



BUDGET 2023



VILLE DE | CITY OF
WESTMOUNT



CHRISTINA M. SMITH
Mayor of Westmount

message from the **MAYOR**

Councillors, Ladies and Gentlemen,

I am pleased to present the City of Westmount's 2023 Operating Budget.

Despite the uncertain economic, health and geopolitical times we are experiencing, our City is financially sound. Our tax revenues have increased for all property categories by 4.4%, and our debt has stayed the same since 2020.

Our ongoing financial objective is to maintain and improve the services offered while limiting the tax burden on Westmounters.

The increase in municipal taxes for an average single-family home in Westmount (6.4%) remains slightly below the inflation rate.

We want to continue offering the best services to our residents, which means investing in our infrastructure. Residents in any municipality rightly expect to live in a healthy city, to travel safely on the roads, to have a reliable water and electricity supply, to have a rich and varied range of cultural, sports and artistic activities, and to enjoy the parks and green spaces in their City. These expectations are part of a city's basic obligations to its taxpayers. Here in Westmount, we not only want to meet these obligations, but also ensure that the services provided are of the highest quality.

In this spirit, we are increasing the budget for the Public Works and Engineering Department by 21%. These new operational expenses will allow us to deal with the overall increase in the cost of our snow removal, waste collection and supply contracts. They will also allow us to continue to better maintain our parks and green spaces and carry out important projects such as the reconstruction and redevelopment of Mount Pleasant Avenue and Grosvenor Avenue, to name two. We will also evaluate the services Hydro Westmount provides and the challenges it will face in the future. In addition, to further improve our operations' efficiency and make our technology infrastructure more secure and resilient, our Information Technology Department budget will increase by \$600,000.

The City's Legal Department's budget will also significantly increase. In addition to insurance-related expenses, we will carry out a major project to update information on public land ownership. This project will improve the management of land and property rights in certain areas of our City to the benefit of the community and property owners in Westmount.

Participation in municipal life and citizen experience are elements we also want to put forward in the coming years. We want to see you and hear from you on any and all of the defining projects we put forth. To do this, we have increased the budget of our Communications Division to provide ourselves with the tools and resources needed to improve citizen participation and experience.

This year, our Agglomeration payment will amount to \$68.6 millions. It represents half of our total expenditure budget (53%).

Finally, a budget could be seen as a financial portrait one wants to paint for the coming year. In that regard, we want to continue adding more shades of green to that portrait. I'm talking about energy transition, the preservation of our environment, and sustainable development. In addition to increasing funding for the maintenance of our parks and green spaces, we will create an Environment Division within our Public Works Department. We will also continue to replace some of the City's vehicles with hybrid or electric vehicles and develop our waste management programmes. Westmount must act and participate in the global movement to preserve our environment and biodiversity.

We are proud to present a budget that reflects our commitment to respond efficiently and responsibly to the needs and aspirations of our community.

Thank you.

Christina M. Smith
Mayor of Westmount



ANTONIO D'AMICO
CPA, CPA(VT), MBA, d.fisc.
Councillor - District 1

message from the **COMMISSIONER OF FINANCE**

Madam Mayor, Fellow Council Members, Ladies and Gentlemen,

Preparing a City's budget is often challenging, as it must reflect the expectations and aspirations of taxpayers while being consistent with the City's financial situation, socio-economic context and legislative requirements.

I am therefore pleased and honoured to present the City of Westmount's 2023 operating budget outline.

In preparing this budget, our objectives were to limit the increase in the property tax rate for the average single-family residence to below the inflation rate. We want to do this while continuing to provide the best possible services to residents and improve the efficiency of our operations by investing in our infrastructure and operational resources. The City considers these objectives and the means to achieve them from an environmental protection and sustainable development perspective. In this regard, Council, in collaboration with the administration, will be exploring opportunities in 2023 to implement a green accounting process.

A great deal of effort and creativity has gone into containing the increase in property taxes. As you will see in this budget, the municipal tax increase for the average single-family residence will be 6.4%. The increase is still slightly below the inflation rate. Since there are significant differences in the type of single-family homes in our City, it is important to note that the total increase in municipal taxes will depend on the valuation of each property. The average increase in the property assessment roll for 2023 is 28.7%. This does not mean your tax bill will go up by that rate. Indeed, the property assessment is only one factor in determining the tax bill, the other being the mill rate.

