



**MUNICIPALITÉ DU CANTON DE POTTON**  
**MUNICIPALITY OF THE TOWNSHIP OF POTTON**

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**MAYOR’S REPORT ON THE FINANCIAL CONDITION OF THE MUNICIPALITY (YEAR 2016)**

Dear citizens,

As required under Article 955 of the Municipal Code, I am pleased to present the report on the financial condition of our Municipality.

**2015 financial statements:**

The 2015 financial statements, audited by the accounting firm "Raymond, Chabot, Grant, Thornton" from Sherbrooke, show total revenues of \$5,193,617 (\$4,900,559 in 2014) and operating expenses of \$4,455,370 (\$4,475,736 in 2014) before accounting depreciation. Capital expenditures totalled \$246,865 (\$56,676 in 2014), which were financed by investment revenues (mainly the Quebec Gas Tax and Contribution grant) in the amount of \$172,389 (2014 investment of \$56,676 financed by the operating surplus and an allocation of the accumulated surplus). There was no long-term financing or investment surplus for fiscal purposes in 2015 nor 2014. On December 31, 2015, the Municipality presented an operating surplus for fiscal purposes of \$192,002 (\$134,150 in 2014) after the annual debt repayments.

**Report from the Auditor:**

The auditor's report indicates that these financial statements fairly represent the financial position of the Municipality on December 31, 2015 all in accordance with the generally accepted auditing standards in Canada. It should be noted that auditors of the Municipality are also required to report on certain government subsidies received and that this also increases the audit costs of the Municipality.

**2016 achievements:**

- Continuation of the municipal road improvement program using crushed stone - nearly \$300,000 subsidized by the Québec Gas Tax and Contribution program (TECQ)
- Buy back of the municipal grader at the end of the lease - \$89,000; this grader, carefully maintained, has an estimated remaining useful life span of 10 years; costs will now be incurred only for maintenance, fuel and manpower
- Realization of the characterization of the roads at a total project cost of \$10,000, a project required for regulations in general
- Financial assistance by the Municipality for two commercial facades (a 2011 program by bylaw) totalling \$32,000
- Phase 1 the *Cœur Villageois* program, the action plan for 2017 (cost of \$5,500 for the consultant who assisted the steering committee)
- Installation of a charging station for electric vehicles (cost of \$2,100\$ including installation)
- Various other minor projects for municipal buildings (approximately \$22,000).

**For the 2017-2019 three-year capital expenditure program, here are the proposed capital assets:**

- In case of emergency, a generator is necessary to allow the Municipality to remain functional in the event of an electrical power failure. The costs are estimated to be between \$ 50,000 and \$ 75,000. This is required as part of the Municipality's Civil Protection Plan
- Continuation of the improvement program for municipal road surfaces - \$ 170,000 in 2017 and 179,000 in 2018, subsidized by Québec Gas Tax and Contribution program (TECQ)
- Phase II of the *Cœur Villageois* project, implementation of the action plan; investment of approximately \$35,000-45,000 in the village of Mansonville depending of future decisions

**Forecast Results - Financial Report 2016**

With regard to the *anticipated preliminary results* for 2016, we expect revenue and other income of approximately \$5,125,000 (in advance on the budge of \$5,053,000) and expenditures of \$4,653,000 (against a budget of \$4,690,000), which would generate a surplus of \$472,000, before annual debt repayments in the amount of \$369,000, leaving a forecasted net surplus of approximately \$103,000 for 2016. This is due to several factors: higher than expected revenues and a reduction road maintenance expenditures due to the improvement of road surfaces and regular maintenance of ditches.

At the beginning of 2016, the accumulated total surplus was \$515,000; throughout 2016, appropriations for the above-mentioned expenditures totaled \$131,000 (grader, repairs and improvements to municipal buildings, road characterization and other minor expenses). After the adjustment of last year's surplus or unused appropriations, the cumulative surplus, before operating surplus of 2016, would be \$428,000; If the 2016 operating surplus is confirmed at \$103,000, the cumulative surplus would reach \$531,000.

**General orientation of the 2017 Budget**

In 2018, a new three-year property assessment roll will be in force. Over the summer of 2017, the evaluations will be redone (balanced) and the new property assessment roll will be deposited in September 2017 and valid for 2018-2020; therefore, no impact on the 2017 budget.

In 2017, the municipal Council plans to adopt a balanced budget while maintaining a level of taxation consistent with previous years. This is made possible by the moderate use of unallocated surpluses accumulated in previous years, as well relieving the annual tax burden for certain non-recurring expenses.

**Remuneration of elected officials**

In accordance with Article 11 of the Act regarding the remuneration of elected municipal officials, here is a reminder of the remuneration of council members. In 2016, the mayor's annual salary was \$14,653 with a non-taxable expense allowance of \$7,327. An annual retainer of \$5,699 and a non-taxable expense allowance of \$2,850 are paid to each councillor.

At the MRC, the Mayor received \$2,227 for each attended meeting of the board. For the agriculture committee, the total compensation is \$592, for the planning committee it is \$991 and for the fire safety committee it is \$1,186.

**Contracts exceeding \$25,000 (since the last mayor’s report)**

Excavations Guy Éthier Inc.	\$590,872	Snow removal and crushed stone contracts
Excavation Stanley Mierzwinski Ltée	378,856	Snow removal contracts
Les Entreprises R. Cherrier Inc.	349,593	Garbage pick up and disposal contract
Somavrac inc.	71,014	Liquid calcium contract for municipal roads
Groupe Ultima Inc.	56,643	Insurance policy contract
Simo Management Inc.	54,523	Management of the water infrastructures (drinking and waste water)

**List of contracts exceeding \$2,000 and totalling more than \$25,000**

Excavation Julien Pouliot Inc.	\$73,809	Road maintenance and snow removal contract
Pavage Maska inc.	26,744	Paving
Raymond Chabot Grant Thornton	28,905	Annual auditor's reports
Wayne Korman	39,500	Road maintenance

In closing, I wish to thank my colleagues on Council and the municipal employees for their efforts and their continued valuable collaboration.

Louis Veillon, Mayor