

Operating Budget and Capital Investment Budget

2020

Pre-Budget Public Consultation
June 4, 2019

Agenda

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- Purpose for Public Consultation
- Budget Process Timeline
- 2019 Operating Budget Overview
 - Revenues and Expenses
 - Operating Budget Framework
 - Budget Consultation (discussion)
- 2019-2021 Capital Investment Budget Overview
 - Priorities for 2019 and 2020
 - Capital Investment Budget Framework
 - Budget Consultation (discussion)
- Dissemination of Information
 - Budget Consultation (discussion)
- Question Period

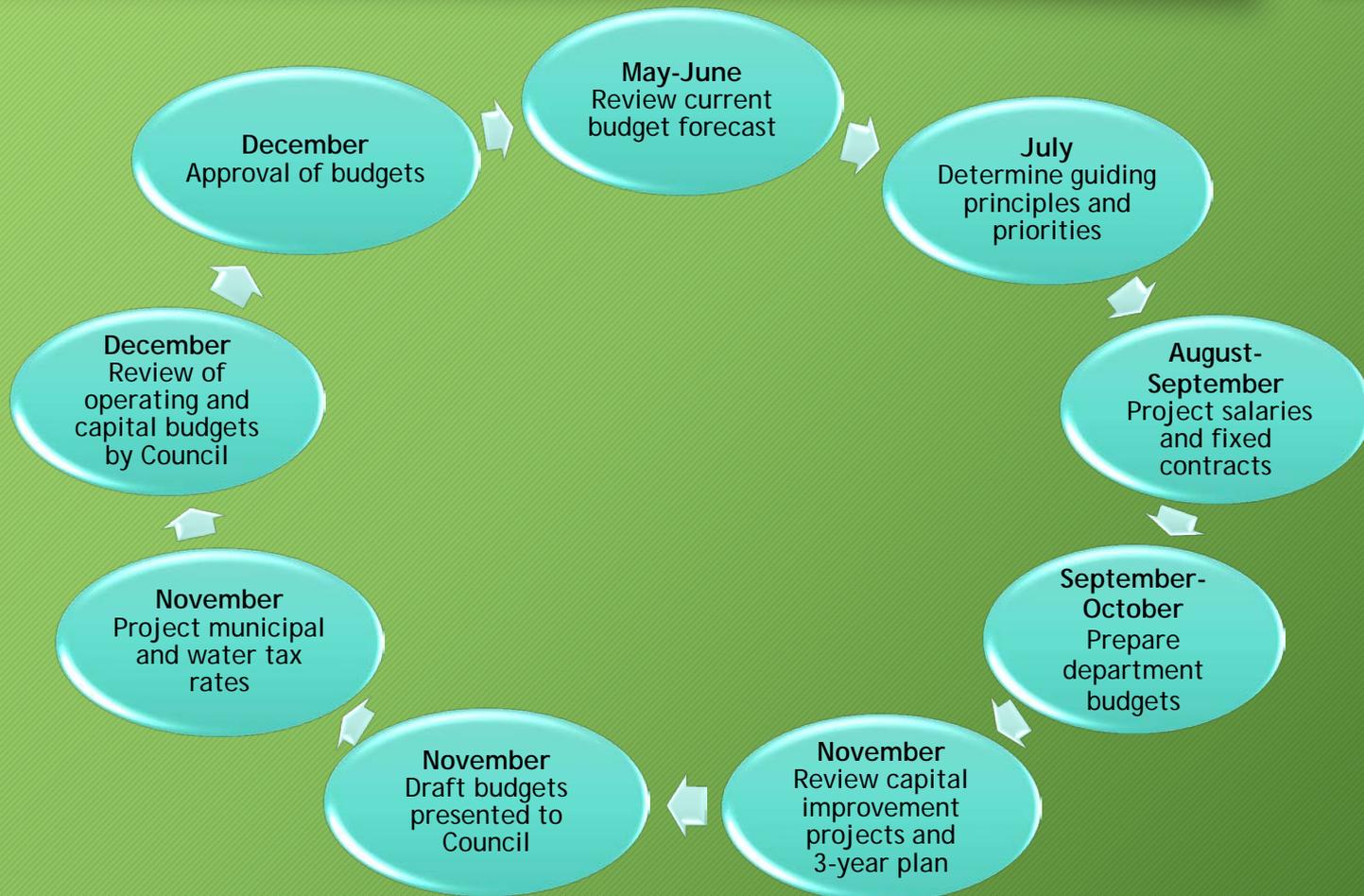
Purpose for Consultation

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1. Allows the City to provide the public a better understanding of the City's budget;
2. Allows the City to receive feedback from residents regarding overall interest in the budget process and matters important to them;
3. Allows public to provide feedback and insight on the allocation of discretionary budgets;
4. Allows public to provide feedback on determining priorities for capital investment projects;
5. Allows the City to receive feedback on desirable formats to disseminate information in the future.

