



HAMPSTEAD

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MAYOR'S ANNUAL REPORT HIGHLIGHTS OF THE 2020 FINANCIAL REPORT

**Presented by
Mayor WILLIAM STEINBERG**

Tabled at the Hampstead Council meeting
On July 5th, 2021

PRESENTATION

In compliance with Article 474.1 of the *Cities and Towns Act* it is my pleasure to present the annual report on the financial situation of the Town of Hampstead. This report includes:

- I. Highlights of the 2020 Financial Statements
- II. Three-year program of capital expenditures

I) HIGHLIGHTS OF THE AUDITED 2020 FINANCIAL STATEMENTS

Unrestricted operating surplus

Per the 2020 Financial Statements, the Town had a net surplus of \$3.019M originating from the following main Operational sources:

1. \$1.004M Covid-19 Grant received from MAMH
2. \$1M Budgeted reverse for infrastructures projects
3. \$195 thousand - Favorable results for property transfer duties
4. \$134 thousand- Reimbursement from Montreal for Covid-19 related expenses.
5. \$99 thousand- Cost of building permits (2020 increase in construction projects)

This amount was added to the previous accumulated surplus of \$5.989M. After putting aside about \$2.085M in various reserve funds and other adjustments. The overall unrestricted operating surplus was \$7.302M (including working fund and balance of closed – loan by- laws) which is very healthy.

Long-term debt

At the end of 2020 the Town of Hampstead's debt stood at \$5.839M (2019 = \$6.586M). See appendix 1 for estimated capital payments on long-term debt. Total net debt on standardized land wealth (RFU) is 0.93% which is very low.

Capital expenditures

As the restoration and maintenance of our infrastructure remains one of the top priorities, capital expenditures in 2020 totalled \$2.300M and spanned a variety of different projects, mainly for infrastructure rehabilitation (roads and sidewalks, tools, machinery & equipment). See appendix 2 for details of the 2020 capital expenditures.

As of today and in terms of net book value, we have invested no less than \$ 27.80M in various projects to improve our city and make it a better place to live.

The principal areas were:

1. \$10.91M on roads/sidewalks
2. \$10.24M on water/sewers and other infrastructure
3. \$2.45M on vehicles & equipment

Overall, the 2020 financial results indicate that the Town has fulfilled its commitments with respect to the budget adopted and finished the year with an operating surplus of \$3.019M, and this, with the local tax increase below inflation at 1.9% for the average single-family home owner.

II) THREE-YEAR PROGRAM OF CAPITAL EXPENDITURES

The principal investments planned in the current three-year capital expenditures program reflect our desire for a diverse and vibrant development of the Town. The details of the 2021-2022-2023 capital expenditures program are evolving. Results from the recent Leger survey show strong support for a Civic Centre (with no local tax increases above inflation) and for up zoning CSL Road to allow 10 storey buildings. There is no money currently set aside for a Civic Centre but this can become a reality with new revenue from higher buildings on CSL Road, our healthy surplus of over \$7 million, and possible grant money. Given that we have the lowest long-term debt of similar size towns on the island and the current low interest rates, we should be able to borrow for part of the cost and the new revenue from new developments on CSL Road will cover our debt service costs with no local tax increases above inflation.

While a Civic Centre would be the jewel in the Town, we will also be investing in several other areas as we always do. This year, Hampstead has continued the infrastructure renewal program, focussing on roads, sidewalks and sewer rehabilitation, as well as, new vehicles, machinery and street lighting among other expenditures. Financing for these projects came principally from grants and accumulated surplus.

As in past years, the rejuvenation of our vehicle fleet, roads, sidewalks, street lights, park facilities, computer hardware/ software, as well as, various machinery and equipment allow for an enhanced efficiency of operations and a more attractive town.

CONCLUDING REMARKS

As shown in this report the financial health of the town is excellent. I remain confident that we will keep local tax increases below inflation as we have for the past 14 years. In addition, we plan to keep moving and introducing several Smart City initiatives. Depending on grants or other funding and what happens on CSL Road, we may proceed with a new Civic Centre within a few years.

In order to increase knowledge of and accessibility to municipal management, we are continuing to develop our communication tools and approaches. Please rest assured that we will spare no effort to ensure that Hampstead remains a peaceful, happy, healthy, and safe community. Let us continue to build a better tomorrow, together. On behalf of the Town Council I sincerely thank you for your support.

And last but not least, the success of this Town is built on the contributions and hard work of its employees. I take this opportunity to emphasize the work of all our Town employees, the able employees at Town Hall, the blue collars who maintain our streets and parks, the Recreation staff for our programs, and our Public Security Agents who keep our Town safe. I thank them all for making Hampstead the wonderful community that we enjoy so much.

Mayor Bill Steinberg

APPENDIX 1

Estimated payments on long-term debt:

<u>Maturity</u>	\$
2021	768 500
2022	699 300
2023	715 400
2024	731 700
2025	748 000
2026 and +	<u>2,175 600</u>
TOTAL	5,838,500
GRANTS TO BE RECEIVED	<u>(983 954)</u>
TOTAL NET LONG-TERM DEBT	4,854,546

Note: The numbers are based on the 2020 financial statements as of December 31, 2020. At the end of 2020, the long-term debt had been decreased by 61.4% in the last decade, due to accelerated long-term debt repayment with surplus appropriations.

APPENDIX 2

Summary of 2020 capital expenditures

CATEGORY	PROJECT	AMOUNT
Information tech. & Furnitures	Hardware- computers & server; Furnitures	83 336
Municipal installations	Town Hall, CSR & PW building renovations	30 581
Infrastructure rehabilitation	Other infrastructures	5 223
	Roads & sidewalks	1 600 820
Vehicles and equipment	Tools, machinery & equipment	325 293
	Vehicles	254 870
	CAPITAL INVESTMENTS	2 300 123