



## VILLE DE MONTRÉAL **2006** BUDGET



Montréal 



VILLE DE MONTRÉAL  
**2006** BUDGET

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Adopted by  
the Montréal City Council  
January 25, 2006

AND

the Agglomeration Council  
of the Ville de Montréal  
January 26, 2006

Prepared by  
the Service des finances



## USER GUIDE TO THE DIFFERENT BUDGET DOCUMENTS

The 2006 Budget documents will be distributed to some users in printed and in electronic formats. In other cases, these texts will only be available from the Web site of the Services des finances at [ville.montreal.qc.ca/finances](http://ville.montreal.qc.ca/finances). With the establishment in 2006 of the Montréal Urban Agglomeration, the budget document presents financial data based on the distribution of powers among the City Council and the Urban Agglomeration Council.

2006 Budget (*French version available January 20, 2006—printed and Web-based formats*)



- **Budget presentation:** contains messages from the Mayor, the Chairman of the Executive Committee and the Director General, highlights of the 2006 Operating Budget and the 2006-2008 Three-Year Capital Works Program and a breakdown of municipal expenditures in dollar terms.
- **Business Plan:** contains a statement of the guidelines and strategies to be advanced by the administration in meeting its long-term goals.
- **Profile of Montréal:** reveals different facets of the city, outlines its political organization and serves as an economic portrait of Montréal. The profile illustrates how power is distributed locally and within the urban agglomeration.
- **City Budget:** illustrates the budgetary assumptions that have been employed in producing the budget, the Certificate of the Treasurer and Director General who guarantees both the necessity and availability of funds assigned in fiscal 2006 to debt service payments and obligations under law and pursuant to decisions. This section also presents the city's Global Budget by activity and organizational entity and provides information on water management.
- **Additional Information:** presents a review of remuneration and the municipal workforce.
- **Taxation:** primarily discusses tax parameters applicable to local authorities and to that of the urban agglomeration, along with variations in city taxpayer burden.
- **Three-Year Capital Works Program:** provides a summary of the 2006-2008 Three-Year Capital Works Program. This program also presents investments by borough and by city department.
- **Debt and Financial Portrait:** contains a picture of the city's indebtedness.
- **City Council Budget:** provides details of the budget falling under the authority of the City Council, taxation by the city and the latter's Three-Year Capital Works Program.
- **Urban Agglomeration Council Budget:** provides details of the budget that falls under the authority of the Urban Agglomeration Council, taxation by the urban agglomeration and the latter's Three-Year Capital Works Program.
- **Appendices:** contains the accounting and budgetary policies that the city has adopted in preparing a list of definitions, abbreviations and acronyms that appear in this document. Also includes explanations pertaining to preparation of the 2006 Budget, as well as to equipment, infrastructure and activities of collective interest.

## 1. Budget by Borough and City Department



- **Borough:** organizational chart, borough profile, business plan, revenues and expenditures by activity and the investment plans of each borough.
- **City Department:** primary function and activities, business plan and budget choices, revenues and expenditures by activity and the investment plans of each department.

## 2. Supplementary Information Book (*Web only, as of February 2006*)



- The Supplementary Information Book contains texts pertaining to changes, actions and municipal projects that have a direct bearing on the city's financial management. This book serves as a reference on various topics of current budgetary or financial interest, can be used to develop more information on such matters and provides background information that serves to place such topics within their respective socio-economic, legislative, regulatory, organizational and fiscal contexts. The Supplementary Information Book contains explanatory texts on such wide-ranging subjects as policies, strategies and portraits of current municipal activities that fit within the set of services offered to the public.

## 3. Miscellaneous (*Web only*)



- The City's Business Plan
- The City's Management Framework
- Financial and Budgetary Policies
- Information on Taxation from Prior Years
- Prior Budgets and Three-Year Capital Works Programs
- Prior and Current Annual and Financial Reports
- Documentation from Prior Years

## 4. Quick References

Messages and Highlights.....	11
Organizational Chart.....	23
Statement of Financial Activities—Ville de Montréal .....	81
Statement of Financial Activities—Municipal .....	171
Statement of Financial Activities—Urban Agglomeration .....	261
Workforce and Remuneration .....	151
Municipal Tax Rates .....	206
Urban Agglomeration Tax Rates .....	292
Change in the Assessment roll—Municipal.....	215
Change in the Assessment roll—Urban Agglomeration .....	293
Capital Works Projects—Municipal .....	231
Capital Works Projects—Urban Agglomeration .....	307
Definitions, Abbreviations and Acronyms .....	Appendix 4

# **CONTENTS**

## **THE 2006 BUDGET**

User Guide to the Different Budget Volumes	
Contents	
Table Index	
Figure Index	
Chart Index	

### **Message and Highlights**

Message from the Mayor and Chairman of the Executive Committee .....	11
Message from the Director General and Treasurer .....	13
Highlights .....	15
How Your Money is Spent .....	17

### **Profile of Montréal**

Map .....	19
Montréal Facts and Figures .....	21
Administrative Organization .....	23
Members of the City Council.....	25
Members of the Urban Agglomeration Council.....	27
Members of the Borough Councils.....	28
Members of the Executive Committee .....	29
Diagrammatic Calendar .....	31
Economic Portrait .....	33

<b>Business Plan</b> .....	47
----------------------------	----

## **2006 BUDGET**

### **INTRODUCTION**

A New Municipal Organization.....	67
<i>Order concerning the Montréal Urban Agglomeration</i> .....	71
Montréal's Financial Management Cycle .....	72
Presentation of the Budget .....	73

