



VILLE DE LAC-BROME
TOWN OF BROME LAKE

REPORT FROM MAYOR RICHARD BURCOMBE ON TOWN OF BROME LAKE'S FINANCIAL SITUATION

December 6, 2013

Dear colleagues,
Ladies,
Gentlemen,

In accordance with section 474.1 of the *Cities and Towns Act*, I present the report on Town of Brome Lake's financial situation.

The following subjects are discussed briefly:

- the financial statements and auditors' report for the fiscal year ended December 31, 2012;
- the three-year capital expenditures program currently in progress;
- preliminary information regarding 2013 financial results;
- the general directions of the 2014 budget and the next triennial capital expenditures program;
- the list of all contracts that represent an expense of more than \$25,000 that the municipality has awarded since the last Council meeting or since the last Mayor's report was filed;
- the list of all contracts that represent an expense of more than \$2,000 awarded during that same period with the same contractor where the ensemble of these contracts represents a total expenditure that exceeds \$25,000;
- the remuneration of elected officials in 2013.

2012 FINANCIAL STATEMENTS

Following are the major items from Town of Brome Lake's financial statements for the fiscal year ending December 31, 2012. These statements were filed at the special meeting this past May 15.

The 2012 fiscal year ended with a **surplus of \$423,000**.

On December 31, 2012, the Municipality's debt was \$7,307,000 and this is assumed by:

All taxpayers:	\$4,415,000
Government subsidies:	\$2,055,000
Taxpayers' portion – water/sewage:	\$ 837,000

AUDITOR'S REPORT

Auditing of our books as of December 31, 2012 was entrusted to the firm Raymond Chabot Grant Thornton.

The independent auditor's report contains no restrictions and indicates that the consolidated financial statements provide a true picture of the financial situation of the Town of Brome Lake and of the organization that is under its control as at December 31, 2012, that being Brome Lake Recreation and Community Services. All of the above is in conformance with Canadian accounting standards for the public sector.

CAPITAL EXPENDITURES PROGRAM FOR THE YEARS 2013-2014-2015

The 2013-2014-2015 triennial capital program forecasted expenditures of \$8,841,000 for the year 2013, of which the major expenditures were as follows:

- Blackwood Dam: \$2,900,000;
- Sewer/water system, Trailer park – West-Brome : \$1,500,000;
- Lakeside Road sewer/aqueduct: \$ 700,000;
- Lakeside bridge (refection and infrastructure): \$ 686,000;
- Sidewalks : \$ 600,000;
- Linear paths : \$ 470,000;
- Vehicles: \$ 400,000.

As of November 1, 2013, capital expenditures undertaken during the current year total \$2,345,000. Of this amount, the construction of the new garage represents \$1,543,000. Note the following major expenditures:

- Construction of the beach building: \$ 292,000;
- Acquisition of a vehicle (10-wheel): \$ 219,000;
- Completion of work on Bondville road phase II: \$ 144,000;
- Miscellaneous work on water system: \$ 69,000.

Taking into account these investments, the Town's debt will be \$9,221,000 at the end of the year 2013. That amount does not include the debt of \$686,000 related to the Lakeside bridge work.

PRELIMINARY INFORMATION REGARDING 2013 FINANCIAL RESULTS

We expect to finish the year 2013 with a surplus of \$933,000. This surplus is attributable to the following factors:

Provincial grant for water problem in 2012 :	\$ 182,000
Purchase of water :	\$ 250,000
Purchase of gravel :	\$ 150,000
Interest expenses – unrealised projects :	\$ 111,000
Unrealised projects :	\$ 240,000
Severance pay :	\$(170,000)
Other operations :	<u>\$ 170,000</u>
2013 Anticipated surplus	\$ 933,000

GENERAL DIRECTIONS OF THE 2014 BUDGET AND THE NEXT TRIENNIAL CAPITAL EXPENDITURE PROGRAM

The administrative team is currently working to develop the 2014 budget.

By December's end, the newly elected officers will acquaint themselves with the files and analyze various suggested scenarios to make the choices in order to finalize the 2014 fiscal framework. The 2014 budget and three-year capital expenditures and immobilisations program will be presented at a special sitting of Council to be held in January of 2014.

Council intends **to freeze taxation rates for the year 2014**. However, as we are a new team and do not as yet have a global perspective of the budget process, we cannot 100% confirm as of this date.

We can henceforth confirm that the required sums will be allocated towards the improvement of our infrastructures:

- Roads;
- Sidewalks;
- Water system.

This program will also include the required sums to complete both the Blackwood dam project - which will be completely reviewed - as well as West-Brome's mobile home park's water and sewer systems repair for which the Town is eligible for a grant of a minimum of 66% of the costs.

LIST OF CONTRACTS FOR AMOUNTS EXCEEDING \$25,000

As per Article 474.1 of the *Cities and Towns Act*, I am filing the list of all contracts that represent an expenditure of more than \$25,000, as well as a list of all contracts that represent an expenditure of more than \$2,000 with the same contractor where the sum of these contracts represents a total expenditure that exceeds \$25,000.

You can consult this list at the Town Clerk's office and on the Town's website at www.ville.lac-brome.qc.ca.

REMUNERATION OF ELECTED OFFICIALS IN 2013

In accordance with *An Act respecting the remuneration of elected municipal officers*, I inform you that the municipality is paying in 2013 the sum of \$23,534 to the Mayor as base pay and an expense allocation amount of \$11,766.

Each councillor receives the sum of \$7,844 as base pay and an expense allocation amount of \$3,922.

In addition, the Mayor receives remuneration as Town of Brome Lake's representative on the Brome-Missisquoi RCM's Council. The previous Mayor received \$3 186 from the RCM for the period beginning January, 1st and ending October 31, 2013

CONCLUSION

I want to underline the commitment of the Town's elected officers as well as its management team and general staff towards the good management of our Town.

I also want to thank the numerous citizens for their collaboration in various committees having contributed in the Town's success.