

Operating Budget and Capital Investment Budget Three-Year Plan 2019-2020-2021

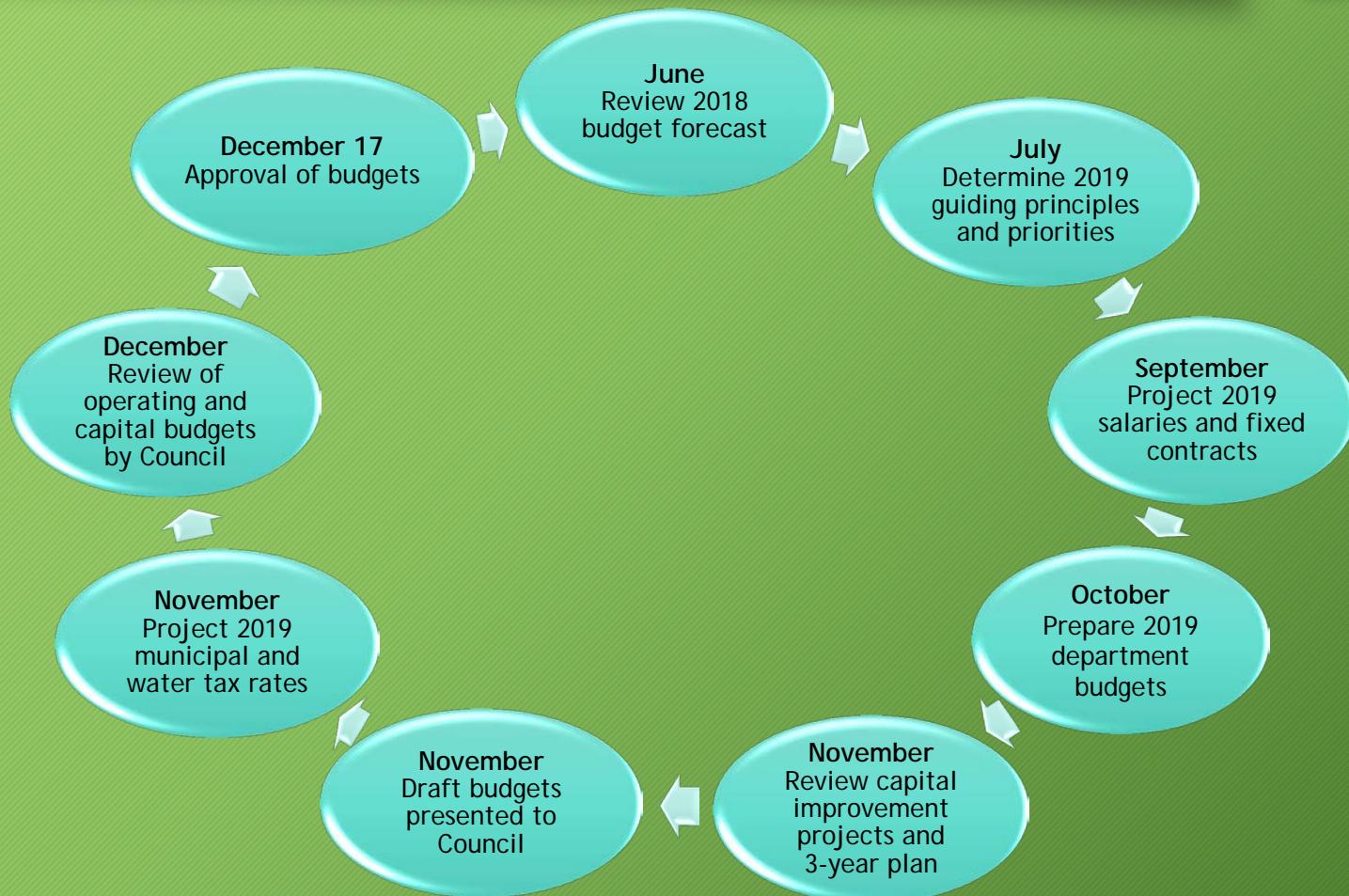
2019

Special Council meeting
December 17, 2018

Summary of Presentation

- Budget Process and Guiding Principles
- 2019 Budget Overview
- 2019 Operating Budget Details
 - Local and Agglomeration Services
 - Revenues
 - Expenses
- Municipal Property and Water Reserve Tax Rates
- Capital Investment Priorities for 2019
- Capital Investment Three-Year Plan 2019-2020-2021
- Question Period