Budget Process Timeline

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Budget Process Timeline

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May to August

- review 2020 budget building process timeline, guiding principles and budget orientations;
- pre-budget public consultation (new for 2020);
- Council - finalize timeline, guiding principles and general orientations;
- deadline to request staffing plan changes for next fiscal year;
- deadline to submit capital investment projects (business cases) not on the capital investment budget three-year plan;
- meetings with department heads and Treasurer to review current year's budget and forecast budget needs to December 31;

Budget Process Timeline

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September and October

- meetings with department heads and city management to review budget requests and department priorities;
- review capital budget submissions and finalize the proposed capital investment three-year plan;
- Audit Committee - review draft capital investment budget prior to submission to In Committee meeting;
- Council - review year-end forecast and present proposed Capital Investment projects and Three-year Plan for discussion;
- Council - review scenarios to establish property tax rates for the next fiscal year;

Budget Process Timeline

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November and December

- Council - finalize capital investment budget three-year plan and review significant variances of draft operating budget;
- meetings with department heads, Financial Services and city management to review departmental budgets (revisions);
- Audit Committee - review final draft 2020 operating budget prior to submission to Council;
- complete simulations to establish property tax rates and determine taxation revenues;
- Special Public Council Meeting - adoption of operating and capital investment budgets (section 474(1) and 473(1) of *CTA*);
- Special Public Council Meeting - adoption of by-law concerning tax rates.

Local vs. Agglomeration Services

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Local - City of Côte Saint-Luc

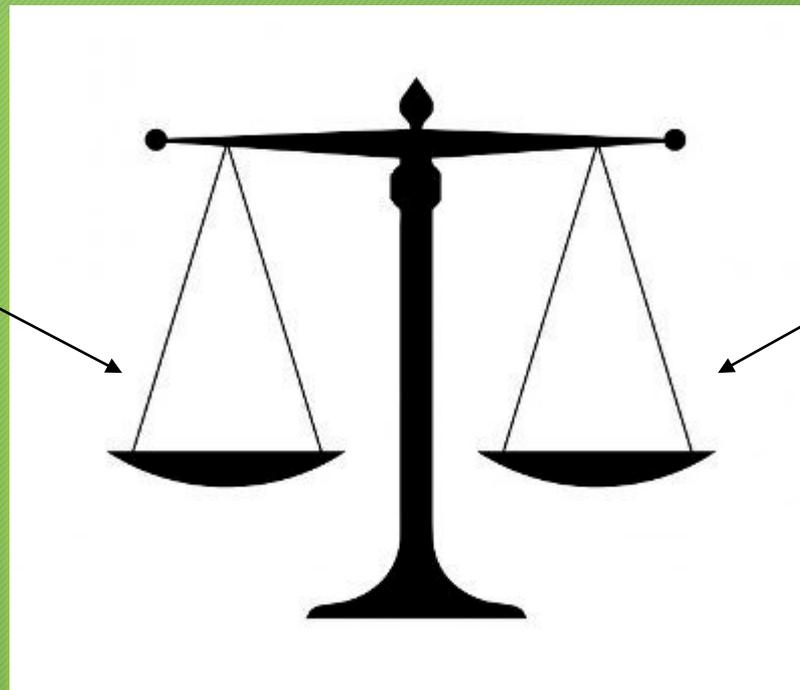
- Administration
- Public works
- Road and water infrastructure maintenance
- Waste management - collection and transport (Recycling, organic and refuse)
- Public safety, security and EMS
- Recreation
- Library
- Aquatic and Community Center (ACC)
- Debt service/CMM

Agglomeration - City of Montreal

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

Overview

Money coming in



Money going out

Operating Budget Revenues

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Revenues	Amount	%
Taxation (Incl. Agglomeration)	\$63,417,980	
Less: Agglomeration portion	(\$27,806,990)	43.85%
Taxation (Local Services)	\$35,610,990	79.16%
Compensation in lieu of taxes	\$ 1,462,800	3.25%
User fees/rentals/ permits and licenses	\$ 2,908,390	6.47%
Transfer Duties	\$ 2,650,000	5.89%
Government Grants	\$ 811,400	1.80%
Other	<u>\$ 1,542,440</u>	<u>3.43%</u>
Total	<u>\$44,986,020</u>	<u>100%</u>

