



2016 Financial Plan



Presentation Outline

- Budget Highlights
- Mill Rate Comparison
- Tax Result Comparison
- Question Period



Revenues - Highlights

- The financial plan must include a balanced budget
- 2016 is a reassessment year. There was no significant variations to assessments for residential properties.
- Fees & Fines increased by 3.4%, consistent with the 2015 tax increase



Revenues – Reserve Highlights

- \$436,131 is allocated to the economic development reserve for future economic development
 - \$124,000 through taxation
 - \$312,131 through a reallocation from prior year surpluses (no tax impact)
- \$936,393 is being allocation to the equipment replacement reserve from prior year surpluses (no tax impact)



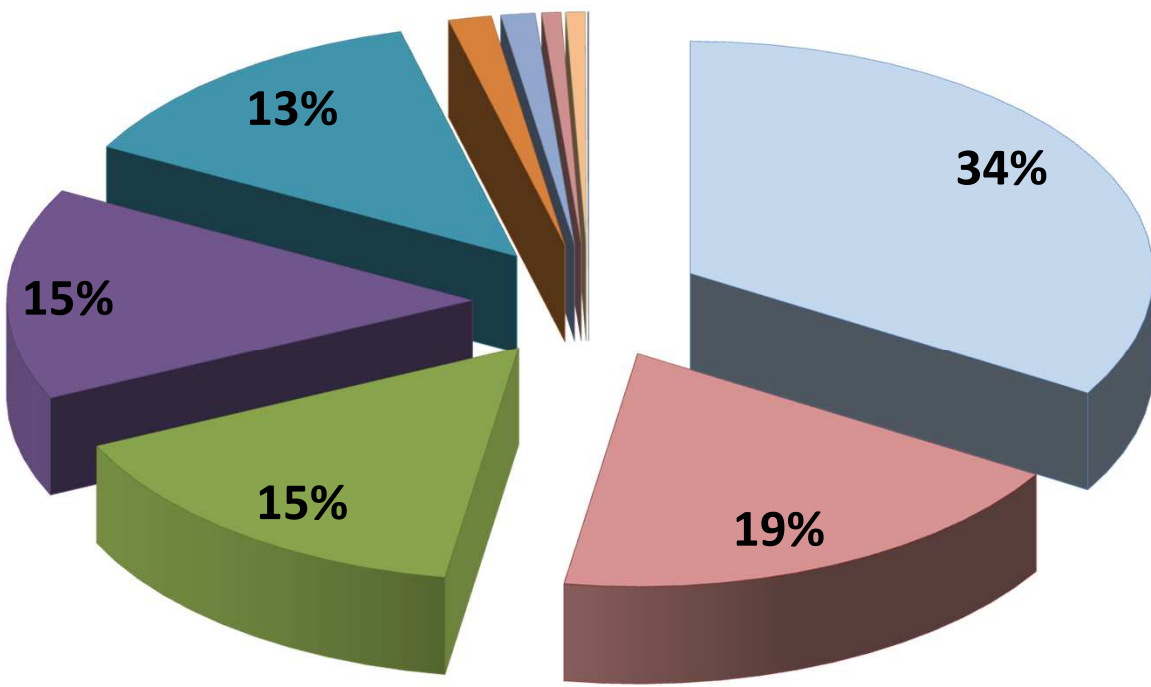
Revenues - Highlights

- \$750,000 of the \$3M Vale Grant-in-lieu Infrastructure funding is included in the capital revenues.
- Council has allocated this funding at \$600,000 per year for capital projects over the five year GIL.



City of Thompson Revenues

Total Revenue- \$30,414,312



- Tax Levies (34%)
- Grant In Lieu (19%)
- Provincial/ Federal Grants (15%)
- Sale of goods & services (15%)
- Transfers (13%)
- Licenses, permits and fines (1%)
- Rentals (1%)
- Taxes Added (1%)
- Penalties (1%)
- Return on investment (<1%)



Grants (16% of Revenues)

Operating		Capital	
Per Capita Grant*	2,119,105	Gas Tax*	675,059
General Support Grant	225,823	Municipal Road Grant	400,000
VLT Grant*	196,000	Total capital	<u>\$1,075,059</u>
Firefighter Grant	328,600		
Downtown Ambassador	15,000		
Cultural Grant	9,200		
Transit Operating	158,656		
Transit Debenture Grant	87,434		
CSO Grant	300,000		
Ambulance Grant	198,749		
Total Operating	<u>\$3,638,567</u>		

* Amounts based on census numbers



Sales of Goods and Services (15%)

- Includes:
 - Ambulance Revenue (\$2.2M)
 - Garbage Pick-up, Landfill fees(\$1M)
 - Custom Work, Transit (\$200K)
 - Recreation revenues (\$757K- TRCC including arenas, Norplex pool, Fitness Area and outside rentals)

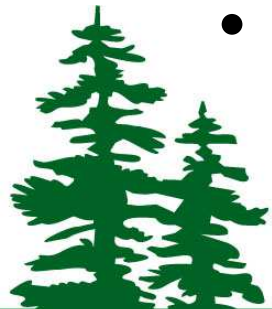


Transfers (13%)

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



Licenses, Permits and Fines (2%)

