



September 6, 2016



## TOWN OF SUTTON FINANCIAL INFORMATION

The Town Council is about to enter the final year of its term, so we are providing you with some financial figures, as well as an update on major projects that have been completed or are underway. This report covers revenues, expenses, appropriations and debt over a 13 year period, since the amalgamation of the Town and Township.

When we took office in November 2013, the Town's revenues were \$10,487,654. Since then, we have worked to keep the budget at the same level, with a relatively stable taxation rate. As you will see, our last budget was \$10,490,488, an increase of \$2,834 compared to the actual 2013 revenues.

It is clear that the increase in the assessment roll, which in 2016 exceeded one billion dollars for the first time, helped keep the tax rate lower than that prior to our mandate. However, your Town Council had to adjust for significant cutbacks by the Quebec government, and with increases in the cost of Sûreté du Québec services, in the contribution to the Brome-Missisquoi RCM, and in other operating expenses.

Being aware that there are concerns about the level of debt carried by the Town, we are presenting in the pages that follow, the long-term debt schedule, maturities and the impact of the debt incurred to finance major projects.

In September 2016, a new three-year property assessment roll will be deposited and will take effect for 2017, 2018 and 2019. Given that this normally leads to increases or decreases in values, which vary by sector, the challenge is to rebalance the tax rates.

The goals of your Town Council are to:

- rebalance tax rates based on tax revenues;
- maintain tax levels that will not cause significant increases.

We will continue our work with the same enthusiasm and dedication that we have shown from the beginning in our efforts to make Sutton a town that's a great place to live. Our goal is to responsibly offer the maximum amount of services while carrying out projects considered vital to the growth and future of Sutton.

Sutton Town Council



# 2003 - 2016 FINANCIAL DATA

	2003	2004	2005	2006	2007	2008
REVENUES	\$5,565,339	\$5,973,014	\$6,485,992	\$6,854,708	\$8,241,328	\$7,861,170
EXPENSES AND APPROPRIATIONS	\$5,209,656	\$5,795,209	\$6,738,432	\$6,779,550	\$7,872,438	\$7,771,435
SURPLUS/DEFICIT	\$355,683	\$177,805	\$-252,440	\$75,158	\$368,890	\$89,735
CAPITAL EXPENSES	\$1,301,326	\$2,425,866	\$3,678,334	\$2,208,946	\$5,301,621	\$2,690,512
LONG-TERM DEBT	\$3,045,025	\$3,662,609	\$4,823,033	\$7,178,720	\$7,633,460	\$9,613,268
PERMANENT POPULATION	3582	3582	3694	3809	3805	3862
NUMBER OF HOUSING UNITS	2558	2587	2713	2782	2836	2890
RESIDENTIAL	\$269,657,600	\$276,191,600	\$378,614,300	\$394,871,500	\$405,782,300	\$587,442,200
INDUSTRIES	\$1,294,100	\$1,294,100	\$772,500	\$764,100	\$769,500	\$679,600
BUSINESSES	\$14,443,300	\$14,571,300	\$11,764,400	\$15,442,200	\$16,793,600	\$24,293,200
AGRICULTURAL	\$25,826,700	\$26,455,900	\$34,401,300	\$37,989,000	\$35,693,700	\$46,610,700
OTHER	\$39,976,800	\$40,192,600	\$48,943,800	\$42,298,850	\$44,607,200	\$62,569,200
TAXABLE ASSESSMENT (AT SUBMISSION)	\$351,198,500	\$358,705,500	\$474,496,300	\$491,365,650	\$503,646,300	\$721,594,900
Harmonization after Merger of Township and Town (AV: Old Town / AC: Old Township)						
TAX RATE						
RESIDENTIAL	1.42 (AV)	1.373 (AV)	1.09 (AV)	1.05 (AV)	1.0795 (AV)	0.6010
	0.68 (AC)	0.86 (AC)	0.74 (AC)	0.77 (AC)	0.8453 (AC)	
NON-RESIDENTIAL	1.77 AV)	1.723 (AV)	1.44 (AV)	1.40 (AV)	1.4295 (AV)	1.051
	1.115 (AC)	1.16 (AC)	1.065 (AC)	1.127 (AC)	1.1953 (AV)	
SERVICED VACANT LOTS	1.42 (AV)	1.373 (AV)	1.09 (AV)	1.05 (AV)	1.0795 (AC)	0.881
	0.86 (AC)	0.86 (AC)	0.74 (AC)	0.77 (AC)	0.8453 (AV)	
INDUSTRIAL	2.17 (AV)	2.123 (AV)	2.01 (AV)	2.02 (AV)	2.03954 (AV)	1.288
	1.535 (AC)	1.56 (AC)	1.60 (AC)	1.61 (AC)	1.6593 (AC)	
AGRICULTURAL	1.42 (AV)	1.373 (AV)	1.09 (AV)	1.05 (AV)	1.0795 (AV)	0.601
	0.68 (AC)	0.986 (AC)	0.74 (AC)	0.77 (AC)	0.8453 (AC)	
NON-EXHAUSTIVE LIST OF CAPITAL EXPENSES	Equipment and Vehicles / Roadwork, Paving, Water and Sewage Systems, etc./ Machinery-Tools					
	Burying Power Lines					
	Street Lighting	Fire Station				Playgrounds
		Municipal Garage				
		Ecocentre/park				

