

# 2022 Financial Plan Presentation



April 26<sup>th</sup>, 2022

# Agenda

- ▶ Legislated Requirements
- ▶ Operating Budget
- ▶ Mill Rates and Property Taxes
- ▶ Capital Projects
- ▶ Reserve Funds
- ▶ St. Malo Utilities Budget & Debenture
- ▶ Otterburne Utilities Budget
- ▶ L.U.D. of St. Malo Budget
- ▶ Tax Due Date & Penalties
- ▶ 2022 Board Revision & Tax Sale Dates

# Legislated Requirements

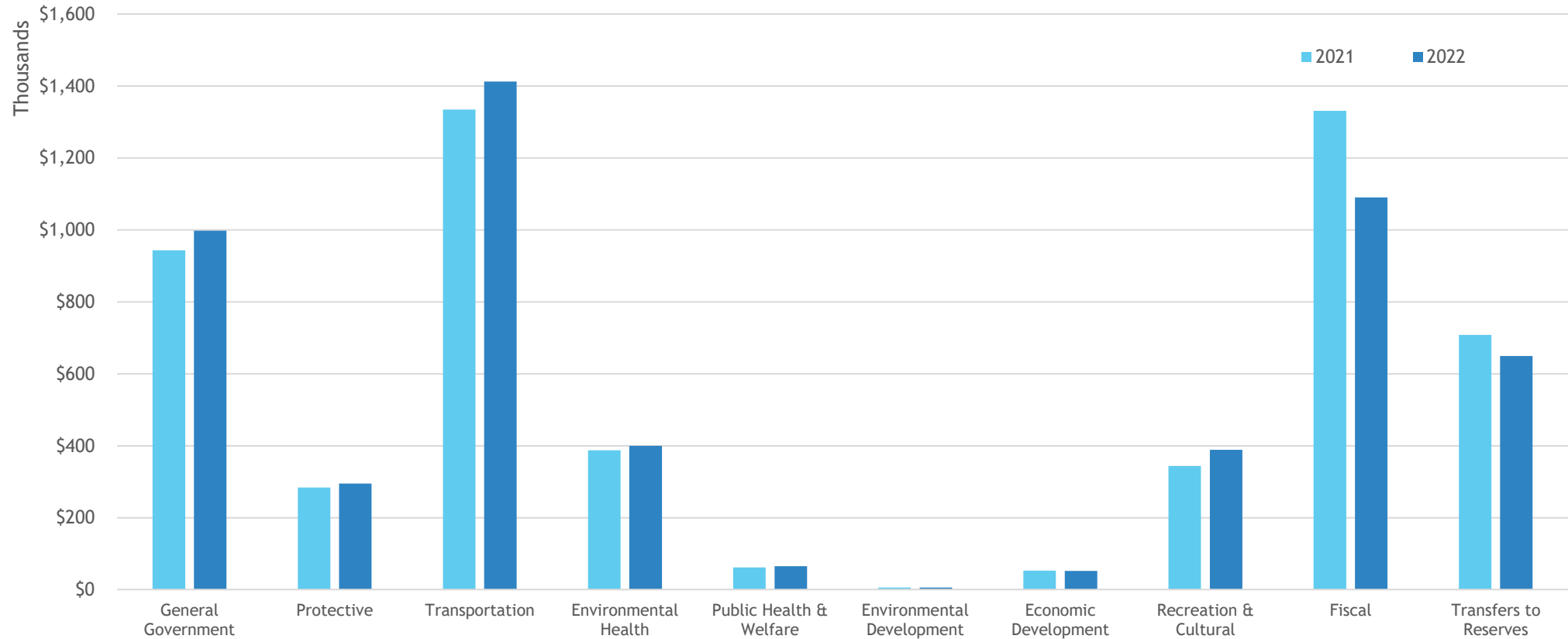
## *The Municipal Act - Section 162*

- ▶ Council must adopt a financial plan consisting of:
  - ▶ an operating budget
  - ▶ a capital budget
  - ▶ an estimate of revenues/expenditures for the following year
  - ▶ a 5-year capital expenditures program
- ▶ Public Hearing

# Summary Operating Expenditures

Services	2021	2022	Variance	
General Government	\$943,490	\$998,115	\$54,625	Council, Personnel, Office, Legal, Assessment
Protective	\$283,850	\$295,129	\$11,279	Fire Department St. Pierre (50%) and St. Malo, Emergency Measures, 911, Building Inspections, Animal and Pest Control
Transportation	\$1,334,650	\$1,412,450	\$77,800	Personnel, Fuel, Equipment Repairs, Insurance, Drainage, Street Lighting
Environmental Health	\$387,600	\$399,913	\$12,313	Personnel, Garbage Collection, Nuisance Grounds, Recycling
Public Health & Welfare	\$61,430	\$65,380	\$3,950	Provincial Administration of Social Services, Senior Coordinator Services
Environmental Development	\$6,000	\$6,100	\$100	Planning & Zoning
Economic Development	\$52,750	\$52,000	-\$750	Weed control, Conservation District, Public Receptions
Recreation & Cultural	\$343,903	\$388,955	\$45,052	Recreation Commission, Dufrost & Otterburne Curling Clubs, St. Malo Arena, St. Pierre Arena, Jolys Regional Library
Fiscal	\$1,331,357	\$1,090,578	-\$240,779	Capital Grants, L.U.D. of St. Malo, Transfer to Utilities, Debenture Payments
Transfers to Reserves	\$708,214	\$649,797	-\$58,417	Transfer to various reserves for future capital projects
Allowance for Tax Assets	\$996	\$2,453	\$1,457	
<b>Total</b>	<b>\$5,454,240</b>	<b>\$5,360,870</b>	<b>-\$93,370</b>	

# Expenditures by Services



# General Government (at-large)

Page 3 of the Financial Plan	Budget 2021	Budget 2022	Variance
Expenditures	\$943,490	\$998,115	\$54,625

This section includes all expenditures related to council and administration for the overall operation of the municipality, such as personnel, office, audit, insurance, assessment and taxation.

