

Speech of the Mayor of WATERLOO on the financial SITUATION of the Town.

December 5, 2017

Dear citizens,
Fellow members of the city Council,
ladies and gentlemen,

I have the privilege of presenting to you the balance of the financial situation of the town of Waterloo. My report will deal with the following topics: The financial report for the year 2016; The forecast for the current fiscal year. The main guidelines for the fiscal year 2018, the triennial fixed assets program 2018-2019-2020; and the remuneration and allowances of the members of the Council.

Financial statements and auditor's report as at December 31, 2016 according to the Canadian Accounting Standards in force for the public sector, the financial statements were audited by an independent auditor, in this case, the firm Raymond Chabot Grant Thornton. The report concludes:

«In our view, the financial statements give, in all their significant aspects, a true picture of the financial situation of the city of Waterloo as at December 31, 2016, as well as the results of its activities, the variation of its assets NET financial (net debt) and cash flows for the year ended on that date, in accordance with Canadian Accounting standards for the public sector»

The report was also publicly presented at the ordinary meeting of the municipal council on May 2, 2017. The full version of the report is available for consultation at the registry office.

Fiscal year 2016 cleared a surplus of \$757 118. The unrestricted surplus is of \$1 134 841.

Financial reserves of \$933 042 are included in the financial statements and are in the following key areas:

- Budget 2017: \$512 900
- working capital: \$216 205
- Available Balance: \$18 882
- Municipal Court: 52 85 \$7
- Reserve Parks fund: \$102 198
- Sewage sludge disposal: 30 000

As at December 31, 2016, our total debt was \$14 035 000 and is comprised of the overall debt that encompasses all taxpayers for an amount of \$ 8 036 872 compared to \$ 7 379 578 in 2015. The other portion which includes the sectoral debt, but refunded, capital and interest, by the Government and another third party was \$ 5 998 128 (Sectoral taxes \$2 833 483 and government debt \$3 164 645), other debt to the total of \$675 286 for the replacement of street lighting.

Forecast of current fiscal year (year 2017)

In year 2016, 630 permits for a total value of \$10,432,187 were issued. This year, as of November 29th, 2017 we notice a significant improvement, especially in the 2nd half of the year with a total of 644 building permits, renovations and other for a total value of \$12,801,014.

With respect to investment activities, a number of projects were completed for an approximate amount of \$3 250 000. This is the resurfacing of streets Des Cèdres, Des Plaines and Shaw, also Gévry Street, work in the area of the Pré-Sec street, the city has set up a subsidy program for the replacement of a standard toilet with a low-flow toilet and Rainwater Recovery barrel, blue-green patrol, Trotibus, construction of a sanitary building at Wilfrid-Hémond Park, among others.

The debt that affects all taxpayers will be \$8 444 957. For its part, the sectoral debt that is reimbursed capital and interest by the Government or another third party, will be \$6 777 543 (Sectoral debt \$2 766 864 and government debt \$4 003 679) which should bring the total anticipated debt for 2017 to \$15 215 200. The debt for the replacement of street lighting will be \$646 895.

We expect to maintain the same level of investment for infrastructure updating for the next few years.

Since the year 2014, the city Council, supported by its employees and tourism Waterloo, has been working with the main Streets Foundation to energize the downtown area.

Waterloo's downtown revitalization process has completed its 3rd year and several projects have come to realization. The downtown revitalization project is attracting interest from the building owners. The actions carried out are increasingly visible and progress between 2014 and 2017 is on the territory. Residents and tourists tell us that they see a significant improvement when they visit the city. The Revitalization Committee continued its work by pursuing files that were started a few years ago:

- setting up a few vacant showcases
- continuation of the financial assistance Program "Operation Facades"
- renovation of commercial frontages
- continued development of the Denise Lauzière park (Artria circuit, open-air museum)

Let's mention that Waterloo, at the annual Main Streets Foundation symposium, had won the "Organization 2015" Achievement Award, for a second year, at its 29th Annual symposium, the city of Waterloo was awarded the Achievement Award "physical improvements 2016" and in 2017, the Economic Development Award.