## Loans Schedule

The following loans will be paid back within the next five years, which will reduce the debt load carried by the citizens of Sutton.

DRINKING WATER MOUNTAIN (NO. 57) - WATER SYSTEM MOUNTAIN ST. (NO. 63) SEWAGE SYSTEM GAGNÉ DEVELOPMENT AND STREET (NO. 449)	2016
DRINKING WATER MOUNTAIN (NO. 91)	2017
SEWAGE SYSTEM SUTTON JUNCTION (NO. 24) - DRINKING WATER MOUNTAIN (NO. 33) - WATER SYSTEM PRINCIPALE ST. (NO. 53)	2018
BURYING POWER LINES (NO. 59) - CULVERT WESTERN (NO. 527)	2019
ROADWORK EQUIPMENT (NO. 242) - WASTEWATER TREATMENT PLANT (NO. 507)	2020
FIRE STATION (NO. 66) - VILLAS DES MONTS (NO. 77) - WATER SYSTEM ACADEMY AND STREET (NO. 182: 20 % SECTOR + 80 % OVERALL) WASTEWATER TREATMENT PLANT (NO. 507) - SOCCER FIELD LIGHTING AND ROADWORK EQUIPMENT (NO. 164)	

2009	2010	2011	2012	2013	2014	2015	2016 (BUDGET)
\$8,037,652	\$8,623,275	\$9,081,927	\$9,723,944	\$10,487,654	\$10,387,562	\$10,360,575	\$10,490,488
\$7,529,915	\$7,860,777	\$8,874,780	\$9,317,961	\$9,861,966	\$9,449,182	\$9,993,128	\$10,490,488
\$507,737	\$762,498	\$207,147	\$405,983	\$625,688	\$938,380	\$367,447	\$0
\$1,784,035	\$437,440	\$1,241,988	\$2,663,593	\$723,450	\$1,686,427	\$5,226,333	\$4,948,870
\$8,536,169	\$8,443,118	\$9,340,950	\$8,212,950	\$7,377,000	\$7,122,100	\$7,159,200	\$9,684,700
3818	3818	4047	4032	3965	4049	3943	3981
2911	2959	2998	3022	3042	3030	3052	3082
\$595,501,500	\$609,309,900	\$708,167,600	\$717,796,800	\$723,790,600	\$803,833,800	\$820,690,100	\$833,544,300
\$1,284,400	\$1,284,400	\$1,552,300	\$232,200	\$232,200	\$218,000	\$0	\$305,600
\$23,954,200	\$24,862,700	\$29,292,000	\$29,971,700	\$30,859,700	\$33,396,200	\$33,760,200	\$33,315,500
\$46,693,600	\$47,052,200	\$54,008,500	\$54,508,000	\$56,132,400	\$64,964,600	\$64,195,300	\$64,332,600
\$63,426,700	\$62,690,800	\$73,300,900	\$72,478,000	\$71,508,300	\$84,848,400	\$79,919,600	\$78,516,600
\$730,860,400	\$745,200,000	\$866,321,300	\$874,986,700	\$882,523,200	\$987,261,000	\$998,565,200	\$1,010,014,600
0.538	0.58	0.54	0.58	0.60	0.572	0.579	0.579
0.988	1.03	1.02	1.06	1.08	1.023	1.03	1.03
0.818	0.86	0.82	0.86	0.88	0.835	0.842	0.842
1.225	1.27	1.22	1.26	1.28	1.211	1.128	1.128
0.538	0.58	0.54	0.58	0.60	0.572	0.579	0.579
		Parks		Ecocentre		Town Hall Renovation	
and Parks				Parks		Goyette-Hill Park	
						Village-Mountain Trail	

