

2021 Financial Plan Presentation



April 27th, 2021

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
- 2021 Board Revision Date



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

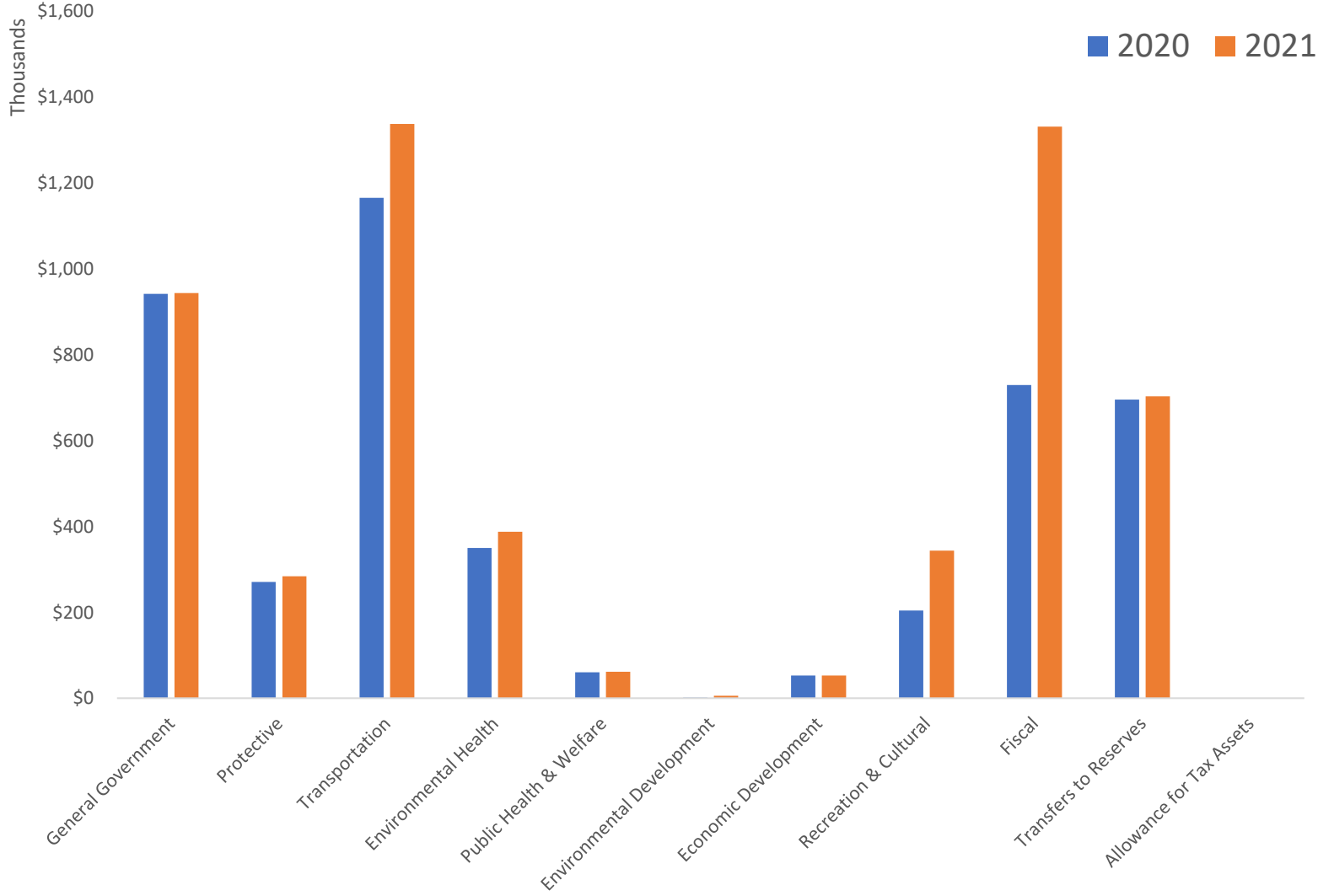


Summary Operating Expenditures

Services	2020	2021	Variance
General Government	\$941,870	\$943,490	\$1,620 Council, Personnel, Office, Legal, Assessment
Protective	\$271,073	\$283,850	\$12,777 Fire Department St. Pierre (50%) and St. Malo, Emergency Measures, 911, Building Inspections, Animal and Pest Control
Transportation	\$1,165,600	\$1,337,650	\$172,050 Personnel, Fuel, Equipment Repairs, Insurance, Drainage, Street Lighting
Environmental Health	\$350,300	\$387,600	\$37,300 Personnel, Garbage Collection, Nuisance Grounds, Recycling
Public Health & Welfare	\$60,530	\$61,430	\$900 Provincial Administration of Social Services, Senior Coordinator Services
Environmental Development	\$1,500	\$6,000	\$4,500 Planning & Zoning
Economic Development	\$52,750	\$52,750	\$0 Weed control, Conservation District, Public Receptions
Recreation & Cultural	\$204,545	\$343,903	\$139,358 Recreation Commission, Dufrost & Otterburne Curling Clubs, St. Malo Arena, Jolys Regional Library
Fiscal	\$729,384	\$1,331,357	\$601,973 L.U.D. of St. Malo, Transfer to Utilities, Debenture Payments
Transfers to Reserves	\$695,245	\$703,270	\$17,880 Transfer to various reserves for future capital projects
Allowance for Tax Assets	\$746	\$822	-\$3,136
Total	\$4,473,542	\$5,452,122	\$985,222



Expenditures by Services



General Government (at-large)

Page 3 of the Financial Plan	Budget 2020	Budget 2021	Variance
Expenditures	\$941,870	\$943,490	\$1,620

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 2020	Budget 2021	Variance
Expenditures	\$271,073	\$283,850	\$12,777

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 2020	Budget 2021	Variance
Expenditures	\$1,165,500	\$1,337,650	\$172,050

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

In 2020, the RM has budgeted \$270,000 for crushing gravel which should 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 2020	Budget 2021	Variance
Expenditures	\$350,300	\$387,600	\$37,700

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



Public Health & Welfare (at-large)

Page 4 of the Financial Plan	Budget 2020	Budget 2021	Variance
Expenditures	\$60,530	\$61,430	\$900

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



Environmental Development (at-large)

General Government Services (page 4 of the Financial Plan)	Budget 2020	Budget 2021	Variance
Expenditures	\$1,500	\$6,000	\$4,500
Net			

These are costs related to planning and zoning that are usually recovered from applicants.
All personnel costs are coded under general government services.



