



Financial Plan Overview

2022

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To our ratepayers

After the election Council established a vision and strategy that represents the priorities and values of our community. We accomplished this by creating a Strategic Plan, which sets the goals and direction we heard from our ratepayers.

While we all are adjusting to the new normal amidst the global pandemic, Council has continued to work towards providing services to our ratepayers to build a safe and health community. The RM of St. Clements has also shown that it is “the place to be”, with various Manitobans looking to spend more time outdoors utilizing the various trails and amenities the RM has to offer.

Council and administration have continued to focus on delivering the priorities for our municipality. This includes day to day services and various capital projects to enhance our community.

A commitment Council made was to be more transparent and accessible to our citizens and we have continued to try and achieve this within the restrictions of our current times. This includes the utilization of social media and providing Council Meetings online. In order to continue to provide information to our citizens, this Financial Plan Overview has been developed to provide additional information in a format that will help to highlight the information in the Financial Plan.



RM of St. Clements
Council 2018-2022
(L - R)
Dave Sutherland Ward 2
Robert Belanger Ward 2
Scott Spicer Ward 1
Mayor Debbie Fiebelkorn
Sandra Strang Ward 1
David Horbas Ward 2
Glen Basarowich Ward 1

Strategic plan

After much discussion and brainstorming at the strategic planning workshop in 2019, Council determined their vision and values that guide decision making.

The vision and values helped to establish the goals, which guide the financial planning and service delivery to our citizens. The Financial Plan attempts to address all of the goals identified.

Our responsibility is also to develop strategies and actions to minimize the impact of unknown and sometimes difficult external influences to provide a level of predictability for our ratepayers.

Our vision is, a municipality that is committed to sustainable growth, which means growth that is repeatable, ethical and responsible to, and for, current and future communities. It means future development needs to contribute positively to the environment, social structure and financial health of the RM. It means being more efficient and maximizing our current infrastructure.

To succeed, we need to continue to grow and attract young families. To do this we need to provide the amenities and services people are seeking when deciding to purchase or build a home. We need to create an environment that can offer the type of housing diversity that can help our youth stay in the community and allow our citizens to age in their home community.

Vision	
<p>The RM of St. Clements is committed to sustainable growth, enhanced amenities and services, and offering people of all ages desirable places to live and recreate.</p> <p>The Municipality supports diverse land uses and settlement types while maintaining an environment where diverse residents across the municipality co-exist in harmony.</p>	
Values	Goals
<p>COMMUNICATION AND OPENNESS We communicate our plans and intentions openly, and work with residents and stakeholders to understand ideas, concerns and work towards solutions.</p> <p>COLLABORATION AND RESPECT We work together as a council, administration and residents to arrive at a clear plan of action, with a willingness to compromise, build consensus and respect one another.</p> <p>DIVERSITY We seek to uphold and increase the functional diversity in land uses, communities and lifestyles available for all ages across our municipality.</p> <p>FINANCIALLY ACCOUNTABLE We will responsibly grow our tax base and reduce inefficient expenses and inactive assets to achieve accountability and desirable levels of service for residents.</p>	<p>Comprehensive Plan for roads, drainage and waste Establish and communicate priorities and a basic services plan for every area of the municipality to address roads, drainage, solid waste and sewer.</p> <p>Affordability Keep costs affordable and predictable for ratepayers.</p> <p>Targeted, sustainable growth Increase sustainable growth and endorse opportunities for East Selkirk, Grand Marais and East Lockport/Henderson.</p> <p>Anticipate future needs in amenities and services Advance amenities and services to prepare for the future needs of our changing communities.</p> <p>Recreation Destination Increase interest in St. Clements four-season, outdoor recreational opportunities.</p>

Strategic highlights

Roads

In 2021, the RM identified several Major Road projects that were needed in order to continue to provide quality infrastructure through proper asset management. The projects have been completed using infrastructure reserves created through the previous financial planning processes. Our Financial Plan continues to support a \$4 million commitment in funding for hard surface road maintenance over the 4 year term of Council and in fact the funding commitment has been surpassed by approximately \$1.26 million dollars.

