

Budget 2021

PTI 2021-2022-2023



Ville de
Town of **Sutton**

Presentation

- **Background**
- **Summary 2021 budget**
- **Tax rates, tariffs, residential tax bill**
- **Revenue, expenses, allocations**
- **Three-year capital asset programme (PTI) 2021-2022-2023**
- **Long term debt**
- **Question period**

Background 2021

- **Minimise increases in the tax burden of property owners**
- **Direct and indirect effects of the COVID-19 pandemic**
 - Extra costs related to public security
 - Impact on the cost of products and services
 - Consumer price index: +1.6 % for 2021 in Quebec*
- **Obligations of the Town to other organizations**
 - MRC - total budget of \$605 955, +3.4 %
 - Sûreté du Québec - net bill of \$1,288,482, +3.6 %

*Ministère des Finances du Québec, November 2020

Background 2021

- **Prior engagements of the Town**
 - Total payroll – application of the collective agreement +2 %
- **One-off expenses**
 - Municipal elections
 - Urban plan revision
- **Improvement of services for the population**
 - Road maintenance
 - Communications
- **Little additional new tax income**
 - Less than 1% growth in rateable values

Rateable values

CATEGORY	2020*	2021**	Variation \$	Variation %
REMAINING (residential)	1 068 400 827 \$	1 076 943 253 \$	8 542 426 \$	0,8 %
SIX HOUSING UNITS OR MORE	12 909 484 \$	14 263 784 \$	1 354 300 \$	10.5%
NON- RESIDENTIAL	57 706 889 \$	58 101 663 \$	394 774 \$	0,7 %
AGRICUTURAL	23 046 700 \$	22 516 500 \$	-530 200 \$	-2.3%
VACANT SERVICED LOTS	3 426 600 \$	3 546 000 \$	119 400 \$	3.5%
INDUSTRIAL	0 \$	0 \$	0 \$	0 %
TOTAL RATEABLE VALUE	1 165 490 500 \$	1 175 371 200 \$	9 880 700 \$	0,9 %

*Role deposited September 15 2019

** Role deposited September 15 2020

Summary of 2021 budget

- **Freeze of following tax rates for all categories:**
 - general property tax (mill rate)
 - special tax for the financial reserve related to roadways (public works reserve)
 - special tax for repayment of the collective debt (capital, interest, cost of financing)
- **No increase for aqueduct and sewer services, garbage collection nor emptying of septic tanks**

Summary of 2021 budget

- **Adjustment of +\$9.90 for residential recycling and organic matter collections**
- **Increase in special tax for sector long term debt repayment for properties served by sewer network** (no fair way to use general funds to freeze this increase)
- **Result: for average property of \$322,560, without services, an increase of \$9.90. For property of same value, with services, an increase of \$40.90 in the village sector and \$52.90 in the mountain sector**

- **General property tax rates**
- **Tarifs for services**
- **Residential property taxes by sector**

Freeze on property taxes

CATEGORY	PER \$100 OF EVALUATION		
	2020	2021	VARIATION
GENERAL PROPERTY TAX			
REMAINING (RESIDENTIAL) – BASE RATE	57,6 ¢	57,6 ¢	0,0 %
SIX HOUSING UNITS OR MORE	57,6 ¢	57,6 ¢	0,0 %
AGRICULTURAL	57,6 ¢	57,6 ¢	0,0 %
VACANT SERVICED LOTS	83,5 ¢	83,5 ¢	0,0 %
NON-RESIDENTIAL	1,04 \$	1,04 \$	0,0 %
INDUSTRIEL	1,21 \$	1,21 \$	0,0 %
TAXES INCLUDED IN GENERAL PROPERTY TAX			
SÛRETÉ DU QUÉBEC SERVICES	10,7 ¢	10,9 ¢	1,9 %
FIRE SERVICES	5,5 ¢	5,9 ¢	7,3 %
SPECIAL TAXES			
PUBLIC WORKS RESERVE	3,2 ¢	3,2 ¢	0,0 %
COLLECTIVE DEBT REPAYMENT	8,5 ¢	8,5 ¢	0,0 %

Tarifs for residential services

SERVICE	2020	2021	Variation	
			\$	%
- GARBAGE	75 \$	75 \$	0 \$	
- RECYCLABLE MATERIALS	0 \$	5,90 \$	5,90 \$	
- ORGANIC MATTER	65 \$	69 \$	4,00 \$	
TOTAL RESIDUAL MATERIALS	140 \$	149,90 \$	9,90 \$	+ 7,1 %
AQUEDUCT SERVICE (water)	192 \$	192 \$	0 \$	0 %
SEWER SERVICE	94 \$	94 \$	0 \$	0 %
EMPTYING OF SEPTIC TANKS	92 \$	92 \$	0 \$	0 %