# Protective Services (at-large)

Page 3 of the Financial Plan	Budget 2021	Budget 2022	Variance
Expenditures	\$283,850	\$295,129	\$11,279

Expenditures included in this section include the St. Malo Fire Department, the St. Pierre Fire Department, Emergency Measures, 911, Building Inspection and Animal Control Services.

The St. Pierre Fire Department provides services to the Village of St. Pierre-Jolys as well as the Municipality. These costs are shared 50/50 with the Village.

# Transportation Services (rural)

Page 3-4 of the Financial Plan	Budget 2021	Budget 2022	Variance
Expenditures	\$1,337,650	\$1,412,450	\$74,800

This section includes all matters related to the administration and maintenance of roads (personnel & equipment), drainage, bridges, street lights and traffic services.

In 2022, the RM has budgeted \$255,000 for crushing gravel which will provide enough material for 2-3 years. 50% of the anticipated costs of crushing will be offset by a transfer from the gravel reserve (revenues) as there will be a benefit into future years.



# Environmental Health (cost recovered)

Page 4 of the Financial Plan	Budget 2021	Budget 2022	Variance
Expenditures	\$387,600	\$399,913	\$12,313

Includes all costs related to garbage collection, nuisance ground operations and recycling.

The RM participates in many programs to divert materials from the landfill such as tires, scrap metal, electronics and other hazardous waste.

Since 2019, the nuisance ground is fully cost recovered from user fees and any surplus at the end of the year is transferred to the waste collection reserve for future capital projects.

In 2020 and 2021 the landfill accepted 2,180 and 2,415 tonnes of material respectively. This excludes materials that were brought in by private individuals.

# Public Health & Welfare (at-large)

Page 4 of the Financial Plan	Budget 2021	Budget 2022	Variance
Expenditures	\$61,430	\$65,380	\$3,950

The province levies \$4,080 from the municipality for social services and the balance is for the delivery of Senior Services Programs.

# Environmental Development (at-large)

<b>General Government Services</b> (page 4 of the Financial Plan)	<b>Budget</b> <b>2021</b>	<b>Budget</b> <b>2022</b>	<b>Variance</b>
Expenditures	\$6,000	\$6,100	\$100

These are costs related to planning and zoning that are usually recovered from applicants.

All personnel costs are coded under general government services.

# Economic Development (at-large)

<b>General Government Services</b> (page 4 of the Financial Plan)	<b>Budget</b> <b>2021</b>	<b>Budget</b> <b>2022</b>	<b>Variance</b>
Expenditures	\$52,750	\$52,00	- \$750

The funds for the Rural Area Weed Control, Seine Rat Roseau Watershed District and municipal membership.

# Recreation and Cultural (at-large)

Page 5 of the Financial Plan	Budget 2021	Budget 2022	Variance
Expenditures	\$343,903	\$388,955	\$45,052

The Municipality provides funds to the Rat River Recreation Commission and the Jolys Regional Library. These services are cost shared with the Village of St. Pierre-Jolys.

Since fall of 2020 the RM has been operating the St. Malo Arena as well as applying for grants and fundraising to upgrade the building.

The RM also provides operational grants to the Otterburne and Dufrost Curling Clubs, Dufrost Hall. A \$10,000 grant is provided to St. Pierre Arena and up to \$5,000 is available for small grant requests from local groups.

# Fiscal Services

Page 5 of the Financial Plan	Budget 2021	Budget 2022	Variance
Fiscal Services	\$1,331,357	\$1,090,578	-\$240,779

This is for the transfer of property taxes collected for the L.U.D. of St. Malo, grant funds received for capital projects and debenture payments collected for the St. Malo Utility and the RM.

In 2021 there was a one-time grant of \$219,000 for the Fire Departments.

# Transfers

<b>Page 5 of the Financial Plan</b>	<b>Budget 2021</b>	<b>Budget 2022</b>	<b>Variance</b>
transfers to reserves	\$703,270	\$649,797	-\$53,473

These are funds transferred to various reserves for future projects. They are either levied through property taxes or from conditional grants received such as the Federal Gas Tax and MB Hydro Community Development Initiative.

# Mill Rates and Property Taxes

Once the operating budget has been finalized by Council, the known revenues (fees, rentals, interest, grants, etc) are subtracted from the expenditures, which leaves the deficit to be raised through property taxes. This amount is divided by the value of all property in the town, which is then multiplied by 1,000. This figure represents the tax rate or the mill rate.

For 2022, the amount required to collect from property taxes is **\$3,588,673**.

Property taxes are calculated by multiplying the assessed, taxable property value by the applicable mill rate and then dividing that sum by 1,000.

The calculation formula is rendered as follows:

**(portioned assessed value x mill rate) ÷ 1,000 = property tax levied on property**



# Funding Sources for Municipal Expenditures

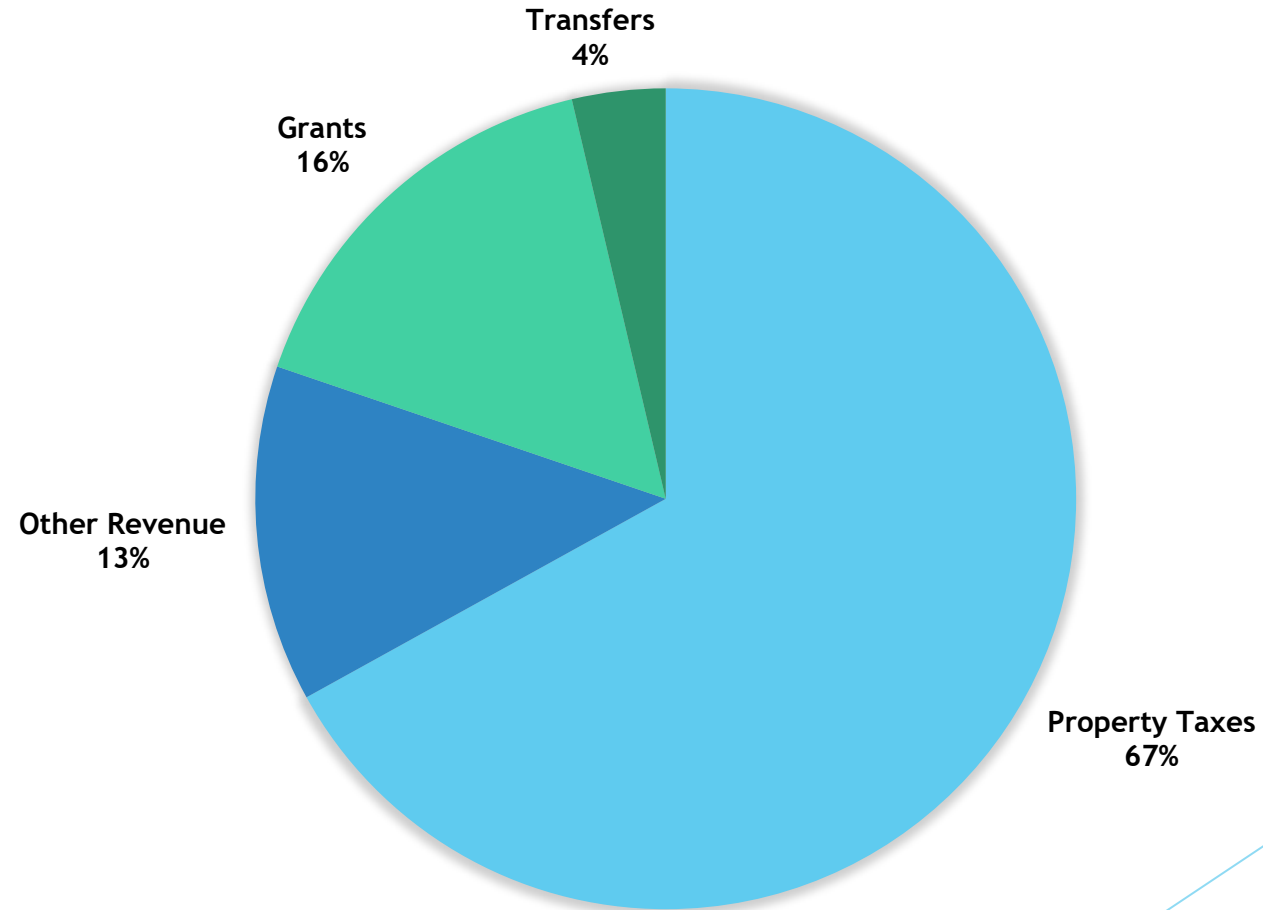
	2021	2022	Variance	% change
Operational Expenditures	\$5,454,251	\$5,360,870	- \$93,381	-1.7%
Other Revenues & Transfers	\$1,476,965	\$1,473,628	\$ 573	0.0%
Conditional One-Time Grants <i>(Arena, Fire Grant, St. Malo Green Space)</i>	599,800	\$ 295,805	-\$303,995	-50.7%
Property Taxes *	\$3,377,486	\$3,591,437	\$270,794	8.0%

\* Includes General Municipal, LUD St. Malo, Debenture Debt Charges and Special Services Levies

# Other Revenue and Transfers

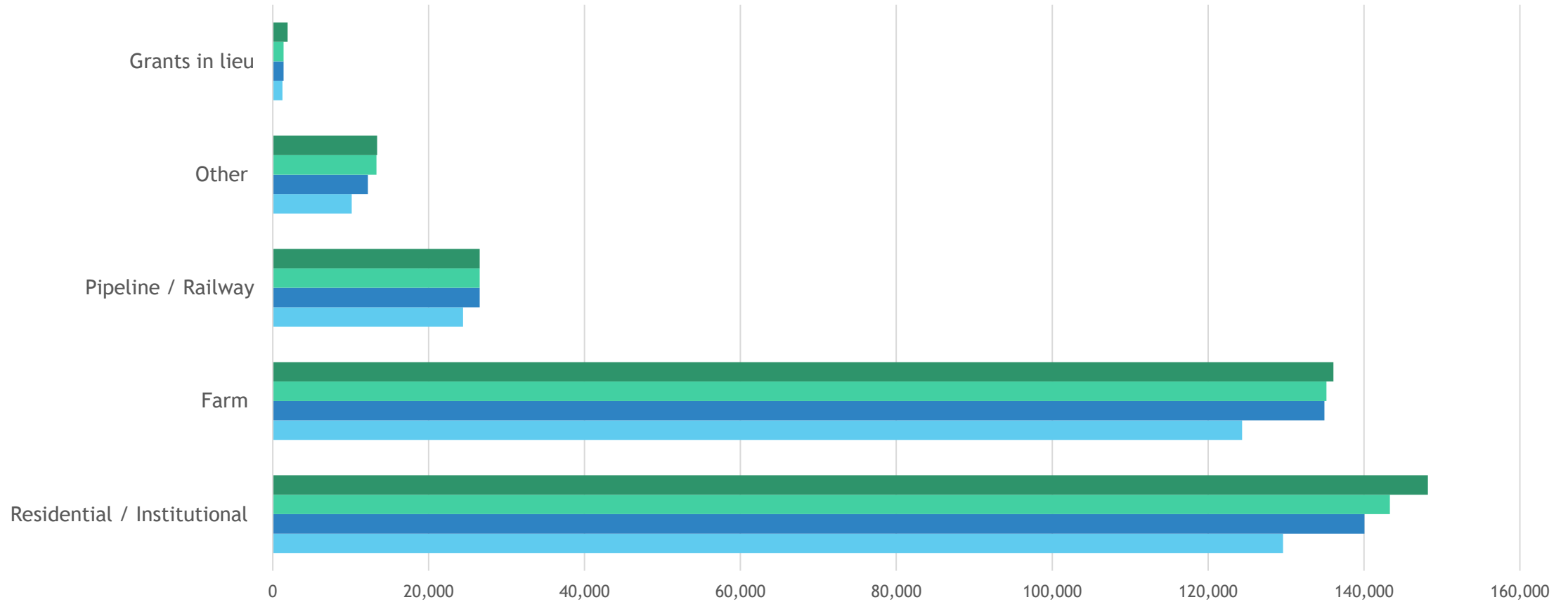
Page 2 of the Financial Plan	Budget 2021	Budget 2022	Variance
Taxes Added & Penalties	\$92,000	\$102,000	\$ 10,000
Licenses, Permits, Fines. Rebates	47,100	83,800	36,700
Sales of Service	484,011	479,397	-4,614
Rentals & Investment Returns	52,483	44,300	-8,183
Municipal Operating Grant	256,365	256,365	
Conditional Grants	310,006	310,766	760
Transfer from Reserves	235,000	197,000	-\$ 38,000
<b>Total</b>	<b>\$1,476,965</b>	<b>\$1,473,628</b>	<b>-\$ 3,337</b>