Recreation and Cultural (at-large)

Page 5 of the Financial Plan	Budget 2020	Budget 2021	Variance
Expenditures	\$204,545	\$343,903	\$139,358

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.

In fall of 2020, the arena board handed over the keys for the operation and maintenance of the St. Malo Arena. This has increased the municipal budget for the arena by \$139,000 though a good portion of this should be offset by anticipated revenues of \$65,000. A Recreation Facility Advisor has been hired to manage all recreation facilities within the municipality with a primary focus on the arena.

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



Fiscal Services

Page 5 of the Financial Plan	Budget 2020	Budget 2021	Variance
Transfers	\$729,384	\$1,331,357	\$601,973

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.

The majority of the variance is for grants that have been confirmed or anticipated for the Fire Department and the St. Malo arena upgrades.



Transfers

Page 5 of the Financial Plan	Budget 2020	Budget 2021	Variance
Expenditures	\$685,390	\$703,270	\$17,880

These are funds that are transferred to various reserves for future projects and 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 2021, the amount required to collect from property taxes is \$3,372,543.

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 Operational Expenditures

	2020	2021	Variance	% change
Operational Expenditures	\$4,473,540	\$5,452,122	\$985,222	19.9%
Other Revenues & Transfers	\$1,359,082	\$1,476,965	\$117,883	8.7%
Conditional Transfers & Grants <i>(Arena, Fire Grant, St. Malo Green Space)</i>	-	\$ 599,800	\$599,800	
Taxation	\$3,101,749	\$3,372,543	\$270,794	8.7%



Other Revenue and Transfers

Page 2 of the Financial Plan	Budget 2020	Budget 2021	Variance
Other Revenue	\$1,209,082	\$1,241,965	\$ 32,883
Transfer from Reserves	\$ 150,000	\$ 235,000	\$ 85,000
Total	\$1,349,082	\$1,472,9655	\$117,883

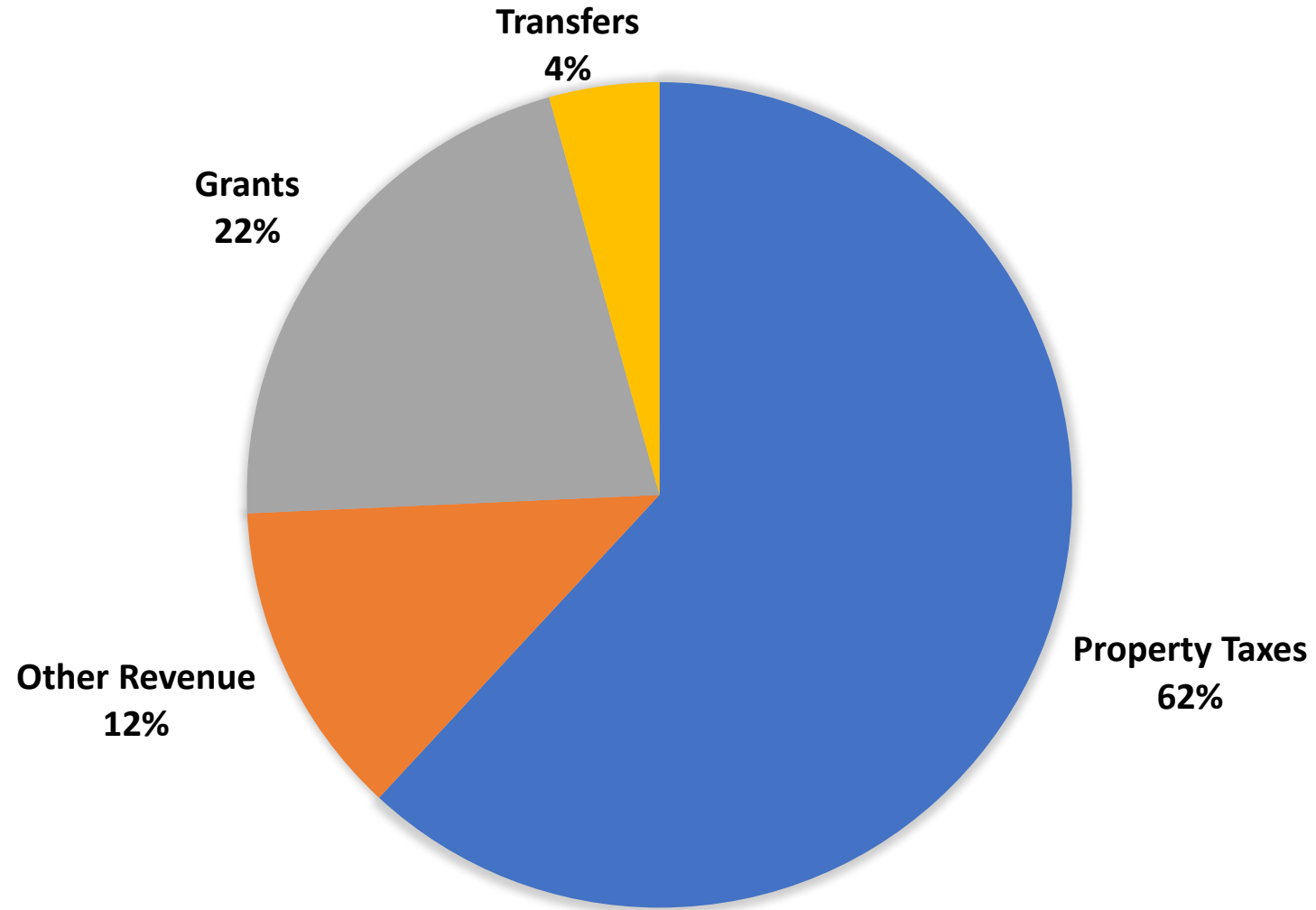
Highlights to the Other Revenue Variance are:

