



VILLE DE LAC-BROME
TOWN OF BROME LAKE

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

November 19th, 2014

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, 2013;
- the three-year capital expenditures program currently in progress;
- preliminary information regarding 2014 financial results;
- the general directions of the 2015 budget and the next three-year program of capital expenditures;
- the list of all contracts involving an expenditure exceeding \$25,000 entered into by the municipality since the last Council meeting or since the last Mayor's report was filed;
- the list of all contracts involving an expenditure exceeding \$2,000 entered into within that period with the same contracting party involving a total expenditure exceeding \$25,000;
- The remuneration of elected officials in 2014.

2013 FINANCIAL STATEMENTS

Following are the major items from Town of Brome Lake's financial statements for the fiscal year ending December 31, 2013. These statements were filed at the regular meeting this past July 7, 2014.

The 2013 fiscal year ended with a **surplus of \$925,000**.

On December 31, 2013, the Municipality's debt was \$9 212,000 and this is assumed by:

All taxpayers:	\$6,571,000
Government subsidies:	\$1,819,000
Taxpayers' portion – water/sewage:	\$ 822,000

AUDITOR'S REPORT

Auditing of our books as of December 31, 2013 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, 2013, 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 2014-2015-2016

The 2014-2015-2016 three-year program forecasted expenditures of \$5,847,000 for the year 2014, of which the major expenditures were as follows:

- Sewer/water system, Trailer park – West-Brome : \$2,800,000
- Repairs of sidewalks : \$ 742,000
- Repairs of roads : \$ 500,000
- Purchase of vehicles for Public Works: \$ 780,000

The project concerning addition of a waste water treatment system and bringing up to standards the drinking water treatment system of the West-Brome mobile home park and its relevant grant is still, as of this date, awaiting further instructions from the *Ministère des Affaires municipales*.

To date, here are the main achievements as well as those in progress:

- Acquisition of the following vehicles:
 - Shovel, grader and 10 wheeler truck for Public Works;
 - Vehicle for First Responders;
 - Vehicle for the municipal inspectors;
 - Vehicle for the employee responsible for green-spaces;
- Sidewalk repairs;
- First phase of repairs to the Foster Dam;
- Park layout in Bondville district

PRELIMINARY INFORMATION REGARDING 2014 FINANCIAL RESULTS

We expect to finish the year 2014 with a surplus of \$568,000. This surplus is mainly due to the following variations:

Revenues:

- Transfer taxes :	\$ 200,000
- Sand and gravel pit taxes :	\$ 45,000
- Other revenues :	\$ 186,000

Expenses:

- Various unrealised Land Management projects :	\$ 97,000
- Severance pay :	(\$118,000)
- Savings in planned investments :	\$ 76,000
- Interest expenses – unrealised projects :	\$ 38,000
- Other expenses :	<u>\$ 44,000</u>

2014 Anticipated surplus **\$ 568,000**

The Town's end of year 2014 debt will be \$ 9,630,000.

GENERAL ORIENTATIONS OF THE 2015 BUDGET AND THE NEXT THREE-YEAR PROGRAM OF CAPITAL EXPENDITURE

The administrative team is currently working on the development of the budget for the year 2015.

By the end of November, the Elected Officers will be familiar with the files, analyze the various proposed scenarios and make the choices to finalize the 2015 budget framework. The 2015 budget and three-year program of capital expenditures will be presented at a special sitting of Council to be held on December 22, 2014.

As you know, Council undertook a strategic planning initiative in 2014. Though this process is incomplete and still underway, it has revealed certain orientations impacting the 2015 budget. Among which, the following:

Council believes in the necessity of thoroughly reviewing the Town's expenses, its sources of revenue and its ways of doing things, in order to obtain the maximum services and results for monies spent, making sure that each of the Town's districts receives its fair share. This review will take place during the full term of the present Council's mandate but its fallout must be felt starting in 2015.

Substantial efforts must be dedicated towards infrastructures. The state of the Town's roadways is clear for all to see. The Town owns two dams that are in need of repair. It must also continue work started in 2014 towards improving the Town's drinking water supply in order to meet both current and future residential project demands.

In this regard, it is worth noting that our Town's growth is not as great as that of surrounding municipalities, while the average age of its population is increasing. Ultimately this tendency, should it not be reversed, could have a negative impact on the Town's finances as well as on our citizens' quality of life. Council believes that it must meet this challenge without delay by increasing its offer of services to both citizens and businesses. The Carke Foundation's indoor pool project as well as the Town projects aiming to improve signage and join various path segments are only a few of the endeavors aimed at meeting this general goal.

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 involving an expenditure exceeding \$25,000 entered into by the municipality since the last sitting of Council when such a report was filed , as well as a list of all contracts involving an expenditure exceeding \$2,000 entered into within that period with the same contracting party and involving an expenditure exceeding \$ 25 000.

Consultation of this list is available at the Town Clerk's office and on the Town's website at www.ville.lac-brome.qc.ca

REMUNERATION OF ELECTED OFFICIALS IN 2014

In accordance with *An Act respecting the remuneration of elected municipal officers*, I inform you that the municipality is paying in 2014 the sum of \$ 23,534 \$ to the Mayor as base pay and a non taxable 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 a remuneration of \$5,800 as the Town of Brome Lake's representative on the Brome-Missisquoi RCM's Council.

CONCLUSION

I want to underline the commitment of the Town's elected officers, management team and general staff towards its sound management.

I also thank the numerous citizens whose participation in the Town's various committees continues to contribute to it's success.