



Ordinary session
November 2, 2010

**The Mayor's report on the financial
situation of Ville de Saint-Lazare**

Prepared and read by Mayor Pierre Kary

MAYOR'S REPORT ON THE FINANCIAL SITUATION OF VILLE DE SAINT-LAZARE

In accordance with section 474.1 of the *Cities and Towns Act*, I am pleased to report on the Town's financial situation. I will therefore address:

- the financial statements as of December 31, 2009;
- the external auditor's report (2009);
- the three-year capital expenditure programme (2010-2011-2012);
- the preliminary information on the 2010 financial statements;
- the general orientations of the next budget (2011);
- the next three-year capital expenditure programme (2011-2012-2013).

In accordance with Section 11 of the *Act Respecting the Remuneration of Elected Municipal Officers*, I include in this report the salary and expense allowance each member of Council receives from the Town or the MRC of Vaudreuil-Soulanges.

Finally, I will append to this report the list of contracts entailing an expenditure of \$25,000 or more that the Town has awarded since October 3, 2009.

1. Financial statements as of December 31, 2009

Financial statements for the year ended December 31, 2009 were tabled at the June 1, 2010 Council session.

The consolidated statements of detailed revenues by source and the operating surplus (deficit) for tax purposes by source for the year ended December 31, 2009 show revenues of \$18,521,569 whereas expenditures and allocations totalled \$15,500,593. Consequently, for the year ended December 31, 2009, the financial statements show a \$3,020,976 consolidated operating surplus for tax purposes. The SÛRETÉ DU QUÉBEC'S contribution relief for the services it provides represents approximately one third of this amount. The rest comes from higher than expected revenue in transfer duties, taxes on new constructions and expense savings, notably on snow removal costs and certain investment projects that were postponed until 2010.

As of December 31, 2009, the accumulated non allocated operating surplus was \$1,640,567 and the allocated portion was \$2,874,252, from which \$1,849,000 was carried forward to the 2010 budget. The Town also had \$2,169,643 in its reserve funds, notably the Working Fund and the Parks and Playground Fund. A reserve fund amounting to \$185,410 was also created for the emptying of the Town's aeration tanks and the removal of the sludge.

As December 31, 2009, the long-term general debt stood at \$5,419,000 while the sector debt stood at \$4,656,587 for a total of \$10,076,487.

At that same date, nine borrowing by-laws had been approved by the *Ministère des Affaires municipales, des Régions et de l'Occupation du territoire* – long-term loans not yet contracted – for a total of \$15,366,250. Of this amount, \$10,166,250 is for sector loans and the remaining \$5,200,000 is for general loans. A portion of the Federal Excise Gasoline Tax refund as well as a contribution from the Quebec government will help reduce the loan burden by \$2,190,200.

2. External auditor's report for the year 2009

On June 1, 2010, chartered accountants Goudreau Poirier Inc. submitted their report to Council. The auditors' report contains no special mention or reserve.

After examining the financial records according to Canadian auditing standards, the auditors stated that: "In all major respects, the financial statements give an accurate picture of the Town's financial affairs as of December 31, 2009, including the results of its operations and changes in its net financial assets (net debt) and cash flows for the fiscal year ended on that date, according to the accounting principles generally accepted in Canada".

3. The 2010-2011-2012 three-year capital expenditure program

The last three-year capital expenditure program unanimously adopted by members of Council at the Special Sitting of January 5, 2010 included investment activities totalling \$42,547,500 with \$15,318,500 for the year 2010.

Among the projects listed in the said program, the Town Council authorized the following during the year 2010:

- the purchase of a lot for the construction of a new elementary school by the Lester B. Pearson School Board;
- the addition of connections to the aqueduct network between Rue des Quatre-Saisons and Rue des Explorateurs;
- the replacement of the telephone system in all municipal buildings;
- the purchase of computer hardware and the set-up of server rooms;
- the purchase of new respiratory devices for the Fire Department;
- the replacement of well number 1;
- the fitting and hooking-up of well number 8;
- the creation of Parc des Tisserands including playground equipment;
- the adoption of three sector borrowing by-laws for paving projects (by-laws no. 837, 838 and 843).

In addition, in 2010, Council had to authorize the reconstruction of well number 3.

4. The preliminary information on the 2010 financial statements

We expect to end the current year with an operating surplus for tax purposes, the amount of which will depend in part on the amount provided as part of the SÛRETÉ DU QUÉBEC'S

contribution relief for its services and on additional revenues in duties on transfers of immovables and taxes on new constructions. In addition, we will continue to exercise strict control over expenses for the remainder of the current year.