- Loss of rental income from closure of Agricultural offices in the municipal building -\$30,000
- One-time payment from MB Hydro of +\$27,000
- Decrease in interest revenue of -\$37,000
- Anticipated revenue from St. Malo Arena +\$65,000
- Net changes from various grants +\$8,500

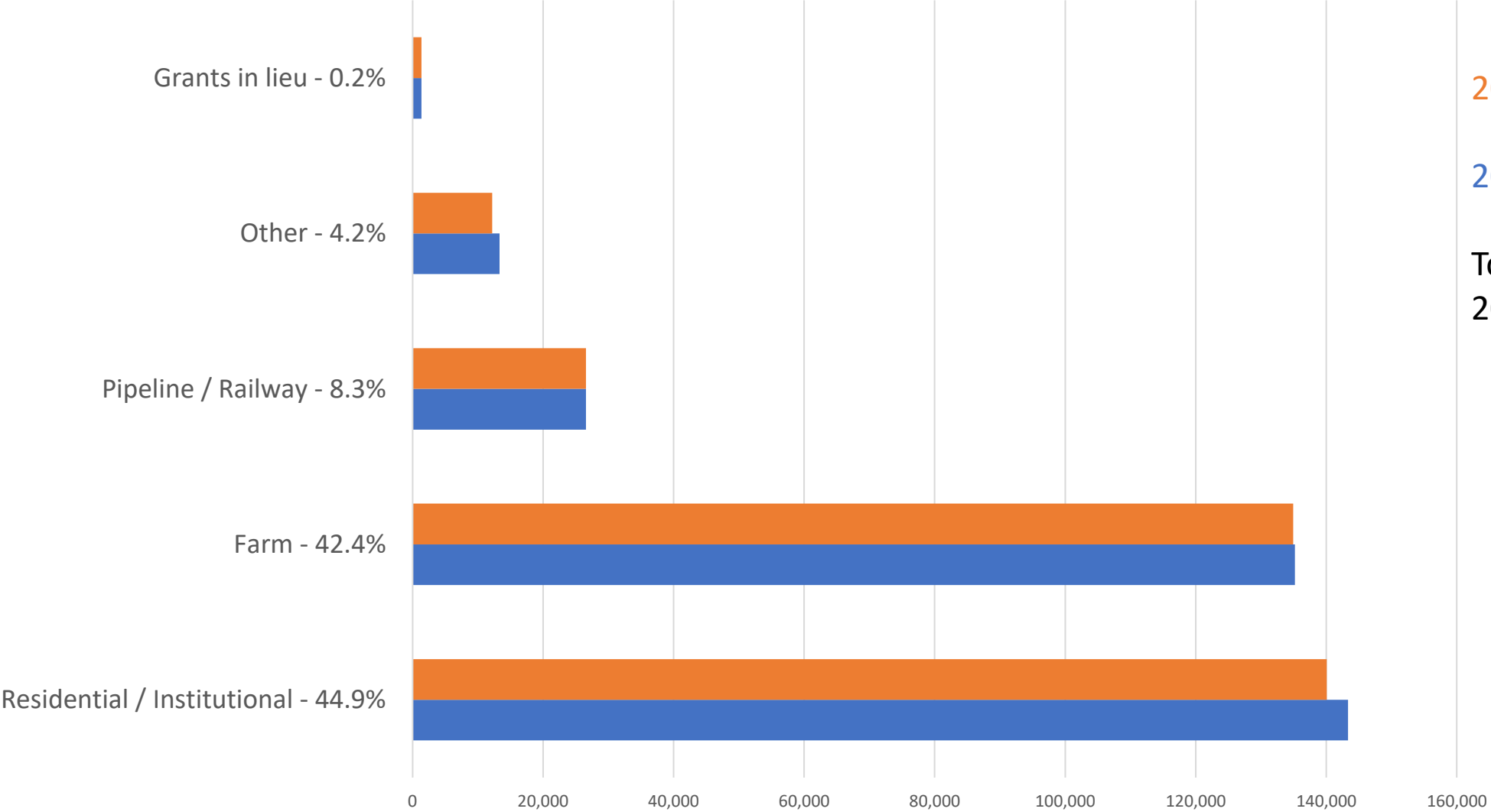
Transfer from reserves have increased by \$135,000 to recognize the transfer from the gravel reserve to offset the costs of crushing for 2 years. The transfer from general reserve to cover operational costs have been decreased by \$50,000.



Sources of funds



Portioned Assessment – At Large ('000s)