Year	Project Description	Costs
2019	Rebeck Road	\$ 1,032,400.00
	sub-total	\$ 1,032,400.00
2020	Old Henderson	\$ 530,000.00
2020	Dunning Road	\$ 320,000.00
2020	Church Road (North)	\$ 470,000.00
	sub-total	\$ 1,320,000.00
2021	Church Road (South)	\$ 676,000.00
2021	Ludwick Road	\$ 800,000.00
	sub-total	\$ 1,476,000.00
2022	Wachal Drive	\$ 710,938.00
2022	Church Road - Off Ferry Road	\$ 290,500.00
2022	Spruce Drive	\$ 430,000.00
	sub-total	\$ 1,431,438.00
	TOTAL	\$ 5,259,838.00

The specific project for each year for hard surface roads is shown with funding coming from Council's commitment to roads through a 1 mill rate dedication for road improvements per year. This year the 1 mill rate equals \$796,109.78 and remaining funds will be coming from reserves.

In 2022, the RM is again investing in Major Road projects, these projects will be completed utilizing funding from infrastructure reserves funded through 1 mill rate per year. The projects are Wachal Drive, Church Road – Off Ferry Road and Spruce Drive, totaling over \$1.4 million.

Reserve Funds

The municipal finance strategy utilizes reserve funds to allocate dollars specifically to major costs such as equipment, infrastructure and projects.

Year-end surpluses in 2020 (resulting from various grants and cost savings throughout the year) allowed for nearly \$870K to be used to replenish the multiple capital only reserves, providing funding capacity to accommodate future capital costs.

Year-end surpluses in 2021 (resulting from amphibex dissolution and cost savings throughout the year) allowed for \$1M to be used to replenish the multiple capital only reserves, providing funding capacity to accommodate future capital costs.

In 2021 Council created a General Purpose Reserve in order to address any future unknown external influences on finances, resources and/or service levels and to promote financial resiliency.

RESERVE FUNDS MANAGEMENT BY YEAR

Reserve Name	2018	2019	2020*	2021*
Capital Improvement	224,298	211,881	1,384,145	1,970,992
Bridge/Water Control Works	154,738	145,101	148,178	120,647
Office	24,377	25,174	66,556	80,873
Public Works	212,142	86,960	214,163	266,036
Fire & MPIC - Combined	642,235	599,172	74,369	832,217
Election	-	7,049	14,260	31,612
Environment	88,206	35,516	187,248	238,442
Gas Tax	395,544	989,046	1,067,521	1,741,859
Recreation	92,776	104,853	118,720	108,372
Roads	41,900	474,495	160,321	539,112
ESSW Utility	163,594	253,976	456,340	523,569
Lockport Utility	161,847	207,365	239,356	256,806
Sunset Utility	94,364	136,339	182,520	208,684
Utility Expansion	20,366	31,516	49,807	117,829
As at December 31:	2,316,388	3,308,443	4,363,504	7,037,050

* Projected unaudited totals

Multi year budgeting

In 2021 Council implemented a three-year budgeting strategy, the 2022 budget is being put forward for adoption and the following two years are to be adopted in principle, in order to provide a level of predictability and stability in the operations of the RM. This new strategy will expedite the budgeting process annually and provide for increased focus on overall operational savings wherever possible.

Financial highlights

In 2021 Council has continued to reduce future risks related to infrastructure costs by:

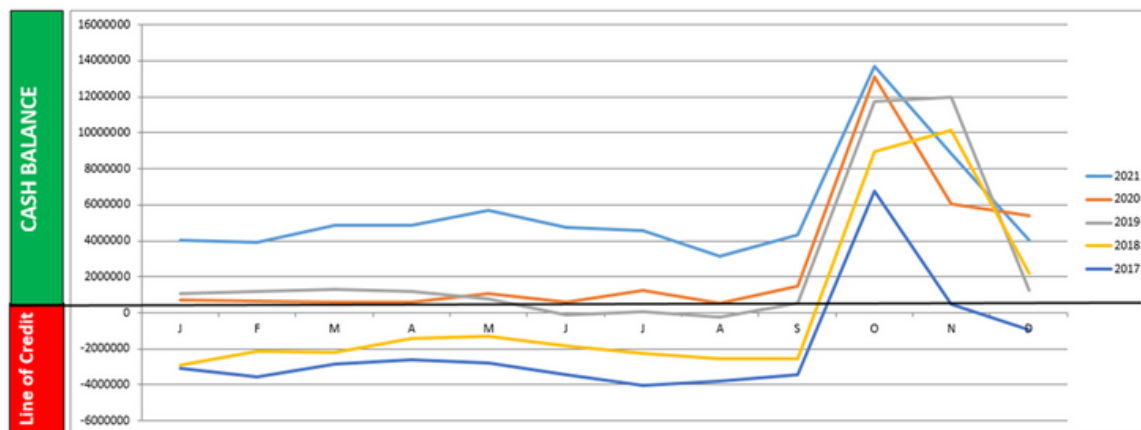
1. Mill rate dedicated towards roads, equaling \$796,109.78
2. Stabilized the reserves from year end surpluses to provide sufficient funds for Capital projects in 2022:

- I. Road Construction \$1.4M
- II. Public Works Equipment Purchases \$677K
- III. Public Works (Coville Sidewalk & Fuller Road) \$600K
- IV. Fire Departments Equipment Purchases \$800K
- V. Environmental Waste and Site Improvements \$355K

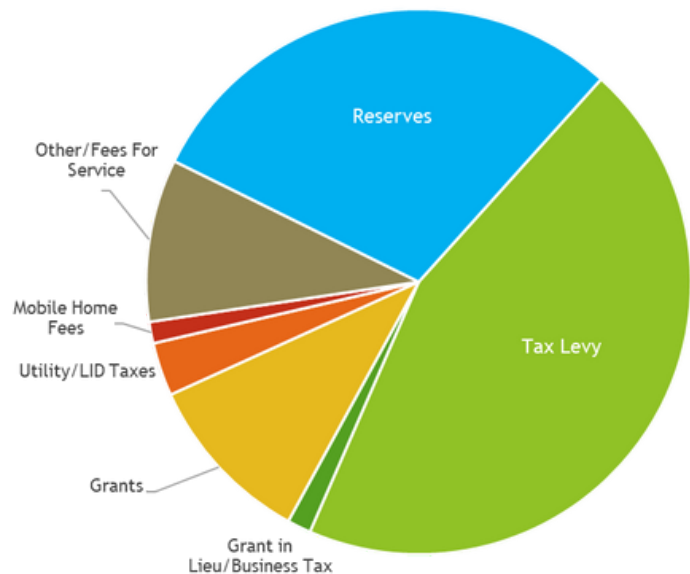
Keeping costs affordable for our ratepayers also requires management of expenses, such as fiscal and cash flow management, which has allowed the RM to reduce its reliance on utilizing the Operating Line of Credit. In 2020 the RM worked to eliminate interest expenses related to utilizing the line of credit. The chart below shows the continued progress in reducing operating costs related to short-term line of credit borrowing with continued progress in cash balance stabilization.

R.M. of St. Clements
Annual Operating Line of Credit/Chequing Account
Trend Analysis - (YTD)

	J	F	M	A	M	J	J	A	S	O	N	D	Year	Annual Limit
2021	4,043,032	3,925,124	4,889,512	4,872,969	5,666,054	4,763,157	4,568,821	3,158,731	4,340,751	13,696,728	8,863,496	4,043,032	2021	6,799,000
2020	701,791	624,520	567,886	605,912	1,079,537	569,799	1,235,037	526,563	1,462,089	13,107,548	6,038,332	5,400,385	2020	6,799,000
2019	1,046,377	1,215,121	1,319,505	1,207,166	775,751	137,126	89,303	217,994	522,995	11,742,431	11,975,495	1,253,362	2019	6,799,000
2018	- 2,880,056	- 2,141,371	- 2,192,134	- 1,438,409	- 1,280,652	- 1,833,091	- 2,225,239	- 2,546,461	- 2,538,643	8,928,022	10,124,110	2,223,778	2018	6,799,000
2017	- 3,109,993	- 3,585,962	- 2,853,016	- 2,604,138	- 2,808,760	- 3,411,836	- 4,053,718	- 3,800,250	- 3,449,043	6,750,150	445,593	- 973,286	2017	6,799,000