Several actions to animate the heart of our municipality have been organized: holiday activities, Musical shows at Centennial Place, outdoor cinema, the exhibition of old cars, the Fableries, the beer festival, St. John's activities, etc.

We are proud for the great traffic in the Generations park which hosts two unique infrastructures in Quebec, the Bobsleigh track and the "Pumptrack" for the thrill-seekers. This year we added the cement rink for the deck Hockey and an ancillary building.

In the Horizon Industrial Park near Highway 10 at the 88 access, we will continue the construction of Nadeau Street, the installation of the electrical and communication network to allow other companies to implement.

We will put in place measures to achieve the Sustainable Development Action Plan (SPSD), which was developed by various actors in the community who have met many times to think about the future of Waterloo under the supervision of the Organization Nature-Action. A plan of action which is available in 3 orientations, 15 objectives and 61 actions that will enable the city to be permanently engaged in the green turn.

The city has a third electric vehicle for its first responder service to answer emergency calls on the town's territory. This acquisition will reduce fuel costs while not producing any gas emissions! The fire department has a new fire station that match the current needs.

Budget guidelines 2018

We are preparing the budget for the year 2018 which will be adopted on December 19, 2017. The increase in land value is $\pm 2\%$ and will thus increase our assets by the order of \$7 429 800. Last September, following the tabling of the new assessment roll, for the third fiscal year, our taxable property assessment for 2018 was \$ 342 250 100. This means that in 2018, each tax penny, per \$100 of valuation, will pay \$34 781 to the Town of Waterloo, but we will have to deal with an increase in certain recurring and non-compressible expenses (collective agreements, refinancing of loans, increase in current expenditures, electricity, gasoline, police services, new environmental standards imposed by higher levels of government, etc.).

The new loans that are projected for fiscal year 2018 affect the rehabilitation of Allen Street and Eastern Street, we rely on the three-year management plan as well as on emergencies to improve our infrastructure while having in mind our ability to pay.

By deploying a network of 3 electric charging terminals, we have contributed to the electrification of road transport in Quebec and to the reduction of gas emissions from vehicles. We will also benefit from visibility during events or activities of the electrical circuit. But above all, we will attract a clientele attracted by the many advantages of this new offer, let us not forget that Quebec has legislated on the sale of electric vehicles.

The province already has the largest number of electric vehicles sold in the country, with a booming electric Circuit, so the government would like to see the percentage of vehicles without emissions reach 15% by 2025.

With regard to recreation, we will continue the development of the Generation Park, we will improve the service offer for the day camp and finish the park development near the Caboose (locomotive).

Remuneration of elected officials

In accordance with the provisions of the Act, the annual remuneration paid to the elect for the year 2017 is as follows:

- The Mayor receives 35 250;
- A councillor receives 11 749.

The members of the Council also receive, under the Act on the remuneration of elected officials, a non-taxable allowance granted to them in order to compensate for the expenses incurred by their duties in the Council. These types of expenses are not part of the normal disbursements of a citizen's everyday life.

These allowances are:

- \$17 624 for the mayor and
- \$5 875 for a councillor;

In addition, the mayor receives, from the MRC de la Haute-Yamaska, a sum of \$17 693.91 to serve as a member of the Council. The member of the council who acts as a pro-mayor, for his part, sees his remuneration increased by 15%, as provided by the law.

Deposit of contracts over \$25 000

The list of municipal contracts over \$25 000 granted by the Town since November 2016 is available at the registry.

CONCLUSION

The year 2017 was the year of the 150th anniversary of the Town of Waterloo. Thanks to the important contribution of our loyal employees and local organizations, we were able to offer the population a full year of activities. The year 2018 will hopefully be a year of surprise and progress. We will all work together for the future of our community.

The members of the city Council and the employees thank you and wish you from the bottom of the heart an excellent year 2018!

Waterloo, life partner more than ever!

Thank you for your attention.

Jean-Marie Lachapelle, Mayor