Revenues

Tax Rate Increases - Residential

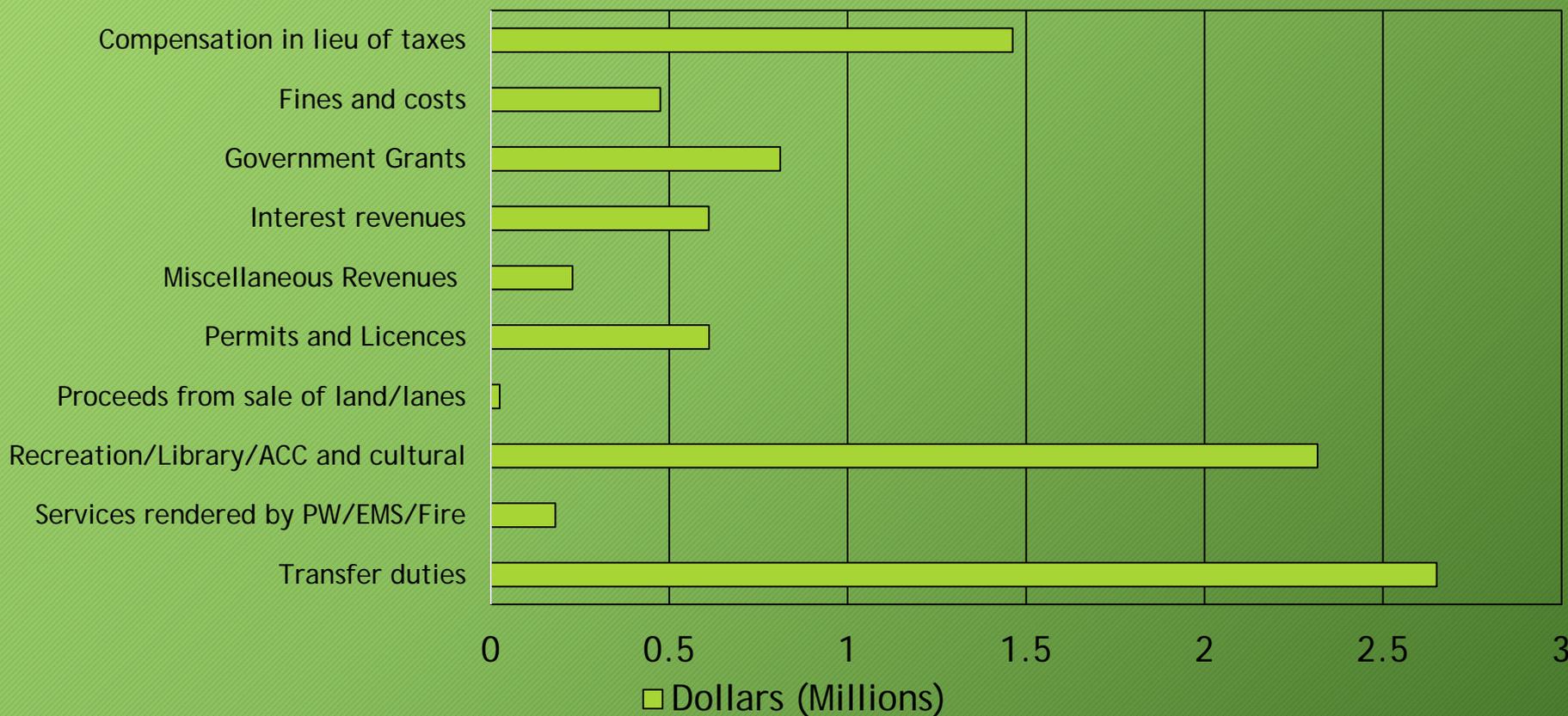
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Year	CSL Municipal Tax Increase	CPI Montreal Region Conference Board of Canada	
		Estimate	Actual
2014	0.9%	2.2%	1.5%
2015	1.9%	2.5%	1.4%
2016	2.3%	1.6%	1.9%
2017	1.9%	2.0%	3.7%
2018	1.5%	2.0%	2.9%
2019	1.7%	1.8%	

Revenues \$9.4 Million

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Local Revenues by Activity



Local Expenses By Type of Expense

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Expenses	Amount	%	
Remuneration	\$17,135,080	38.09%	} 51.56%
Employer's Contribution	\$ 6,060,930	13.47%	
Service Contracts	\$ 8,155,140	18.13%	
Materials/Goods	\$ 5,339,150	11.87%	
Financing Costs/Appropriations	\$ 6,510,990	14.47%	
Other	<u>\$ 1,784,730</u>	<u>3.97%</u>	
Total	<u>\$44,986,020</u>	<u>100%</u>	

Expenses

Total Expenses

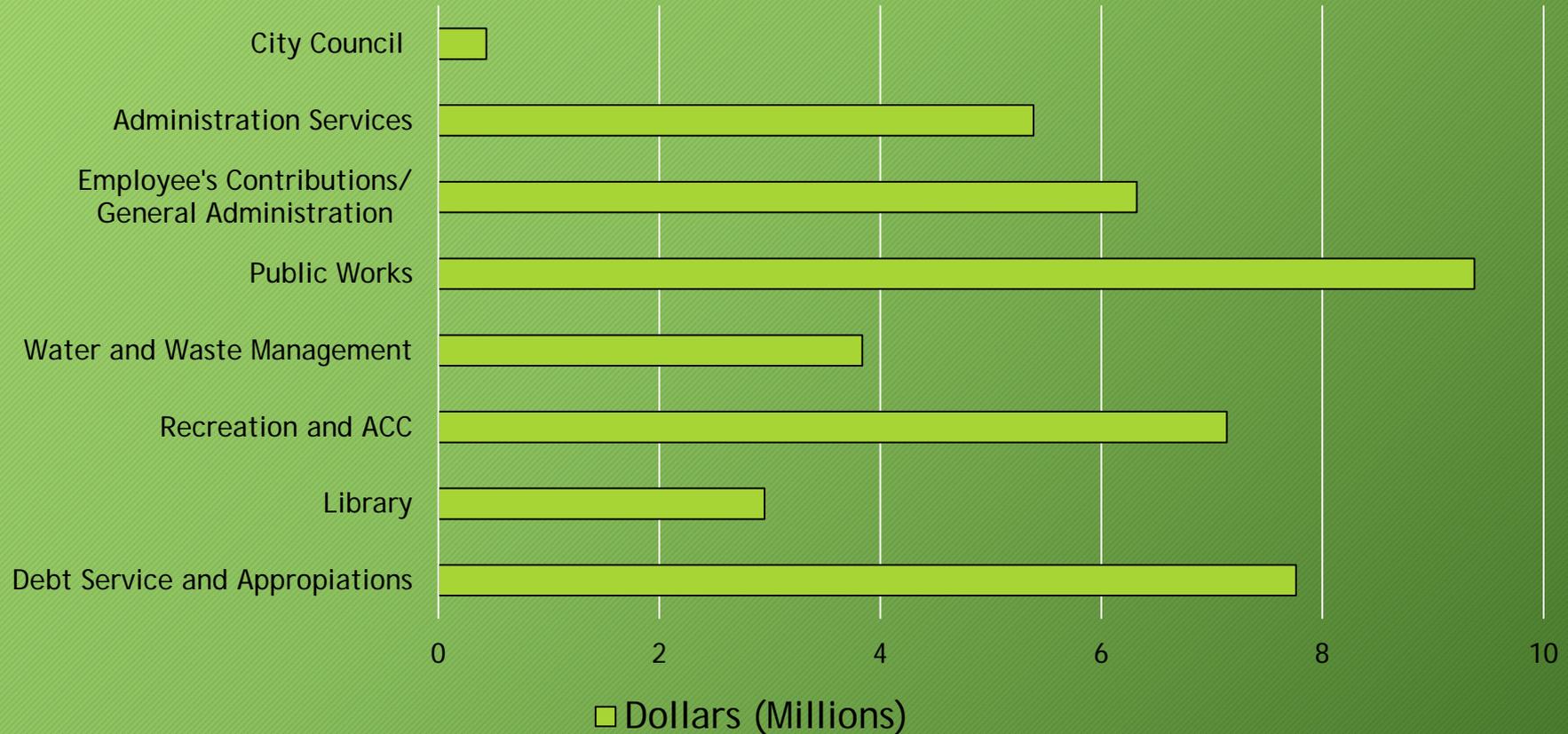
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Expenses	Amount	%
Local Expenses	\$44,986,020	61.80%
Agglomeration Apportionment	<u>\$27,806,990</u>	<u>38.20%</u>
Total	<u>\$72,793,010</u>	<u>100%</u>

