

**STUDY OF THE CONSEQUENCES AND COSTS OF THE POTENTIAL RECONSTITUTION OF THE
FORMER MUNICIPALITIES OF THE CURRENT VILLE DE SHERBROOKE (SUBJECTION OF
UNRELATED MUNICIPALITIES TO URBAN AGGLOMERATION TAXATION)**

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1. CONTEXT OF THE STUDY

1.1 Mandate

On June 17, 2003, the Government of Québec tabled Bill 9, An Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities, in the National Assembly. This Act was adopted on December 17, 2003 and assented to on December 18 of the same year (2003, c. 14, hereinafter “Bill 9”).

The Ministère des Affaires municipales, du Sport et du Loisir (“MAMSL”) mandated Raymond Chabot Grant Thornton (“RCGT”) to conduct a study of the consequences and costs of the potential reconstitution of the former municipalities of the current Ville de Sherbrooke.

The study must establish, on a comparative basis, a financial profile of the current city and of each of the former municipalities that are likely to be reconstituted following referendum votes.

1.2 Methodology

To conduct this study, we carried out the following steps:

- Study of Bill 9, the legislation and Orders-in-Council in force, the Charter of the current city, the reports of the transition committees established to carry out the amalgamation, the municipal assessment rolls, the financial reports and the budget forecasts of the former municipalities of the current city;
- Preparation of a simulation model for the determination of pro forma budgets and the preparation of estimated tax bills;
- Preparation of a request for additional information to the current city;
- Meetings with the Director General of the current city, the senior assistant directors and the dedicated personnel to obtain the information necessary to perform the study and to determine and validate the assumptions;
- Meeting with the representatives of the Legal Department of the current city;
- Analysis of the relevant information;
- Analysis of the budgets and financial statements of the former municipalities and of the current city;
- Validation of the data that served to produce the report with the management team;
- Drafting of the final report, which deals with the following points:

- **Local political impacts**

This analysis outlines the characteristic profile of the reconstitution of a former municipality, its primary impacts and its consequences as regards:

- Supramunicipal and paramunicipal agencies;
- Political interventions (representativeness, central and local political weight, accountability and responsibility).

- **Organizational impacts and impacts on municipal services**

Based on the budgets of the former municipalities and the legal provisions of Bill 9, the following activities were carried out:

- Distinguishing the services to be provided to the public on the basis of whether they fall under urban agglomeration powers or local powers;
- Summarily identifying the needs or resources necessary to offer the services to the public and estimating their costs:
 - Review of the first-level organizational structure to guarantee the renewal of the supervisory structures under the local powers;
 - Discussions on material resources needs, primarily for buildings and garages, and identification of information technology needs.

- **Transition costs**

This estimate, produced from assumptions based on indexed 2001 costs, presents the costs incurred by the transition committee, the current city and the government to carry out activities related to the transition, taking into consideration the portion of the costs that will be billed to the reconstituted municipality.

- **Financial and fiscal impacts**

This analysis makes it possible to measure the financial and fiscal impact of the potential reconstitution of the former municipalities. For this purpose, the following activities were carried out:

- Estimating the cost, in 2004, of the services to be provided by the current city or by the reconstituted municipalities, taking into account the urban agglomeration powers, the local powers and the pooled services, equipment, infrastructures or activities;
- Determining the method of treating the funds accumulated by the former municipalities and the financial assistance to the amalgamation;
- Determining the method of treating commitments, including triennial programs and the long-term debt;
- Determining the method of allocating fixed assets;
- Considering the financial impact of transition costs, given the chosen mode of financing;
- Preparing pro forma budgets, with the assistance of the RCGT simulation model, from the most recent budget forecasts.

1.3 Scope of the Mandate

This study allows the current city's citizens to obtain an estimate of their tax bill in a context where they remain in the current city and under the scenario where their former municipality is reconstituted. All of the information is projected over a three-year period in 2004 constant dollars. The budget data will not vary during the projection period, with the exception of the application of the harmonization clause in the current city, the credit for the electric power network and the financing of the transition costs in the reconstituted municipality. The tax bills are presented over the three-year period and at the end of the scheduled application of the harmonization clauses by the current city.

The financial projections were established as follows:

- The information was supplied by the current city and the MAMSL;
- Assumptions were issued in the cases where information was imprecise;
- The taxation simulation involved the departure of all the former municipalities;
- The results of the taxation simulations only reflect the application of the principles of Bill 9;
- More specifically, for the unrelated municipalities, the results of the taxation simulations reflect their subjection to urban agglomeration taxation under intermunicipal agreements.

RCGT does not express an opinion on the interpretation of the law nor on the probability that the budget data for the period concerned are close to the forecasts.

It is important to note that the parameters of this mandate come from Bill 9 and that additional or complementary studies may be necessary where referendums are requested by the populations of the sectors concerned.

1.4 Overview of the Current City

Ville de Sherbrooke was constituted under Order-in-Council 850-2001.

Effective January 1, 2002, Sherbrooke succeeded to the rights and obligations of the cities of Sherbrooke, Rock Forest, Lennoxville, Fleurimont and Bromptonville, as well as the municipalities of Ascot, Deauville and Saint-Élie-d'Orford, which ceased to exist on December 1, 2001.

Within the context of the creation of Ville de Sherbrooke, the following territorial reorganizations were done:

- 600 residents of the municipality of Saint-Élie-d'Orford were annexed, 509 to Orford Township, and 91 to the municipality of Saint-Denis de Brompton;
- 50 residents of the municipality of Stoke were annexed to Ville de Sherbrooke; they are located in the territory of Bromptonville, more specifically in Brompton Township;
- 351 residents of Bromptonville (Brompton Township) were annexed to the municipality of Stoke.

It also succeeded to the rights and obligations of the La Région-Sherbrookoise regional county municipality, the Régie d'assainissement des eaux de la région sherbrookoise and the Régie intermunicipale de police de la région Sherbrookoise, which ceased to exist on December 31, 2001.

The plan of Ville de Sherbrooke, composed of the eight municipalities listed in the second paragraph of this subsection, is appended to this study (Schedule 1), as is the division of the territory into six boroughs for the exercise of certain powers (Schedule 2).

The business of the current city is administered, depending on the allocation of powers prescribed by law, by the municipal council or the council of each borough. The legislative history and the list of Orders-in-Council that served to constitute Ville de Sherbrooke are set out in Schedule 3 of this study.

1.4.1 Municipal Council

The Municipal Council of Ville de Sherbrooke is composed of the Mayor and 19 councillors. The Mayor is elected by the voters of all the boroughs, while the councillors are elected in the borough they represent.

The boroughs of Brompton and Lennoxville are represented by one councillor, the borough of Fleurimont by five councillors and the boroughs of Mont-Bellevue, Rock Forest – Saint-Élie – Deauville and Jacques-Cartier by four councillors. The boroughs of Fleurimont, Mont-Bellevue, Rock Forest – Saint-Élie – Deauville and Jacques-Cartier are divided into electoral districts.

1.4.2 Borough Council

The council of a borough is composed of the councillors who represent the borough on the municipal council. The borough chair is designated from among the members of the borough council. For the boroughs of Brompton and Lennoxville, the Borough Council is composed of the municipal councillor and two borough councillors. The municipal councillor is the chair of the borough ex officio.

1.4.3 Executive Committee

Ville de Sherbrooke has an Executive Committee comprised of the Mayor and four Council members designated by him.

1.4.4 Powers of Ville de Sherbrooke

The Act constituting Ville de Sherbrooke stipulates that the Municipal Council of Ville de Sherbrooke has all the powers of a local municipality and that it is also likened to a regional county municipality (“RCM”) for the purposes of the application of the following laws: *Fire Safety Act*, *Forest Act*, *Act to preserve agricultural land and activities*, *Environment Quality Act* and *Act respecting the Lands in the domain of the State*.

The current city has specific jurisdictions, obligations and powers in the fields of land use planning and urban planning, community, economic, social and cultural development, culture, recreation and parks, social housing, the arterial road system, tourist promotion and services and the municipal court.

The Municipal Council, under a by-law adopted by a two-thirds vote of its members, may decree that it has jurisdiction over all or part of a field within the powers of the borough councils. By the same procedure, it may also delegate its powers over all or part of a field in its jurisdiction, except for the power to borrow and impose taxes, to borough councils.

The sharing of powers is determined in the administration organization by-law (paragraph 1.4.6).

1.4.5 Powers of the Borough Council

The borough council may formulate opinions and recommendations to the municipal council on the budget, the establishment of budget priorities, the preparation and amendment of the urban plan, amendments to urban planning by-laws and any other matter submitted to it by the municipal council.

The borough council has, for the borough, jurisdictions, powers and obligations in the fields of urban planning, fire prevention, culture, recreation and borough parks, local roads, local economic development and community, social and cultural development.

Each borough council has constituted an urban planning advisory committee.

Ville de Sherbrooke has adopted By-law 1-10, which establishes that the Municipal Council exercises, over the local street and road system, the powers devolved to the borough councils with regard to roads, traffic control devices, traffic control and parking. The borough councils have retained their power over local roads, thereby allowing them to determine the needs and priorities regarding the road work to be performed on the local road system, including road rehabilitation work, major ad hoc repair work, cleaning and maintenance work, winter maintenance work and related work within the budget envelope allocated by the Municipal Council.

1.4.6 Administrative Organization

The organizational structure of Ville de Sherbrooke consists of a director general, services of the current city and borough directorates.

1.4.7 Services of the Current City

The services of the current city are as follows:

- Service des affaires juridiques et corporatives (legal and corporate affairs);
- Service des finances et de la trésorerie (finance and treasury);
- Service des ressources humaines (human resources);
- Service des technologies de l'information (information technology);
- Service de police (police department);
- Service de protection contre les incendies (fire protection);
- Service d'Hydro-Sherbrooke;

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- Service de planification et du développement urbain (urban planning and development);
 - Service de l'environnement, des réseaux et de la voirie (environment, systems and roads);
 - Service de l'entretien des bâtiments et de l'équipement (building and equipment maintenance);
 - Service des loisirs, des sports, de la culture et de la vie communautaire (recreation, sports, culture and community life);
 - Division des communications (communications);
 - Division du centre d'urgence 911 et de répartition police et incendie (9-1-1 emergency centre and police and fire dispatching).

1.4.8 Auditor General

The current city has complied with subsection 107.1 of the Cities and Towns Act and has proceeded with the appointment of an Auditor General with a seven-year mandate.

