



2017 Financial Plan



Presentation Outline

- Budget Highlights
- Mill Rate Comparison
- Tax Result Comparison



Budget Highlights

- Tourism funding of \$200,000 for tourism group to be formed by the Thompson hoteliers.
 - To be funded by accommodation tax and economic development/ tourism reserve
- Economic Development officer to be hired by the City of Thompson
- Decrease in business tax from 4.49% to 4.24%



Budget Highlights

- 2016 RCMP surplus funds of \$1M allocated to general reserve to fund potential future RCMP expenses (guard costs, wages, etc), and to cover CSO funding pending the provincial government approval of 2017 grant
- \$150,000 funding for the 2018 Manitoba Winter Games
 - \$75,000 operating allocated from within existing budget
 - \$75,000 capital allocated from the Economic Development/Tourism reserve



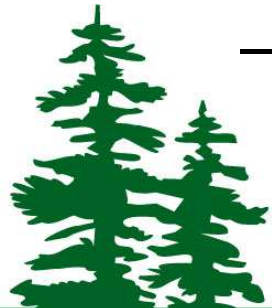
Revenues - Highlights

- Section 164(3) of the Municipal Act states that the financial plan must include a balanced budget
- 2017 is not a reassessment year. There was no significant variations to assessments for residential properties.
 - Slight reduction as the NCN urban reserve is removed from assessment and included as a grant in lieu as per the agreement
- Fees & Fines increased by 1.5%, consistent with the 2016 tax increase
- Census numbers announced in 2017, increase to 13,678 from 13,123



Revenues – Reserve Highlights

- \$1M is allocated to the general reserve from 2016 RCMP surplus (billed an average complement of 31 vs full complement of 38). This is allocated as follows;
 - \$819,178 for potential RCMP Expenses
 - Wage increases approved by the federal government on April 5
 - 1.25% effective January 1, 2015;
 - 1.25% effective January 1, 2016; and
 - a 2.3% market adjustment effective April 1, 2016
 - Jail guard costs
 - \$180,822 for potential CSO costs pending provincial approval of program beyond the two year time frame which ends in May 2017.



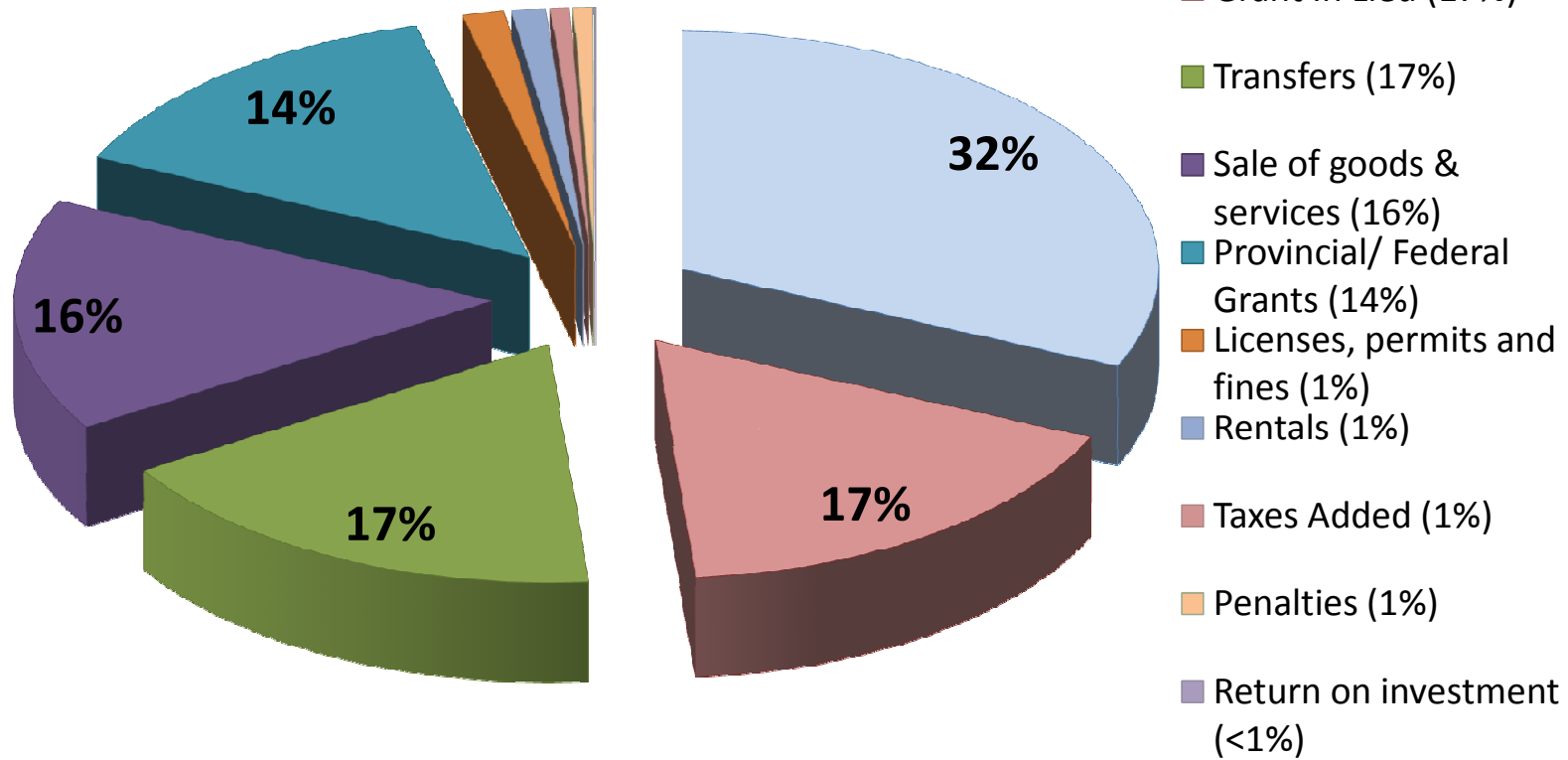
Revenues - Highlights

- \$600,000 of the \$3M Vale Grant-in-lieu Infrastructure funding is included to fund the 2017 capital.
- 2017 is the final year for the current grant in lieu agreement



