

# Mayor's Report

Dear Fellow Citizens,

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 for the year ended December 31, 2014 and the projection for the year 2015.

## 2014 Year-end Results

The Town of Baie-D'Urfé's external auditors, *DCA comptables Professionnel Agréés inc.* verified the Town's 2014 accounts and reported that the Town was in a solid financial position and that all our accounts were in order.

The 2014 audited financial statements were tabled at a meeting of Council held on May 12, 2015.

## 2014 Revenues

Total revenues for the Town of Baie-D'Urfé for 2014 were \$18 383 616, an increase of \$510 016 over budget. The main factors explaining the increased revenues are:

<b>Property Tax Revenues</b> (resulting mainly from increased transfer taxes)	<b>\$305 201 *</b>
<b>Interest</b> (bank and tax arrears)	<b>\$109 200</b>
<b>Other revenues</b> (permits, rents and rentals, etc.)	<b>\$204 175</b>

\*In 2014, 10 citizens successfully contested their 2014-2016 property evaluation which resulted in the Town reimbursing them an approximate amount of \$33 000 (including interest).

## 2014 Expenditures

Total expenditures for 2014 were \$17 370 983 ... \$351 322 less than budgeted, largely due to reduced expenditures in salaries and benefits for unfilled staff positions for the first six months of the year and lower than budgeted building maintenance and repair cost. As well as a reduction in our aliquot share paid to the Agglomeration of Montréal and the *CMM* as compared to the 2014 budget (real number not available at budget time).

Local Town expenditures accounted for \$6 116 509.

Regional expenses accounted for \$11 254 474: \$142 741 which was paid to the Montréal Metropolitan Community (MMC) in membership fees and \$11 111 733 which was paid to the City of Montréal as our aliquot share for island-wide services.

## 2014 Surplus

The Town recorded a surplus of \$1 741 665. This was achieved predominately by increased revenues of \$510 016, reduced expenses of \$351 322, unused funding of about \$456 000 for projects taxed in 2014 that were completed in 2015 and the sale of a lot within the context of the *Shaw* development project valued at about \$200 000.

As of December 31<sup>st</sup>, 2014, the total accumulated unaffected surplus of the Town of Baie-D'Urfé was \$4 951 486. The Working Fund balance was \$780 746 and the Parks and Playgrounds Fund was \$48 214.

## 2014 Long Term Debt

Our long-term debt amounted to \$2 940 400 (down \$488 600 from 2013). Of this amount \$442 031 (15%) is reimbursed by the Québec Government, \$381 566 (13%) is taxed at large and forms part of your general tax rate, whereas the balance of \$2 116 803 (72%) is taxed to the residential and/or industrial sectors as local improvement taxes.

## Projected 2015 Financial Results

The 2015 budget for the Town of Baie-D'Urfé was adopted at a special council meeting on December 16, 2014.

For the fiscal year 2015, the Town of Baie-D'Urfé projects an approximate surplus of \$876 000.

The projected revenues for 2015 exceed the tabled budget by \$323 000 even with the non-realization of the sale of land valued at \$450 000. The additional revenue is mainly generated from transfer taxes of \$383 500 and from new taxation revenues of \$328 600 arising from several development projects in the industrial sector.

The projected expenditures for fiscal year 2015 are \$286 000 less than budgeted. This is mainly due to a saving of \$102 000 in Health and Environment (projected water network repairs and public Emerald Ash Borer (EAB) measures (EAB excess funds



will be transferred to an EAB affected surplus fund); \$150 000 for Building Maintenance and Major Repairs; and \$30 000 in Administration Costs (\$18 000 in salaries and benefits, as well as \$12 000 in professional services). Lastly, \$267 000 of capital expenditure projects that were planned to be completed in 2015 will now be realized in 2016.

## General orientation for the 2016 budget

Council is very respectful of the citizens' ability to pay and prides itself in maintaining its position as the Town with the lowest tax rates on the Island, 10 years in a row since the demerger and is fully intending to make 2016 its 11<sup>th</sup> in a row. In 2015 we were successful in keeping the tax increase as compared to the 2014 tax bill to 0% for all categories (for those with an average evaluation increase).

We will continue to finance select projects from the Town's unaffected surplus as we did in 2015 with the construction of a pathway on Victoria and a citizens' financial aid program to help with the treatment and/or cutting of the 3400 private ash trees in Baie-D'Urfé which are under threat from the Emerald Ash Borer.

The new fiscal pact between the provincial government and municipalities in 2015 resulted in a reduction in sales tax revenues as well as "in lieu of taxes" revenues for schools on our territory. From 2015 onwards, the government of Québec funds only 50% of the Town's Provincial Sales Tax (PST) expenses instead of the 62.8% funded in 2014. We estimated the shortfall in revenues as a result of the fiscal pact to be around \$100 000. We need to keep this in mind as we prepare for budget 2016.

The Agglomeration continues to be a very important factor in our overall budget since 73% of all the property taxes the Town collects go to the City of Montréal to pay for our share of island-wide services.

We will have to wait for the City of Montréal's budget and what the Town's share will be before Council can determine what the final 2016 tax increase will be.

Council will also have to take into account the effect of the unresolved contestations of the 2014-2016 valuation roll in the preparation of the 2016 budget. Sixteen of the 19 challenges were resolved in 2014 and 2015.

A contingency amount will be put in the 2016 budget to cover taxation revenue losses that may occur as a result of successful challenges by the remaining three.

The operating budget for 2016 and the capital expenditures program for 2016-2017-2018 are currently in preparation, and will be tabled at a special council meeting in December.

## Remuneration of Elected Municipal Council Members

During 2015, I will receive from the Town of Baie-D'Urfé a basic annual remuneration of \$21 422 and an expense allowance of \$10 711.

As a member of the Agglomeration Council, I receive from the City of Montréal a basic salary of \$10 999 plus an expense allowance of \$5 265. As Vice-Chair of the Agglomeration Commission on Water, Environment, Sustainable Development and Parks, I received from the City of Montréal a remuneration of \$550.

Each of the six Town Councillors will receive a salary of \$7 140 and an expense allowance of \$3 570.

## 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<sup>st</sup>, 2014 and October 31, 2015. The list also includes all contracts involving an expenditure exceeding \$2 000 entered into within that period with the same contracting party, if those contracts involve a total expenditure exceeding \$25 000. This list can be obtained from the Baie-D'Urfé Town Clerk.

**Respectfully submitted by**  
**Maria Tutino | Mayor of Baie-D'Urfé**