Budget Building Process



Guiding Principles

The 2019 budget building process guiding principles are as follows:

- ensure that there is a balance between revenues and expenses;
- ensure that property tax revenues cover increases in net operating expenses while minimizing the additional burden on taxpayers;
- ensure long-term financial viability of the City and sustainability of services and programs;
- optimize external funding opportunities, in addition to federal and provincial grants, to support infrastructure improvements;
- ensure that, whenever possible, the City leverage internal funding sources for capital investment projects in order reduce the cost of debt service;

Guiding Principles (cont'd)

- ensure that adequate funds are made available to sustain on-going operating costs following new construction or upgrades to City facilities;
- ensure that when new services and associated costs are added to the budget, the services must be for the greater good of the community;
- the budget building process ensure efficiency and transparency, and the budget monitoring process ensure a City-wide commitment for controlling costs in all departments;

As in previous years, the 2019 operating budget will continue to prioritize resources that ensure quality services and programs are provided to all residents of the City.

Local vs. Agglomeration Services

Local - City of Côte Saint-Luc

- Administration
- Public works
- Road and water infrastructure maintenance
- Waste management - collection and transport (Recycling, organic and refuse)
- Public safety and security and EMS
- Recreation
- Library
- Aquatic and Community Center (ACC)
- Debt service/CMM

Agglomeration - City of Montreal

- Police
- Fire
- Municipal court
- Municipal Evaluation
- Public transportation
- Water treatment and distribution
- Emergency 911 centre
- Social housing

Operating Budget

Overview

2019 Budget - Overview

- Last year of 3-year tax roll: 2017-2018-2019
- Average increase in taxes for a single family home is 1.7% - which is in line with what the Conference Board of Canada has forecasted for 2019 for the greater Montreal area
- Total increase in taxation revenues is 2.75%
- Total increase in other revenues is 6.84%
- Total increase in budget expenses (including Agglo and Local) is 3.19%
- Major Capital Investment projects:
 - Kirwan Park
 - Arena and Confederation Annex
 - Road resurfacing and sidewalk repairs

Property/Water Tax Increase

Example of a tax bill for an average single family home with a value of \$584,600

	2019		2018		2017	
Property evaluation for taxation purposes	\$584,600		\$584,600		\$584,600	
	Rate	\$	Rate	\$	Rate	\$
Tax rates per \$100 of property evaluation:						
General tax rate	1.0781	\$6,303	1.0601	\$6,197	1.0444	\$6,106
Special Tax - Water Reserve	0.0517	\$302	0.0508	\$297	0.0500	\$292
Total taxes	1.1298	\$6,605	1.1109	\$6,494	1.0944	\$6,398
Increase/(decrease) in taxes		\$111		\$96		\$121
Percentage taxes increase/(decrease)	1.7%		1.5%		1.9%	

Operating Budget

Revenues

Revenues

\$72,793,010

		Budget 2019	Budget 2018
		<u> </u>	<u> </u>
Revenues from taxes	Note 1	63,338,500	61,641,500
Revenues from local improvement taxes		79,480	79,230
Compensation "In-lieu of taxes"	Note 2	1,462,800	1,415,960
Other revenues		7,912,230	7,405,440
		<u> </u>	<u> </u>
Total Revenues		<u><u>\$72,793,010</u></u>	<u><u>\$70,542,130</u></u>
Increase over prior year		3.19%	3.24%