Total expenditures (excluding Hydro Westmount) for 2023 will be \$129.54 million, an increase of 9.2% from the previous year. This increase in expenditures is due to several factors. First, in keeping with our desire to ensure the optimal maintenance of our infrastructure and the implementation of structuring projects for the City, we are raising our departmental expenses by approximately \$3.96 million (25% more than last year) to increase our material, technological and human resources. This increase in operational costs is also the result of the current context marked by an increase in contract costs (snow removal, waste collection, etc.), supply costs (equipment, raw materials) and energy costs. For example, the cost of renting a wheel loader for snow removal has increased by 64% compared to last year, the cost of line painting has increased by 49%, and the price of diesel fuel has increased by 81% since 2021.

In non-departmental expenses, as per actuarial recommendation, we had to increase the cost of financing the actuarial deficit of the pension plans. This increase in funding cost is primarily due to declining returns in the financial markets.

In comparison with other municipalities in the metropolitan area, Westmount has an enviable debt situation. The \$9.3 million principal balance of the debt will come due in 2023. For budget purposes, Council has decided to refinance this debt instead of paying it off, thereby extending the repayment period. As a result, there will be no principal repayment of the debt in 2023. This decision, following a recommendation of the Finance and Administration Committee, was made based on good financial practice, which seeks to finance long-term assets with long-term debt and to take advantage of the low-interest rates on that debt.

The Cities and Towns Act requires that we balance our budget annually. Therefore, our total revenues for 2023 of \$129.54 million cover our annual expenditures.

About three quarters of our revenue (\$102 million) comes from taxation. This portion of our revenue has increased by 4.4% compared to the previous year. Municipal taxes are an important source of revenue for the City. It helps us to ensure that the City is able to provide the services and programmes that its residents rely on. A significant part of our revenues also comes from transfer duties (\$12.7 million), compensation in lieu of taxes receivable from the federal and provincial governments (\$3.6 million), parking meters and permits (\$3.2 million), and interest revenue (\$2.8 million).

With the exception of major long-term projects, Council remains committed to its Pay-As-You-Go policy for funding capital works rather than relying on borrowing. The Pay-As-You-Go policy Westmount pioneered in 1994, consists of paying cash for all routine capital investments. This has the advantage of minimizing the impact of increasing interest rates on our infrastructure spending. The 2023 Capital Works budget of \$27.9 million, which the Council approved on Dec 5, 2022, will be financed as follows: \$12.9 million will come from taxation revenue, \$12 million from accumulated appropriated surplus and \$3 million from government grants. For instance, the City has received a grant of 274 700 \$ from the Ministère de l'Environnement et de la Lutte contre les changements climatiques, de la Faune et des Parcs's Municipal Waste Disposal Fee Redistribution Program. In addition, Westmount subscribes to the Compensation Plan for municipal services provided to ensure the collection and recycling of waste materials, for which we received a grant of \$241,900 in 2022. Council has directed the administration to continue to maximize the use of grants and to examine revenue sources other than property taxes to offset operating and capital expenditures.

As other municipalities, we will study the possibility of implementing ecotaxation measures to diversify our sources of revenue, prepare our City to the consequences of climate change and encourage our community to adopt eco-responsible behaviour.

The 2023 Operating Budget is a quantified expression of a vision for our City. This vision consists of continuing to make Westmount an exceptional, greener, more efficient, and more resilient City. And a source of pride for our entire community. As