# Sources of funds



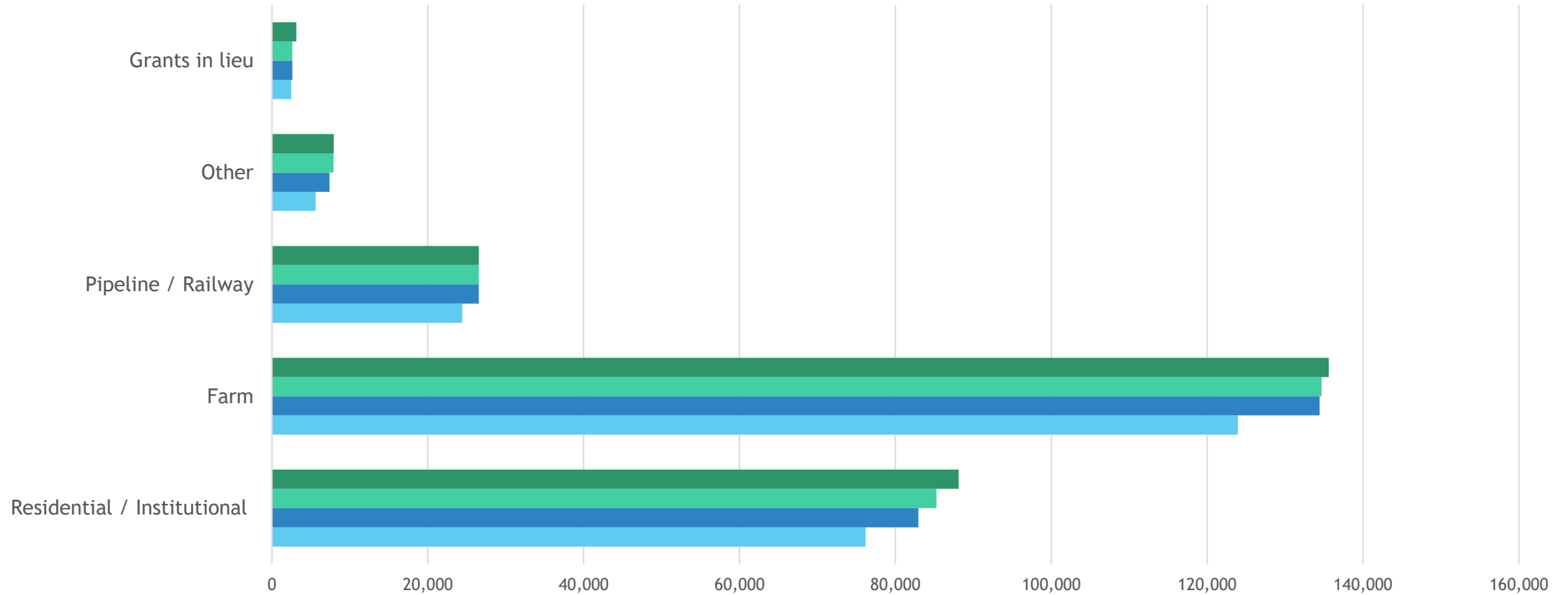


# Portioned Assessment - At Large ('000s)



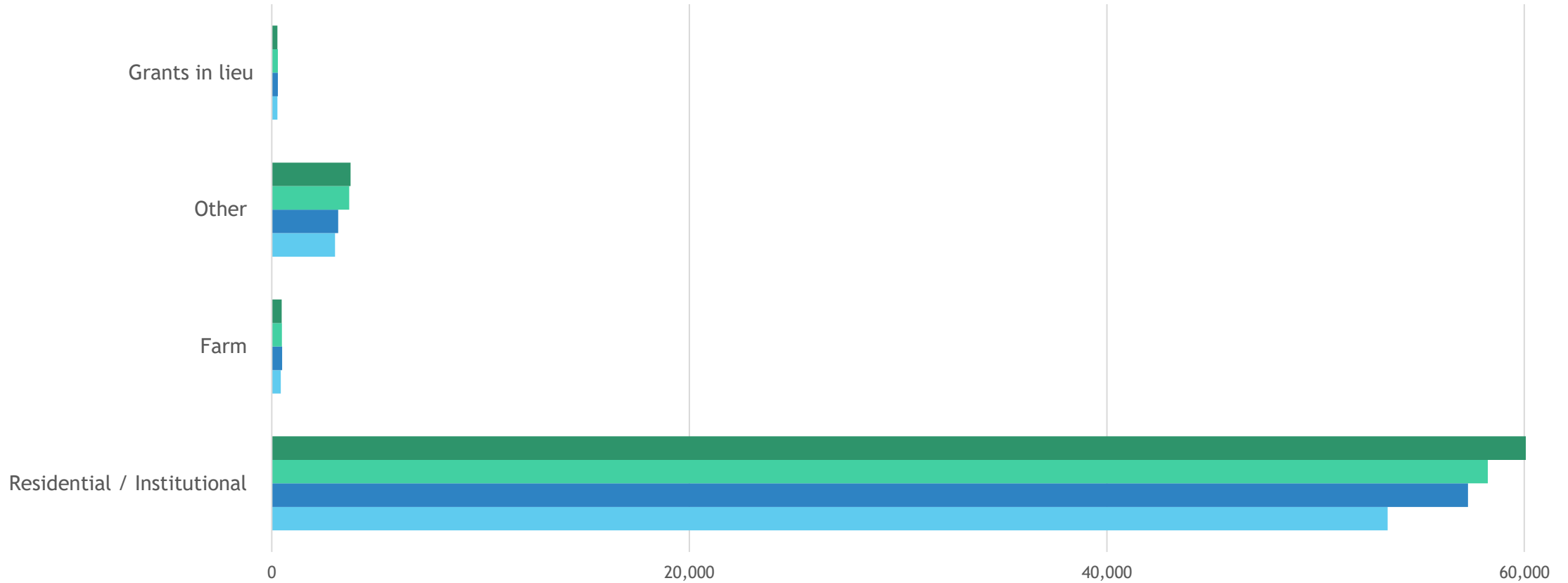
	Residential / Institutional	Farm	Pipeline / Railway	Other	Grants in lieu
■ 2022	148,197	136,079	26,556	13,391	1,904
■ 2021	143,323	135,180	26,556	13,315	1,399
■ 2020	140,063	134,923	26,556	12,215	1,399
■ 2019	129,616	124,367	24,420	10,127	1,258