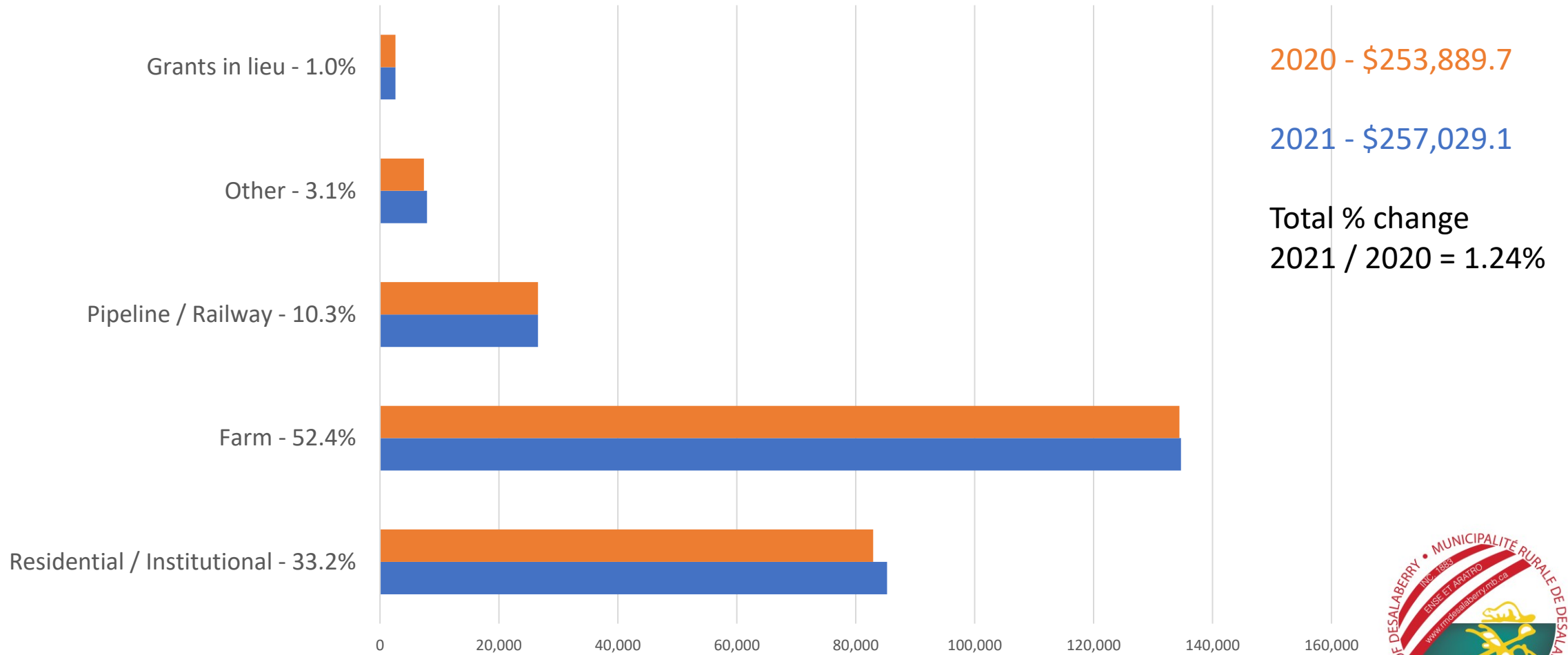
2020 - \$315,156.2

2021 - \$319,773.9

Total % change
2021 / 2020 = 1.47%

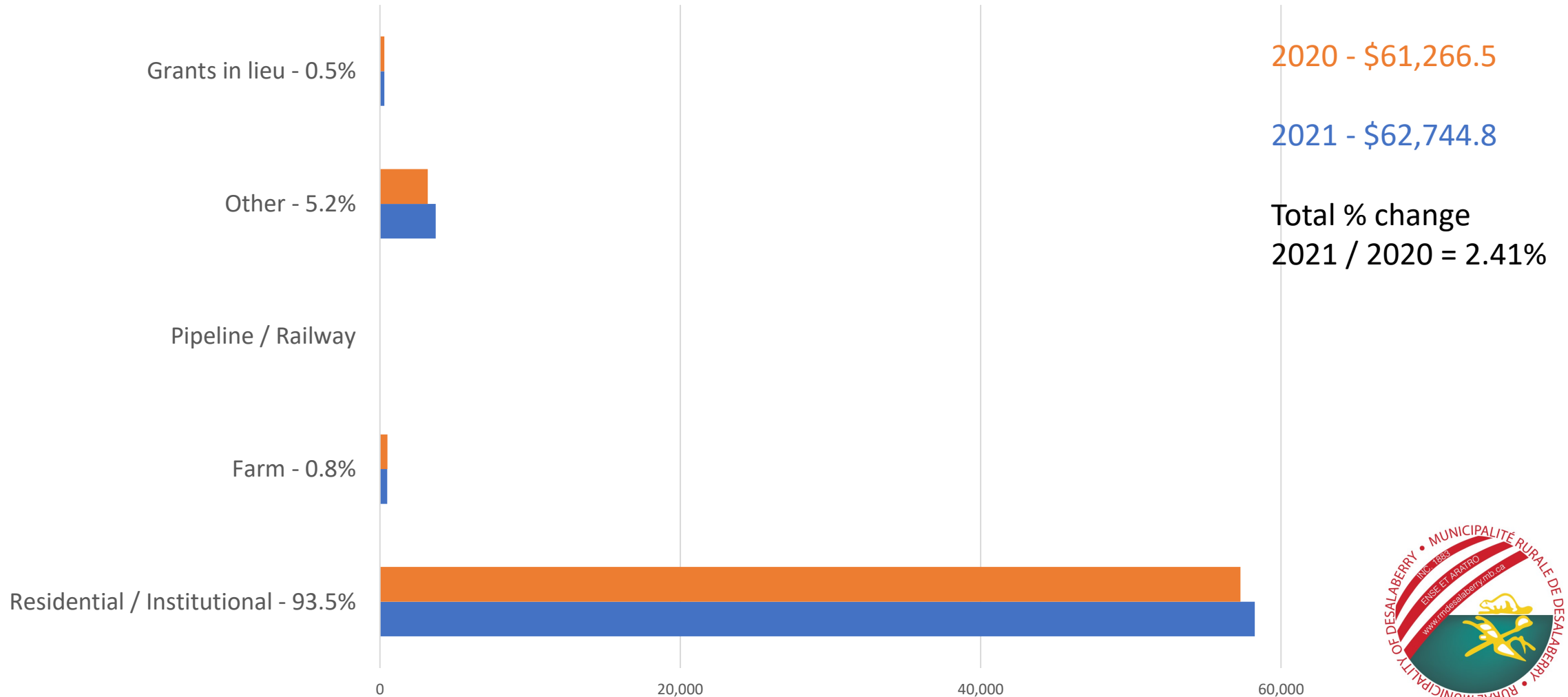


Portioned Assessment – Rural ('000s)