### **GLOBAL BUDGET**

#### **Budget by Activity**

Key Factors used in Formulating the 2006 Budget .....	77
Certificate of the Principal Director and Treasurer .....	79
Statement of Financial Activities .....	81
Key Factors in the 2006 Budget.....	85

## **Water Fund**

Public Management of Water.....	87
Water Management—Statement of Forecast Expenditures and Revenues.....	89

## **Budget by Business Unit**

Organizational Structure .....	91
Distribution of Local Powers .....	94
Budget by Organizational Structure .....	95
Borough Budgets .....	99
City Department Budgets .....	105
Other Budget Items.....	108
– Common Expenditures.....	108
– Financial Expenditures.....	111
– Contribution Expenditures.....	112
– Internal Transactions.....	117

## **Taxation**

The New Fiscal Structure of 2006.....	119
Urban Agglomeration Taxation in 2006.....	121
Montréal's Local Taxation .....	128
Montréal's Global Taxation .....	143
Variations in Montréal's Tax Burden .....	146

## **Supplementary Information**

Global Remuneration .....	151
Change in Workforce Size .....	153

## **Summary of the 2006-2008 Three-Year Capital Works Program**

Three-Year Capital Works Program in Short .....	155
Analysis of Financing Methods .....	157

## **Debt and Financial Portrait**

Indebtedness .....	159
Financial Portrait.....	163

## **2006 CITY COUNCIL BUDGET**

### **Budget by Activity**

Statement of Financial Activities .....	171
Analysis of Financial Activities	
Revenues.....	173
Expenditures .....	185
Allocations.....	201

## **Municipal Taxation**

The New Fiscal Structure of 2006 .....	203
Montréal's Local Taxation .....	205

## **2006-2008 TCWP Priorities**

Residual City Powers .....	221
Priorities of the 2006-2008 TCWP .....	222
Summary of Financing Methods .....	225
Impact on Operating Budget .....	228
Summary of Capital Expenditures by Business Unit .....	229
Details of Capital Expenditures by Business Unit and by Project .....	231

## **URBAN AGGLOMERATION COUNCIL BUDGET**

### **Budget by Activity**

Statement of Financial Activities .....	261
Analysis of Financial Activities	
Revenues .....	263
Expenditures .....	273
Assignments .....	289

### **Taxation**

New Structure for 2006 .....	291
Urban Agglomeration Taxation in 2006 .....	293

## **2006-2008 Three-Year Capital Works Program**

Urban Agglomeration Powers .....	299
2006-2008 TCWP Priorities .....	301
Summaries of Financing Methods .....	304
Impact on Operating Budget .....	305
Summary of Investment Expenditures by Business Unit .....	306
Details of Investment Expenditures by Business Unit and by Project .....	307

## **APPENDICES**

1—Presentation Format for Budget Information and Standard Accounting Practices .....	1.1
2—Budget Management Framework .....	2.1
3—Glossary and Special Terms .....	3.1
4—Index of Acronyms, Abbreviations and Initialisms .....	4.1
5—Preparing the Budget .....	5.1
6—Equipment, Infrastructure and Activities of Collective Interest .....	6.1
7—SOFIL (Société de financement des infrastructures locales du Québec) .....	7.1

## TABLE INDEX

Table 1	Summary of Responsibilities Falling under the Urban Agglomeration Council or the Municipal and Borough Councils .....	70
Table 2	Statement of Financial Activities—City Budget.....	82
Table 3	Budgeted Water Management Revenues and Expenditures in Fiscal 2006 .....	90
Table 4	Summary of Respective Responsibilities, Authorities and Obligations of the Boroughs and the City Departments .....	94
Table 5	2006 Business Unit Budget Forecasts.....	96
Table 6	Major Factors Affecting Growth in City Department Expenditure Budgets.....	106
Table 7	Common Expenditures .....	108
Table 8	Other Common Expenditures .....	110
Table 9	Financial Expenditures .....	111
Table 10	Contributions to Corporations, Organizations and Other Major Partners .....	112
Table 11	Contributions to the Reconstituted Municipalities .....	114
Table 12	Contributions to Paramunicipal Corporations .....	115
Table 13	Contributions to Other Organizations.....	116
Table 14	Cancellation of Internal Transactions.....	117
Table 15	Urban Agglomeration Property Tax Rates for 2006 by Property Category .....	122
Table 16	Evolution of the 2004-2006 Three-Year Assessment Roll—Montréal Urban Agglomeration ...	123
Table 17	Variations in Taxable Values for the Urban Agglomeration by Related Municipality.....	124
Table 18	Taxable and Non-Taxable Values by Related Municipality.....	127
Table 19	General Local 2006 Property Tax Rate by Property Category.....	129
Table 20	Average Cumulative Rates—Residual Property .....	131
Table 21	Average Cumulative Rates—Properties with Six or More Units .....	132
Table 22	Residential Property User Fees for Different City Sectors in Fiscal 2006.....	133
Table 23	Average Cumulative Rates—Non-Residential Property.....	135
Table 24	Non-Residential Property User Fees for Different Sectors in Fiscal 2006 .....	136
Table 25	Evolution of Montréal's 2004-2006 Three-Year Assessment Roll.....	138
Table 26	Tax Variation by Borough .....	139
Table 27	Taxable and Non-Taxable Values by Borough .....	142
Table 28	Average Cumulative Rates—Residual Property Category.....	143
Table 29	Average Cumulative Rates—Properties with Six or More Units .....	144
Table 30	Average Cumulative Rates—Non-Residential Property.....	145
Table 31	Tax Variation and Levels in the Boroughs from 2005 to 2006 .....	148
Table 32	Payroll Components .....	151
Table 33	Analysis of Remuneration and Employer Contributions .....	152
Table 34	Distribution of Human Resources throughout the Organizational Structure .....	154
Table 35	Capital Expenditures by Municipal Category .....	156
Table 36	Summary of Financing Methods .....	157