# Portioned Assessment - Rural ('000s)



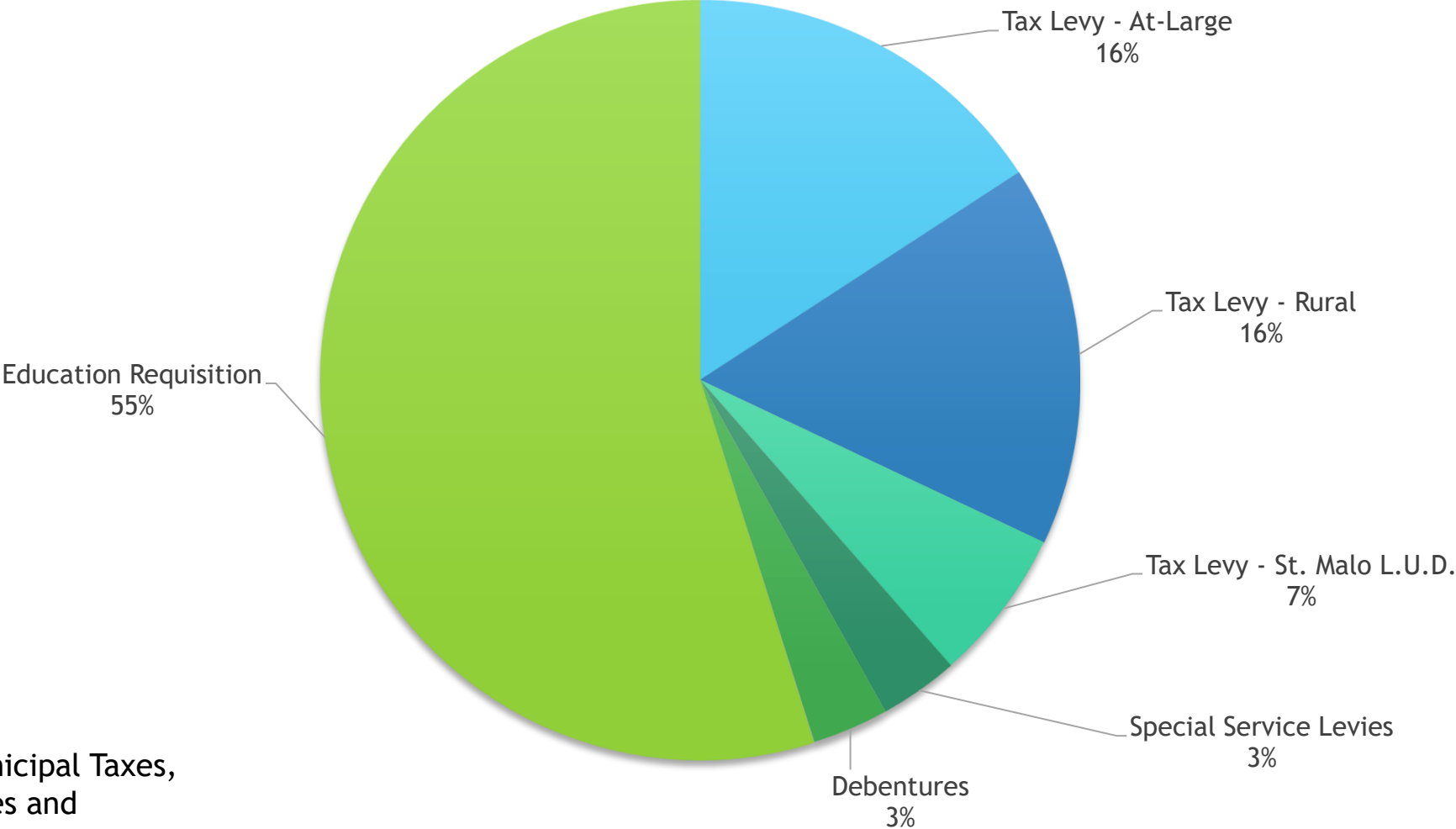
	Residential / Institutional	Farm	Pipeline / Railway	Other	Grants in lieu
2022	88,122	135,602	26,556	7,921	3,120
2021	85,270	134,691	26,556	7,911	2,600
2020	82,938	134,428	26,556	7,368	2,600
2019	76,165	123,934	24,420	5,612	2,476

# Portioned Assessment - L.U.D. St. Malo ('000s)



	Residential / Institutional	Farm	Other	Grants in lieu
2022	60,272	477	3,782	275
2021	58,249	489	3,716	291
2020	57,296	495	3,184	291
2019	53,451	434	3,028	268

# Property Tax Collected by Type



Total Education, Municipal Taxes,  
Special Service Levies and  
Debenture Debt Charges  
Collected \$7,953,046



# Mill Rates - Education Levy

	2021		2022	
	Mill Rate	Requisition	Mill Rate	Requisition
Education Support Levy	8.809	\$359,525	8.713	\$360,813
Hanover	14.250	\$383,251	13.742	\$381,790
Borderland	13.618	\$283,374	13.463	\$280,516
Red River Valley	12.333	\$3,322,301	12.333	\$3,338,491
		<b>\$4,348,451</b>		<b>\$4,361,610</b>

The RM collects an education levy on behalf of the province and the school divisions and transfers these funds to the respective entities.