City of Thompson Revenues

Total Revenue- \$32,418,138



Grants (14% of Revenues)

Operating		Capital	
Per Capita Grant*	2,119,105	Gas Tax*	708,723
General Support Grant	225,823	Municipal Road Grant	400,000
VLT Grant*	196,000	Total capital	<u>\$1,108,723</u>
Firefighter Grant	328,600		
MLCC CSO Grant	15,000		
Cultural Grant	9,200		
Transit Operating	158,656		
CSO Grant	119,178		
Ambulance Grant	198,749		
Total Operating	<u>\$3,370,311</u>		

* Amounts based on census numbers



Sales of Goods and Services (16%)

- Includes:
 - Ambulance Revenue (\$2.3M)
 - Garbage Pick-up, Landfill fees(\$1.1M)
 - Custom Work, Transit (\$201K)
 - Recreation revenues (\$769K- VRCC including arenas, Norplex Pool, Fitness Area and outside rentals)



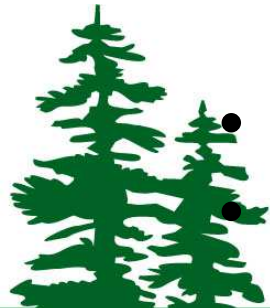
Transfers (17%)

- 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	

- Economic development/ Tourism
- Election
- Affordable housing initiatives
- Landfill Reserves

- Accommodation tax (\$500K)
- General Reserve - RCMP Surplus (\$1M)



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



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
- Rural RCMP also pay a proportionate share of the debenture for the RCMP building

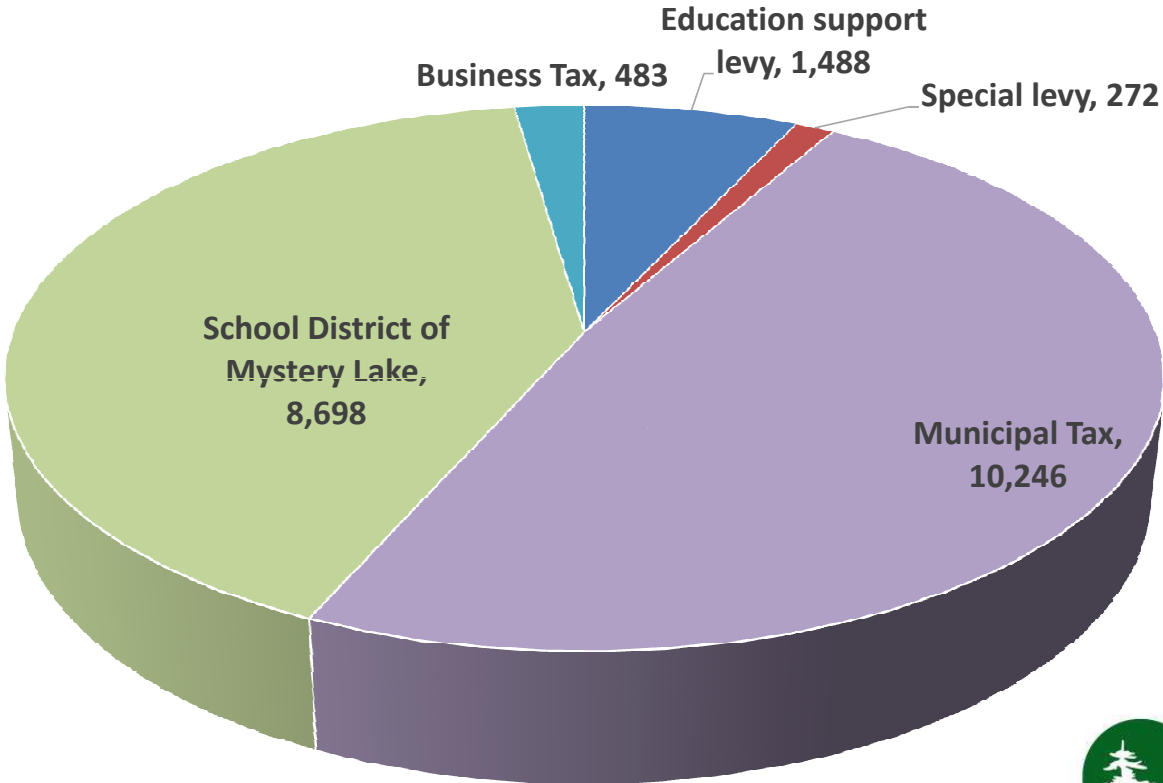


Taxes Added and Penalties

- Taxes added (\$200,000)
 - Results from changes in assessments during the year (buildings completed or updated, etc.)
- Penalties (\$203,000)
 - Monthly amount of 1.25% on outstanding taxes



2017 Property Taxes- Thousands



Accommodation Tax

- The City budgeted \$500,000 in revenue from the Hotel Accommodation Tax.
- Council met with the hoteliers that collect the accommodation tax to review the allocation for the revenues.
- Through discussion the level of funding for the Tourism group is \$200,000 for 2017



