

Operating Budget

2018

Special Council meeting
January 24, 2018

Summary of Presentation

- Budget Process and Guiding Principles
- 2018 Budget Overview
- Operating Budget Details
 - Local and Agglomeration Services
 - Revenues
 - Expenditures
- Municipal Property and Water Reserve Tax Rates
- Question Period

Budget Building Process

- Determine budget guiding principles and priorities
- Project salaries and employer contributions
- Project expenses by category/program
- Project Agglomeration “quote-part”
- Project municipal/water taxes and other revenues
- Meetings with Council and the Audit Committee to review global budget
- Adoption of operating and capital investment budgets

Guiding Principles

- 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
- Ensure that adequate funds are made available to sustain on-going operating costs following new construction or upgrades to City facilities
- Budget building process ensure efficiency and transparency
- Budget monitoring process ensure a City-wide commitment for controlling costs in all departments

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, 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

2017 Budget - Overview

- Taxation roll - Year 2 of 3 (2017-2018-2019)
- Total increase in budgeted expenses is 5.23%, including Agglomeration (Agglo) and Local services
- The expected credit for Agglo quote-part in 2018 due to new distribution formula was not fully realized - increase in Agglo apportionment is 6.7% - much greater than projected
- The increase in taxes for a single family home is 1.5%, which is lower than the inflation rate forecasted for the greater Montreal area by the Conference Board of Canada for 2018
- The non-residential tax rates have been adjusted to take into account a second rate for property evaluations greater than \$45 million

Property/Water Tax Increase

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

	2018		2017		2016	
Property evaluation for taxation purposes	\$584,600		\$584,600		\$572,300	
	Rate	\$	Rate	\$	Rate	\$
Tax rates per \$100 of property evaluation:						
General tax rate	1.0601	\$6,197	1.0444	\$6,106	1.0476	\$5,995
Special Tax - Water Reserve	0.0508	\$297	0.0500	\$292	0.0491	\$281
Total taxes	1.1109	\$6,494	1.0944	\$6,398	1.0967	\$6,276
Increase/(decrease) in taxes		\$96		\$121		\$142
Percentage taxes increase	1.5%		1.9%		2.3%	

Operating Budget

Revenues

Revenues

		Budget 2018	Budget 2017	Budget 2016
Revenues from taxes	Note 1	\$61,641,500	\$59,880,374	\$58,126,644
Revenues from local improvement taxes		\$79,230	\$83,048	\$103,790
Compensation "In-lieu of taxes"	Note 2	\$1,415,960	\$1,313,760	\$1,282,534
Other revenues		\$7,405,440	\$7,051,768	\$7,523,076
Total Revenues		\$70,542,130	\$68,328,950	\$67,036,044
Increase over prior year		3.24%	1.94%	

Note 1: Local and Agglomeration

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

Revenues from Taxes

	Budget 2018	Budget 2017	Budget 2016
Residential properties	\$38,759,200	\$37,682,617	\$37,737,390
Apartments 6+ units	\$10,039,400	\$9,733,206	\$8,849,263
Vacant land	\$428,400	\$569,336	\$601,070
Non-residential properties	\$8,759,700	\$8,307,638	\$7,560,967
Water reserve	\$3,704,800	\$3,637,577	\$3,409,954
Municipal tax provision	Note1 -\$50,000	-\$50,000	-\$32,000
Total	\$61,641,500	\$59,880,374	\$58,126,644
Increase over prior year	2.94%	3.02%	

