)

- Includes:
 - Ambulance Revenue (\$2.7M)
 - Garbage Pick-up, Landfill fees (\$1.26M)
 - Custom Work, Transit (\$150K)**
 - Recreation revenues (\$542K- TRCC including arenas, Fitness Area and outside rentals- Includes potential Vaccine Clinic Rentals)**

** Impacted by COVID



Licenses, Permits and Fines (1%)

Includes:

- ~\$48,000 in business licenses (approximately 250 licenses annually)
- ~\$13,600 in animal licenses
- ~\$228,000 in building inspections (including plumbing, etc.)
- ~\$133,000 in by-law and traffic fines
- Other small licenses and taxi transfers are included here

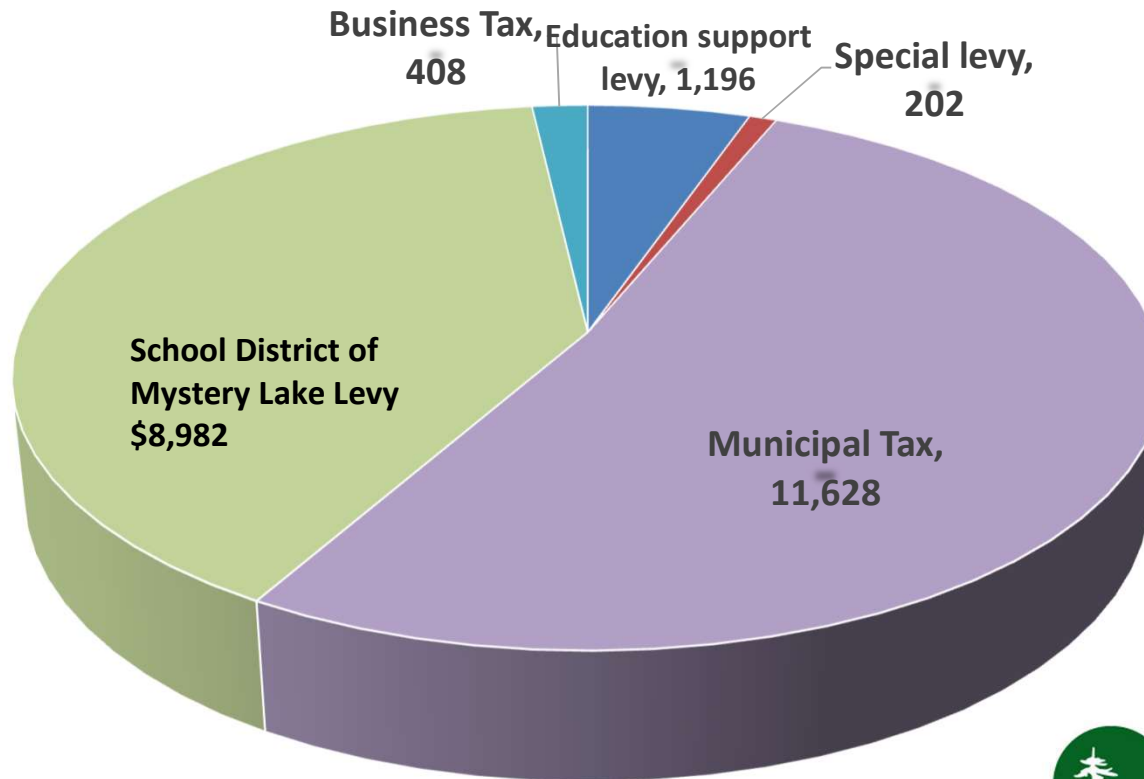


Taxes Added, Penalties and Rentals

- Taxes added (\$100,000)
 - Results from changes in assessments during the year (buildings completed or updated, etc.)
- Penalties (\$403,000)
 - Monthly amount of 1.25% on outstanding taxes
 - Additional \$200,000 budgeted in 2021 to fund ICIP projects
- Rentals- RCMP rural proportionate share of building operational costs



2021 Property Taxes- Thousands



Accommodation Tax

- The City budgets \$500,000 annually in revenue from the Hotel Accommodation Tax.
 - Council allocation for 2021 (no change from 2020)
 - 80% to Infrastructure Reserve
 - 20% to Public Safety Reserve