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 (2017 50%)
 - Public Safety Reserve (2017 20%)
 - Affordable Housing Reserve (2017 10%)
 - Economic development/ tourism (2017 20%)



Accommodation Tax- Projects Funded

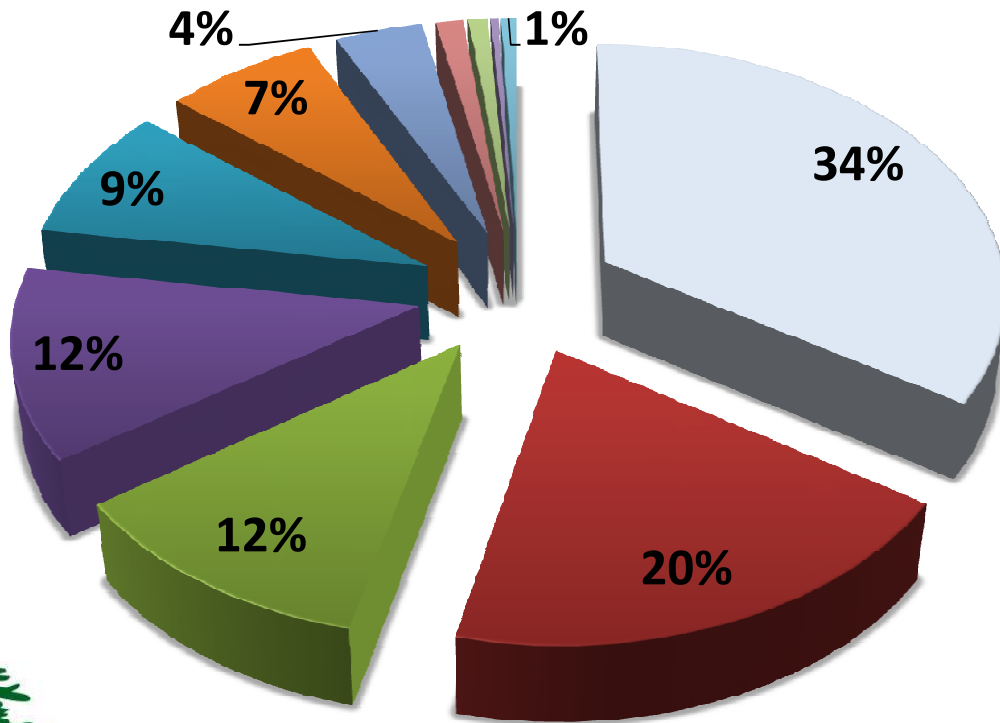
Infrastructure Reserve	Public Safety Reserve	Affordable Housing Reserve	Economic Development/ Tourism
2017			
City Hall HVAC, Engineering building ventilation, Cemetery Road Work, Library AC unit	Vettor bags, extrication ram, Small capital	Homeless Shelter	Tourism group to be formed by the hoteliers
Small Capital, Alarm Panel, Signage, Website, Handivan	Zoll Autopulse	Thompson Housing Agency	
2016			
Equipment Replacement-, Small Capital, Trucks, IT upgrades, Wheeled Backhoe, desks, air compressor	Fire Hall Ventilation, Small capital	Homeless Shelter	
Fire Hall Bathroom upgrades, parks, traffic light pole	Fire Hall Bathroom upgrades YARN	Thompson Housing Agency	

Expenses- Highlights

- Status quo budget- only contractual increases included (RCMP contract, hydro, caretaking, CBA increases, etc.)
- Landfill budget included in 2017, no increase to taxes required to operate the landfill
- Full year Community safety officer budget included



City of Thompson 2017 Expenses

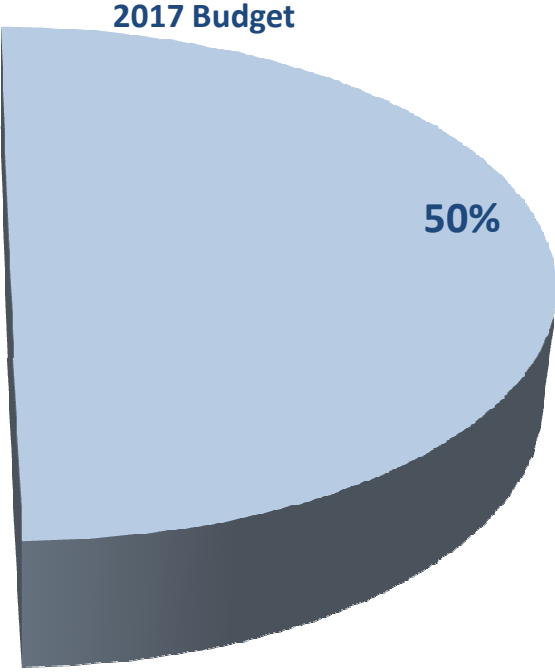
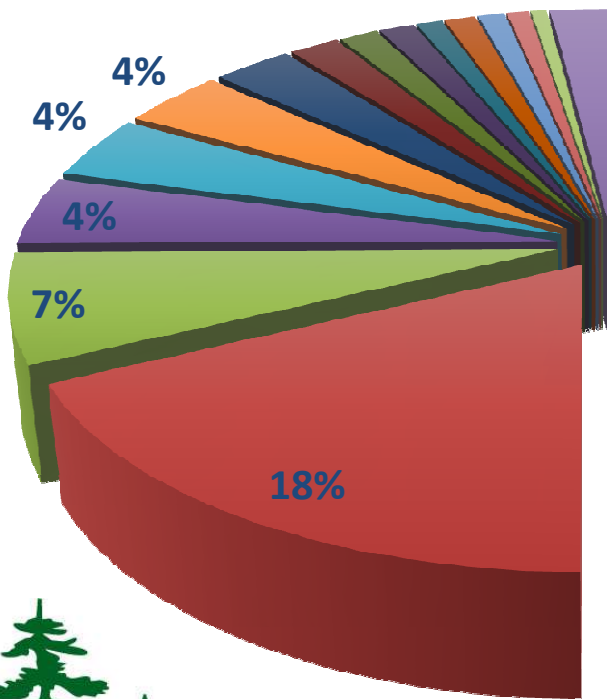