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

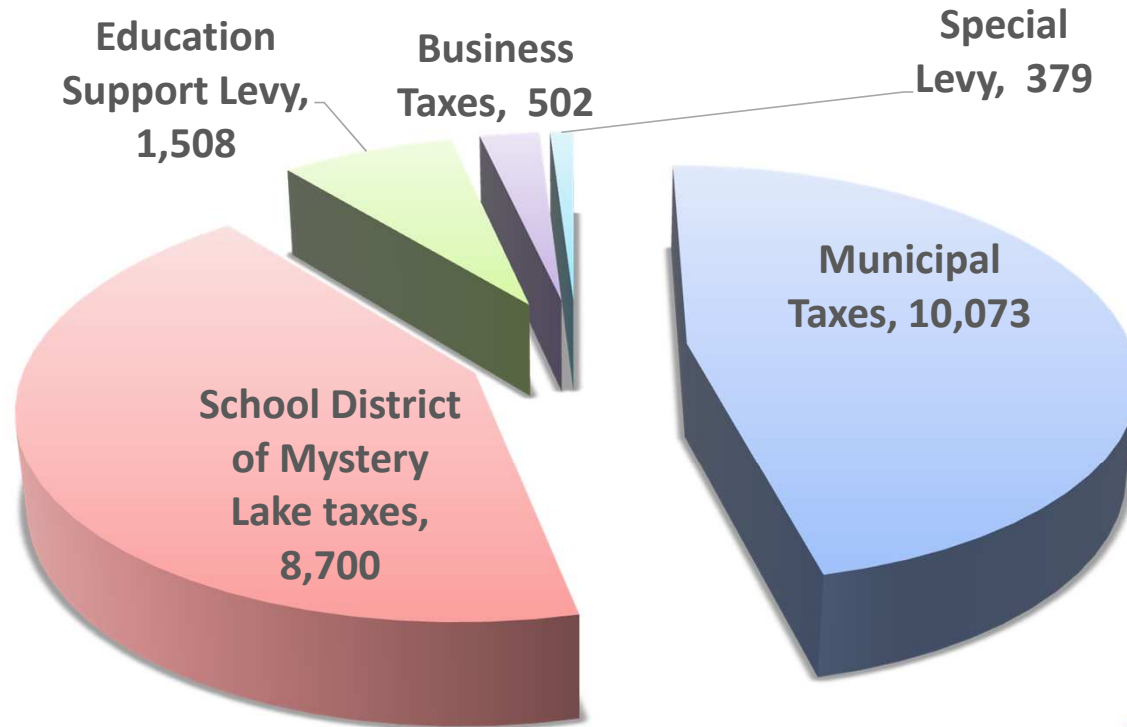


Taxes Added and Penalties

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



2016 Property Taxes- Thousands



Accommodation Tax

- The City budgeted \$500,000 in revenue from the Hotel Accommodation Tax.
- The Hotel Accommodation Tax By-Law allocates revenue in the following manner:
 - 60% to Infrastructure Reserve
 - 20% to Public Safety Reserve
 - 20% to Affordable Housing Reserve
- The allocation is currently under review



