



# 2018 Financial Plan



# Presentation Outline

- Budget Highlights
- Mill Rate Comparison
- Tax Result Comparison



# Budget Highlights

- Four year Vale Grant In lieu agreement signed from 2018-2021.
  - Significant reductions in years 2-4
  - Council has reduced operating expenses by \$470,335 for 2018 which will be added to the General reserve to lessen the impact in future years
- Tourism funding of \$400,000 for Thompson hoteliers.
  - To be funded by accommodation tax and economic development/ tourism reserve (2017 & 2018 allocations)
- Decrease in business tax from 4.24% to 3.99%- Second year of reduction



# Revenues - Highlights

- Section 164(3) of the Municipal Act states that the financial plan must include a balanced budget
- 2018 is a reassessment year which is completed by the Province. There was a net decrease of .3% to assessment
  - Residential assessments increased 1.8%, while commercial assessments decreased 6%
- The 2018 Mill Rate has increased by 1.9% consistent with the 2017 rate of inflation



# Revenues - Highlights

- Fees & Fines increased by 2%, consistent with the 2017 tax increase
- Provincial grants changed to basket funding and will not increase for 2018.
- \$150,000 provincial funding for the CSO program



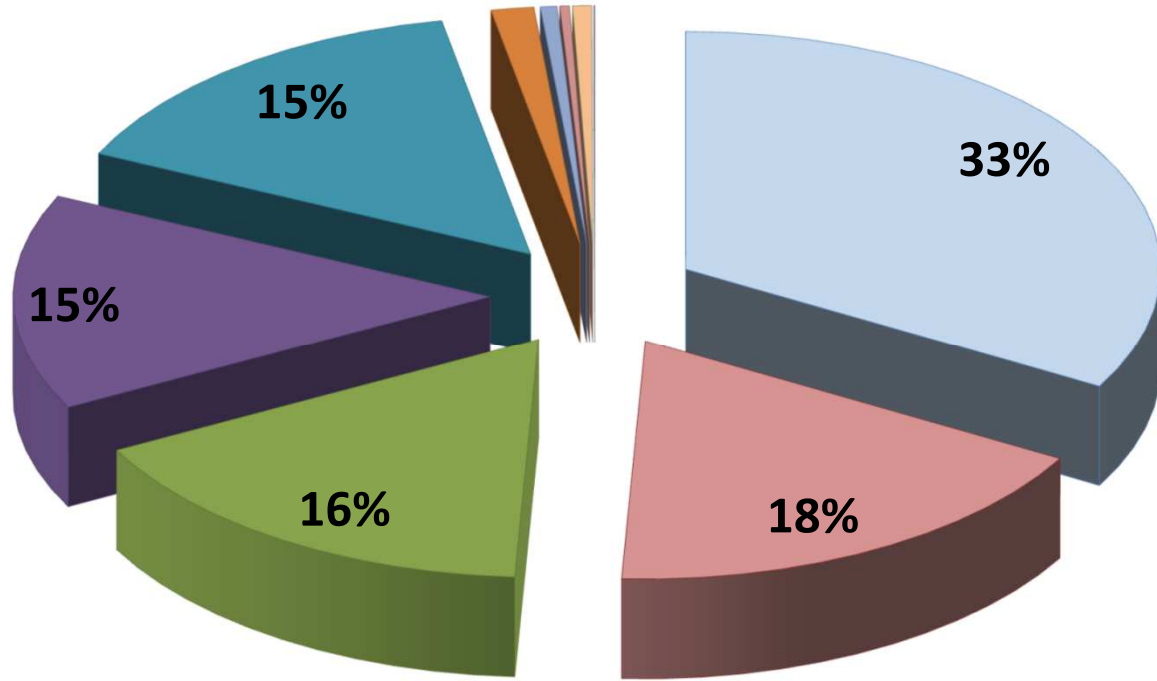
# Revenues – Reserve Highlights

- \$998,335 allocated to the general reserve to assist in lessening the impact of the \$1.272 million reduction to Vale Grant In Lieu beginning in 2019.
  - \$528,000 from 2018 Vale Grant In Lieu
  - \$470,335 from reduction of expenses
- The City of Thompson is retaining the entire Grant in Lieu and no portion is allocated to SDML or the LGD of Mystery Lake



# City of Thompson Revenues

**Total Revenue- \$31,549,798**



- Tax Levies (33%)
- Grant In Lieu (18%)
- Transfers (16%)
- Sale of goods & services (15%)
- Provincial/ Federal Grants (15%)
- Licenses, permits and fines (1%)
- Rentals (1%)
- Taxes Added (0%)
- Penalties (1%)
- Return on investment (<1%)



city of  
**Thompson**



# Provincial/ Federal Grants (15% of Revenues)

Operating		Capital	
Basket Funding *	2,669,041	Gas Tax*	742,471
Firefighter Grant	328,600	Municipal Road Grant	400,000
MLLC CSO Grant	15,000	Total capital	<u>\$1,142,471</u>
Cultural Grant	9,200		
CSO Grant	150,000		
Ambulance Grant	198,749		
Total Operating	<u>\$3,370,590</u>		

\* Amounts based on census numbers





# Sales of Goods and Services (15%)

- Includes:
  - Ambulance Revenue (\$2.3M)
  - Garbage Pick-up, Landfill fees(\$1.1M)
  - Custom Work, Transit (\$201K)
  - Recreation revenues (\$780K- TRCC including arenas, Norplex Pool, Fitness Area and outside rentals)