Residential property taxes without services

	2020	2021	VARIATION	
AVERAGE PROPERTY VALUE	322 560 \$	322 560 \$	0 \$	0 %
GENERAL TAX RATE	1 858 \$	1 858 \$	0 \$	0 %
PUBLIC WORKS RESERVE	103 \$	103 \$	0 \$	0 %
TARIFS				
EMPTYING OF SEPTIC TANKS	92 \$	92 \$	0 \$	0 %
RESIDUAL MATERIALS	140 \$	150 \$	10 \$	7,1 %
REPAYMENT OF LONG TERM DEBT				
COLLECTIVE	239 \$	239 \$	0 \$	0 %
TOTAL	2 432 \$	2 442 \$	10 \$	0,4 %

Residential property taxes with services-village

	2020	2021	VARIATION	
AVERAGE PROPERTY VALUE	322 560 \$	322 560 \$	0 \$	0 %
GENERAL TAX RATE	1 858 \$	1 858 \$	0 \$	0 %
PUBLIC WORKS RESERVE	103 \$	103 \$	0 \$	0 %
TARIFS				
AQUEDUCT SERVICE	192 \$	192 \$	0 \$	0 %
SEWER SERVICE	94 \$	94 \$	0 \$	0 %
RESIDUAL MATERIALS	140 \$	150 \$	10 \$	7,1 %
REPAYMENT OF LONG TERM DEBT				
COLLECTIVE	239 \$	239 \$	0 \$	0 %
SECTOR (water and sewers)	145 \$	176 \$	31 \$	2,1 %
TOTAL	2 771 \$	2 812 \$	41 \$	1,5 %

Residential property taxes with services-*mountain*

	2020	2021	VARIATION	
AVERAGE PROPERTY VALUE	322 560 \$	322 560 \$	0 \$	0 %
GENERAL TAX RATE	1 858 \$	1 858 \$	0 \$	0 %
PUBLIC WORKS RESERVE	103 \$	103 \$	0 \$	0 %
TARIFS				
AQUEDUCT SERVICE	192 \$	192 \$	0 \$	0 %
SEWER SERVICE	94 \$	94 \$	0 \$	0 %
RESIDUAL MATERIALS	140 \$	150 \$	10 \$	7,1 %
REPAYMENT OF LONG TERM DEBT				
COLLECTIVE	239 \$	239 \$	0 \$	0 %
SECTOR (water and sewers)	13 \$	56 \$	43 \$	3,6 %
TOTAL	2 639 \$	2 692 \$	53 \$	2,0 %

Budget 2021

- **Revenue**
- **Expenses**
- **Allocations**

Revenues

BUDGET AS ADOPTED	2020	2021	Variation	
			\$	%
TAXES, TARIFS	9 892 739 \$	10 207 252 \$	314 513 \$	3,2 %
EN LIEU OF TAXES	52 650 \$	52 550 \$	-100 \$	0 %
SERVICES PROVIDED	361 326 \$	375 551 \$	14 225 \$	3,9 %
OTHER REVENUES	805 360 \$	909 119 \$	103 759 \$	12,9 %
GRANTS	492 181 \$	476 456 \$	-15 725 \$	-3,2%
TOTAL	11 604 256 \$	12 020 928 \$	416 672 \$	3,6 %

Revenues

PRINCIPALES VARIATIONS	2021 / 2020
TAXES, TARIFS : Repayment of collective long-term debt	83 017 \$
TAXES, TARIFS : Repayment of sector long-term debt RM 275	86 930 \$
TAXES, TARIFS : Municipal services – water	73 897 \$
OTHER REVENUES : Rights on transfers of immouvables (welcome tax)	120 000 \$

Operating expenses

BUDGET AS ADOPTED :	2020	2021	Variation	
GENERAL ADMINISTRATION	1 444 660 \$	1 603 856 \$	159 196 \$	11,1 %
PUBLIC SECURITY	2 116 667 \$	2 338 245 \$	221 578 \$	10,5 %
ROAD NETWORK	3 078 130 \$	3 352 433 \$	274 303 \$	8,9 %
OCCUPATIONAL HYGIENE	1 819 051 \$	1 960 975 \$	141 924 \$	7,8 %
HEALTH AND WELLNESS	28 400 \$	48 610 \$	20 210 \$	71,2 %
LAND MANAGEMENT	547 267 \$	641 977 \$	94 710 \$	17,3 %
ECONOMIC DEVELOPMENT	299 219 \$	315 750 \$	16 531 \$	5,5 %
RECREATIONAL ACTIVITIES	545 352 \$	630 023 \$	84 671 \$	15,5 %
CULTURAL ACTIVITIES	405 549 \$	407 174 \$	1 625 \$	0,4 %
COST OF FINANCE	295 408 \$	339 410 \$	44 002 \$	14,9 %
TOTAL	10 579 703 \$	11 638 453 \$	1 058 750 \$	10,0 %