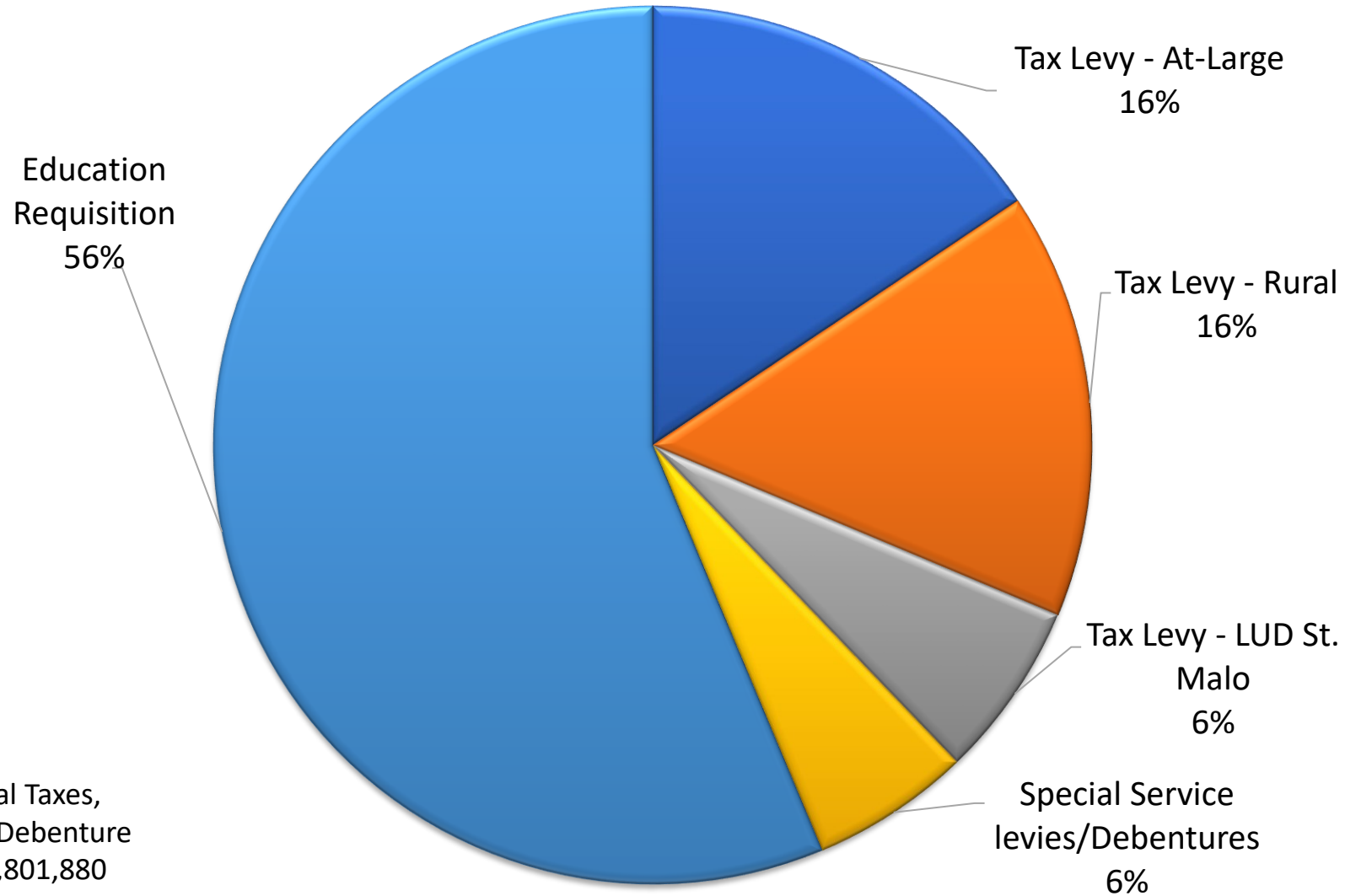


Portioned Assessment – L.U.D. St. Malo ('000s)

L.U.D. St. Malo



Property Tax Collected by Type



Total Education & Municipal Taxes,
Special Service Levies and Debenture
Debt Charges Collected \$9,801,880



Mill Rates - Education Levy

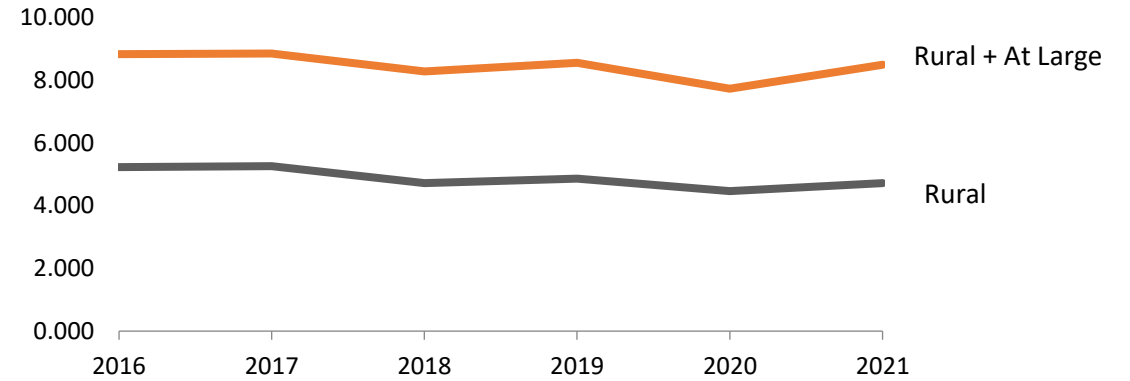
	2020		2021	
	Mill Rate	Requisition	Mill Rate	Requisition
Education Support Levy	8.829	\$350,819	8.809	\$359,525
Hanover	14,642	\$382,258	14.250	\$383,251
Borderland	13.762	\$280,951	13.618	\$283,374
Red River Valley	12.565	\$3,341,702	12.333	\$3,322,301
		\$4,355,730		\$4,348,451