# Transfers (16%)

- 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)



# 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 over the lease period

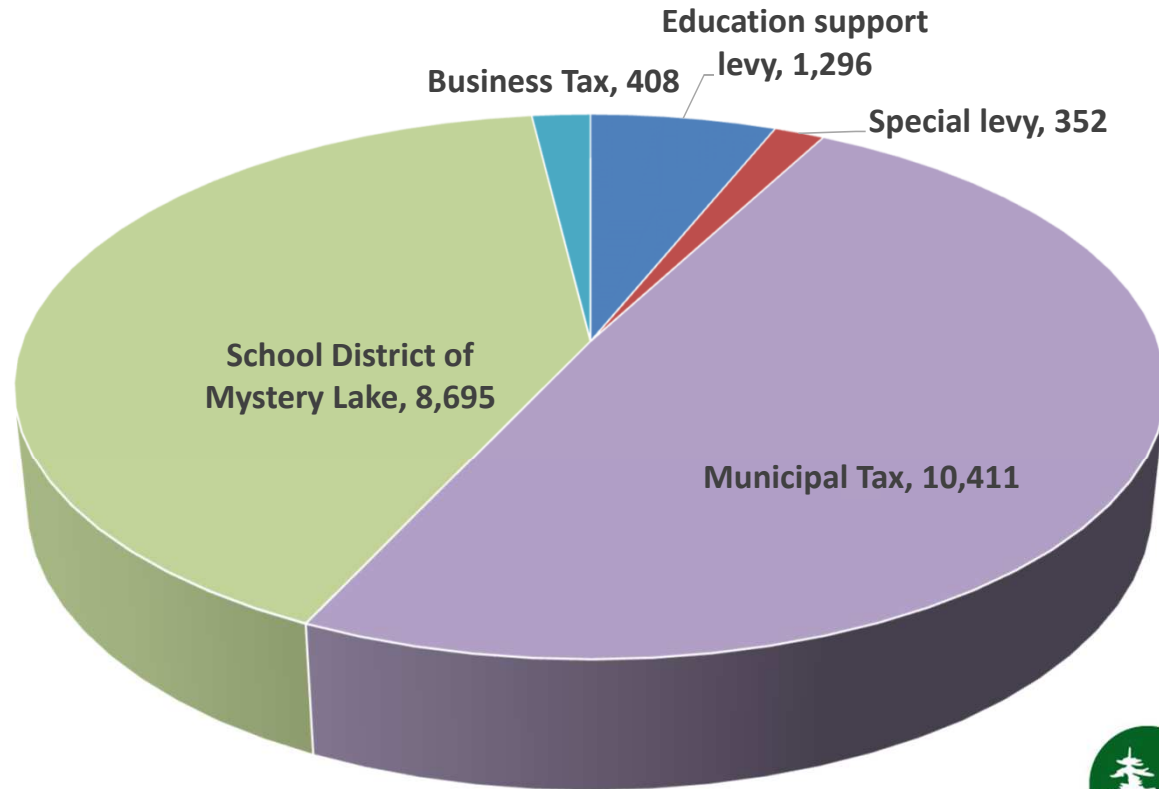


# Taxes Added and Penalties

- Taxes added (\$100,000)
  - Results from changes in assessments during the year (buildings completed or updated, etc.)
  - Reduced due to the Financial Assistance by-law for 2018
- Penalties (\$203,000)
  - Monthly amount of 1.25% on outstanding taxes



# 2018 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 Hotel Association is \$400,000 for 2018



# 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 (2018 50%)
  - Public Safety Reserve (2018 20%)
  - Affordable Housing Reserve (2018 10%)
  - Economic development/ tourism (2018 20%)





# Accommodation Tax- Projects Funded

Infrastructure Reserve	Public Safety Reserve	Affordable Housing Reserve	Economic Development/ Tourism
<b>2018</b>			
City Hall Air Conditioning, Public Works building ventilation and overhead doors,	5 SCBA's, Gear Washing Machine, Waterslide platform	Homeless Shelter	Thompson Hotel Association
Small Capital, Alarm Panel, Signage, Handivan, Underfloor heating TRCC		Thompson Housing Agency	
<b>2017</b>			
City Hall HVAC, Engineering building ventilation, Cemetery Road Work, Library AC unit	Vettor bags, extrication ram, Small capital	Homeless Shelter	Thompson Hotel Association
Small Capital, Signage, Website	Zoll Autopulse	Thompson Housing Agency	

# Expenses- Highlights

- Status quo budget- only contractual increases included (RCMP contract, hydro, caretaking, CBA increases, etc.)
- Full year Community safety officer budget included for 6 members due to provincial funding of \$150,000