Accommodation Tax- Projects Funded

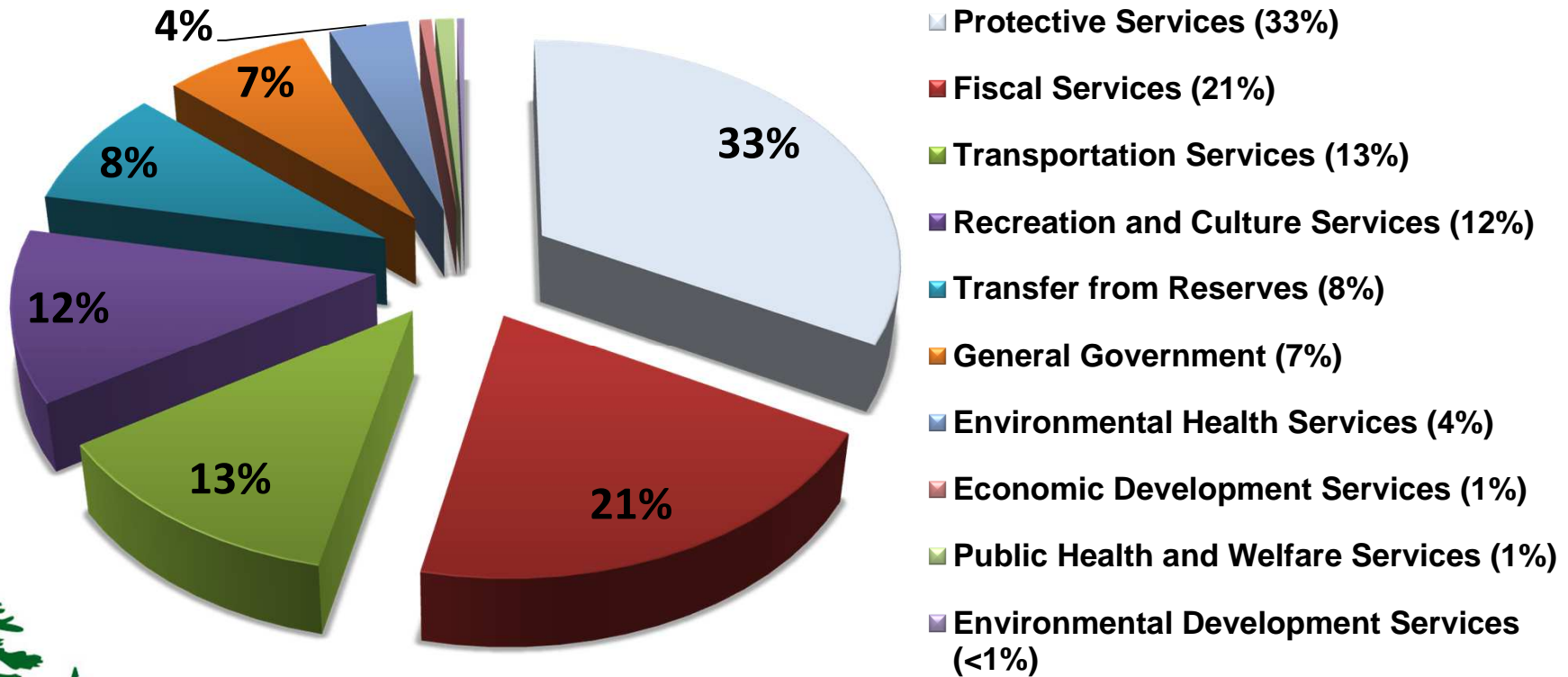
Infrastructure Reserve	Public Safety Reserve	Affordable Housing Reserve
2016		
Equipment Replacement-, Small Capital, Trucks, IT upgrades, Signage, Wheeled Backhoe, desks, air compressor	Fire Hall Ventilation, Small capital	Homeless Shelter
Fire Hall Bathroom upgrades, parks, painting ceiling in GB arena, Handivan, Bus Shelter, signage, traffic light pole	Fire Hall Bathroom upgrades YARN	Thompson Housing Agency
2015		
Equipment Replacement-, Small Capital, Trucks, IT upgrades, BCC Ice Plant, Shop Hoist, desks, line painter	Crew Cab Truck, Defibrillator, snowmobile	Our Home Kikinaw, Homeless Shelter
Roof – Public Safety Building, Columbarium, parks	Roof – Public Safety Building YARN	Thompson Housing Agency

Expenses- Highlights

- Status quo budget- only contractual increases included (RCMP contract, hydro, caretaking, etc)
- Landfill budget included in 2016, no impact on taxes
- Full year Community safety officer budget included, along with additional revenue from the province.