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

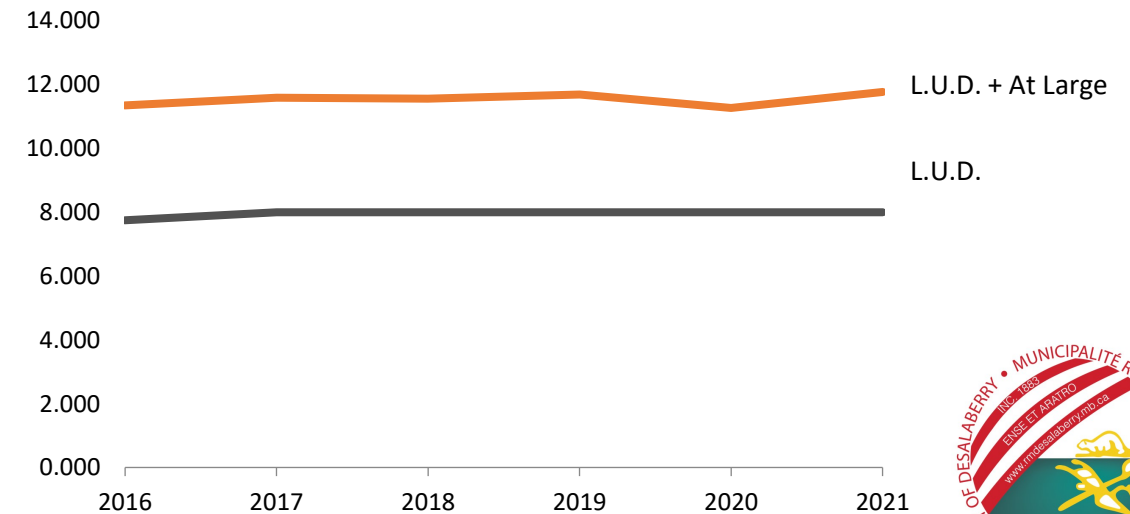


Mill Rates - Municipal

Rural	2019	2020	2021
Rural	4.863	4.463	4.722
At-Large	3.692	3.267	3.769
Total Rural Area	8.555	7.730	8.491



L.U.D.	2019	2020	2021
L.U.D. of St. Malo	8.000	8.000	8.000
At-Large	3.692	3.267	3.769
Total L.U.D.	11.692	11.267	11.769



Example of Mill Rate Calculation on Property Taxes

If your portioned assessment is \$100,000 the municipal portion of your property taxes would be:

Rural Mill Rate	4.722
At-Large Mill Rate	<u>3.769</u>
	8.491

$\$100,000 \times 8.491/1000 = \mathbf{\$849.10}$

L.U.D. St. Malo Mill Rate	8.000
At-Large Mill Rate	<u>3.769</u>
	11.769

$\$100,000 \times 11.769/1000 = \mathbf{\$1,176.90}$

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 Upgrades	Gas Tax Reserve	\$ 450,000
Drainage Project	Gas Tax Reserve	75,000
Bridges Inspections & Repairs	Gas Tax Reserve/DFA	100,000
Machinery Replacement	Machinery Reserve	435,000
	Total Rural	\$ 1,060,000



Capital Projects - At Large

Project	Funded By	Budget
Office Building	Building Reserve	250,000
Asset Management Program	Gas Tax Reserve / Grant	50,000
Office Equipment & Computers	Building Reserve / Grant	20,000
St. Malo Fire Department	Fire Equipment Reserve / Grant	158,600
St. Pierre Fire Department	Fire Equipment Reserve / Grant	439,000
Landfill – New Cell	Gas Tax Reserve	400,000
Landfill – Cold Storage Shed	Waste Management Reserve	75,000
Landfill – Machinery Replacement	Waste Management Reserve	40,000



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Capital Projects - At Large (continued)

Project	Funded By	Estimate
St. Malo – Park Esso Green Space	Grant / CDI	60,000
Economic Dev. Strategic Plan	CDI	25,000
St. Malo Arena Renovation	Recreation Reserve / Grant	627,834*
St. Malo Outdoor Rink	Grant / Fundraising	100,000*
Dufrost Hall, Curling Club, Handi-Van, Rat River Recreation	Grant	76,620
Christmas Lights Dufrost & Otterburne	Reserve	<u>30,000</u>
	Total – At Large	<u>\$2,352,054</u>



* Contingent on grant approvals

Five Year Capital Expenditure Program

Project	2022	2023	2024	2025	2026	Total
Administrative Building	1,750,000					\$1,750,000
Fire Department St. Malo		6,000		25,700		31,700
Fire Department St. Pierre				150,000	25,000	175,000
Replace heavy equipment	75,000	295,000		250,000	85,000	705,500
Road Rehabilitation	450,000	500,000	50,000	500,000	50,000	1,550,000
Drainage Projects	75,000	75,000	75,000	75,000	75,000	375,000
Bridge Inspections & Maintenance			50,000		50,000	100,000
St Malo Arena – repairs & upgrades	270,000		100,000			370,000
Recreation Master Plan	50,000					50,000
LUD - Drainage upgrades	20,000	30,000	20,000	30,000	20,000	120,000
LUD- Equipment/Vehicles	60,000		50,000		40,000	150,000
LUD – Sidewalk Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Utility St. Malo – Lift Station/Water Plant	25,000	100,000			500,000	625,000
Total	\$2,800,500	\$1,031,000	\$370,000	\$1,055,700	\$870,000	\$6,127,200