# Mill Rates - Municipal

<b>Rural</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Rural	4.863	4.463	4.722	4.934
At-Large	3.692	3.267	3.769	3.857
<b>Total Rural Area</b>	<b>8.555</b>	<b>7.730</b>	<b>8.491</b>	<b>8.791</b>

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<b>L.U.D.</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
L.U.D. of St. Malo	8.000	8.000	8.000	8.000
At-Large	3.692	3.267	3.769	3.857
<b>Total L.U.D.</b>	<b>11.692</b>	<b>11.267</b>	<b>11.769</b>	<b>11.857</b>

# Sample - Mill Rate Calculation on Property Taxes

The municipal portion of the tax invoice is calculated using the portioned assessment x tax rate / 1000.

The average portioned assessment for 91.4% of the tax invoices is \$102,070.

	<u>2021</u>	<u>2022</u>		<u>2021</u>	<u>2022</u>
Rural Mill Rate	4.722	4.934	L.U.D. St. Malo Mill Rate	8.000	8.000
At-Large Mill Rate	<u>3.769</u>	<u>3.857</u>	At-Large Mill Rate	<u>3.769</u>	<u>3.857</u>
	<u>8.491</u>	<u>8.791</u>		<u>11.769</u>	<u>11.857</u>
Municipal Tax in \$	<b>\$867</b>	<b>\$897</b>	Municipal Tax	<b>\$1,201</b>	<b>\$1,210</b>

If Applicable the Provincial Education Mill Rates and Local Improvements are in addition to the Municipal Operating Mill Rate.

# Capital Projects - Rural

Project	Funded By	Budget
Rural Road & Bridges	Gas Tax & Roads Reserve	\$ 270,000
Machinery Replacement (grader, ¾ ton truck, water truck, tandem or backhoe)	Machinery Reserve	560,000
	<b>Total Rural</b>	<b>\$ 830,000</b>

# Capital Projects - At Large

Project	Funded By	Budget
Office Building	Building Reserve	200,000
Office Computers	Computer Reserve	3,000
St. Pierre Fire Department (pumper truck, van, firehall upgrades)	Fire Equipment Reserve / Grant	365,000
Landfill – New Cell	Gas Tax & Waste Mgmt Reserve	650,000
Landfill – Machinery Replacement	Waste Management Reserve	7,000

*Continued on next slide*

# Capital Projects - At Large (continued)

Project	Funded By	Estimate
St. Malo – Park Esso Green Space	Grant / CDI	20,000
Otterburn Green Space	CDI	10,000
Economic Dev Training & Promotional Video	Grant / CDI	45,000
St. Malo Arena Renovation	Recreation Reserve / Grant	600,000*
Recreation Master Plan	Recreation Reserve / Grant	35,000*
Handi-Van Shed	Handi-Van Reserve	<u>17,500</u>
	<b>Total – At Large</b>	<b><u>\$1,952,500</u></b>

\* Contingent on grant approvals

# Five Year Capital Expenditure Program

	2022	2023	2024	2025	2026	Total
Administrative Building	200,000	2,000,000	200,000			2,400,000
Computers	3,000	8,000		25,000		36,000
Fire Dept - St. Malo		6,000		25,700	6,000	37,700
Fire Dept - St. Pierre	365,000		50,000	150,000	50,000	615,000
Replace Heavy Equipment	567,000	370,000	335,000	370,000	80,000	1,722,000
Road & Bridge rehabilitation	270,000	115,000	61,000	1,250,000	0	1,696,000
Drainage Projects	0	50,000	50,000	50,000	50,000	200,000
Landfill New Cell	650,000					650,000
Economic Development Strat Plan	45,000					45,000
St. Malo Arena Upgrades	600,000	600,000	2,000,000			3,200,000
Recreation Master Plan	35,000					35,000
Green Space	30,000	250,000	250,000			530,000
Handi-Van Shed	17,500					17,500
Utility STM - Water & Sewer Line Renewal	25,000					25,000
Utility STM - Lift Station / Lagoon			50,000			50,000
Utility STM - Water Plant		100,000			1,000,000	1,100,000
Utility Ott - Lines & Flush Port	45,000					45,000
LUD St. Malo - Equipment		0	50,000		40,000	90,000
LUD St. Malo - Drainage	25,000	20,000	30,000	20,000	30,000	125,000
LUD Road & Sidewalk	90,000	500,000	25,000	25,000	650,000	1,290,000
<b>Total</b>	<b>2,967,500</b>	<b>4,019,000</b>	<b>3,101,000</b>	<b>1,915,700</b>	<b>1,906,000</b>	<b>13,909,200</b>
<b>SOURCE OF FUNDS - ANNUAL</b>						
OPERATING	185,000	20,000	155,000	45,000	70,000	475,000
RESERVES	2,432,000	1,749,000	1,196,000	1,870,700	1,036,000	8,283,700
BORROWING	0	2,000,000		0		2,000,000
OTHER	350,500	250,000	1,750,000		800,000	3,150,500
<b>Total</b>	<b>2,967,500</b>	<b>4,019,000</b>	<b>3,101,000</b>	<b>1,915,700</b>	<b>1,906,000</b>	<b>13,909,200</b>

