



MAYOR'S REPORT ON THE FINANCIAL SITUATION

Dear Citizens,

In accordance with the Quebec Municipal Code, I am pleased to present you with the Annual Report on the Municipality's financial situation.

It is the opportunity to provide you with information as required by law and to talk to you about various other topics of public interest as well.

1. MUNICIPAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDING DECEMBER 31, 2014, INCLUDING THE AUDITOR'S REPORT FOR THE SAME PERIOD

The following is a summary of the municipal financial statements for the period of January 1 to December 31, 2014:

- non-consolidated operating fund revenues totaled \$3,131,727 and non-consolidated operating fund expenses totaled \$3,171,341;
- the year ended with a non-consolidated operating deficit of \$39,614;
- the accumulated deficit is in the amount of \$116,810;
- the non-consolidated long-term net debt is in the amount of \$9,630,678 and the consolidated long-term net debt is in the amount of \$12,846,083;
- reserve funds totaled \$819,337.

The financial statements were audited by the firm of Raymond Chabot Grant Thornton, s.e.n.c. In the opinion of the auditors, the consolidated financial statements present fairly, in all material respects, the financial situation of the Municipality of the Village of North Hatley as at December 31, 2014, as well as results of operations, changes in net debt and cash flow for the year ended, in accordance with Canadian public sector accounting standards.

2. THREE-YEAR CAPITAL PLAN

For the three-year capital plan of 2015-2016-2017 budget estimates are in the order of \$936,550. In 2015, a few projects were completed, notably the replacement of various computer equipment, a tractor replacement, the drainage of aerated ponds, a power supply system for the Farmers Market and street furniture. Projects were submitted for the purpose of obtaining subsidies for various work projects at the Community Centre.

3. PRELIMINARY BUDGET ESTIMATES FOR THE CURRENT YEAR ENDING DECEMBER 31, 2015

The adopted budget for 2015 was of revenues and expenses in the order of \$2,838,188. As this report is presented, from all indications revenues and expenses will exceed estimates.

The increase in revenues is due in great part to property transfer taxes that have exceeded estimates, as well as to some government subsidies.

The increase in expenses is due mainly to road work that was required following the torrential rains of June and July, a portion of which is the object of claims submitted to the *Ministère de la sécurité publique*. The harsh winter that we experienced, including frequent snow falls and ongoing intense cold, resulted in an increase in expenses for the maintenance of roads and various infrastructures. Finally, a flood plain management plan and a

Plan particulier d'urbanisme (PPU) for the centre of the Village required that mandates be given for various professional services.

As the year comes to a close, I am optimistic that revenues and expenses will balance out. Final results will be known when financial statements for 2015 are completed.

4. REMUNERATION OF ELECTED OFFICIALS

In accordance with the Act respecting the remuneration of elected municipal officials, the following are the remuneration and expense allowances of elected officials for all municipal and para-municipal work they undertake.

The Mayor receives an annual salary of \$7,078.68 for the tasks he undertakes locally and an expense allowance of \$3,536.32. He receives a remuneration of \$2,477.81 for his participation in MRC of Memphrémagog events and meetings and an expense allowance equivalent to half of this amount or \$1,238.90.

Councillors each receive an annual remuneration of \$2,368.17 for their work and an expense allowance of \$1,183.77.

An amount of \$37.11 is allocated to each elected official for participation in a municipal committee meeting.

I take the opportunity to acknowledge the commitment made by the elected Council members who week in and week out contribute in a manner that is worthy of mention. As you can see, financial gain is not a determining factor for these people in committing themselves to serve the community.

5. LIST OF CONTRACTS OF MORE THAN \$25,000 IN THE COURSE OF THE PAST YEAR

The list of contracts of more than \$25,000, and contracts of more than \$2,000 with a same contractor when the amount of the contracts exceeds \$25,000, is available on request to the management staff at the Municipality and on the internet site of the Municipality.

6. PROJECTS AND IMPROVEMENTS IN THE COURSE OF THE PAST YEAR

In addition to the ongoing management of municipal services, I wish to draw attention to a number of files that held particular attention for Council in 2015.

- The end of construction work on the filtration plant and the launch of the aqueduct system remained items of high importance for both Council members and administration staff of the Municipality. After a twelve-year wait, we can be proud of the outcome. Citizens we met at the open house were many in expressing their appreciation.
- Sports and Culture remained an object of constant activity. Support for local groups and organisations, sponsoring and managing numerous events, celebrations and concerts were an opportunity for citizens, neighbours and visitors alike to get a taste of local know-how and to establish relationships that will be increasingly valuable in the future.
- The Farmers Market celebrated its 40th Anniversary by attracting a record number of merchants and maintaining a strong and steady attendance.
- Joint efforts with the Merchants Association and a renewed approach to tourism were beneficial in progressively restoring to our community its unique status in the eyes of the villagers.
- Ongoing work on the flood zone management plan and the resulting urban plan are also noteworthy. I am very proud of the work accomplished within a framework where vision and innovation played a major role. Many of you have told us on a daily basis how anxious you are to see this sector further developed. Results will soon be presented to you for your comments.

- Citizen participation has also been at the forefront for us. The structure of the various municipal committees has been the object of a major revision that a strategic planning committee has begun to put into practice. In the coming months, the committee will proceed with the revision of various planning strategies put into place by the Municipality in recent years. Council proposes to endow the Municipality with a vision for long-term development and a subsequent action plan.

Other committees will be launched during the coming year.

- Municipal representation within the diverse regional organisations has been an ongoing priority in order for the Municipality to be part of the most recent developments and to be present and ready for all eventual opportunities that may arise.
- Efforts made to ensure increased contact with our citizens, our merchants, the many local organisations and our neighbouring municipalities also must be mentioned. The revamped Internet site, the monthly publication of Council News, the quarterly Info-Village, the many meetings and exchanges between all concerned and Council members and Administration, are proof of our determination to maintain solid ties and services to the community.

This is not merely an exhaustive list of files on which Council and Administration have worked but rather projects of significance in the ongoing development of our community.

Although I am extremely pleased with the strides we have made in 2015, I do have to address two main areas of concern:

- As you undoubtedly know, I am very concerned with the financial health of our community. With a public debt of more than \$21,000 per housing unit, we can only conclude that the trend has to be reversed. Although the challenge is a major one, we will face it head on. We will have to show proof of creativity and innovation and especially be able to count on the support of our citizens.
- Finally, we have all been witness to dissension regarding various Council decisions or projects. My biggest hope would be to see all citizens take part in all projects in the Municipality. I invite all citizens to not hesitate to speak to Council members or Administration staff for any questions they may have or points of view they want to make known.

In closing, I would like to thank my colleagues on Council for their unwavering support and staff members at the Municipality whose goal, day after day, is to provide services with a personal touch.

Thank you for your attention.

Michael Page