



# 2022 Budget

and

**Three-year Programme of  
Capital Expenditures (PTI)**

**2022-2023-2024**

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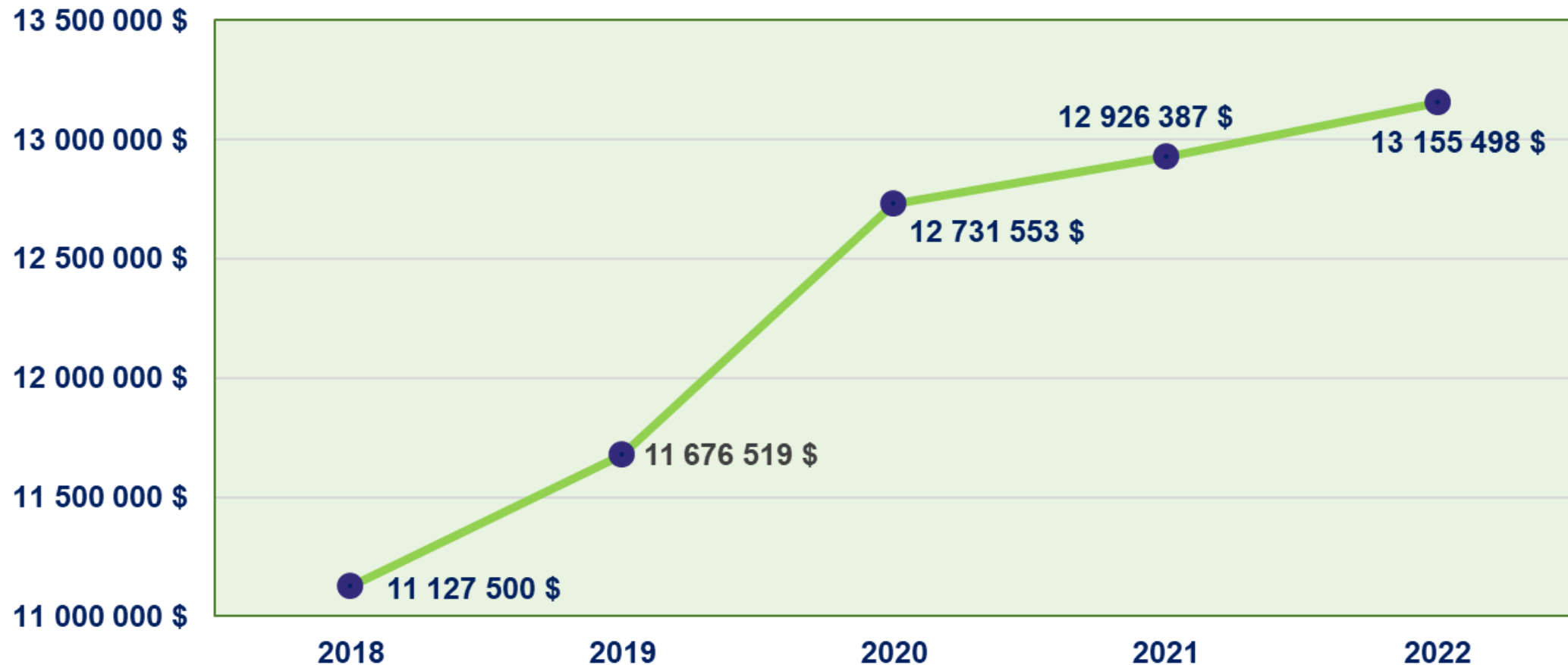
# Financial situation

## Presentation of the financial situation of the Town of Sutton :

- Progression of revenues, expenses and surpluses
- Comparison with neighbouring towns
- Incompressible costs
- Total payroll
- Total taxable value
- Municipal debt as of December 31, 2021
- State of reserves