- Protective Services (34%)
- Fiscal Services (20%)
- Transportation Services (12%)
- Recreation and Culture Services (12%)
- Transfer from Reserves (9%)
- General Government (7%)
- Environmental Health Services (4%)
- Economic Development Services (1%)
- Public Health and Welfare Services (1%)
- Environmental Development Services (<1%)

Total Expense \$32,418,138



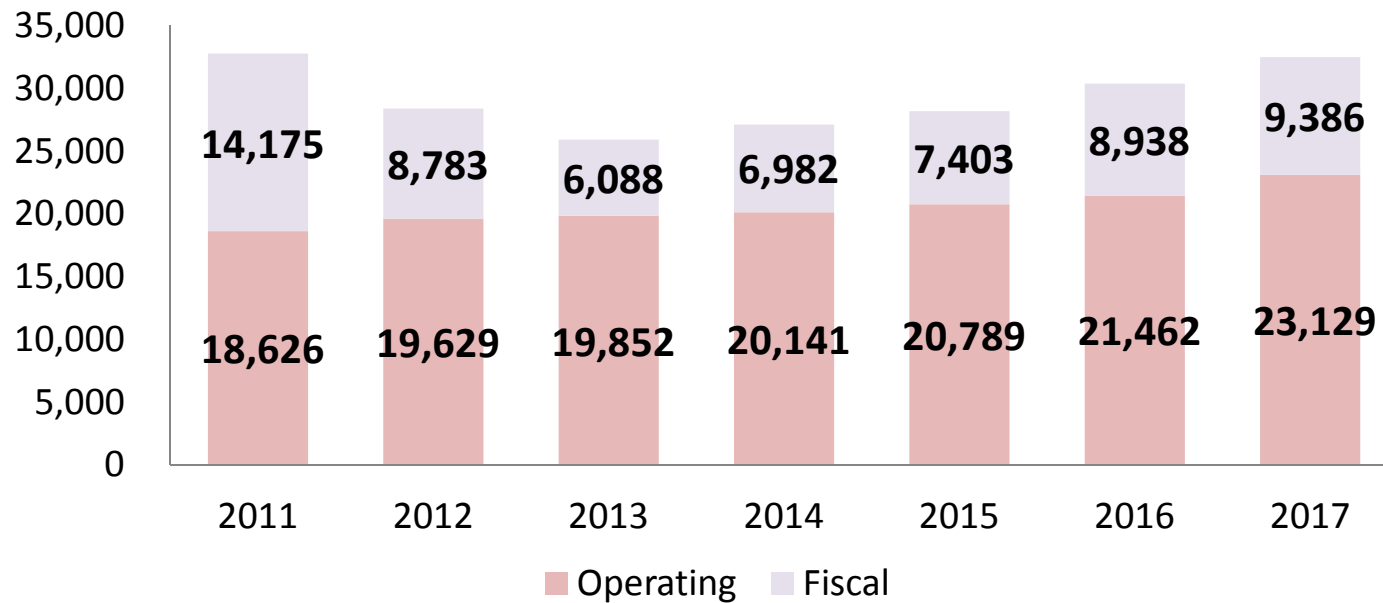
2017 Budget Costs by Category



- Salaries & Benefits (50%)
- RCMP Contract (18%)
- Debenture (7%)
- Outside Agencies (4%)
- Hydro, Propane, Water (4%)
- Goods & Materials (4%)
- Repairs & Maintenance (3%)
- Waste Disposal (2%)
- Services from Others (1%)
- Insurance (1%)
- Rentals (1%)
- City Equipment Distribution (1%)
- Legislated Costs (1%)
- Allowance for doubtful (1%)
- Training and Travel (1%)
- Other (2%)



Year-Over-Year Summary- Thousands



Debentures

- The City has an available borrowing limit of \$33.5M
- The new Waste Water Treatment Plant requires debenture room of \$12.167M
- Principal of \$9,269,224 outstanding on existing debentures (excluding utility debentures)
- Total payment of \$1,723,987 included in the 2017 budget
 - \$1,255,715 principal
 - \$468,272 interest



Debentures

	Original Balance	Principal Remaining	Annual Payment	Interest rate	Completed in
Public Safety Building	4,739,460	435,362	438,962	6.7%	2018
Rescue Pumper	472,038	259,087	58,198	4.0%	2021
UCN Drive	385,000	232,411	44,155	3.9%	2022
GB Parking Lot	160,000	95,694	20,000	6.9%	2023
VRCC	10,915,000	6,944,027	1,013,210	5.5%	2027
Recreation Projects	660,000	498,246	59,765	4.0%	2027
UCN Drive& Burntwd Sth	990,000	804,397	89,697	4.0%	2028
Total Operating		9,269,222	1,723,988		

Controlled Entities

- Council directive to controlled entities to utilize surpluses where appropriate.
- Year 4 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

	2017	2016
Thompson Housing Agency	\$50,000	\$50,000
Thompson Public Library	\$245,000	\$245,000
Thompson Zoological Society	\$85,000	\$85,000
Thompson Community Development Corporation (TU)	*\$0	*\$50,000
Thompson Recycling Center	\$240,000	\$240,000