Note 1: Local and Agglomeration

Note 2: Federal and Provincial government buildings - post office, schools and hospitals

Estimated Revenues from Taxes

\$63,338,500

		Budget 2019	Budget 2018
		<hr/>	<hr/>
Residential properties	Note1	39,430,700	39,053,060
Apartments 6+ units		10,761,100	9,739,376
Vacant land		204,800	434,825
Non-residential properties		9,185,400	8,759,690
Water reserve		3,806,500	3,704,549
Municipal tax provision	Note2	-50,000	-50,000
		<hr/>	<hr/>
Total		<u><u>\$63,338,500</u></u>	<u><u>\$61,641,500</u></u>
Increase over prior year		2.75%	2.94%

Note 1: Based on a 1.7% property and water tax increase

Note 2: Reserve for contestation of municipal taxes

Other Revenues - Details

\$7,912,230

	Budget 2019	Budget 2018
Aquatic and Community Center	812,900	917,480
Recreation / Library and cultural activities	1,504,180	1,583,560
Transfer duties	2,650,000	2,200,000
Fines and costs	475,000	455,000
Interest revenues	611,000	591,000
Services rendered by Public Works/Engineering	95,000	95,000
Services rendered to the Fire Department	60,000	60,000
Services rendered by Emergency Medical Services	16,800	16,800
Water rechargeable connections	10,000	10,000
Proceeds from sale of land/lanes	25,000	10,000
Government Grants	811,400	779,120
Miscellaneous Revenues	840,950	687,480
Total	<u>\$7,912,230</u>	<u>\$7,405,440</u>
Increase over prior year	6.84%	5.02%

Government Grants

\$811,400

Provincial Grants

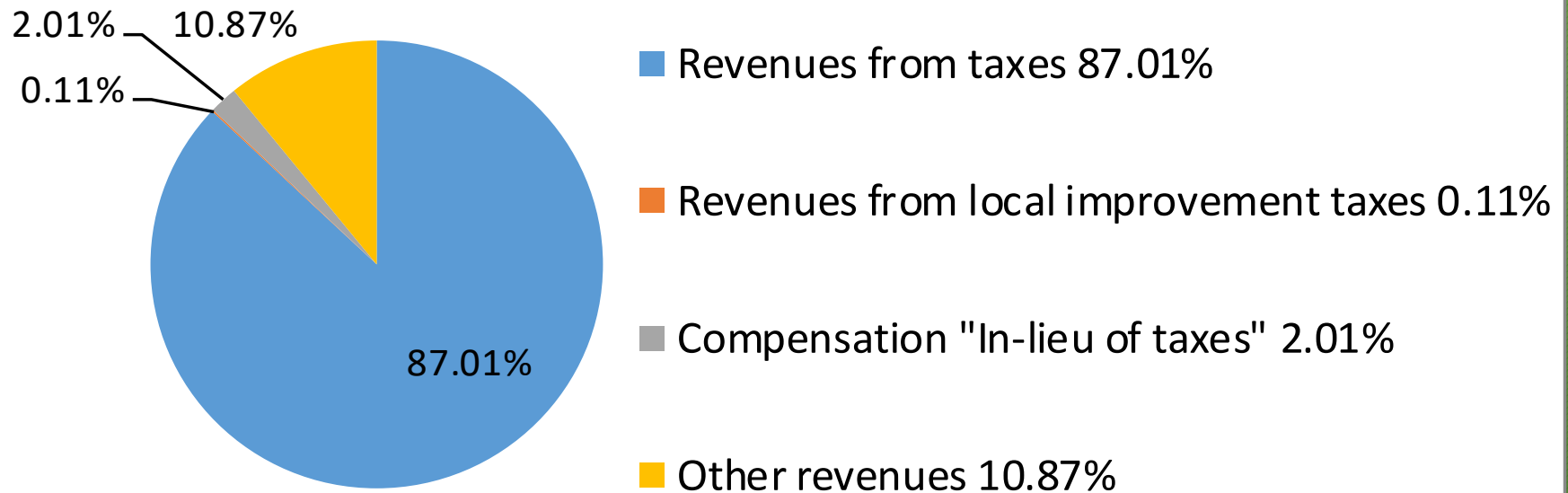
- MDDELCC Redevance - household waste tonnage diverted from landfills (\$330,000)
- Recyc-Quebec - Recycling materials (\$217,000)
- Library - materials (\$60,000)
- SHQ - PAD program - materials (\$6,000)
- Min. of Finance - Interest on provincial portion of long-term debt (\$188,400)