# Financial situation

## Progression of revenues

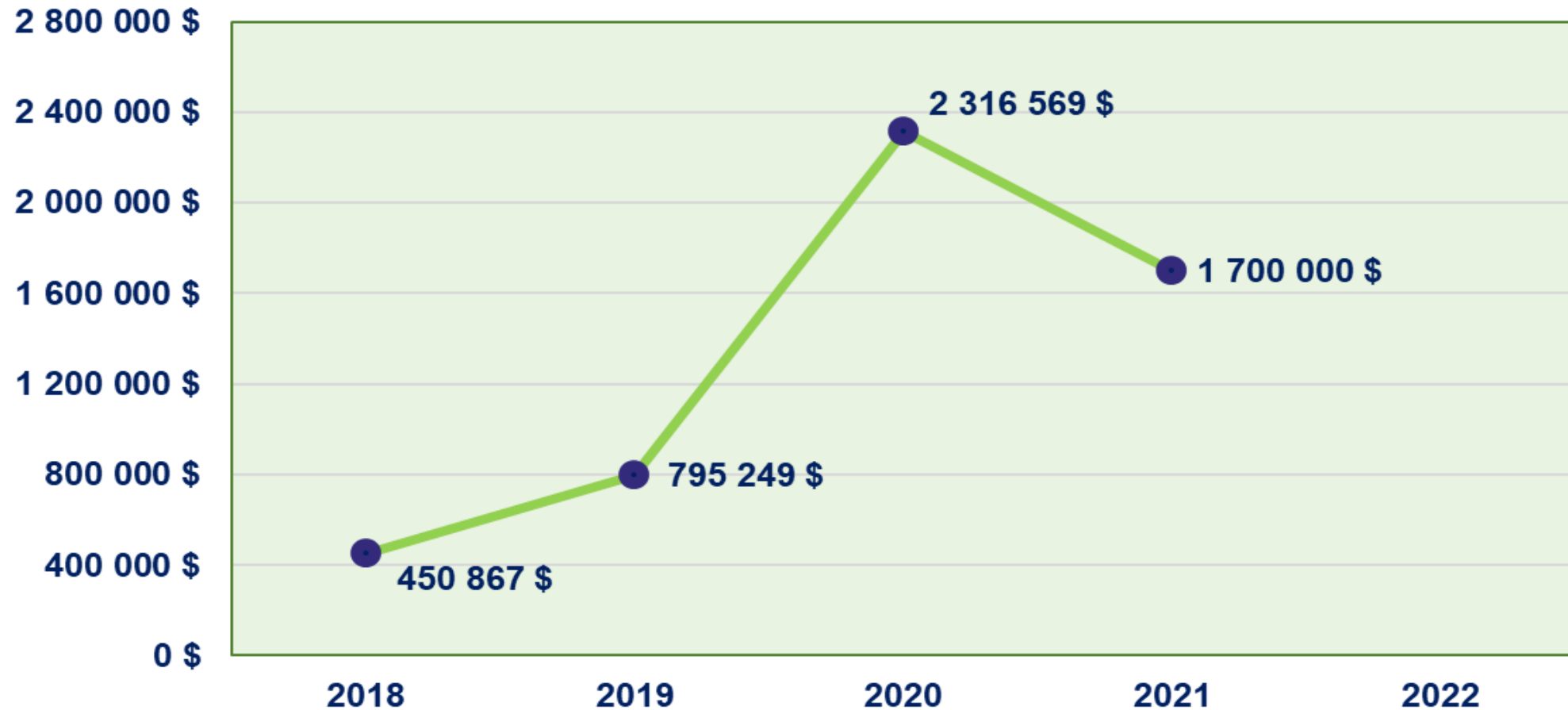


## Progression of expenses



# Financial situation

## Evolution of surpluses



# Financial situation

## Comparison with neighbouring towns

	LAC-BROME	FARNHAM	SUTTON
Population	5,908	10,581	4,329 (8,000)
Area (km <sup>2</sup> )	205.27	92.04	246.54
Inhabitants/km <sup>2</sup>	25	115	18
SPV/2021	\$1,711,876,300	\$1,020,620,397	\$1,252,076,627
Residual base rate 2021 (per \$100 of evaluation)	66.5¢	80.0¢	56.7¢
Residual base rate 2022 (per \$100 of evaluation)	55.5¢	77.0¢	56.7¢
2021 Budget 2021 (rounded-off)	\$15,818,000	\$16,274,000	\$12,021,000
Budget 2022 (rounded-off)	\$17,292,000	\$18,587,000	\$13,155,000
Rervenues increase 2022	+9.3%	+14.2%	+9.%
Public works and road network 2021	\$3,355,000	\$2,174,000	\$3,352,000
Public works and road network 2022	\$3,598,000	\$2,472,000	\$3,859,000
Operational costs (rounded-off)	\$15,059,000	\$15,912,000	\$15,390,000
	+7.5%	+10.6%	+13.7%

# Financial situation

## Irreducible costs

The town's budget contains more than **81% of irreducible costs**. As a result, less than 19% of the budget may be controlled.

### Main variations observed in irreducible costs:

	Amount	Variation \$	Variation %
Repayment of long-term debt:	\$1,480,892	+\$5,873	0.40%
Contributions to MRC:	\$624,395	+\$18,440	3.10%
Sûreté du Québec:	\$1,378,680	+\$90,198	7.00%
Professionnal services:	\$711,694	+\$18,412	2.66%
Electricity costs:	\$241,885	+\$7,022	2.99%
Fuel costs:	\$377,655	+\$100 540	33.66%
Total payroll:	\$5,070,072	+\$1,330,607	35.00%
Communication costs:	\$171,627	+\$9,524	5.88%
Insurance:	\$189,020	+\$13,391	7.62%