## Loans for Period 2022 - 2037

### OVERALL

Burying Power Lines (By-laws 51 and 52)  
 Soccer Field Lighting and Roadwork Equipment (By-law 164)  
 Fire Truck, Ladder Truck SSI, Rep. 2 Vehicles (By-laws 201 and 227)  
 Professional Fees and Town Hall Renovation (By-laws 231 and 244)  
 Roadwork Equipment (By-laws 242 and 272)  
 Ball Field Lighting (By-law 247)  
 Goyette-Hill Park - Phases II and III (By-laws 255 and 271)  
 Sidewalks Maple (By-law 151)

### SECTORS

Water System Maple (By-law 147)  
 Drinking Water Mountain (By-law 214)  
 Village Wells (By-law 528)  
 Sewage System Rochers Bleus (By-law 570)

# 2013-2016 MAJOR PROJECTS

## Town Hall

In the spring of 2014, the Town Council decided to renovate and enlarge the Town Hall (built in 1859). The decision to renovate this more than 150-year old building was made in the interests of the citizens of Sutton today and in the future.

Preliminary estimates for the project were \$3,561,012 for construction and \$236,000 for professional fees. The *Ministère des Affaires municipales et de l'Organisation du territoire* (MAMOT) agreed to provide a grant to cover 65% of the eligible project costs under a Quebec municipalities infrastructure program.

During the work on the Town Hall building, a number of problems and major deficiencies were encountered (defective masonry hidden behind a new brick wall, partly burned weight-bearing beams that had not been repaired, a roof beneath another roof, a serious accumulation of pigeon and bat excrements, etc.).

New borrowing by-laws were required to cover the additional costs (not eligible for the government grant program) estimated at \$1,145,386 for construction and \$250,056 for professional fees. It was vital that the problems be addressed to ensure the renovated part of the Town Hall be safe and functional.

The Town Council reviewed all project components to see if the total cost could be reduced. The total cost of construction work will be about \$4,400,000, and professional fees will be about \$486,300, increasing the total project cost to \$4,886,300, which is about 28% more than the initial budget.

When the project was first presented, the Council announced that municipal taxes would rise about 1¢ per \$100 of assessment (\$30 for a house assessed at \$300,000). The revised project will cost 1.3¢ per \$100 of assessment (\$39 for a house assessed at \$300,000).

Despite the higher cost, we are certain that this project and the new space in the Sutton Town Hall will give us a top-quality facility in the heart of our community and maximize the ways the building could be used to meet current and emerging needs.

### Revised Project Estimate

Total cost \$4,886,300	Government funding \$2,374,843 48,6 %	Estimated cost to the Town \$2,511,457 51,4 %
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## Village-Mountain Trail

To improve the hiking trails between downtown Sutton and the mountain, and with the consent of those who own the land the trail crosses, the Village-Mountain Trail was re-opened. To allow users to safely enjoy this quiet walk through the woods, the Town undertook the following:

- Restoration of the trail, with landscaping work
- Purchase of directional signage
- Commitment to ensure maintenance and security
- Acquisition of access rights from landholders and purchase of land to make the Village-Mountain trail accessible to all

Sutton's Village-Mountain Trail was launched on Friday, June 17, 2016. The community can now enjoy a beautiful trail that runs along the Sutton River from Highland Street all the way up to the *Marmite aux sorcières* (Witches' Cauldron).