1.4.9 Committees of Council

Ville de Sherbrooke has instituted numerous committees composed of elected representatives, officers of the current city and citizens, and has created various advisory committees:

- Comité consultatif d'urbanisme (urban planning advisory committee);
- Comité consultatif agricole (agricultural advisory committee);
- Comité d'embellissement (beautification committee);
- Comité de gestion des assurances collectives (group insurance management committee);
- Commission du régime de retraite de la Ville de Sherbrooke (Ville de Sherbrooke pension plan commission);
- Comité du développement durable (sustainable development committee);
- Comité de sécurité publique (public security committee);
- Comité de la culture (cultural committee);
- Comité du sport et du plein air (sports and outdoor activities committee);
- Commission de régime de retraite de la Régie intermunicipale de police de la région sherbrookoise (pension plan commission of the Sherbrooke region intermunicipal police board);
- Comité Sherbrooke, ville étudiante (Sherbrooke student city committee);
- Comité de démolition (demolition committee);

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- Commission des arts visuels (visual arts commission);
 - Comité de suivi du lieu d'enfouissement sanitaire (sanitary landfill monitoring committee);
 - Comité ad hoc de positionnement et de promotion de la Ville de Sherbrooke (Ad hoc committee on positioning and promotion of Ville de Sherbrooke).

Ville de Sherbrooke is also a member of many non-profit corporations:

- Association des redistributeurs d'électricité du Québec (AREQ), the association of Québec power redistributors;
- Corporation du développement du centre-ville de Sherbrooke, responsible for development of downtown Sherbrooke;
- Office municipal d'habitation de Sherbrooke (OMH), responsible for social housing;
- Corporation Sherbrooke, ville en santé, the "healthy city" corporation;
- Société de développement économique de la région sherbrookoise (SDES – LDC), responsible for the region's economic development;
- Sherbrooke, ville des rivières;
- Comité administratif de l'aéroport de Sherbrooke inc. (CAAS), responsible for airport administration;
- Comité d'hygiène et d'aménagement des rivières Magog et Saint-François (CHARMES), responsible for sanitation and development of the Magog and Saint-François rivers.

Ville de Sherbrooke is a member of certain paramunicipal agencies:

- Régie intermunicipale du centre récréotouristique Montjoye, the intermunicipal board responsible for the Montjoye recreotourist centre;
- Société de gestion, d'élimination et de mise en valeur des matières résiduelles du Val Saint-François, a corporation responsible for management, disposal and reclamation of residual materials;
- Régie de tri et de récupération de la région sherbrookoise, the regional board responsible for sorting and recycling;
- Société de transport de Sherbrooke (STS), the regional transit corporation.

2. POLICY AND POWERS OF THE CURRENT CITY AND THE MUNICIPALITIES TO BE RECONSTITUTED

2.1 Supramunicipal and Paramunicipal Aspects

For Ville de Sherbrooke, it is necessary to determine whether a reconstituted former municipality is a related municipality within the meaning of subsection 6 of section 2 of the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* or whether it is unrelated within the meaning of this subsection, as is the case for Ville de Bromptonville and the municipality of Saint-Élie-d'Orford.

2.1.1 Related Municipalities

In the assumption of the reconstitution of a related former municipality, we have not identified any supramunicipal agency that would govern this municipality. In fact, the La Région-Sherbrookoise RCM no longer exists. Will the Government take away Ville de Sherbrooke's powers that likened it to an RCM to create a new RCM? We cannot answer this question for now.

Moreover, it must not be forgotten that Ville de Sherbrooke is a member of the Régie de tri et de récupération de la région sherbrookoise, the Régie intermunicipale du centre récréotouristique Montjoye and the Société de gestion, d'élimination et de mise en valeur des matières résiduelles du Val Saint-François. A reconstituted related municipality may or must be part of these two boards or this corporation.

2.1.2 Unrelated Municipalities

In the assumption that an unrelated municipality (Bromptonville or Saint-Élie-d'Orford) is reconstituted, it must be asked whether it will be integrated into a neighbouring RCM of Ville de Sherbrooke or whether a provision of the Act will attach it to Ville de Sherbrooke.

If an unrelated municipality such as Bromptonville or Saint-Élie-d'Orford is reconstituted, it can be foreseen that to assume certain urban agglomeration powers prescribed in subsection 9c) of Bill 9, it will have to enter into intermunicipal agreements with Ville de Sherbrooke or the Urban Agglomeration Council, if it is created.

Inevitably it will be obliged to enter into agreements regarding the following matters:

- Police service, except if it enters into an agreement with the Sûreté du Québec;
- Fire protection;
- 9-1-1 emergency centre;
- Municipal court;
- Civil protection;
- Water supply;
- Water purification;
- Social housing;

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- Assistance intended specifically for the homeless;
 - Residual materials disposal and reclamation;

 - Economic development;
 - Management of municipal watercourses;

 - Implementation of fire safety cover and civil protection plans.

Optionally, it could enter into a municipal assessment agreement.

For passenger transportation, it will have to enter into an agreement with Société de transport de Sherbrooke (STS).

To pay Ville de Sherbrooke for these agreements, the unrelated municipality will have to impose the applicable property tax.

Regarding equipment, infrastructures and subjects of activities carried out by Ville de Sherbrooke or one of its agencies, as well as arterial road systems, it will be necessary to establish a mechanism that will allow Ville de Sherbrooke or the Urban Agglomeration Council to receive compensation equivalent to the tax revenues that these equipment, infrastructures and activities must generate.

Moreover, the unrelated municipality will not be represented on the Urban Agglomeration Council when decisions will be made regarding equipment, infrastructures or activities or on any of the matters within the powers of the Urban Agglomeration Council.

2.2 Political Representation of the Current City on the Urban Agglomeration Council (Joint Council)

According to Bill 9, the central municipality, Ville de Sherbrooke, will have an additional deliberative body for the purposes of exercising urban agglomeration powers. These urban agglomeration powers are detailed in subsection 2.3 of this study.

The Urban Agglomeration Council will be a joint council composed of representatives of all the related municipalities, that is, the municipalities resulting from reconstitution, including the central municipality. The related municipalities may exercise a veto right over the decisions made by the Urban Agglomeration Council. We should remember that Ville de Bromptonville and the municipality of Saint-Élie-d'Orford are not related municipalities and thus will not be represented on the Urban Agglomeration Council.

In principle, the number of representatives of a related municipality on the Urban Agglomeration Council will be determined so that this number, in relation to the total number of members of the Council, is in a proportion equal to that represented by the municipality's population in relation to the total populations of the related municipalities. However, even if its demographic weight does not justify it, each related municipality will be entitled to at least one representative on the Urban Agglomeration Council.

For the purposes of this study, we recommend that each related municipality be represented by its Mayor on the Urban Agglomeration Council and that, in the case of Ville de Sherbrooke, this number of representatives be increased to two (including the Mayor), which would give seven

representatives in all (see table of populations, number of representatives and number of votes on the Urban Agglomeration Council in Schedule 4).

The Mayor of the related municipality will be the ex officio representative of his municipality on the Urban Agglomeration Council and will designate, from among the members of the council of the local municipality, the other representative or representatives to which the municipality will be entitled under the aforementioned rules.

The proportionality between the population of the municipality represented and the number of its representatives on the Urban Agglomeration Council will be achieved by a combination of the number of representatives and the number of votes assigned to respect the demographic weight of each.

2.3 Urban Agglomeration Powers

The urban agglomeration powers are as follows:

- Property assessment;
- Municipal watercourses;
- Public security (including civil protection, fire protection, police services, the 9-1-1 emergence centres, civil protection plans and fire safety cover plans);
- Municipal court;
- Social housing and assistance intended specifically for the homeless;
- Residual materials disposal and reclamation;
- Water supply and water purification, except for so-called truly local distribution mains which remain under the responsibility of the reconstituted municipalities (the determination of what is local will fall under the jurisdiction of the Urban Agglomeration Council);
- Passenger transportation;
- Management of the thoroughfares of the arterial road system;
- Economic development (local development centres, industrial promotion and prospecting, tourist information, industrial parks, grants or tax credits for businesses, convention centres, railway sidings, issues related to airports or ports);

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- Snow dumps for snow collected within the territory of two or more related municipalities;
 - Land use and development plan;
 - Any power granted to the former La Région-Sherbrookoise RCM.

Bill 9 prescribes the following list of equipment, infrastructures and activities of collective interest (referred to hereinafter as “shared assets and activities”) in the case of Ville de Sherbrooke.

The equipment and infrastructures are as follows:

- Bibliothèque Éva-Senécal (library);
- Stade Amédée-Roy (stadium);
- Palais des sports (sports centre);
- Parc Sylvie-Daigle;
- Parc Jacques-Cartier;
- Beckett Woods;
- Expo-Sherbrooke building;
- Plage Blanchard (beach);
- Historical and tourist sites (Domaine Howard, excluding hothouses);
- Webster and South Wellington parking lots;
- Centre Julien-Ducharme;
- Centre d’animation culturelle (cultural centre);
- Granada theatre ;
- Mont-Bellevue (outdoor centre).

Subjects of activities:

- Centre récréatif de Rock Forest (recreation centre);

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- Centre culturel de l'Université de Sherbrooke (cultural centre);
 - Week-ends Labatt Bleue;
 - Tournoi Yvon Pif Dépatie;
 - Fête du Lac des Nations (Parc Jacques-Cartier);
 - International Bantam Hockey Tournament;
 - Challenge sur glace Damafro;
 - Québec National Holiday (Parc Jacques-Cartier);
 - Canada Day (Parc Jacques-Cartier);
 - Faucheurs de marguerites;
 - Concerts Place de la Cité;
 - L'International du cinéma;
 - Concerts symphoniques de Sherbrooke (symphony concerts);
 - Salon de métiers d'arts (handicrafts show);
 - Musée Uplands (museum);
 - Musée de la nature et des sciences (nature and science museum);
 - Musée des Beaux-Arts (fine arts museum);
 - Société d'histoire de Sherbrooke (historical society);
 - CHARMES;
 - Mont-Bellevue (winter operation);
 - Petit théâtre de Sherbrooke;
 - Cité des Rivières;
 - Festival des traditions du monde (festival of world traditions).

2.4 Local Powers

The powers of the reconstituted municipalities concern proximity services to the public, more specifically:

- Urban planning (plan and by-laws);
- Economic development for local purposes;
- Waterworks and sewer systems (maintenance and rehabilitation of the local system);
- Local roads (as opposed to the arterial road system) (maintenance, snow removal, rehabilitation and lighting, by-laws);
- Residual materials collection;
- Recreation and culture (libraries, local parks and local sports, recreation or cultural equipment and facilities);
- Issuance of various permits (construction, renovation, bicycle, pets, etc.).