Depreciation:	\$2,050,000	+\$150,000	7.90%
<b>TOTAL :</b>	<b>\$12,295,920</b>	<b>+\$1,743,809</b>	<b>12.88%</b>

# Financial situation

## Total payroll

### Variation of total payroll between 2021 and 2022 budgets:

2021 total payroll (salaries and payroll expenses):	\$3,739,465
2022 total payroll (salaries and payroll expenses):	\$5,070,072
difference :	+\$1,330,607

### Main increases

Collective agreements renewal:	\$673,226.55
New positions created in 2021:	\$361,200.65
New positions to be created in 2022:	\$296,179.80

### For reference in Quebec for the year 2019:

	Population	Total payroll	Budgetary provision	% Payroll/budget
Average town	8,750	\$4,757,601	\$13,492,537	35.70%
Sutton (2022)	8,000	\$5,070,072	\$15,296,323	33.15%

# Financial situation

## Total taxable values

CATEGORY	2021*	2022**	Variation	
			\$	%
RESIDENTIAL IMMOVABLES	\$1,076,943,253	\$1,090,531,571	\$13,588,318	1.26%
SIX IMMOVABLE UNITS AND MORE	\$14,263,784	\$17,103,284	\$2,839,500	19.91%
NON-RESIDENTIAL IMMOVABLES	\$58,101,663	\$57,394,645	-\$707,018	-1.22%
AGRICULTURAL IMMOVABLES	\$22,516,500	\$26,171,200	\$3,654,700	16.23%
VACANT SERVICED LOTS	\$3,546,000	\$3,300,500	-\$245,500	-6.92%
INDUSTRIAL IMMOVABLES	\$0	\$0	\$0	0%
<b>TOTAL TAXABLE VALUE</b>	<b>\$1,175,371,200</b>	<b>\$1,194,501,200</b>	<b>\$19,130,000</b>	<b>1.63%</b>
*Role deposited September 15 <sup>th</sup> , 2020 ** Role deposited September 15 <sup>th</sup> , 2021				

# Financial situation

## Debt as of December 31, 2021

<b>TOTAL DEBT AS OF 12/31/2021</b>	<b>\$12,425,800.00</b>
<b>GOVERNMENTS</b>	<b>\$3,657,262.04</b>
<b>TOWN OF SUTTON (net debt)</b>	<b>\$8,768,537.96</b>