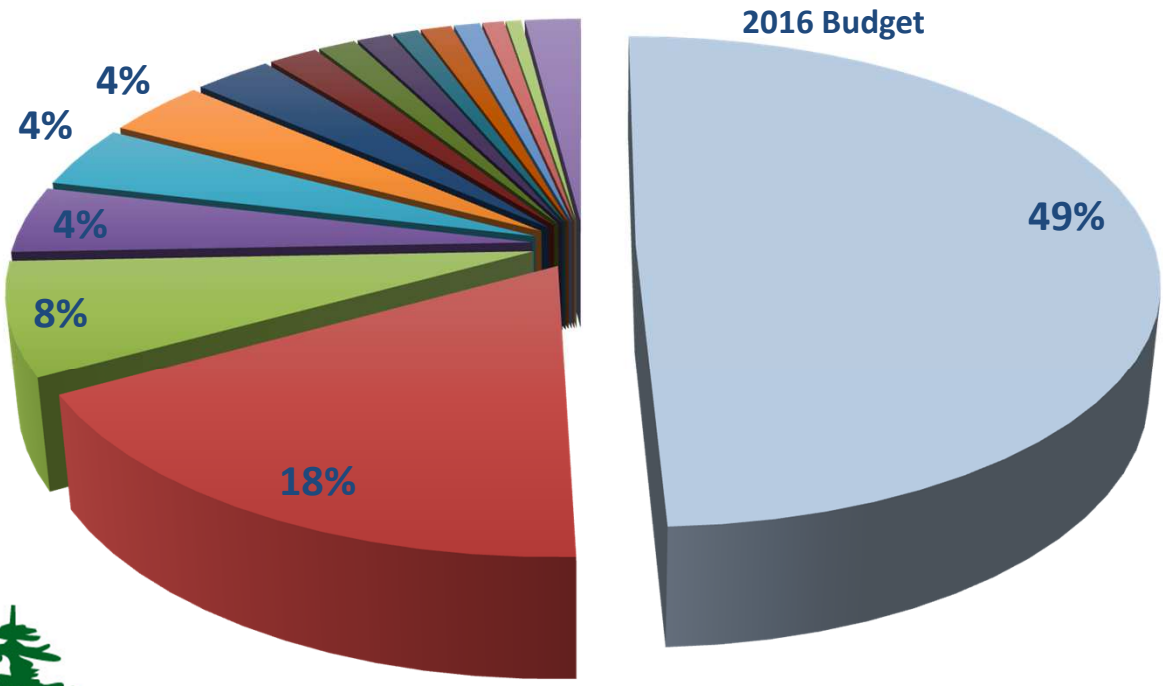
City of Thompson 2016 Expenses



Total Expense \$30,414,312



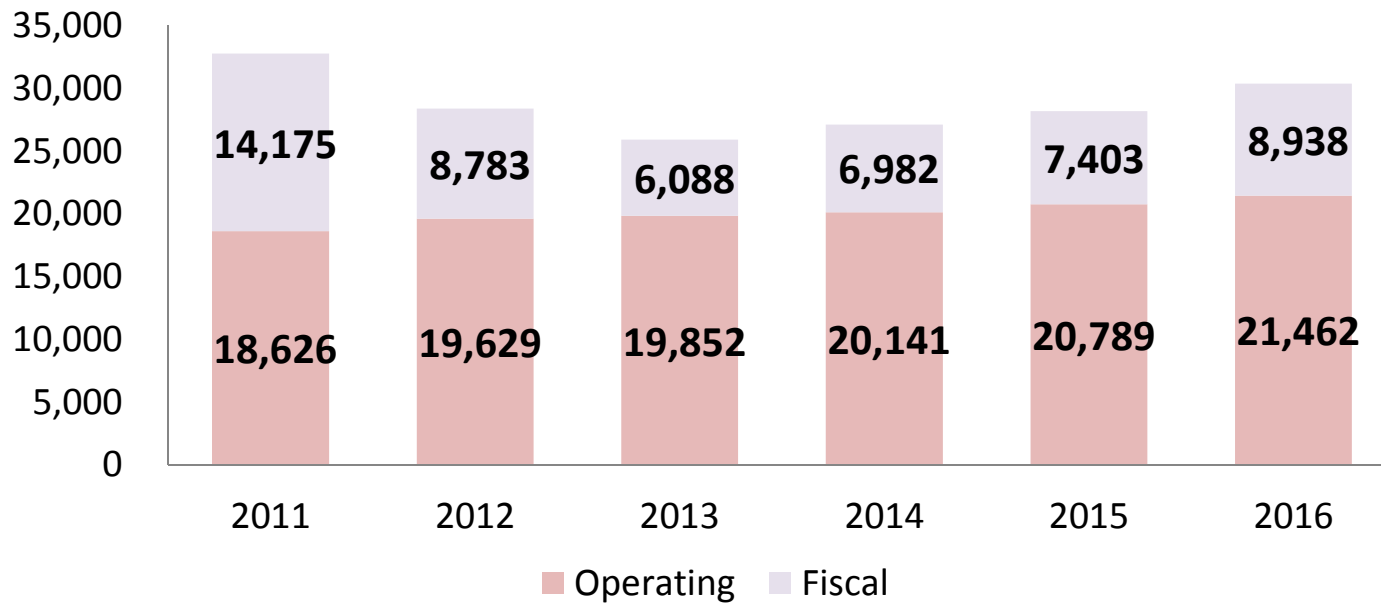
2016 Budget Costs by Category



- Salaries & Benefits (49%)
- RCMP Contract (18%)
- Debenture (8%)
- 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 \$33.6M
- The new Waste Water Treatment Plant requires debenture room of \$12.167M
- Principal of \$10,572,061 outstanding on existing debentures (excluding utility debentures)
- Total payment of \$1,840,682 included in the 2016 budget
 - \$1,302,837 principal
 - \$537,843 interest



Debentures

	Original Balance	Principal Remaining	Annual Payment	Interest rate	Completed in
TRCC	10,915,000	7,565,184	1,013,210	5.5%	2027
Public Safety Building	4,739,460	819,007	438,962	6.7%	2018
UCN Drive& Burntwd Sth	990,000	858,808	89,697	4.0%	2028
Recreation Projects	660,000	536,081	59,765	4.0%	2027
Rescue Pumper	472,038	305,081	58,198	4.0%	2021
UCN Drive	385,000	266,249	44,155	3.9%	2022
GB Parking Lot	160,000	108,251	20,000	6.9%	2023
Transit	401,859	84,991	87,435	2.9%	2016
Recycle Upgrades	134,000	28,407	29,260	3.0%	2016
Total Operating		10,572,061	1,840,681		

Controlled Entities

- Council directive to controlled entities to utilize surpluses where appropriate.
- Year 3 of the Debt reduction strategy being implemented
 - Thompson Recycle Center \$74,078 for 15 years
 - Thompson Zoological Society \$19,214 for 10 years



Controlled Entities

	2015	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)	\$150,000	*\$50,000
Thompson Recycling Center	\$240,000	\$240,000

* To utilize prior year surpluses



Community Groups

- The 2016 Plan includes the following contributions to community groups:

Museum	\$60,000
Homeless Shelter	\$25,000
Curling Club (Insurance)	\$9,000
YARN	\$15,000
Humane Society*	\$31,126