Note 1: The provision is required for property evaluation contestations

Other Revenues - Details

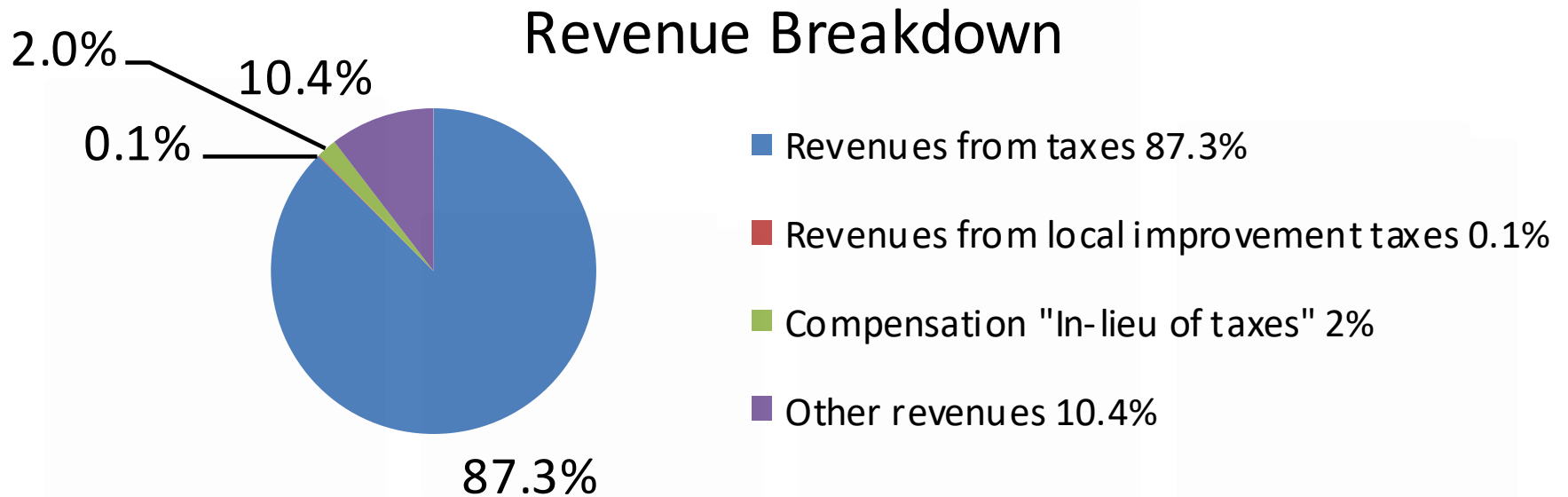
	Budget 2018	Budget 2017	Budget 2016
Interest revenues	\$591,000	\$627,500	\$635,500
Recreation / Library and cultural activities	\$1,583,560	\$1,472,565	\$1,469,650
Aquatic and Community Center	\$917,480	\$869,180	\$847,000
Transfer duties	\$2,200,000	\$2,130,000	\$2,050,000
Fines and costs	\$455,000	\$455,000	\$450,000
Services rendered by Public Works	\$95,000	\$115,500	\$129,000
Services rendered to the Fire Department	\$60,000	\$60,000	\$60,000
Services rendered by Emergency Medical Services	\$16,800	\$8,000	\$8,000
Water rechargeable connections	\$10,000	\$14,000	\$14,000
Proceeds from sale of land/lanes	\$10,000	\$10,000	\$10,000
Government Grants	\$779,120	\$334,000	\$1,305,000
Miscellaneous Revenues	\$687,480	\$956,023	\$544,926
Total	\$7,405,440	\$7,051,768	\$7,523,076
Increase over prior year	5.02%		

Government Grants

Provincial Grants

- MDDELCC Redevance - household waste tonnage diverted from landfills (\$325,000)
- Recyc-Quebec - Recycling materials (\$200,000)
- Library - materials (\$60,000)
- SHQ - PAD program - materials (\$6,000)
- Min. of Finance - Interest on provincial portion of long-term debt (\$188,120)

Revenue Breakdown



Operating Budget

Expenses

Summary of Local Expenses

	Budget 2018		Budget 2017		Budget 2016
General Administration	\$10,862,260		\$10,728,675		\$10,370,765
Public Safety (Public Security/EMS/vCOP)	\$1,600,690		\$1,538,299		\$1,453,313
Public Works	\$9,427,680		\$8,648,943		\$8,268,982
Environmental Services	\$3,798,480		\$3,854,934		\$3,875,449
Recreation and Culture	\$4,096,010		\$3,723,344		\$3,519,248
Library	\$2,879,110		\$2,730,709		\$2,568,624
Aquatic and Community Centre	\$2,747,680		\$2,693,917		\$2,376,627
Sub-Total	\$35,411,910	4.40%	\$33,918,821		\$32,433,008
CMM, Debt Service, Financing Costs	\$6,137,270	10.26%	\$5,566,332		\$6,488,694
Total Local Expenses	\$41,549,180	5.23%	\$39,485,153		\$38,921,702
Increase over prior year		5.23%		1.45%	

Agglomeration Apportionment (Quote-part)