<b>\$7,812,428.74</b>	<b>Collective Debt</b>
<b>\$956,109.74</b>	<b>Sectors Debt</b>
<b>\$8,768,537.96</b>	<b>TOWN'S TOTAL NET DEBT</b>

<b>RATIOS 2021</b>	<b>SUTTON</b>	<b>MRC</b>	<b>QUEBEC</b>
Total long term net debt per \$100 of SPV	\$0.92	\$1.42	\$2.19
Total long term net debt per evaluation unit	\$2,275	\$3,869	\$7,246

# Financial situation

## State of reserves

	FINANCIAL RESERVES				DEFERRED REVENUES	
	Accumulated surplus	Reserved surplus	Working fund	TP reserve	Parks fund	Connection fees mountain
<b>Balance on books (11/14/21)</b>	<b>\$1,834,653</b>	<b>\$393,946</b>	<b>\$355,024</b>	<b>\$304,678</b>	<b>\$126,237</b>	<b>\$207,823</b>
<b>2022 Tax</b>				\$382,240		
<b>2022 Repayment</b>			\$151,198			
<b>2021 Surplus (estimate)</b>	\$1,700,000					
Total	<b>\$3,534,653</b>	<b>\$393,946</b>	<b>\$506,222</b>	<b>\$686,918</b>	<b>\$126,237</b>	<b>\$207,823</b>
<b>Financial commitment</b>					\$31,152	\$31,443
<b>2022 Budget</b>	\$1,561,424	\$115,464	\$434,230	\$346,000		\$32,000
Total amount used	<b>\$1,561,424</b>	<b>\$115 464</b>	<b>\$434,230</b>	<b>\$346,000</b>	<b>\$31,152</b>	<b>\$63,443</b>
<b>Unused amounts</b>	<b>\$1,973,229</b>	<b>\$278,482</b>	<b>\$71,992</b>	<b>\$340,918</b>	<b>\$95,085</b>	<b>\$144,380</b>
Aqueduct		\$137, 319				
Sewage		\$61,226				
Septic tanks		\$79,937				
Total		<b>\$278,482</b>				

# Guidelines for 2022

## Respecting electoral commitments:

- Base rate freeze (56.7 cents/\$100 of evaluation)
- Relief for all taxpayers, especially for:
  - Owners of a home valued below the median value, with the aim of maintaining affordable housing
  - Retirees on fixed incomes
- Low impact of the Consumer Price Index (CPI) increase on taxpayers, except for the tariffs of some services which needed adjustment

# Guidelines for 2022

## Main elements

- Good news! The 2021 surplus is estimated to be higher than expected = \$1.7 million.
- Surplus will be used to balance the 2022 budget, but this approach will have to be reviewed as it is not sustainable in the short and medium term.
- The Town of Sutton's budget is within the range of similar sized towns, between \$14 and \$16 million.
- To establish the level of expenditures in the 2022 budget, the Council compared the 2022 projections with the actual over the past 3 years for Sutton and other comparable municipalities, particularly in terms of the road network maintenance.

# Guidelines for 2022

## Main elements (next)

- The infrastructure work required will be financed by debt: a financial policy will be developed to set various ratios, including the maximum debt ratio (currently in Sutton: \$0.96 compared to an average of \$1.42 in the MRC) and the level of reserves (ideally: 25% of the annual budget).
- The risks of cost overruns will be managed through the use of certain reserves allocated, for example, to public works.
- Spending will be rigorously managed and our ability to deliver all announced projects will be assessed, taking into account the pandemic.

