



## THE FINANCIAL REPORT OF THE MAYORESS ON THE FINANCIAL SITUATION OF THE CITY OF CHÂTEAUGUAY FOR 2014

November 21, 2014

Fellow residents,  
Colleagues of the municipal council,  
Municipal employees and managers,

Today, I am tabling *The financial report of the mayoress on the financial situation of the City of Châteauguay for 2014*. This document highlights the state of municipal finances as well as the major factors that will influence the 2015 budget year and the adoption the three-year capital expenditures plan for 2015, 2016 et 2017.

### **Financial statements for the fiscal year ended December 31, 2013**

The financial statements for the fiscal year ended December 31, 2013 show an unappropriated surplus of **\$1,162,143**. The balance of this accumulated surplus for the same year amounts to **\$7,181,601**, while the appropriated accumulated balance amounts to **\$6,183,786** (see Schedule 1).

The amounts of the appropriated surplus were all approved by the municipal council in the course of the year.

The surplus revenue is accounted for mainly by revenue that exceeded projections by \$279,000 for taxes and PST, \$971,000 for property transfer tax, \$757,000 for interest, \$670,000 for services rendered to other municipalities (police, drinking water) and \$1,094,000 for land sales.

Due to a review of government programs for the management of residual waste, we received an extra \$1,180,000 in waste burial fees and compensation for selective waste collection. The new accounting standards regarding revenue transfers from infrastructure grants by the government of Quebec had to be adjusted by \$1,526,000.

Furthermore, the reorganization of certain services and a strict management of expenses resulted in savings of \$900,000.

As far as expenses are concerned, the main increase was in the City's contribution to the actuarial deficit of the retirement plan without a relief measure to the tune of \$1,702,000. Besides, additional expenditures other than those budgeted cost \$639,000 for snow removal, \$195,000 for fuel, \$295,000 for public transportation and \$354,000 for professional services. The cost related to the pier project on the Châteauguay river and the protection of the greenbelt amounts to \$519,000.

In 2013, capital expenditures amounted to \$18,025,592 while the total debt as of December 31, 2013 was \$117,646,787. In 2013, debt repayment within the same budgetary year amounted to just over \$11,000,000. (See Schedule 2).

### **Preliminary results for the 2014 fiscal year**

The 2014 budgetary year was especially marked by major cuts in the PST transfer payments to municipalities. For Châteauguay, this amount represents a recurrent shortfall of close to \$1.3M. However, the strict management of expenditures will enable us to attain our goals and table a balanced budget.

As a result, the municipal council calls on managers to continue working toward attaining their goals while ensuring a stringent management of their budgets in order to help maintain a balanced budget in the current fiscal year.

In 2014, the main capital projects are being piloted by the engineering, environmental hygiene and public works divisions. (See Schedule 3).

### **Major factors that will influence the 2015 operating budget and the three-year capital expenditures program for 2015, 2016 and 2017**

Since the adoption in 2011 of the "Citizens Action Plan for Châteauguay 2020," strategic priorities have been maintained and continue to guide us in the establishment of yearly investment priorities and in activities to be developed and maintained for the operating budget.

All projects must always be thoroughly analyzed since they are part of our strategic priorities. As a reminder, these priorities are as follows:

- 1° Boosting economic activity in the City;
- 2° Tightening the control of municipal expenses;
- 3° Improving municipal infrastructure;
- 4° Maintaining and reinforcing the competence and integrity of the municipal administration;

- 5° Increasing the feeling of safety;
- 6° Developing the city centre;
- 7° Preserving and promoting our natural and cultural heritage;
- 8° Improving and increasing our leisure, recreation, sports and cultural facilities.

The year 2015 shall bring its share of capital projects. The following major projects will be started: the chalet with services and setting up of the *Centre écologique Fernand-Seguin*, conditional on a grant under the program proposed by the Montreal Metropolitan Community, the continuation of investments in our road infrastructure based on the priorities established by our intervention plan and those of the municipal council, and the development of parks based on the master plan that is expected in 2015.

The 2015 budget poses the major challenge of reviewing our cost and revenue structures as well as services to be offered to all our citizens.

Preliminary information from our new fiscal pact shows a cut of \$2.2M for our municipality. These revenue reductions or these cost increases are recurrent and will have the effect of limiting us immensely in our activities, operations and services to citizens.

However, in 2015, the following major projects will be treated as priorities: the redevelopment of 20 Maple Boulevard (the former municipal garage), the rebuilding of the Arthur-Laberge bridge (the Quebec Ministry of Transport is in charge of this project), the negotiation of new inter-municipal agreements for policing and the provision of drinking water, and the upgrading of our infrastructure intervention plan based on the large number of projects carried out in 2013 and 2014, as well as the new government infrastructure evaluation criteria that are currently under review in order to optimize the coordination of the numerous projects that are envisaged on our territory, while maximizing grants from the various available government programs.