Federal Grant

- Summer student program (\$10,000)

Revenue Breakdown

Revenue Breakdown



Operating Budget

Expenses

Summary of Local Expenses

\$43,641,350

	<u>Budget 2019</u>		<u>Budget 2018</u>
General Administration	12,142,670		11,388,840
Public Safety (Public Security/EMS/vCOP)	1,782,610		1,600,690
Public Works	9,375,250		8,901,100
Environmental Services	3,837,440		3,798,480
Recreation and Culture	4,239,000		4,096,010
Library	2,951,600		2,879,110
Aquatic and Community Centre	2,896,500		2,747,680
Sub-Total	<u>\$37,225,070</u>	5.12%	<u>\$35,411,910</u>
CMM, Debt Service, Financing Costs	<u>6,416,280</u>	4.55%	<u>6,137,270</u>
Total Local Expenses	<u><u>\$43,641,350</u></u>		<u><u>\$41,549,180</u></u>
Increase over prior year		5.04%	5.23%

Note: Engineering Services was moved from Public Works to General Administration

Summary of Agglomeration Apportionment

\$29,151,660

		<u>Budget 2019</u>		<u>Budget 2018</u>
General		24,337,650		25,138,152
Water services	Note 1	1,557,289	2.32%	1,521,928
Water meters	Note 2	835		17,467
Arterial Roads - 2006-2008 debt		4,789		43,306
Contribution to Centre Ville	Note 3	551,000		551,200
Capital Investment Projects - TECQ/FCCQ		376,944		319,077
2017 Agglomeration deficit		978,483		0
Total Fixed Apportionment		\$27,806,990	0.78%	\$27,591,130
Cost of water		1,344,670		1,401,820
Total Variable Apportionment	Note 1	1,344,670	-4.08%	1,401,820
Total Apportionment		\$29,151,660		\$28,992,950
Increase over prior year		0.55%		0.52%

Note 1: Drinking water is now based on consumption rather than taxation potential.

The cost of water has increased from 12.63 cents (2016) per cubic meter to 21 cents per cubic meter (2019)

Water services are still based on the taxation potential of the City among the demerged cities

Note 2: Charge on water meters is reducing annually as the City installs water meters in certain establishments

Note 3: As of November 8, 2016, there was a new agreement with Montreal going forward that each demerged city will pay its prorated share which is set in 2017 at \$8 M

Local Expenses

General Administration

\$12,142,670

	<u>Budget 2019</u>	<u>Budget 2018</u>
City Council	435,760	360,060
Finance	840,360	844,510
General Council / Purchasing	343,090	357,170
City Manager	590,320	548,630
Information Systems	851,600	879,110
Public Relations and Communication	444,370	424,670
Legal Services / City Clerk	317,490	294,020
Human Resources	595,720	553,340
Undistributed Administration expenses	595,020	773,260
Employee's Contributions - Fringe Benefits	5,725,100	5,039,420
Building Maintenance - City Hall	333,400	335,060
Engineering	534,070	526,580
City Planning & City Inspection	536,370	453,010
Total Expenses	<u><u>\$12,142,670</u></u>	<u><u>\$11,388,840</u></u>
Increase over prior year	6.62%	1.94%

Note 1: Additional pension plan contributions, QPP contributions and other employee benefits

