

Highlights of the Financial Report and Auditors' Report for the Town's fiscal year 2017

June 12, 2018

Citizens of the Town of Pincourt,

Pursuant to section 105.2.2 of the *Cities and Towns Act*, but also and primarily with a view to ensuring transparency and keeping citizens informed, I am pleased to bring you the highlights of the financial report and auditors' report for the Town's fiscal year 2017, as produced by the firm Goudreau Poirier, hired by the Town for that purpose.

As a result of the sound administration of the budget and the rigorous oversight of procurement, projects and asset management within both the Town Council and the municipal government itself, we ended 2017 with a surplus on the order of \$2,874,849.

This surplus is primarily associated with the following budget items:

Property transfer taxes ("welcome tax")	\$364,308
Repayment of sums overpaid to the Sûreté du Québec (SQ)	\$139,158
Accumulated surplus in CIT La Presqu'île operations	\$258,518
Higher bank interest	\$74,245
Lower interest on debt refinancing	\$99,085
Commercial property taxes	\$151,499
Other sources	\$1,788,036
TOTAL	\$2,874,849

In light of the preceding information, the Council decided that the contingency reserve for SQ billable fees would be increased by \$139,158 to provide for anticipated increases in the coming years, so that they can be absorbed more gradually. In addition, the amount of \$538,870 was put aside for 2017 budget commitments which are uncompleted or in progress. The net amount of the available balance for the surplus is therefore **\$2,196,821**.

The Town Council will look into the use of the available surplus and announce its decision in the coming weeks, but certain avenues are already under consideration, such as a \$400,000 increase in our working capital (bringing it to \$2,750,000), injecting additional sums in already-announced projects in order to contain or reduce the impact on debt servicing, and with that same goal in mind, full or partial cash payment for certain capital purchases.

As of December 31, 2017, excluding the year-end surplus, we disposed of the following reserves to ensure the sustainability of Town infrastructure, control the debt and continue work on various projects:

Reserves for lowering debt servicing costs:

Reserve for R817 annuities until 2019	\$197,586
Reserve for R817 repayment in 2019	\$1,882,141
Reserve for debt-servicing repayment:	\$1,161,000
TOTAL	\$3,240,727

Contingency reserves:

Reserve for SQ service billing:	\$303,843
Reserve for public transit:	\$487,530
Reserve for legal fees:	\$67,469
Reserve for insurance claims:	\$18,000
Equity reserve:	\$350
TOTAL	\$877,192

Commitment reserves:

2014	\$39,929
2015	\$47,583
2016	\$202,251
2017	\$461,946
TOTAL: \$751 709	

MDDEP reserve	\$467
Reserve for doubtful accounts	\$77,585
Reserve for professional and legal fees	\$150,000

Project execution reserves:

Infrastructure repairs:	\$912,600
Park and playground investment projects (excl. the Fonds Fiducie Parcs fund):	\$160,485
Building and urban furniture maintenance:	\$214,828
IT and network improvements:	\$56,108
Special projects:	\$298,500
TOTAL	\$1,642,521
TOTAL GLOBAL	\$6,740,201

The municipal government's long-term debt is \$18,171,459 and, including our share of the debt of the Régie de l'eau de l'Île Perrot, the Montréal Metropolitan Community, the Réseau de transport métropolitain and the Vaudreuil-Soulanges Regional County Municipality, our long-term total net debt stands at \$24,056,091. According to the Ministère des Affaires municipales et de l'Occupation du territoire (MAMOT), the Town of Pincourt's debt level is below average and, in addition, very far from the threshold considered to be critical.

We are working with our colleagues at the Union des municipalités du Québec to pressure the Québec government to carry out a full, in-depth reform of municipal tax rules so as to preserve the Town's good financial health, which we have achieved as a result of important decisions that have had an impact on the community. We do not wish to relive a situation like the one we experienced, and it is therefore essential for the Town to be able to count on new sources of funding in order to maintain the quality and nature of the services provided to residents, without increasing the tax burden on our citizens. We have put in place policies that promote healthy lifestyles for our citizens; now it is the government's turn to adopt sound budget policies to ensure that the burden placed on taxpayers is in line with their ability to pay rather than total needs, over which we do not have complete control despite being recognized as a "local government."

Our accomplishments in 2017

The year 2017 was rich in investments and achievements of all sorts. Here are some examples:

- Repairs to Northcote, Watson and Laflèche streets and 19th Avenue
- Resurfacing of 3rd Boulevard and 6th and 17th avenues
- Improvements to the Town Hall entrance and bathrooms to make them accessible for individuals with reduced mobility
- New play structures in various parks, including a training circuit and a footpath at Taillon Park
- Creation of a garden at École secondaire du Chêne-Bleu
- Repairs to the Bellevue Park tennis courts
- Purchase of parent-child swing sets
- Rehabilitation of the Office municipal d'habitation community gardens
- Installation of bus shelters

- Maintenance of the Agence métropolitaine de transport parking lot
- Purchase of equipment to make the St. Patrick Elementary School student walkway safer
- Purchase of fleet maintenance vehicles for use by Public Works, first responders and the Fire Department
- Replacement of the Omni-Centre heating and air-conditioning unit
- Prevention activities during spring flooding

Projects under development

The biggest project currently in the works, reconstruction of Duhamel Road, will start as soon as the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques issues the necessary permits. I would like to reiterate that the Town is taking advantage of the federal-provincial TECQ program, which will provide just over \$4 million in financial assistance for the project.

In addition, we intended to go ahead with the construction of a brand-new municipal building that would have housed the new municipal workshops and shared spaces used by both the fire station and the municipal workshops, generating economies of scale on construction costs. This infrastructure was to have been funded under the fifth component of the PIQM program set up by the Québec government. However, our innovative approach, which brought together the Town's Public Works and Infrastructure Department and the Emergency and Fire Protection Department in a single building, was not approved by the MAMOT or the Ministère de la Sécurité publique, and we will therefore have to pay the construction costs ourselves. The existing municipal garage, built in 1970 for the needs of the day, will be maintained and used as storage space for our equipment and vehicles, most of which are always outside and suffer from their over-exposure to the elements. However, a budget whose exact amount is yet to be determined is available for an expansion and upgrading of the fire hall, which also needs urgent work.

In conclusion

The Town of Pincourt's finances are in very good shape. Elected officials and the municipal government are pursuing their shared vision: to offer citizens a wide range of services thanks to solid infrastructure and a vibrant and enriching program of recreational activities, with the aim of maintaining Pincourt's quality of life.

Yvan Cardinal
Mayor