Expenses by Service

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Local Expenses by Service



Operating Budget Framework

Remuneration/Employer's Contribution

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- Salary budgets are based on a staffing plan where every approved position is identified by a unique number - all positions are approved by Council;
- Salary budget increases are based on negotiated collective agreements for unionized employees and on the management policy for non-unionized employees;
- Seasonal employees (Recreation) are not included in the staffing plan and budgeted based on programs offered;
- Employer's contributions are mandated by Federal/Provincial laws or collective agreements.

NB: These budgets are mostly non-discretionary and predictable

Operating Budget Framework

Service Contracts

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- Where possible, budgets are based on active contracts and indexed to include CPI increase (if applicable);
- Most service contracts are acquired by invitation/public tender and awarded for 3 to 5 years;
- Contracts that are negotiated annually or required to be renewed, are budgeted based on historical costs;
- Annual review of service contracts is completed to ensure that services are required;
- Examples : snow removal, waste management, aqueduct maintenance and repairs, building and equipment maintenance, photocopiers, IT applications.

NB: These budgets are mostly non-discretionary and predictable

Operating Budget Framework

Materials/Goods

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- Where possible, budgets are based on active contracts and indexed to include CPI increase (if applicable);
- Most contracts are negotiated annually and budgeted based on historical spending;
- Most budgets are variable in nature since they are dependent on usage, needs, unforeseen repairs, etc.;
- Annual review of budgets is completed to ensure that materials are required;
- Examples : snow removal (salt), building/equipment and vehicle repairs, fuel for City vehicles, materials for library and programs, and water purchased from Montreal.

NB: These budgets can be either discretionary or non-discretionary and more difficult to predict

Operating Budget Framework

Financing Costs/Appropriations

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- Budgets are based on actual interest costs on long-term debt and estimated banking charges;
- Budgets are based on actual capital reimbursements on long-term debt;
- Budgets are based on estimated appropriations to the working fund and other reserves;

NB: These budgets are non-discretionary and predictable

Operating Budget Framework

Other Expenses

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- Budgets are usually based on historical spending;
- Budgets are based on actual CMM contribution;
- Annual review of budgets is completed to ensure that budgets are necessary - three-year historical spending is used to determine future budgets;
- Examples : special events (incl. Canada Day), meals, telephones, postage, contributions to organizations, Law 90 training and professional development, and EMS volunteers (per diem).

NB: These budgets can be either discretionary or non-discretionary and more difficult to predict

Operating Budget

External factors and risks

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- Agglomeration apportionment - approx. \$28 million
- Climate change (winter and summer conditions)
- Public tender competition and pricing
- Water infrastructure - watermain breaks
- Inflation/bank interest rates
- Market conditions (property assessments and sales)

Budget Consultation

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Budget Consultation

Operating Budget

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Revenues

- 1) In order to ensure that the City raises sufficient income to maintain existing services, how would you prioritize the following options to generate revenues?
 - i) Increase general taxes
 - ii) Increase fees for programs
 - iii) Increase permit costs and other charges
 - iv) Other specify_____

Budget Consultation

Operating Budget

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Expenses

2) Are there new concerns or priorities that should be financed in 2020?

If so, how can they realistically be paid for (source of revenue)?

Budget Consultation

Operating Budget

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Expenses

- 3) What should be the priority when determining discretionary spending?
- Top 3 service areas the City should focus on the most?
 - Bottom 3 service areas the City should focus on the least?

Overview



Capital Investment Three-Year Plan 2019-2020-2021

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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>

N.B: Three year-plan is reviewed and adjusted annually to include urgent unforeseen projects.