3. ORGANIZATIONAL AND FINANCIAL IMPACTS OF RECONSTITUTION OF THE MUNICIPALITIES

3.1 Effects of Reorganization

The human and material resources needs of each of the former municipalities likely to be reconstituted were estimated on the basis of the provisions of Bill 9 in terms of sharing of services, equipment, infrastructures or activities between the urban agglomeration and the related and unrelated municipalities, while taking into account the following:

- Effects of reorganization on personnel:
 - An officer or employee of the current city becomes or remains, as the case may be, a officer or an employee of the central municipality;
 - However, such a person, in keeping with the rules set out in this section, may be transferred to a related or unrelated municipality other than the central municipality;
 - No officer or employee of the current city may suffer a pay cut, be laid off or be dismissed simply as a result of the reorganization of the current city;
 - No officer or employee of the current city who is transferred to a related or unrelated municipality other than the central municipality may suffer a pay cut simply as a result of the transfer;
 - A person referred to in the first or second paragraph does not lose seniority or any employment benefits. This person also continues to be a member of the same pension plan as before the reorganization.
- Effects of the reorganization on sharing of assets, liabilities and deficits, surpluses and other amounts available or receivable:
 - Debts
 - The debts that were contracted by and for a former municipality are financed by the revenues of the former territories;
 - Any debt contracted by the current city that is used for urban agglomeration powers is a debt of the central municipality and is financed by a contribution of the related municipalities;
 - Any debt contracted by the current city that is used for local powers is financed by a contribution of the related and unrelated municipalities;

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- Assets
 - Any assets that must be used for urban agglomeration powers become the property of the central municipality;
 - Any property not used for urban agglomeration powers becomes property available to the related and unrelated municipalities to exercise their local powers:
 - In the event where the current Ville de Sherbrooke disposes of fixed assets, a compensation mechanism is prescribed for the related or unrelated municipalities. The compensatory amount is equal to the lesser of the proceeds of the alienation and the balance of the debt. This compensation is established by an aliquot share of the standardized general real estate value of each related or unrelated municipality, including those that are reconstituted;
 - Deficits, surpluses and other amounts available or receivable
 - Any amount reserved for the benefit of a related or unrelated municipality is returned to it;
 - Any amount not allocated remains available to the central municipality.

3.2 Budget Impacts of Reconstitution of the Municipalities

To measure the effects of reconstitution, we will first proceed with a comparison of the services provided and then present its budget impact by municipal function. The reconstituted municipalities will not recover the same responsibilities as they had in 2001.

3.2.1 Sharing of Expenditures Between Urban Agglomeration and Local Powers for the Current city

Based on the 2004 budget forecasts of the current city and with the assistance of Chapter 4 of Bill 9, which defines the urban agglomeration powers, we have identified the municipal functions that are urban agglomeration powers and those that are local powers. When certain municipal functions are joint functions, they are shared on a pro rata basis (for example, the expenditures for the clerk's office are allocated between the urban agglomeration and the reconstituted municipalities).

3.2.2 Identification of the Budget Needs of the Reconstituted Municipalities

The budget needs of the reconstituted municipalities (related and unrelated) have been determined from the 2001 budget forecasts for each of the former municipalities, by applying the following assumptions:

- General administration: 100% renewal of the budgets, except for the clerk's office, for which the resources were calculated in pro rata to the total expenditures (urban agglomeration in relation to local), with the exception of the central city, for which a renewal was done in pro rata to the expenditures between the urban agglomeration level and the local level:
 - The expenditures of the municipal councils were established on the basis of the indexed 2001 budget forecasts;
 - An amount of \$10,000 per participant served to establish the expenditures of the Urban Agglomeration Council;
 - Transportation and community hygiene: renewal of resources depending on the percentage of the systems (arterial in relation to local),
 - except for residual materials collection: 100% renewal,
 - except for the "other expenditures" section: renewal in pro rata to urban agglomeration or local expenditures of the total municipal function.
 - Land use planning and urban planning: 100% renewal of the budget, including local economic promotion;
 - Recreation and culture: 100% renewal, except for shared assets and activities, excluded on the basis of the budget information provided by the current city.

Once the data regarding local powers were isolated, the Consumer Price Index ("CPI") served as a reference. The CPI retained is 7.1%. In some cases, a growth factor based on the increase in the budgets of the current Ville de Sherbrooke was retained to obtain values in 2004 constant dollars.

The CPI or the following growth factors were considered for the local municipal functions:

- General administration: 7.1%
- Transportation:
 - 16.6% for road systems¹;
 - 7.1% for other expenditures;
- Community hygiene: identification of the 2004 cost by territory;
- Land use planning, urban planning and development: identification of the 2004 cost by territory;

¹ Adjustment that considers the budget reclassifications with the "recreation and culture" section in the 2001 local dimension.

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- Recreation and culture: 0%¹.

The total of the local expenditures thus indexed in all of the municipalities was calculated and compared with the total local expenditures taken from the 2004 budget forecasts for validation or corroboration purposes.

3.2.3 Sharing of Revenues Between Urban Agglomeration and Local Powers

From the 2004 budget forecasts of the current city, we allocated the revenues between the urban agglomeration powers and the local powers based on the following assumptions:

Financial assistance for amalgamation and unconditional transfers

- Grants for amalgamation

Since all of the revenues are used by the current city for urban agglomeration powers, no revenues will serve to finance local powers.

- Financial neutrality programs, central city, financial assistance program to the RCMs

These programs are dedicated exclusively to the current city and will serve to finance urban agglomeration powers.

The other programs are presented as follows:

- Antipollution equipment: in each territory;
- TGE-FSFAL: sharing between the local and urban agglomeration levels in pro rata to expenditures and allocation by former local territory in proportion to the amounts allocated and confirmed by the MAMSL in 2004;
- Revenue diversification (consumption taxes component): sharing between the local and urban agglomeration levels in pro rata to expenditures and local allocation in pro rata to the non-residential tax bases.

Other revenues and conditional transfers

Revenues coming from an industrial park for which the land was acquired under the *Act respecting municipal industrial immovables* are subject to the allocation rules prescribed in section 100 of Bill 9 as follows:

- The sum and the balance of the revenue derived from the presence of any industrial park throughout the territory of the current city will serve to finance the urban agglomeration power relating to promotion and economic development, excluding commitments contracted for the purchase of land and immovables and that which is taken into consideration in establishing the aggregate taxation rate of the municipality.

The other revenues from local sources and the conditional transfers that must serve to finance local powers were distributed as follows:

- Licences and permits: local;
- Real estate transfer taxes: sharing between the local and urban agglomeration levels in pro rata to expenditures;
- Fines and penalties:
 - Deduction of an amount equivalent to the net costs of the municipal court (urban agglomeration);
 - Deduction of an amount corresponding to 10% of the balance of the revenue from fines for urban planning and zoning (local);
 - The balance was subtracted for traffic and parking violations in pro rata to the arterial roads between the local and urban agglomeration levels;
- Interest: pro rata between the local and urban agglomeration levels on the basis of expenditures;
- Other, disposal of assets and conditional transfers: origin of the transaction.

3.2.4 Summary of Budget Impacts

The following table presents the budget impacts of the expenditures and revenues from reconstitution of the former municipalities. In the budget forecasts of the current city for 2004, the local dimension represents an amount of slightly over \$75 million, while the total of the local expenditures of all the municipalities to be reconstituted is close to \$76 million excluding the transition costs.

For the reconstituted municipalities, we have considered that we are renewing the same supervisory structure as in 2001 for management of local powers. The impact of the transfer of urban agglomeration powers, such as police, fire, and material resources assessment and management, does not reduce the number of management resources necessary to manage and administer the reconstituted municipality. An additional amount, estimated at over \$1 million, is deemed sufficient to cover the operational needs of the reconstituted municipalities.

The additional amount was allocated among the municipalities, excluding the central municipality, on the following basis:

- 50% based on the population;
- 50% based on the standardized real estate wealth.

The budget impacts do not consider the major projects that eventually will have to be realized, including those for water supply and water purification. These projects will have a significant impact on the tax bill, especially due to future capital expenditures in the territory of the unrelated municipalities.

	Reconstituted municipalities									Current Ville 2004		
	Ascot	Bromptonville	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford	Adjustment for unrelated municipalities for urban agglomeration powers	Total local powers of reconstituted municipalities	Local portion	Urban agglomerati on portion
Revenues												
Taxes												
on real estate value	1 533 717	3 776 648	665 557	3 936 074	1 368 903	4 780 679	26 612 447	4 157 971	(4 577 294)	42 254 703	39 969 126	45 167 467
on another base	776 330	1 144 488	567 996	1 353 181	802 659	2 499 857	12 675 826	1 347 168	(1 291 198)	19 876 307	19 876 307	23 053 074
Total taxes	2 310 047	4 921 136	1 233 553	5 289 255	2 171 562	7 280 536	39 288 273	5 505 139	(5 868 492)	62 131 009	59 845 433	68 220 542
Payments in lieu of taxes	162 215	73 077	7 043	1 218 172	871 550	180 412	3 226 678	13 291		5 752 438	5 455 804	8 637 696
Other revenues from local sources	185 522	219 725	156 843	715 162	290 390	756 098	3 764 681	329 074		6 417 495	6 417 495	7 910 340
Transfers	171 861	202 709	11 831	219 667	204 976	239 207	2 704 600	189 737		3 944 587	3 944 587	5 562 653
Total revenue	2 829 644	5 416 646	1 409 271	7 442 256	3 538 477	8 456 253	48 984 233	6 037 241	(5 868 492)	78 245 529	75 663 318	90 331 232
Expenditures												
General administration	509 009	692 576	232 437	1 409 853	658 900	1 532 828	5 442 358	914 806	(624 100)	10 768 667	9 780 418	14 421 762
Transition costs	119 527	112 445	93 167	225 452	106 257	240 849	497 760	130 559		1 526 016		
Public security	15 057	1 480 317	5 718	39 876	13 309	38 705	393 986	2 199 992	(3 653 694)	533 267	517 100	30 741 100
Transportation	343 855	970 352	177 536	866 504	782 296	1 197 855	7 707 389	924 577	(686 795)	12 283 570	8 132 272	15 871 222
Community hygiene	470 819	851 317	330 054	925 169	744 527	1 502 942	4 051 910	794 382	(485 903)	9 185 217	9 202 266	11 228 790
Health and welfare	-	8 458	-	-	-	-	-	12 642	(21 100)	-	-	487 600
Land use planning, urban planning and development	151 026	301 200	78 132	482 377	315 341	320 629	2 650 922	266 910	(214 364)	4 352 173	4 351 039	4 953 771
Recreation and culture	473 663	619 690	125 311	1 291 633	102 120	1 140 298	7 094 082	390 876	(182 535)	11 055 138	15 138 742	4 218 218
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	746 688	380 290	366 916	2 201 392	815 727	2 482 147	21 145 825	402 496		28 541 481	28 541 481	8 408 769
Total expenditures	2 829 644	5 416 646	1 409 271	7 442 256	3 538 477	8 456 253	48 984 233	6 037 241	(5 868 492)	78 245 528	75 663 318	90 331 232
Surplus/deficit												
Additional needs	89 303	92 223	55 634	278 711	98 690	305 976	-	135 657		1 056 194		

3.3 Taxation Simulations

3.3.1 Impacts on Tax Bills

The reconstituted municipalities that have related municipality status will assume the costs related to local powers for their management, operation and financing. They will also have to bear the costs of financing urban agglomeration powers and shared assets and activities through the central municipality.

The unrelated municipalities that reconstitute themselves will have to provide for all of their municipal services locally. They may also negotiate intermunicipal agreements, such as those presented in paragraph 2.1.2 of this study, so that they have essentially the same effect as would subjection to urban agglomeration taxation.