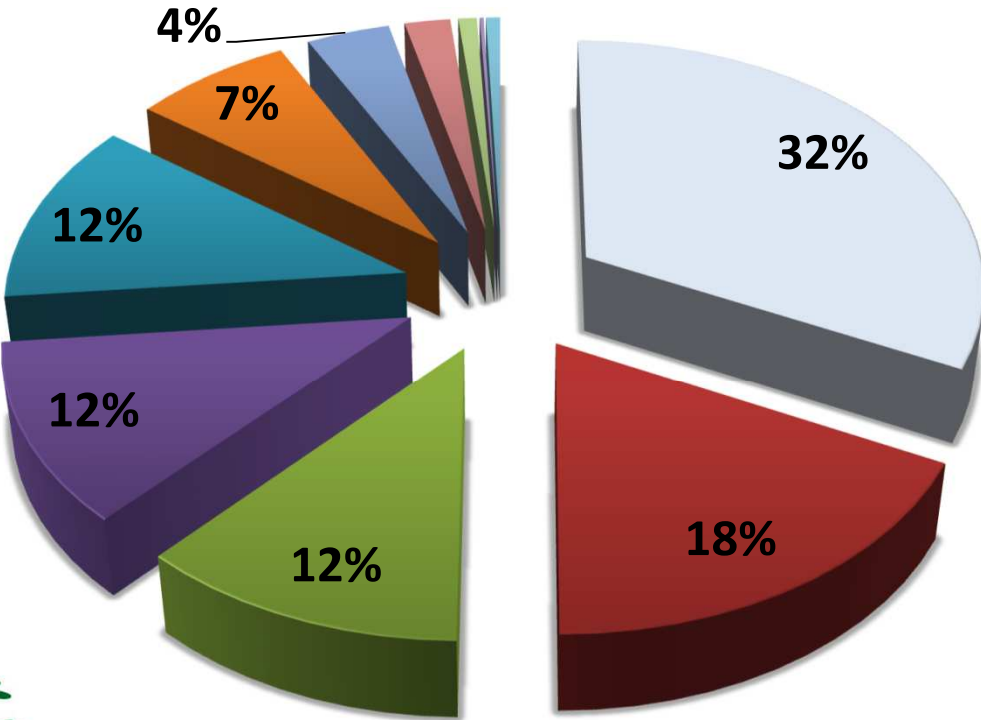


# Expenses Reduction

- Council has begun the process of reviewing services to reduce expenses by \$1.272M to address the Vale Grant In lieu. The following items are being implemented for 2018 which have the least impact on the services provided;
  - Reduction of seasonal and summer students by 50%
  - Reduction in pool hours
  - 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



# City of Thompson 2018 Expenses

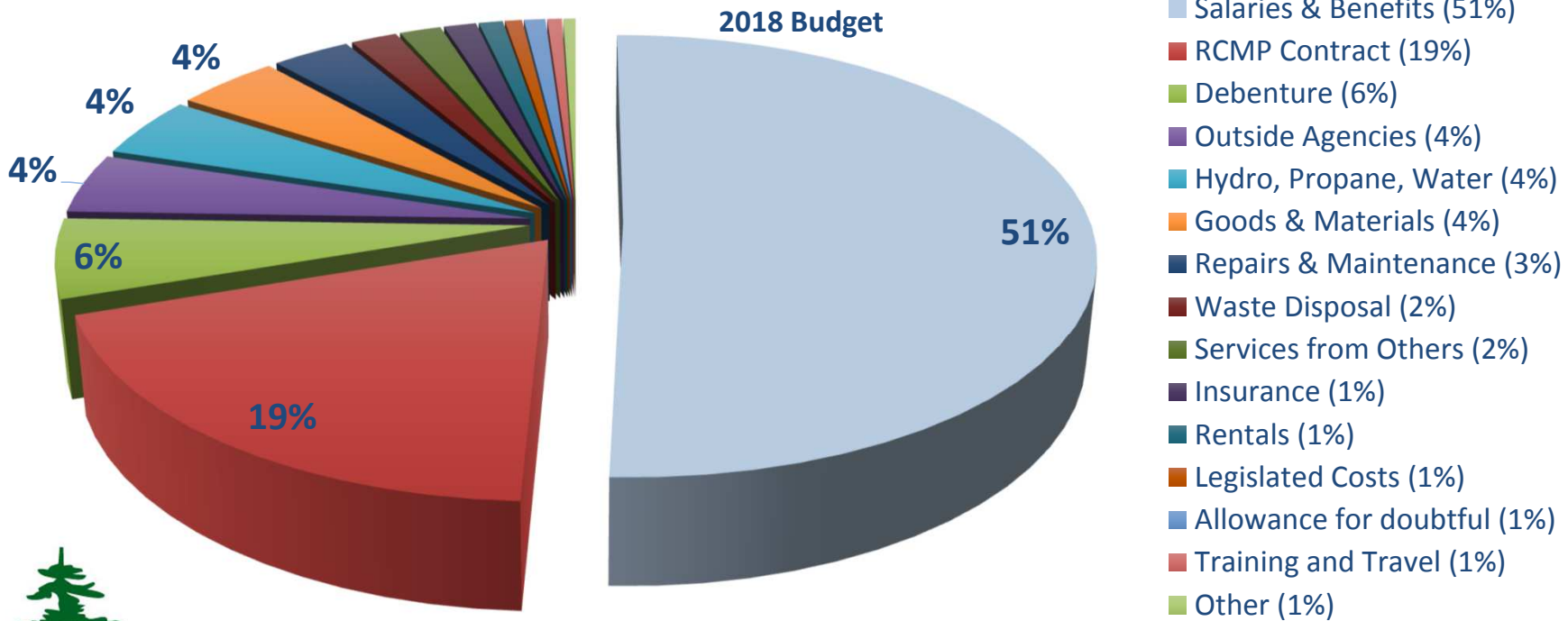


- Protective Services (32%)
- Fiscal Services (18%)
- Transportation Services (12%)
- Recreation and Culture Services (12%)
- Transfer from Reserves (12%)
- General Government (7%)
- Environmental Health Services (4%)
- Economic Development Services (2%)
- Public Health and Welfare Services (1%)
- Environmental Development Services (<1%)