Table 37	2006 Debt Service .....	160
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### **City Council Budget**

Table 38	Statement of Financial Activities—City Council Budget.....	172
Table 39	Taxes .....	174
Table 40	Payments in Lieu of Taxes .....	175
Table 41	Other Revenue from Local Sources .....	177
Table 42	Transfers .....	180
Table 43	Government Grants for Capital Assets and Other Debts .....	182
Table 44	Government Grants to Reimburse Operating Expenditures .....	183
Table 45	Specific Revenues Transferred to Investment Activities .....	183
Table 46	General Administration .....	186
Table 47	Public Safety.....	189
Table 48	Transportation .....	190
Table 49	Environmental Hygiene .....	191
Table 50	Health and Welfare .....	193
Table 51	Urban Planning and Development .....	194
Table 52	Recreation and Culture .....	197
Table 53	Financing Costs .....	199
Table 54	Other Financial Activities .....	200
Table 55	Allocations .....	201
Table 56	General Local 2006 Property Tax Rates by Property Category.....	206
Table 57	Average Cumulative Rates—Residual Property Category .....	208
Table 58	Average Cumulative Rates—Properties with Six or More Units .....	209
Table 59	Residential Property User Fees in the Different Sectors .....	210
Table 60	Average Cumulative Rates—Non-Residential Property in the Different Sectors .....	212
Table 61	Non-Residential Property User Fees in the Different Sectors.....	213
Table 62	Evolution of the 2004-2006 Three-Year Assessment Roll .....	215
Table 63	Variations in Taxable Values by Borough .....	216
Table 64	Taxable and Non-Taxable Values by Borough as at September 13, 2005 .....	219

## Urban Agglomeration Council Budget

Table 65	Capital Expenditures by Municipal Category .....	223
Table 66	Capital Expenditures by Asset Category .....	224
Table 67	Summary of Financing Methods .....	225
Table 68	Analysis of Indebtedness to be Repaid by Taxpayers of the Residual City .....	227
Table 69	Summary of Capital Expenditures by Business Unit .....	229
Table 70	Statement of Financial Activities—Urban Agglomeration Council Budget .....	262
Table 71	Taxes .....	264
Table 72	Payments in Lieu of Taxes .....	265
Table 73	Other Revenue from Local Sources .....	267
Table 74	Transfers .....	269
Table 75	Government Grants for Capital Expenditures Paid in Cash .....	271
Table 76	Government Grants to Reimburse Operating Expenditures .....	272
Table 77	Specific Revenues Transferred to Investment Activities .....	272
Table 78	General Administration .....	274
Table 79	Public Safety .....	277
Table 80	Transportation .....	278
Table 81	Environmental Hygiene .....	280
Table 82	Health and Welfare .....	282
Table 83	Urban Planning and Development .....	283
Table 84	Recreation and Culture .....	285
Table 85	Financing Costs .....	287
Table 86	Other Financial Activities .....	288
Table 87	Allocations .....	289
Table 88	2006 Urban Agglomeration Property Rates by Property Category .....	294
Table 89	Evolution of the 2004-2006 Three-Year Assessment Roll—Montréal Urban Agglomeration .....	295
Table 90	Variations in Taxable Values for the Urban Agglomeration by Related Municipality .....	296
Table 91	Taxable and Non-Taxable Values by Related Municipality .....	299
Table 92	Capital Expenditures by Municipal Category .....	303
Table 93	Capital Expenditures by Asset Category .....	303
Table 94	Summary of Financing Methods .....	304
Table 95	Summary of Capital Expenditures by Business Unit .....	306

## FIGURE INDEX

Figure 1	Distribution of Powers—Political Entities and Territories of Application.....	68
Figure 2	Presentation of the City Budget .....	74
Figure 3	Illustration of the 2006 Budget's Impact on Montréal Taxpayers .....	148

## CHART INDEX

Chart 1	All Your Taxes Count.....	17
Chart 2	Jobs, City, 1995-2005 .....	35
Chart 3	Employment Rate, City, 1995-2005 .....	35
Chart 4	Unemployment Rate, City, 1995-2005.....	36
Chart 5	Welfare Recipients, City, 1995-2005 .....	36
Chart 6	Capital Expenditures, City, 2000-2005 .....	36
Chart 7	Foreign Direct Investment, City, 2002-2004.....	37
Chart 8	Value of Building Permits, City, 1995-2005.....	37
Chart 9	Building Permits by Type, City, 1995-2005.....	38
Chart 10	Capital Expenditures in the Housing Sector, City, 2000-2005 .....	38
Chart 11	Housing Starts (including Converted Units), City, 1996-2004 .....	38
Chart 12	Housing Vacancy Rates, City, 1995-2004 .....	39
Chart 13	Downtown Montréal Office Vacancy Rates, 1995-2005 .....	39
Chart 14	Population, City, 1995-2004 .....	40
Chart 15	Hotel Occupancy Rates, City, 2000-2005.....	40
Chart 16	Film and Television Production, City, 1997-2005 .....	41
Chart 17	Merchandise Handled at the Port of Montréal, City, 1995-2004 .....	41
Chart 18	Passenger Traffic at Montréal's Airports, 1995-2004 .....	42
Chart 19	Primary Indicators: Conference Board of Canada Forecasts, Montréal CMA, 2005-2009 .....	42
Chart 20	Revenues and Allocations .....	84
Chart 21	Expenditures by Category.....	84
Chart 22	Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in millions of dollars).....	125
Chart 23	Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in percentages).....	126
Chart 24	Tax Variation by Borough (in millions of dollars).....	140
Chart 25	Tax Variation by Borough (in percentages) .....	141
Chart 26	Variation in City Property Taxes from 2005 to 2006 .....	147
Chart 27	Net Direct and Indirect Debt (Excluding Initial Actuarial liability) from 2001 to 2006 as a Percentage of Revenue .....	163
Chart 28	Net Debt Service Cost as a Percentage of Operating Expenditures and Other Financial Activities from 2001 to 2006.....	164

