

CITY OF WESTMOUNT
2022 BUDGET

PRESENTATION TO COUNCIL
January 17th, 2022

BY: Antonio D'Amico, Commissioner of Finance

Fellow Councillors, ladies and gentlemen:

I am pleased to present the details of the City's 2022 Operating Budget.

Our Council objectives are as follows:

- Limit the increase in taxation while maintaining the best possible services for our residents;
- Continue to remain up to date with technology in order to improve the efficiency of our operations;
- Continue the current revenue strategy of looking for sources of income other than property taxes;
- Continue to invest in our infrastructures;
- Incur no new debt as well ;
- Continue to add value to our parks and green spaces;
- Continue our investment in urban planning to improve its customer experience and develop a new urban plan for the City.
- Initiate actions to report on the City's efforts to adapt to climate change.

This budget process has not been without its challenges. The current situation with COVID-19 still presents and brings its share of uncertainties for the coming year. We also have to deal with an increase in our share of the agglomeration by \$ 6.3 million (+ 10.4%).

Our goal for 2022 has been to keep the property tax increase for the average single-family home to a reasonable amount. A lot of meetings, efforts and creativity from everyone have been deployed in order to contain the increase in the property tax.

As a result, the tax bill increase for the average single dwelling in Westmount is only 3.75 %, which is below COLA of 4%.

Here are the highlights of the 2022 budget:

- Council remains committed to its Pay-As-You-Go policy for funding capital works rather than relying on borrowing. The 2022 Capital Works budget of \$26.5 million, which this Council approved on Dec 20, 2021, will be financed as follows: \$11.3 million will come from taxation revenue, \$11.9 million from accumulated appropriated surplus and \$3.3 million from government grants.
- Council has asked the Administration to continue maximizing the use of grants, and to examine sources of revenue other than property taxes in order to offset operating and capital expenses. All the tariffs were reviewed and updated in the fall of 2021.
- Council has decided to increase the funds for maintaining parks and green spaces.
- Again, Council remains committed to paying off debt as it becomes due. In 2022, there will be no capital payment of the debt.

We are all concerned about the management of the disposal of residual materials and the selective collection of recyclable materials.

Benefitting from the Program on the redistribution to municipalities of royalties for the disposal of residual materials from the Ministry of the Environment and the fight against climate change, the City received a grant of \$315,000 from this program in 2021.

Also, the City subscribes to the Compensation Plan for provided municipal services to ensure the recovery and reclamation of residual materials, and as a result, we received a grant of \$266,300 in 2021.

From a larger perspective, in 2022, we will begin, in collaboration with the administration, the possibility to set up a *green accounting* process or environmental accounting.

THE 2022 TOTAL EXPENSES BUDGET (excluding Hydro Westmount)

Total expenditures after appropriation have increased by \$4.3 million (+3.7%). Our share in the Agglomeration represents an increase of \$6.3 million, which explains the important increase in total expenditures.

THE 2022 WESTMOUNT LOCAL EXPENDITURES (excluding Hydro Westmount)

Due to the many efforts, we were able to reduce local expenses by \$ 2.96 million (-4.4%). The significant variations come from capital expenditures (pay-as-you-go): - \$ 3.58 million, remuneration: + \$ 1.32 million and the change in provisions: - \$ 740,000.

The so-called operational and controllable expenses are also closely scrutinized; they are overall at the same level as last year with an increase of \$ 31,700 (+ 0.2%).

DEBT MANAGEMENT (excluding Hydro Westmount)

As of December 31st, 2021, Westmount's outstanding debt hasn't changed since December 31st 2019 at \$9.3 million. This balance will be due to mature in 2023. Therefore, there is no principal repayment in 2022. The municipal debt service of \$304k is only for the payment of interest in 2022.

2022 MUNICIPAL TAXATION AND LOCAL REVENUES

As required by law, a municipal budget must be balanced. Total revenues required to match the 2022 municipal expenses excluding Hydro Westmount, will be \$120.5 million.

Of this amount, local revenues from sources other than taxation, in-lieu of taxes and Hydro Westmount revenues will total \$19.6 million. Significant 'non-tax' revenue items include \$5 million for parking meters & permits and for tickets & fines, \$8.5 million for duties on transfers, \$1.3 million for recreational activities, and \$2 million for government transfers. The In-lieu of taxes to be received from the federal and provincial governments is \$3.2 million.

Taxation revenues in 2022 will total \$97.7 million.

2022 TAXATION RATES

In 2022, the municipal tax rates (per \$100 of valuation) will be:

For residential properties containing 5 housing units or less	\$0.7459
For apartment buildings with 6 or more units	\$0.7558
For non-residential properties	\$2.9659

The value of the average single family dwelling in 2022 will be \$1,964,958. With a 2022 residential mil rate of \$ 0.7459, the tax bill of the average single-family dwelling will be \$14,656 as compared to \$ \$14,126 in 2021 which represent an increase of 3.75%.

I wish to stress that this example reflects the impact of the taxation rates on the average single-family dwelling. Tax bill adjustments will vary depending upon the change in valuation of each individual property.

Tax bills will be mailed by the end of January. Payment can be made in two instalments; the first due on February 25, 2022, and the second on May 27, 2022. An interest rate of 9% per annum will be charged on the unpaid balance. A penalty of 0.5% per month on the outstanding principal will also be charged to a maximum of 5%, over and above the interest charges.

In tabling the 2022 Westmount Operating Budget for Council's approval, I wish to emphasize our focus on being responsible and living within our means, while taking the necessary steps to ensure Westmounters continue to benefit from first-rate services and programs.

Thank you.

Antonio D'Amico, CPA, CGA, CPA (VT), MBA, d. fisc.

Commissioner of Finance
Councillor - District 1