Local Expenses

Public Safety (Public Security, EMS, vCOP)

\$1,782,610

		<u>Budget 2019</u>	<u>Budget 2018</u>
Emergency Medical Services / Public Security and vCOP	Note 1	1,732,970	1,557,710
Building Maintenance		<u>49,640</u>	<u>42,980</u>
Total Expenses		<u>\$1,782,610</u>	<u>\$1,600,690</u>
Increase over prior year		11.37%	4.06%

Note 1: Increase is due to correction made to original budget for salaries in 2018

Local Expenses

Public Works

\$9,375,250

	<u>Budget 2019</u>	<u>Budget 2018</u>
Administration	1,077,950	1,051,010
Building Maintenance	1,021,240	1,004,820
Road Services	1,218,920	1,078,500
Vehicle Maintenance	1,301,350	1,284,570
Snow Removal	2,549,150	2,469,960
Street & Traffic Lights	358,100	308,750
Parks & Green Areas	1,848,540	1,703,490
	<u>1,848,540</u>	<u>1,703,490</u>
Total Expenses	<u><u>\$9,375,250</u></u>	<u><u>\$8,901,100</u></u>
Increase over prior year	5.33%	8.55%

Local Expenses

Environmental Services

\$3,837,440

	<u>Budget 2019</u>	<u>Budget 2018</u>
Water Distribution - Debt Service	585,710	558,000
Water Distribution	2,170,030	2,158,780
Garbage Removal/Disposal	<u>1,081,700</u>	<u>1,081,700</u>
Total Expenses	<u><u>3,837,440</u></u>	<u><u>3,798,480</u></u>
Increase over prior year	1.03%	
Water Purchase - Agglomeration Apportionment Note 1	<u><u>1,344,670</u></u>	<u><u>1,401,820</u></u>
Decrease over prior year	-4.08%	5.12%

Note 1: Agglomeration agreement cost distribution for the water; based on consumption instead of tax potential & increased costs for drinking water. It is included in the Quote -part charge to the City

Local Expenses

Recreation, Culture and ACC

\$7,135,500

		<u>Budget 2019</u>	<u>Budget 2018</u>
Administration		1,034,550	962,760
Aquatic and Community Centre	Note 1	2,896,500	2,747,680
Building Maintenance - Recreation/Gym/Pool		146,360	145,430
Gym Expenses		92,410	83,440
Arena Operations		717,720	877,830
Skating Rink Activities		189,860	85,410
Parkhaven Pool Activities		315,230	308,530
Tennis Club		117,000	114,530
Parks/Playgrounds Activities		720,880	785,290
Building Maintenance - Park Chalets		55,920	60,130
P.E. Trudeau/Kirwan Parks Maintenance		252,320	182,160
Senior Services		19,450	20,380
Special Events		145,270	143,800
Social Cultural Activities		<u>432,030</u>	<u>326,320</u>
Total Expenses		<u><u>\$7,135,500</u></u>	<u><u>\$6,843,690</u></u>
Increase over prior year		4.26%	6.56%

Note 1: Increase in salaries due to changes regarding consultants at the ACC pool

Local Expenses

Eleanor London Côte Saint-Luc Public Library

\$2,951,600

	<u>Budget 2019</u>	<u>Budget 2018</u>
Library Services	\$2,691,980	\$2,624,760
Building Maintenance	<u>259,620</u>	<u>254,350</u>
Total Expenses	<u><u>2,951,600</u></u>	<u><u>2,879,110</u></u>
Increase over prior year	2.52%	5.43%

Local Expenses

Debt Service and Financing Costs

\$5,673,660

	<u>Budget 2019</u>	<u>Budget 2018</u>
Interest/Financing Payments	1,326,830	1,279,390
Capital Repayments	4,985,000	4,739,800
Provincial Share of Capital Repayments	-638,170	-617,620
Total Expenses and Capital Repayments	<u>\$5,673,660</u>	<u>\$5,401,570</u>
Increase over prior year	5.04%	11.67%