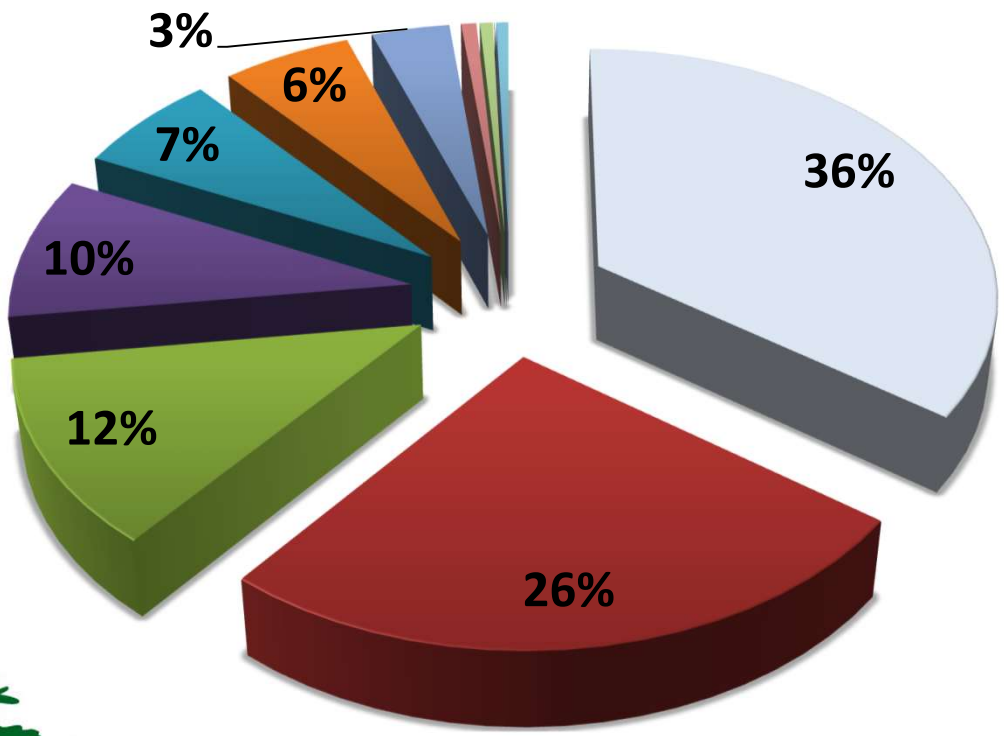


Expenses- Highlights

- Status quo budget- only contractual increases included (RCMP contract, hydro, caretaking, CBA increases, etc.)
- No additional expense reductions in 2021
- Total expense reduction 2018 to 2020 was \$1,927,705 and continues into 2021



City of Thompson 2021 Expenses



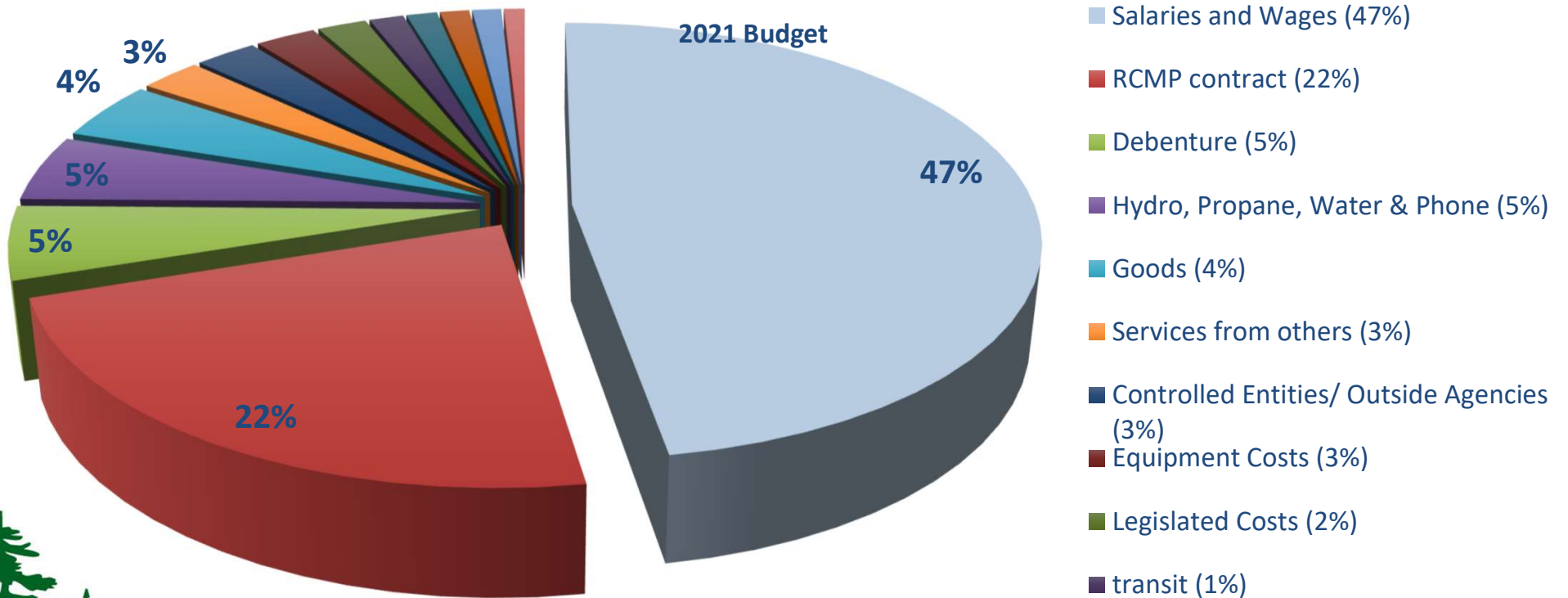
- Fiscal Services (36%)
- Protective Services (26%)
- Transfer from Reserves (12%)
- Transportation Services (10%)
- Recreation and Culture Services (7%)
- General Government (6%)
- Environmental Health Services (4%)
- Economic Development Services (1%)
- Public Health and Welfare Services (1%)
- Environmental Development Services (<1%)