Capital Investment Three-Year Plan 2019-2020-2021

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	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>

Capital Investment Priorities for 2019

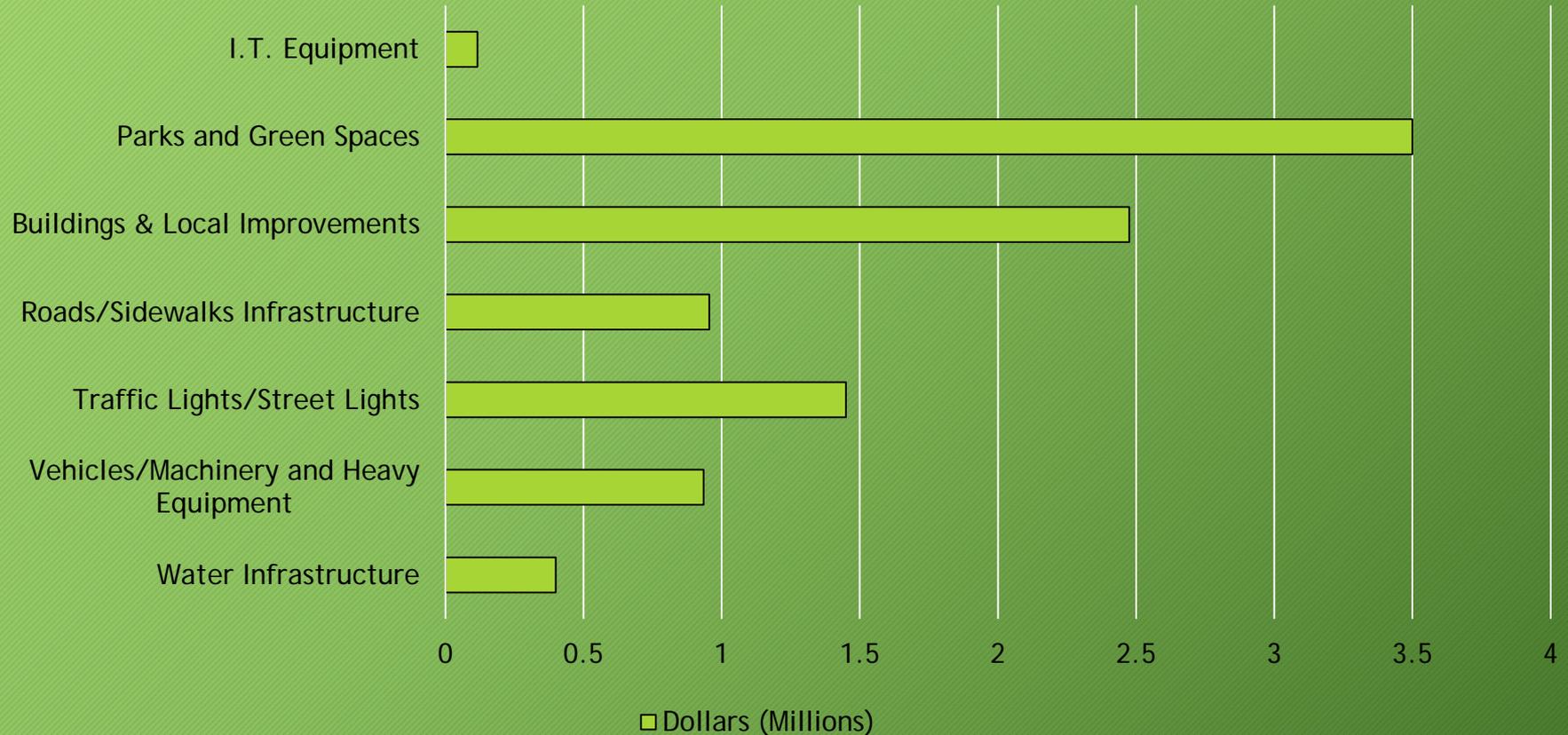
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- Kirwan Park (moved to 2020)
- Samuel Moskovitch Arena and Confederation Annex
- Road resurfacing and sidewalk repair projects
- Traffic lights and LED street lights
- Replenishment of Public Works aging vehicle fleet
- Completion of renovation of the municipal outdoor swimming pool

Capital Investment Projects 2019 (\$9.8 Million)

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Capital Projects by Activity