The following sections, along with the financial and fiscal projections, compare typical tax bills, based on status quo or reconstitution scenarios, by taking into consideration the taxation harmonization clauses and the terms of the Hydro-Sherbrooke tax credit. The financial projections are in constant dollars, based on 2004 budget forecasts for the current city, while for the former municipalities, they are based on 2001 budget forecasts, indexed with a growth factor (see paragraph 3.2.2) in order to estimate everything in 2004 constant dollars.

Residential

We present the standardized 2001 average tax burden of a residence to account for the tax burden adjustments presented at the time by the transition committees. This tax burden is shown in 2004 constant dollars.

Tax bill – Residential

Average assessment 2001

	\$81 523	\$78 813	\$98 593	\$93 832	\$98 593	\$100 801	\$89 666	\$97 675	\$94 386	\$97 521	\$95 312	\$95 312	\$95 312
	Ascot	Bromptonville	Brompton Township	Brompton Township from Stoke	Stoke from Brompton Township	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford	Orford from Saint-Élie-d'Orford	Saint-Denis from Saint-Élie-d'Orford

Taxation rate

Basic property taxation rate	1,2000	1,2819	0,8760	0,8900	0,8760	0,8800	1,2500	1,2000	1,2000	1,5600	0,7880	0,7880	0,7880
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\$ of tax	978,28	1 010,30	863,68	835,10	863,68	887,05	1 120,83	1 172,10	1 132,63	1 521,33	751,06	751,06	751,06
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Tariffs

Water supply	\$127,50	\$160,00	\$160,00			\$250,00	\$144,30	\$110,00	\$174,00	\$112,00	\$160,00	\$160,00	\$160,00
Sewers	\$96,68	\$100,00	\$100,00			\$15,12	\$105,00		\$90,00	\$107,00	\$35,00	\$35,00	\$35,00
Water supply and sewers													
Household waste and recycling	\$74,00	\$100,00	\$100,00	\$84,00	\$100,00	\$77,80	\$90,00	\$100,00	\$106,00	\$65,00	\$62,40	\$62,40	\$62,40
Other	\$68,00						\$50,00	\$130,00	\$59,44				

Standardized tax burden 2001	\$1 344,46	\$1 370,30	\$1 223,68	\$919,10	\$963,68	\$1 229,97	\$1 510,13	\$1 512,10	\$1 562,07	\$1 805,33	\$1 008,46	\$1 008,46	\$1 008,46
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Tax burden 2001 (in 2004 constant dollars)	\$1 439,91	\$1 467,60	\$1 310,56	\$984,36	\$1 032,10	\$1 317,30	\$1 617,34	\$1 619,46	\$1 672,98	\$1 933,51	\$1 080,06	\$1 080,06	\$1 080,06
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We then compared the tax bills of average value at the end of harmonization in 2011, the year when the last municipality will be harmonized. We also considered the period during which the transition costs will have been assumed and arrived at the following observations:

- Most of the related municipalities are subject to an increase in their tax bills.
- The central municipality benefits from a decrease in its tax bill.
- The related municipality of Deauville, the part of Brompton Township coming from Stoke and the part of the current city in the unrelated municipality of Saint-Élie-d'Orford benefit from a reduction in their tax bills.

Tax bill - Residential														
Assessment	\$88 436,00	\$81 548,00	\$102 941,00	\$107 888,00	\$102 941,00	\$114 641,00	\$98 829,00	\$104 590,00	\$103 183,00	\$107 888,00	\$106 377,00	\$106 377,00	\$106 377,00	
	Ascot	Bromptonville	Brompton Township	Brompton Township coming from Stoke	Stoke coming from Brompton Township	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford	Orford from Saint-Élie-d'Orford	Saint-Denis from Saint-Élie-d'Orford	
Taxation rate														
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234	0,9050	1,1234	1,1234	1,1234	1,1234	1,1234	1,1234	0,8512	0,8010	
Hydro-Sherbrooke credit	(0,0221)	(0,0221)	(0,0221)	(0,0221)	-	(0,0221)	(0,0221)	(0,0221)	(0,0221)	(0,4778)	(0,0221)	-	-	
Property taxation rate - former debts	0,1280	0,2630	-	-	-	0,0144	0,2645	0,2416	0,1747	0,5630	-	-	-	
Total taxation rate	1,2293	1,3643	1,1013	1,1013	0,9050	1,1157	1,3658	1,3429	1,2760	1,2086	1,1013	0,8512	0,8010	
\$ of tax	1 087,14	1 112,56	1 133,69	1 188,17	931,62	1 279,05	1 349,81	1 404,54	1 316,62	1 303,93	1 171,53	905,48	852,08	
Tariffs														
Waste	70,00	70,00	70,00	70,00	112,00	70,00	70,00	70,00	70,00	70,00	70,00	112,00	86,00	
Water purification	112,00	112,00	112,00	-	-	112,00	112,00	112,00	112,00	112,00	112,00	10,00	10,00	
Waterworks	112,00	112,00	112,00	-	-	112,00	112,00	112,00	112,00	112,00	112,00	-	-	
Road system maintenance	70,00	70,00	70,00	70,00	-	70,00	70,00	70,00	70,00	70,00	70,00	-	40,00	
Abatement/supplement	-	(0,59)	(108,16)	(108,16)	-	(175,99)	(12,70)	(87,37)	(1,60)	84,91	(260,94)	-	-	
Tax burden	1 451,14	1 475,97	1 389,53	1 220,01	1 043,62	1 467,06	1 701,11	1 681,17	1 679,02	1 752,84	1 274,59	1 027,48	988,08	
Reconstituted city														
Urban agglomeration rate	0,8117	-	-	0,8117	-	0,8117	0,8117	0,8117	0,8117	0,8117	-	-	-	
Local rate	0,8486	1,5472	1,5472	0,4168	1,1788	0,3947	0,3926	0,4163	0,4517	0,3066	1,2188	1,0445	1,0445	
Hydro-Sherbrooke credit	(0,0221)	(0,0221)	(0,0221)	(0,0221)	-	(0,0221)	(0,0221)	(0,0221)	(0,0221)	(0,4778)	(0,0221)	-	-	
Property taxation rate - former debts	0,1280	0,2630	-	-	-	0,0144	0,2645	0,2416	0,1747	0,5630	-	-	-	
Total taxation rate	1,7661	1,7881	1,5251	1,2064	1,1788	1,1987	1,4467	1,4475	1,4159	1,2034	1,1967	1,0445	1,0445	
\$ of tax	1 561,88	1 458,13	1 569,92	1 301,52	1 213,47	1 374,19	1 429,72	1 513,91	1 461,00	1 298,34	1 273,01	1 111,11	1 111,11	
Tariffs														
Waste	70,00	70,00	70,00	112,00	70,00	70,00	70,00	70,00	70,00	70,00	70,00	70,00	70,00	
Water purification	112,00	112,00	112,00	-	-	112,00	112,00	112,00	112,00	112,00	112,00	10,00	10,00	
Water supply	112,00	112,00	112,00	-	-	112,00	112,00	112,00	112,00	112,00	112,00	-	-	
Road system maintenance	70,00	70,00	70,00	-	70,00	70,00	70,00	70,00	70,00	70,00	70,00	70,00	70,00	
Abatement/supplement	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax burden	1 925,88	1 822,13	1 933,92	1 413,52	1 353,47	1 738,19	1 793,72	1 877,91	1 825,00	1 662,34	1 637,01	1 261,11	1 261,11	
Increase (decrease) in the tax burden in the event of reconstitution	474,74	346,16	544,39	193,51	309,85	271,13	92,61	196,75	145,98	(90,50)	362,42	233,63	273,03	

At end : Increase (decrease) in the tax burden in the event of reconstitution (1)	414,20	376,87	342,53	37,81	533,59	(14,83)	131,83	174,81	131,06	(40,55)	14,17	476,00	515,40
1. The variation is explained by the term of harmonization, debt substitution and the transition costs.													

Non-residential (on rental value)

We compared the business tax rates and arrived at the following observations:

- The municipalities of Brompton Township, Deauville, Fleurimont, Lennoxville and Saint-Élie-d'Orford are subject to an increase in their taxation;
- The related municipalities of Ascot, Bromptonville and Rock Forest, as well as the central municipality, benefit from a decrease in their taxation;
- ↳ There is no change for that part of the Stoke territory that is currently part of Brompton Township.

Business tax rate

	Rental value									
	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00	\$10 000,00
Current Ville	Ascot	Brompton Township	Bromptonville	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford	Brompton Township from Stoke
Business tax rate										
Business tax costs	\$5,79 \$579,00	\$1,44 \$144,00	\$7,53 \$753,00	\$4,63 \$463,00	\$4,63 \$463,00	\$4,63 \$463,00	\$7,76 \$776,00	\$8,90 \$890,00	\$3,48 \$348,00	\$8,90 \$890,00
Reconstituted city										
Business tax rate										
Urban agglomeration rate	\$5,34	\$5,23	\$5,23	\$5,23	\$5,23	\$5,23	\$5,23	\$5,23	\$5,23	\$5,23
Local rate	\$0,44	\$0,00	\$2,18	\$0,00	\$0,00	\$0,00	\$2,41	\$3,55	\$0,00	\$3,67
Business tax costs	\$566,33	\$522,65	\$740,33	\$522,65	\$522,65	\$522,65	\$763,33	\$877,33	\$522,65	\$890,00
Variation	\$(12,67)	\$378,65	\$(12,67)	\$59,65	\$59,65	\$59,65	\$(12,67)	\$(12,67)	\$174,65	\$0,00

3.3.2 Methodology Followed for the Taxation Simulations

3.3.2.1 Taxation and Tariffs in Force in the Current city

The current city taxes immovables as follows:

- Common property tax;
- Property tax on the former debt;
- Hydro tax credit to allocate the net earnings of Hydro-Sherbrooke in proportion to the capital expenditures made in the territory:
 - Former Ville de Sherbrooke, exclusively for the asset value as at December 31, 2002;
 - New Ville de Sherbrooke (including the former Ville de Sherbrooke and the related and unrelated municipalities), for the capital expenditures made since 2003;
- Business tax throughout the territory.

The current city also applies tariffs for water, sewers and residual materials. All tariffs are harmonized throughout the territory. There is no adequation between tariff expenditures and revenues.

Harmonization of the tax burden has been initially forecast over a 10-year period, and was done by former territory. We find the following rate determination factors:

- In 2004, the increase in the tax burden is 2.5% and the decrease, 0.77%;
- Harmonization was done tax bill by tax bill, rather than by former territory.

The current city will assess the relevance of harmonizing taxation over a 20-year period.

The information on the existing taxation is shown in Schedule 5.

3.3.2.2 Tax Structure Adopted

For simulation purposes, we propose a tax structure in accordance with the one adopted by the current city.

General tax for urban agglomeration powers and shared assets and activities

A uniform taxation rate is applied for all urban agglomeration powers and shared assets and activities. The calculation is based on the real estate wealth of the current city's taxpayers covered by the related municipalities.

Sector tax – local powers

A taxation rate based on the real estate wealth of all taxpayers in the municipality to be reconstituted will be applied for the local powers that it will have to assume.

