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4333, rue Sherbrooke O.  
Westmount, QC H3Z 1E2



**Office of the Mayor**  
City Hall  
4333 Sherbrooke Street W.  
Westmount, QC H3Z 1E2

January 28, 2015

Dear Fellow Citizen,

This was a particularly difficult year in which to put together a budget. We are faced with yet further increases in employee pension costs. We need to invest heavily in infrastructure renewal – especially for roads and parks. And, at the last minute, Quebec decided to cut the amount of money they pay us in lieu of property taxes. While they were at it, they also cut rebates for provincial sales taxes we pay (meanwhile, the federal government allows a 100% rebate). All of this downloading was contained in what it pleases Quebec to call its “transitional fiscal pact” with municipalities. I hope this “transitional” cost transfer proves to be most transitory.

In order to shelter the Westmount taxpayer from the effects of this “pact” which will cost the City of Westmount \$885,000 in 2015, we decided to finance the entire amount from accumulated surplus rather than through property taxes.

The news was not all bad for 2015: Montreal Mayor Coderre made good his promise not to increase regional costs – mass transit, police, firefighting, water supply, and water treatment – by more than the projected rise in inflation. I have made no bones about the fact that, as president of the association of Montreal Island suburbs, I have enjoyed an exceedingly good rapport with Mayor Coderre ever since his election.

### **Infrastructure investment is of capital importance**

Now for a short digression to reveal a fact I bet you didn’t know: the total value of the City’s assets is \$2.0 billion. The replacement value of our public infrastructure is \$600 million; the value of the land under our streets is roughly \$750 million, and the value of our public green space is about \$650 million. In fact, the City owns over one-quarter of all the land in Westmount.

Why bring this up? Well, we are blessed – or possibly cursed – with a great deal of infrastructure on this land: the replacement value of our 27 buildings is about \$130 million; our 60 km of roads and lanes come in about \$140 million; water and sewerage pipes add another \$165 million, and the network of Hydro Westmount has a replacement value of about \$150 million. This is why we intend to adopt a capital asset management strategy in the spring. One thing is sure; we’ll have to boost our annual spending on infrastructure – from today’s \$12 million to possibly \$16 million a year. Not only must we spend more, but also more wisely: we have to focus on the quality and durability of our infrastructure work and not only on its initial cost.

We have emphasized roads and parks in this year’s capital budget. The current state of our roads (and traffic management) needs immediate attention. Now that we have adopted a Traffic Master Plan, we can get on with the job. And few are aware of the extent of Westmount’s generous public green spaces and parks that represent 12% of our total land area. We tend to take these 123 acres (50 hectares) for granted. They are a precious patrimony to be enhanced and preserved.

The 2015 budget increases taxes by 2%. One-quarter of that amount (0.5%) has been earmarked for an extra boost in capital investment for roads and parks. We intend to increase this to 1.0% next year and continue stepwise until we reach 2.5%. Our total planned capital spending for 2015 is \$12.2 million (from \$11.6 million last year): \$1.6 million will be covered by grants, \$3.2 million by borrowing, and \$7.8 million will be paid in cash. Yes, cash. Westmount is proud of pioneering a policy – now in its 21<sup>st</sup> year – of “pay-as-you-go” for most capital spending.

**The 2015 budget: a snapshot**

Property taxes are up \$2.4 million, but Quebec’s in-lieu-of-taxes are down \$0.6 million. Other revenues are up \$0.5 million in large part owing to increased charges for recreational activities and building permits. While Hydro Westmount will bring in the same operating profit as last year, increased infrastructure investments will mean an overall increased loss of \$0.4 million.

On the expense side, roads will cost \$0.4 million more to operate, urban planning will cost \$0.1 million more, recreation and library activities will add another \$0.4 million, capital expenses and financing costs are up 0.7 million, and our pension fund provision is up by 0.3 million – not including Hydro Westmount. Lastly, regional shared costs are up 0.5 million. All these expenses are offset by an increase of \$0.5 million of surplus to balance the budget. The following is the result:

Expenses	Local Expenses - \$46 million								Agglomeration Expenses - \$51 million					
	ADMINISTRATION	PUBLIC SECURITY	ROADS	WATER/SEWERAGE	REFUSE	ZONING	SPORTS AND RECREATION	LIBRARY	INFRASTRUCTURE AND OTHER EXPENSES	MASS TRANSIT	POLICE	FIRE	WATER/SEWERAGE	OTHER
Revenues	Local non-tax revenues \$10 million		Property Taxes - \$87 million											

With a 2015 tax rate of \$ 0.9022, the taxes on the average single-family dwelling (assessed at \$1,404,256) will be \$12,669, which is 2.0% higher than in 2014. Tax bills may be paid in two instalments; the first due on 27 February 2015 and the second on 29 May 2015. An interest rate of 9% per annum will be charged on the unpaid balance, plus a penalty of 0.5% per month.

If you would like a copy of Finance Commissioner Victor Drury’s budget speech or a copy of the budget itself, 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](http://westmount.org) or at the Westmount Public Library.

Sincerely,



Peter F. Trent  
Mayor