Capital Investment Priorities for 2020

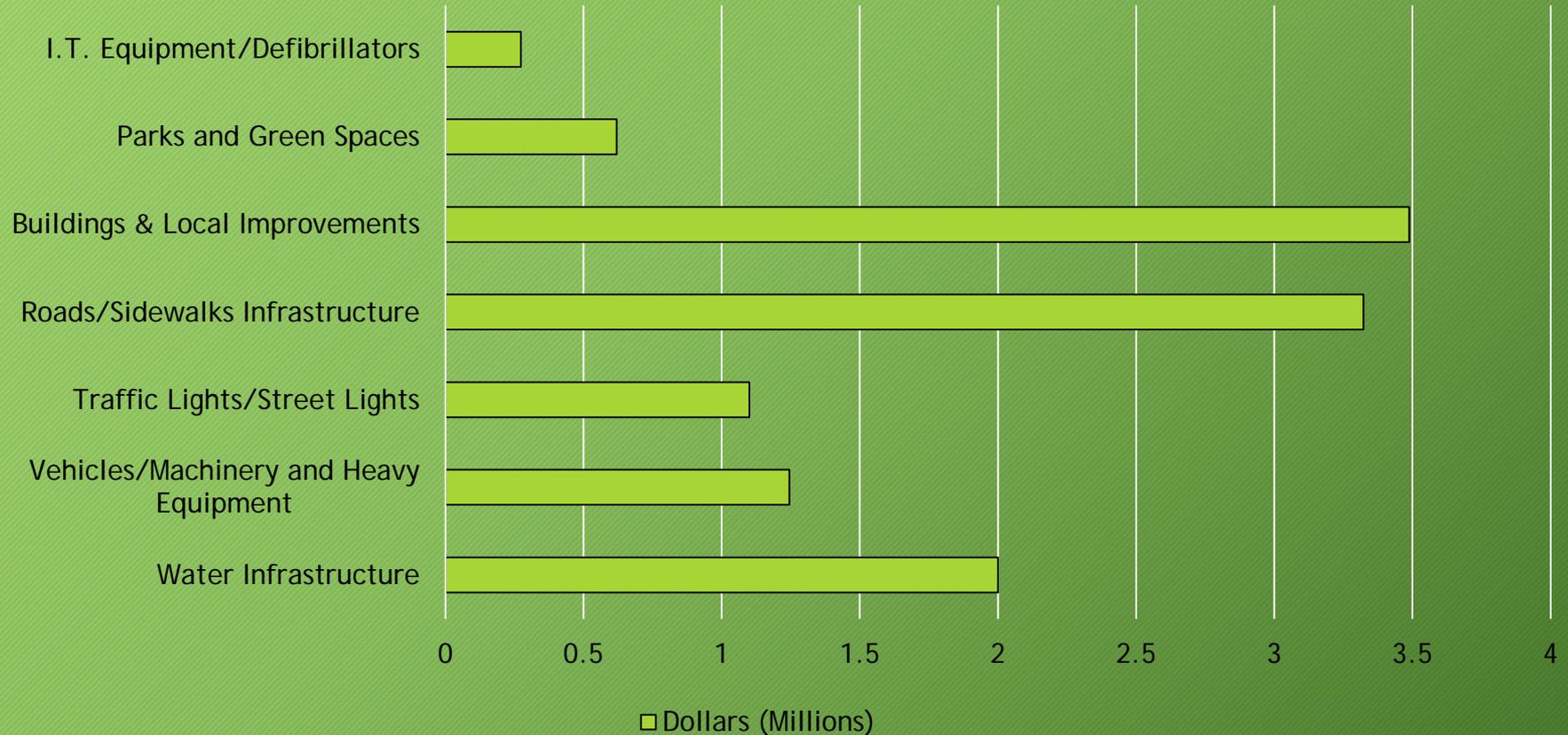
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- Road resurfacing and sidewalk repair projects
- Traffic lights and LED street lights
- Sleeving - aqueduct and sewers (TECQ grant)
- City Hall building envelope
- Replenishment of Public Works aging vehicle fleet

Capital Investment Expenses 2020 (\$12.0 Million)

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Capital Projects by Activity



Capital Investment Budget Framework

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- Business cases are required for all new project submissions;
- Highest priority is given to projects that are linked to grants, or required due to legal or health and safety obligations;
- Priority 2 - Professional services for capital projects taking place in the next two years;
- Priority 3 - Roads/sidewalks, parks/green spaces, civic properties and city vehicles;

N.B. Three year-plan is reviewed and adjusted annually to include urgent unforeseen projects.

Budget Consultation

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Budget Consultation

Capital Investment Budget

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- 4) The three-year plan foresees that over the next 2 to 3 years, the City will prioritize road resurfacing, sidewalks repairs, traffic/street lights, sleeving of aqueduct/sewers and the completion of the Kirwan Park renovations

If you had \$1 million dollars to invest in capital projects, how would you invest it?

Roads Resurfacing	\$ _____	Municipal buildings	\$ _____
Sidewalks	\$ _____	Traffic/street lights	\$ _____
Park Renovations	\$ _____	Water Infrastructure	\$ _____
Small Parks Equipment	\$ _____	Other	\$ _____

specify: _____

Budget Consultation

Operating Budget

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Expenses

- 5) The City has successfully maintained debt service costs below 15% of the local budget, however, this limits the amount of capital projects that can be completed on an annual basis. The City borrows approx. \$5-\$6 million for capital projects on an annual basis.

Would you increase debt service costs in order to complete more capital projects?

What should the maximum annual borrowing be?

Dissemination of Information

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Dissemination of Information Operating/Capital Budget

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- ✓ City's website

Budget 2019

On December 17, 2018 the City Council of Côte Saint-Luc adopted its operating budget for 2019 and its capital investment budget for 2019.