* Fee for service

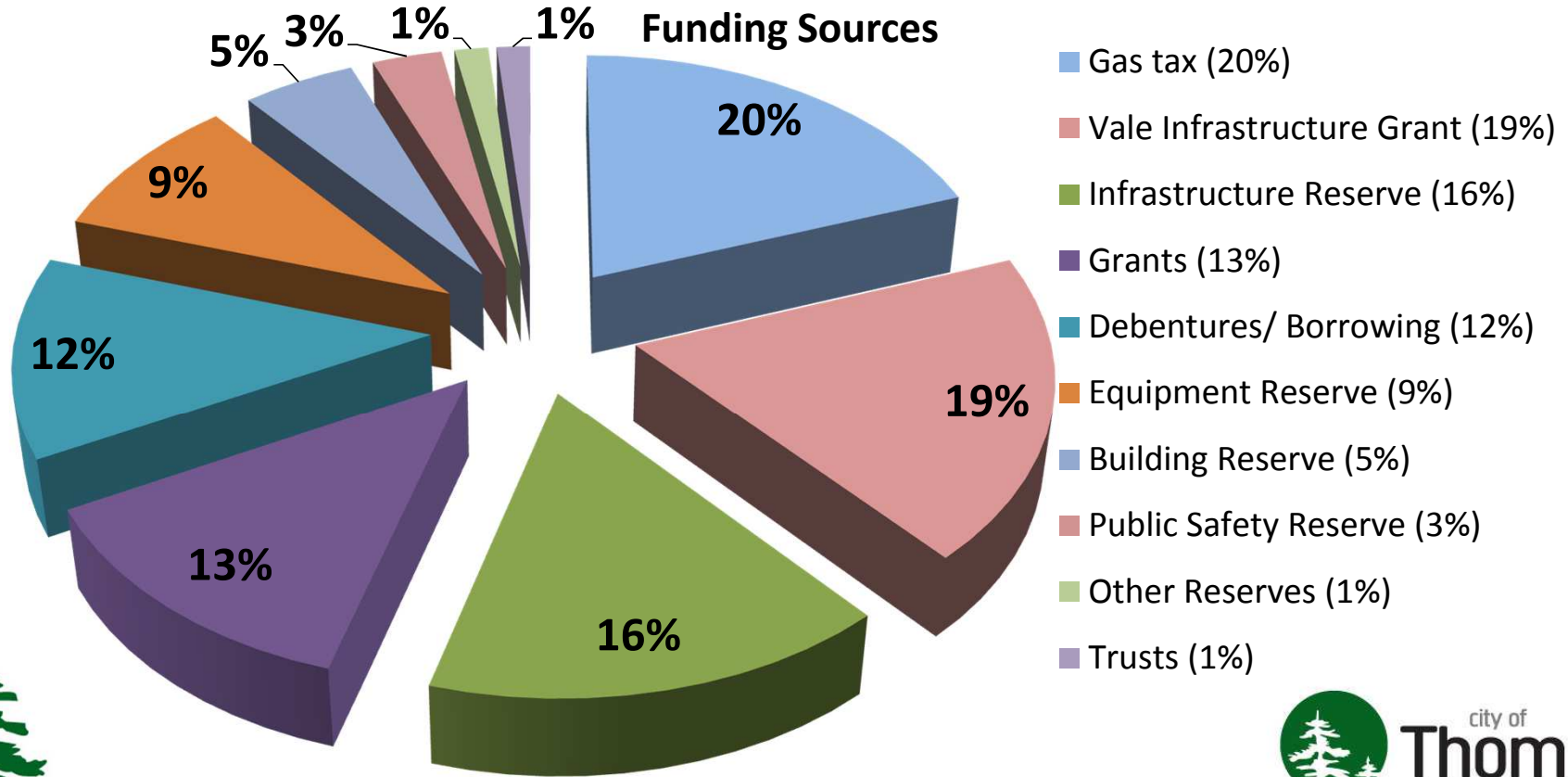


Capital Funding

- Zero property tax dollars have been required for the purchase of capital for the fourth consecutive year
- A new debenture 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 includes an infrastructure component – 4th year of the program



Sources of Capital Funding



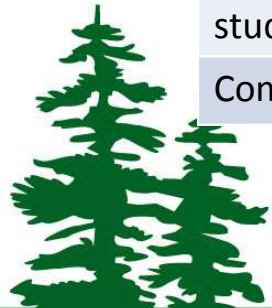
Capital Projects

Capital Project	Value	Funding Source
Selkirk Avenue	\$847,491	Gas Tax Revenues, Vale GIL, Municipal Road Grant
Cree Road	\$339,700	Vale GIL
Norplex Electrical Upgrades and Diving Boards	\$340,000	Debenture
Multi Use Pathways	\$174,000	Gas Tax
Burntwood Trailer Court Renewal	\$100,000	Gas Tax
Wheeled Backhoe	\$135,000	Infrastructure Reserve, Equipment Reserve
Security System for TRCC and Norplex	\$80,000	Building Reserve

