

CITY OF WESTMOUNT
2021 BUDGET

PRESENTATION TO COUNCIL
December 21th, 2020

BY: Mayor Christina Smith

Fellow Councillors, ladies and gentlemen:

I am pleased to present the details of the City's 2021 Operating Budget.

Our Council objectives are as follows:

- Limit the increase in taxation while maintaining the best possible services for our residents;
- 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;
- Increase our investments in parks and green spaces;
- Increase our investment in urban planning to improve its customer experience and develop a new urban plan for the City.

This budget process has not been without its challenges. The current situation with COVID-19 brings its share of uncertainties for the coming year. A few elements came to our rescue in preparing next year's budget.

- Last October, the provincial government announced a financial aid of \$4.2 million to compensate the 2020 and 2021 revenue losses and additional expenses due to the COVID pandemic.
- This aid enabled us to compensate for a budget loss in our revenues of \$2 million in 2021. Had it not been available to us, the services given to our residents would have been impacted and consequently our ability to limit the increase in taxes would have been reduced.

- It was a surprise that the City of Montreal, for 2021, did not include any of its COVID-related expenses in our 2021 Quote Part. We expect that these costs will resurface for our 2022 budget.

Our goal for 2021 has been to limit the tax bill increase of the average single dwelling to 2%. Had it not been for the 2% increase in our share of the Agglomeration for 2021, the tax bill increase for the average single dwelling in Westmount would have only been 0.48%.

Here are the highlights of the 2021 budget:

- Council remains committed to its Pay-As-You-Go policy for funding capital works rather than relying on borrowing. The exceptional 2021 Capital Works budget of \$27.2 million, which this Council approved on November 16, 2020, will be financed as follows: \$12.6 million will come from taxation revenue, \$13.6 million from accumulated appropriated surplus and \$1 million from government grants.
- 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 2020.
- Council has decided to increase the funds for maintaining parks and green spaces.
- Again, Council remains committed to paying off debt as it becomes due. More precisely we are not intending to refinance our debt. In 2021, there will be no capital payment of the debt.
- On average the commercial tax bills are lower by 0.57% compared to last year.

THE 2021 TOTAL EXPENSES BUDGET (excluding Hydro Westmount)

Total expenditures have increased by \$251.3k (0.2%). Our share in the Agglomeration and MMC represents an increase of \$1.3 million which explains the most important increase in total expenditures.

THE 2021 WESTMOUNT LOCAL EXPENDITURES (excluding Hydro Westmount)

The increase of \$4.65 million (7.3%) in the local expenses before appropriation is mainly due to an increase in PAYG Municipal of \$2.89 million (13.5%) and an increase in remuneration for \$1.37 million (5.7%). These increases are offset by a significant increase in the appropriated surplus in the amount of \$5.6 million.

In order to better serve its residents, Council has approved additional human resources (\$ 522k) in Urban Planning. Five new positions have been added to this department. This will allow an upgrade to its services to maximize user experience and generate a new urban plan that will integrate new bylaws adapted to the new needs of the City.

The departmental expenses are up by \$662k mainly due to increase in parks and green spaces; +\$521k, insurance premiums; +\$206k, building maintenance costs; +107k. These increases are partially offset by a decrease in our water and sewer maintenance costs; -\$136k and in our sports and leisure activities; -\$53.3k.

DEBT MANAGEMENT (excluding Hydro Westmount)

As of December 31st, 2020, Westmount's outstanding debt hasn't changed since December 31st 2019 at \$9.3 million). This balance will be due to mature in 2023. Therefore, there is no principal repayment in 2021. The municipal debt service of \$470k is only for the payment of interest and bank charges in 2021.

2021 MUNICIPAL TAXATION AND LOCAL REVENUES

As required by law, a municipal budget must be balanced. Total revenues required to match the 2021 municipal expenses excluding Hydro Westmount, will be \$115.2 million.

Of this amount, local revenues from sources other than taxation, in-lieu of taxes and Hydro Westmount revenues will total \$18 million. Significant 'non-tax' revenue items include \$5.3 million for parking meters & permits and for tickets & fines, \$7.3 million for duties on transfers, \$1 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 2021 will total \$94.1 million.

2021 TAXATION RATES

In 2021, the municipal tax rates (per \$100 of valuation) will be:

For residential properties containing 5 housing units or less	\$0.7226
---	----------

For apartment buildings with 6 or more units	\$0.7320
For non-residential properties	\$2.8726

The value of the average single family dwelling in 2021 will be \$1,954,819. With a 2021 residential mil rate of \$ 0.7226, the tax bill of the average single-family dwelling will be \$14,126 as compared to \$ \$13,849.06 in 2020 which represent an increase of 2%.

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 May 27, 2021, and the second on August 26, 2021. 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 2021 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.

Mayor Christina Smith City of Westmount