Estimated Quote-Part

2017				
Original Quote-Part	A	\$28,843,797		
Reduction due to New Formula	B	-\$799,000		
Year 1 Adj: Quote-Part	C	<u>\$28,044,797</u>		
2018				
Reduction due to New Formula	D	-\$872,495		
Year 2 Adj: Quote-Part (with 0% Agglo Inc.)	E	<u>\$27,172,302</u>		
Est. Increase (Indexation)	F	<u>\$502,488</u>	2.00%	
Estimated Quote-Part	G	<u>\$27,674,790</u>		
Actual - Agglomeration Quote-Part	H	<u>\$28,992,950</u>		
Increase compared to Estimated Quote-Part	I	\$1,318,160		
Increase compared to Adjusted Quote-Part	J	\$1,820,648	6.70%	(J = H / E)

Summary of Agglomeration Apportionment

	Budget 2018		Budget 2017	Budget 2016
	<u>2018</u>		<u>2017</u>	<u>2016</u>
General	\$25,138,152		\$25,152,754	\$24,938,234
Water services	\$1,521,928	2.26%	\$1,488,345	\$2,026,903
Water meters	\$17,467		\$68,227	\$0
Arterial Roads - 2006-2008 debt	\$43,306		\$45,194	\$47,082
Contribution to Centre Ville	\$551,200		\$553,850	\$0
Capital Investment Projects - TECQ/FCCQ	\$319,077		\$201,915	\$266,831
Total Fixed Apportionment	<u>\$27,591,130</u>	0.29%	<u>\$27,510,285</u>	<u>\$27,279,050</u>
Cost of water	\$1,401,820		\$1,333,512	\$835,292
Total Variable Apportionment	<u>\$1,401,820</u>	5.12%	<u>\$1,333,512</u>	<u>\$835,292</u>
Total Apportionment	<u><u>\$28,992,950</u></u>	Note 1	<u><u>\$28,843,797</u></u>	<u><u>\$28,114,342</u></u>
Increase over prior year		0.52%		2.59%

Note 1: Increase represents 6.7% compared to 2017 adjusted for additional credit for 2018

Local Expenses

General Administration

	Budget 2018	Budget 2017	Budget 2016
City Council	\$360,060	\$348,142	\$339,321
Finance	\$844,510	\$820,030	\$780,978
General Council / Purchasing	\$357,170	\$351,841	\$294,985
General Management	\$548,630	\$319,249	\$292,800
Information Systems	\$879,110	\$828,330	\$703,977
Public Relations and Communication	\$424,670	\$343,920	\$326,560
Legal Services / City Clerk	\$294,020	\$397,026	\$375,754
Human Resources	\$553,340	\$509,045	\$460,795
Undistributed Administration expenses	\$773,260	\$972,829	\$977,150
Employee's Contributions - Fringe Benefit	\$5,039,420	\$5,101,910	\$5,109,090
Building Maintenance - City Hall	\$335,060	\$299,132	\$287,519
City Planning & City Inspection	\$453,010	\$437,221	\$421,837
Total Expenses	\$10,862,260	\$10,728,675	\$10,370,765
Increase over prior year	1.25%	3.45%	

Local Expenses

Public Safety (Public Security, EMS, vCOP)

	Budget 2018	Budget 2017	Budget 2016
Emergency Medical Services / Public Security and vCOP	\$1,565,860	\$1,499,474	\$1,419,500
Building Maintenance	\$34,830	\$38,825	\$33,813
Total Expenses	<u>\$1,600,690</u>	<u>\$1,538,299</u>	<u>\$1,453,313</u>
Increase over prior year	4.06%	5.85%	

Local Expenses

Public Works

	Budget 2018	Budget 2017	Budget 2016
Administration	\$1,051,010	\$1,012,230	\$996,266
Urban Development - Engineering	\$526,580	\$449,259	\$413,336
Building Maintenance	\$1,004,820	\$960,674	\$880,399
Road Services	\$1,078,500	\$992,900	\$765,125
Vehicle Maintenance	\$1,284,570	\$1,245,265	\$1,203,189
Snow Removal	\$2,469,960	\$2,282,655	\$2,330,955
Street & Traffic Lights	\$308,750	\$309,350	\$307,304
Parks & Green Areas	\$1,703,490	\$1,396,610	\$1,372,408
Total Expenses	\$9,427,680	\$8,648,943	\$8,268,982
 Increase over prior year	 9.00%	 4.60%	