* Economic Development officer hired by the City



Community Groups

- The 2017 Plan includes the following contributions to community groups:

	2017	2016
Museum	\$62,500	\$60,000
Homeless Shelter	\$22,500	\$25,000
Curling Club (Insurance)	\$9,000	\$9,000
Humane Society*	\$31,126	\$31,126
Spirit Way	\$10,000	
Spirit Way (Sign)	\$4,277	
Chamber of Commerce	\$4,875	

* Fee for service

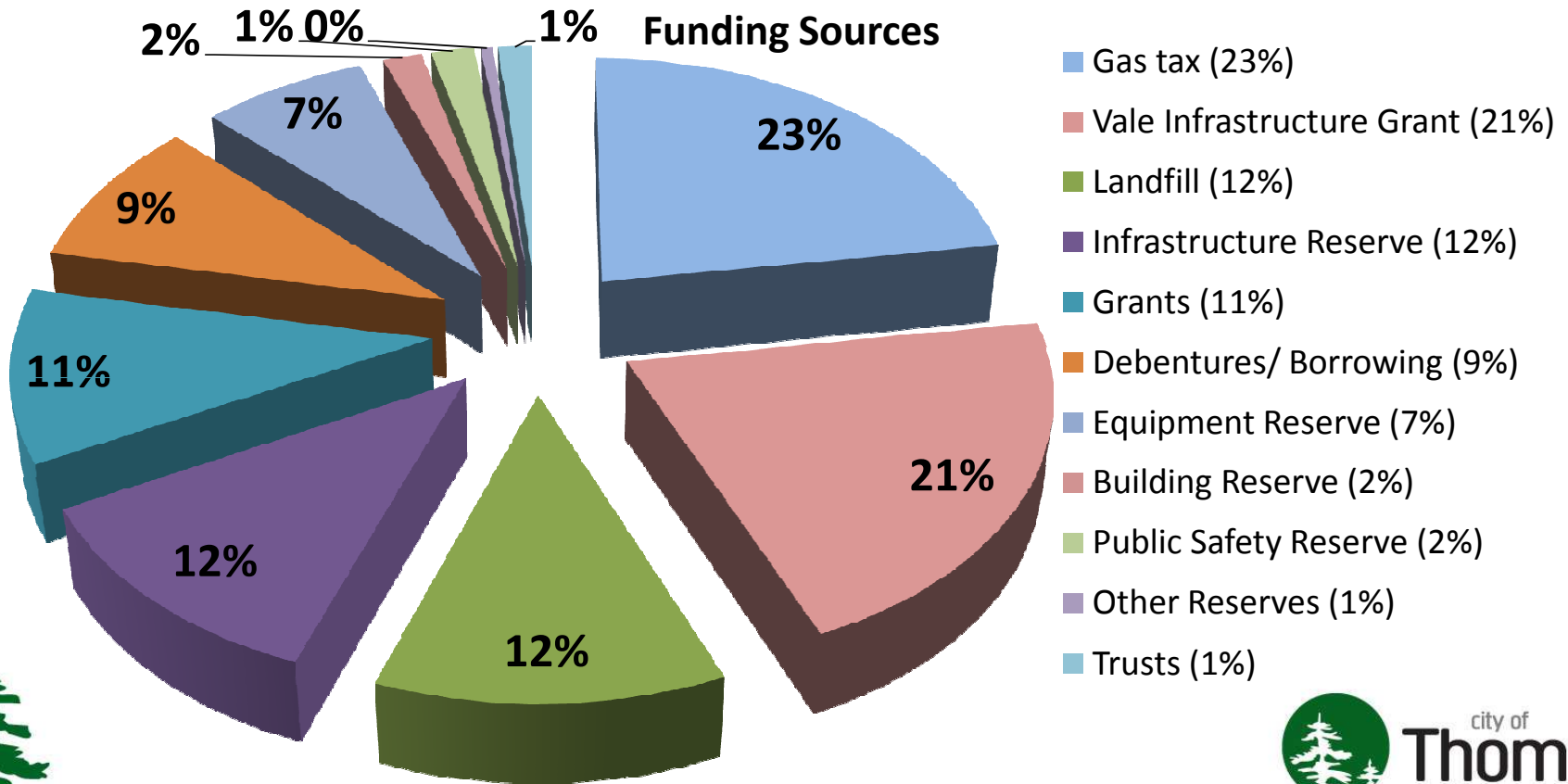


Capital Funding

- Zero property tax dollars have been required for the purchase of capital for the fifth consecutive year
- A debenture was budgeted in 2016 and is included in the financial plan for the Norplex Pool, this will still leave sufficient room to meet the Waste Water Treatment Plant requirements
- Vale Grant-in-lieu agreement has included an infrastructure component – final year of the current agreement



Sources of Capital Funding



Capital Projects

Capital Project	Value	Funding Source
Selkirk Avenue	\$1,416,500	Gas Tax Revenues, Vale GIL, Municipal Road Grant
Burntwood Trailer Court Drainage	\$250,000	Gas Tax
City Hall/ Firehall HVAC/ Library AC	\$180,000	Infrastructure Reserve
Princeton Multi Use Path	\$160,000	Vale GIL
Sidewalk- Thompson Drive- Quartz	\$160,000	Gas Tax
Cemetery Road work	\$100,000	Gas Tax, Infrastructure Reserve
2018 Engineering	65,000	Gas Tax