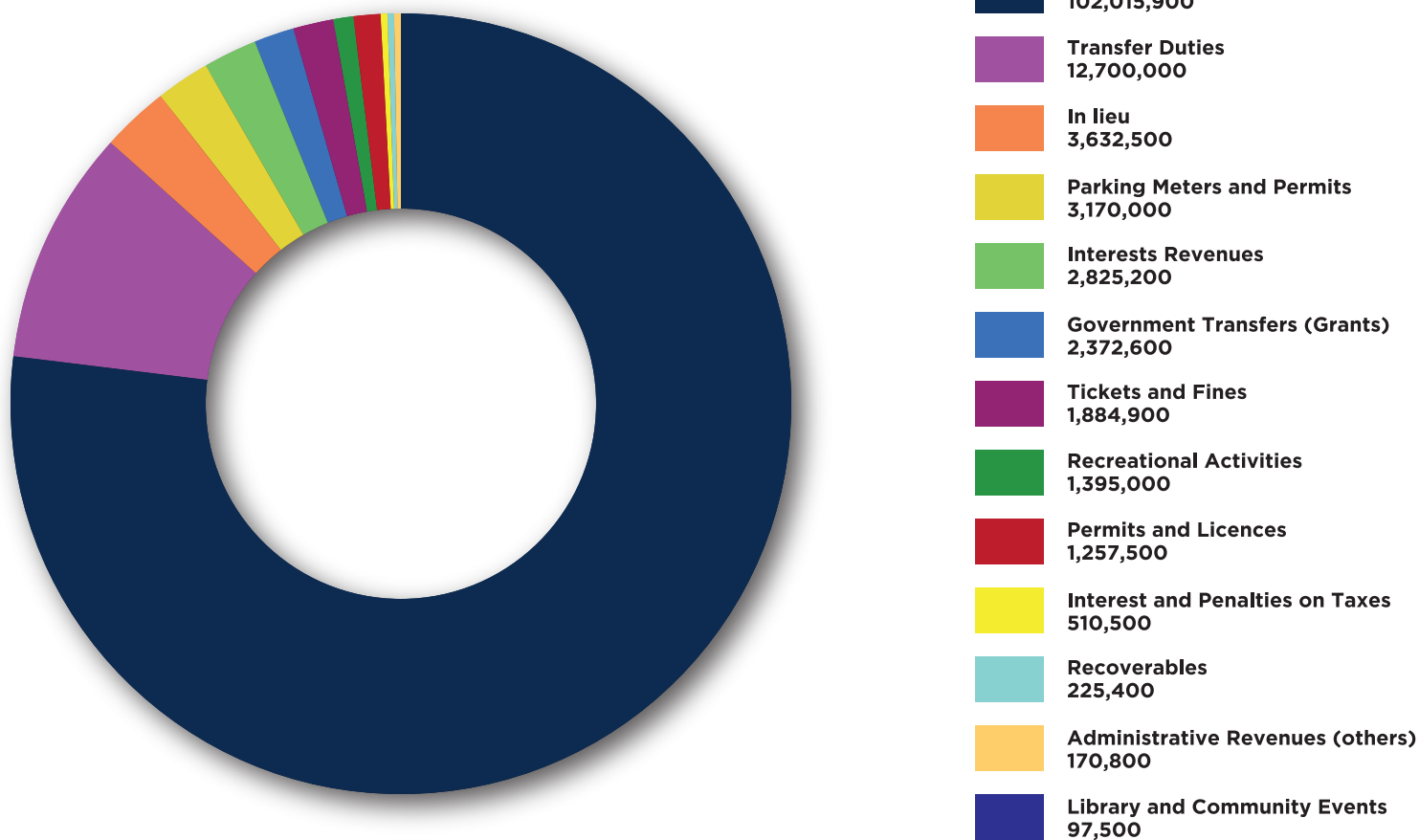
I would like to extend my warmest thanks to all the departments involved in preparing this budget. Thank you for your hard work and dedication.

Finally, I wish to echo the Mayor's words, and we welcome any comments and suggestions you may have.

