

CITY OF WESTMOUNT
2020 BUDGET

PRESENTATION TO COUNCIL
December 16th, 2019

BY: Councillor Kathleen Kez

Fellow Councillors, ladies and gentlemen:

I am pleased to present the details of the City's 2020 Operating Budget.

Our Council objectives are as follows:

- Limit the increase in taxation for local services to CPI;
- 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 taxes;
- Continue to invest in our infrastructures;
- Incur no new debt as well as no refinancing of debt.

Our goal has been to limit the tax bill increase of the average single dwelling to 2.50%. Had it not been for the 2.6% increase in our share of the Agglomeration for 2020, the tax bill increase for the average single dwelling in Westmount would have only been 0.50%.

Here are the highlights of the 2020 budget:

1. Council remains committed to its Pay-As-You-Go policy for funding capital works rather than relying on borrowing. The exceptional 2020 Capital Works budget of \$26.9 million, which this Council approved on November 4th 2019, will be financed as follows: \$13.5 million will come from taxation revenue, \$10.2 million from accumulated appropriated surplus and \$3.2 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. All the tariffs were reviewed and updated in the fall of 2019.

3. Again, Council remains committed to paying off debt as it becomes due. More precisely we are not intending to refinance our debt. In 2020, there will be no capital payment of the debt.

THE 2020 TOTAL EXPENSES BUDGET (excluding Hydro Westmount)

Total expenditures have increased by \$2.86 million (2.6%). Our share in the Agglomeration and MMC represents an increase of \$1.55 million which explains 54.1% of the increase in total expenditures.

THE 2020 WESTMOUNT OPERATING EXPENSES (excluding Hydro Westmount)

The increase of 2.5% in the local expenses is mainly due to an increase of \$5.57 million (35.3%) in PAYG and an increase of \$2.1 million (9.6%) in remuneration. These increases were offset by a significant decrease in the debt payment in the amount of \$6 million (-92.2%), and an increase in the appropriated surplus in the amount of \$0.5 million.

In order to better serve its residents, Council has approved additional human resources (\$1.4 million). This includes adding 19 seasonal staff members and a night superintendent to the Public Works department, to assist in snow removal operations and the maintenance of our parks. Two inspectors and a public consultation agent have also been added to the Urban Planning department, while an additional employee will be joining Library staff to work on the outreach program.

The increase in remuneration is also explained by the collective agreements in effect (\$0.7 million).

The controllable operating expenses excluding the special projects are up by \$74K mainly due to the renewal of contracts; snow removal equipment rental (\$393k), park maintenance, garbage, recycling and compost; (\$255k), repairs on vehicle fleet (\$128k), implementation of various programs such as GPS for the snow removal operations and Bang the Table for surveys to our population (\$66k).

This is partially offset by a decrease in consulting fees and repair and maintenance on buildings (-\$755k).

DEBT MANAGEMENT

As of December 31st, 2019, Westmount's outstanding debt will be \$9.3 million (2018 - \$15.4 million), which will be due to mature in 2023. Therefore, there is no principal repayment in 2020. The municipal debt service of \$0.5 million is only for the payment of interest and bank charges in 2020.

2020 MUNICIPAL TAXATION AND LOCAL REVENUES

As required by law, a municipal budget must be balanced. Total revenues required to match the 2020 municipal expenses excluding Hydro Westmount will be \$114.1 million.

Of this amount, local revenues from sources other than taxation, in-lieu of taxes and Hydro Westmount revenues will total \$18.9 million. Significant 'non-tax' revenue items include \$5.4 million for parking fees and fines, \$7 million for duties on transfers, \$1.5 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 million.

Taxation revenues in 2020 will total \$93.1 million.

2020 TAXATION RATES

In 2020, the municipal tax rates (per \$100 of valuation) will be:

For residential properties containing 5 housing units or less	\$0.7092
For apartment buildings with 6 or more units	\$0.7187
For non-residential properties	\$2.8892

The value of the average single family dwelling in 2020 will be \$1,952,698. With a 2020 residential rate of \$0.7092, the tax bill of the average single-family dwelling will be \$13,849.06 as compared to \$13,509.93 in 2019.

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 24, 2020, and the second on May 25, 2020. 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 2020 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