Local Expenses

C.M.M. and Appropriations

\$742,620

	<u>Budget 2019</u>	<u>Budget 2018</u>
Contribution- Community Metropolitan Montreal	\$491,000	\$500,000
Appropriation to/from Capital/Working Fund	462,120	441,120
Appropriation to/from Operating Surplus Note 1	0	0
Appropriation-Water Financial Reserve	-150,000	-150,000
Appropriation needed in future - pension & other	-60,500	-55,420
Total Expenses and Appropriations	<u>\$742,620</u>	<u>\$735,700</u>
Increase over prior year	0.94%	0.90%

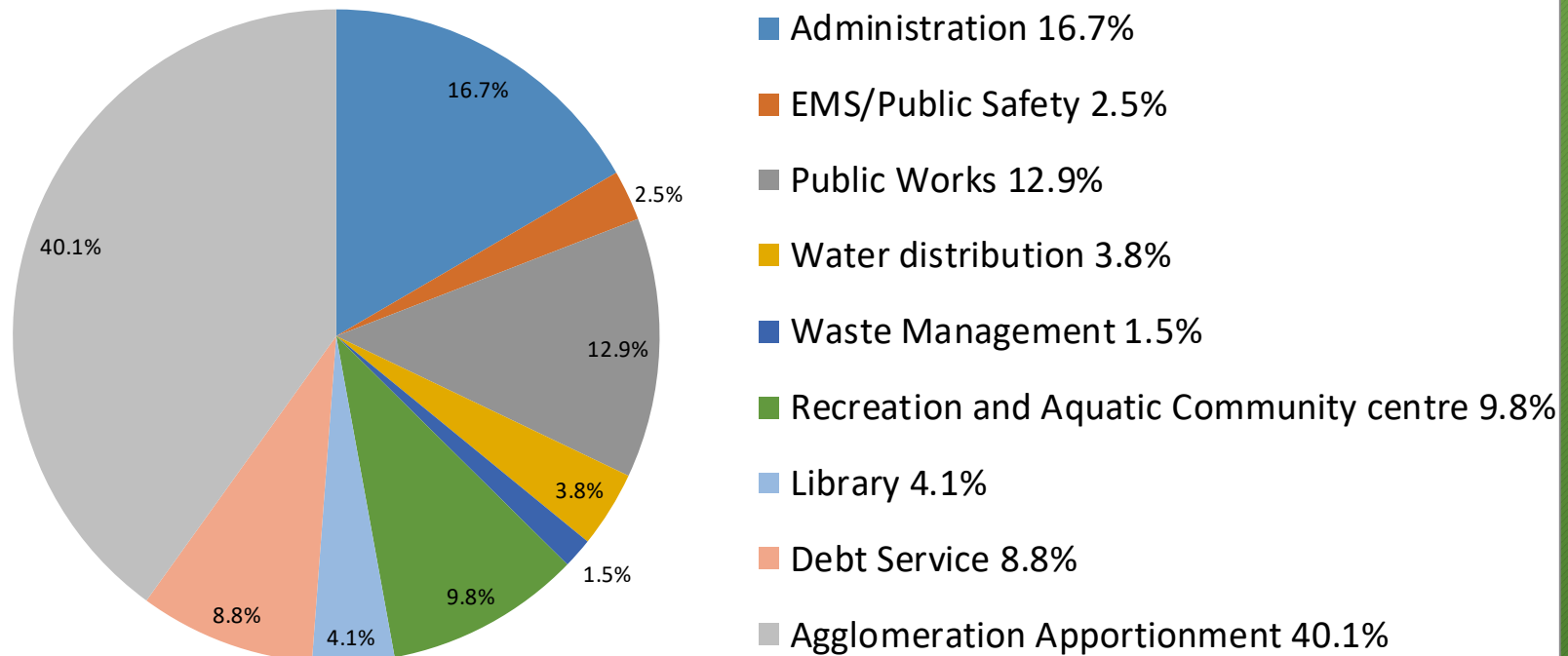
Total Expenses - Summary

\$72,793,010


	<u>Budget 2019</u>	<u>%</u>
General Administration	12,142,670	16.7%
Public Safety (Public Security/EMS/vCOP)	1,782,610	2.5%
Public Works	9,375,250	12.9%
Water Distribution	2,755,740	3.8%
Waste Management	1,081,700	1.5%
Recreation and Culture	7,135,500	9.8%
Library	2,951,600	4.1%
CMM, Debt Service, Financing Costs	6,416,280	8.8%
Agglomeration	<u>29,151,660</u>	<u>40.1%</u>
Total Expenditures	<u><u>72,793,010</u></u>	<u><u>100.00%</u></u>

Expenses Breakdown

Expenses breakdown



Operating Budget Summary

	<u>Budget 2019</u>		<u>Budget 2018</u>
Total Revenues	<u>\$72,793,010</u>	3.19%	<u>\$70,542,130</u>
Total Local Expenses and Appropriations	43,641,350	5.04%	41,549,180
Agglomeration Apportionment - Water	1,344,670	-4.08%	1,401,820
Agglomeration Apportionment - Other	<u>27,806,990</u>	0.78%	<u>27,591,130</u>
Total Agglomeration Apportionment	29,151,660	0.55%	28,992,950
Total Local Expenses and Agglomeration Apportionment	<u>72,793,010</u> 	3.19%	<u>70,542,130</u>
Surplus/(Deficit)	<u><u>-</u></u>		<u><u>-</u></u>

Operating Budget

Municipal Property and Water Reserve Tax Rates

Côte Saint-Luc Municipal Property Tax Rates