Explanation of principle changes

- General administration
 - Municipal elections, salaries – communications agent, administrative resources
- Public security
 - Sûreté du Québec, civil security (COVID-19)
- Road network
 - Engineering services (culvert Harold/Réal), services received (road dust surpressant), materials (road material), asphalt, culverts
- Occupational hygiene
 - Water (insurance, maintenance), services received (recycling, organic matter)

Explanation of principal changes

- Land management
 - Professional services (revision of urban plan, additional inspection resources for summer period)
- Cultural and recreational activities
 - Contributions to the community (CAB), professional services et relocation costs (CCCJS)
 - Summer resource for park management
- Overall increase for the MRC
 - Share (quote-part) and budget

A balanced budget

BUDGET ADOPTÉ :	2020	2021
A- REVENUES	11 604 256 \$	12 020 928 \$
B- Expenses (cost of operations)	10 579 703 \$	11 638 453 \$
B. Depreciation	1 893 300 \$	1 900 000 \$
B- Repayment of long term debt (principal)	882 333 \$	1 142 109 \$
B- Investments	82 335 \$	153 751 \$
B- Financial reserves and reserved funds	68 643 \$	251 794 \$
B- TOTAL EXPENSES AND ALLOCATIONS	13 506 314 \$	15 086 107 \$
B LESS A = Excess (deficit) of expenditure	1 902 058 \$	3 065 179 \$
Depreciation	-1 893 300 \$	-1 900 000 \$
Transfer of surplus (unallocated)	- 8 758 \$	-929 462 \$
Transfer of surplus (reserved)	0 \$	-235 717 \$
C- EXCESS (DEFICIT) FOR THE YEAR FOR BUDGETARY PURPOSES	0 \$	0 \$

PTI 2021-2022-2023



A planning tool for future capital asset investment projects

Reminder of the principles :

- A capital asset project describes the acquisition of an asset or execution of major work in order to achieve a defined objective.
- The adoption of the PTI* announces intended actions for 2021 and orientations for 2022 and beyond.
- The adoption of the PTI is not an authorization to spend nor a guarantee that a project will be realised.
- Each project must be adopted one by one and, depending on the case, may require the approval of qualified voters, before it goes ahead.

*Programme triennal d'immobilisation (PTI)

Strategies

- A long term view – at least five years
- Work progressively on several projects
- Optimise different forms of financing: working fund, public works reserve, parks fund and long-term borrowing
- Seek out grants for update of infrastructure and equipment
- Make choices regarding capital investment projects based on pre-defined priorities

Investment priorities

- Update critical ageing infrastructure:
 - Aqueduct, sewers
 - Road network
- Ensure that municipal assets are safe, functional and match current and future needs:
 - Buildings
 - Vehicles and other equipment

Summary of 2021-2022-2023

- A total of \$12.3M over three years, of which \$3.2M financed by anticipated or confirmed grants.
- A total of \$6.2M for 2021, of which \$2M financed by anticipated or confirmed grants
- Major investments for 2021 : rue Western (east), rue Scenic (Schweizer/Old Notch), replacement of fire service pumper truck
- Major investments for the future: drinking water supply for the mountain sector, CCCJS, Filtex land, museum

Division of investments

By year	2021	2022	2023	TOTAL \$	TOTAL %
Infrastructure - aqueduct	1 047 540 \$	219 450 \$	1 667 000 \$	2 933 990 \$	23,8 %
Infrastructures - sewers	995 000 \$	167 000 \$	167 000 \$	1 329 000 \$	10,8 %
Infrastructures - roads	2 351 240 \$	166 000 \$	166 000 \$	2 683 240 \$	21,8 %
Buildings, land	28 075 \$	2 020 600 \$	50 000 \$	2 098 675 \$	17,0 %
Vehicles, equipment	1 618 705 \$	700 000 \$	500 000 \$	2 818 705 \$	22,9 %
Computing	85 690 \$	75 000 \$	30 000 \$	190 690 \$	1,5 %
Machinery, tools	48 611 \$	50 000 \$	50 000 \$	1148 611 \$	1,2 %
Infrastructures - recreational	73 351 \$	20 000 \$	20 000 \$	113 351 \$	0,9 %
Furniture	5 125 \$	5 000 \$	5 000 \$	15 125 \$	0,1 %
TOTAL	6 253 337 \$	3 423 050 \$	2 655 000 \$	12 331 387 \$	100 %