## Short- and medium-term goals

- Adjusting operational costs to income
- Evaluate the impact of the next three-year valuation roll (2023-2025) and the highly anticipated increase in the standardized property value (SPV) of properties (SPV increase observed in the MRC Brome-Missisquoi of 20 to 50%)
- Develop management ratios over the next few years, to enable us to make the best decisions and assess our performance

## Presentation of the 2022 budget

- Tax rates
- Tariffs for services
- Simulations of property taxes
- Revenues
- Operation costs

# 2022 Budget

## Tax rates

TAX RATE PER \$100 OF PROPERTY VALUE	2021	2022	Variation (%)
<b>GENERAL PROPERTY TAX</b>			
RESIDUAL (including RESIDENTIAL IMMOVABLES) – BASE RATE	¢57.6	¢57.6	0%
SIX IMMOVABLE UNITS AND MORE	¢57.6	¢57.6	0%
AGRICULTURAL IMMOVABLES	¢57.6	¢57.6	0%
VACANT SERVICED LOTS	¢83.5	¢83.5	0%
NON-RESIDENTIAL IMMOVABLES	\$1.04	\$1.04	0%
INDUSTRIAL IMMOVABLES	\$1.21	\$1.21	0%
<b>SPECIAL TAXES</b>			
PUBLIC WORKS RESERVE	¢3.2	¢3.2	0%
COLLECTIVE DEBT REPAYMENT	¢7.4	¢8.2	10.81%

# 2022 Budget

## Tariffs for residential services

SERVICES	2021	2022	Variation	
			\$	%
WASTE COLLECTION	\$75.00	\$88.00	\$13.00	17.33%
RECYCLING MATERIALS COLLECTION	\$5.90	\$44.00	\$38.10	645.76%
ORGANIC MATERIALS COLLECTION	\$69.00	\$76.00	\$7.00	10.14%
<b>TOTAL RESIDUAL MATERIALS COLLECTION</b>	\$149.90	\$208.00	\$58.10	38.76%
<b>AQUEDUCT SERVICE (WATER)</b>	\$192.00	\$192.00	\$0	0%
<b>SEWER SERVICE</b>	\$94.00	\$116.00	\$22.00	23.40%
<b>EMPTYING OF SEPTIC TANKS SERVICE</b>	\$92.00	\$92.00	\$0	0%



# 2022 Budget

## Tax simulation for a property of average evaluation

VILLAGE SECTOR PROPERTY	2021	2022	Variation	
			\$	%
<b>BASED ON AVERAGE MUNICIPAL PROPERTY EVALUATION = \$341,407 IN 2022</b>				
<b>PROPERTY TAXES</b>				
GENERAL PROPERTY TAXES	\$1,966.50	<b>\$1,966.50</b>	\$0	0%
PUBLIC WORKS RESERVE	\$109.25	<b>\$109.25</b>	\$0	0%
<b>TARIFFS (COMPENSATION)</b>				
AQUEDUCT SERVICE (water)	\$192.00	<b>\$192.00</b>	\$0	0%
SEWER SERVICE	\$94.00	<b>\$116.00</b>	\$22.00	23.40%
RESIDUAL MATERIALS COLLECTION	\$149.90	<b>\$208.00</b>	\$58.10	38.67%
<b>REPAYMENT OF LONG TERM DEBT</b>				
COLLECTIVE DEBT	\$252.64	<b>\$279.95</b>	\$27.31	10.81%
SECTORIAL DEBT (water AND sewer)	\$186.07	<b>\$215.08</b>	\$29.01	15.59%
<b>TOTAL PROPERTY TAX BILL</b>	<b>\$2,950.36</b>	<b>\$3,086.78</b>	<b>\$136.42</b>	<b>4.62%</b>