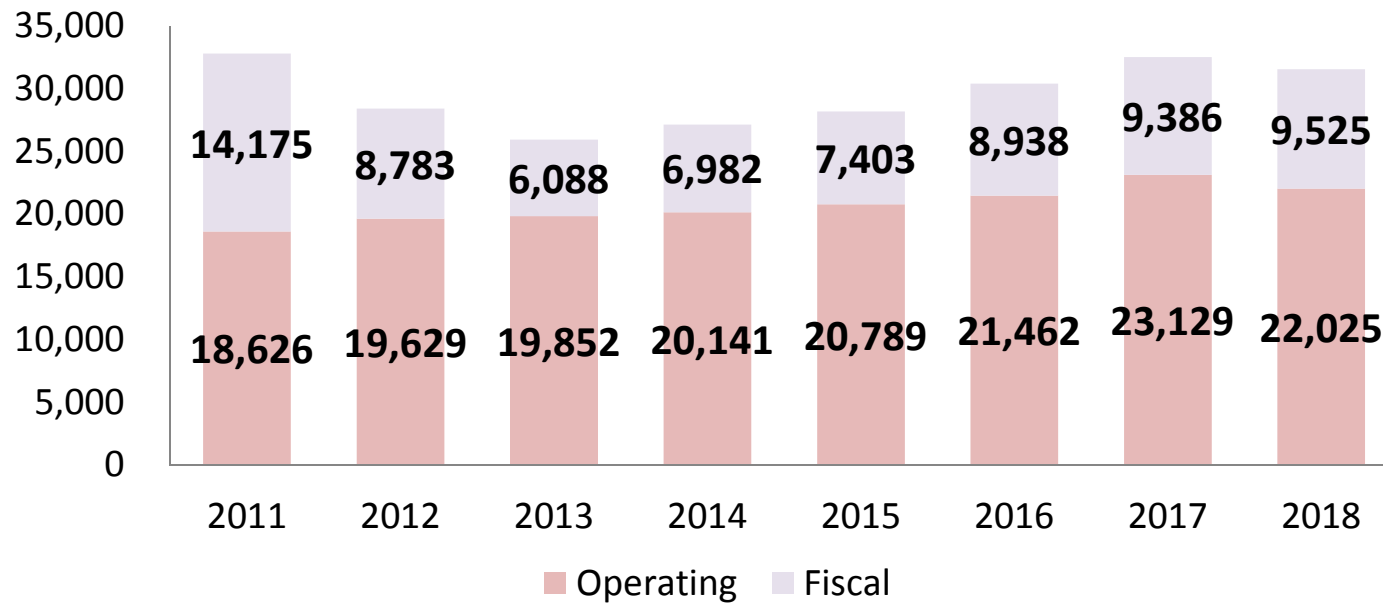
**Total Expense \$31,549,798**



# 2018 Budget Costs by Category



# Year-Over-Year Summary- Thousands



# Debentures

- The City has an available borrowing limit of \$33.4M
- The new Waste Water Treatment Plant requires debenture room of \$12.167M
- Principal of \$8,353,509 outstanding on existing debentures (excluding utility debentures)
- Total payment of \$1,360,930 included in the 2018 budget
  - \$962,747 principal
  - \$398,183 interest



## Debentures

	Original Balance	Principal Remaining	Annual Payment	Interest rate	Completed in
Public Safety Building	300,000	\$25,789	27,497	4.0%	2018
Rescue Pumper	472,038	211,252	58,198	4.0%	2021
UCN Drive	385,000	197,262	44,155	3.9%	2022
GB Parking Lot	160,000	82,274	20,000	6.9%	2023
TRCC	10,915,000	6,290,316	1,013,210	5.5%	2027
Recreation Projects	660,000	458,860	59,765	4.0%	2027
UCN Drive& Burntwd Sth	990,000	747,754	89,697	4.0%	2028
Norplex Pool	340,000	340,000	48,408	3.875% *	2028
<b>Total Operating</b>		<b>8,353,509</b>	<b>1,360,930</b>		

\*To be determined when debenture is taken. 3.875% is current rate



# Controlled Entities

- Council directive to controlled entities to utilize surpluses where appropriate.
- Year 5 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

	2018	2017
Thompson Housing Agency	\$50,000	\$50,000
Thompson Public Library	\$237,500	\$245,000
Thompson Zoological Society	\$60,000	\$85,000
Thompson Recycling Center	\$160,000	\$240,000



# Community Groups

- The 2018 Plan includes the following contributions to community groups:

	2018	2017
Museum	\$61,500	\$62,500
Homeless Shelter	\$20,000	\$22,500
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