- [View the 2019 operating budget presentation and capital budget presentation \(PDF\)](#)
- [View the operating budget summary \(Excel XLSX format\)](#)
- [View the 2019 budget highlights document mailed to all addresses in Côte Saint-Luc](#)
- [View the budget highlights document \(PDF\)](#)

- ✓ Mailing to every civic address – budget highlights document (January)

Dissemination of Information Operating Budget

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✓ City's website – updated 3 times per year – May 31, September 30 and December 31

City of Cote Saint Luc
Operating Budget Summary
For the year ending December 31, 2018

Expenses	Budget 2018							Revised Budget	Actual 2018				Budget 2017	Budget 2018 vs. 2017			
	Remuneration	Employer's Contributions	Service Contracts	Materials	Financing Costs	Other	Grand Total	December 31	May 31	%	September 30	%	December 31	%	Grand Total	Difference	
	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$		\$		\$	\$	
City Council and Administration																	
City Council	289,500	35,490	-	-	-	35,070	360,060	404,088	168,529	46.8%	268,656	74.0%	356,374	99.0%	348,142	11,918	
General Administration (Note 1)	3,682,800	35,140	1,006,990	31,060	-	145,050	4,881,040	4,746,840	1,981,388	40.2%	3,386,073	69.4%	4,386,476	90.1%	4,455,021	425,119	
Undistributed Administration expenses	(27,660)	-	376,240	45,350	-	379,330	773,260	806,760	626,084	81.0%	725,854	93.9%	748,227	96.8%	972,829	(199,569)	
Employer's Contributions - Fringe Benefits	-	5,039,420	-	-	-	-	5,039,420	5,044,820	2,006,604	39.8%	3,658,775	72.6%	5,247,214	104.1%	5,101,910	(62,400)	
Building Maintenance - City Hal	52,360	-	175,700	100,000	-	-	330,060	333,225	130,351	39.5%	229,767	68.9%	322,419	96.2%	299,132	35,928	
Sub-Total	3,977,600	5,110,650	1,558,930	182,410	-	559,450	11,368,840	11,335,733	4,681,956	43.0%	8,265,125	72.8%	11,065,709	97.2%	11,177,934	210,906	
Public Safety (Note 2)	1,253,000	36,110	58,890	86,540	-	166,150	1,600,690	1,609,080	639,489	39.9%	1,139,967	71.2%	1,557,258	97.3%	1,538,299	62,391	
Sub-Total	1,253,000	36,110	58,890	86,540	-	166,150	1,600,690	1,609,080	639,489	39.9%	1,139,967	71.2%	1,557,258	97.3%	1,538,299	62,391	
Public Works																	
Administration	981,670	48,000	-	3,680	-	17,660	1,051,010	1,026,010	468,479	44.6%	765,484	72.8%	958,313	91.2%	1,012,230	38,780	
Building Maintenance	734,220	-	97,700	172,900	-	-	1,004,820	994,365	383,722	38.2%	671,361	66.8%	889,385	88.5%	960,674	44,146	
Road Services	630,020	-	235,500	212,880	-	-	1,078,500	1,303,500	452,536	42.0%	1,203,212	111.6%	1,638,242	161.9%	692,900	85,600	
Vehicle Maintenance	453,890	60,000	137,380	633,300	-	-	1,284,570	596,661	46,444	3.6%	1,023,725	79.7%	1,395,365	108.6%	39,305	39,305	
Snow Removal	422,310	-	1,585,650	462,000	-	-	2,469,960	1,220,900	2,179,674	88.2%	2,226,885	90.2%	3,017,327	122.2%	2,282,655	187,305	
Street & Traffic Lights	-	-	6,200	302,550	-	-	308,750	322,750	97,744	31.7%	205,659	63.6%	324,060	105.0%	308,350	(600)	
Parks & Green Areas	1,284,200	-	163,500	255,700	-	-	1,703,400	1,758,400	388,879	22.8%	1,269,695	74.3%	1,667,331	97.9%	1,368,610	306,680	
Sub-Total	4,506,400	108,000	2,225,930	2,643,110	-	17,660	8,901,100	9,506,445	4,567,697	51.3%	7,362,171	82.7%	8,980,082	111.1%	8,199,684	701,416	
Environmental Services																	
Water Distribution	-	-	2,158,780	-	-	-	2,158,780	2,258,780	722,929	33.5%	1,544,958	71.6%	2,208,123	102.3%	2,125,664	33,086	
Water Distribution - Debt Service	-	-	-	-	558,000	-	558,000	558,000	523,908	93.0%	523,908	93.0%	556,915	99.8%	636,000	(78,000)	
Garbage Removal/Disposal	-	-	1,051,700	30,000	-	-	1,081,700	1,099,300	421,774	39.0%	735,013	67.9%	1,051,607	96.1%	1,093,240	(11,540)	
Sub-Total	-	-	3,210,480	30,000	558,000	-	3,798,480	3,886,080	1,668,611	43.9%	2,803,879	73.8%	3,826,645	100.7%	3,854,934	(56,454)	
Recreation																	
Administration	853,550	6,180	41,690	14,670	-	46,670	962,760	981,790	411,576	42.7%	731,811	76.0%	980,910	101.9%	910,255	52,505	
Building Maintenance - Recreation/Gym/Pool	-	-	31,450	113,980	-	-	145,430	138,500	39,905	27.4%	78,055	53.7%	113,885	78.3%	150,412	(4,982)	
Gym Expenses	58,130	1,370	14,730	9,210	-	-	83,440	83,440	33,182	39.8%	65,177	66.1%	88,626	106.6%	50,290	33,150	
Arena Operations	518,720	6,830	70,250	39,790	-	840	636,430	632,430	261,921	41.2%	466,774	73.3%	579,160	91.0%	614,379	22,051	