Division of investments

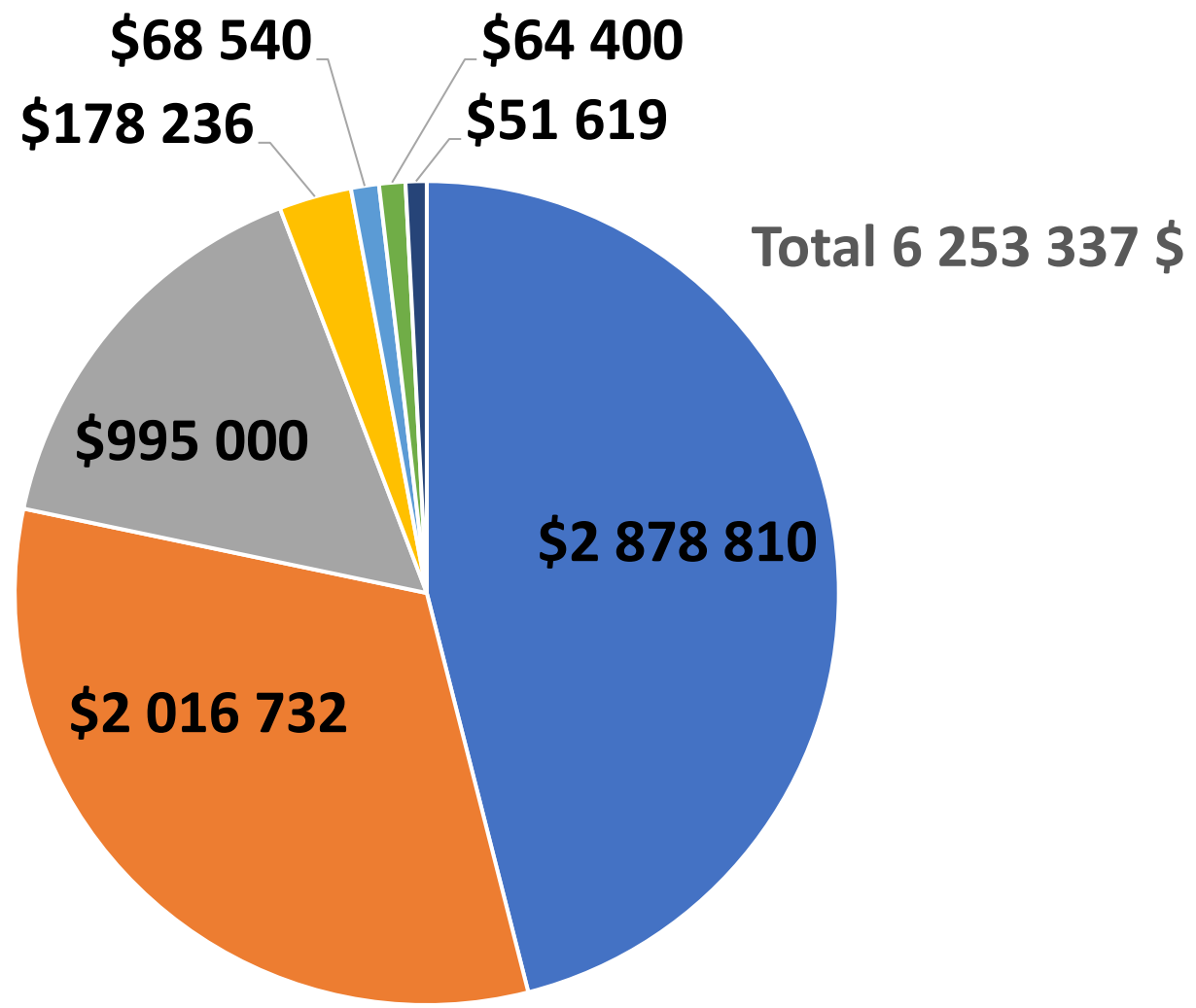
By method of financing	Collective borrowing by-law	Grants identified	Sector borrowing by-law	Working fund	Investment	Parks fund	Reserved surplus
Infrastructure - aqueduct		2 015 000 \$	814 000 \$				104 990 \$
Infrastructure - sewers		200 000 \$	1 129 000 \$				
Infrastructure - roads	1 683 240 \$	1 000 000 \$					
Buildings, land	1 900 000 \$			145 600 \$	12 075 \$	25 000 \$	16 000 \$
Vehicles, equipment	2 727 570 \$			79 585 \$	11 550 \$		
Computing				103 000 \$	87 690 \$		
Machinery, tools				140 651 \$	7 960 \$		
Infrastructure - recreational		21 732 \$				91 619 \$	
Furniture					15 125 \$		
TOTAL 12 331 387 \$	6 310 810 \$	3 236 732 \$	1 943 000 \$	468 836 \$	134 400 \$	116 619 \$	120 990 \$
Wednesday December 16 2020	51,2 %	26,2 %	15,8 %	3,8 %	1,1 %	0,9 %	1,0 %