In accordance with the legislation, the remuneration and expense account amounts paid to elected municipal officials for 2014 are provided in Schedule 4, while the list of contracts tabled for consultation is found in Schedule 5.

To meet the expectations of a vast majority of the population, our municipal administration continues to channel a lot of energy and resources to support and boost our local economy.

We would like to reiterate our commitment to maintaining quality services while respecting our citizens' ability to pay.

The municipal council and I would like to thank municipal employees and our partners for their contribution throughout the year.

Thank you, once more, for your continued support to my team.

The mayoress,

Nathalie Simon

Encl.: Schedules

**Results for the fiscal year ended December 31, 2013**

<b>Operating activities</b>	<b>Official 2013 budget \$</b>	<b>2013 results \$</b>	<b>2013 difference \$</b>
Revenue	82,200,000	89,170,946	6,970,946
Expenditure	<74,016,900>	<77,330,002>	<3,313,102>
Long-term debt repayment	<8,663,000>	<11,418,958>	<2,755,958>
<b>Operating surplus (deficit) before allocations</b>	<b>&lt;479,900&gt;</b>	<b>421,986</b>	<b>901,886</b>
Allocation – Investment activities	<305,000>	<1,099,218>	<794,218>
Allocation – Unassigned operating surplus	1,300,000	<30,543>	<1,330,543>
Allocation – Unassigned operating surplus, financial reserves and earmarked funds	<450,000>	1,850,225	2,300,225
Provision for future amounts	<65,100>	19,693	84,793
<b>Operating surplus (deficit) of the year for tax purposes</b>	<b>0</b>	<b>1,162,143</b>	<b>1,162,143</b>

### Capital expenditures for 2013

The main capital expenditure projects carried out in 2013 are as follows:

<b>Capital projects</b>	<b>Amount \$</b>
Municipal garage (professional fees, construction and furnishing)	6,995,600
Acquisition of vehicles in 2013	337,000
Redevelopment of 75, boulevard Maple (Citizen square)	1,080,000
Storm drainage work for the De Gaulle sector	612,300
Road resurfacing throughout the City	1,775,500
Partial or complete street rehabilitation –TECQ Program	2,037,000
Long-term stabilization of the embankment in front of 550, chemin de la Haute-Rivière	1,286,100

### Capital expenditures for 2014

The priority projects in 2014 are as follows:

<b>Capital projects</b>	<b>Budgeted amount \$</b>
<b>Engineering:</b>	
Road infrastructure (sidewalks and curbs, paving, aqueduct, drainage)	3,396,000
Financial contribution toward the reconstruction of the Arthur-Laberge bridge and its approaches	2,338,000
Construction of parc du Suroît	644,000
<b>Environmental hygiene:</b>	
Drinking water – Construction of the new reservoir and bringing it up to standards (preparatory phase)	3,844,000
Waste water – Rehabilitation of the Reid pumping station, the purification and digester drainage plant	1,892,000
<b>Public works – Buildings:</b>	
Public square	1,350,000
Police station (preparatory phase in progress)	4,497,000
Île Saint-Bernard	960,000
<b>Public works – Vehicles:</b>	
Road network, environmental hygiene, community life, police and fire services	1,570,100

Section 11 of the *Act respecting the remuneration of elected municipal officers* requires the disclosure, as part of this report, of the remuneration and expense allowances that every member of the council receives from the municipality, a mandatory body of the municipality or a supramunicipal body.

Under by-law number G-1513, the remuneration and non-taxable benefits received by elected municipal officials for the year 2014 are as follows:

	Position of mayoress \$	Position of councillor \$
Remuneration	85,586.66	21,396.66
Benefits	<u>15,787.00</u>	<u>10,698.33</u>
Total	<u>101,373.66</u>	<u>32,094.99</u>

Furthermore, as the mayoress, I receive the following remuneration when:

- I represent the City at the *Municipalité régionale de comté de Roussillon* and serve as prefect: \$20,024.76;
- I serve as vice chair of the *Commission environnement de la Communauté métropolitaine de Montréal*: a base remuneration of up to \$10,168,16 including attendance tokens;
- I serve as chair of the *Régie intermunicipale de valorisation des matières organiques de Beauharnois-Salaberry et de Roussillon*: a base remuneration of up to \$7,430/year, including attendance tokens.

Pursuant to section 24.4.6, paragraph 6, of the *Act respecting the remuneration of elected municipal officers*, the maximum permitted remuneration for 2014 is \$121,200 based on the population and the positions occupied. Thus, to respect the allowed maximum, the organizations concerned will adjust the additional remuneration that has been paid or will be paid to me downward.

Please note that the date of the special session during which the municipal council of the City of Châteauguay will adopt the 2015 budget is still to be determined.



Also under the *Cities and Towns Act*, I am tabling for consultation, if necessary, the list of contracts of \$2,000 and above signed by the City from August 1, 2013 to July 31, 2014 as well as the list of expenses of over \$25,000, other than contracts and professional fees that are presented separately for the same period.