



HAMPSTEAD

www.hampstead.qc.ca

MAYOR'S ANNUAL REPORT HIGHLIGHTS OF THE 2022 FINANCIAL REPORT

**Presented by
Mayor JEREMY LEVI**

Tabled at the Hampstead Council meeting
On July 5th, 2023

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 2022 Financial Statements
- II. Three-year program of capital expenditures

I) HIGHLIGHTS OF THE AUDITED 2022 FINANCIAL STATEMENTS

Unrestricted operating surplus

Per the 2022 Financial Statements, the Town had a net surplus of \$3.993M originating from the following main Operational sources:

1. \$1.534M – From the sale of vacant land
2. \$313 thousand Favorable results due to the increase in bank interest
3. \$302 thousand from Montreal COVID refund; in/out offset sidewalk and service connection.
4. \$171 thousand- Cost of building permits (2022 increase in construction projects)
5. \$154 thousand-regular yearly Building modifications

This amount was added to the previous accumulated surplus of \$5.942M. After putting aside about \$3.354M in various reserve funds and other adjustments. The overall unrestricted operating surplus was \$6.733M (including working fund, reserve for elections and balance of closed – loan by- laws) which is very healthy.

Long-term debt

At the end of 2022 the Town of Hampstead's debt stood at \$3.887M (2021 = \$4.473M). See appendix 1 for estimated capital payments on long-term debt. Total net debt on standardized land wealth (RFU) is 0.83% which is very low.

Capital expenditures

As the restoration and maintenance of our infrastructure remains one of the top priorities, capital expenditures in 2022 totalled \$3.822M and spanned a variety of different projects, mainly for infrastructure rehabilitation (roads and sidewalks, tools, machinery & equipment, Tennis project). See appendix 2 for details of the 2022 capital expenditures.

As of today and in terms of net book value, we have invested no less than \$ 30.153M in various projects to improve our city and make it a better place to live.

The principal areas were:

1. \$13.281M on roads/sidewalks
2. \$9.371M on water/sewers and other infrastructure
3. \$3.204M on Parks and Playground
4. \$2.238M on vehicles & equipment

Overall, the 2022 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 \$3.993M, and this, with the local tax at 3% for the average single-family home owner.

II) THREE-YEAR PROGRAM OF CAPITAL EXPENDITURES

In November 2022, 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.

The Three-year project will cover 2023 – 2025 inclusively.

In 2023, Hampstead, is coming out of the aftereffects of the pandemic. However, projects are still slower to commence, there are still supply delays and definitely more costly to execute.

Nevertheless, we have allocated 3.349 million dollars for sewer and water main rehabilitations. About \$1.25 million is allocated for roads and sidewalks. These projects are mostly financed by government grant and surplus.

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

The Tennis Reconstruction was completed in May 2023, in time for the Open House The work, though costing more than the original budget, was still less than the worst-case estimate. The actual expenditure, including all work, materials and the tennis reception improvements was be determined by our accountant later this year.

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.

I command a Team of dedicated professional staff, with different expertise and knowledge, to achieve the myriad goals set by me and the elected council.

2022 was a year of consolidation. I have fostered unity among the councillors, changed portfolio assignments to better reflect individual attributes and knowledge and, more importantly, to concentrate on delivering quality services to the homeowners and tenant-residents of Hampstead.

We were the first to legislate for the protection of our tenants – to guard against renoventions by ensuring that the tenants would be treated fairly when losing their lodgings from legitimate work.

The recent snowstorm demonstrated that the Hampstead municipal workers are a force we could all rely on during a time of crisis and needs.

The Town of Hampstead has, over the years, groomed and maintained a dedicated group of municipal employees. They help protect the Town, repair our infrastructures, provide timely service and contribute to the high level of service enjoyed by all.

CONCLUDING REMARKS

The financial health of the Town of Hampstead is in excellent state.

This was confirmed in the audited 2022 Financial Statements and supplemented by the information provided in this report.

For 2022, Hampstead realized another operating surplus of \$3.993M. More significantly, the Hampstead debt ratio at 5.46% is the lowest among Québec municipalities of the same size. The provincial average is 15.92%. Hampstead has a solid fiscal structure, with low tax increases and the robust municipal organisation is a going concern sustained by well-qualified professionals and experienced employees.

The Hampstead goal is 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.

The Public Security department continues its transformation from a by-law enforcement department to become a multi-functional citizen-interface service. Public Security is now integrated with the other departments in delivering high level of complementary service for efficient snow removal, building by-law compliance verifications, application of the noise and cleanliness standards plus providing expert security monitoring at our synagogues and community events.

The Town is in close collaboration with the SPVM in matters of crime-prevention, road-speed control, better traffic calming and flow.

Hampstead will continue to be environmentally oriented this mandate. We have replaced many of our gas-powered equipment with electric ones and we will look into Urban Planning strategies to devise incentives for the building of greener homes.

We will continue to diversify the urban forest and plantations in our green spaces. The Monarch butterflies has been classified as endangered and our Milkweed patches planted last year, will continue to provide them with shelter and sustenance.

In 2022, the Town carried out a massive water-quality test program to ensure that the population is not exposed to contaminants and lead in the portable water.

The Lead Water testing program will be extensively deployed in 2023 with the complete testing of ALL the homes in Hampstead.

There is also a lead water-pipe replacement program where the Town will replace lead pipes supplying water to your home. You are responsible to replace the lead pipe, if any, on the resident's side of the water line. There will be extensive excavations and replacements all through 2023. The health protection will far out pace the cost and the inconvenience.

Better community communications are promoted with an open information platform on the website, social media and direct mailing will be emphasized. Whenever a significant by-law amendment is proposed, the Town will provide full information and will host information meetings and "Town Hall" meetings to disseminate information and to receive feedback from residents.

We continue a direct lien with our tenant's population via a Tenants Forum with meetings attended by elected officials.

Temporary measures and a Pilot Project were implemented to allow a peaceful and tranquil time during the previous summer vacation period. The By-Law is now in effect to ban noisy construction projects for the summer.

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 always place our Town as 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>	\$
2023	599 100
2024	612 400
2025	625 600
2026	639 200
2027	408 900
2028 and +	<u>1,001 700</u>
TOTAL NET LONG-TERM DEBT	3,886,900

Note: The numbers are based on the 2022 financial statements as of December 31, 2022. At the end of 2022, the long-term debt had been decreased by 74.2% in the last decade, due to accelerated long-term debt repayment with surplus appropriations.

APPENDIX 2

Summary of 2022 capital expenditures

CATEGORY	PROJECT	AMOUNT
Information tech. & Furnitures	Hardware- computers & server; Furnitures	5 536
Municipal installations	Town Hall, CSR & PW building renovations	101 461
Infrastructure rehabilitation	Other infrastructures	57 292
	Parks and playgrounds	2 200 924
	Roads & sidewalks	1 268 383
Vehicles and equipment	Tools, machinery & equipment	181 761
	Vehicles	6 824
	CAPITAL INVESTMENTS	3 822 181