Chart 29	Evolution of Net Direct Debt and Initial Actuarial Liability with and without the Refinancing Strategy from 2001 to 2006 .....	165
Chart 30	Evolution of Net Direct Debt and Initial Actuarial Liability from 2001 to 2006.....	166
Chart 31	Net Direct Debt and Initial Actuarial liability (I.A.D.) as Percentages of the Harmonized Equivalent Taxable Assessment from 2001 to 2006.....	167
Chart 32	Net Direct Debt and Initial Actuarial Liability by Resident from 2001 to 2006 .....	168
Chart 33	Tax Evaluation and Harmonized Equivalent Tax Assessment from 2001 to 2006.....	169
Chart 34	Tax Variation by Borough (in millions of dollars).....	217
Chart 35	Tax Variation by Borough (in percentages).....	218
Chart 36	Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in millions of dollars).....	297
Chart 37	Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in percentages).....	298

# **Messages and Highlights**



## **Message from the Mayor and the Chairman of the Executive Committee**

Dear Fellow Residents,

At a time in which major cities are called upon to play even greater roles as driving economic and social forces, our administration is presenting a responsible budget for 2006 that has been formulated in line with our desire to constantly improve service to residents, to accurately target priorities and to seek equity throughout the city.

We shall continue working together to build a safer, cleaner, greener, more prosperous, culturally richer and more inclusive city. We shall, furthermore, meet all of these challenges without increasing the global taxpayer burden.

We shall also deploy additional efforts to make Montréal more beautiful in 2006. We shall step up the pace of road repair, emphasize cleanliness and create new green spaces. We shall in particular create a new road improvement fund to equip us, once and for all, with the resources we need to make additional investments in our road system and to thereby promote Montréal's development.

The road system fund now stands alongside the water fund we instituted in 2004. The water fund should ultimately provide this city with a stable and independent source of funding for restoring our water supply system, for ensuring the long-term supply of our water and for enabling us to continue offering excellent water quality on an island-wide basis.

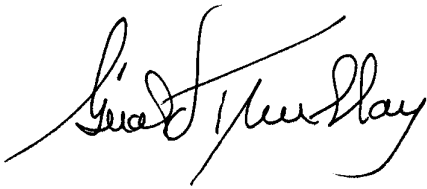
This year's new efforts to diversify our sources of revenue not only constitute a prerequisite for freeing Montréal from its present financial stranglehold, but will provide the city with the resources it needs to deploy other crucial development projects. Our needs are such that we must seize the opportunity this year to forge an agreement with our partners from the higher levels of government with respect to a sustainable solution for meeting the very reasonable expectations of our residents. There is a pressing need to redefine an economic structure in which expenditures are growing at nearly three times the pace of revenues. The lack of new sources of revenue can only serve to undermine the city's ability to fully and effectively discharge its mission on behalf of all Montrealers.

Despite these difficult constraints, the 2006 Budget will still enable us to launch new initiatives, such as the gradual implementation of a first responders service, enhanced road safety and extended library hours. We shall also pursue our effort to deal with social issues, such as by starting construction on 15,000 new affordable housing units.

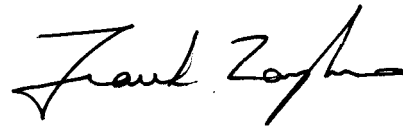
The city is at the same time pursuing its attempts to set up an even more equitable tax structure for all of the boroughs and to provide each borough with the resources it needs to properly meet its responsibilities. For this reason, borough budgets have continued to rise in 2006. This initiative once again attests to our firm objective of continuing to enhance the quality of direct services to our residents.

The year 2006 also marks the advent of a new system of governance across the island. This system results from legislation by the Government of Québec and from a desire by certain segments of the population to reconstitute their municipalities. Fifteen municipalities will now share a common destiny with Montréal. They will be closely associated with us on decisions of collective interest and will work with us for the well-being of all island residents through the new Urban Agglomeration Council. This new situation is reflected in the budget.

Many challenges thus await us. We are relying on our proficient managers and employees to help us meet them. With the support of all our partners, the different levels of government and the community, we must continue to “think big” for Montréal. We envision our city as being more beautiful, more caring, more pleasant and more inclusive, while offering a bigger window on the world. And it is to this very achievable project that we intend to devote our best efforts on a daily basis.

A handwritten signature in black ink, appearing to read 'Gérald Tremblay', with a stylized, flowing script.

The Mayor,  
Gérald Tremblay

A handwritten signature in black ink, appearing to read 'Frank Zampino', with a stylized, flowing script.