5. General orientation of the 2011 budget and the three-year capital expenditure program

Saint-Lazare's expenses per capita as well as its debt service, its level of debt and the tax burden on residents are among the lowest when compared to similar towns. Indeed, expenses per capita are 24% less than average while tax revenue per capita and tax revenue based on real estate wealth are approximately 30% and 38% lower than average, again for comparable towns.

Action and long-term vision will enable us to carry out the next three-year program while fulfilling priorities identified by residents. Indeed, for 2011 and following years, the program will focus on addressing resident concerns with regards to their quality of life. We will take into account what we call "essential" municipal infrastructures such as drinking water and security as well as the needs for recreational and cultural infrastructures for our families and our elderly while protecting our green spaces and maintaining our country charm. Council will also carry on with the planning and prioritization of capital and investment projects which began a few months ago as part of its financial plan.

There is no doubt we will have to respect our obligation with our different partners including the SÛRETÉ DU QUÉBEC, the AGENCE MÉTROPOLITAINE DE TRANSPORT (*Metropolitan public transit network*), the CMM (*Montreal Metropolitan Community*), the MRC (*Regional County Municipality*), TRANSPORT SOLEIL (*adapted transportation*), the SAINT-LAZARE MEDICAL RESPONSE UNIT, etc., which together represent more than 30% of the Town's operating expenses. However, throughout the 2011 budget preparation, we will continue to exercise strict control over spending to release the necessary funds to put forth the projects that Council considers a priority.

The work to optimize and upgrade the Sainte-Angélique water treatment plant is expected to be carried out during the 2011 and 2012 fiscal years.

The continuity and improvement of the public transportation service launched in 2010 will no doubt require a financial commitment in 2011 and in the years to come.

We want to provide Saint-Lazare residents with green bins to improve our town's efficiency, safety and cleanliness and, above all, better manage our residual wastes.

In 2010, we conducted a survey to find out about our residents' habits, needs and perceptions of the cultural, sport and recreational services provided by the Town. Residents expressed interest in the building of an indoor pool (78%), the extension of the cycling network (77%) and additional natural spaces (62%). According to 49% of respondents, priority should be given to the indoor pool while 24% believe it should be given to our

cycling network. Since bike paths are a strategic tool in making our roads safer and green spaces have a high environmental value, they are both more than just recreational infrastructures. Therefore, they are of great value and must be protected because, as we all know, they are the reason why we have chosen to live in Saint-Lazare.

In 2010, Technical Services and the Planning and Environment Department had to relocate outside the Town hall. The next three-year program includes the construction of a new Town Hall which will include community spaces. The municipal garage and the fire station also require major expansion and rehabilitation work.

Taking into account these various projects and their impact on expenditures, it is my role as mayor to find solutions to diversify revenue sources such as grants, donations and sponsorships to reduce the tax burden on residents. Because Council must ensure sound financial management in a development context, certain capital projects will be conditional to obtaining grants or revenues from other sources.

Finally, the 2011 budget and the 2011, 2012 and 2013 three-year capital expenditure program will take into account and focus on the goals pursued in 2010. For this reason, additional sums are expected to be spent on preserving our green spaces. Priority will also be given to updating and improving our infrastructures and municipal services.

6. Remuneration of the Town Council members

For the year 2010, the Mayor receives an annual salary of \$26,569.92 and an expense allowance of \$13,284.96. Each councillor receives an annual salary of \$8,856.64 and an expense allowance of \$4,428.32.

Members of Council receive an additional amount of \$100 for each working table they participate in, for a maximum of 16 working tables per year.

In 2010, as a member of the MRC de Vaudreuil-Soulanges' governing board, the Mayor receives \$136.75 as well as an expense allowance of \$68.38 for each board meeting he attends.

He is also a member of the following MRC committees:

- *Comité de la sécurité publique* (public security);
- *Comité sur la fibre optique* (fibre optic);
- *Comité ad hoc sur la gestion des cours d'eau* (waterway management).

For his participation, he receives \$50.65 as well as an expense allowance of \$25.32 for each meeting he attends.

7. Municipal contracts

I append to this report the list of contracts entailing an expenditure of \$25,000 or more that Ville de Saint-Lazare has awarded since October 3, 2009.

(Document dated November 2, 2010).

Conclusion

Our main concern being the quality of life of Saint-Lazare residents, we are currently working on the 2011 operational budget which we will be presenting to you shortly. As indicated previously, major investments will have to be made in the next few years in our infrastructures, equipment and services. We intend to go ahead with the above-mentioned projects in a manner that is in the best interest of all residents.

VILLE DE SAINT-LAZARE

The Mayor,

Pierre Kary