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Residential properties	1.0781	1.0601	1.0444
Special Tax - Water/Roads Reserve	0.0517	0.0508	0.0500
	<u>1.1298</u>	<u>1.1109</u>	<u>1.0944</u>
Apartments 6+ units properties	1.2883	1.2668	1.2533
Special Tax - Water/Roads Reserve	0.0517	0.0508	0.0500
	<u>1.3400</u>	<u>1.3176</u>	<u>1.3033</u>
Vacant land	<u>2.1562</u>	<u>2.1202</u>	<u>2.0889</u>
Non-residential /Industrial properties < \$45M	4.0698	4.0019	3.9479
Special Tax - Water/Roads Reserve	0.6865	0.6875	0.6875
	<u>4.7563</u>	<u>4.6894</u>	<u>4.6354</u>
Non-residential /Industrial properties > \$45M	5.4263	4.8023	3.9479
Special Tax - Water/Roads Reserve	0.6865	0.6875	0.6875
	<u>6.1128</u>	<u>5.4898</u>	<u>4.6354</u>

Property/Water Tax Increase

Example Average Residential Property (single family, condominium, duplex)

Example of a tax bill for an average single family home with a value of \$584,600

	2019		2018		2017	
Property evaluation for taxation purposes	\$584,600		\$584,600		\$584,600	
	Rate	\$	Rate	\$	Rate	\$
Tax rates per \$100 of property evaluation:						
General tax rate	1.0781	\$6,303	1.0601	\$6,197	1.0444	\$6,106
Special Tax - Water Reserve	0.0517	\$302	0.0508	\$297	0.0500	\$292
Total taxes	1.1298	\$6,605	1.1109	\$6,494	1.0944	\$6,398
Increase/(decrease) in taxes		\$111		\$96		\$121
Percentage taxes increase/(decrease)	1.7%		1.5%		1.9%	

Capital Investment Budget

2019 Projects

Capital Investment priorities for 2019

- Kirwan Park
- Samuel Moskovitch Arena and Confederation Annex
- Road resurfacing and sidewalk repair projects
- Traffic lights and LED street lights
- Replenishment of Public Works aging vehicle fleet
- Completion of renovation of the municipal outdoor swimming pool