Some special conditions concern the unrelated municipalities. The sectors of Bromptonville, Brompton Township and the Stoke sector from Brompton Township will only have to assume a local tax in the reconstituted municipality of Bromptonville. Through intermunicipal agreements, the sectors will assume all of the urban agglomeration powers and the shared assets and activities to ensure that these sectors are considered to be subject to urban agglomeration taxation. However, the Stoke sector from Brompton Township will only assume the cost of the agreements initially existing in 2001 and will assume no relative burden for the arterial road system and the shared assets and activities.

In the Stoke sector from Brompton Township, the local tax will be divided into two parts. A first local tax through intermunicipal agreements will serve to finance all of the urban agglomeration powers and the shared assets and activities. Another local tax will serve to finance the local powers based on the costs of the municipality of Stoke.

Moreover, the former municipality of Saint-Élie-d'Orford, for the Saint-Élie-d'Orford, Orford Township and Saint-Denis de Brompton sectors, will have a local tax imposed by the reconstituted municipality of Saint-Élie-d'Orford. Through intermunicipal agreements, all of the sectors will assume the totality of the urban agglomeration powers and the collectively shared assets and activities. However, Orford Township and Saint-Denis de Brompton will only assume the cost of the agreements existing in 2001 and will assume no relative burden for the arterial road system and shared assets and activities.

Sector tax – debt service, based on the general real estate value

The debts already contracted by the former municipalities as at December 31, 2001 will be supported by them until their extinction.

The debts contracted by the current city have been identified as follows:

- debts for the purposes of urban agglomeration powers and shared assets are prorated on the basis of the standardized real estate wealth of each related municipality and the central municipality;
- debts for the purposes of local powers are allocated to the territory to be reconstituted (central municipality, related and unrelated municipalities).

At the end of the harmonization period, the taxation rates relating to the former debts and the new debts will no longer be the same as for years 1, 2 and 3 of the financial projections. However, we have compensated for the same net expenditures (principal and interest) by substituting the new debts between the local and urban agglomeration levels based on the following assumptions:

- in the tax bills of the current city, the former debts are replaced by the debts of the current city and are financed by all taxpayers;
- in the tax bills of the reconstituted municipalities:
 - the debts relating to the urban agglomeration are identified from the capital expenditures program for 2004 in pro rata to the total program and these debts are financed by all taxpayers;

-
- the balance, which represents the debts related to local powers, is allocated among the municipalities in pro rata to the net financial expenses that had been allocated to them for local powers under the 2001 budget forecasts.

The assumptions do not necessarily account for capital expenditures that will have to be made in the future to ensure sustainability.

Power grid tax credit

The credit will no longer be available, as future capital expenditures, after reconstitution of a former municipality. The reconstituted municipality will still be entitled to the credit it has accumulated in capital expenditures from 2002 until its reconstitution.

Tariffs for municipal services

We have maintained the tariff structure in force in the current city for the entire territory.

Business tax

The current city levies a business tax on rental immovables. We have maintained the same tax for the entire territory, taking into consideration the fact that the additional revenues from industrial parks acquired under the *Act respecting municipal industrial immovables* are reserved for financing of urban agglomeration powers.

We end up with a general tax for urban agglomeration powers and shared assets and activities and a sector tax for local powers. The urban agglomeration rate has been determined in pro rata to the urban agglomeration expenditures and the local rate represents the difference between the current rate and the urban agglomeration rate.

Tax burden harmonization clause

The purpose of this tax or credit is to harmonize taxation between the former territories. It is prescribed in the Order-in-Council that constituted the current city. Harmonization in the current Ville de Sherbrooke is conducted by former territory and can extend for up to 20 years.

Harmonization of the tax burden will not apply to a reconstituted municipality, for the latter must assume its full share of the urban agglomeration powers.

3.3.2.3 Transition Costs

The transition costs retained are:

- the cost of holding the referendum assumed by the current city and by the Director General of Elections, which will be reimbursed by the reconstituted municipalities. The costs are allocated on the basis of the permanent population;
- the operating costs of the transition committee assumed by the MAMSL, which will be reimbursed by the reconstituted municipalities. The costs are allocated on the basis of the standardized real estate wealth;

-
- the cost of capital expenditures in the area of information technology assumed and financed by the reconstituted municipalities. The costs are calculated case by case.

The transition costs are amortized over a three-year period.

Referendum costs

The costs represent an expenditure of \$5.60 per capita for the referendum election and \$0.40 per capita for the revision of the list. This information comes from the MAMSL and is based on the cost of the 2001 elections for the amalgamation of the current cities. This cost has been indexed with the CPI to reach \$6.43 per capita in 2004. The costs concern all the former municipalities that can be reconstituted. In the case of Saint-Élie-d'Orford, the referendum covers the entire population of the former Saint-Élie-d'Orford, including the population formerly attached to Saint-Denis-de-Brompton and Orford Township. In the case of Bromptonville, the referendum covers the entire population of the former Bromptonville, including the population that was attached to Stoke.

Transition committee

We take for granted that only one transition committee will be formed for all of the reconstituted municipalities.

The costs of the transition committee are based on those of the 2001 transition committee. For Sherbrooke, this cost is \$1,720,000 (an indexed cost of \$1,842,120).

Capital expenditure costs

The capital expenditure costs identifiable for a territory are limited to city halls and municipal garages, buildings and information technology needs. Based on the information provided and discussions with the administration of the current city, the following assumptions were adopted:

- Buildings and garages:
 - No disposal of municipal buildings and garages;
 - All the buildings are functional;
 - All the municipal garages are functional;

➤ Information technology:

- The systems of the former territories are no longer functional;
- The reconstituted municipalities must adopt the following information systems: financial management, procurement and inventory, debt service, fixed assets, triennial budget, revenue management, payroll, human resources, permits and urban planning, recreation, central taxpayer file and quality of services.
- The following costs have been taken into consideration: software user licences, necessary interfaces, management software (database and various utilities), central equipment, necessary commissioning services for all modules;
- The costs have been estimated on the basis of the solutions presently offered by the current technology providers and were estimated according to the size of the municipality's population:
 - For a municipality with a population of less than 10,000: \$221,305;
 - For a municipality with a population between 10,000 and 20,000: \$350,455.

Here are all of the estimated transition costs:

	Referendum costs in \$	Cost of the transition committee in \$	Capital expenditures in \$	Annual financial impact / financing over three years
Ascot	46 004	91 271	221 305	119 527
Bromptonville	38 884	77 145	221 305	112 445
Deauville	19 503	38 694	221 305	93 167
Fleurimont	109 216	216 684	350 455	225 452
Lennoxville	32 663	64 804	221 305	106 257
Rock Forest	124 697	247 397	350 455	240 849
Sherbrooke	500 431	992 850	–	497 760
Saint-Élie d'Orford	57 095	113 275	221 305	130 559
Total	928 493	1 842 120	1 807 435	1 526 016

3.3.2.4 Assessment Rolls

The following table presents the real estate wealth of the entire territory of the current city. The information is presented by former territory.

**Summary of the real estate
assessment roll**

	Ascot	Bromptonville	Brompton Township	Brompton Township from Stoke	Stoke from Brompton Township	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie- d'Orford	Orford from Saint-Élie- d'Orford	Saint- Denis from Saint-Élie- d'Orford	Total
Taxable assessments														
Residential	98 578 803	83 879 611	79 663 235	1 146 111	6 447 000	144 300 249	515 567 122	149 139 849	640 539 976	1 711 477 297	279 655 895	17 259 000	5 846 940	3 733 501 088
Six or more dwellings	50 071 180	5 724 350	103 500			1 588 500	25 799 039	28 697 820	33 043 030	536 793 443	3 040 300			684 861 162
Serviced vacant land	-	6 100	-			-	1 143 500	41 900	2 330 400	22 896 500	507 000			26 925 400
Non-residential	5 620 491	37 480 407	8 414 774	42 692		13 052 073	59 113 685	23 490 365	87 574 569	707 074 865	28 844 286			970 708 207
Industrial	3 108 170	742 700	326 470			3 844 600	2 048 700	8 174 000	3 859 330	120 730 770	816 520			143 651 260
Compensable assessments														
Government of Canada, s. 204	-	82 600				-	198 500	12 633 700	1 300 700	14 734 900	129 500			29 079 900
Government of Québec, s. 255, 1st subsection	53 200	-				-	159 800	304 500	2 477 900	36 795 000	9 800			39 800 200
Government of Québec	-	-				-	-	-	-	-	-			-
Health and social services network	96.70%	534 171	1 576 790			-	115 982 947	1 252 362	11 225 516	119 992 613	501 776			251 066 175
CEGEPS and universities	96.70%	695 273	-			-	15 869 921	60 496 197	-	235 072 575	-			312 133 965
Primary and secondary schools	56.40%	971 321	1 687 375			952 765	2 545 388	2 186 910	5 036 520	27 104 543	1 734 074			42 218 897
Secondary schools	47.20%	8 990 137	3 249 342				8 172 208	16 737 922	1 948 869	50 383 121	10 714			89 492 314
Classified cultural property		-	-				-	-	-	-	-			-
Immovables subject to s. 208, 1st subsection		-	-				-	-	-	-	-			-
Immovables subject to s. 210, 2nd subsection		-	-				-	-	-	-	-			-
Other immovables		-	-				-	-	-	-	-			-
Total compensable assessments		11 244 101	6 596 108	-	-	-	952 765	142 928 764	93 611 591	21 989 505	484 082 751	2 385 865	-	763 791 451
Total taxable assessments		157 378 644	127 833 168	88 507 979	1 188 803	6 447 000	162 785 422	603 672 046	209 543 934	767 347 305	3 098 972 875	312 864 001	17 259 000	5 559 647 117
Standardized real estate wealth (SREW)		\$168 622 745	\$134 429 276	\$88 507 979	\$1 188 803	\$6 447 000	\$163 738 187	\$746 600 810	\$303 155 525	\$789 336 810	\$3 583 055 626	\$315 249 866	\$17 259 000	\$6 323 438 568
% SREW		2.67%	2.13%	1.40%	0.02%	0.10%	2.59%	11.81%	4.79%	12.48%	56.66%	4.99%	0.27%	100.00%

3.3.2.5 Estimated Costs of Shared Assets and Activities

Bill 9 identifies a list of shared assets and activities. These shared assets and activities are considered on the same basis as the urban agglomeration powers and are financed by all citizens of the current city. The data presented are taken from the 2004 budget forecasts.