Municipalities have limited options available for generating revenue with a significant percentage of the revenue coming from taxes and fees for service. Council is committed to managing these costs and continues to seek other opportunities from grants and fees for service.

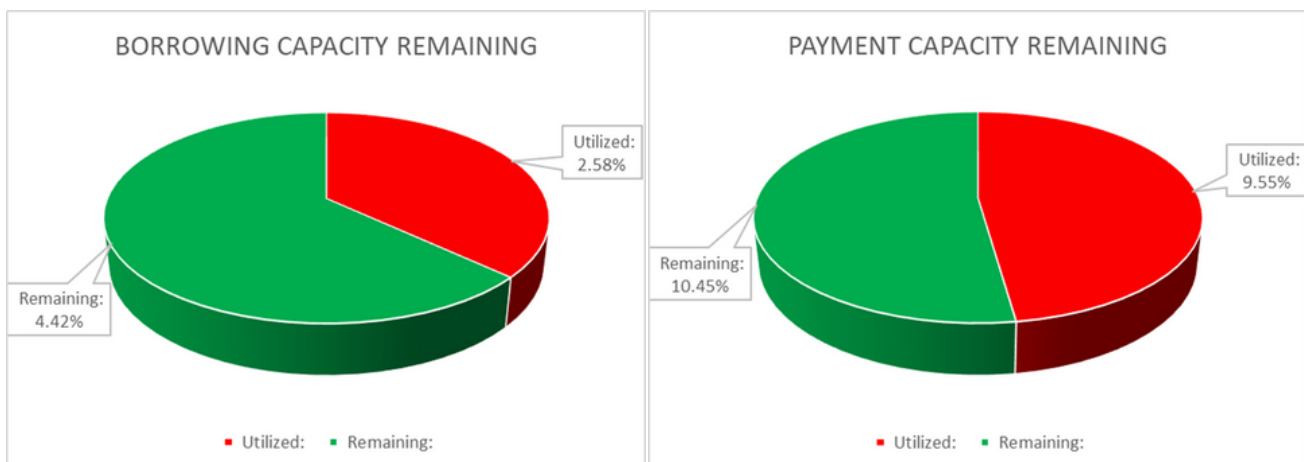


The delivery of services to the citizens of the RM of St. Clements relies significantly on property taxes as the main source of revenue, being 49%.

The other 51% of the revenue of the municipality is made up of business taxes, utilities, fees, grants and reserves. With targeted sustainable growth and managing costs for the ratepayers, it will be important to concentrate on the other sources of revenue to reduce reliance on property taxes.

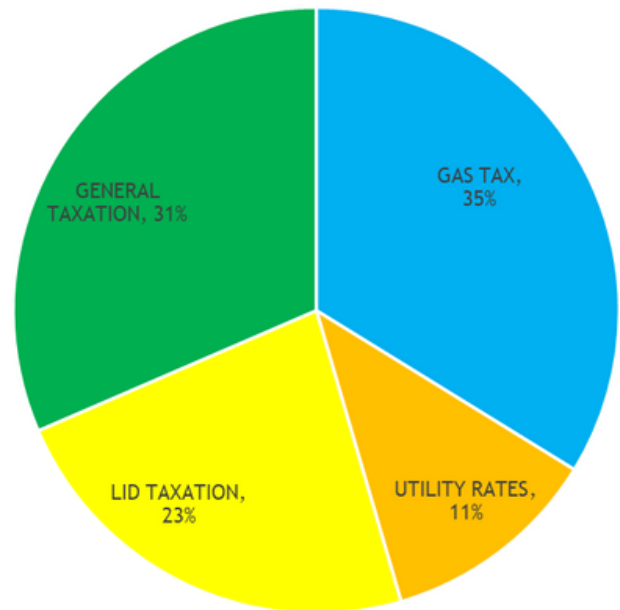
The RM continues to monitor its borrowing practices and associated risks in debt capacity and debt payments. The Province of Manitoba expects municipalities to follow the Municipal Board of Manitoba Debt Policy, which states:

1. Municipal Debt cannot exceed 7% of the total municipal assessment
2. Annual debt payments cannot exceed 20% of annual revenue



In 2022 budget, of the 7% available there is still 4.42% of debt capacity remaining, totaling over \$35M and of the payment capacity of 20% there is still 10.45% available, totaling over \$1.9M in payments. Commitment to fiscal management has allowed the RM to continue to be in a sound financial position in relation to the debt ceilings.

In St. Clements, the General Taxation accounts for only 31% of the debt payments. The balance of the debt is offset by cash inflows from specific Local Improvement Districts (LID) which are related to specific infrastructure projects benefiting only those properties (23% of the total debt payments). The balance comes from the Gas Tax Grants and Utility Rates related with the specific water or wastewater utilities.



This table below shows our mill rate has been among the lowest when compared to our neighbours. There are numerous other factors to be considered when comparing taxes between municipalities. Average cost of homes, lot size, density, amount of commercial and industrial assessment along with service levels all impact the level of taxation. The per dwelling comparison addresses some of these challenges but it does not offer a clear picture. Some of the listed municipalities have substantial commercial and industrial properties, impacting the revenue for the RM.

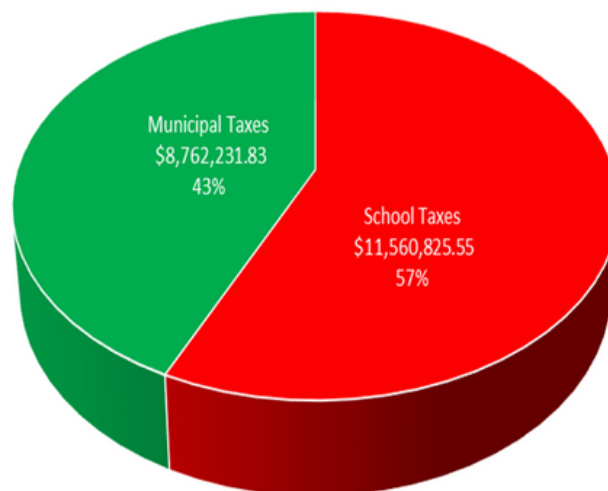
Property Tax Comparisons:	Total				
	Population*	Dwellings	2020	2021	2022
Selkirk	10,504	4,643	20.562	20.992	18.536
Brokenhead	5,414	2,213	12.700	12.700	11.380
Alexander	3,854	4,347	11.890	11.980	12.131
Lac du Bonnet	3,563	2,757	10.296	10.296	9.956
Stonewall	5,046	2,127	10.16	10.459	
St. Clements	11,586	5,720	10.000	10.200	10.400
Springfield	16,142	5,992	9.595	9.595	9.691
St. Andrews*	11,723	4,736	9.927	9.527	9.980
East St. Paul	9,725	3,504	8.323	8.470	
West St. Paul	6,682	2,270	8.93	9.1	9.1
Rosser	1,270	448	6.86	6.787	8.036
Headingley	4,331	1,342	6.4	6.4	6.4

To keep costs affordable Council has committed to limit property increase to 2% for this year. This is a challenge. Revenues from the province have been frozen at 2017 levels, or in the case of the roads grant, reduced by 40%.

To help achieve the goal of affordability while keeping up with the current demands, we need to consider other revenue opportunities, such as implementing user fees and improving the efficiency of solid waste collection and treatment. To keep taxes under control in the long term we need to attract new residents and new developments.