Increase is due mainly to budgeting more realistic snow removal costs, investments in parks, hiring of a Project Manager (Engineering) and horticulture/arboriculture and asphalt crews

Local Expenses

Environmental Services

	Budget 2018	Budget 2017	Budget 2016
Water Distribution - Debt Service	\$558,000	\$636,000	\$636,000
Water Distribution	\$2,158,780	\$2,125,694	\$2,142,641
Garbage Removal/Disposal	\$1,081,700	\$1,093,240	\$1,096,808
Total Expenses	\$3,798,480	\$3,854,934	\$3,875,449
Decrease over prior year	-1.46%		
Water Purchase - Agglo Apportionment Note 1	\$1,401,820	\$1,333,512	\$835,292
Increase over prior year	5.12%		

Note 1: Agglomeration agreement cost distribution for water purchase; based on consumption instead of tax potential & increased costs for drinking water.

This amount is included in the quote -part charge to the City.

Local Expenses

Recreation and Culture

	Budget 2018	Budget 2017	Budget 2016
Administration	\$962,760	\$910,255	\$901,272
Aquatic and Community Centre	\$2,747,680	\$2,693,917	\$2,376,627
Building Maintenance - Recreation/Gym/Pool	\$145,430	\$150,412	\$129,136
Gym Expenses	\$83,440	\$50,290	\$51,500
Arena Operations	\$877,830	\$865,729	\$826,700
Skating Rink Activities	\$85,410	\$25,410	\$24,000
Parkhaven Pool Activities	\$308,530	\$298,114	\$244,016
Tennis Club	\$114,530	\$121,480	\$107,000
Parks/Playgrounds Activities Note 1	\$785,290	\$604,572	\$579,000
Building Maintenance - Park Chalets	\$60,130	\$77,170	\$73,170
P.E. Trudeau/Kirwan Parks Maintenance	\$182,160	\$178,123	\$149,454
Senior Services	\$20,380	\$22,100	\$23,000
Special Events	\$143,800	\$122,000	\$107,000
Social Cultural Activities	\$326,320	\$297,689	\$304,000
Total Expenses	\$6,843,690	\$6,417,261	\$5,895,875
Increase over prior year	6.65%	8.84%	

Note 1: Expenses for new summer programs planned for 2018 will be offset by additional revenues

Local Expenses

Eleanor London Côte Saint-Luc Public Library

	Budget 2018	Budget 2017	Budget 2016
	<u> </u>	<u> </u>	<u> </u>
Library Services	\$2,624,760	\$2,492,385	\$2,330,300
Building Maintenance	<u>\$254,350</u>	<u>\$238,324</u>	<u>\$238,324</u>
 Total Expenses	 <u><u>\$2,879,110</u></u>	 <u><u>\$2,730,709</u></u>	 <u><u>\$2,568,624</u></u>
 Increase over prior year	 5.43%	 6.31%	

Local Expenses

CMM, Debt Service and Financing Costs

	Budget 2018	Budget 2017	Budget 2016
Contribution- Community Metropolitan Montreal	\$500,000	\$508,732	\$502,268
Interest/Financing Payments	\$1,279,390	\$1,134,600	\$1,732,025
Capital Repayments Note 1	\$4,739,800	\$3,702,600	\$4,203,500
Provincial Share of Capital Repayments Note 2	-\$617,620	\$0	\$0
Appropriation to/from Working Fund Note 3	\$441,120	\$400,000	\$230,000
Appropriation to/from Operating Surplus	\$0	\$0	-\$129,000
Appropriation-Water Financial Reserve	-\$150,000	-\$143,000	-\$200,000
Appropriation Needed in Future -pension & other	-\$55,420	-\$36,600	\$149,900
Total Expenses	\$6,137,270	\$5,566,332	\$6,488,693
increase over prior year	10.26%	-14.21%	