Shared assets and activities			
Sector	Section	Description	Net costs
Fleurimont	Recreation and culture	Centre Julien-Ducharme	784 000 \$
Fleurimont	Recreation and culture	Festival des traditions du monde	84 000 \$
Fleurimont	Recreation and culture	Tournoi Yvon Pif Dépatie	28 450 \$
Lennoxville	Recreation and culture	Musée Uplands	27 500 \$
Lennoxville	Recreation and culture	Palais des sports	299 000 \$
Lennoxville	Recreation and culture	Parc Jacques-Cartier	173 300 \$
Lennoxville	Recreation and culture	Parc Sylvie-Daigle	7 600 \$
Rock Forest	Recreation and culture	Centre récréatif de Rock Forest	235 000 \$
Sherbrooke	Recreation and culture	Bibliothèque Éva-Sénécal	1 722 600 \$
Sherbrooke	Recreation and culture	Beckett Woods	3 000 \$
Sherbrooke	Land use planning and urban planning	CHARMES	509 910 \$
Sherbrooke	Recreation and culture	Centre culturel de l'Université de Sherbrooke	22 000 \$
Sherbrooke	Recreation and culture	Centre d'animation culturelle	53 900 \$
Sherbrooke	Recreation and culture	Challenge sur glace Damafro	129 600 \$
Sherbrooke	Land use planning and urban planning	Cité des Rivières	550 000 \$
Sherbrooke	Recreation and culture	Concerts Place de la Cité	43 400 \$
Sherbrooke	Recreation and culture	Concerts symphoniques de Sherbrooke	37 500 \$
Sherbrooke	Recreation and culture	Expo-Sherbrooke building	44 000 \$
Sherbrooke	Recreation and culture	Faucheurs de marguerites	- \$
Sherbrooke	Recreation and culture	Canada Day (Parc Jacques-Cartier)	2 250 \$
Sherbrooke	Recreation and culture	Fête du Lac des Nations (Parc Jacques-Cartier)	45 500 \$
Sherbrooke	Recreation and culture	Québec National Holiday (Parc Jacques-Cartier)	5 400 \$
Sherbrooke	Recreation and culture	L'International du cinéma	6 500 \$
Sherbrooke	Recreation and culture	Mont-Bellevue (outdoor centre)	62 400 \$
Sherbrooke	Recreation and culture	Mont-Bellevue (winter operation)	- \$
Sherbrooke	Recreation and culture	Musée de la nature et des sciences	75 000 \$
Sherbrooke	Recreation and culture	Musée des Beaux-Arts	75 000 \$
Sherbrooke	Recreation and culture	Petit théâtre de Sherbrooke	27 200 \$
Sherbrooke	Recreation and culture	Plage Blanchard	16 500 \$
Sherbrooke	Recreation and culture	Salon des métiers d'art	- \$
Sherbrooke	Recreation and culture	Historical and tourist sites	158 818 \$
Sherbrooke	Recreation and culture	Société d'histoire de Sherbrooke	62 500 \$
Sherbrooke	Recreation and culture	Stade Amédée-Roy	67 300 \$
Sherbrooke	Recreation and culture	Webster and Wellington South parking lots	(132 300) \$
Sherbrooke	Recreation and culture	Granada Theatre	12 700 \$
Sherbrooke	Recreation and culture	International Bantam Hockey Tournament	16 000 \$
Sherbrooke	Recreation and culture	Week-ends Labatt Bleue	22 600 \$
Total			5 278 128 \$

3.4 Information on Assets, Liabilities and Surpluses, Deficits and Reserve Funds

All of the information presented in this section is indicative and is not considered in the taxation simulations.

3.4.1 Fixed Assets

The general overview of the composition of the current city's assets, at their net value as at December 31, 2002, presented in the notes to the financial statements, is given in Schedule 7. However, the current city is not in a position to allocate this value among assets under urban agglomeration powers, pooled assets and assets under local powers, because the information contained in its register of fixed assets for the entire territory does not allow such identification.

3.4.2 Capital Expenditure Program and Long-Term Debt

Capital expenditure program

The information presented refers to the costs of the projects depending on whether they are under local powers or urban agglomeration powers, and reflects the capital expenditure program adopted for 2004.

The details are presented in Schedule 7.

Long-term debt

The detailed breakdown appearing in the Schedule represents the forecast principal and interest repayments for the existing debts as at December 31, 2001. It considers the temporary financing at the time and the latest permanent financing regarding the projects undertaken in 2001, and ends in 2004. These debts are assumed by the former territories until their extinction. The information presented concerns the net debt, excluding any other contribution and grant, i.e. the portion financed by the taxpayers.

The debts of the current Ville de Sherbrooke contracted since January 1, 2002:

- are assumed by the taxpayers through the general property tax of the urban agglomeration for the related municipalities;
- are assumed by the taxpayers through the local general property tax for the related and unrelated municipalities;
- do not account for the capital expenditure program;
- exclude Hydro-Sherbrooke.

The details are presented in Schedule 7.

3.4.3 Surpluses, Deficits and Reserve Funds

An accumulated surplus of \$6,338,688 is forecast as at December 31, 2003, excluding the results for the current year for the current city, which include surpluses of \$3,397,712 allocated to the former territories.

The surpluses allocated for the benefit of the former municipalities at the time of amalgamation are reserved for use within the former territories. The portion of the allocated surpluses accumulated since January 1, 2002 belongs to the current city and will be used for the urban agglomeration, regardless of the nature of the forecast allocation.

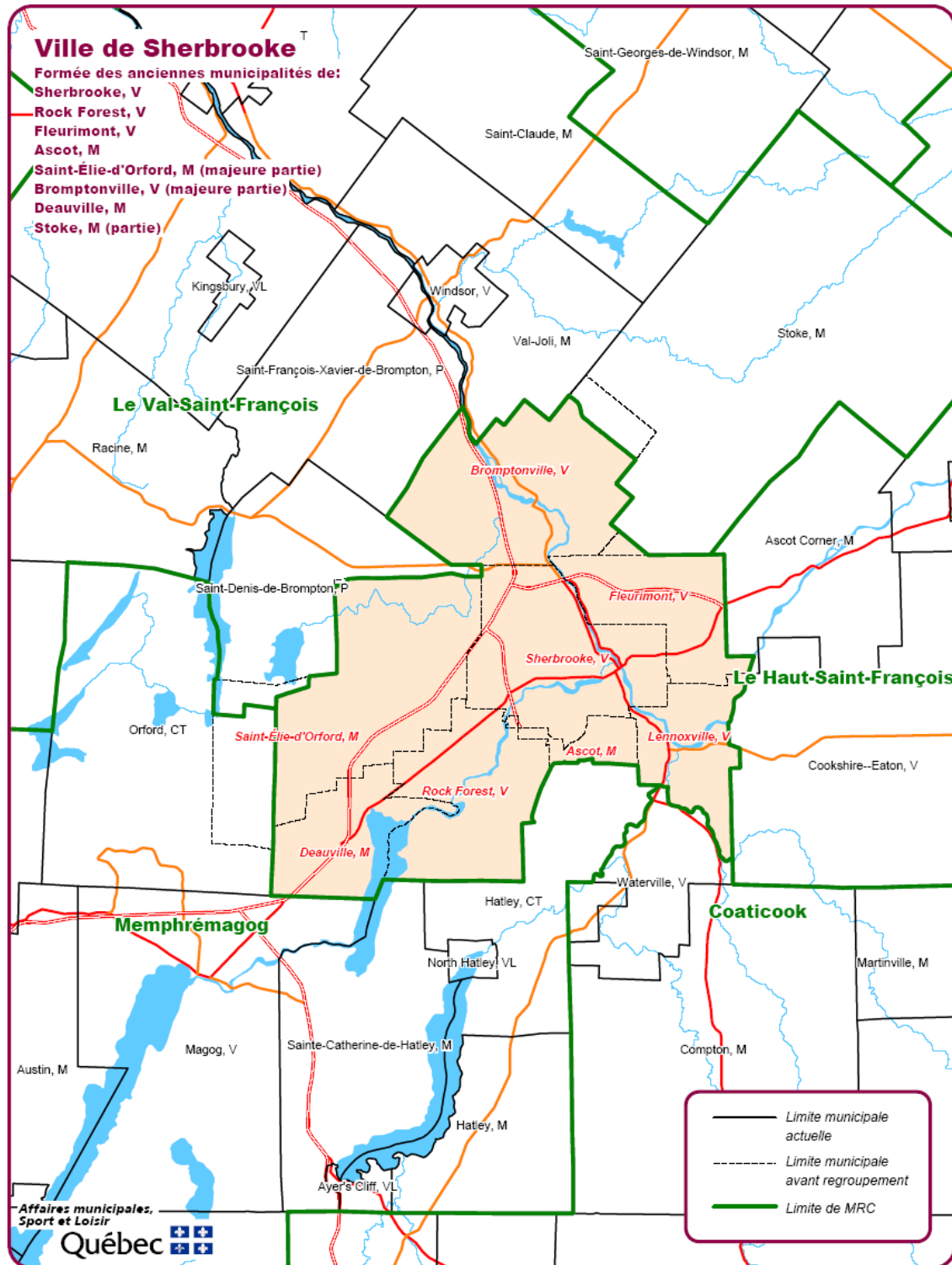
The current city's free surplus of \$2.9 million will be used by the urban agglomeration.

Funds reserved prior to January 1, 2002 are dedicated to the former territories, while the amounts accumulated since January 1, 2002 are used for the purposes for which they had been intended.

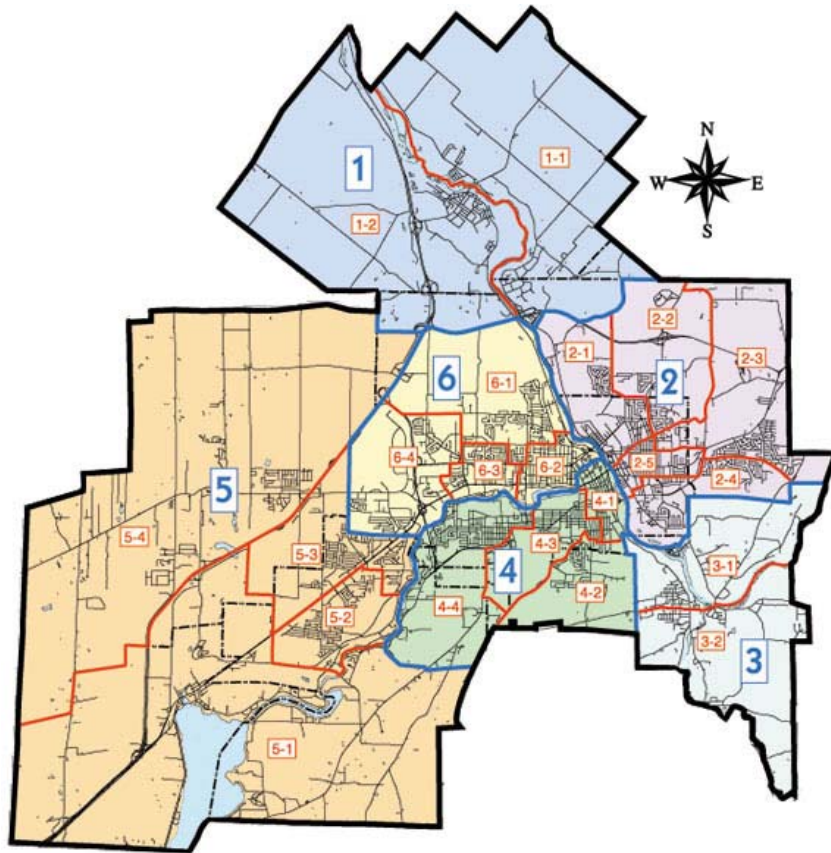
All of the information regarding surpluses, deficits and reserve funds is presented in Schedule 8.