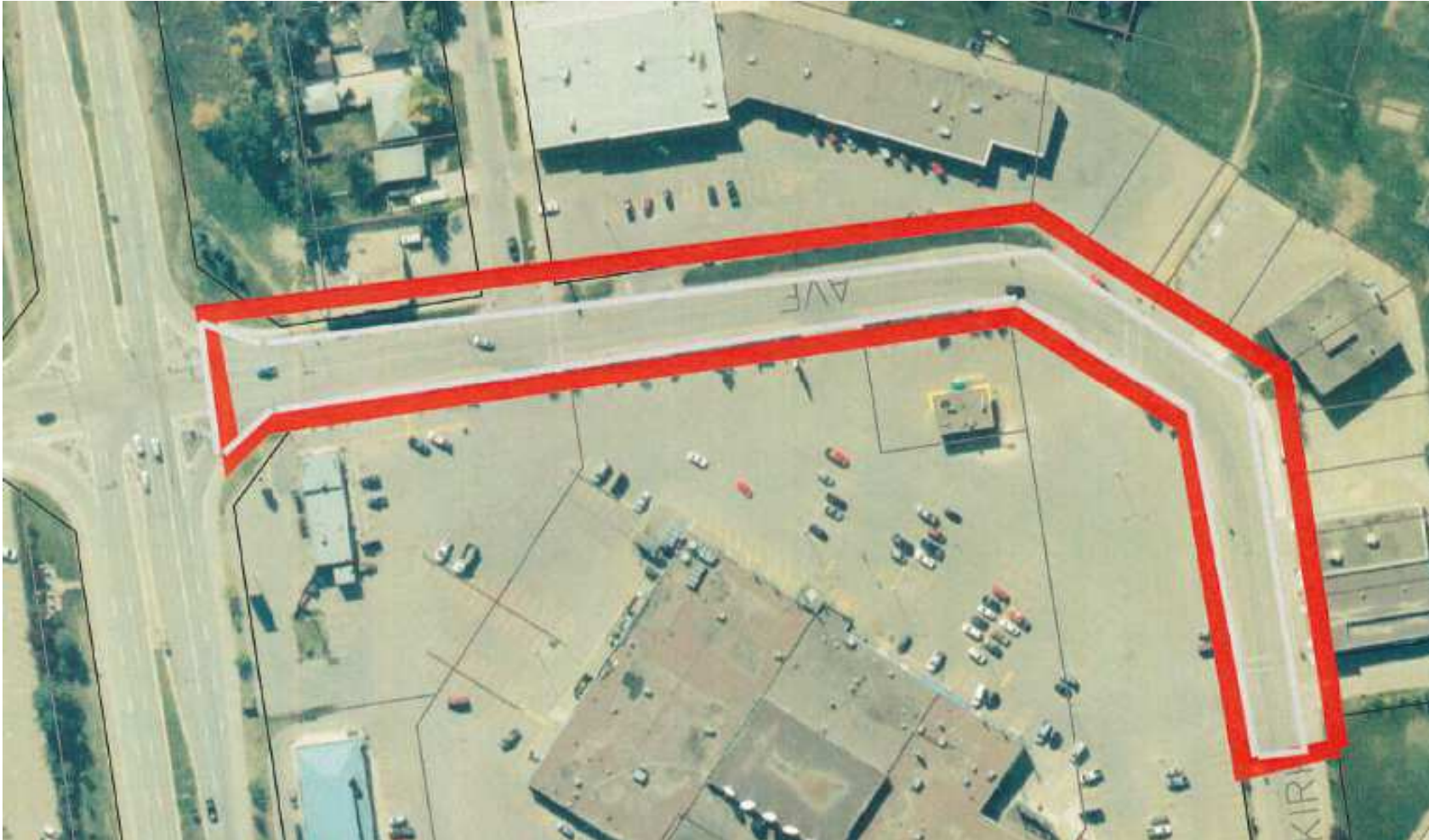


Capital Projects- Cont'd

Capital Project	Value	Funding Source
Equipment Upgrades- Half Tons ,Tandem Gravel Truck, Front load garbage truck, on demand water heater, chlorine pump upgrade, GB lighting upgrade	\$808,000	Infrastructure Reserve, Public Safety Reserve, Building reserve, Landfill Revenues
Safety Projects- Engineering Building Ventilation, vettor bags, extrication ram, autopulse, alarm panel	\$152,000	Infrastructure Reserve, Public Safety Reserve
Small capital, signage, website	\$135,000	Infrastructure reserves, Public Safety Reserve
Landfill capital- One Stop Shop, Multiuse Building Repair, Environmental Study	\$195,000	Landfill revenues
Completion of 2016 capital carry-over projects	\$1,009,381	Reserves, Debentures



Capital Projects- Selkirk Avenue



Capital Projects- Infrastructure Renewal



Capital Projects- BTC Drainage Work



Debentures

The parameters of the 2017 budget included no additional debentures, which will leave sufficient room for the debt requirements of the waste water treatment plant to be completed in 2019

- The following debentures carried forward from 2016 will be used in 2017

UCN Drive Paving	\$155,000
Utility Establishment	\$662,000
Norplex Pool	\$340,000



Utility

- The PUB approved an interim rates for 2015- 2017 in December, 2014, and current rates were implemented January 1, 2017
- 2017 Water rates are set at 1.46/cubic meter and sewer rates are set at 1.66/cubic meter
- The 2017 flat fee is \$123.03 (2016 \$121.06)
 - includes 14 cubic meters of water
- A rate study was completed in 2016 to determine the rates for 2017 to 2019, which is currently being reviewed by the PUB