The Chairman of the Executive Committee,  
Frank Zampino, FCA

## **Message from the Director-general and the Treasurer**

Of the three levels of government, the municipal is closest to citizens and must accordingly be more attentive to their daily concerns. This special relationship with the public should serve as the basis for establishing a special trust, which is reflected in public appreciation of municipal services and of our management efforts.

Despite a year that has been marked by the transition process resulting from establishment of a new system of municipal governance that came into effect on January 1, 2006, one of our main concerns throughout 2005 has been to maintain this relationship of trust with our fellow Montrealers.

We continue to favour an approach built around meeting resident expectations on the delivery of our services. We have sought to achieve this goal by reinforcing our new organizational model, through the discipline and effectiveness of our management style and through our ability to adapt to change. This strategy has allowed us to effectively prepare for meeting taxpayer expectations and needs in 2006, which will serve as a turning point for our city. Now that our organizational model is firmly established, we are fully prepared to take action within the new political framework represented by establishment of the Urban Agglomeration Council.

Not only must the city manage the budget of its City Council, it must assume responsibility for the Urban Agglomeration Council Budget. This factor adds to the city's duties and responsibilities. This new deliberative assembly shall henceforth be responsible for the common services that the city provides to island residents as a whole.

The Urban Agglomeration Council Budget of some \$2.1 billion represents more than half of the municipal budget and is primarily devoted to providing such services as the police, fire protection, water management, public transit, the Municipal Court, social housing and major collective amenities.

In a city characterized by such factors as complex problems and issues, our priorities remain clear and our business plan well defined. We intend to invest in critical areas of activity that will significantly improve quality of life among residents, in such areas as cleanliness, the road network, public transit and safety. In carrying out this plan, we shall favour a project- and program-oriented approach to management, by employing a modern and vital process that promotes optimization of our economic and human investments. This effective and widely recognized style of management, which is based on strategic planning, is a proven winner. By adopting it, we can more closely monitor our projects on a daily basis, by assessing impact at all phases of production and by assessing and controlling costs, performance and yield. By modernizing our administrative technique, we will further enhance the accountability of our managers toward their projects and their decisions, within a more rigorously defined and accessible management structure.


We have invested time and effort in redesigning our decision-making processes, in fine-tuning our financial management systems, in processing information, in developing the skills of our work teams, in simplifying our methods of coordination and in drawing on powerful production tools. While much has been accomplished and our organization has become increasingly proficient and productive, we must complete the task we began and maximize the benefits of this effort.

The city has multiple tasks. Our organization must apply its primary efforts to maintaining public services and to offering residents a dynamic, superior and safe living environment with respect to such local issues as renewing our downtown neighbourhoods and restoring vital infrastructure and with respect to such national and international topics as sustainable development and the environment.

Our challenges for 2006 shall once again require the total commitment of our managers and more cooperation than ever before from our employees. Versatility, adaptability, pragmatism, creativity and ingenuity will be the qualities favoured by our administration over coming years.

We must also thoroughly prepare for the succession within our work teams and continue to pursue application of equal access in employment initiatives, so that our public service comes to better represent the population of Montréal. We plan to achieve these goals through more the efficient management of human resources, in view of the organization's needs for development and optimization of our human resources. Significant efforts will also be made in terms of modernizing management systems, optimizing working areas and achieving economies of scale in our procurement processes.

We must succeed with these multiple transformation out of our enthusiasm and respect for the efforts of all, while keeping in mind our responsibilities to those we serve: first, the residents of Montréal and then those of the island as a whole. Our sole purpose is to provide these groups with the best possible service. Our organization seeks to demonstrate its vitality and its productivity and to thus serve as an exemplary model for all municipal administrations.

A handwritten signature in black ink, appearing to read 'Robert Abdalah', written over a horizontal line.

Robert Abdalah  
Director General

A handwritten signature in black ink, appearing to read 'Robert Lamontagne', written over a horizontal line.

Robert Lamontagne  
Treasurer

## HIGHLIGHTS

### A responsible budget that responds to the priorities of Montréal's residents

- Improved community services.
- Enhanced efforts to restore the water supply system and to repair the roadways.
- An organization that emphasizes growth of wealth and responsible management of public funds.

### The budget in short

A budget of \$3,854.0, up \$141.1 million from 2005:

- \$1,991.2 million for urban agglomeration services provided to residents throughout the island.<sup>(1)</sup>
- \$1,935.2 million for local services.<sup>(1)</sup>

Investments of \$546 million in 2006 under the Three-Year Capital Works Program.

- \$259.6 million for local services, \$130.4 million of which is to be provided by the boroughs.
- \$286.4 million for urban agglomeration services throughout the island.

### Priorities for 2006

Investments in critical sectors:

- Investment of \$125 million to repair the island's major thoroughfares and local roads and to fill in potholes.
- Funding of \$33 million from SOFIL will be entirely devoted to water management.
- Establishment of such targeted efforts as clean-up crews in the city's busier sectors: \$10 million.

Upgrade of community services:

- Additional staffing, including 133 police officers, permitting the establishment of a new road safety program: \$10.1 million.
- Gradual implementation of the first responder service, which will be fully deployed by 2008. First responders will provide prehospital care and will ensure a quicker emergency response: \$6.6 million.
- Establishment of one-stop 3-1-1 telephone service to enable citizens to more easily reach city departments, make requests and ensure a follow-up mechanism.
- Sustained efforts to contend with issues pertaining to street gangs: \$0.5 million.
- Extended library hours: \$2 million.