Total Expense \$42,248,990

Revenues \$42,248,990



2021 Budget Costs by Category



All other categories less than 1%



Debentures

- The City has an available borrowing limit of \$31M
- The new Waste Water Treatment Plant reserved debenture room of \$12.167M (\$5.8M proposed to be used)
- The new aquatic facility requires debenture room of \$5.4M to fund the City's portion of the project if approved
- Fire Truck debenture will be completed in 2021, and debenture for new Fire Truck will begin in 2022



Debentures

	Original Balance	Principal Remaining	Annual Payment	Interest rate	Completed in
Rescue Pumper	472,038	55,960	58,198	4.0%	2021
UCN Drive	385,000	83,430	44,155	3.9%	2022
GB Parking Lot*	160,000	36,221	20,000	6.9%	2023
TRCC	10,915,000	4,116,217	1,013,210	5.5%	2027
Recreation Projects	660,000	330,747	59,765	4.0%	2027
UCN Drive& Burntwd Sth	990,000	563,500	89,697	4.0%	2028
Total Operating		5,186,075	** 1,285,024		

****\$1,029,221 principal and \$255,803 interest**

*** Funded by Nickel Days Committee**

Controlled Entities

	2021	2020
Thompson Public Library	\$200,000	\$235,000
Thompson Zoological Society	\$20,000	\$12,000
Thompson Recycling Center	\$200,000	\$200,000



