

**REPORT ON THE FINANCIAL SITUATION
OF THE CITY OF POINTE-CLAIRE**



**Speech by
Mayor Bill McMurchie**

Presented at the Municipal Council
On November 7, 2011

The Act respecting Cities and Towns requires that the mayor reports on the City's financial position to the citizens of Pointe-Claire at least four weeks prior to the presentation of the City's budget for the year ahead. The present report contains, among others, the following:

1. The latest financial statements;
2. The external auditor's latest report;
3. The last 3-year program for capital expenditures;
4. Preliminary information regarding the financial statements for fiscal year 2011;
5. The general orientation of the next budget;
6. The next 3 year program for capital expenditures.

1) FINANCIAL STATEMENTS FOR FISCAL YEAR 2010

On May 3, 2011, the treasurer tabled the financial statements for fiscal year 2010. This document showed that the accumulated surplus, as at December 31, 2010 amounted to **\$19,863,100**.

The actual surplus for fiscal year 2010 alone was in the amount of **\$4,350,940**. This result was achieved through higher revenues totalling **\$2,329,988** than anticipated at the time of the adoption of the budget in 2009; on the expenditures side of the ledger, expenses were **\$2,926,432** less than what was anticipated at the time of the budget. The net result also includes a provision of **\$905,480** for future social benefits to be paid to employees.

The main factors explaining the increased revenues are the following:

▪ Real Estate taxes		\$ 966,993
○ Commercial	\$649,497	
○ Industrial	\$216,129	
○ Other	\$101,367	
▪ Water supply to other municipalities		510,819
▪ PST – Reimbursement for commercial activities generated at Aquatic center and arena		323,190
▪ Fines		231,527
▪ Building permits		194,523
▪ Other		102,936
TOTAL:		<u>2,329,988</u>

The reduction in expenses can be broken down as follows:

▪ Maintenance and repairs:		\$ 1,177,200
○ Equipment and vehicle rental not required for snow removal operations	\$387,800	
○ Computer maintenance	\$ 179,500	
○ Buildings	\$178,700	
○ Back-yard drainage	\$ 140,100	
○ Leak detection program	\$ 103,700	
○ Sewer maintenance	\$ 50,600	
○ Other	\$ 136,800	
(Items between \$25,000 – \$ 35,000)		
▪ Remuneration		\$ 1,100,100
○ Management	\$907,100	
○ Other	\$193,000	
▪ Other		\$ 649,200
○ Green waste collection	\$238,700	
○ Interest on bonds	\$176,600	
○ Professional services	\$173,100	
○ Other	\$ 60,800	
TOTAL:		<u>\$ 2,926,500</u>

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2) THE EXTERNAL AUDITOR'S REPORT FOR FISCAL YEAR 2010

The financial statements for fiscal year 2010 have been audited by the City external auditors "RAYMOND, CHABOT, GRANT & THORNTON". Their report was tabled at Council on May 3, 2011.

Our auditors indicated their satisfaction with our administrative services department and stated that the financial statements show a true image of the sound financial situation of the City as at December 31, 2010.

3) THE 2011-2012-2013 PROGRAM OF CAPITAL EXPENDITURES

For year 2011, our 3-year capital expenditures included the following projects:

1. St-Jean Collector between Brunswick Blvd. and highway 20
right-of-way \$20,700,000
 2. Services and street reconstruction on Pickwood
Crescent avenue and on Braebrook Avenue between
Alexina and Maywood Avenues \$4,500,000
 3. Replacement of compressors and construction of a
thermal plant at the arena \$3,100,000
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- The St-Jean collector project will be financed partly through general taxation imposed on all City taxable immovables (17%) and also in part through local improvement taxation imposed on taxable immovables in our commercial and industrial areas (83%). It should be noted that a contract was awarded on May 3, 2011 for \$12.7 M for this project.
 - The Pickwood Crescent Avenue project should be paid off entirely by grants that the City should receive from the province through the federal gas-tax programme and from the City of Montreal (\$260,000).

- In 2011, the City also completed the extension and renovation project at the Pointe-Claire Aquatic Centre.; this \$18.5 M project was completed on time and within budget. This project benefited from a \$7.5 M grant from the provincial department of Éducation, du Sport et du Loisir.

- The City also completed in 2011, a 4.8 M\$ project to install two new artificial turf fields at Terra Cotta for soccer players and other sport users. The cost for this project was financed equally among the three levels of government: federal, provincial and municipal through the Canada Quebec infrastructure programme.

It is also appropriate to mention other projects that were completed in 2011:

- Paving; curb and sidewalk reconstruction in residential areas	\$ 1,350,000
- Bicycle path at Edgewater Park	\$ 200,000
- Reconstruction / rehabilitation of water mains on Florence, Pointe-Claire, and Waton avenues	\$ 400,000
- Renewal of our rolling stock	\$ 1,050,000
- Renovation projects of buildings	\$ 680,000

The City is still planning for the completion in the future of the windmill restoration project (\$1,550,000).

Other projects (new tennis courts at Ovide Park (\$375,000), renovation of wave breaking wall and boardwalk at Edgewater Park (\$275,000) and studies for a new community center (\$85,000) have been postponed for future consideration by council.

4) PRELIMINARY INFORMATION WITH RESPECT TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR 2011

The 2011 budget was adopted by Council at their meeting held on December 13, 2010. This is a balanced budget in the amount of **\$125,800,000**.

It is important to note that this budget is significantly increased as we must now consider the “quote-parts” payable to the agglomeration of Montréal for regional services (police, public transit, fire, etc.). These “quote-parts” increased in the past three years as follows:

- 2009, \$49.3 M;
- 2010, \$54.4M;
- 2011, \$56.4M.