Water Infrastructure

\$400,000

- Sleeving of water pipes & improvements to the sewer systems is ongoing
- New TECQ grant to start in 2019
- Professional services for water pipes and sewer covered by government grants

Watermain Statistics

Total length of watermains network = 73,349m

	Length of Watermains Sleeved (m)	Percentage of Watermains Sleeved
2007-2017	15,403	21.0
2018	2,073	2.8
Total	17,476	23.8

	Watermain Breaks	Average
2007-2011	142	28.4
2012-2018	84	12
Change		-58%

Road/Sidewalk Infrastructure

\$2,405,000

- Road Resurfacing - Planned streets:
 - Emerson
 - Smart (from Mackle to Wolseley)
- Sidewalk Repairs - Various locations
 - Approximately 8,450 m of sidewalk replaced in past 4 years
- Traffic Lights and LED Lights
- Professional services for Côte Saint-Luc Road underpass

Parks and Playgrounds

\$3,500,000

- Kirwan Park renovations

Building and Local Improvements

\$2,474,800

- Arena - Confederation Annex
- Public Works Garage dome and exterior lights
- Library - demo garden
- Outdoor Pool - canteen shading structure
- Urban Development renovations
- Professional services for City Hall building envelope

Vehicles, Machineries and Equipment \$935,000

Vehicles and Machineries

- Pick-up Truck (replacing 2007 vehicle)
- Cargo Van (replacing 2004 vehicle)
- Public Security Vehicles (replacing 2014/2015 vehicles)
- EMS - Ambulance (replacing 2007 vehicle)
- Ten-Wheeler with Dumper (replacing 1993 vehicle)
- Tree Trunk Grinder (replacing 2005 equipment)
- Heated Asphalt Box (replacing 2002 equipment)
- Small Tractor (replacing 2006 vehicle)

Vehicles, Machineries and Equipment \$935,000

Equipment

- Fuel management system
- Public Safety - on-board tablets/computers
- Public Safety - in-vehicle video system

I.T. Equipment

\$116,000

- Switching System Upgrade
- Security Cameras System
- Microsoft Office Licences
- Computers
- Server replacement

Capital Investment Three-Year Plan 2019-2020-2021

Title	Description	2019	2020	2021
Infrastructure	Repairs and resurfacing of sections of roads and sidewalks; Traffic lights; LED lights; Kirwan Park	\$6,305,000	\$6,950,000	\$8,660,000
Buildings & Local Improvements	Arena-Confederation Annex; Public Works dome; City Hall building envelope	2,474,800	3,488,000	1,805,000
Vehicles/Machineries and Heavy Equipment	Vehicle & equipment replacements	935,000	1,245,000	840,000
Office (IT) Equipment/ Furniture	Computers and equipment; software; security cameras	116,000	137,000	261,000
Other	Defibrillators; Signage boards	0	136,500	150,000
Total		<u>\$9,830,800</u>	<u>\$11,956,500</u>	<u>\$11,716,000</u>

Capital Investment Three-Year Plan 2019-2020-2021

	2019	2020	2021
Capital Expenses	\$9,830,800	\$11,956,500	\$11,716,000
Non-Refundable QST	<u>401,000</u>	<u>596,000</u>	<u>584,000</u>
Capital Projects (net taxes)	10,231,800	12,552,500	12,300,000
Less: Federal/Provincial Grants	(420,000)	(3,000,000)	(4,000,000)
Other Sources of Funding	<u>(3,426,800)</u>	<u>(2,975,100)</u>	<u>(731,500)</u>
Sub-Total	<u>(3,846,800)</u>	<u>(5,975,100)</u>	<u>(4,731,500)</u>
Capital Expenses to be Financed	<u>\$6,385,000</u>	<u>\$6,577,400</u>	<u>\$7,568,500</u>

Question period