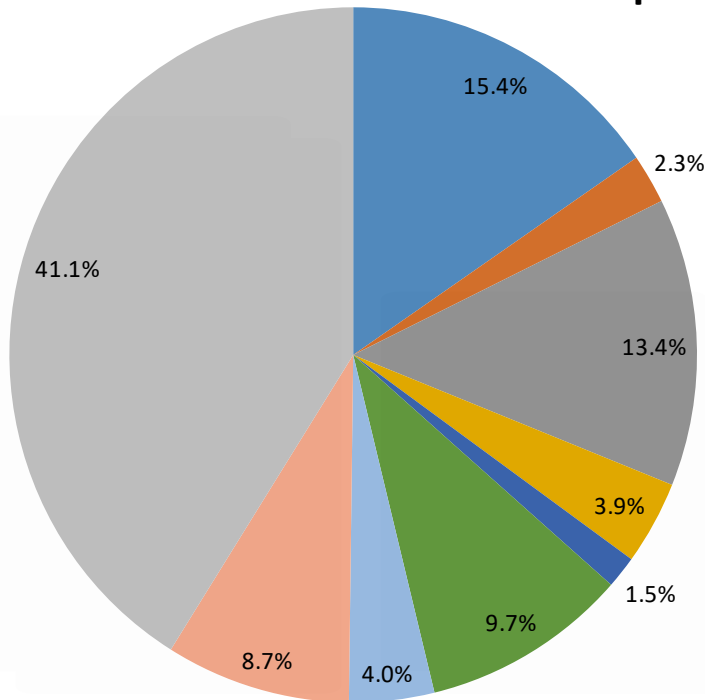
Note 1 : There has been a significant increase in capital repayments that are partially offset by provincial government grants

Note 2 : New budget line for 2018 - previously budgeted as a net reduction to capital repayments budget line (see Note 1)

Note 3: The City has been making more use of the working fund so that the required repayments are higher

Expenses Breakdown

Expenses breakdown



- Administration 15.4%
- EMS/Public Safety 2.3%
- Public Works 13.4%
- Water distribution 3.9%
- Waste Management 1.5%
- Recreation and Aquatic Community centre 9.7%
- Library 4%
- Debt Service 8.7%
- Agglomeration Apportionment 41.1%

Operating Budget Summary

	Budget 2018		Budget 2017		Budget 2016
Total Revenues	\$70,542,130	3.25%	\$68,328,950	1.93%	\$67,036,043
Total Local Expenses and Appropriations	\$41,549,180	5.23%	\$39,485,153	1.45%	\$38,921,701
Agglomeration Apportionment - Water	\$1,401,820	5.12%	\$1,333,512	59.65%	\$835,292
Agglomeration Apportionment - Other	\$27,591,130	0.29%	\$27,510,285	0.85%	\$27,279,050
Total Agglomeration Apportionment	\$28,992,950	0.52%	\$28,843,797		\$28,114,342
Total Local Expenses and Agglomeration Apportionment	\$70,542,130	3.25%	\$68,328,950	1.93%	\$67,036,043
Surplus/(Deficit)	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>

Operating Budget

Municipal Property and Water Reserve Tax Rates

Côte Saint-Luc Municipal Property Tax Rates

	2018	2017	2016
Residential properties	1.0601	1.0444	1.0476
Special Tax - Water Reserve	0.0508	0.0500	0.0491
	<u>1.1109</u>	<u>1.0944</u>	<u>1.0967</u>
Apartments 6+ units properties	1.2668	1.2533	1.2571
Special Tax - Water Reserve	0.0508	0.0500	0.0491
	<u>1.3176</u>	<u>1.3033</u>	<u>1.3062</u>
Vacant land	<u>2.1202</u>	<u>2.0889</u>	<u>2.0951</u>
Non-residential /Industrial properties < \$45M	4.0019	3.9479	3.9597
Special Tax - Water Reserve	0.6875	0.6875	0.6784
	<u>4.6894</u>	<u>4.6354</u>	<u>4.6381</u>
Non-residential /Industrial properties > \$45M	4.8023	3.9479	3.9597
Special Tax - Water Reserve	0.6875	0.6875	0.6784
	<u>5.4898</u>	<u>4.6354</u>	<u>4.6381</u>

Property/Water Tax Increase

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

	2018		2017		2016	
Property evaluation for taxation purposes	\$584,600		\$584,600		\$572,300	
	Rate	\$	Rate	\$	Rate	\$
Tax rates per \$100 of property evaluation:						
General tax rate	1.0601	\$6,197	1.0444	\$6,106	1.0476	\$5,995
Special Tax - Water Reserve	0.0508	\$297	0.0500	\$292	0.0491	\$281
Total taxes	1.1109	\$6,494	1.0944	\$6,398	1.0967	\$6,276
Increase/(decrease) in taxes		\$96		\$121		
Percentage taxes increase	1.5%		1.9%			

Question period