Building Maintenance - Arena	-	-	5,100	236,300	-	-	241,400	239,950	83,834	34.7%	160,209	66.4%	241,437	100.0%	251,350	(9,900)	
Skating Rinks	76,900	200	9,310	85,160	-	-	171,570	179,622	39,729	46.5%	46,728	54.7%	54,624	64.0%	25,410	80,000	
Parkhaven Pool Activities	220,940	8,090	42,110	29,850	-	7,570	308,530	304,315	30,441	9.9%	259,273	84.0%	263,682	85.5%	298,114	10,416	
Tennis Club	53,800	-	35,630	19,950	-	5,250	114,530	119,460	44,754	39.1%	109,457	95.6%	125,621	109.7%	121,480	(6,950)	
Parks/Playgrounds Activities	358,820	10,420	40,330	22,280	-	25,260	457,110	449,766	97,499	21.3%	341,355	74.7%	356,745	78.0%	315,393	141,717	
Sports/Playground Apparatus	251,000	2,520	11,760	62,900	-	-	328,180	327,260	75,744	23.1%	249,240	75.9%	311,903	95.0%	289,179	39,001	
Building Maintenance - Park Chalets	-	-	21,160	38,950	-	-	60,130	57,330	21,727	36.1%	44,378	73.8%	66,820	110.8%	77,170	(17,040)	
P.E. Trudeau/Kirwan Parks Maintenance	163,540	2,630	530	15,480	-	-	182,160	180,960	60,018	37.9%	134,558	73.9%	177,732	97.6%	178,123	4,037	
Senior Services	-	-	-	2,350	-	18,030	20,380	18,350	4,396	21.6%	17,292	94.8%	17,292	94.8%	22,100	(1,720)	
Special Events	23,950	-	-	-	-	119,850	143,800	145,800	68,194	47.4%	110,228	75.9%	134,241	93.4%	21,800	21,800	
Social Cultural Activities	210,180	-	65,000	51,140	-	-	326,320	408,673	170,849	52.4%	264,685	81.2%	373,435	114.4%	297,689	28,631	
Sub-Total	2,789,530	38,210	379,660	665,140	-	223,470	4,096,010	4,177,846	1,452,775	35.5%	3,065,028	74.8%	3,886,122	94.9%	3,723,344	372,666	
Aquatic and Community Centre																	
Pool	844,600	65,780	69,450	149,120	-	186,700	1,314,710	1,289,057	496,721	37.7%	822,870	62.6%	1,173,226	96.2%	1,373,890	40,320	
General Building	881,410	11,500	161,720	286,370	-	4,910	1,354,910	1,380,445	554,688	40.9%	1,052,334	77.7%	1,381,949	102.0%	1,312,377	42,533	
Cardio-Vascular Fitness Equipment Room	-	-	8,000	2,630	-	-	10,630	10,630	3,288	30.9%	4,247	40.0%	5,438	51.2%	38,810	(28,180)	
Toddler Exercise Room	16,720	-	-	800	-	-	17,520	7,520	2,615	14.9%	4,900	28.0%	5,915	33.8%	28,400	(10,890)	
Teen and Game Room	15,500	-	1,050	12,810	-	-	29,160	26,342	6,416	22.0%	15,713	53.9%	21,513	84.1%	21,150	810	
Kitchen/Multi-Purpose Room	-	-	19,750	1,000	-	-	20,750	21,350	4,381	21.1%	11,174	53.9%	17,850	86.0%	19,200	1,400	
Sub-Total	1,768,230	77,280	259,970	451,530	-	190,670	2,747,680	2,735,344	1,087,109	39.6%	1,911,238	69.6%	2,608,482	94.9%	2,693,197	53,763	
Library																	
Library services	2,179,740	2,990	34,010	350,470	-	57,550	2,624,760	2,590,244	1,091,487	41.6%	1,941,614	74.0%	2,524,746	96.2%	2,492,385	132,375	
Building Maintenance - Library	-	-	156,350	69,000	-	-	225,350	224,350	85,874	38.2%	154,368	68.5%	238,324	105.4%	16,026	16,026	
Sub-Total	2,179,740	2,990	190,360	419,470	-	57,550	2,850,590	2,814,594	1,177,363	40.9%	2,095,982	73.8%	2,763,070	95.5%	2,708,409	148,401	
Smart Cities Challenge																	
	-	-	-	-	-	-	-	118,750	-	-	-	-	22,827	-	119,388	-	
Total expenses before debt service & financing costs	16,473,900	5,372,640	7,885,220	3,907,200	558,000	1,214,950	35,411,910	36,619,872	15,484,981	43.7%	26,670,217	75.3%	35,707,376	100.8%	33,918,821	1,493,089	

Dissemination of Information Capital Budget

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- ✓ City's website – updated 3 times per year – May 31, September 30 and December 31

New report for 2019

- Report will indicate: Budget information (original and revised), expenses and commitments to date, progress of project and expected completion date.

Dissemination of Information Year-End Results - Financial Statements

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- ✓ City's website

Financial Statements

2018

Financial Report 2018 (full - pdf)

This report is prepared for the Quebec government in French.

Financial Report 2018 (summary - pdf)

- ✓ Mailing to every civic address – Mayor's message on the financial statements (June)

Budget Consultation

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Budget Consultation Dissemination of Information

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6) Over the last two years, has the City provided adequate information regarding the budget and year-end results?

Yes _____

No _____

If no, what information are you interested in seeing?



Question period

Comments: finance@cotesaintluc.org

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