
2017 BUDGET SPEECH

NEW BUSINESS

February 27, 2017

Read by Finance Chair Councillor Brent Budz

Your Worship, and fellow members of Council. It is my pleasure as Chair of the Finance, Legislative & Property Committee to present to you our 2017 municipal budget for approval.

We have developed a spending plan for 2017 with a tax increase of **1.49% over 2016.**

Council's key directive for 2017 was a tax increase equal to or below previous years in keeping with the downward trend established by Council. However, we encountered several unforeseen challenges in developing this budget, including a 3.29% arbitrated salary increase for Fire Fighters, a 2.28% reduction in property assessments and unexpected costs related to repairing the Shindleman Aquatic Center roof, requiring the reallocation of reserve funds away from other potential capital projects.

Council asked Administration to bring forward a zero-increase spending budget and with a thorough review of efficiencies they were able to exceed that expectation. An in-depth internal review allowed for reorganization of various departments resulting in the elimination of two positions in the Utility Department and inefficient programming in the Economic Development department. The Forestry Department was reorganized to allow the City to deal with some Dutch Elm Disease tree removal, lessening the cost of hiring additional contractors and a Public Safety Director was created through the rearrangement of duties of the Fire Chief, Deputy Fire Chief and Captains.

Faced with offsetting increased costs based on a 1.4% Consumer Price Index in 2016 and decreased revenue Administration was able to deliver a spending budget with a \$90,000 decrease in general operating expenditures from 2016 budget assisting Council in keeping the tax increase to only 1.49%.

This is the 3rd budget in this council term and I am pleased to bring you a budget where property tax increases remain below the rate of inflation. Holding tax increases to a minimum continues to be our focus as we deliver quality services to our citizens. I want to thank members of Council and our Administration group for their hard work in delivering an efficient and effective budget that addresses unexpected challenges, and meets community's needs while containing spending.

In 2016, the City of Portage la Prairie's 15 Year Community Sustainable Development Plan was completed with the purpose of defining a forward looking pathway for policy development and strategic decisions. This plan was created with input from local residents, businesses, representatives of community organizations, city staff and Council. I am pleased to say that several strategic actions identified in the 15 Year Plan will be addressed in the 2017 budget.

- \$10,000 from Reserve has been allocated to prepare a Parks, Recreation and Sport Tourism Master Plan. This master plan will provide direction for phased development of city-owned community parks, playgrounds, pathways, and outdoor recreational fields such as soccer fields and baseball diamonds.
- \$87,000 has been allocated to City Works, a GIS (map) based infrastructure asset data management software program. Since infrastructure costs represent the largest cost for municipal taxpayers, effective management of infrastructure assets will support future decision making and planning to better position the City to deliver services to residents in a sustainable manner.
- The City continues to support active transportation through the expansion and paving of pathways and sidewalks, with \$44,000 being allocated to these projects in 2017 and an additional \$44,000 applied for in Provincial Grants.

Let me summarize several other projects/initiatives that will be funded in 2017:

| GENERAL FUND | |
|--|---|
| 18th Street N.W. Paving & Rail Crossing Upgrade | \$124,500 General Reserve \$124,500 Municipal Road Improvement Program \$252,000 Federal Government and CPR |
| BDO Centre Roof Repair | \$100,000 General Operating \$100,000 General Reserve \$200,000 Canada 150 Grant |
| Self-Contained Breathing Apparatus for Fire Fighters | \$220,000 Fire Truck Reserve |
| Playground Upgrades | \$60,000 General Reserve \$60,000 Canada 150 Grant |
| Paving Projects | \$101,500 General Operating \$125,000 General Reserve \$83,000 Provincial Funding |
| Storm Sewer Renewal Program | \$100,000 General Reserve |
| Land Drainage System Jetting & System Cleaning | \$100,000 General Reserve |
| Stride Place Aquatic Centre Roof Repair | \$900,000 General Reserve \$100,000 Gas Tax Reserve |
| UTILITY FUND | |
| Lime Sludge Disposal Contract | \$1,500,000 Utility Reserve |
| Water Treatment Plant – Phase One | \$600,000 Utility Reserve \$600,000 Provincial Funding |
| Water Pollution Control Facility upgrade procurement process | \$1,000,000 Nutrient Removal Reserve |
| Water Treatment Plant – Phase Two | \$200,000 Utility Reserve \$200,000 Provincial Funding |
| Water Main Renewal Program | \$165,000 Utility Operating \$160,000 Utility Reserve |
| Water Distribution System Renewal (9 th Street) | \$222,000 Utility Reserve |
| Water System Looping Program | \$140,000 Utility Operating \$80,000 Utility Reserve |

From a general operating perspective, this list is made up primarily of projects dedicated to maintaining our existing infrastructure with paving, storm sewer renewal and land drainage jetting & system cleaning as well as the unexpected cost of repairs to the Shindleman Aquatic Centre. Utility spending focuses on upgrades to the Water Pollution Control Facility and the Water Treatment plant as well as maintaining infrastructure related to water treatment and distribution.