Schedules

PLAN OF VILLE DE SHERBROOKE



PLAN OF THE BOROUGH TERRITORIES



3- CITY CHARTER

Charter of Ville de Sherbrooke

Ville de Sherbrooke derives its origin from the following Orders-in-Council and statutes:

- 1- Order-in-Council 850-2001;
- 2- Order-in-Council 1475-2001;
- 3- Order-in-Council 509-2002;
- 4- Order-in-Council 1078-2002;
- 5- 2002 c. 37;
- 6- 2002 c. 77;
- 7- 2002 c. 14;
- 8- 2003 c. 19.

4 – REPRESENTATION ON THE URBAN AGGLOMERATION COUNCIL

Names of cities	Population	Population %	Number of representatives	Number of votes
Ascot	7 159	5,53	1	6
Deauville	3 035	2,34	1	2
Fleurimont	16 996	13,12	1	13
Lennoxville	5 083	3,92	1	4
Rock Forest	19 405	14,98	1	15
Sherbrooke¹	77 876	60,11	2	60
Total	129 554 ²	100	7	100

¹ The residual municipality will have the right of veto about any decision taken by the urban agglomeration council.

² This total excludes the unrelated municipalities. The population of Bromptonville is 6,051 and the population of Saint-Élie-d'Orford is 8,885.

5 – TAXATION OF THE VILLE IN 2004

	Ascot	Bromptonville	Brompton Township	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie d'Orford	Brompton Township from Stoke
General property tax (per \$100 of assessment)										
General taxes	1,1234	1,1234	1,1234	1,1234	1,1234	1,1234	1,1234	1,1234	1,1234	1,1234
Other taxes and other modes of pricing for municipal services (Abatement/Supplement – annual sinking fund (% of 2002 tax burden))	-	(2,5)	(2,5)	(2,5)	(2,5)	(2,5)	(2,5)	0,77	(2,5)	(2,5)
Benefit from electric power system	-0,0221	-0,0221	-0,0221	-0,0221	-0,0221	-0,0221	-0,0221	-0,4778	-0,0221	-0,0221
Property taxes/debt	0,128	0,263	-	0,0144	0,2645	0,2416	0,1747	0,563	-	-
Water – residential immovables, 1 to 4 dwellings (tariff)	112	112	112	112	112	112	112	112	112	112
Water – residential immovables, 5 or more dwellings (tariff)	101	101	101	101	101	101	101	101	101	101
Water – residential immovables, 5 or more rooms (tariff)	37	37	37	37	37	37	37	37	37	37
Water – residential immovables, commercial premises (tariff)	112	112	112	112	112	112	112	112	112	112
Water – NRI with subscription tariff meter (tariff)	30	30	30	30	30	30	30	30	30	30
Water – NRI with consumption meter (cubic metre)	0,33	0,33	0,33	0,33	0,33	0,33	0,33	0,33	0,33	0,33
Water purification – residential immovables, 1 to 4 dwellings (tariff)	112	112	112	112	112	112	112	112	112	112
Water purification – residential immovables, 5 or more dwellings (tariff)	101	101	101	101	101	101	101	101	101	101

	Ascot	Bromptonville	Brompton Township	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford	Brompton Township from Stoke
Water purification – residential immovable, 5 or more rooms (tariff)	36	36	36	36	36	36	36	36	36	36
Water purification – residential immovable – commercial premises (tariff)	112	112	112	112	112	112	112	112	112	112
Water purification in rural area (equivalent dwelling)	50	50	50	50	50	50	50	50	50	50
Water purification – NRI with consumption meter (cubic metre)	0,25	0,25	0,25	0,25	0,25	0,25	0,25	0,25	0,25	0,25
Waste with container – 1 or more dwellings (tariff)	50	50	50	50	50	50	50	50	50	50
Waste with container – commercial premises (tariff)	50	50	50	50	50	50	50	50	50	50
Waste with container – 5 or more rooms (tariff)	9	9	9	9	9	9	9	9	9	9
Waste without container – 1 or more dwellings (tariff)	70	70	70	70	70	70	70	70	70	70
Waste without container – commercial premises (tariff)	70	70	70	70	70	70	70	70	70	70
Waste without container – 5 or more rooms (tariff)	13	13	13	13	13	13	13	13	13	13
Business tax – rate	5,79	7,53	1,44	4,63	4,63	4,63	7,76	8,9	3,48	8,9
Road system maintenance – 1 to 4 dwellings (tariff)	70	70	70	70	70	70	70	70	70	70
Road system maintenance – 5 or more dwellings (tariff)	60	60	60	60	60	60	60	60	60	60
Road system maintenance – commercial premises (tariff)	70	70	70	70	70	70	70	70	70	70

6- DETAILS OF TAX BILLS

Tax bill – Residential – Ascot				
Assessment	88 436 \$	88 436 \$	88 436 \$	88 436 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,1280	0,1280	0,1280	
Total taxation rate	1,2293	1,2195	1,2104	1,4170
\$ of tax	1 087,14	1 078,48	1 070,43	1 253,14
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system	70,00	70,00	70,00	70,00
Abatement / supplement	-	-	-	-
Tax burden				
	1 451,14	1 442,48	1 434,43	1 617,14
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,8486	0,8485	0,8485	0,7832
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,1280	0,1280	0,1280	0,0410
Total taxation rate	1,7661	1,7669	1,7676	1,8854
\$ of tax	1 561,88	1 562,55	1 563,22	1 667,33
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden				
	1 925,88	1 926,55	1 927,22	2 031,33
Increase (decrease) in the tax burden in the event of reconstitution				
	474,74	484,07	492,79	414,20

Tax bill – Residential – Bromptonville				
Assessment	81 548 \$	81 548 \$	81 548 \$	81 548 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,2630	0,2630	0,2630	
Total taxation rate	1,3643	1,3545	1,3454	1,4170
\$ of tax	1 112,56	1 104,57	1 097,15	1 155,54
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(0,59)	-	-	-
Tax burden				
	1 475,97	1 468,57	1 461,15	1 519,54
Reconstituted city				
Urban agglomeration rate				
Local rate	1,5472	1,5472	1,5471	1,5002
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,2630	0,2630	0,2630	0,1294
Total taxation rate	1,7881	1,7889	1,7896	1,8791
\$ of tax	1 458,13	1 458,77	1 459,42	1 532,41
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden				
	1 822,13	1 822,77	1 823,42	1 896,41
Increase (decrease) in the tax burden in the event of reconstitution				
	346,16	354,21	362,27	376,87

Tax bill – Residential – Brompton Township				
Assessment	102 941 \$	102 941 \$	102 941 \$	102 941 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts				
Total taxation rate	1,1013	1,0915	1,0824	1,4170
\$ of tax	1 133,69	1 123,60	1 114,23	1 458,67
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(108,16)	(36,98)	-	-
Tax burden	1 389,53	1 450,62	1 478,23	1 822,67
Reconstituted city				
Urban agglomeration rate	-	-	-	-
Local rate	1,5472	1,5472	1,5471	1,5002
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	-	-	-	-
Total taxation rate	1,5251	1,5259	1,5266	1,7497
\$ of tax	1 569,92	1 570,73	1 571,54	1 801,21
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 933,92	1 934,73	1 935,54	2 165,21
Increase (decrease) in the tax burden in the event of reconstitution	544,39	484,11	457,31	342,53

Tax bill – Residential – Brompton Township coming from Stoke				
Assessment	107 888 \$	107 888 \$	107 888 \$	107 888 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts				
Total taxation rate	1,1013	1,0915	1,0824	1,4170
\$ of tax	1 188,17	1 177,60	1 167,78	1 528,77
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	-	-	-	-
Water supply	-	-	-	-
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(108,16)	(36,98)	-	-
Tax burden	1 220,01	1 280,62	1 307,78	1 668,77
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,4168	0,4168	0,4168	0,4168
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	-	-	-	-
Total taxation rate	1,2064	1,2072	1,2080	1,4780
\$ of tax	1 301,52	1 302,38	1 303,24	1 594,59
Tariffs				
Garbage	112,00	112,00	112,00	112,00
- Water purification	-	-	-	-
- Water supply	-	-	-	-
- Road system maintenance	-	-	-	-
- Abatement / supplement	-	-	-	-
Tax burden	1 413,52	1 414,38	1 415,24	1 706,59
Increase (decrease) in the tax burden in the event of reconstitution	193,51	133,76	107,46	37,81

Tax bill – Residential – Stoke coming from Brompton Township				
Assessment	102 941 \$	102 941 \$	102 941 \$	102 941 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	0,9050	0,9050	0,9050	0,9050
Hydro-Sherbrooke credit				
Property taxation rate – new debts				
Property taxation rate – former debts				
Total taxation rate	0,9050	0,9050	0,9050	0,9050
\$ of tax	931,62	931,62	931,62	931,62
Tariffs				
Garbage	112,00	112,00	112,00	112,00
Water purification				
Water supply				
Road system maintenance				
Abatement / supplement				
Tax burden	1 043,62	1 043,62	1 043,62	1 043,62
Reconstituted city				
Urban agglomeration rate	-	-	-	-
Local rate	1,1788	1,1787	1,1787	1,1297
Hydro-Sherbrooke credit				
Property taxation rate – new debts				0,2664
Property taxation rate – former debts				
Total taxation rate	1,1788	1,1787	1,1787	1,3961
\$ of tax	1 213,47	1 213,37	1 213,37	1 437,20
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification				
Water supply				
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 353,47	1 353,37	1 353,37	1 577,20
Increase (decrease) in the tax burden in the event of reconstitution	309,85	309,75	309,75	533,59

Tax bill – Residential – Deauville

Assessment	114 641 \$	114 641 \$	114 641 \$	114 641 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,0144	0,0144	0,0144	
Total taxation rate	1,1157	1,1059	1,0968	1,4170
\$ of tax	1 279,05	1 267,81	1 257,38	1 624,46
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(175,99)	(103,61)	(31,23)	-
Tax burden	1 467,06	1 528,20	1 590,15	1 988,46
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,3947	0,3947	0,3947	0,3379
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,0144	0,0144	0,0144	0,0050
Total taxation rate	1,1987	1,1995	1,2003	1,4041
\$ of tax	1 374,19	1 375,10	1 376,02	1 609,63
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 738,19	1 739,10	1 740,02	1 973,63
Increase (decrease) in the tax burden in the event of reconstitution	271,13	210,90	149,86	(14,83)

