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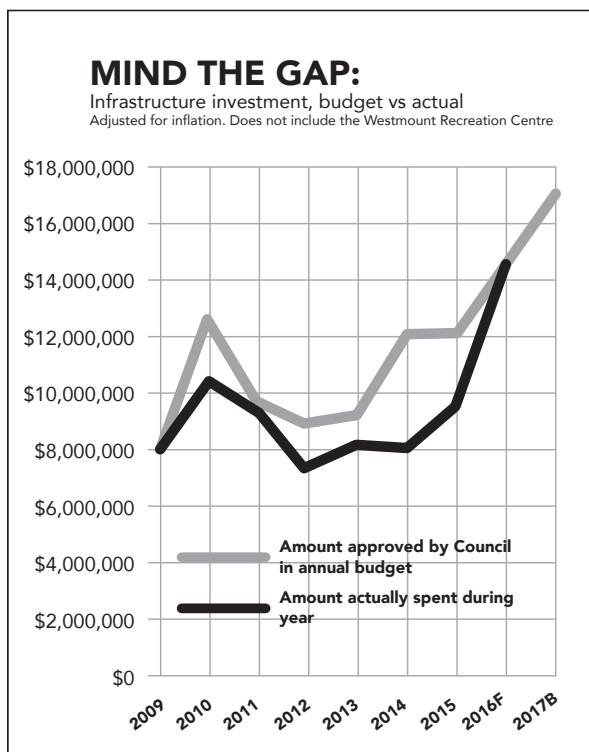
Dear Fellow Citizen,

This tax letter, like the last one, brings a bumper crop of good news:

1. The average tax bill is frozen for the second year in a row. After inflation, that's a tax decrease.
2. The City of Westmount, for the first time in living memory, has no net debt.
3. Our budget for infrastructure investment – \$17 million – is double our historical average.
4. We can keep up that level of capital investment into the future without having to borrow.

The picture is not all rosy. Westmount's debt-free position contrasts with the City of Montreal's. They still borrow for most of their infrastructure work. Our "share" of Montreal's total debt is \$52 million; its service cost is buried in our yearly bill from the Montreal Agglomeration Council for regional services. In 2017, this bill will make up fully one-half of Westmount's total budgeted spending of \$106 million. Of the remaining \$53 million, \$17 (including grants) is earmarked for local infrastructure investment; most of what is left pays for local services.

Infrastructure

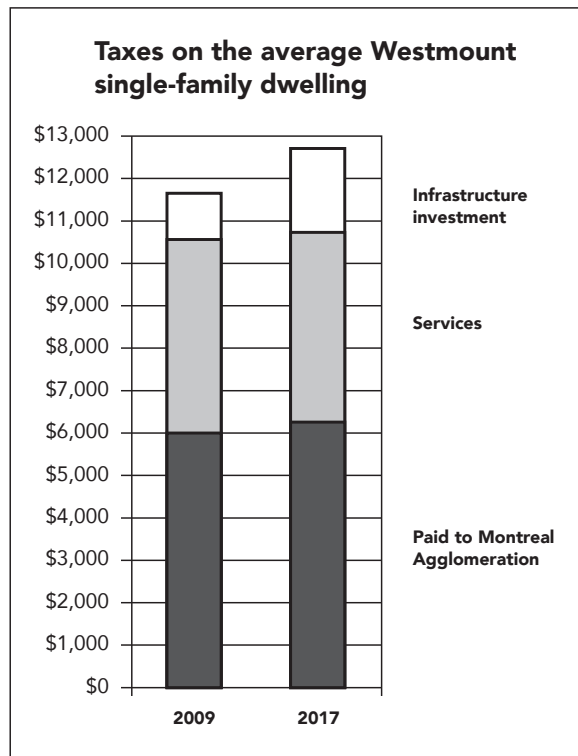


It's all very well to budget for things like roadwork, but if it doesn't get done, it means nothing. Last year, for the first time in five years, Public Works succeeded in getting very close to executing the amount of infrastructure work approved in their annual budget. This is because we hired six new engineers and technicians, as well as creating a separate infrastructure and engineering group with its own manager.

The graph on the left shows that we are both increasing the budget for, *and* the execution of, infrastructure work. This graph does not include the Westmount Recreation Centre that was finished in 2013, as its \$41 million price tag would be literally off the chart. Besides, it was hardly a routine capital expenditure. As I said in October 2013, the WRC took much time and energy and the accent now needed to be shifted to maintenance and infrastructure.

Taxes

How do we pay for \$106 million of expenses? 81% of our revenues come from property taxes.



So we've managed to free ourselves of debt and double our yearly infrastructure investment, and pay for the Westmount Recreation Centre. You might well think this would have caused taxes to go through the roof of the single-family dwelling.

Not at all.

The graph to the left shows that the taxes on the average Westmount single-family dwelling are the same as in 2009, after one takes into account inflation and the increased infrastructure investment – including the entire cost of the Westmount Recreation Centre. The darker areas represent the average tax bill without any infrastructure investment.

Now that the City has no net debt, it is my view that any future surpluses, if not needed to fund infrastructure, should go to reducing taxes.

With a 2017 tax rate of \$0.8014 per \$100 of assessment, taxes on the average Westmount single-family dwelling assessed at \$1,592,223 will be \$12,760 – the same as last year and the year before. A new assessment roll is now in effect, so your tax bill could be more – or less – than it was last year, depending on your property's specific change in assessment when compared with the average. Keep in mind assessments are not "phased in" with this roll. Tax bills may be paid in two instalments; the first due on February 27, 2017 and the second on May 29, 2017. An interest rate of 9% per annum will be charged on the unpaid balance, plus a penalty of 0.5% per month.

My first tax letter went out 25 years ago. In all these letters, I generally give multi-year tax and spending trends and not dwell overly much on the current year's budget. In a similar manner, a video tells what's going on far better than a freeze-frame. That said, if you would like to see the detailed 2017 budget, or a copy of Finance Commissioner Victor Drury's budget speech, please call City Hall at 514 989-5240. You can also consult budget information on the City of Westmount's web site at westmount.org or at the Westmount Public Library.

Sincerely,

Peter F. Trent