

# Mayor's Report

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

Dear Fellow Citizens,

Although Bill 122, sanctioned on June 16, 2017 by the Québec Government "An Act mainly to recognize that municipalities are local governments and to increase their autonomy and powers" now abolishes the mayor's obligation to report on the financial situation of the municipality at least four weeks prior to the budget being deposited to Council for adoption, I chose to still submit my annual report for this year for the sake of transparency and in order to keep the citizens of Baie-D'Urfé informed. So I am proud to submit my annual report on the financial situation of the Town of Baie-d'Urfé for the year ended December 31st, 2016 and the projection for the year 2017.

### 2016 Year-End Results

The Town of Baie-D'Urfé's external auditors, *DCA Comptables Professionnel Agréés* inc. verified the Town's 2016 accounts and reported that the Town was in a solid financial position and that all our accounts were in order.

The 2016 audited financial statements were tabled at a meeting of Council held on May 9, 2017.

### 2016 Revenues

Total revenues for the Town of Baie-D'Urfé for 2016 were \$19 665 821, an increase of \$1 329 251 over budget. The main factors explaining the increased revenues are:

<b>Property Tax Revenues</b> (based on increased property values)	<b>\$283 363</b>
<b>Property Transfer Taxes</b>	<b>\$910 483</b>
<b>Licences and Permits</b>	<b>\$35 682</b>
<b>Other Revenues</b>	<b>\$65 414</b>

### 2016 Expenditures

Total expenditures for 2016 were \$17 892 086.

Regional expenses accounted for \$11 349 419:

- \$147 805 which was paid to the *Montreal Metropolitan Community* (MMC) in membership fees and \$11 201 614 which was paid to the City of Montreal as our aliquot share for island-wide services.

### 2016 Surplus

The Town recorded a surplus of \$2 654 819.

This surplus is attributable to increased revenues of \$1 329 251, to reduced expenses of \$197 167 for projects that were not carried out and to lower expenses of \$662 710 (largely due to a reduction in: administrative expenses in salaries and employee benefits, expenses in building maintenance and repairs and expenses related to measures against the Emerald Ash Borer). The difference between the budgeted amounts and the expenditures for "building maintenance and repair" will be allocated to the building reserve fund and used for major building renovation work when required in future years.

As of December 31, 2016, the total accumulated unaffected surplus of the Town of Baie-D'Urfé was \$6 887 478. The Working Fund balance was \$958 730 and the Parks and Playgrounds Fund was \$48 214.

### 2016 Long Term Debt

Our long-term debt amounted to \$1 871 500 (down \$590 000 from 2015). Of this amount, \$348 152 (18.6%) is reimbursed by the Québec Government, whereas the balance of \$1 523 348 (81.4%) is taxed to the residential and/or industrial sectors with \$1 396 022 taxed through local improvement taxes and \$127 326 taxed at large.



## 2017 Projected Financial Results

The 2017 budget for the Town of Baie-D'Urfé was adopted at a special council meeting on December 13, 2016.

For the fiscal year 2017, the Town of Baie-D'Urfé projects an approximate surplus of \$1 900 000 over the 2017 tabled budget.

The projected revenues for 2017 exceed the tabled budget by \$1 100 000. The additional revenues are mainly generated from new taxation arising from renovations and new construction of buildings in the non-residential sector (\$928 630) and revenues of \$170 860 from increased water usage billing for the Industrial sector and an adjustment of water billing from Montreal for decreased water usage in 2016.

The projected expenditures for the fiscal year 2017 are about \$845 000 less than budgeted mainly due to the lower than anticipated costs for Emerald Ash Borer measures on the public domain (\$121 000), savings for building maintenance and repairs (\$192 470), and an adjustment reduction of our aliquot share to the City of Montreal (\$322 147).

## General orientation for the 2018 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, 12 years in a row since the demerger and is fully intending to make 2018 its 13<sup>th</sup> in a row.

We will continue to finance select projects from the Town's surplus as we did in the past few years.

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

We will have to wait for the City of Montreal's budget and what the Town's share will be before Council can determine what the final 2018 tax increase will be.

We expect that disputes over property assessments will be resolved, and a contingency amount will be included in the 2018 financial statements to cover possible taxation losses as a result of successful challenges.

The operating budget for 2018 and the capital expenditures program for 2018-2019-2020 are currently in preparation and will be tabled at a special council meeting in January.

With respect to another aspect of the Mayor's Financial Report relative to "*Remuneration of elected municipal council members*", it will be detailed in my June 2018 column of the *News & Views* as part of the new reporting required by the new Bill 122. Contracts involving an expenditure exceeding \$25 000 will be posted on our website by January 31, 2018.

Respectfully submitted by

**Maria Tutino | Mayor of Baie-D'Urfé**