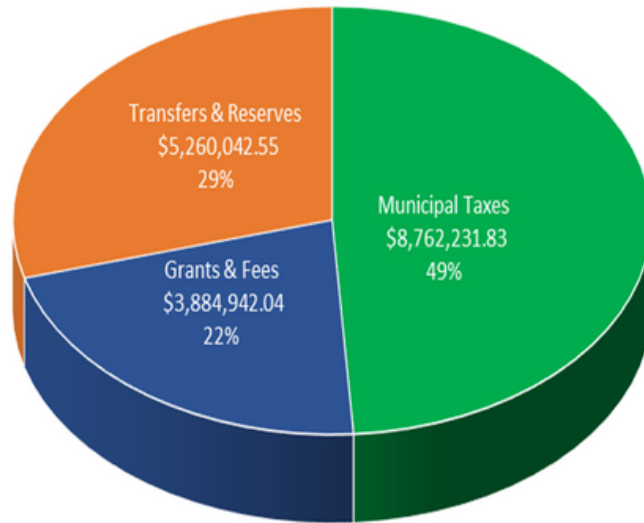
This year the Province of Manitoba has made a commitment to reducing the school taxes by 32%. The 32% refund for 2022 from the Province will be sent out to tax payers by cheque directly from the Province. The 2% increase on the municipal portion of the tax bill will show an increase of approximately \$27 for an average property assessed at \$300,000.00.

Distribution of Taxes 2022

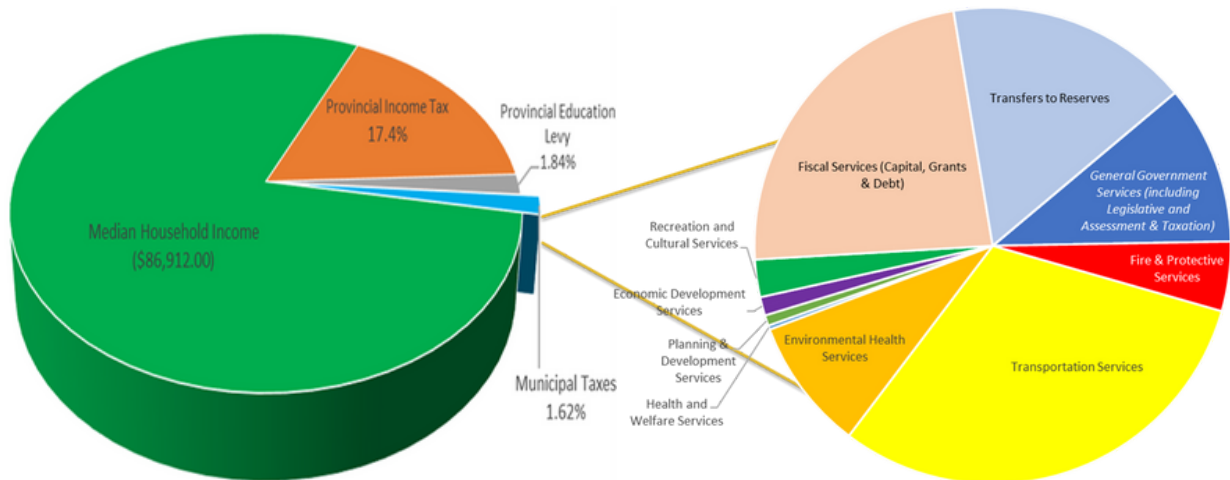


The next chart shows the overall proportion of Tax collected, with 57% of the taxes collected from all tax bills attributable to School Taxes. Total revenues for the municipality comes from municipal taxes, provincial and federal grants, service fees, transfers from accumulated surpluses and specific purpose reserves established by the municipality.

Total Municipal Revenue



The below chart shows the distribution of funds to services from municipal taxes, provincial and federal grants, service fees, transfers from accumulated surpluses and transfers from specific purpose reserves. As municipal taxes pay for approximately 49% of the entire budget for the municipality. The above chart allocates the proportionate share of municipal taxes to the budgeted services.



