



2022 Budget

and
**Three-year Programme of
Capital Expenditures (PTI)
2022-2023-2024**

Table of contents



1. Financial situation
2. 2022 Budgetary guidelines
3. 2022 Budget
 - Tax rates, tariffs for services, residential tax bill
 - Revenue, expenses, allocations
4. 2022-2023-2024 Programme of Capital Expenditures (PTI)
5. Question period

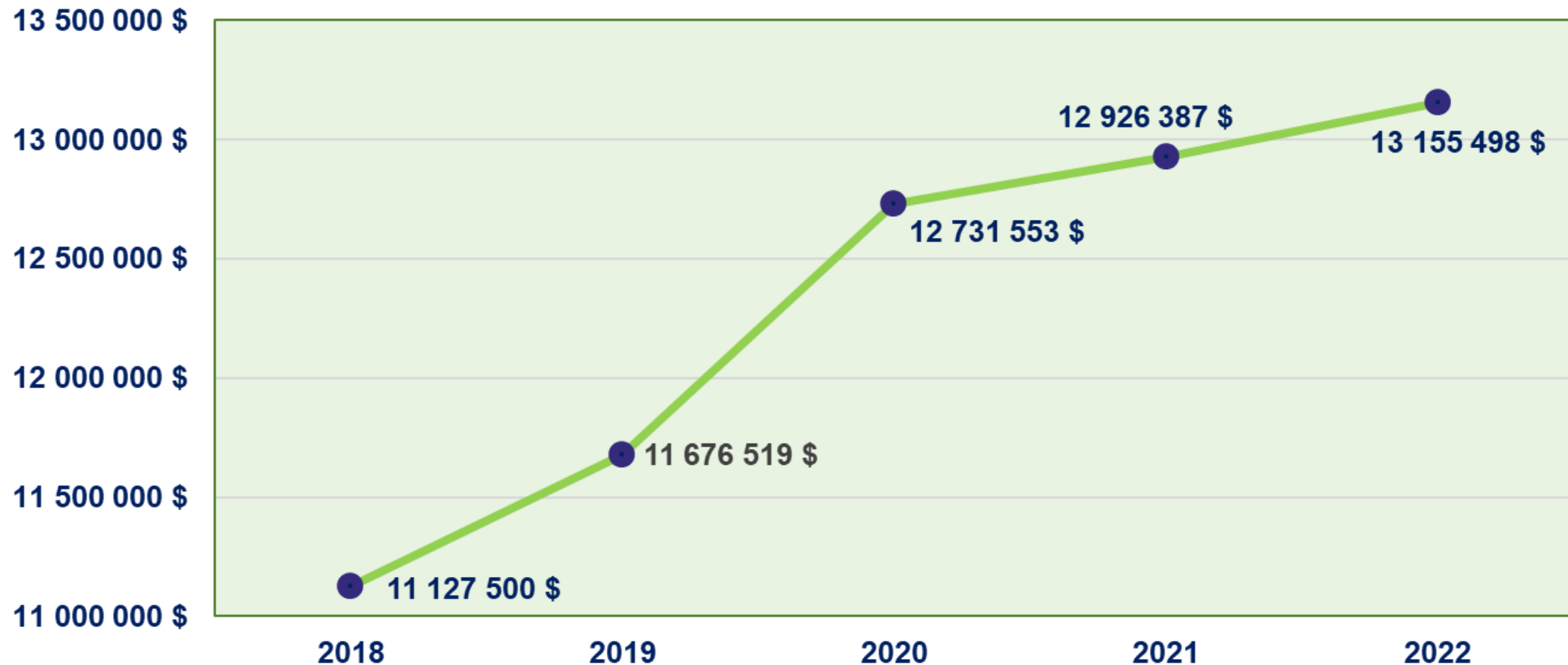
Financial situation

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

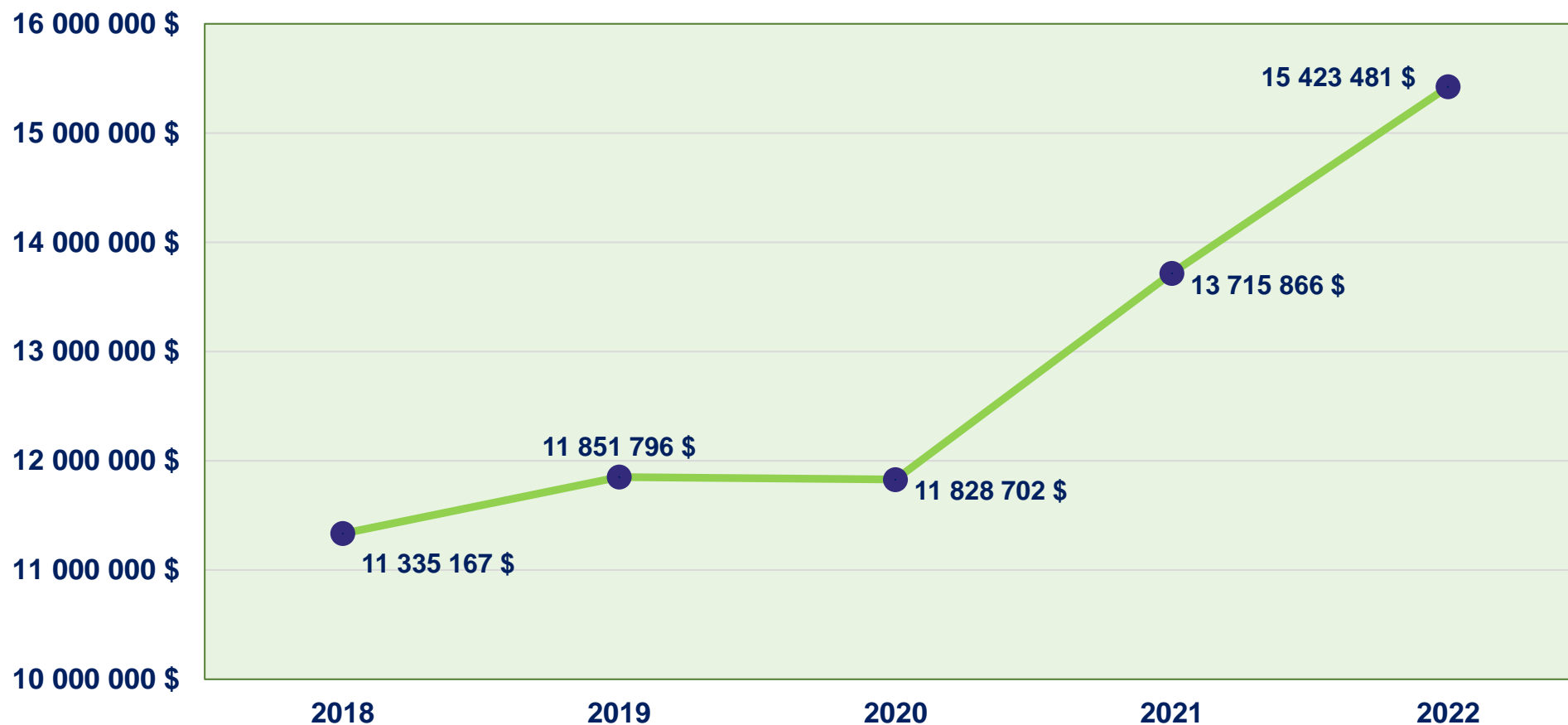
Financial situation

Progression of revenues



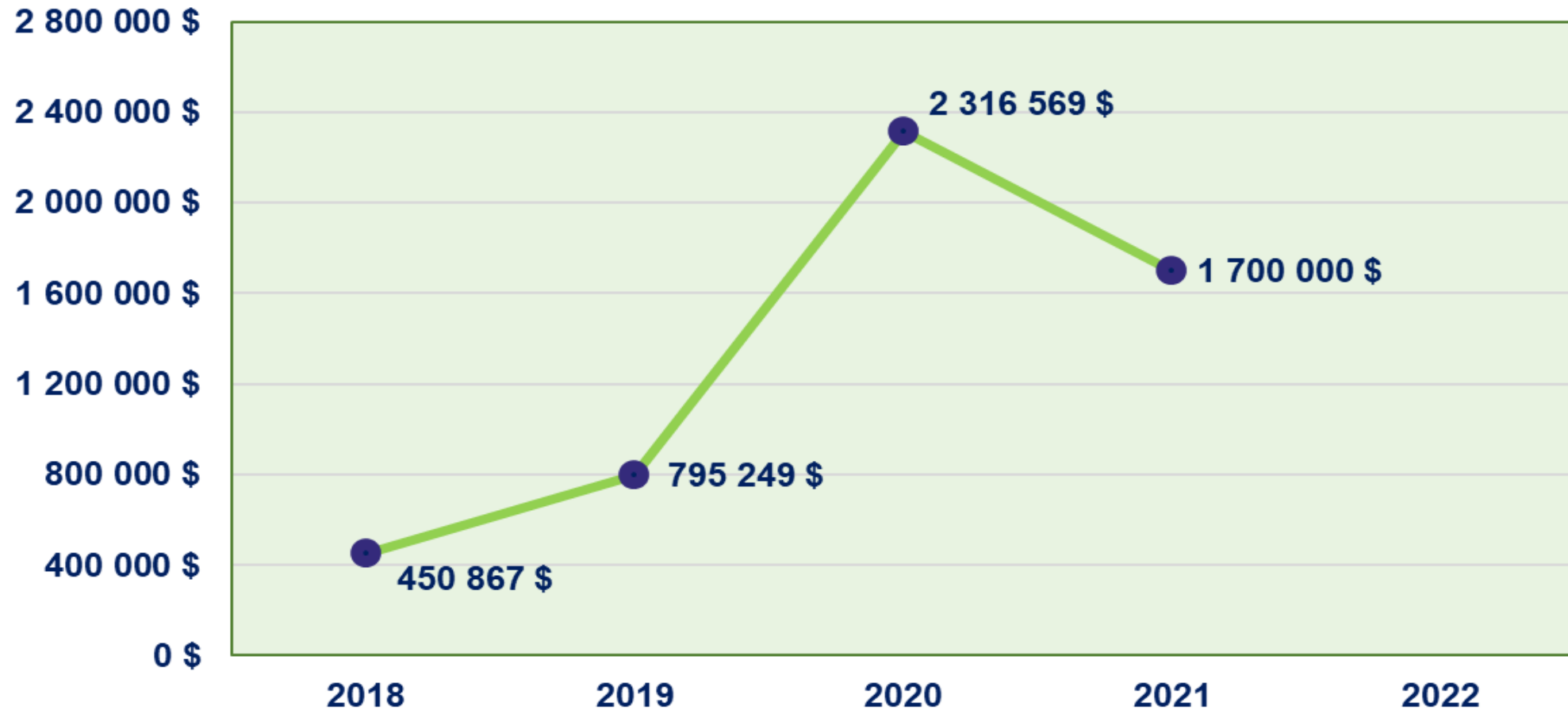
Financial situation

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 ²)	205.27	92.04	246.54
Inhabitants/km ²	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	2.95%
Sûreté du Québec:	\$1,378,680	+\$90,198	6.54%
Professionnal services:	\$711,694	+\$18,412	2.59%
Electricity costs:	\$241,885	+\$7,022	2.90%
Fuel costs:	\$377,655	+\$100 540	26.62%
Total payroll:	\$5,070,072	+\$1,330,607	26.24%
Communication costs:	\$171,627	+\$9,524	5.55%
Insurance:	\$189,020	+\$13,391	7.08%
Depreciation:	\$2,050,000	+\$150,000	7.32%
TOTAL :	\$12,295,920	+\$1,744,007	14.18%

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

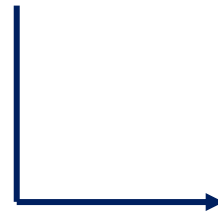
Total taxable values

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%
TOTAL TAXABLE VALUE	\$1,175,371,200	\$1,194,501,200	\$19,130,000	1.63%