At this time it is not possible to know whether this trend will continue in 2012.

The final results for 2011 are not known at this time. Council and the administration will continue to be vigilant in controlling expenditures.

It is Council’s intention to continue to maintain and improve the level of our local services within a realistic level of taxation.

5) NEXT BUDGET GENERAL ORIENTATIONS

The budget for year 2012 is in the process of being prepared and no details are available at this time.

In 2011, new property evaluation has been used as the basis to establish new real estate tax rates. The new evaluation roll which has been deposited on September 15, 2010, will be in effect as of January 1st, 2011, for the term 2011-2012-2013.

The average value of a single family home in Pointe-Claire has increased from \$258,457 (2007) to \$312,800 in 2011. It is important to note this new value reflects the market value, as of July 1st,2009.

The situation of our pension plan continues to be a concern for Council. The deficit that was set at 7.37 M\$ in 2007 now stands at 14.5 M\$ as of December 31,2010. This creates a considerable burden on our finances and one that cannot be allowed to continue to grow.

After having reached an agreement with our blue-collar employees in January 2010, I am pleased to report that we also reached an agreement with our white collar employees last spring. Both these new collective agreements will be in force until December 31st, 2015.

Council remuneration level has also been recently adjusted further to the presentation of a report produced by an independent committee chaired by the honourable Clifford Lincoln. Details on council remuneration can be found at the end of this report. Council will also endeavour in the coming weeks to adjust the remuneration level of our managers.

For a number of years, the «pay equity» programme has been mismanaged by the City of Montreal, so much so, that six years after our reconstitution, it has yet to be completed; this will have financial implications that we cannot precisely evaluate at this time.

6) THE 3-YEAR CAPITAL EXPENDITURES PROGRAMME **FOR YEARS 2012-2013-2014**

The capital investment program is currently being prepared, but no figures are available at the present time. Projects to be included in 2012 will be reviewed by Council later this fall.

7) DEVELOPMENT IN POINTE-CLAIRE

Again this year development continues in Pointe-Claire. 393 building permits have been issued during the last 12 months (October 2010 to October 2011), with a total value of investment of \$47 M. For comparison purposes, the total value of work undertaken in 2010 for the same period was \$44 M, and \$35 M in 2009.

In the commercial sector, the value of permits issued during this one-year period totals \$11.4 M and includes an extension project at the Holiday Inn (enclosing of balconies). Interior and exterior renovations for existing businesses and for new occupancies accounted for \$10.3 M of the total amount. This includes major renovations to Lebeau Vitre d'auto and Multi-Luminaire on St-John; Canadian Tire head office, Royal Bank and Restaurant Sahib on Hymus; as well as the opening of two new restaurants: L'Académie de l'Ouest in Complexe Pointe-Claire and Mezzamis on St-John. Occupancy permits with renovation work were issued to Investors Group and other businesses in the new office tower built by Triad located at the corner of St-John and Trans-Canada. Commercial permit value also includes the occupancy for various tenants in Fairview Pointe-Claire shopping centre and office tenants such as Power Consulting and Clerica at 1 Holiday, and Amec Ameriques at 1868 Sources among others.

In the industrial sector, value of permits issued during the last year totals \$6.6 M and includes two extension projects; one at Medtronics located on trans-Canada and one for Medical communication group located on Labrosse. Important investments were

made at Future Electronics, Hewitt Equipment Ltd, Dupont Canada, Avon Canada and Gentek; and the following businesses obtain an occupancy permit with major renovations involved: Roberts Fire Protection, Enterprises Nam and Centre de Réhabilitation Lisette Dupras all located on Hymus, Luminis on Labrosse and Motion Canada on Avro.

In the residential neighbourhoods, twelve (12) building permits were issued for new single-family homes (five (5) involved the demolition of an existing house) with a total value of \$2.4 M. Property owners continue to extend their homes with a total of 101 building permits issued for a value of \$3.4 M; while another 150 owners chose to renovate their homes for a value of a little more than \$3 M. Building permits were also issued for multi-family projects which include “Domaine Hermitage” with 36 townhouses on the old Mirabel Racket Club site, and “Le Noble” condominium project on Lanthier Avenue in the Pointe-Claire Village. The total value of those projects is \$9 M.

This year again, the Fabrique Saint-Joachim continued restoration work on the church (masonry and doors). Permits were also issued for various school renovation projects at Clearpoint Elementary, École primaire Saint-Louis, École primaire Marguerite-Bourgeoys Jubilee Square Alternative School and Seigniory International Language Centre. With new installations at the Bell equipment centre on St-John, the total value of projects on Institutional properties reaches \$5 M.

A large number of projects for both new buildings and redevelopment of existing properties are presently being studied and we continue to be optimistic for the remainder of 2011 as well as the coming years.

8) COUNCIL REMUNERATION

According to the provisions of the act respecting remuneration of municipal elected officials, the Mayor is required to report on remunerations.

My annual remuneration as Mayor of Pointe-Claire is \$58,300 plus an expense allowance of \$14,951.

As a member of the “Communauté métropolitaine de Montréal”, I receive a basic remuneration of \$10,000, plus an additional amount of \$5,500 (for participation at *Commission* meetings) for a total amount of \$15,500.

As a member of the Agglomeration Council, my annual basic remuneration is \$10,344.

Each City Councillor receives an annual remuneration of \$19,700, plus an expense allowance of \$9,850 from the City of Pointe-Claire.

9) LIST OF CONTRACTS

As required by law, I am depositing, along with this statement, a list of all contracts over \$10,000, having been awarded since October 15, 2010 (available at City Hall, upon request).

Bill McMurchie
Mayor
City of Pointe-Claire