Portage la Prairie is not alone in its need to renew, repair and replace aging infrastructure and the need to cost share these expenses with the Federal and Provincial Governments. Federal dollars supplied through the Gas Tax grant and Canada 150 grant, and Provincials dollars supplied through the Small Communities Transportation Fund and Manitoba Water Services Board will be utilized. Without these grants the level of work planned for in the 2017 budget would not be possible.

You will note the Island Park Causeway replacement project has not been included in this year's budget. Due to the uncertainty surrounding costs related to Shindleman Aquatic Centre repairs and the uncertain impact on debt taken as it relates to the Water Pollution Control Facility, the Island Park Causeway has been put on hold this year. City Council is fully committed to the construction of a new causeway, however until the Aquatic Centre repair costs are finalized and all reports have been received, funds for this project will remain in our reserves.

Grants

The City recognizes the valued contributions being provided through community organizations and agencies on behalf of the citizens. Municipal grants demonstrate Council's commitment to working with groups which provide these beneficial programs, services or projects to the community. The General budget also includes \$522,819 in community grants; these include:

Detailed Listing of Grants for 2017:

| <u>Community Grants</u> | <u>Approved</u> |
|--|-------------------|
| Youth Councilor Budget | \$3,000.00 |
| COPP | \$1,500.00 |
| Portage Community Revitalization Corporation | \$25,000.00 |
| Potato Festival | \$10,000.00 |
| ROK - Recreation Opportunities for Kids | \$5,000.00 |
| Viterra Curling Championship | \$1,250.00 |
| Winnipeg Sports Car Club | \$1,500.00 |
| Youth for Christ | \$3,500.00 |
| Portage Handivan | \$26,400.00 |
| Hometown Manitoba | \$10,000.00 |
| Centennial Community Club | \$7,300.00 |
| Fort la Reine Museum | \$40,000.00 |
| Herman Prior Senior Services Centre | \$15,000.00 |
| PCCI (Glesby Centre) Operating | \$70,000.00 |
| PCCI (Glesby) Reserve | \$20,000.00 |
| Portage & District Arts Centre | \$11,900.00 |
| Portage and District Chamber of Commerce | \$3,750.00 |
| Portage la Prairie Regional Library | \$264,219.00 |
| Portage Neighborhood Connections | <u>\$3,500.00</u> |
| | \$522,819.00 |

Conclusion

The budget document will be released on the City's website for those wishing to see the standard operating budget totals and special expenditure items. In the coming weeks, we will also publish a tax impact calculator on our website, allowing property owners to calculate how their property taxes will be affected. In total, the City's 2017 budget of \$ 35.1 Million, which includes a \$90,000 decrease in expenditures from our general operating fund over 2016, is made up of spending from:

| <u>TOTAL SPENDING BUDGET</u> | <u>2017</u> |
|------------------------------|--------------------|
| General Operating Fund | \$16,600,000 |
| Utility Operating Fund | \$12,300,000 |
| Reserve Withdrawals | \$4,700,000 |
| Spending from Capital Grants | <u>\$1,500,000</u> |
| | \$35,100,000 |

As the 2016 fiscal year closes, some additional items will be carried over to the 2017 budget. These will be outlined at the time the 2017 Financial Plan will be presented which can be expected in March/April.

In conclusion, Your Worship, I move:

THAT the 2017 General budget and 2017 Utility budget be approved as follows:

| <u>TOTAL SPENDING BUDGET</u> | <u>2017</u> |
|------------------------------|--------------------|
| General Operating Fund | \$16,600,000 |
| Utility Operating Fund | \$12,300,000 |
| Reserve Withdrawals | \$4,700,000 |
| Spending from Capital Grants | <u>\$1,500,000</u> |
| | \$35,100,000 |