*Role deposited September 15 th , 2020 ** Role deposited September 15 th , 2021				

Financial situation

Debt as of December 31, 2021

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



\$7,812,428.22	Collective Debt
\$956,109.74	Sectors Debt
\$8,768,537.96	TOWN'S TOTAL NET DEBT

RATIOS 2021	SUTTON	MRC	QUEBEC
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
Balance on books (11/14/21)		\$1,834,653	\$393,946	\$355,024	\$304,678		\$126,237	\$207,823
2022 Tax					\$382,240			
2022 Repayment				\$151,198				
2021 Surplus (estimate)		\$1,700,000						
Total		\$3,534,653	\$393,946	\$506,222	\$686,918		\$126,237	\$207,823
Financial commitment							\$31,152	\$31,443
2022 Budget		\$1,561,424	\$115,464	\$434,230	\$346,000			\$32,000
Total amount used		\$1,561,424	\$115 464	\$434,230	\$346,000		\$31,152	\$63,443
Unused amounts		\$1,973,229	\$278,482	\$71,992	\$340,918		\$95,085	\$144,380
Aqueduct			\$137, 319					
Sewage			\$61,226					
Septic tanks			\$79,937					
Total			\$278,482					

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: \$0.92 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.

Guidelines for 2022

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

2022 Budget

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 (%)
GENERAL PROPERTY TAX			
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%
SPECIAL TAXES			
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%
TOTAL RESIDUAL MATERIALS COLLECTION	\$149.90	\$208.00	\$58.10	38.76%