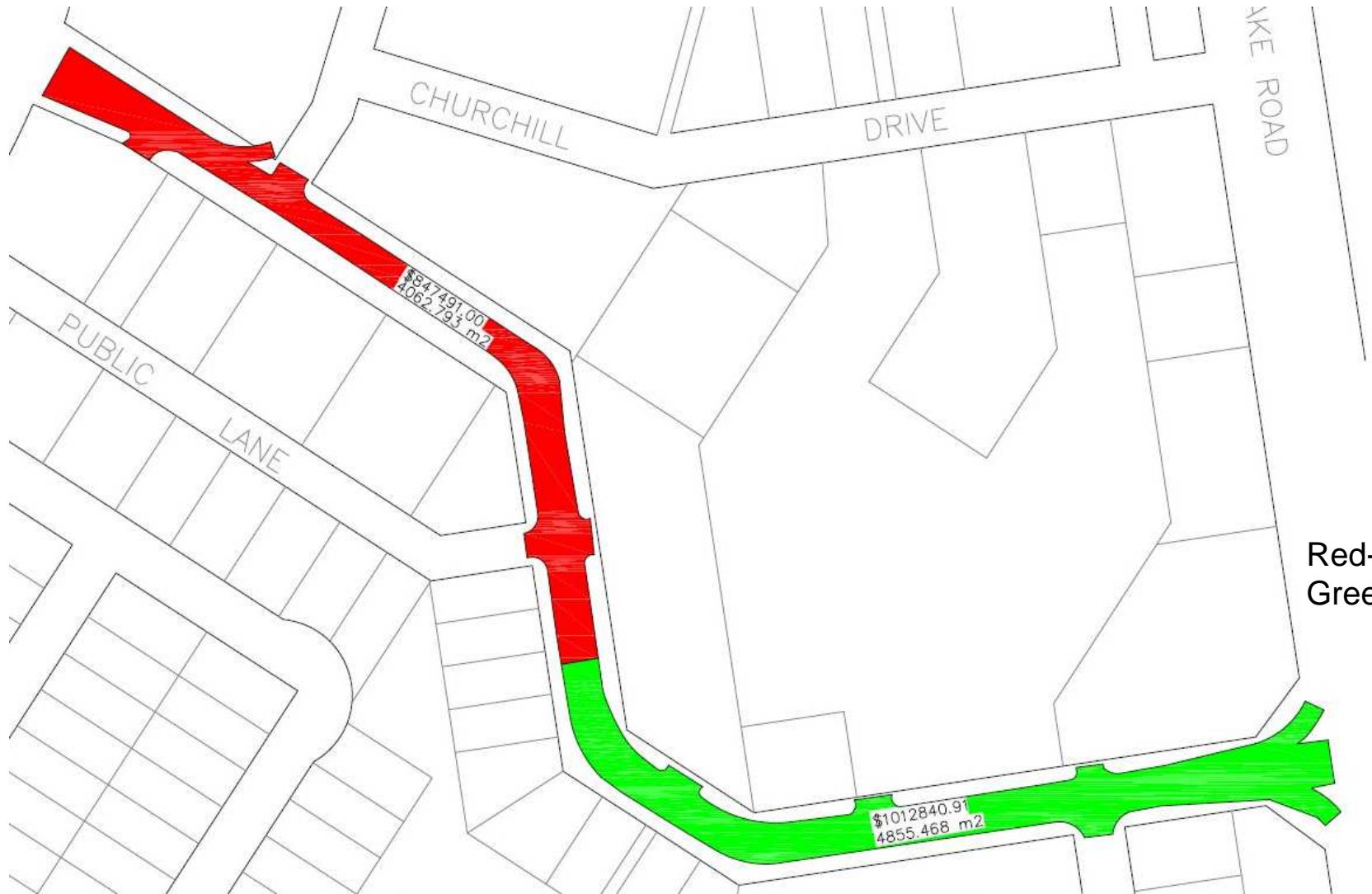


Capital Projects- Cont'd

Capital Project	Value	Funding Source
Equipment Upgrades-, Half Tons, CSO Vehicles, Handivan, desks, GB Ceiling Painting, air compressor, mower, Tandem truck	\$398,000	Infrastructure Reserve, Public Safety Reserve, Building reserve, TRCC Trust
Safety Projects- traffic light pole and pedestal, Fire Hall bathroom, Fire Hall Ventilation	\$180,000	Infrastructure Reserve, Public Safety Reserve
Small capital, signage, wall of fame, Parks, MacLean park structure, bus shelters	\$207,000	Infrastructure reserves, Gas Tax, Trust
Landfill capital- Waste Disposal Grounds Phase IV, Lighting, Fencing, Multi use building roof repair and updates, environmental act license study	\$701,850	Landfill revenues, reserves
Completion of 2015 capital carry-over projects	\$605,400	Reserves, Debentures



Capital Projects- Selkirk Avenue



Red- 2016
Green- Future year

Capital Projects- Cree Road Paving and Multi Use Path



Debentures

- The parameters of the 2016 budget included one new debenture to be taken out for the Norplex pool, which will leave sufficient room for the debt requirements of the waste water treatment plant in 2018
- The following debentures carried forward from 2015 will be used in 2016

UCN Drive Paving	\$155,000
Utility Establishment	\$662,000



Utility

- The PUB approved an interim rates for 2015- 2017 in December, 2014, and current rates were implemented January 1, 2016
- 2016 Water rates are set at 1.45/cubic meter and sewer rates are set at 1.64/cubic meter
- The 2016 flat fee is \$121.06 (2015 \$105.67)
 - includes 14 cubic meters of water
- A rate study was completed in 2014 to determine the rates for 2015 to 2017, which is currently being reviewed by the PUB