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<sup>(1)</sup> The city's Global Budget is less than the sum of the budgets of the City Council and Urban Agglomeration Council. This \$71.5 million difference is due to the adjustment resulting from the elimination of inter-budget billing.

### Support for large-scale projects and wealth creation

- Gradual establishment of an office responsible for the *Imagining and Building Montréal*
- 2025 plan and creation of an electronic showcase: \$2 million.
- Participation in major university and hospital projects.
- Development of a bio-food centre in eastern Montréal: \$4.8 million.
- Development of a scientific hub near the old Hippodrome, known as the Cité scientifique: \$1.5 million.
- Active municipal involvement in broad-based national and international events: \$3.3 million.

### Tax Payments

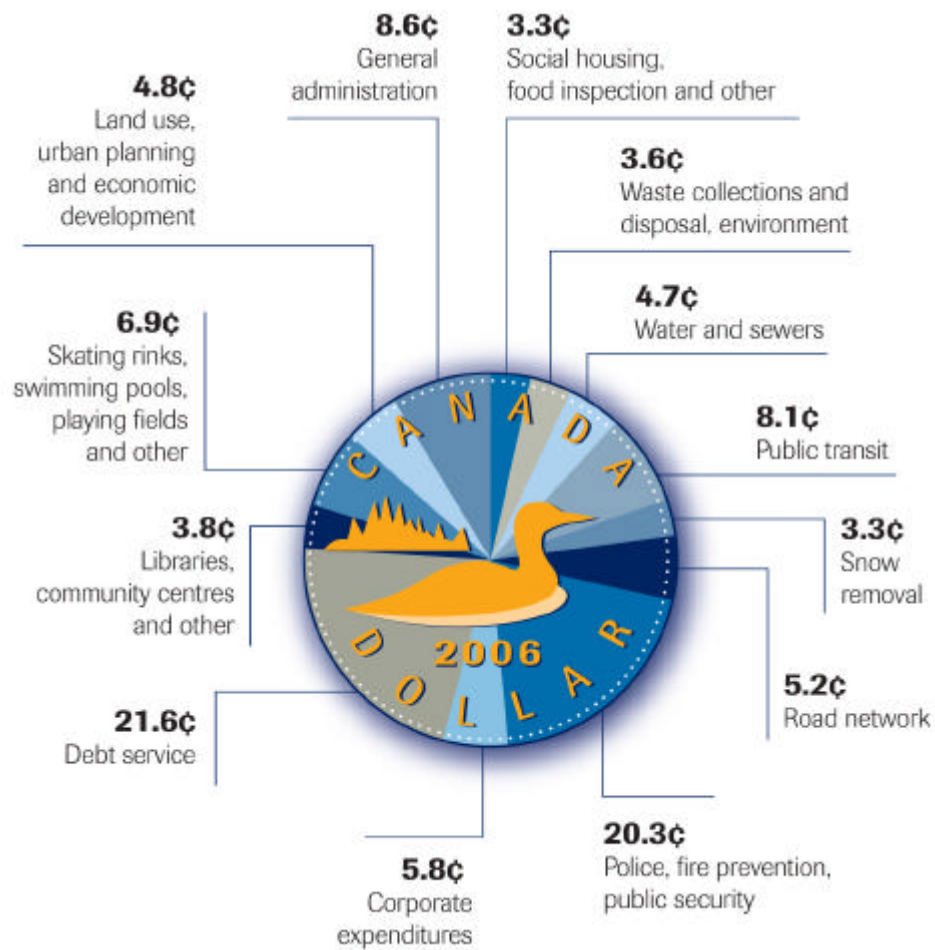
- Freeze in global taxpayer burden.

### Debt Control

- Since 2004, \$33.2 million has been applied to accelerate debt repayment in compliance with the city's debt management policy.
- Montréal's financial results have improved by some \$469 million due to the initial actuarial liability refinancing strategy launched by the city in 2003.