Source of Funds	2021	2022	2023	2024	2025	Total
Operating	105,000	55,000	95,000	55,000	85,000	395,000
Reserves	945,500	976,000	275,000	1,000,700	785,000	3,982,200
Borrowing	1,750,000					1,750,000
Other						666.667
Total	\$2,800,500	\$1,031,000	\$370,000	\$1,055,700	\$870,000	\$6,127,200



General Reserves

Reserve	Opening Balance	Proposed Transfer	Proposed Expenditure	Closing Balance
Office Building	\$305,568	\$50,000	\$260,000	\$95,568
Economic Development	10,113			10,113
Election	8,026	4,000		12,026
Fire Department St Malo	119,773	35,000	57,600	97,173
Fire Department St Pierre	69,987	17,500	34,615	52,872
General	544,139	-	244,334	299,802
Gravel	318,402		135,000	183,402
Handivan	34,935	4,200		39,135
Machinery	465,511	225,000	435,000	255,511
Office Equipment	5,552	5,000		10,552
Recreation	138,262	20,000	125,000	33,262
Waste Management	253,145	11,564	155,000	149,709
Roads & Bridges	22,361		20,000	2,361
Total	\$2,295,774	\$372,264	\$1,426,549	\$1,241,489



Conditional Reserves

Reserve	Opening Balance	Budget Transfers	Budget Expenditure	Closing Balance
Federal Gas Tax	950,079	201,421	1,012,840	138,660
Community Development Initiatives *	108,585	108,585	300,755	(83,585)
Total	\$1,058,664	\$310,006	\$1,313,595	\$55,075

* \$265,635 has been allocated for the purchase of the St. Pierre Fire Truck. The 2022 final payment from CDI will be applied towards this purchase.



Current Municipal Debt Situation

Maximum Municipal Debt 7% of the Total Municipal Assessment

At Large Total Assessment	\$319,773,920
7% of Assessment	\$ 22,384,174
Current Existing Debt	\$ 1,263,431
Borrowing Capacity Remaining	\$ 21,120,743

Maximum Annual Debt Payments 20% of annual revenue

Annual Revenue	\$5,217,121
20% of Annual Revenue	\$1,043,424
Current Total Debt Payments	\$ 206,014
Debt Payment Capacity Remaining	\$ 837,409



General Debentures

Purpose	By-law No.	Maturity	Area Levied	Payment	Mill Rate
St. Malo Fire Tanker	2270-09	2024	Local Improvement District	\$7,601	0.037
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
Total Annual Payment				\$23,920	



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	2020	2021	Variance
Water Consumer Sales	160,500	170,612	10,112
Sewer Service Charges	81,500	87,505	6,005
Deficit Recovery		37,498	37,498
Other Revenues	227,609	223,194	-4,415
Total Operating Revenue	\$469,609	\$518,808	\$49,209
Water Supply	198,875	201,425	2,540
Sewage Collection and Disposal	78,950	89,950	11,000
Debenture Debt Charges	182,094	182,094	
Transfers to Reserves	9,690		-9,690
Total Operating Expenditures	\$469,609	\$473,469	\$3,860
Net Operating Surplus (Deficit)	0	45,339	45,339*

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



St. Malo Utility Reserve

Reserve	Opening Balance	Budget Transfers	Budget Expenditure	Closing Balance
St. Malo Utility	1,178	0	0	1,178



St. Malo Utility Debentures

Purpose	By-law No.	Maturity	Area Levied	Payment	Mill Rate
St. Malo Lagoon	2150-02	2021	Local Improvement District	\$ 15,882	0.350
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	0.125
St. Malo Forcemain Upgrade	2246-07	2027	Local Improvement District	14,239	0.314
St. Malo Reservoir Upgrade	2316-13	2027	Local Improvement District	11,233	0.248
St. Malo Water Plant Reservoir	2264-09	2028	Local Improvement District	20,924	0.462
Gosselin Rd Low Pressure Sewer	2335-15	2035	Schedule	48,877	-
Total Annual Payment				\$182,093	



St. Malo Utility – Local Improvement Watermain and Sewermain Upgrades (2021)

The St. Malo Utility has a number of water and or sewer related upgrades that will be completed in 2021.

- *Sewer Line Upgrades on Morin (~425 meters) and St. Hilaire (~370 meters)*
- *Water Line Addition on Hebert (~285 meters)*
- *Water Line Upgrade on Benoit – Birch to St. Malo (~655 meters)*

Proposed Budget	\$1,900,000
Funded by:	
New Build Canada Fund	666,666
Maximum Debenture	1,233,334
Total Project Funds	\$1,900,000

Debenture By-Law 2394-20	
- Amount	\$1,233,334
- Interest Rate	5% per annum
- Term	20 years
- Annual Payment	\$98,966

NOTE: After the debenture by-law 2394-20 was approved by council in fall of 2020, additional grants have been secured to be applied towards the project - \$270,000 province and \$79,400 Federal Gas Tax. The contract will be tendered in May 2021. At this point in time we do not know the impact of COVID on material prices and there is a possibility that the final prices may exceed the original budget. The additional grants may be required to offset those costs or the scope of the project may be reduced. This will be reviewed once the tenders are received.