# 2022 Budget

## Tax simulation for a property of average evaluation

MOUNTAIN SECTOR PROPERTY	2021	2022	Variation	
			\$	%
<b>BASED ON AVERAGE MUNICIPAL PROPERTY EVALUATION = \$341,407 IN 2022</b>				
<b>PROPERTY TAXES</b>				
GENERAL PROPERTY TAXES	\$1,966.50	<b>\$1,966.50</b>		\$0
PUBLIC WORKS RESERVE	\$109.25	<b>\$109.25</b>		\$0
<b>TARIFFS (COMPENSATION)</b>				
AQUEDUCT SERVICE (water)	\$192.00	<b>\$192.00</b>		\$0
SEWER SERVICE	\$94.00	<b>\$116.00</b>	\$22.00	23,40%
RESIDUAL MATERIALS COLLECTION	\$149.90	<b>\$208.00</b>	\$58.10	38,67%
<b>REPAYMENT OF LONG TERM DEBT</b>				
COLLECTE DEBT	\$252.64	<b>\$279.95</b>	\$27.31	10,81%
SECTORIAL DEBT (water AND sewer)	\$121.20	<b>\$153.63</b>	\$32.43	26,76%
<b>TOTAL PROPERTY TAX BILL</b>	<b>\$2,692.00</b>	<b>\$3,025.34</b>	<b>\$139.85</b>	<b>4,85%</b>

# 2022 Budget

## Tax simulation for a property of average evaluation

PROPERTY WITHOUT WATER AND SEWER SERVICES	2021	2022	Variation	
			\$	%
<b>BASED ON AVERAGE MUNICIPAL PROPERTY EVALUATION = \$341,407 IN 2022</b>				
<b>PROPERTY TAXES</b>				
GENERAL PROPERTY TAXES	\$1,966.50	<b>\$1,966.50</b>	\$0	0%
PUBLIC WORKS RESERVE	\$109.25	<b>\$109.25</b>	\$0	0%
<b>TARIFFS (COMPENSATION)</b>				
EMPTYING OF SEPTIC TANKS SERVICE	\$92.00	<b>\$92.00</b>	\$0	0%
RESIDUAL MATERIALS COLLECTION	\$149.90	<b>\$208.00</b>	\$58.10	38.67%
<b>REPAYMENT OF LONG TERM DEBT</b>				
COLLECTIVE DEBT	\$252.64	<b>\$279.95</b>	\$27.31	10.81%
<b>TOTAL PROPERTY TAX BILL</b>	<b>\$2,570.29</b>	<b>\$2,655.70</b>	<b>\$85.41</b>	<b>3.32%</b>

# 2022 Budget

## Tax increases by increments of \$100,000

	Property with services Village sector	Property with services Mountain sector	Property without water and sewer services
Evaluation	Increase	Increase	Increase
\$100,000	\$16.50	\$17.50	\$8.00
\$200,000	\$33.00	\$35.00	\$16.00
\$300,000	\$49.50	\$52.50	\$24.00
\$400,000	\$66.00	\$70.00	\$32.00
\$500,000	\$82.50	\$87.50	\$40.00
\$600,000	\$99.00	\$105.00	\$48.00
\$700,000	\$115.50	\$122.50	\$56.00
\$800,000	\$132.50	\$140.00	\$64.00
\$900,000	\$148.50	\$157.50	\$72.00
\$1,000,000	\$165.00	\$175.00	\$80.00
+ services tariffs	\$80.10/dwelling	\$80.10/dwelling	\$58.10/dwelling

# 2022 Budget – Revenues

BUDGET AS ADOPTED	2021	2022	Variation	
			\$	%
TAXES, COMPENSATIONS AND TARIFFS	\$10,207,252	\$10,729,930	\$522,678	5.12%
IN LIEU OF TAXES	\$52,550	\$52,550	\$0	0%
SERVICES PROVIDED	\$375,551	\$367,804	-\$7,747	-2.06%
OTHER REVENUES	\$909,119	\$1,255,700	\$346,581	38.12%
GRANTS	\$476,456	\$749,514	\$273,058	57.31%
<b>TOTAL REVENUES</b>	<b>\$12,020,928</b>	<b>\$13,155,498</b>	<b>\$1,134,570</b>	<b>9.44%</b>



