



# HAMPSTEAD

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## MAYOR'S ANNUAL REPORT HIGHLIGHTS OF THE 2021 FINANCIAL REPORT

**Presented by  
Mayor JEREMY LEVI**

Tabled at the Hampstead Council meeting  
On August 1st, 2022

## **PRESENTATION**

In compliance with Section 105.2.2 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 2021 Financial Statements
- II. Three-year program of capital expenditures

### **I) HIGHLIGHTS OF THE AUDITED 2021 FINANCIAL STATEMENTS**

#### *Unrestricted operating surplus*

Per the 2021 Financial Statements, the Town had a net surplus of \$2.591M originating from the following main Operational sources:

1. \$987 thousand - Favorable results for property transfer duties
2. \$655 thousand budgeted reserve for infrastructure
3. \$597 thousand for using surplus to pay down debt
4. \$284 thousand- Cost of building permits (2021 increase in construction projects)

This amount was added to the previous accumulated surplus of \$6.923M. After putting aside about \$3.572M in various reserve funds and other adjustments. The overall unrestricted operating surplus was \$6.308M (including working fund and balance of closed – loan by- laws) which is very healthy.

### *Long-term debt*

At the end of 2021 the Town of Hampstead's debt stood at \$4.473M (2020 = \$5.839M). See appendix 1 for estimated capital payments on long-term debt. Total net debt on standardized land wealth (RFU) is 0.92% which is very low.

### *Capital expenditures*

As the restoration and maintenance of our infrastructure remains one of the top priorities, capital expenditures in 2021 totalled \$1.938M and spanned a variety of different projects, mainly for infrastructure rehabilitation (roads and sidewalks, tools, machinery & equipment). See appendix 2 for details of the 2021 capital expenditures.

As of today and in terms of net book value, we have invested no less than \$ 28.179M in various projects to improve our city and make it a better place to live.

The principal areas were:

1. \$12.852M on roads/sidewalks
2. \$9.774M on water/sewers and other infrastructure
3. \$2.416M on vehicles & equipment

Overall, the 2021 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 \$2.591M, and this, with the local tax increase below inflation at 1.35% for the average single-family home owner.

## **II) THREE-YEAR PROGRAM OF CAPITAL EXPENDITURES**

In November 2021, I participated in the preparation of the three-year Capital Expenditures Program.

The Capital Budget is a planning document which provides strategic orientation to the Town's development over a period of three years. The aim is to target projects, from a limited pool of resource, which will maximize improvements and returns.

In 2022, Hampstead, like all municipalities, is hampered by the aftereffects of the pandemic. Projects are slower to commence, suffering from supply delays and generally more costly to execute.

Nevertheless, we have allocated 1.5 million dollars for the rehabilitation of the sewers. About \$1 million is allocated for roads and sidewalks. The projects are financed by government grant and surplus.

Other projects included Playground improvements, Pool equipment upgrades, benches, and urban furniture renewals.

The Tennis Reconstruction was a carry-over project from the previous administration and, the work will be completed in late summer, though at additional costs.

Aging Public Works vehicles and equipment will be replaced on a priority basis and electric vehicles will be ordered whenever is available.

The Town of Hampstead has always worked to rejuvenate our infrastructure, road network, streetlights, parks, and greenspace. The aim is to add value to the Town by enhancing its attractiveness and in providing the best value for the high-quality municipal services sought after by discerning residents.

To achieve this goal, I have a Team of elected councillors with different expertise and knowledge to contribute to the sound governance of Hampstead.

More importantly, we now have a united council where ideas are pooled, analysed, formulated into action plans, and implemented, in close collaboration, by all the elected officials.

We also rely on an excellent cadre of municipal employees whose dedication, experience and professionalism contributed greatly to the excellent level of service enjoyed by all.

## **CONCLUDING REMARKS**

The financial health of the Town of Hampstead is in excellent state. This was presented in the audited Financial Statements and supplemented by the information provided in this report. Hampstead has a solid fiscal structure, with low tax increases and the robust municipal organisation is equipped by well-qualified professionals and experienced employees.

The key Hampstead goal to provide the best personalized municipal service in response to the needs of our community.

To achieve this, Hampstead has adopted many strategies and implemented numerous initiatives.

For instance, we have enhanced the Public Security from a by-law enforcement department to become a multi-functional citizen-interface service. PS also now fulfills an important complement to other municipal operations while, always maintaining the overall security responsibility to protect our community.

Road safety is another area of concern and, speeding-control, better road signs and closer collaboration with the local police are deployed this Spring.

Hampstead will also be environmentally oriented this mandate with a strategy to replace our gas-powered tools and many of our town vehicles with electric ones. Other projects may include the planting of different vegetations to protect nature –milkweed for the Monarch Butterflies may be a worthwhile endeavour.

We also started a massive water quality test program to ensure that the population is not exposed to contaminants in the portable water.

Better community communications are promoted with an open information platform on the website, social media and direct mailing will be emphasized. An unprecedented direct lien with our tenant's population is in the form of a Tenants Forum with meetings attended by elected officials.

Measures have been implemented to allow a peaceful and tranquil time during the summer vacation period. A pilot project was enacted to ban noisy construction projects for the month of August.

As Mayor, I pledge to protect and enhance our community identity, while simultaneously be open and welcoming to all who wish to call Hampstead home. This Town is unique in many ways but excellent service, community spirit and cohesiveness will always distinguish Hampstead. These attributes will safeguard our Town to remain a premier neighbourhood of choice for those who wish to be part of a happy, healthy, and progressive society.

Mayor Jeremy Levi

## APPENDIX 1

### Estimated payments on long-term debt:

| <u>Maturity</u>                 | \$               |
|---------------------------------|------------------|
| 2022                            | 585 800          |
| 2023                            | 599 000          |
| 2024                            | 612 300          |
| 2025                            | 625 600          |
| 2026                            | 639 200          |
| 2027 and +                      | <u>1,410 800</u> |
| <b>TOTAL NET LONG-TERM DEBT</b> | <b>4,472,700</b> |

Note: The numbers are based on the 2021 financial statements as of December 31, 2021. At the end of 2021, the long-term debt had been decreased by 71.5% in the last decade, due to accelerated long-term debt repayment with surplus appropriations.

## APPENDIX 2

### Summary of 2021 capital expenditures

| CATEGORY                       | PROJECT                                  | AMOUNT           |
|--------------------------------|--|------------------|
| Information tech. & Furnitures | Hardware- computers & server; Furnitures | 43 701           |
| Municipal installations        | Town Hall, CSR & PW building renovations | 26 950           |
|                                |  |                  |
| Infrastructure rehabilitation  | Other infrastructures                    | N/A              |
|                                | Roads & sidewalks                        | 1 556 897        |
| Vehicles and equipment         | Tools, machinery & equipment             | 137 414          |
|                                | Vehicles                                 | 173 225          |
|                                | <b>CAPITAL INVESTMENTS</b>               | <b>1 938 187</b> |