

**CITY OF WESTMOUNT  
2017 BUDGET**

*PRESENTATION TO COUNCIL  
DECEMBER 12, 2016*

BY: Councillor Victor M. Drury  
Commissioner of Finance

Mayor Trent, fellow Councillors, ladies and gentlemen:

I am pleased to present the details of the City's 2017 Operating Budget.

In July, Council established the following guidelines for the 2017 budget:

Limit the increase in taxation for local services to the rate of inflation and if possible, freeze the tax bill for the average single-family dwelling. This limit excludes increases in Capital Works investment and also any increases in our apportionment from the Agglomeration Council of Montreal or from the Montreal Metropolitan Community (MMC); and,

Continue efforts to increase revenues from sources other than property taxes.

Consistent with and indeed surpassing these objectives, I am pleased to announce that, in 2017, the property tax bill for the average single family dwelling will be frozen for a second year in a row.

Here are the highlights of the 2017 budget:

1. Council remains committed to its Pay-As-You-Go policy for funding capital works rather than relying on borrowing. The 2017 Capital Works budget of \$17 million, which this Council approved on November 7<sup>th</sup> 2016, will be financed as follows: \$14.1 million will come from taxation revenue, \$1 million from accumulated appropriated surplus and \$1.9 million from government grants. Our Pay-As-You-Go strategy for Capital Works has now got to the point where we no longer borrow at all for capital expenditures, yet we have greatly increased such expenditure in order to ensure our infrastructure will be up-to-date.

2. 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.
3. Council remains committed to paying off its debt as it becomes due. This implies no refinancing of debt. To that end, \$26.5 million of surplus appropriation has been made to cover the entire principal amount of the City's outstanding debt.
4. A crucial part of the financing plan of the WRC was the many generous donations from citizens. Not only did this fundraising allow all of Westmount to take ownership of this award-winning facility, but it simply could not have been built without their help. A phenomenal \$6.5 million in pledges have been made; and to date we have received \$4.6 million of these pledges.

#### THE 2017 OPERATING EXPENSES BUDGET

The principal elements of the 2017 operating expenses budget are as follows:

Delivery of local services	\$ 34,395,200
Pay-As-You-Go	\$ 14,154,500
Pay-As-You-Go Hydro Westmount	\$ (2,335,000)
Debt service & financing costs	\$ 4,722,500
Government transfer payments (grants)	\$ (1,424,200)
Pension and Future benefits (Excl. Hydro Westmount)	\$ 2,107,800
Contingencies and recoverable expenses	\$ 577,000
Montreal Metropolitan Community contribution	\$ 913,400
Apportionment for Agglomeration Council charges	\$ 52,736,000
Total	\$ 105,847,200

## DEBT MANAGEMENT

As of December 31<sup>st</sup>, 2016, Westmount's outstanding debt will be \$35.7 million. Of this amount, \$26.5 million is assumed by the City. As mentioned earlier, this amount will be paid from accumulated surplus, and \$9.2 million by the Quebec government that pays its grants over 10 to 20 years. The WRC-portion of the \$26.5 million municipal debt amounts to \$10.6 million.

## 2017 MUNICIPAL TAXATION AND LOCAL REVENUES

As required by law, municipal budgets must be balanced. Therefore, total revenues required to match the 2017 municipal expenses, will be \$105,847,200.

Of this amount, local revenues from sources other than taxation will total \$14.3 million. Several significant 'non-tax' revenue items include \$5.8 million for parking fees and court fines, \$5.3 million for transfer duties, and \$1.2 million for recreational activities. It is our intention to continue reviewing our revenue sources in 2017 to diminish the reliance on property tax revenue and to ensure an increased contribution from users.

The 'en-lieu' of tax payments received from the federal and provincial governments will amount to \$3.4 million.

Hydro Westmount's net operating surplus is budgeted at \$1.2 million. The \$2.3 million Pay-As-You-Go relating to the electrical network is deducted in the Utility Operation section after the related operating surplus.

Appropriation from accumulated surplus is budgeted at \$3.3 million. Of this amount, \$3.0 million will be used to pay principal on debt and \$0.3 million for elections, tree felling, and tree planting.

Taxes raised from Westmount property owners will total \$85.9 million.

2017 TAXATION RATES

When the new assessment roll was deposited in September 2016, Council decided not to “phase in” the application of the 2017 roll over a three-year period.

In 2017, the municipal tax rates (per \$100 of valuation) will be:

For residential properties containing 5 housing units or less	\$0.8014
For apartment buildings with 6 or more units	\$0.8014
For non-residential properties	\$3.0531

The value of the average single family dwelling in 2017 will be \$1,592,223. With a 2017 residential rate of \$0.8014, the tax bill of the average single-family dwelling will be therefore \$12,760, which is the same as in 2016.

It must be stressed that this example reflects the impact of the taxation rates on the average single-family dwelling. Tax bill increases/decreases will vary depending upon the change in valuation of each individual property.

The Westmount tax bills will be mailed by the end of January. Payment can be made 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. 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.

With the above comments, I hereby table the 2017 Westmount Operating Budget for Council’s approval.

Councillor Victor M. Drury  
Commissioner of Finance