Tax bill – Residential – Fleurimont				
Assessment	98 829 \$	98 829 \$	98 829 \$	98 829 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,2645	0,2645	0,2645	
Total taxation rate	1,3658	1,3560	1,3469	1,4170
\$ of tax	1 349,81	1 340,12	1 331,13	1 400,41
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(12,70)	-	-	-
Tax burden	1 701,11	1 704,12	1 695,13	1 764,41
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,3926	0,3924	0,3923	0,3931
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,2645	0,2645	0,2645	0,0960
Total taxation rate	1,4467	1,4473	1,4479	1,5504
\$ of tax	1 429,72	1 430,35	1 430,99	1 532,24
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 793,72	1 794,35	1 794,99	1 896,24
Increase (decrease) in the tax burden in the event of reconstitution	92,61	90,23	99,86	131,83

Tax bill – Residential – Lennoxville				
Assessment	104 590 \$	104 590 \$	104 590 \$	104 590 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,2416	0,2416	0,2416	
Total taxation rate	1,3429	1,3331	1,3240	1,4170
\$ of tax	1 404,54	1 394,29	1 384,77	1 482,04
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(87,37)	(16,69)	-	-
Tax burden	1 681,17	1 741,60	1 748,77	1 846,04
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,4163	0,4161	0,4158	0,4148
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,2416	0,2416	0,2416	0,1081
Total taxation rate	1,4475	1,4480	1,4486	1,5841
\$ of tax	1 513,91	1 514,47	1 515,05	1 656,85
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 877,91	1 878,47	1 879,05	2 020,85
Increase (decrease) in the tax burden in the event of reconstitution	196,75	136,87	130,28	174,81

Tax bill – Residential – Rock Forest

Assessment	103 183 \$	103 183 \$	103 183 \$	103 183 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,1747	0,1747	0,1747	
Total taxation rate	1,2760	1,2662	1,2571	1,4170
\$ of tax	1 316,62	1 306,50	1 297,11	1 462,10
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(1,60)	-	-	-
Tax burden	1 679,02	1 670,50	1 661,11	1 826,10
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,4517	0,4517	0,4516	0,4237
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,1747	0,1747	0,1747	0,0591
Total taxation rate	1,4159	1,4167	1,4175	1,5440
\$ of tax	1 461,00	1 461,80	1 462,61	1 593,17
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 825,00	1 825,80	1 826,61	1 957,17
Increase (decrease) in the tax burden in the event of reconstitution	145,98	155,30	165,50	131,06

Tax bill – Residential – Sherbrooke				
Assessment	107 888 \$	107 888 \$	107 888 \$	107 888 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,4778)	(0,4707)	(0,4640)	(0,4324)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts	0,5630	0,5630	0,5630	
Total taxation rate	1,2086	1,2157	1,2224	1,0691
\$ of tax	1 303,93	1 311,59	1 318,82	1 153,43
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	84,91	74,04	68,60	63,34
Tax burden	1 752,84	1 749,63	1 751,42	1 580,77
Reconstituted city				
Urban agglomeration rate	0,8117	0,8117	0,8117	0,8117
Local rate	0,3066	0,3067	0,3069	0,3416
Hydro-Sherbrooke credit	(0,4778)	(0,4784)	(0,4789)	(0,4816)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts	0,5630	0,5630	0,5630	0,1522
Total taxation rate	1,2034	1,2030	1,2026	1,0902
\$ of tax	1 298,34	1 297,88	1 297,50	1 176,22
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 662,34	1 661,88	1 661,50	1 540,22
Increase (decrease) in the tax burden in the event of reconstitution	(90,50)	(87,76)	(89,92)	(40,55)

Tax bill – Residential – Saint-Élie d'Orford				
Assessment	106 377 \$	106 377 \$	106 377 \$	106 377 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	1,1234	1,1234	1,1234	1,1234
Hydro-Sherbrooke credit	(0,0221)	(0,0319)	(0,0410)	(0,0845)
Property taxation rate – new debts				0,3781
Property taxation rate – former debts				
Total taxation rate	1,1013	1,0915	1,0824	1,4170
\$ of tax	1 171,53	1 161,10	1 151,42	1 507,36
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement	(260,94)	(191,54)	(122,14)	-
Tax burden	1 274,59	1 333,56	1 393,28	1 871,36
Reconstituted city				
Urban agglomeration rate				
Local rate	1,2188	1,2188	1,2188	1,1808
Hydro-Sherbrooke credit	(0,0221)	(0,0213)	(0,0205)	(0,0169)
Property taxation rate – new debts				0,2664
Property taxation rate – former debts				
Total taxation rate	1,1967	1,1975	1,1983	1,4303
\$ of tax	1 273,01	1 273,85	1 274,70	1 521,53
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	112,00	112,00	112,00	112,00
Water supply	112,00	112,00	112,00	112,00
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 637,01	1 637,85	1 638,70	1 885,53
Increase (decrease) in the tax burden in the event of reconstitution	362,42	304,29	245,41	14,17

Tax bill – Residential – Orford coming from Saint-Élie d'Orford				
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Assessment	106 377 \$	106 377 \$	106 377 \$	106 377 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	0,8512	0,8512	0,8512	0,8512
Hydro-Sherbrooke credit				
Property taxation rate – new debts				
Property taxation rate – former debts				
Total taxation rate	0,8512	0,8512	0,8512	0,8512
\$ of tax	905,48	905,48	905,48	905,48
Tariffs				
Garbage	112,00	112,00	112,00	112,00
Water purification	10,00	10,00	10,00	10,00
Water supply	-	-	-	-
Road system maintenance	-	-	-	-
Abatement / supplement	-	-	-	-
Tax burden	1 027,48	1 027,48	1 027,48	1 027,48
Reconstituted city				
Urban agglomeration rate				
Local rate	1,0445	1,0445	1,0445	1,0059
Hydro-Sherbrooke credit				
Property taxation rate – new debts				0,2664
Property taxation rate – former debts				
Total taxation rate	1,0445	1,0445	1,0445	1,2723
\$ of tax	1 111,11	1 111,11	1 111,11	1 353,48
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	10,00	10,00	10,00	10,00
Water supply	-	-	-	-
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 261,11	1 261,11	1 261,11	1 503,48
Increase (decrease) in the tax burden in the event of reconstitution	233,63	233,63	233,63	476,00

Tax bill – Residential – Saint-Denis coming from Saint-Élie d’Orford				
Assessment	106 377 \$	106 377 \$	106 377 \$	106 377 \$
	1	2	3	Term
Taxation rate				
Basic property taxation rate	0,8010	0,8010	0,8010	0,8010
Hydro-Sherbrooke credit				
Property taxation rate – new debts				
Property taxation rate – former debts				
Total taxation rate	0,8010	0,8010	0,8010	0,8010
\$ of tax	852,08	852,08	852,08	852,08
Tariffs				
Garbage	86,00	86,00	86,00	86,00
Water purification	10,00	10,00	10,00	10,00
Water supply	-	-	-	-
Road system maintenance	40,00	40,00	40,00	40,00
Abatement / supplement	-	-	-	-
Tax burden	988,08	988,08	988,08	988,08
Reconstituted city				
Urban agglomeration rate				
Local rate	1,0445	1,0445	1,0445	1,0059
Hydro-Sherbrooke credit				
Property taxation rate – new debts				0,2664
Property taxation rate – former debts				
Total taxation rate	1,0445	1,0445	1,0445	1,2723
\$ of tax	1 111,11	1 111,11	1 111,11	1 353,48
Tariffs				
Garbage	70,00	70,00	70,00	70,00
Water purification	10,00	10,00	10,00	10,00
Water supply	-	-	-	-
Road system maintenance	70,00	70,00	70,00	70,00
Abatement / supplement				
Tax burden	1 261,11	1 261,11	1 261,11	1 503,48
Increase (decrease) in the tax burden in the event of reconstitution	273,03	273,03	273,03	515,40

7 – ASSETS, CAPITAL EXPENDITURES PROGRAM AND LONG-TERM DEBT

Assets as at December 31, 2002	Current Ville de Sherbrooke in \$000
Fixed assets	
Infrastructures	298 031
Electrical power system	89 536
Buildings	39 997
Vehicles	6 095
Office furniture and equipment	4 843
Machinery, tools and equipment	44 874
Lands	13 708
Capital expenditures in progress	46 498
Fixed assets subject to resale	
Immovables in the land reserve	2 051
Long-term receivables	15 696
TOTAL ASSETS	561 329

Source: current Ville de Sherbrooke

Local allocation of the capital expenditures program in 2004

	Ascot	Bromptonville	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford
Public works, community hygiene and land use planning	9 786	472 773	8 155	2 353 009	46 169	1 160 647	1 974 272	321 763
Envelopes by borough	122 280	87 503	20 965	285 490	55 963	139 277	407 387	56 134
Land acquisition	1 248	18 208	1 040	22 064	5 888	19 888	1 786 862	9 152
Recreation and culture	–	–	–	–	–	–	–	–
Information technology	–	–	–	–	–	–	1 000 000	–
Envelopes by service	1 897	13 587	1 336	21 859	4 732	18 195	133 806	8 090
Land development programs	624	9 104	520	11 032	2 944	29 944	1 391 256	24 576
Machinery and vehicle	6 037	88 081	5 031	106 735	28 483	96 208	399 152	44 273
Projects (acquisition and extension of services)	–	–	–	–	–	–	11 550 000	–
Total powers	141 872	689 257	37 047	700 188	144 179	1 464 159	18 642 735	463 988

Source : current Ville de Sherbrooke.

Debt prior to 2002

Principal and interest repayment in \$000	Ascot	Bromptonville	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford	Total
2005	149	272	–	1 468	440	1 076	18 298	2	21 705
2006	155	260	–	1 541	401	1 059	17 632	2	21 050
2007	169	235	–	1 355	362	864	17 021	5	20 011
2008	182	225	–	1 305	311	1 090	15 511	4	18 628
2009	172	217	–	1 439	271	928	13 473	3	16 503

Source : current Ville of Sherbrooke.

Debt since the creation of the current Ville

Principal and interest repayment in \$000	Current Ville of Sherbrooke			Ascot	Bromptonville	Deauville	Fleurimont	Lennoxville	Rock Forest	Sherbrooke	Saint-Élie-d'Orford
	Debt to be allocated	New Ville, urban agglomeration debts and shared assets	New Ville, local debt								
2005 to 2009	2 347	453	2 800	77	13	67	348	124	387	1 729	55

Source : current Ville of Sherbrooke.

8 – SURPLUSES AND RESERVE FUNDS

	Accumulated surpluses as at December 31, 2003 in \$	Reserve funds¹ ²in \$	Total in \$
Current Ville de Sherbrooke	2 940 975	298 710	3 239 145
Ascot	559 901	10 522	570 423
Bromptonville	195 239	21 696	216 935
Fleurimont	154 433	133 714	288 147
Rock Forest	1 854 312	81 840	1 936 152
Lennoxville	–	85 258	85 258
Sherbrooke	51 650	5 740 369	5 792 019
Deauville	100 999	1 514	102 513
Saint-Élie- d'Orford	481 179	5 083	486 262
Total	6 338 688	6 378 166	12 716 854

Source: current Ville de Sherbrooke.

² Mainly funds for parks and green spaces, sinking funds and available balances from loan by-laws. The figures date from 2003, except for the sinking funds.