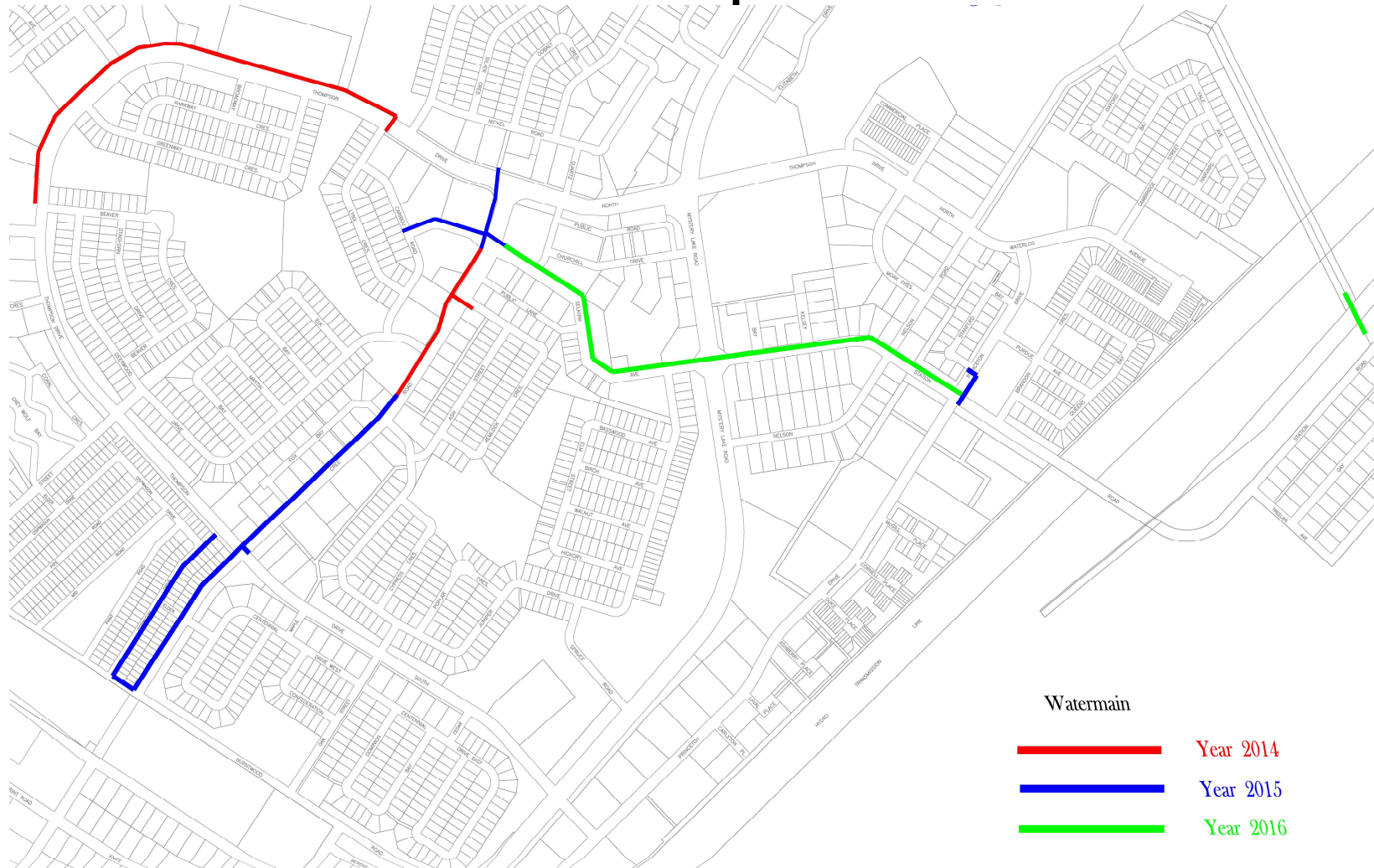
Utility Capital

The 2016 Capital Expenses include:

- Watermain renewals
 - Selkirk Avenue from Cree Rd to Mystery Lake Rd
 - Station Road from Mystery Lake Road to Princeton Drive
 - Mystery lake Road from Selkirk Drive to Churchill Drive
 - Train Station Crossing
- Waste Water treatment plant upgrades
- Equipment- Shoring, Pressure Probe, Pump replacement