This project was funded in part from the Town's park fund, plus \$163,500 from the *Conseil régional de l'environnement Montérégie Est* and Tourism Eastern Townships.

### Next Steps

- Complete the trail from Poissant Road to Highland Street
- Ensure the maintenance and sustainability of the Village Mountain Trail, and the safety of those who use it
- Ensure the long-term viability of the trail and the economic, social and environmental cost-effectiveness of the investments made

## Affordable Housing

To strengthen Sutton's appeal to a diverse constituency and particularly to young families, the Town Council has set up a tax credit program to make it easier to own property in the urban perimeter of the Town of Sutton.

The Town is also working with the *Société d'habitation du Québec* to offer accessible and affordable housing. Progress is being made on this initiative and we are waiting for a response to an application for a government grant.

Revised cost  
1.3¢ per \$100  
of assessment  (\$39 for a house  
assessed at  
\$300,000)

## Goyette-Hill Park

In 2014, the Town established a three-phase plan to create a space where sports and recreational activities could take place within the village.

Goyette-Hill Park has great appeal for our citizens and tourists, but also for new families who are thinking of settling in our community. The park also encourages the development of a healthy lifestyle for both young and old.

### Phase 1 - 2014

Upgrading the ball park

- Preliminary estimate: \$222,978
- Final cost of work completed: \$190,603

### Phase 2 - 2015

Tennis courts, skating rink, children's playground...

- Preliminary estimate: \$742,604
- Final cost of work completed: \$710,252

### Phase 3 - 2016/2017

All of the Phase-3 work for the Goyette-Hill project meets the criteria for receiving funding from the Quebec program to support sports and recreational facilities.

Work that will take place in Phase 3

- New pavilion - sports chalet
- Work on the water-sports area: swimming and wading pools and water game equipment
- Installation of sturdier and safer equipment in the skateboard park
- Completion of the walking trail
- Intergenerational area, fitness area and open-air space with amphitheatre
- Permanent marking lines for the soccer and ball fields

With the completion of the Goyette-Hill Park facilities in 2017, the Town will have permanent, safe and sturdy facilities that will create a welcoming place for the citizens of Sutton to enjoy for many years to come.

On August 25, 2016, Pierre Paradis, Minister of Agriculture, Fisheries and Food and MNA for Brome-Missisquoi, on behalf of Sébastien Proulx, Minister of Education, Recreation and Sport and Minister of Families, announced financial assistance equal to 50% of eligible expenditures, up to \$1,023,815.

Although this grant is available, the Goyette-Hill Park Committee believes that the project will cost less than the initial estimate.

## Road Maintenance

Our goal is to improve the quality of our roads and we are pleased to see the encouraging results of the measures implemented. The Public Works Committee has been reactivated and is working closely with Public Works.

Work on improving the road network is continuing. The main projects completed by sector are as follows:

- Dyer Road
  - Road bed reinforced over the entire paved portion
  - Two layers of asphalt added
  - Creation of a third lane reserved for pedestrians and cyclists, for greater safety
- Woodard and Draper roads
  - Paving and strategic connection of three sections of paved road
  - Drainage and structural work
- Delage, Bernier and Boulanger roads
  - Asphalt remediation work
- On the Bernier, Mon-Louis, Vachon, O'Brien, Poissant, Boulanger and Old Notch roads, and in a few critical sites in the Glen Sutton sector
  - Various improvements, including ditch cleaning and upgrading
  - Rehabilitation of road beds to improve weight-bearing capacity and reduce erosion from water draining toward ditches.
- Ongoing:
  - Shoulder reprofiling on several roads to provide effective drainage and protect structural capacity

Please note that the above mentioned work was financed by the operation budget without borrowing.

Mobile app - "Voilà!"