AQUEDUCT SERVICE (WATER)	\$192.00	\$192.00	\$0	0%
SEWER SERVICE	\$94.00	\$116.00	\$22.00	23.40%
EMPTYING OF SEPTIC TANKS SERVICE	\$92.00	\$92.00	\$0	0%



2022 Budget

Tax simulation for a property of average evaluation

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



2022 Budget

Tax simulation for a property of average evaluation

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

2022 Budget

Tax simulation for a property of average evaluation

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

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%
TOTAL REVENUES	\$12,020,928	\$13,155,498	\$1,134,570	9.44%



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%
TOTAL EXPENSES	\$13,538,453	\$15,390,268	\$1,851,815	13.68%

2022 Budget

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%
TOTAL ALLOCATIONS	-\$1,517,525	-\$2,234,770	-\$717,245	47.26%

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
TOTAL	\$7,849,575	\$733,703	\$4,661,615	\$13,244,893

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
TOTAL	\$203,650	\$5,453,518	\$314,965	\$593,343	\$821,645	\$5,563,677	\$294,095	\$13,244,893

PTI 2022-2023-2024

Investment projects 2022

Aqueduct: Western street (north), pressure reducer village sector	\$1,325,730
Sewers: Western street (north), pump remplacement 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
TOTAL	\$7,849,575

Question time