Community Groups

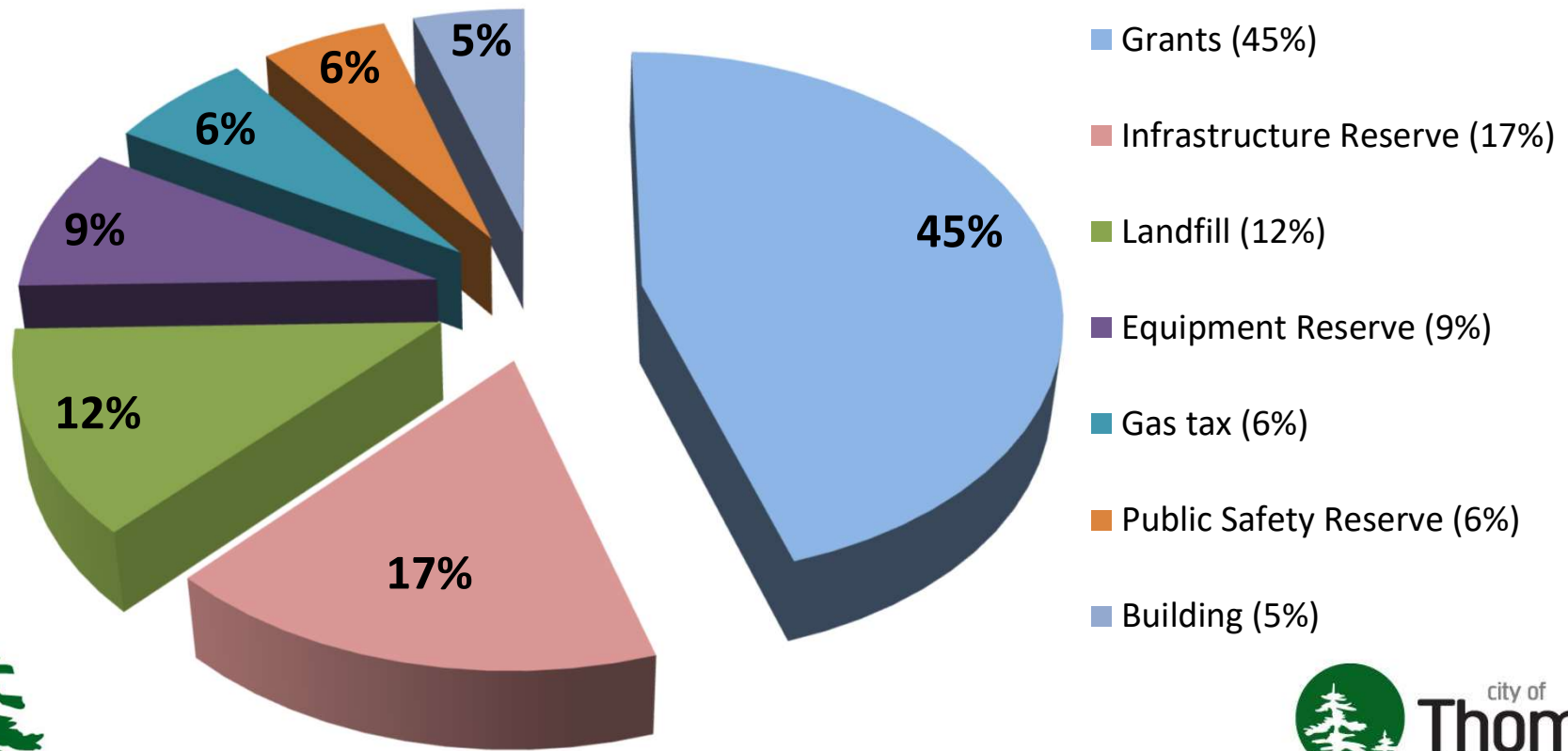
- The 2021 Plan includes the following contributions to community groups:

	2021	2020
Museum	\$60,000	\$60,000
Homeless Shelter	\$20,000	\$20,000
Curling Club (Insurance)	\$9,000	\$9,000
Humane Society*	\$31,126	\$31,126

* Fee for service



Sources of Capital Funding



Capital Projects

Capital Project	Value	Funding Source
Roads – Pending approval	\$5,714,286	Grants, Taxes, Reserves
Fire Truck	\$900,000	Public Safety Reserve/ Debenture
Jump Start Park	\$800,000	Canadian Tire/ Reserve
Excavator	\$450,000	Equipment Reserve/ Landfill
Grader	\$450,000	Equipment Reserve
Loader	\$280,000	Equipment Reserve
City Building Assessments	\$200,000	Infrastructure Reserve
Ventilation System- Fire hall	\$100,000	Grants



Capital Projects- Cont'd

Capital Project	Value	Funding Source
Rescue Boat	\$60,000	Public Safety Reserve
RCMP Fire Panel	\$60,000	Infrastructure Reserve
Splash Pad	\$50,000	Infrastructure Reserve
Animal Control Van	\$45,000	Equipment Reserve
King Miner Statue Upgrade	\$25,000	Revenues (Vale)
Cemetery Expansion	\$20,000	Infrastructure Reserve
Completion of 2020 capital carry-over projects	\$3,743,427	Reserves, Grants



Capital Projects- Aquatic Facility

- New Aquatic Facility is currently being designed by Stantec.
- The Pool budget of \$449,226 is allocated to a reserve to fund the build of the new pool
- This will decrease the borrowing requirement and provide existing funds to support the operations



Utility

- The City currently has a rate application in front of the PUB for 2021 rates, 2020 rates remain in effect until PUB approves
- 2020 Water rates were set at \$3.42/cubic meter and sewer rates are set at \$1.51/cubic meter
- The 2020 flat fee was set at \$92.76
 - includes 14 cubic meters of water



