



MAYOR'S REPORT ON THE FINANCIAL POSITION OF THE TOWN OF MONTREAL WEST

I am pleased, as Mayor, to report on the financial position of the Town of Montreal West. The Financial Statements for 2019 were presented at the Council Meeting of April 27. The external auditor gave an unqualified opinion, meaning that the statements accurately reflect the financial situation of the Town with no exceptions or concerns. The results showed an operating surplus of \$462,813 which is 2.9% of our total budget.

Revenues were \$738K over budget, and accounted for the vast majority of the surplus. This included:

- additional revenue of \$237K from Recreation for day camp, pool and other programmes
- an additional \$226K in duties on transfers due to the increase in the sales of homes
- an additional \$89K in interest due mainly to a new agreement with the bank
- government grants \$85K over budget due to the successful recycling program and the obtaining of several new grants
- permit fees \$69K higher than estimated due to building and snow-clearing permits and dog licences
- an additional \$35K in Town Hall revenues resulting mainly from film rentals.

On the Expense side, total operating expenses were \$275K over budget. Savings were realized in the following areas:

- \$371K in administrative expenses due mainly to the cancellation of a provision for grievances
- \$138K in remuneration as a result of employees' absences due to various leaves
- \$89K in interest expense due to more favourable interest rates and a decrease in borrowing
- \$84K in public hygiene due to a decrease in the purchase of water and costs related to water breaks
- \$24K in Building Inspection due to the savings on consultant fees

These savings were offset by additional expenses incurred in the following areas:

- an additional \$663K in Capital expenses as part of the Pay-as-you-go (PAYG) financing (see details below)
- an additional \$182K in snow clearing costs due to the high volume of snow
- an extra \$74K in Recreation expenses related to additional expenses due to higher registrations and the revision and resubmission of the arena grant to enhance sustainability elements
- \$54K more for capital reimbursement due mainly to advance reimbursement of the working fund

In 2019, the Town continued with its Pay-as-you-go (PAYG) financing of capital projects from the operating fund. Council prefers to do this, when possible, rather than incurring more debt to pay for these projects. This totalled \$663K and included:

- partial financing of infrastructure project on Wolseley \$380K



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- purchase of sidewalk tractor \$86K
- LED street light replacements \$62K
- arena renovations \$58K
- Westminster beautification project \$56K
- pool sandblasting \$15K
- air conditioning for server room \$6.5K

In addition to this, and continuing with our infrastructure renewal program, a major capital investment of \$2.64M was spent on road and water infrastructure work on Wolseley and Crestwood.

Thanks to our PAYG program, use of prior surplus accounts and government grants, the Town had an increase of \$3.3M in capital assets in 2019, while our net debt decreased \$291K. At year end, our net debt stood at \$13.3M, with an unappropriated operating surplus of \$2.2M. The auditor pointed out that over the past five years, the Town has been able to make capital investments of \$12.3M, while actually *decreasing* its net debt.

All the above strategies regarding capital investments, infrastructure renewal and debt management are in accordance with the Town's Strategic Financial Plan which helps guide Town Council and the administration in setting financial priorities and managing risk. Council wishes to express its appreciation to our Treasurer, Valentina Todoran as well as our DG and all our Directors for their careful management of the Town's budgets and finances.

Full details of the financial results can be found on the website under the Finance and Administration tab.

Beny Masella
Mayor

Colleen Feeney
Councillor, Finance, Administration, Human Resources and Urban Planning