# General Reserves

Reserve Type	Opening Balance	Transfers-In	Expenditures	Closing Balance
General	\$439,133	\$0	61,891	377,242
Office Reno/Replacement	353,771	-	200,000	153,771
Economic Development	10,174			10,174
Waste Disposal	263,551		207,000	56,551
Machinery Replacement	623,012	225,000	560,000	288,012
Roads & Bridges	25,979		10,000	15,979
Office Technology	10,588	5,000		15,588
St. Malo Fire Reserve	96,671	35,000		131,671
St. Pierre Fire Vehicle	86,011	17,500	101,985	1,526
Recreation	159,309	-	159,000	309
Gravel	360,475		135,000	225,475
Handivan	39,350	4,200	17,500	26,050
Election	12,077		12,000	77
<b>Total</b>	<b>2,480,101</b>	<b>286,700</b>	<b>1,464,376</b>	<b>1,302,425</b>



# Conditional Reserves

Reserve	Opening Balance	Budget Transfers	Budget Expenditure	Closing Balance
Canada Community Building Fund	556,175	161,137	710,000	7,312
Community Development Initiatives	191,170	109,345	300,515	0
<b>Total</b>	<b>\$747,345</b>	<b>\$270,482</b>	<b>\$1,010,515</b>	<b>\$7,312</b>

# Current Municipal Debt Situation

Maximum Municipal Debt 7% of the Total Municipal Assessment		Maximum Annual Debt Payments 20% of annual revenue	
At Large Total Assessment	\$326,126,890	Annual Revenue	\$5,163,869
7% of Assessment	\$ 22,828,882	20% of Annual Revenue	\$1,032,774
Current Existing Debt	\$ 1,976,270	Current Total Debt Payments	\$ 256,450
Borrowing Capacity Remaining	\$ 20,852,612	Debt Payment Capacity Remaining	\$ 776,324

# General Debentures

Purpose	By-law No.	Maturity	Area Levied	Payment	Mill Rate
St. Malo Fire Tanker	2270-09	2024	Local Improvement District	\$7,601	0.036
St. Malo Fire Tanker	2270-09	2024	At-Large	7,601	0.024
Dufrost Water Supply	2284-11	2030	Dufrost Water Area	8,718	Schedule
			<b>Total Annual Payment</b>	<b><u>\$23,920</u></b>	

# St. Malo & Otterburne Utilities

The St. Malo Utility Committee is responsible for

- sewage collection, treatment and disposal facilities
- water supply, treatment and distribution facilities

The Otterburne Utility Committee is responsible for

- sewage collection, treatment and disposal facilities

# St. Malo Utility - Operational Budget

Operations	2021	2022	Variance
Water Consumer Sales	170,612	185,000	14,388
Sewer Service Charges	87,505	90,500	2,995
Deficit Recovery	37,498	28,475	-9,023
Other Revenues	223,194	370,904	147,710
<b>Total Operating Revenue</b>	<b>\$518,808</b>	<b>\$674,904</b>	<b>\$156,070</b>
Water Supply	201,425	198,600	-2,825
Sewage Collection and Disposal	89,950	185,165	95,215
Debenture Debt Charges	182,094	232,529	50,435
Transfers to Reserves/Capital	7,841	30,134	-2,707
<b>Total Operating Expenditures</b>	<b>\$481,310</b>	<b>\$646,428</b>	<b>\$165,118</b>
<b>Net Operating Surplus (Deficit)*</b>	<b>37,498</b>	<b>28,476</b>	<b>-9,022</b>

*\* To be applied towards prior years' deficit recovery*

# St. Malo Utility Reserve

<b>Reserve</b>	<b>Opening Balance</b>	<b>Budget Transfers</b>	<b>Budget Expenditure</b>	<b>Closing Balance</b>
St. Malo Utility	71,220	0	70,000	1,220

# St. Malo Utility Debentures

Purpose	By-law No.	Maturity	Area Levied	Payment	Mill Rate
Le Rang Water & Sewer	2228-06	2025	Schedule	5,637	-
St. Malo Lift Station	2336-16	2025	Schedule	59,661	-
St. Malo Water Plant Well	2234-06	2025	Local Improvement District	5,637	0.121
St. Malo Forcemain Upgrade	2246-07	2027	Local Improvement District	14,239	0.305
St. Malo Reservoir Upgrade	2316-13	2027	Local Improvement District	11,233	0.241
St. Malo Water Plant Reservoir	2264-09	2028	Local Improvement District	20,924	0.448
Gosselin Rd Low Pressure Sewer	2335-15	2035	Schedule	48,877	-
St. Malo Utility Upgrades	2407-21	2036	Schedule	66,317	
<b>Total Annual Payment</b>				<b><u>\$232,529</u></b>	

# Otterburne Utility & Reserve

Operations	2021	2022	Variance
Sewer Service Charges	28,830	31,679	2,549
Transfer from Reserves		45,000	45,000
Other Revenues	2,300	2,000	-300
<b>Total Operating Revenue</b>	<b>\$31,130</b>	<b>\$78,679</b>	<b>\$47,349</b>
Sewage Collection and Disposal	13,400	15,650	2,250
Capital*		45,000	45,000
Transfers to Reserves	17,730	18,029	299
<b>Total Operating Expenditures</b>	<b>\$31,130</b>	<b>\$78,769</b>	<b>\$47,349</b>

Reserve Name	Opening Balance	Proposed Transfer	Proposed Expenditure *	Closing Balance
Otterburne Utility	\$114,925	18,029	45,000	\$87,954

\* Loop lines and add flush port



# Local Urban District (L.U.D.) of St. Malo

The St. Malo L.U.D consists of 3 elected members and one council representative.