# 2022 Budget – Expenses

BUDGET AS ADOPTED	2021	2022	Variation	
			\$	%
GENERAL ADMINISTRATION	\$1,603,856	\$2,024,071	\$420,215	26.20%
PUBLIC SECURITY	\$2,338,245	\$2,507,426	\$169,181	7.24%
ROAD NETWORK	\$3,352,433	\$3,859,480	\$507,047	15.12%
LOCAL HYGIENE	\$1,960,975	\$2,247,105	\$286,130	14.59%
HEALTH AND WELLNESS	\$48,610	\$51,550	\$2,940	6.05%
LAND MANAGEMENT (URBANISM)	\$641,977	\$699,155	\$57,178	8.91%
ECONOMIC DEVELOPMENT	\$315,750	\$341,265	\$25,515	8.08%
RECREATIONAL ACTIVITIES	\$630,023	\$803,863	\$173,840	27.59%
CULTURAL ACTIVITIES	\$407,174	\$471,196	\$64,022	15.72%
FINANCING COSTS	\$339,410	\$335,157	-\$4,253	-1.25%
DEPRECIATION	\$1,900,000	\$2,050,000	\$150,000	7.89%
<b>TOTAL EXPENSES</b>	<b>\$13,538,453</b>	<b>\$15,390,268</b>	<b>\$1,851,815</b>	<b>13.68%</b>

## Explanation of changes in expenses

### General administration

- Increase in payroll and insurance premiums
- Addition of a training project and a consultation and communication budget

### Public security

- Increased costs of the Sûreté du Québec services
- Upgrading of S.P.A. des Cantons' contract

### Road network

- Payroll increase
- Increased transportation costs for materials

# 2022 Budget

## Explanation of changes in expenses

### Local hygiene

- Increased transportation costs for residual materials
- New environmental resource
- New budget regarding drinking water saving measures

### Land management

- Professional services (revision of urban plan)
- Additional inspection resource

### Cultural and recreational activities

- Increase of 5% in contributions to the non-profit organisations
- New resources for summer period

# 2022 Budget – Allocations

BUDGET AS ADOPTED	2021	2022	Variation	
			\$	%
DISPOSAL OF ASSETS	\$0	\$0	\$0	0%
DEPRECIATION	-\$1,900,000	-\$2,050,000	-\$150,000	7.89%
GAIN/LOSS ON DISPOSAL OF ASSETS	\$0	\$0	\$0	0%
REPAYMENT OF CAPITAL (long term debt)	\$1,142,109	\$1,145,735	\$3,626	0.32%
INVESTMENT ACTIVITIES	\$153,751	\$158,945	\$5,194	3.38%
UNALLOCATED SURPLUS (accumulated)	-\$929,462	-\$1,561,424	-\$631,962	67.99%
SURPLUS (reserved)	-\$235,717	-\$115,464	\$120,253	-51.02%
FINANCIAL RESERVES AND RESERVED FUNDS	\$251,794	\$187,438	-\$64,356	-25.56%
<b>TOTAL ALLOCATIONS</b>	<b>-\$1,517,525</b>	<b>-\$2,234,770</b>	<b>-\$717,245</b>	<b>47.26%</b>

# 2022 Budget

SOMMARY OF BUDGET AS ADOPTED	2021	2022	Variation	
			\$	%
TOTAL REVENUES	\$12,020,928	\$13,155,498	\$1,134,570	9.44%
TOTAL EXPENSES	\$13,538,453	\$15,390,268	\$1,851,815	13.68%
TOTAL ALLOCATIONS	-\$1,517,525	-\$2,243,770	-\$717,245	47.26%
EXCESS	\$0	\$0		

# PTI 2022-2023-2024

## **Three-year programme of capital expenditures (PTI), A planning tool for future capital asset investment projects**

### **Principles:**

- A PTI presents the capital projects planned for the current and subsequent years.
- A capital asset project describes the acquisition of an asset or execution of major work in order to achieve an objective defined by the Council.
- The adoption of the PTI is not an authorization to spend nor a guarantee that a project will be realized.
- Each project must be adopted one by one and, depending on the case, may require the approval of qualified voters, before it goes ahead.