2016 Watermain Capital Renewals

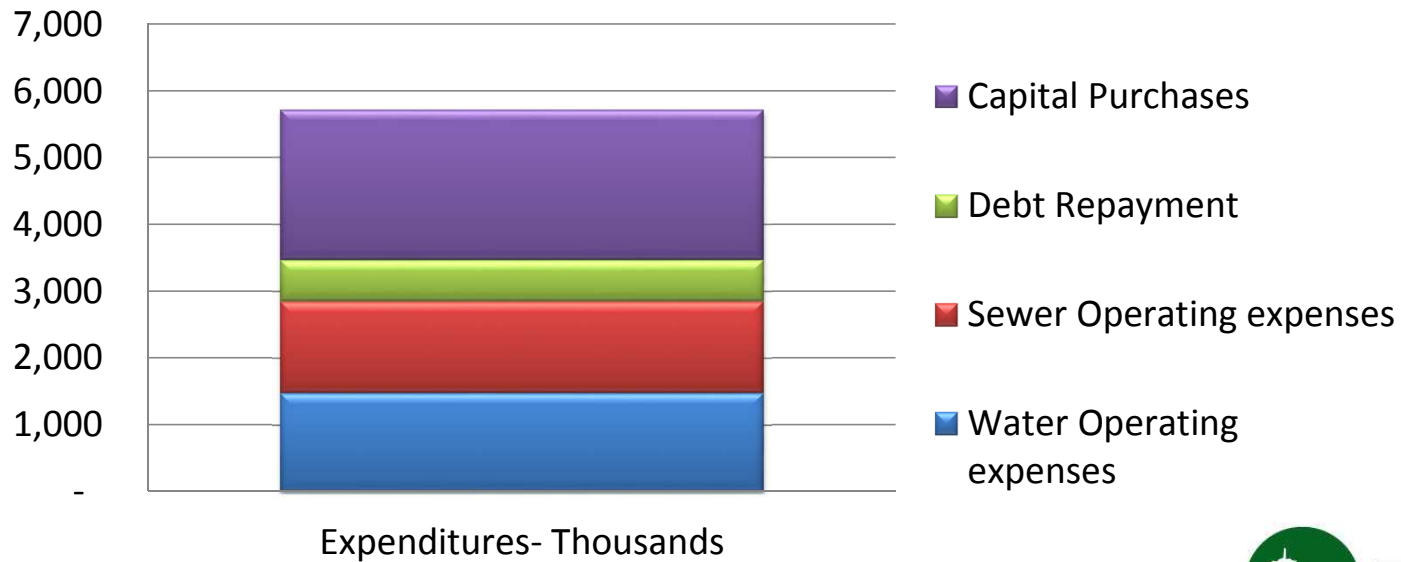


Utility- Thousands

2016 Revenues - \$5,717

2016 Expenses- \$5,717

Does not include WWTP of \$36.5M.



Mill Rate Comparison



Residential Mill Rate Comparison

	2015 Mill Rate	2016 Mill Rate	Difference
Provincial Education Support Levy	0.00	0.00	0.00
SDML Levy	17.628	18.529	5.1%
City of Thompson Levy	20.670	20.980	1.5%
Total Residential Mill Rate	38.298	39.509	3.2%



Commercial Mill Rate Comparison

	2015 Mill Rate	2016 Mill Rate	Difference
Provincial Education Support Levy	11.610	10.500	-9.6%
SDML Levy	17.628	18.529	5.1%
City of Thompson Levy	20.670	20.980	1.5%
Total Commercial Mill Rate	49.908	50.009	0.2%



Tax Result – House Assessment of \$200,000 in 2015 & 2016

	2015 Mill Rate	2016 Mill Rate	Change	% Change
Assessment	200,000	200,000	0	0%
SDML Levy	\$1,587	\$1,668	\$81	5.1%
City of Thompson Levy	\$1,860	\$1,888	\$28	1.5%
Total Taxes	\$3,447	\$3,556	\$109	3.2%
<i>Provincial Rebate</i>	<i>\$700.00</i>	<i>\$700.00</i>	<i>\$0</i>	<i>0%</i>
Net Taxes	\$2,747	\$2,856	\$109	4.0%

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

Tax Result – Commercial Property Assessed at \$1,000,000 in 2015 & 2016

	Based on 2015 Mill Rate	Based on 2016 Mill Rate	Change	% Change
Assessment	\$1,000,000	\$1,000,000	0	0%
Provincial Education Support Levy	\$7,546	\$6,825	-\$721	-9.6%
SDML Levy	\$11,458	\$12,044	\$586	5.1%
City of Thompson Levy	\$13,435	\$13,637	\$202	1.5%
Total Taxes	\$32,439	\$32,506	\$67	0.2%

Tax Result – Business Assessment of

\$100,000

No Change in Business tax rate for 2016

2015 Rate	2016 Rate	Increase/ (Decrease)	% Change
4.49%	4.49%		
\$4,490	\$4,490	\$0	0%

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



Special Levies

The 2016 Financial Plan includes revenue from:

- A Special Levy for Water, Storm and Sewer Service Line Maintenance; 2016 amount \$379,000 (estimated at \$117.07 per residence) (2015 amount per residence was \$88)
- By-law 1937-2016 was passed by council on April 11th for the years 2016-2020



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	\$1,888
SDML	\$1,668
Total before education tax credit	\$3,556
Less education tax credit	-700
Total Taxes Payable	\$2,856



What does this mean?

The amount you pay to the City of Thompson for Property taxes is \$1,888. In effect you are purchasing the following programs:

General Government	\$213
Protective Services	\$707
Transportation Services	\$375
Environmental Health Services	\$75
Public Health and Welfare	\$25
Environmental Development	\$1
Economic Development	\$13
Recreation	\$314
Debenture Payments	\$165



General Government

For an annual amount of \$213 you are paying for:

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



Protective Services

For an annual amount of \$707 you are paying for:

- \$507 For RCMP, which includes 38 members plus support staff
- \$97 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, 2 deputies and the Chief.
- \$103 for Community Safety Officers, By-law officers, Animal Control, Building Inspectors



Transportation Services

For an annual amount of \$375 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 \$75 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 \$13 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



Recreation and Cultural Services

For an annual amount of \$314 you are paying for:

- TRCC – 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 \$165 you are paying for debt for projects previously implemented within the City:

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



Questions?