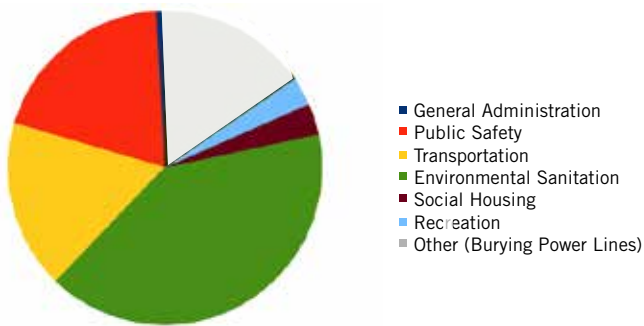
- Trial run of application citizens can use to report a problem in the Sutton road network by taking a picture and sending it with geolocation coordinates.

### Phase 3

Estimated cost \$2,080,545	Government funding (max) \$1,023,815	Estimated cost to the Town \$1,056,730
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## 2015 Total Debt

### Breakdown of Debt by Function



### Distribution of Total Debt

#### General

\$3,556,494  
Ratio: 0,048 %



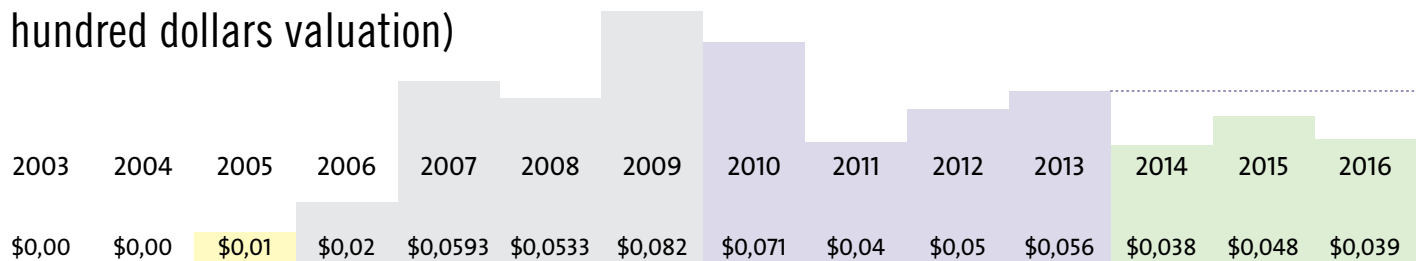
#### Government (GRANTS)

\$1,447,364

#### Sector

\$2,155,342

### Evolution of the General Tax Rate for Debt Service (per hundred dollars valuation)



In 2003 and 2004 the total long term debt was assumed by different sectors.

**The Town of Sutton is in good financial health and interest rate cycles are favourable to investment.**

### Summary of Comparisons

The Town of Sutton's debt is significantly lower than that of the other municipalities in Brome-Missisquoi, the Montérégie and Quebec as a whole.

2014 DATA	SUTTON	BROME-MISSISQUOI	MONTEREGIE	QUEBEC
Net Total Long-Term Debt per \$100 of Standardized Property Value	<b>\$0.72</b>	\$1.39	\$1.83	\$2.10
Net Total Long-Term Debt per Assessment Unit	<b>\$1,586</b>	\$3,262	\$5,100	\$5,757

Reference: *Direction générale des finances municipales - "Profil financier 2015 pour la ville de Sutton"*  
www.mamrot.gouv.qc.ca (*Finances, indicateurs de gestion et fiscalité / Profil financier et autres publications*)

### Long-Term Projection

This estimate of the long term financing of all approved borrowing by-laws could generate a maximum increase of the debt service tax, which would be equivalent to 3.5¢ per hundred.

However, the Town Council wishes to keep the tax rate stable and is making a significant effort to limit the cost of projects in progress, in addition to continuing with its stringent management policy.

Annual growth in the taxable assessment will also help reduce the adjustment in the rate required to repay the debt.

#### General

\$7,558,100



#### Government (GRANTS)

\$4,697,000

#### Sector

\$1,835,800