

CITY OF PORTAGE LA PRAIRIE – 2021 BUDGET SPEECH

As presented by City Finance Chair and Deputy Mayor, Brent Budz

January 25, 2021

Your Worship and Fellow Members of Council. It is my pleasure as Chair of the Finance, Legislative and Property Committee to present to you our 2021 City of Portage la Prairie budget for approval.

The Portage la Prairie area has seen a steady increase in expansion and related building permits over the past five years. Activity remains high with over \$134 million in permits being issued for 2020. Total property values in our City now exceed \$1.4 billion with the taxable amount exceeding \$712 million. It is this growth and commitment to investment that is providing sufficient revenue in 2021 to fund the year's operating budget increases **without needing to increase property taxes.**

Council is very cognizant of the challenges that our City, province and country has faced as we begin to recover from the pandemic. No doubt this past year has been a difficult one for many of our small business owners and employees who have had to manage through partial and complete operating restrictions, loss of earnings and overall financial stress. Normally, property values are Provincially reassessed every two years and we have been made aware that will be paused until 2023 as a recovery measure by the Province.

Your Council is very conscious of its citizens' needs and with an area population now exceeding 20,000, the City will be continuing with an unprecedented investment in infrastructure throughout 2021 in our efforts to meet the needs of our community well into the future.

Investing in Infrastructure

Strategic Public infrastructure spending is a sound investment that leads to long lasting economic and social benefits for our citizens.

The City has included a number of major projects and initiatives in its 2021 budget. Overall, general capital projects will expend \$10 million and utility capital projects will expend \$32 million. In several ways these projects have been in the planning stages for many years which gives us the ability to fund them with a combination of reserves, and government grants with **no increase** in property taxes.

For our City, the Crescent Lake Causeway, enhancement of our City's downtown, projects to expand and upgrade our Utility Services, Fire Department resources and Green Initiatives along with commencing the redevelopment of Saskatchewan Ave West will be our focus.

Strengthening Community Livability

Beyond the basic needs of having housing, safety, and access of basic services – food, healthcare, schools; a community’s livability and sustainability is defined by what makes it better to live here and for its residents to stay.

We are entering year three of the Crescent Lake Causeway, the largest construction year for this project. Over \$6.2 million in earmarked capital funding will be spent on this project in 2021. We are anticipating the culvert system to be installed during the winter months with the paved road, roundabouts, and landscaping to occur this summer.

Enhancing our downtown continues to be a focus for our City. The sidewalk renewal and street beautification project began in 2020 and to support our downtown businesses, parking meters were removed and innovative technology to enforce parking on streets and City parking lots was implemented.

We will continue this work in 2021 by renewing all downtown lighting, replacing sidewalk sections on the north and south sides on Saskatchewan Ave between 1st Street West and Royal Rd as well as the south side from Royal Rd to 3rd Street East and renewing benches, planters, and trees in the same area.

We are pleased to announce that the Simplot Central Park’s McCain Interactive Water Feature will be activated for the first time in Summer 2021. While this capital project was entirely funded community donations as directed by the City’s Parks committee, the ongoing maintenance and water supply for the feature will be funded by the City.

In addition, we will be completing feasibility studies for curb side composting, transit and completing the results of our study to prepare our City Hall heritage building to be more accessible. Further details on these projects will be available during 2021.

Expanding Utility Capacity

Increased need for utility services and compliance with higher environmental standards are driving our need to expand our utility capacity. Upgrades are underway at the water treatment and wastewater pollution control plants.

The massive upgrade of the City’s Water Pollution Control Plant has begun with selecting three entities in the RFQ process to bid on this project and preparatory work for awarding the RFP by the end of 2021 will require a significant number of resources throughout 2021. With the facility’s operating management change to occur in 2022, the City must prepare by moving our facilities and lift station maintenance staff to another City location.

We will be expanding our Operations facility west of 11th Street north west to consolidate our facilities, lift station maintenance and parks departments to this location. There is much benefit in moving all operations departments to one location.

The City's Water Treatment Plant will continue to see updates in 2021 under a multi-year schedule of upgrades and co-funded by the provincial government through its Manitoba Water Services Board crown corporation. We will also be able to expand our utility services to the Rural Municipality of Portage's Poplar Bluff Industrial Park through the City's contribution to the Poplar Bluff Reservoir project. This project is spearheaded by the Rural Municipality.

Community Image

This Council made updating of Saskatchewan Ave West a top strategic priority and we are very proud to announce that work will begin in 2021 with the renewal and re-positioning of new water and sewer piping on the avenue between 4th Street West and Elm Street.

The City is in negotiations with the Investing in Canada Infrastructure Program to leverage up to \$20.83 million in government funding to this project. Securing this funding will ensure the viability of phase two of the project, expected to be completed between 2022 and 2024.

Phase two of this project will be the rebuilding of Saskatchewan Avenue West including the paved avenue, sidewalks, bike paths, green space, parking spaces and enhanced land drainage. The City has begun the process to request borrowing approval from the Municipal board for the City's funding portion of this project.

Phase Two of this project is expected to attract considerable public interest and the City will hold public consultation regarding this project during 2021.

No increase in property taxes is expected as a result of this project. The City has been planning for this project for many years and has identified operating funds available from maturing debt and existing resources to service debt payments for this project over its term of 15 years.

Community Partnerships and Involvement

The City has strong regional partnerships in conjunction with the Rural Municipality of Portage la Prairie for the Library; Handivan; Recreation Authority, Planning District and Economic Development. Each of these organization plays an integral role in our community and for those impacted by the pandemic restrictions, we look forward to their strong return when safe to do so. The City's 2021 total budgeted contribution to these partnerships is \$1.8 million.

The City received nineteen applications for community grants in its application process. Fourteen worthy community organizations will be awarded community grants of \$286,000 in total. A listing of approved grants will be posted on the City's website and we will be communicating directly with each successful applicant in the coming days.

Value for Taxes

Your tax dollars will be hard at work this construction season. There will be construction underway in many areas of our City.

In addition of those new capital projects, the City continues to manage \$226 million in general capital and \$305 million in utility capital assets with 90 full time and a total 55 part time and seasonal employees.

The City's cross functional asset management committee continues to work on asset plans for the City and is expected to release its asset management strategic management plan later in 2021. Our ultimate goal is to develop asset plans for each asset class owned by the City for their scheduled maintenance and replacement and for the addition of new assets as needed.

Summary

In summary, the City of Portage la Prairie's 2021 budget is:

- For the general fund, the net operating budget is \$20 million, and the capital budget is \$10 million.
- For the utility fund, the net operating budget is \$12.8 million, and the capital budget is \$32 million.

As is our practice, no surpluses are forecasted. When actual results are better than budget, the difference is contributed to our reserves for use in a future year for projects and capital purchases.

As already stated, there will be **no increase** in the City's mill rate for 2021. Your property will only be subject to further taxes for assessment if you completed improvements to your property or were in the process of completing or purchasing a new home build. There is always a time lag to bring a new home or building build on to the property tax roll by the provincial government to allow for the appropriate assessment values to be identified.

The next steps in our 2021 budget process will be to await receipt of the Portage la Prairie's School Division budget. This is used to finalize our financial plan and determine the total mill rate. The Manitoba government has announced that they will begin removing school tax from property tax bills in the coming years. No further details are available on this change at this time.

We are projecting to complete our 2021 Financial Plan by April and after a public hearing to approve this document, submission to the provincial government will occur. We are projecting your tax billing will be mailed to you by early June and as usual, we will provide you various tools to calculate your 2021 taxes in advance on the City's website.

The 2021 budget speech will be posted on the City's website in the next few days.