Investment projects 2021

Aqueduct: rue Western (east), pressure reducer village sector	1 047 540 \$
Sewers: rue Western (east)	995 000 \$
Road network: rue Western (east), Scenic (Schweizer/Old Notch)	2 351 240 \$
Buildings, land: water treatment plant; SSI-fire hall alarm, hot water reserve, platform	28 075 \$
Vehicles, equipment: TP- replacement tractor, van, platform; SSI-replacement pumper truck, water reserve trucks, side-by-side, trunk; PR-emergency lights	1 618 705 \$
Computing: server, rotation of computers, SSI-software	85 690 \$
Tools: speed radars, light signals, SSI-radios et scene lights	48 611 \$
Recreation : pétanque court, replacement and addition of drinking fountains in parks	73 351 \$
Furniture: office furniture	5 125 \$
TOTAL	6 253 337 \$

Method of financing 2021

- Collective borrowing 46 %
- Grants 32.3 %
- Sector borrowing 15.9 %
- Working fund 2.8 %
- Sewer and water reserves 1.1 %
- Investment 1.0 %
- Parks fund 0.9 %



Future investment projects

	2022 K\$	2023 K\$	2024 K\$	2025 K\$	Method of financing
AQUEDUCT/SEWERS/ROADS: rues Oak, Curley, Church	500	500	500		S/C*
AQUEDUCT: Drinking water supply mountain sector		1 500			S*
VEHICLES: Public works	700	500	590	545	C
BUILDINGS, LAND: John Sleeth community and cultural centre	1 900				C
BUILDINGS, LAND: Écocentre improvements	46				WF
BUILDINGS, LAND: Filtex site			500		C
BUILDINGS, LAND: Museum			250		C
BUILDINGS, LAND: Participatory budget	25				PF
COMPUTING: Redesign Town web site	45				WF

S = Sector tax C = Collective tax PF = Parks fund WF = working fund *= Grant identified

Long term net debt*

	2020	2021
ANNUAL EXPENSE TO SERVICE NET DEBT** (ESTIMATION)	1 131 991 \$	1 409 754 \$
OPERATIONAL REVENUE	11 604 256 \$	12 020 928 \$
PORTION OF REVENUE ATTRIBUTED TO REPAYMENT OF LONG TERM DEBT	9,75 %	11,7 %
TOTAL LONG TERM NET DEBT (ESTIMATION)	7 538 028 \$	8 090 464 \$

* Debt payable by all as well as sector debt less the portion assumed by the Quebec government

** Repayment of principal and interest

Ratios to evaluate the state of municipal finances:

1. Taxes based on property values/Operating revenue

This ratio shows the proportion of operating revenue that comes from taxes paid by tax payers based on municipal property value.

2. Total long term net debt by lodging and premise

This ratio shows total long-term net debt for a lodging or premise.

3. Total long term net debt by \$100 of SPV

This ratio measures total long-term municipal net debt relative to total standardized property value (SPV). If the ratio increases, the municipal debt weighs more heavily on the local economy.

Financial profile 2019 edition*

Comparisons with different groups	Sutton	Population class 2 000 to 9 999	MRC B-M
1. Taxes based on property values/Operating revenue	82.19 %	74.83 %	75.07 %
2. Total long term net debt by lodging and premise	2 196 \$	4 039 \$	3 640 \$
3. Total long term net debt by \$100 of SPV (standardized property value)	0.83 \$	1.79 \$	1.39 \$

* Data for 2018. Due to COVID-19 the 2020 financial profile, usually publishes in October has been postponed to the winter. It is produced by the ministère des Affaires Municipales et de l'Habitation (www.mamh.ca)

Question time