In reviewing taxes on households in St. Clements, the municipality only has one significant source of income, being property taxes. A review of median household income of \$86,912.00 was used with 2015 dollars from Statistics Canada’s 2016 Census which also showed average household income of \$104,503.00 in St. Clements. A comparison against the income tax and education levy sources of revenue for the Province was used against the municipal portion of the property tax estimated to be \$1,404.00 or 1.62% for an average household in St. Clements assessed at \$300,000.00. It should be noted other Provincial and Federal sources of income such as PST, GST and Federal Taxes were not used for this comparison.

Operating highlights

In order to support the Strategic Plan and Goals established by Council, the administration has been working on the core strategies that support these goals. The core strategies are as follows:

1. Establish an asset management plan ✓
2. Secure grants for sewer ✓
3. Bring solid waste costs in line with established norms ✓
4. Implement cost-recovery/user fee strategy for nonessential services ✓
5. Remove barriers to sustainable growth and related future expansion of tax base ✓
6. Slow, steady tax increase ✓
7. Strengthen the planning process ✓
8. Proactively identify attractive opportunities to increase housing options ✓
9. Use incentives to attract the right kind of development ✓
10. With partners, develop and implement a recreational promotion strategy ✓
11. Enhance and promote water access ✓
12. Increase capacity within RM for year-round programs, for all ages (physical space, staff) ✓
13. Communication strategy to accompany all goal areas ✓

The 2022 budget supports many of the strategies and commitment to service delivery as efficiently and effectively as possible. The following are some of the highlights from the general operating fund of the 2022 budget.

- Water access - \$100,000 designated for construction of a boat launch
- Recreation - we will be supporting recreation in our RM with \$225,000 for active transport and trails and another \$85,000 for community recreation projects
- Asset management - a program is being worked on for the municipality in order to be eligible Gas Tax funding. This process will allow us to review all our infrastructure and determine the most cost effective methods in lowering the life cycle cost of all our assets.
- Planning - administration has engaged with planning consultants to review some complex subdivisions, create concept plans and will pass text amendments on the zoning by-law. The East Selkirk Water Treatment Plant and Henderson Sewer Project will be completed this year, as well as marketing of Sunset Bay Estates for new housing. We will continue to identify marketable lots and land parcels with a review of real estate market and improved liaisons with developers at an early stage.

Capital budget

With the exception of the major strategic infrastructure projects, the remaining capital projects are funded through the operating and reserve accounts. The chart below also shows the revised borrowing for the capital projects.

CAPITAL BUDGET
RURAL MUNICIPALITY OF ST. CLEMENTS
For the Year 2022

Part 1 - CAPITAL EXPENDITURES

Particulars of Expenditure	Estimated Total Cost	Borne by General Fund	Borne by Utility Fund	Borne by Reserves	Borne by Borrowing
Greenspace Park Development	50,000	50,000		50,000	
Beaconia Well Property	100,000	100,000		100,000	
Beaconia Shop Expansion	80,000	80,000		80,000	
Boat Launch	100,000	100,000		100,000	
Land Acquisition	225,000	225,000		225,000	
Colville Road Sidewalk	300,000	300,000		300,000	
Active Transportation - Sidewalk Lockport	200,000	200,000		200,000	
Excavator	250,000	250,000		250,000	
580 Case Snow Bucket	6,000	6,000		6,000	
1/2 ton	40,000	40,000		40,000	
Trailer (End Dump)	30,000	30,000		30,000	
IT/Server	3,500	3,500		3,500	
Office Stairs	35,000	35,000		35,000	
Office LED Lighting Upgrade	15,000	15,000		15,000	
Office Phone System	51,500	51,500		51,500	
Electric Car Charging Stations (3)	30,000	30,000		30,000	
EB Side by Side/UTV (50%)	44,000	44,000		22,000	
ES Driveway	178,000	178,000		178,000	
ES Rescue/Command truck replacement	500,000	500,000		500,000	
EB Firehall Station & Site Improvements (50%)	60,000	60,000		30,000	
ES Generator	45,000	45,000		45,000	
ES Fuel Exhaust System	25,000	25,000		25,000	
Landfill Storage	30,000	30,000		30,000	
Clarke TS Improvements	65,000	65,000		65,000	
ESSW Water Meter Replacements	55,000		55,000	55,000	
SSC Utility Works	3,500,000				3,500,000
ESSW WTP Softener & Truck Fill	2,000,000				2,000,000
South St. Clements Recreation	2,217,500	225,000			2,000,000
Water Control Works	1,520,000				1,525,000