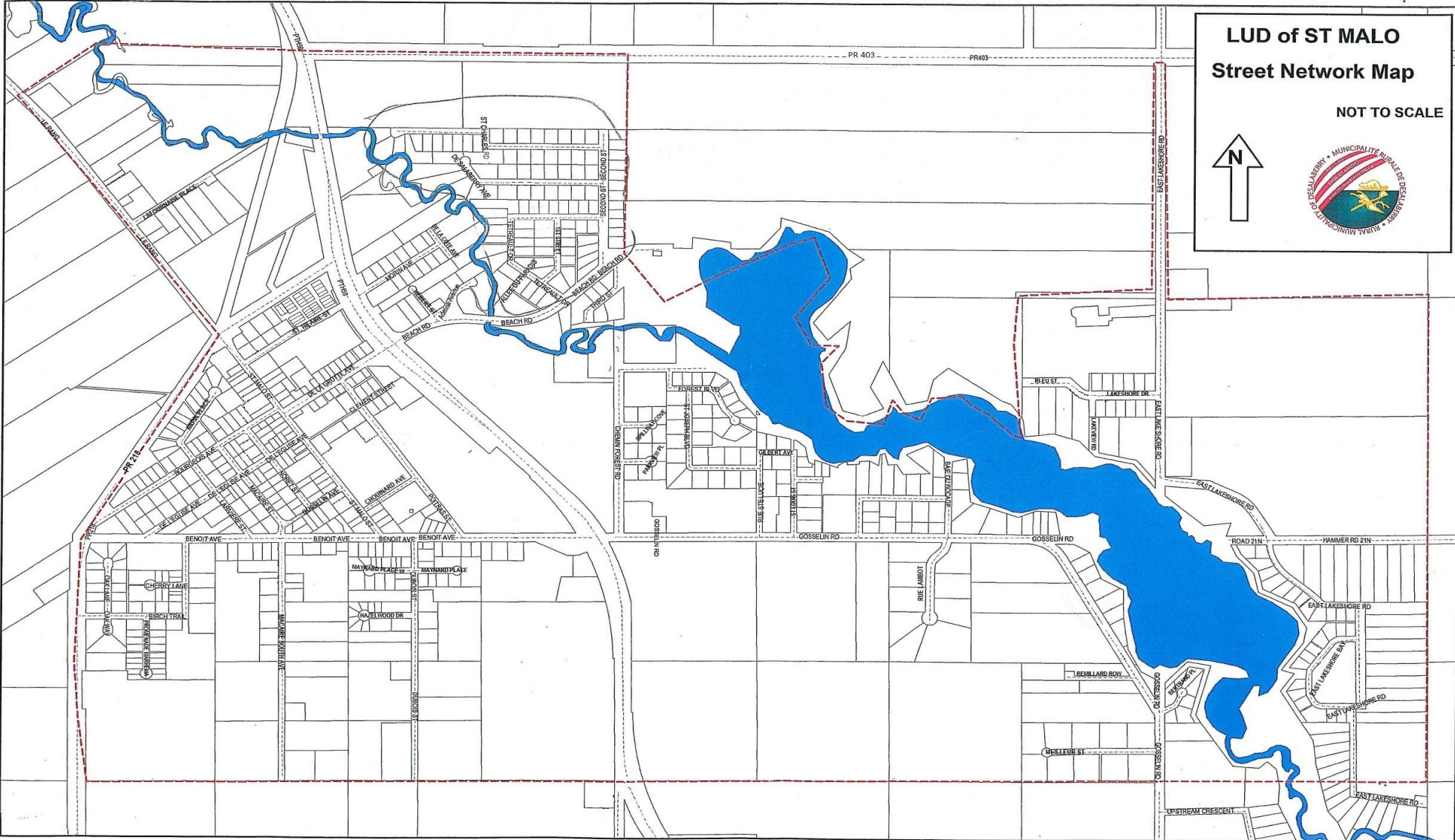
The committee of a local urban district is responsible for

- (a) preparing and adopting a service plan for the local urban district;
- (b) submitting the service plan to the council before it adopts its operating and capital budgets; and
- (c) the exercise of those powers delegated to it by the council of the municipality.

The St. Malo L.U.D. is responsible for

- municipal roads
- sidewalks
- street lights
- a public park

# L.U.D. of St. Malo



# L.U.D. of St. Malo

	2021	2022	Variance
Unexpended Levy	\$0	\$0	\$0
Other Revenues	22,500	37,710	5,210
Transfer from Reserves	95,000	57,121	-37,879
Tax Levy	501,958	518,449	16,491
<b>Total Revenue</b>	<b>\$619,458</b>	<b>\$613,280</b>	<b>-\$6,178</b>
General Government	\$15,150	\$15,150	\$0
Transportation	326,540	317,980	-8,560
Parks & Beautification	11,150	10,150	-1,000
Transfer to Capital	213,500	220,000	6,500
Transfers to Reserves	53,118	50,000	-3,118
<b>Total Expenditures</b>	<b>\$619,458</b>	<b>\$613,280</b>	<b>-\$6,178</b>
<b>Closing Unexpended Levy</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# L.U.D. of St. Malo - Capital Projects & Reserves

Project	Funded by	Budget
Equipment	Operating	\$ 50,000
Crow Wing Trail	Operating	35,000
Road & Sidewalk Assessment	Operating	20,000
Shop Functional Review	Operating	10,000
Road Engineering	Roads Reserve	70,000
	<b>Total</b>	<b>\$ 185,000</b>

Reserve Name	Opening Balance	Proposed Transfers	Proposed Expenditure	Closing Balance
L.U.D. General	104,702			104,702
L.U.D. Shop	101,474	50,000		151,474
L.U.D. Roads & Sidewalks	465,988		57,121	408,867
Canada Community Building Fund	37,540	39,680		77,220

# Tax Due Date and Penalties

**2022 Taxes Due Date - October 31, 2022**

cash, cheque, debit, Telpay, TIPPs

**Tax Penalty 1.25%**

Applied on the first day of each month

**Utility Penalties 1.25%**

Applied to unpaid accounts 21 days after billing  
and monthly thereafter.

## **Board of Revision**

**November 15, 2022 - 7:00 p.m.**

## **Tax Sale Date**

*(2020 outstanding taxes and prior)*

**November 17, 2022 - 1:00 p.m.**

Comments & Questions?