Utility Capital

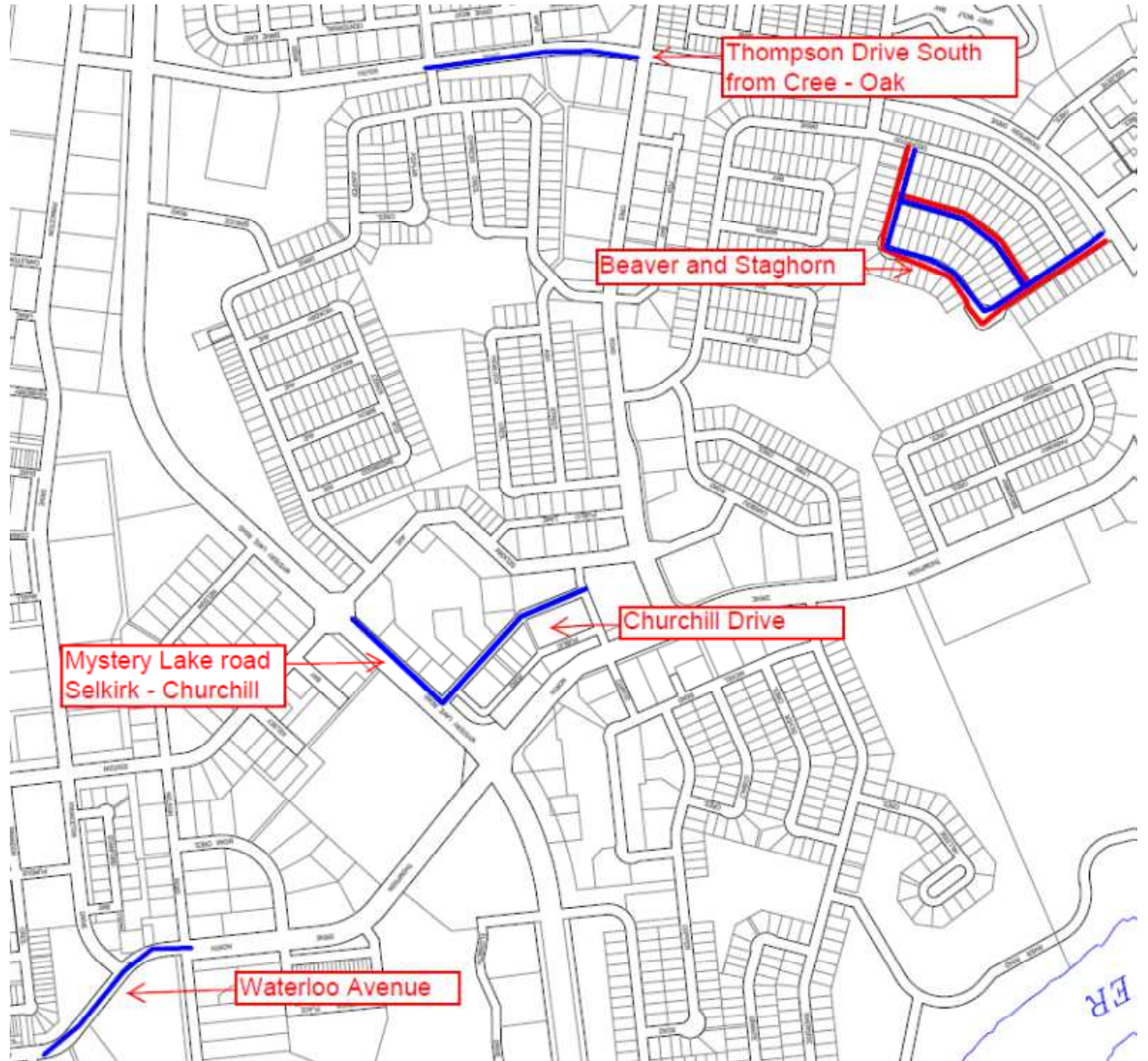
The 2017 Capital Expenses include:

- Watermain renewals
 - Waterloo Avenue
 - Mystery Lake Road from Selkirk Avenue to Churchill Drive
 - Staghorn Drive
 - Churchill Drive
 - Thompson Drive South from Cree to Oak Street
 - Beaver Crescent
- Waste Water treatment plant
- Equipment- Shoring, Vehicles, storage facility, lift station, Pump replacement