Thank you,

Antonio D'Amico, CPA, CPA(VT), MBA, d.fisc.
Councillor - District 1

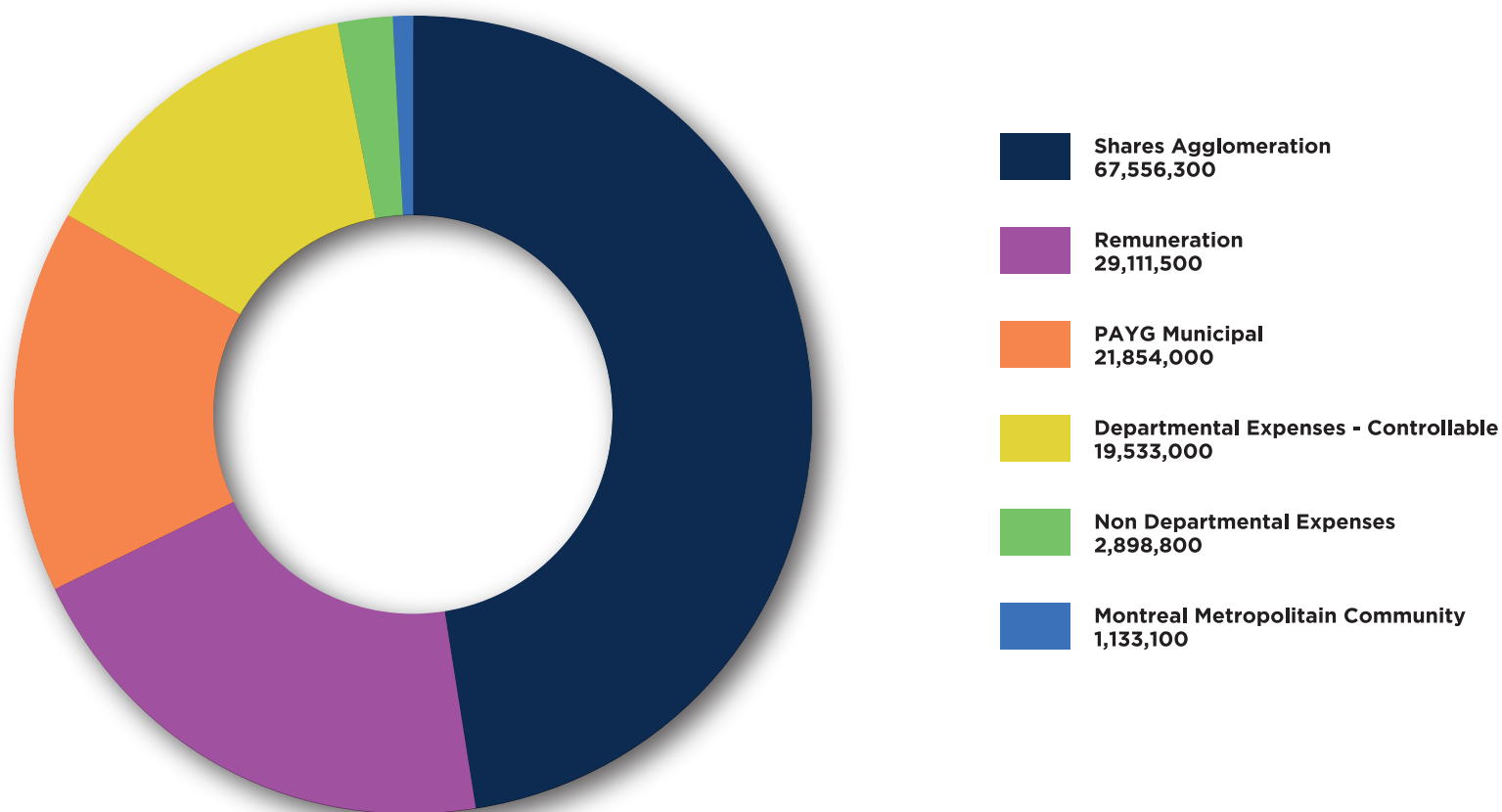
revenues



TOTAL REVENUES*:
129,539,300

*Excluding net contribution (-2,718,500) from Hydro Westmount. For a complete description of revenues, please see page 11.

expenditures



TOTAL EXPENDITURES AFTER APPROPRIATION*:
129,539,300

*Excluding Hydro Westmount. For a complete description of expenditures, please see page 12.