Utility

- The 2021 rates as per the application are \$3.81 per cubic meter for water and \$1.79 for waste water.
- The 2021 proposed flat fee is \$100.60
- The rates currently before the PUB have increased due to the completion of the Waste Water treatment plant, and the additional chemicals, labour and hydro required to operate the plant



Utility Capital

The 2021 Capital Expenses include:

- Waste Water treatment plant decommissioning and finalization
- Watermain and sewer renewals
- WTP Generator and Valves
- Rate Study
- Utility Service Vehicle
- Recreation trailer dump site
- Meter Reading software



Watermain Renewal

ICIP funding was applied for in 2019 and the City is preparing for funding of the City's portion pending approval by the Federal Government

The total investment is \$48,000,000, with the City's portion being \$12.8M over the 7 year project (\$1.829M per year), effectively receiving \$3 for every \$1 spent if approved



Mill Rate Comparison



Residential Mill Rate Comparison

	2021 Mill Rate	2020 Mill Rate	Difference
Provincial Education Support Levy	0	0.00	0.00
SDML Levy	20.470	20.752	-1.36%
City of Thompson Levy	26.150	24.954	4.79%
Total Residential Mill Rate	46.620	45.706	2.00%



Commercial Mill Rate Comparison

	2021 Mill Rate	2020 Mill Rate	Difference
Provincial Education Support Levy	8.809	8.828	-.22%
SDML Levy	20.470	20.752	-1.36%
City of Thompson Levy	26.150	24.954	4.79%
Total Commercial Mill Rate	55.429	54.534	1.64%



Tax Result – Provincial House Assessment of \$174,280

	2021 Mill Rate	2020 Mill Rate	Change	% Change
Assessment	174,280	174,280	0	0%
SDML Levy	\$1,605	\$1,627	-\$22	-1.36%
City of Thompson Levy	\$2,051	\$1,957	\$94	4.79%
Total Taxes	\$3,656	\$3,584	\$72	2.00%

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

Tax Result – Commercial Property Assessed by the Province at \$1,000,000 in 2020 and 2021

	Based on 2021 Mill Rate	Based on 2020 Mill Rate	Change	% Change
Assessment	\$1,000,000	\$1,000,000	0	0%
Provincial Education Support Levy	\$5,726	\$5,738	-12	-.22%
SDML Levy	\$13,306	\$13,489	-183	-1.36%
City of Thompson Levy	\$16,998	\$16,220	\$778	4.8%
Total Taxes	\$36,030	\$35,447	\$583	1.64%

Special Levies

- The Special Levy is for Water, Storm and Sewer Service Line Maintenance; 2021 amount \$202,912 (estimated at \$62.61 per residence) (2020 amount per residence was \$74.55)
- The special levy will be in place for 5 years (until 2025).



What does this mean?

The amount you pay to the City of Thompson for Property taxes is \$2,051
In effect you are purchasing the following programs:

	2021	2020
General Government	\$228	\$215
Protective Services	\$843	\$798
Transportation Services	\$419	\$375
Environmental Health Services	\$50	\$81
Public Health and Welfare	\$24	\$23
Environmental Development	\$1	\$1
Economic Development	\$33	\$32
Recreation	\$244	\$294
Capital	\$67	
Debenture Payments	\$144	\$139



General Government



For an annual amount of \$228 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 \$843 you are paying for:

- \$669 For RCMP, which includes 38 members plus support staff
- \$91 for fire and ambulance services which includes 24 members plus support staff
- \$83 for 4 Community Safety Officers, By-law officers, Animal Control, Building Inspectors



Transportation Services

For an annual amount of \$419 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 \$50 you are paying for:

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



Public Health and Welfare Services

For an annual amount of \$23 you are paying for:

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



Economic Development Services

For an annual amount of \$33 you are paying for:

- Development Services
- Economic Development





Recreation & Cultural Services

For an annual amount of \$244 you are paying for:

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

Capital

For an annual amount of \$67 you are paying for capital projects/ reserve transfers:

- ICIP Projects
- Aquatic Facility



Debentures

For an annual amount of \$144 you are paying for debt for projects previously implemented within the City:

- TRCC phases
- Park projects- Skate Park, Cliff Park, MacLean Park
- UCN Drive
- Fire Truck



Payment of Taxes- Remove

Due to COVID 19, the City would encourage residents to consider paying their taxes online or through e-transfer instead of attending City Hall.

- Residents should be reminded that payments must be received by the City by the due date.
- Please check with you financial institution to determine how many days it will take for the payment to be received



Thank You