Otterburne Utility & Reserve

Operations	2020	2021	Variance
Sewer Service Charges	28,830	28,830	0
Transfer from Reserves			
Other Revenues	2,300	2,300	0
Total Operating Revenue	\$31,130	\$31,130	\$0
Sewage Collection and Disposal	11,300	13,400	1,100
Capital			
Transfers to Reserves	19,830	17,730	2,100
Total Operating Expenditures	\$31,130	\$31,130	\$3,200

Reserve Name	Opening Balance	Proposed Transfer	Proposed Expenditure*	Closing Balance
Otterburne Utility	\$92,749	17,730	50,000	\$60,479

* Loop lines, flush ports and replace valve at lagoon



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

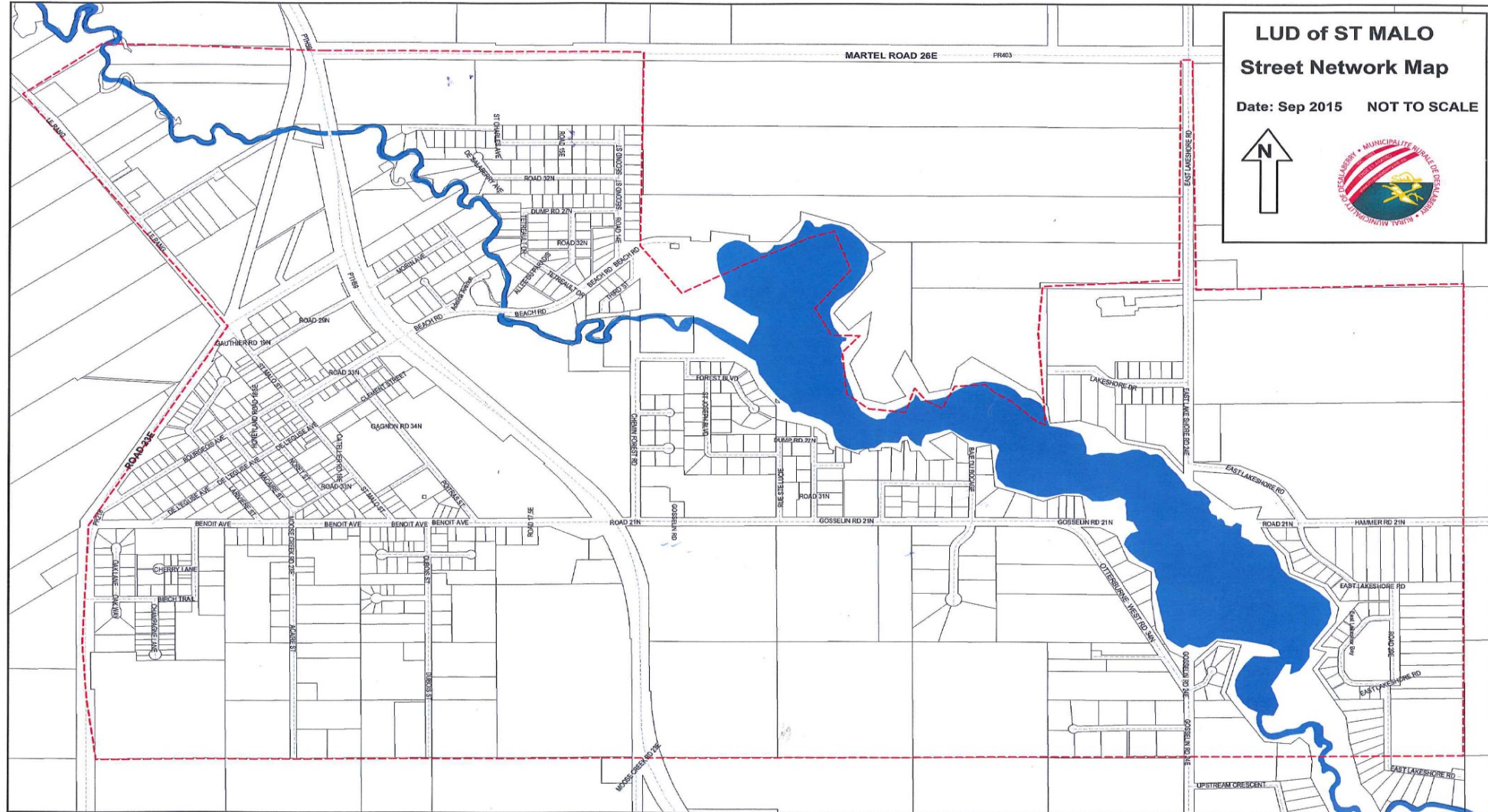
- (a) preparing and adopting a service plan for the local urban district;
- (b) submitting the service plan to the council before it adopts its operating and capital budgets; and
- (c) the exercise of those powers delegated to it by the council of the municipality.

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

	2020	2021	Variance
Unexpended Levy	468,473	0	-468,473
Other Revenues	17,750	22,500	4,750
Transfer from Reserves	132,437	95,000	-37,437
Tax Levy	490,132	501,958	11,826
Total Revenue	\$1,108,792	\$619,458	-\$489,334
General Government	14,650	15,150	-500
Transportation	308,020	326,540	18,520
Parks & Beautification	23,650	11,150	-12,500
Transfer to Capital	737,011	213,500	-523,511
Transfers to Reserves	25,000	53,118	0
Total Expenditures	\$1,108,331	\$619,458	-\$488,873
Closing Unexpended Levy	\$461	\$0	\$461



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

Project	Funded by	Budget
Equipment	Operating	\$ 49,000
Crow Wing Trail	Roads Reserve	35,000
Sidewalks Upgrades	Roads Reserve	20,000
Drainage	Operating	62,000
Electric Vehicle Station	Operating	7,500
Road Engineering	Roads Reserve	40,000
Total		\$ 213,500

Reserve Name	Opening Balance	Proposed Transfers	Proposed Expenditure	Closing Balance
L.U.D. General	102,330			102,330
L.U.D. Shop	76,000	25,000		101,000
L.U.D. Roads & Sidewalks	344,071	28,118	95,000	277,189



Tax Due Date and Penalties

2021 Taxes Due Date - October 31, 2021
cash, cheque, debit, Telpay, TIPP

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 16, 2021 - 7:00 p.m.

Tax Sale Date

(2019 outstanding taxes)

November 18, 2021 - 1:00 p.m.



Office Hours:

8:30 a.m. to 4:30 p.m. Monday through Friday



www.rmdesalaberry.mb.ca

Comments & Questions?

