

MAYOR'S REPORT ON THE FINANCIAL POSITION OF THE TOWN OF BAIE-D'URFÉ

In accordance with section 474.1 of the *Cities and Towns Act*, I am pleased to submit my annual report on the financial situation of the Town of Baie-D'Urfé.

2009 Financial Report

Total revenues for the Town of Baie-D'Urfé for 2009 were \$15 474 849. Total expenditures for 2009 were \$15 098 691, including \$8 934 150 which was paid to the City of Montreal as its quote-part share of island-wide services (police, fire, public transit, etc.).

It is important to note that the Town's 2009 budget is significantly higher than that indicated in 2008, since as a result of Bill 22 - *Act to amend various legislative provisions concerning the urban agglomeration of Montréal*, adopted by the Government of Quebec in June 2008, the Town of Baie-D'Urfé is once again responsible for collecting all the municipal taxes in its territory (just as in the pre-merger years).

In 2009, the City of Montreal charged the Town five different quotes-parts (general, first responders, debt for arterial roads, financial reserve for water, other expenses for water-related services), the total of which came to \$8 934 150. The Town is responsible to collect this amount from its citizens and send the funds to the City of Montreal.

Please note that two of the quotes-parts that we were required to pay in 2009 are water-related. Citizens of Baie-D'Urfé paid \$1 018 091 for water-related expenses in 2009, even though 100% of the water consumed by Baie-D'Urfé citizens comes from the City of Pointe-Claire and the Town receives an annual invoice from the City of Pointe-Claire based on the Town's total water consumption.

The Town of Baie-D'Urfé weathered the recession better than most municipalities. Residential, corporate and institutional citizens showed their confidence in the Town with their increased building permit activity, \$18 030 260 more than in 2008. Revenues from transfer taxes were also significantly higher than budgeted.

Local revenues for the Town were \$6 540 699 and total local expenditures were \$6 164 541. The 2009 surplus was \$780 346, after transfers to the Parks and Playgrounds Fund and the Working Fund. The surplus shown above

includes amounts transferred to affected surplus which were reserved for specific projects: \$33 000 towards a salt storage shed, \$248 014 towards a pathway and the pavement of Surrey, and \$62 600 towards the maintenance of Town buildings.

As of December 31st, 2009, the total accumulated surplus of the Town of Baie-D'Urfé was \$1 715 343. The balance of the Working Fund was \$48 963 and the balance of the Parks and Playgrounds Fund was \$423 067.

Forecast for 2010

The 2010 budget for the Town of Baie-D'Urfé was adopted at a special council meeting on January 12th, 2010.

The Agglomeration budget increased significantly over last year, and Baie-D'Urfé's share increased from \$8.9 million to just over \$10 million, an increase of 12.4%. The impact of this increase for Baie-D'Urfé was so serious that Council felt it had no choice but to freeze the local component of taxes.

Our capital projects for the year 2010 included the construction of a pathway on Surrey from Churchill to Apple Hill (2/3 financed by federal and provincial grants), the continuation of the paving program, the construction of pathways on Pirie, Lee, and the Trans-Canada service road in the industrial sector (financed by a government grant and by a local improvement tax in the industrial sector), and the refurbishment of the Morgan entrance to Town, financed mainly out of the Parks Reserve.

Five senior staff left due to either retirement or other job opportunities, which required some contracting out of services and a change in the Town's pension plan.

Nevertheless, as of September 30th, 2010, a surplus of approximately \$116 000 is forecast for 2010. This is in part due to revenues from transfer taxes, which have been, once again, slightly higher than budgeted and increased government grants.

Mayor's Message

New long-term debt was incurred in 2010: \$154 400 for an aqueduct extension in our industrial sector to be repaid by means of a local improvement tax for the industrial sector.

Forecast for 2011

The City of Montreal has accepted the recommendation of a joint Municipal and Agglomeration Finance Commission, of which I am a member, setting a goal of limiting agglomeration budget growth to the rate of inflation plus 1%. As a sponsor of that goal, the Town will be trying to maintain tight control on our local budget in order to lead by example.

In 2011, a new property valuation roll will be used as the basis to establish new real estate tax rates. The new valuation roll, which was deposited on September 15th, 2010, will be in effect as of January 1st, 2011 for the years 2011 to 2013.

Baie-D'Urfé's total property valuations increased by 22.3%, bringing our real estate value to \$1.14 billion dollars. The variations in property assessment represent the evolution of the market between July 1st, 2005 and July 1st, 2009.

Specific sector valuation increases for Baie-D'Urfé are: Single Family house (24.2%); Condominium (20.9%); Industrial (17.2%); Institutional (15.4%).

A property owner's specific tax bill is not established based on the actual increase in valuation alone, but rather according to the budget Council will adopt in December and on how that property was evaluated in relation to others. Also important, is what the Town's quote-part share of the agglomeration budget will be in 2011... a very important factor since 71% of all the taxes the Town collected in 2010 went to the City of Montreal.

The operating budget for 2011 and the capital expenditures program for 2011-2013 are currently in preparation, and are scheduled to be tabled at a special council meeting on December 22th, 2010.

Remuneration of elected officials

During 2010, I will receive from the Town of Baie-D'Urfé a basic annual remuneration of \$17 190 and an expense allowance of \$8 580.

As a member of the Agglomeration Council, I receive from the City of Montreal a basic salary of \$10 221 plus an expense allowance of \$5 110. As Vice-Chair of the

Finance and Administration Commission (Agglomeration Council), I will also receive from the City of Montreal a maximum annual remuneration of \$10,221.

Each of the six Town Councillors will receive a salary of \$5 730 and an expense allowance of \$2 860.

Auditor's report

The Town of Baie-D'Urfé's external auditors, Daniel Tétrault, comptables agréés verified the Town's 2009 accounts and reported that the Town was in a solid financial position and that all our accounts were in order.

Contracts exceeding \$25 000

Finally, in accordance with the Cities and Towns Act, I have tabled with the Town Clerk a list of all contracts exceeding \$25 000 entered into between November 1, 2009 and October 31, 2010. The list also includes all contracts exceeding \$2 000 with the same party, where the total expenditure over the period exceeded \$25 000. The total for contracts exceeding \$25 000 granted by council resolution is \$3 396 280 27. This list can be obtained from the Baie-D'Urfé Town Clerk.

I would like to take this opportunity to wish you very Happy Holidays and all the best in the New Year. 2011 will be a big year for our Town. It is our 100th year of incorporation and also the 325th year of our founding. I hope to see you and your families at the many Centennial activities planned by the Town for next year!

 *Maria Tutino*
Mayor of Baie-D'Urfé