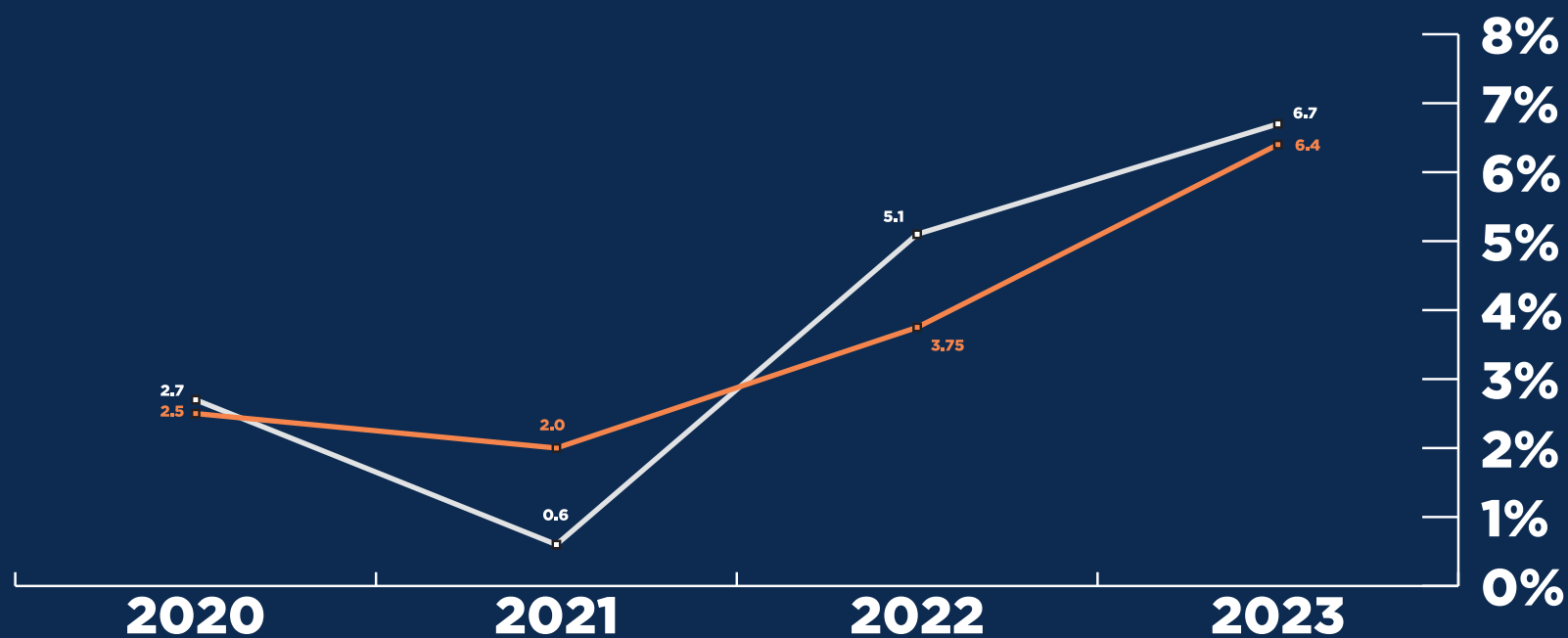
2023 taxation rates

In 2023, the municipal tax rates (per \$100 of valuation) will be:



property tax

- Tax bill increase rate for an average single family dwelling
- Inflation rate (CPI)



The Consumer Price Index (CPI) used is from October.

2023 operating budget

REVENUES	2022	2023	VARIATION
Tax	97,696,200	102,015,900	4,4%
In lieux	3,184,000	3,632,500	14,1%
Transfer Duties	8,500,000	12,700,000	49,4%
Parking Meters and Permits	3,300,000	3,170,000	-3,9%
Tickets and Fines	1,700,000	1,884,900	10,9%
Permits and Licences	1,090,000	1,257,500	15,4%
Interests Revenues	583,500	2,825,200	384,2%
Government Transfers (Grants)	2,023,600	2,372,600	17,2%
Recreational Activities	1,313,000	1,395,000	6,2%
Library and Community Events	103,000	97,500	-5,3%
Interest and Penalties on Taxes	476,900	510,500	7,0%
Recoverables	261,600	225,400	-13,8%
Administrative Revenues (Others)	252,800	170,800	-32,4%
Total Municipal Revenues	120,484,600	132,257,800	9,8%
HYDRO WESTMOUNT			
Gross Revenue	29,002,000	30,205,300	4,1%
Costs			
Remuneration	4,063,300	4,258,600	4,8%
Operating	2,480,700	2,928,600	18,1%
Debt Service	4,100	1,800	-56,1%
Hydro Québec	21,839,000	22,659,800	3,8%
PAYG (Electrical Distribution Only)	2,520,000	3,075,000	22,0%
Hydro Westmount - Net Contribution	-1,905,100	-2,718,500	42,7%
TOTAL REVENUES	118,579,500	129,539,300	9,2%

2023 operating budget

EXPENDITURES	2022	2023	VARIATION
LOCAL EXPENDITURES			
Remuneration	26,923,000	29,111,500	8,1%
Departmental Expenses - Controllable			
General Direction and Council	456,700	626,000	37,1%
Communications	49,600	97,200	96,0%
Finance	80,800	80,800	0,0%
Human Resources	310,000	425,200	37,2%
Information Technology	918,400	1,518,900	65,4%
City Clerk and Legal Services	738,300	1,234,200	67,2%
Library and Community Events	1,222,200	1,115,500	-8,7%
Public Safety	317,200	333,500	5,1%
Engineering	108,000	370,700	243,2%
Public Works	9,994,300	11,886,800	18,9%
Sports and Recreation	1,127,700	1,128,300	0,1%
Urban Planning	247,500	715,900	189,3%
Total Departmental Expenses	15,570,700	19,533,000	25,4%
PAYG Municipal	20,682,800	21,854,000	5,7%
Non Departmental Expenses			
Debt Service - Principal and Interest	304,100	214,700	-29,4%
Bank Charges and Interest	160,900	205,000	27,4%
Pension Cost (Past Service) and Provisions	1,445,300	2,479,100	71,5%
Total Non Departmental Expenses	1,910,300	2,898,800	51,7%
Total Local Expenditures	65,086,800	73,397,300	12,8%
Surplus Appropriation	-14,970,100	-12,547,400	-16,2%
Total Expenditures Before Agglo and MMC	50,116,700	60,849,900	21,4%
Shares Agglomeration	67,390,000	67,556,300	0,2%
Montreal Metropolitan Community	1,072,800	1,133,100	5,6%
TOTAL EXPENDITURES AFTER APPROPRIATION	118,579,500	129,539,300	9,2%



Prepared by the City of Westmount Finance Department
and the Communications Division.

DECEMBER 2022