**Chart 1**

**All Your Taxes Count**





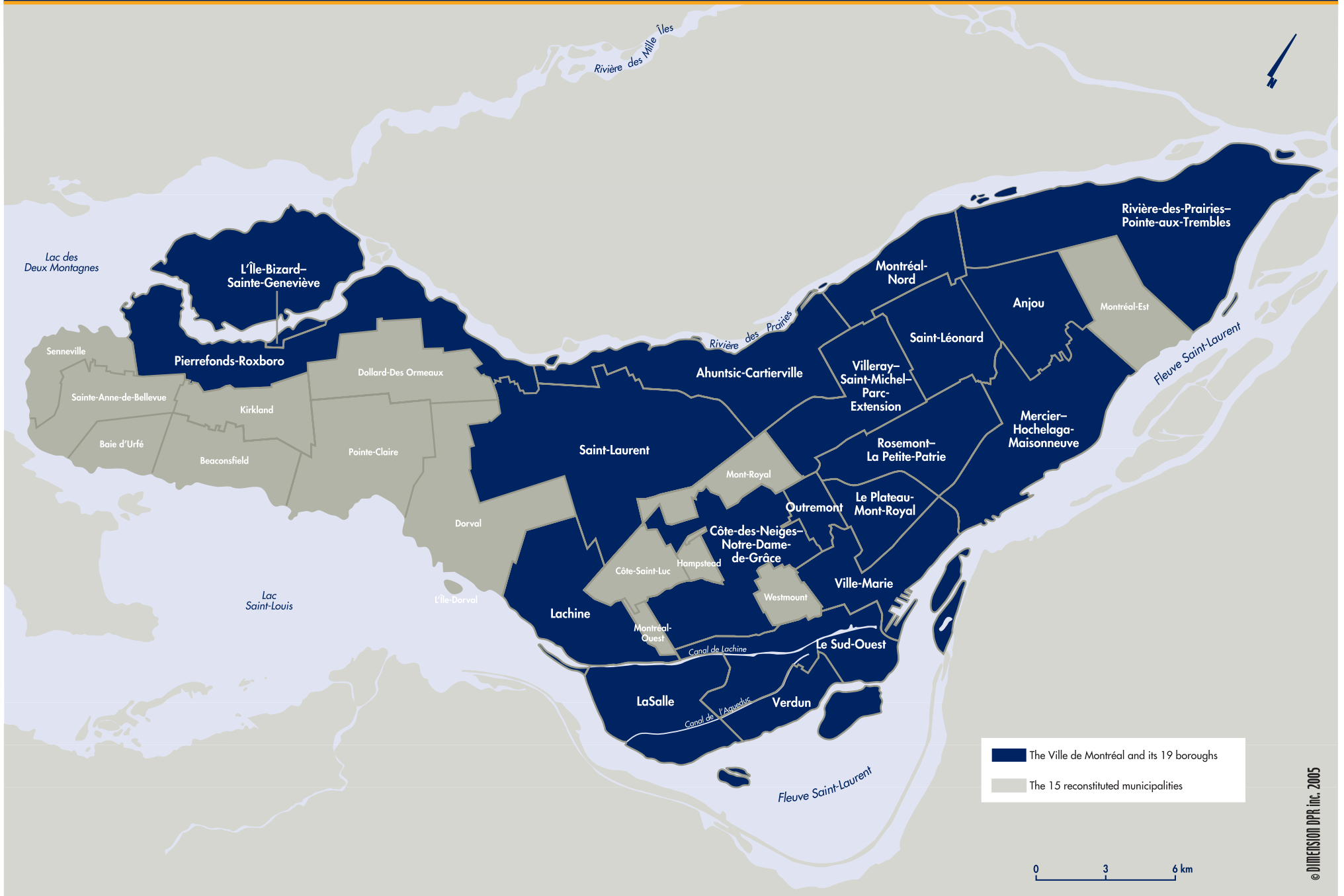
2006

**MONTREAL**  
PROFILE





# The Island of **MONTRÉAL**





## MONTREAL FACTS AND FIGURES

### Political organization

**105 elected officials:** the city's mayor, 19 borough mayors, 45 city councillors and 40 borough councillors.

**31 councillors and mayors** on the Urban Agglomeration Council as at January 1, 2006.

### Within the city limits

**16 cities** make up the Montréal Urban Agglomeration. They consist of Montréal and its 19 boroughs, along with 15 reconstituted municipalities.

**482.8 square kilometres:** the area of the Island of Montréal and 10 smaller islands. The Island of Montréal is 50 km long and up to 16 km wide.

**5,617 kilometres** of roads and 883 km of rails throughout the Island of Montréal.

**33 kilometres** of underground pedestrian corridors, with 178 access points, making Montréal one of the world's leaders in subsurface networks of this type. Some 500,000 people go about their business in these corridors each day, protected from the elements.

### 2006 Budget

**\$3,854.9 million:** The 2006 city budget for urban agglomeration services that are provided throughout the Island of Montréal and for local services that are dispensed within Montréal itself.

**\$133.6 billion:** total value of property throughout the Island of Montréal (\$106.6 billion in Montréal and \$27 billion in the 15 reconstituted municipalities).

**21,724:** City employees, in person-years.

### Population

**1,862,608 residents** of the Island of Montréal. Of this number, 1,626,373 live in the city (87.3% of the island's population) and 236,235 (12.7%) inhabit the 15 reconstituted municipalities. This cultural mosaic includes members of some 100 ethnic communities.

### Education and research

**4 universities** (two French- and two English language), which are associated with such renowned institutions as the École des hautes études commerciales (HEC), the École polytechnique, the École nationale d'administration publique, the École de technologie supérieure and the Institut national de la recherche scientifique.

**450 university and private research centres,** making Montréal a key centre for innovation. The city is Canada's capital for academic research.

### Healthcare

**33 hospitals,** which form the heart of a health-care system that also includes 300 CLSCs (community centres).

### Economic activity

**260 companies** operating in the aerospace industry. Sixty percent of all Canadian activity in this economic sector is concentrated in Greater Montréal and provides jobs to some 40,000 people.

**23,636,763 metric tonnes of goods** transited through the Port of Montréal in 2004, the largest port on North America's East Coast.

**88 major corporations** have head offices in Montréal. The city is also home to 71 international organizations, 60 consulates and 112 finance centres.

### **Tourism**

**307,104 conventioners** attended events in Montréal during 2004. The city ranks third in North America for its annual number of international conventions.