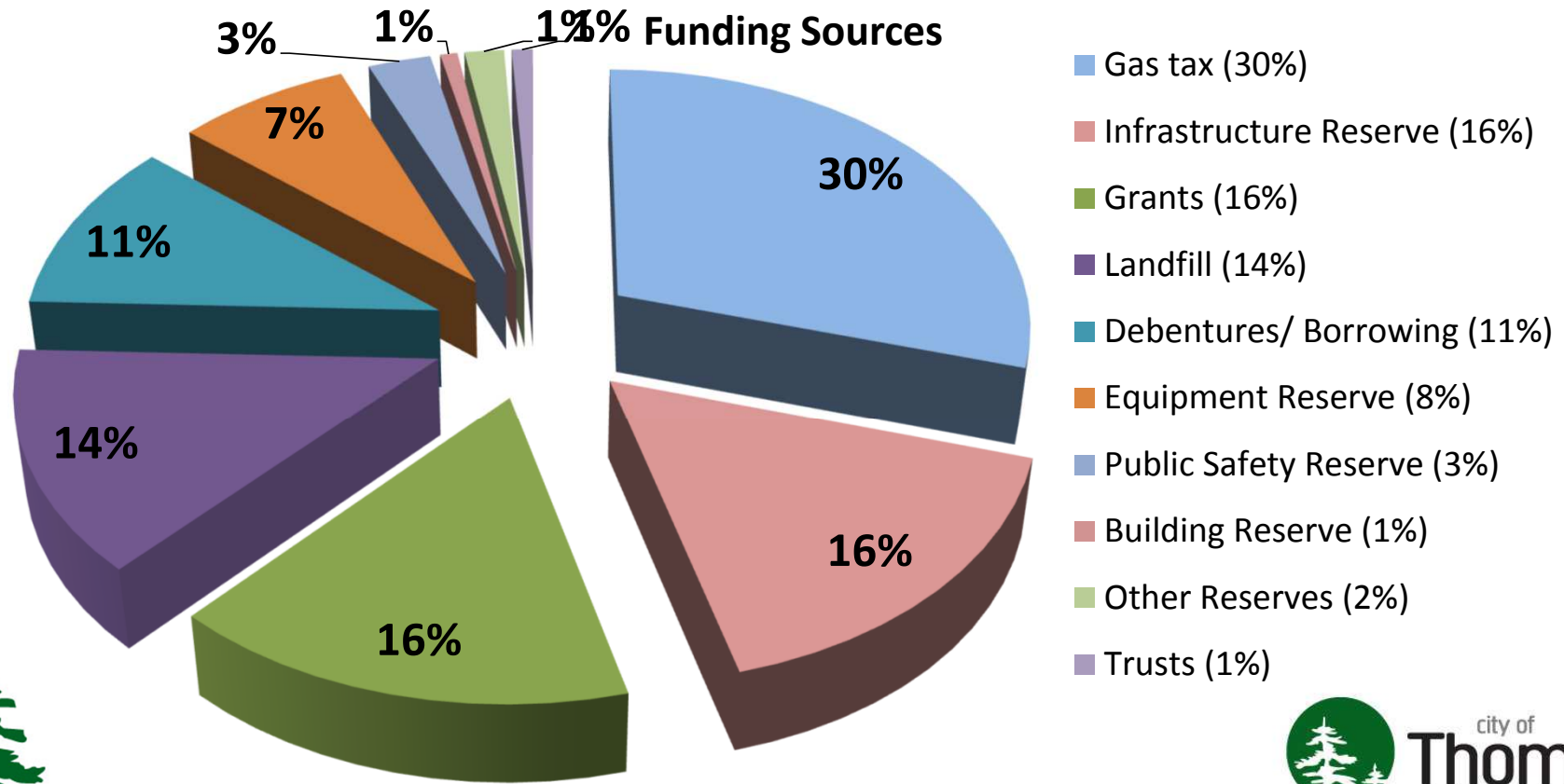


# Capital Funding

- Zero property tax dollars have been required for the purchase of capital for the sixth consecutive year
- A debenture was budgeted in 2018 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



# Sources of Capital Funding



# Capital Projects

Capital Project	Value	Funding Source
Station Road	\$850,000	Gas Tax Revenues, Municipal Road Grant
Transit Bus	\$400,000	Equipment reserve/ PTIF funding
Road Rehabilitation (Milling)	\$225,000	Gas Tax
Equipment exhaust system and overhead doors- Public Works	\$175,000	Infrastructure Reserve
Multi Use Path	\$160,000	Gas Tax
City Hall Air conditioning	\$150,000	Infrastructure Reserve
Burntwood Trailer Court Drainage	\$125,000	Gas Tax



# Capital Projects- Cont'd

Capital Project	Value	Funding Source
Equipment Upgrades- Half Tons , ¼ tons, snow gate, bobcat, water slide platform upgrades, lockers for Norplex Pool, diesel pump	\$269,000	Infrastructure Reserve, Public Safety Reserve, Building reserve, landfill revenues
Small capital, underfloor heat exchanger, air handling system at Norplex	\$170,000	Infrastructure reserves, Public Safety Reserve
Safety Projects- Replacement of 5 SCBA's, gear washing machine	\$70,000	Public Safety Reserve
Landfill capital- Landfill leachate study, Monitoring wells	\$60,000	Landfill revenues
Completion of 2017 capital carry-over projects	\$1,446,407	Reserves, Debentures