2017 Watermain and Sanitary Capital Renewals

Watermain Renewal 
Watermain and sanitary
renewal 

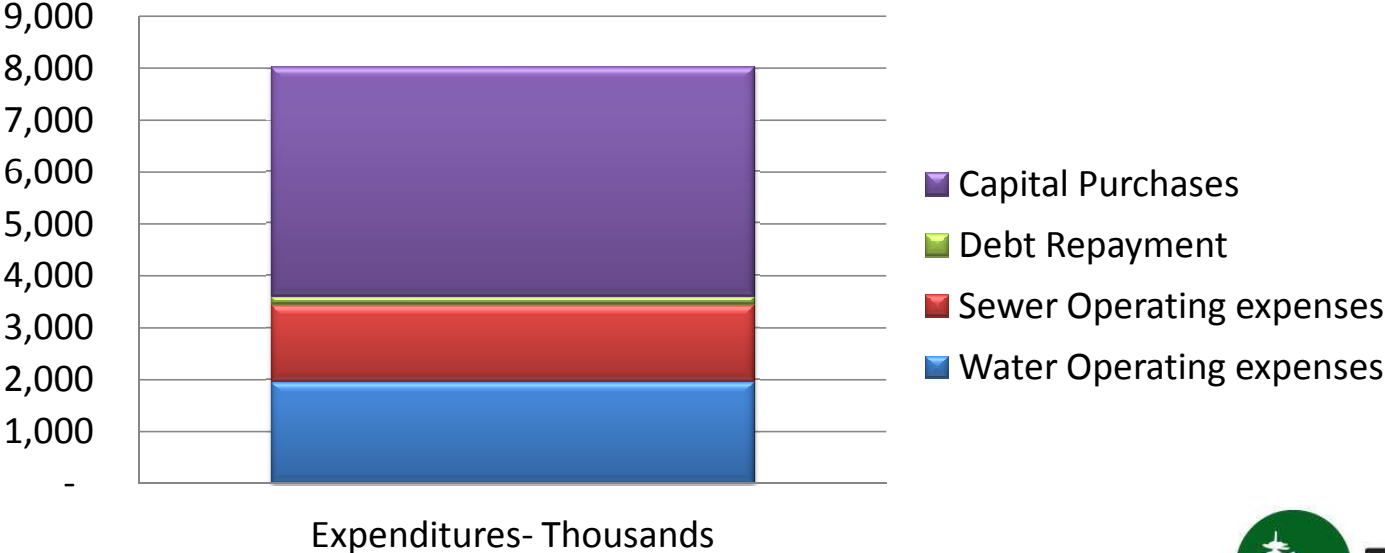


Utility- Thousands

2017 Revenues - \$8,008*

2017 Expenses- \$8,008

Does not include WWTP of \$36.5M.



* Includes watermain renewal grant of \$2.25M



Mill Rate Comparison



Residential Mill Rate Comparison

	2016 Mill Rate	2017 Mill Rate	Difference
Provincial Education Support Levy	0.00	0.00	0.00
SDML Levy	18.529	18.578	0.26%
City of Thompson Levy	20.980	21.400	2.00%
Total Residential Mill Rate	39.509	39.978	1.19%



Commercial Mill Rate Comparison

	2016 Mill Rate	2017 Mill Rate	Difference
Provincial Education Support Levy	10.500	10.500	0%
SDML Levy	18.529	18.578	0.26%
City of Thompson Levy	20.980	21.400	2.00%
Total Commercial Mill Rate	50.009	50.478	0.94%



Tax Result – House Assessment of \$200,000 in 2016 & 2017

	2016 Mill Rate	2017 Mill Rate	Change	% Change
Assessment	200,000	200,000	0	0%
SDML Levy	\$1,668	\$1,672	\$4	0.26%
City of Thompson Levy	\$1,888	\$1,926	\$38	2.00%
Total Taxes	\$3,556	\$3,598	\$42	1.19%
<i>Provincial Rebate*</i>	<i>\$700.00</i>	<i>\$700.00</i>	<i>\$0</i>	<i>0%</i>
Net Taxes	\$2,856	\$2,898	\$42	1.47%

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

Tax Result – Commercial Property
Assessed at \$1,000,000 in 2016 & 2017

	Based on 2016 Mill Rate	Based on 2017 Mill Rate	Change	% Change
Assessment	\$1,000,000	\$1,000,000	0	0%
Provincial Education Support Levy	\$6,825	\$6,825	\$0	0%
SDML Levy	\$12,044	\$12,076	\$32	0.26%
City of Thompson Levy	\$13,637	\$13,910	\$273	2.00%
Total Taxes	\$32,506	\$32,811	\$305	0.96%

Tax Result – Business Assessment of \$100,000

Business tax rate for 2017 has been decreased by 5.6%

2016 Rate	2017 Rate	Increase/ (Decrease)	% Change
4.49%	4.24%		
\$4,490	\$4,240	\$250	-5.6%

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



Special Levies

The 2017 Financial Plan includes revenue from:

- A Special Levy for Water, Storm and Sewer Service Line Maintenance; 2017 amount \$271,512 (estimated at \$83.80 per residence) (2016 amount per residence was \$117.07)
- By-law 1937-2016 was passed by council on April 11th, 2016 for the years 2016-2020



Special Levies- Cont'd

The decrease to the Special Levy of \$33.27 can be contributed to the following;

- Reduction in the number of breaks
- Watermain renewals which includes service line replacement
- Reduced water pressure in the distribution system from 58 psi to 53 psi



Net impact on \$200,000 residential property

Net Increase to taxes	\$42.00
Net reduction in service levy	<u>-33.27</u>
Net change to 2017 tax bill	<u>\$8.73</u>



What does this mean?

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

City of Thompson	\$1,926
SDML	\$1,672
Total before education tax credit	\$3,598
Less education tax credit	<i>\$700.00</i>
Total Taxes Payable	\$2,898



What does this mean?

The amount you pay to the City of Thompson for Property taxes is \$1,926. In effect you are purchasing the following programs:

	2017	2016
General Government	\$212	\$213
Protective Services	\$726	\$707
Transportation Services	\$373	\$375
Environmental Health Services	\$73	\$75
Public Health and Welfare	\$25	\$25
Environmental Development	\$1	\$1
Economic Development	\$21	\$13
Recreation	\$334	\$314
Debenture Payments	\$161	\$165



General Government

For an annual amount of \$212 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 \$726 you are paying for:

- \$556 For RCMP, which includes 38 members plus support staff
- \$94 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 \$373 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 \$73 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 \$21 you are paying for:

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



Recreation and Cultural Services

For an annual amount of \$334 you are paying for:

- VRCC – CA Nesbitt Arena, Gordon Beard Arena, Bill Comaskey Wellness Center, walking track
- Norplex Pool
- 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 \$161 you are paying for debt for projects previously implemented within the City:

- VRCC phases
- Park projects- Skate Park, Cliff Park, MacLean Park
- RCMP building
- UCN Drive
- Fire Truck



Thank You