# PTI 2022-2023-2024

## **Three-year programme of capital expenditures (PTI), A planning tool for future capital asset investment projects**

### **Objectives:**

- Have a long-term view.
- Work progressively on several projects to be carried out according to predefined priorities.
- Optimize different forms of financing: working fund, public works reserve, parks fund and long-term borrowing.
- Seek out grants for update of infrastructure and equipment (aqueduct, sewers, road network, building, vehicles...).
- Ensure that municipal assets are safe, functional and match current and future needs.

# PTI 2022-2023-2024

## Breakdown of investments

BY YEAR	2022	2023	2024	TOTAL
Infrastructures – aqueduct	\$1,325,730	\$314,965	\$0	\$1,640,695
Infrastructures – sewers	\$1,328,485	\$0	\$0	\$1,328,485
Infrastructures – public security	\$0	\$0	\$300,000	\$300,000
Furniture	\$15,500	\$5,000	\$5,000	\$25,500
Machinery, tools	\$29,025	\$80,368	\$0	\$109,393
Computers and softwares	\$75,665	\$31,000	\$31,000	\$137,665
Infrastructures – roads	\$4,355,335	\$217,325	\$3,816,415	\$8,389,075
Buildings, land	\$178,795	\$6,300	\$509,200	\$694,295
Vehicles, equipment	\$220,535	\$78,745	\$0	\$299,280
Infrastructures – recreational	\$320,505	\$0	\$0	\$320,505
<b>TOTAL</b>	<b>\$7,849,575</b>	<b>\$733,703</b>	<b>\$4,661,615</b>	<b>\$13,244,893</b>



# PTI 2022-2023-2024

## Breakdown of investments by financing method

FINANCING METHOD	OPERATIONAL BUDGET	COLLECTIVE BORROWING BY-LAW	SECTOR BORROWING BY-LAW	WORKING FUND	TP RESERVE	GRANTS	SURPLUS	TOTAL 3 YEARS
Infrastructures – aqueduct			\$314,965			\$1,325,730		\$1,640,695
Infrastructures – sewers	\$3,150	\$1,004,960				\$320,375		\$1,328,485
Infrastructures – public security		\$300,000						\$300,000
Furniture	\$25,500							\$25,500
Machinery, tools	\$15,835			\$93,558				\$109,393
Computers and softwares	\$127,665			\$10,000				\$137,665
Infrastructures – roads		\$3,649,858			\$821,645	\$3,917,572		\$8,389,075
Buildings, land	\$31,500	\$498,700		\$120,000			\$44,095	\$694,295
Vehicles, equipment				\$299,280				\$299,280
Infrastructures – recreational				\$70,505			\$250,000	\$320,505
<b>TOTAL</b>	<b>\$203,650</b>	<b>\$5,453,518</b>	<b>\$314,965</b>	<b>\$593,343</b>	<b>\$821,645</b>	<b>\$5,563,677</b>	<b>\$294,095</b>	<b>\$13,244,893</b>



# PTI 2022-2023-2024

## Investment projects 2022

Aqueduct: Western street (north), pressure reducer village sector	\$1,325,730
Sewers: Western street (north), pump replacement at Sutton Jonction	\$1,328,485
Road network: Western street (north), North Sutton road, Draper, Schweizer and Vallée-Missisquoi	\$4,355,335
Buildings, land: securing of town hall , repairs of waste water treatment plant	\$178,795
Vehicles, equipment: replacement of 3 pick-up truck and a trailer (TP)	\$220,535
Computers, IP telephones, software acquisition	\$75,665
Tools: fuel meters, SSI-radios, pool robot, storage containers (2x)	\$29,025
Recreation: participatory budget, Gagné park repairs, park improvements, baseball scoreboard	\$320,505
Furniture: office furniture and acquisition of recycling islands	\$15,500
<b>TOTAL</b>	<b>\$7,849,575</b>