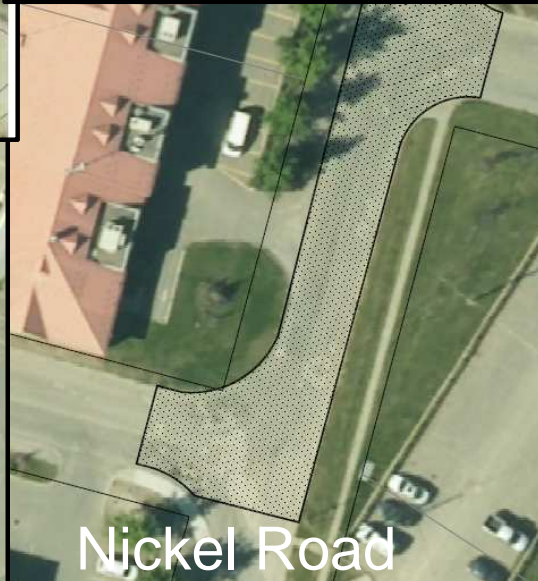


## Capital Projects- Station Road

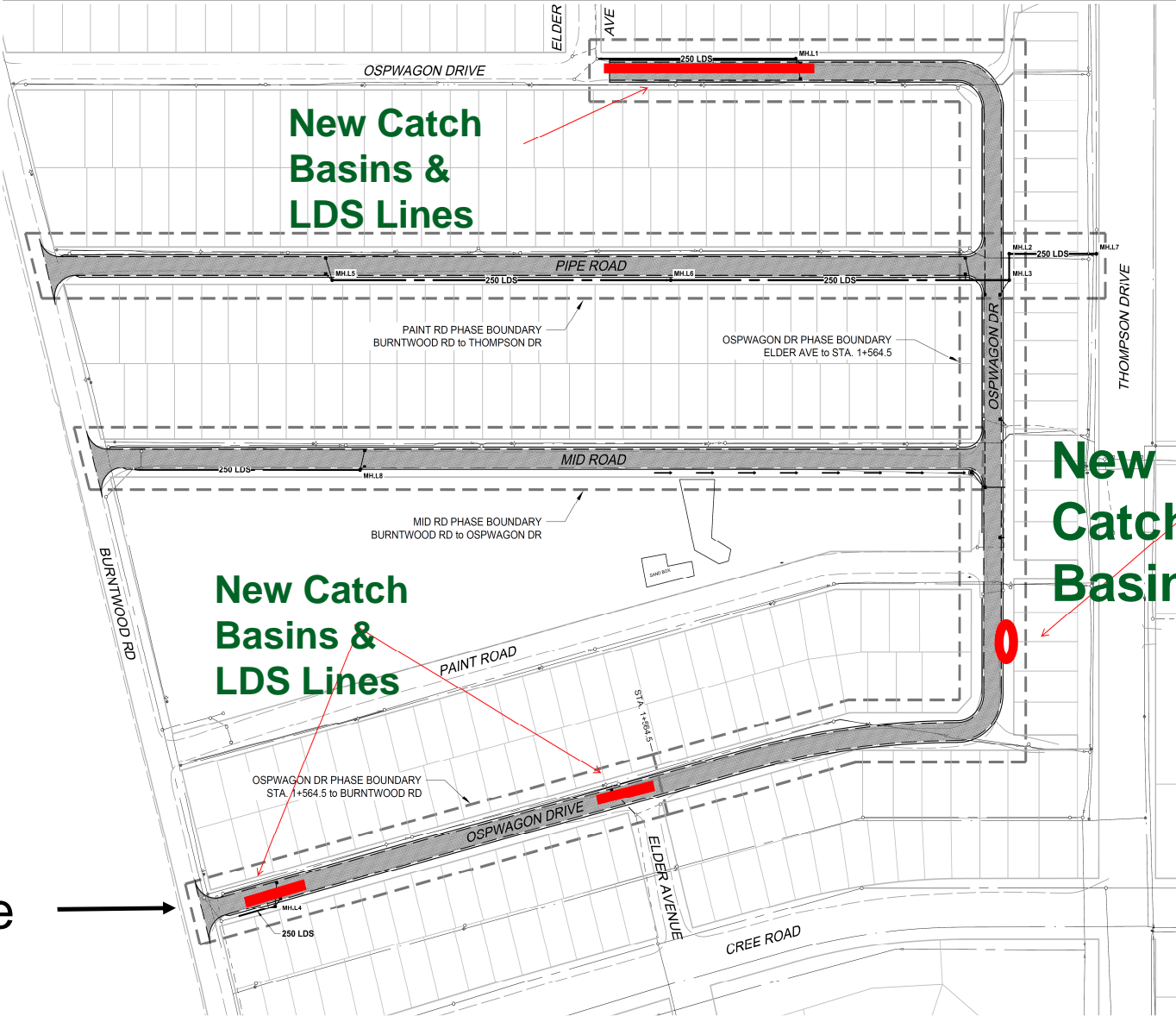




## Capital Projects- Milling Work



# BTC Drainage Project



New Catch Basins & LDS Lines

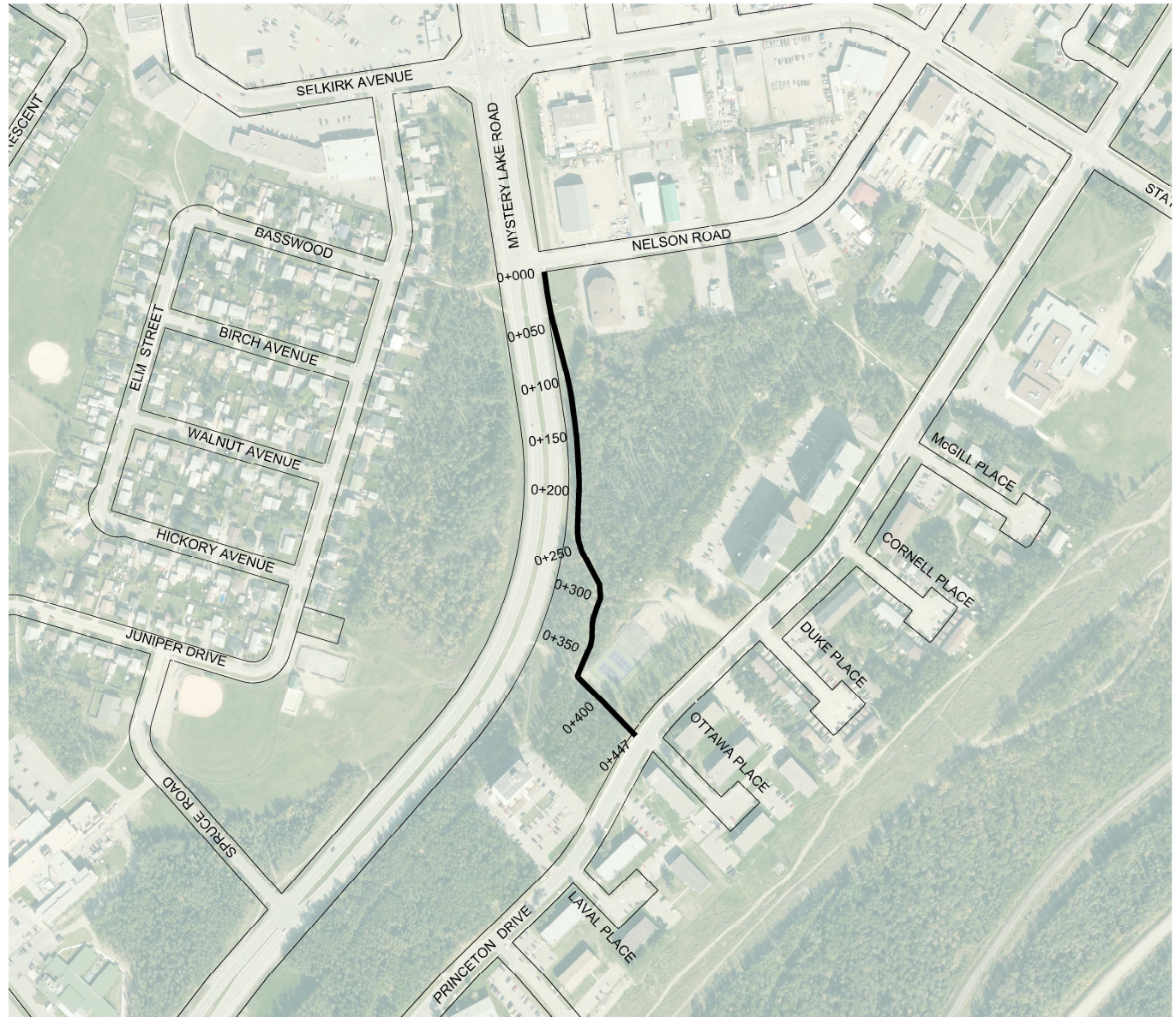
New Catch Basins & LDS Lines

New Catch Basin

Ospwagon Drive



# Multi-Use Path – Princeton Drive to Mystery Lake Road



# Debentures

The parameters of the 2018 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 2017 will be used in 2018

<b>UCN Drive</b>	<b>\$155,000</b>
<b>Norplex Pool</b>	<b>\$340,000</b>



# Utility

- The PUB approved the 2018 rates through board order 49/18
- 2018 Water rates are set at \$2.39/cubic meter and sewer rates are set at \$1.28/cubic meter
- The 2018 flat fee is \$135.61 (2017 \$123.03)
  - includes 14 cubic meters of water
- The Water Treatment plant was transferred to the City on January 1, 2018. 50% of the costs are allocated to the City and 50% to Vale for 2018



# Utility Capital

The 2018 Capital Expenses include:

- Waste Water treatment plant
- Watermain renewals
- Equipment- Vehicles
- Recreation Dump Site
- Brandon pavement

