

CITY OF WESTMOUNT
2019 BUDGET

*PRESENTATION TO COUNCIL
December 17th, 2018*

BY: Councillor Kathleen Kez

Thank you Mayor Smith.

Fellow Councillors, ladies and gentlemen:

I am pleased to present the details of the City's 2019 Operating Budget.

Our Council objectives were as follows:

- Limit the increase in taxation for local services
- 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 tax
- Continue to invest in our infrastructures
- To incur no new debt as well as no refinancing of debt

As mentioned by Mayor Smith, had it not been for the 3.6% increase in our share of the Agglomeration for 2019, the tax increase for the average single dwelling would have been only 0.53% as opposed to the actual increase of 2.7%.

Here are the highlights of the 2019 budget:

1. Council remains committed to its Pay-As-You-Go policy for funding capital works rather than relying on borrowing. The 2019 Capital Works budget of \$18.7 million, which this Council approved on November 5th 2018, will be financed as follows: \$14.8 million will come from taxation revenue, \$3.1 million from accumulated appropriated surplus and \$0.8 million from government grants.

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. Again, Council remains committed to paying off debt as it becomes due. More precisely we are not intending to refinance our debt. In 2019, the total capital payment of the debt of \$6.1 million will be financed by the accumulated surplus.
4. Council has allocated \$495,000 as a special project for the Urban Planning department for bylaw revisions as well as for administrative changes to better respond to resident needs. These initiatives will be financed by the accumulated surplus appropriations.

THE 2019 TOTAL EXPENSES BUDGET (excluding Hydro Westmount)

Total expenditures have increased by \$3.0 million (2.8%), of which almost \$2 million is for the agglomeration share, which represents 66.5% of the increase in expenditures. Local expenditures, net of appropriation, have risen by \$1 million (2.0%).

THE 2019 WESTMOUNT OPERATING EXPENSES

The increase of 2.0% in the local expenses is mainly due to an increase of \$1.3 million (6.2%) in remuneration. This includes the increase of all the collective agreements in effect (+\$702K), the addition of 7 new temporary employees in the Public Work department in order to improve the services offered to residents (+\$364K)

The controllable operating expenses are up by \$714K mainly due to snow removal contracts, maintenance and repairs on municipal buildings and properties. These increases were offset by a significant decrease in the debt by a payment in the amount of \$10.2M. There was a decrease in the appropriated surplus from \$15.4 million in 2018 to \$9.7 million in 2019

DEBT MANAGEMENT

As of December 31st, 2018, Westmount's outstanding debt will be \$15.4 million. Of this amount, \$8.5 million is financed by the City's accumulated surplus. The remaining balance of \$6.9 million will be financed by the Quebec government which pays its grants over a 10 to 20 year period.

2019 MUNICIPAL TAXATION AND LOCAL REVENUES

As required by law, a municipal budget must be balanced. Total revenues required to match the 2019 municipal expenses excluding Hydro Westmount will be \$111.2 million.

Of this amount, local revenues from sources other than taxation, in-lieu of taxes and Hydro Westmount revenues will total \$18.4 million. Significant 'non-tax' revenue items include \$5.7 million for parking fees and fines, \$6.7 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 2019 will total \$91.3 million.

2019 TAXATION RATES

In 2019, the municipal tax rates (per \$100 of valuation) will be:

For residential properties containing 5 housing units or less	\$0.8452
For apartment buildings with 6 or more units	\$0.8558
For non-residential properties	\$3.2402

The value of the average single family dwelling in 2019 will be \$1,598,430. With a 2019 residential rate of \$0.8452, the tax bill of the average single-family dwelling will be \$13,509.93 as compared to \$13,154.49 in 2018.

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, 2019, and the second on May 24, 2019. 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 2019 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.

Councillor Kathleen Kez, Commissioner of Finance
City of Westmount