Financial summary

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GENERAL OPERATING FUND BUDGETED REVENUE AND EXPENDITURE

RURAL MUNICIPALITY OF ST. CLEMENTS

For the Year 2022

REVENUE

	2021 Budgeted	2021 Actual	2022 Budgeted	2023 Budgeted
Total Tax Levy - Page 8	19,258,644.06	19,289,402.83	19,566,136.87	19,956,951.43
Total Grants in Lieu of Taxes - Page 8	775,160.32	768,837.58	756,920.51	772,058.92
Sub-total	20,033,804.38	20,058,240.41	20,323,057.38	20,729,010.35
School Requisitions (deduct) - Page 8	11,613,151.40	11,613,151.40	11,560,825.55	11,792,042.06
Municipal Taxes and Grants in Lieu of Taxes	8,420,652.98	8,445,089.01	8,762,231.83	8,936,968.29
Other Revenue - Page 2	5,874,516.04	6,446,861.83	3,884,942.04	3,697,547.04
Transfers from Accumulated Surplus & Reserves - Page 2	4,172,374.51	2,635,906.37	5,260,042.55	2,949,663.13
Total Municipal Revenue	18,467,543.53	17,527,857.21	17,907,216.42	15,584,178.46

EXPENDITURE

General Government Services	1,888,564.15	1,600,028.74	1,937,687.44	1,896,276.01
Protective Services	2,471,666.67	1,725,107.34	846,000.00	859,000.00
Transportation Services	4,515,620.00	3,898,668.08	5,529,766.00	4,871,813.58
Environmental Health Services	1,546,150.00	1,481,786.67	1,606,020.00	1,503,967.40
Public Health and Welfare Services	50,000.00	43,060.82	50,000.00	50,000.00
Environmental Development Services	115,500.00	126,427.57	128,100.00	115,500.00
Economic Development Services	239,700.00	147,787.85	226,200.00	176,200.00
Recreation and Cultural Services	528,436.00	322,289.37	455,100.00	432,350.00
Fiscal Services	3,771,718.14	3,624,550.00	4,169,101.92	2,833,100.50
Transfers - 2015 Capital Deficit Recoveries - Page 9	0.00	0.00	0.00	0.00
- To Reserves - Page 5	3,339,003.18	3,389,508.18	2,958,523.78	2,845,970.98
Total Basic Expenditure	18,466,358.14	16,359,214.62	17,906,499.14	15,584,178.46
Allowance For Tax Assets - Page 8	1,185.39	1,185.39	717.29	0.00
Total Municipal Expenditure	18,467,543.53	16,360,400.01	17,907,216.43	15,584,178.46
Net Operating Surplus (Deficit)	0.00	1,167,457.20	0.00	0.00

Looking ahead

This year will continue to bring many challenges as we adjust to a new normal and we continue to work closely with other levels of government in providing a safe and healthy community. As we progress throughout the remainder of this term, Council will continue to focus on our essential services as the safety of our residents, community and our employees continues to be our top priority.

Our essential services will remain operational, as Council and the administration focus on delivering the priorities for the RM. We will continue to provide our day-to-day services and the various capital projects to enhance our community as we begin to recover our economy. In the future we will also explore new ways to deliver our services with a commitment to communicating and interacting with all our citizens. The RM will continue to provide important information during emergencies or when information is of interest to the entire community in the most efficient way possible.

Our administration will continue to work to deliver the projects that Council has asked be moved forward and some of which have been in the works for some time. Council is also looking to the future at new projects while at the same time ensuring that our current Strategic Plan is being followed.

Although this year will be the last of this Councils term, they will continue to work hard to make the RM of St. Clements the place where people want to live, work and play.