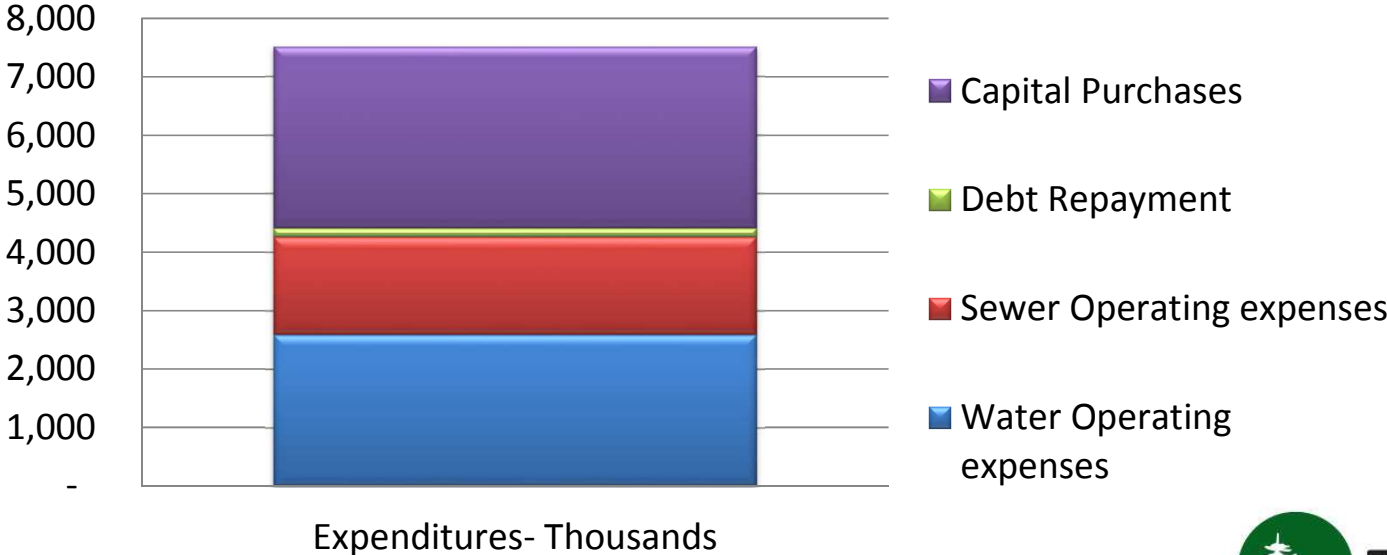


# 2018 Watermain Capital



# Utility- Thousands

**2018 Revenues - \$7,512**  
**2018 Expenses- \$7,512**  
**Does not include WWTP of \$36.5M.**





# Mill Rate Comparison



## Residential Mill Rate Comparison

	<b>2018 Mill Rate</b>	<b>2017 Mill Rate</b>	<b>Difference</b>
Provincial Education Support Levy	0.00	0.00	0.00
SDML Levy	18.624	18.578	0.25%
City of Thompson Levy	21.807	21.400	1.90%
<b>Total Residential Mill Rate</b>	<b>40.431</b>	<b>39.978</b>	<b>1.13%</b>



# Commercial Mill Rate Comparison

	2018 Mill Rate	2017 Mill Rate	Difference
Provincial Education Support Levy	9.770	10.500	-6.95%
SDML Levy	18.624	18.578	0.25%
City of Thompson Levy	21.807	21.400	1.90%
<b>Total Commercial Mill Rate</b>	<b>50.201</b>	<b>50.478</b>	<b>-0.55%</b>



## Tax Result – House Assessment of \$200,000 in 2017 & 2018

	<b>2018 Mill Rate</b>	<b>2017 Mill Rate</b>	<b>Change</b>	<b>% Change</b>
Assessment	200,000	200,000	0	0%
SDML Levy	\$1,676	\$1,672	\$4	0.25%
City of Thompson Levy	\$1,963	\$1,926	\$37	1.90%
<b>Total Taxes</b>	<b>\$3,639</b>	<b>\$3,598</b>	<b>\$41</b>	<b>1.13%</b>
<i>Provincial Rebate*</i>	<i>\$700</i>	<i>\$700</i>	<i>\$0</i>	<i>0%</i>
<b>Net Taxes</b>	<b>\$2,939</b>	<b>\$2,898</b>	<b>\$41</b>	<b>1.41%</b>

**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 2018 & 2017**

	<b>Based on 2018 Mill Rate</b>	<b>Based on 2017 Mill Rate</b>	<b>Change</b>	<b>% Change</b>
Assessment	\$1,000,000	\$1,000,000	0	0%
Provincial Education Support Levy	\$6,350	\$6,825	-\$475	-6.95%
SDML Levy	\$12,106	\$12,076	\$30	0.25%
City of Thompson Levy	\$14,175	\$13,910	\$265	1.90%
<b>Total Taxes</b>	<b>\$32,631</b>	<b>\$32,811</b>	<b>-\$180</b>	<b>-.55%</b>

# Tax Result – Business Assessment of \$100,000

Business tax rate for 2018 has been decreased by 5.6%

<b>2018 Rate</b>	<b>2017 Rate</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
<b>3.99%</b>	<b>4.24%</b>		
\$3,990	\$4,240	-\$250	-5.6%

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



# Special Levies

The 2018 Financial Plan includes revenue from:

- A Special Levy for Water, Storm and Sewer Service Line Maintenance; 2018 amount \$352,155 (estimated at \$108.69 per residence) (2017 amount per residence was \$83.80)
- By-law 1937-2016 was passed by council on April 11<sup>th</sup>, 2016 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:

<b>City of Thompson</b>	<b>\$1,962</b>
SDML	\$1,676
Total before education tax credit	<b>\$3,638</b>
Less education tax credit	<i>\$700</i>
<b>Total Taxes Payable</b>	<b>\$2,938</b>





# What does this mean?

The amount you pay to the City of Thompson for Property taxes is \$1,962. In effect you are purchasing the following programs:

	2018	2017
General Government	\$221	\$212
Protective Services	\$768	\$726
Transportation Services	\$386	\$373
Environmental Health Services	\$66	\$73
Public Health and Welfare	\$25	\$25
Environmental Development	\$1	\$1
Economic Development	\$28	\$21
Recreation	\$319	\$334
Debenture Payments	\$148	\$161



# General Government

For an annual amount of \$221 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 \$768 you are paying for:

- \$587 For RCMP, which includes 38 members plus support staff
- \$109 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.
- \$72 for Community Safety Officers, By-law officers, Animal Control, Building Inspectors



# Transportation Services

For an annual amount of \$386 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 \$66 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 \$28 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
- Economic Development Officer



# Recreation and Cultural Services

For an annual amount of \$319 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 \$148 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



Thank You