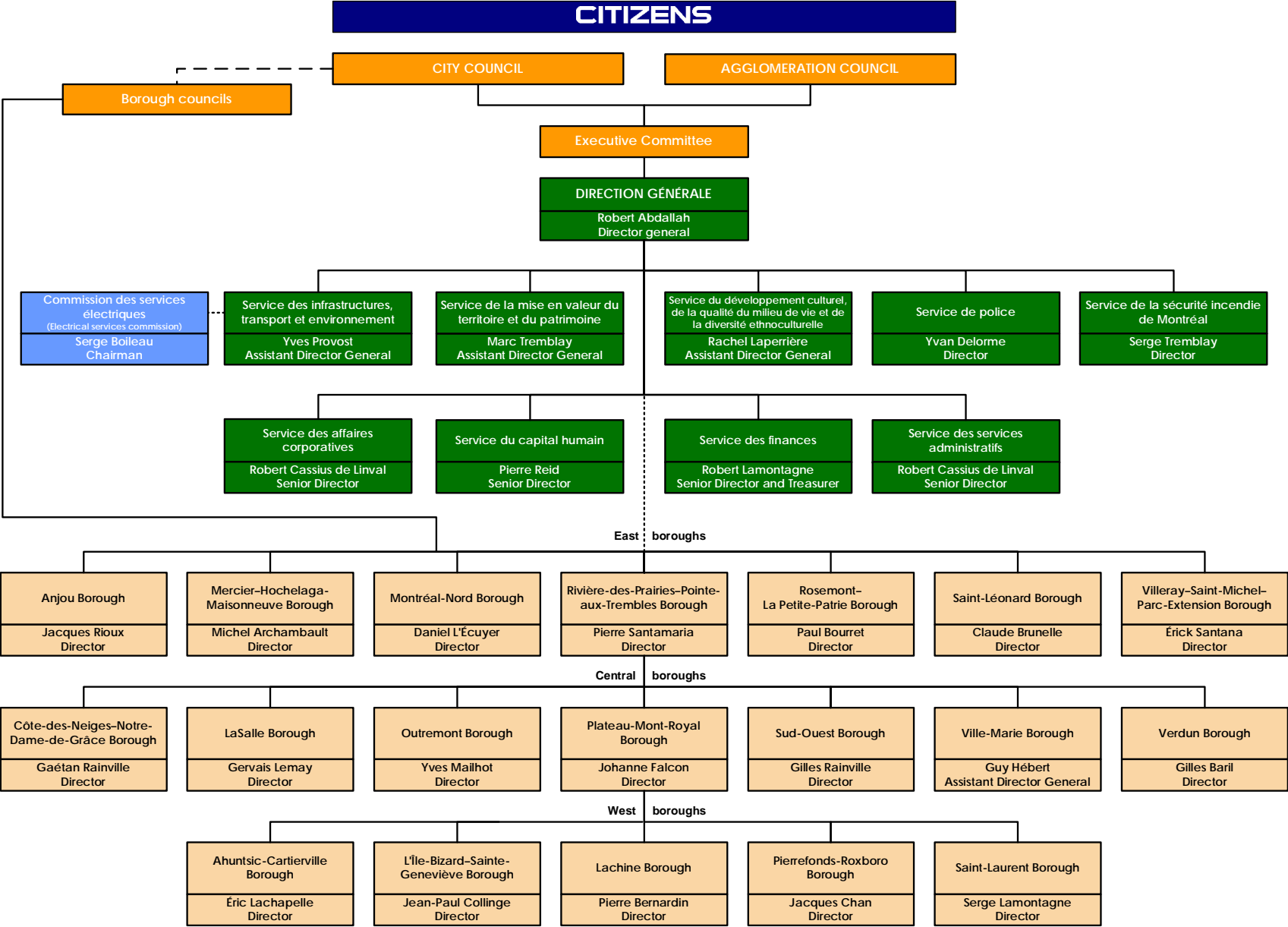
**14,400,000 visitors** to the metropolitan region in 2004. Tourists spent some \$2.3 billion.

**40 international festivals** and events are presented each year. They contribute to Montréal's cultural wealth and place the city on a par with such other leading centres as London, Paris and New York.

# Ville de Montréal

## Administrative organization

January 12, 2006





## Members of the City Council

**Gérald Tremblay**  
Mayor

- **Allmand, Warren**  
City councillor  
District of Loyola  
Borough  
of Côte-des-Neiges–  
Notre-Dame-de-Grâce
- **Applebaum, Michael**  
Borough mayor  
of Côte-des-Neiges–  
Notre-Dame-de-Grâce
- **Barbe, Manon**  
Borough mayor  
of LaSalle
- **Beaudouin, Marie-Andrée**  
Borough mayor  
of Ahuntsic-Cartierville
- **Bélanger, Richard**  
Borough mayor  
of L'Île-Bizard–Sainte-Geneviève
- **Bélisle, André**  
City councillor  
Borough  
of Rivière-des-Prairies–  
Pointe-aux-Trembles
- **Bergeron, Richard**  
City councillor  
District of DeLorimier  
Borough  
of Plateau-Mont-Royal
- **Bissonnet, Yvette**  
City councillor  
District of Saint-Léonard-Est  
Borough of Saint-Léonard
- **Bittar, Patricia**  
City councillor  
District of Norman-McLaren  
Borough  
of Saint-Laurent
- **Blanchard, Laurent**  
City councillor  
District of Hochelaga  
Borough  
of Mercier–Hochelaga-Maisonneuve
- **Bourque, Pierre**  
City councillor  
District of Marie-Victorin  
Borough  
of Rosemont–La Petite-Patrie
- **Campbell, Jocelyn Ann**  
City councillor  
District of Saint-Sulpice  
Borough  
of Ahuntsic-Cartierville
- **Cartier, Jean-Yves**  
City councillor  
District of Saint-Paul–Émard  
Borough of Sud-Ouest
- **Cowell-Poitrass, Jane**  
City councillor  
Borough of Lachine
- **Dauphin, Claude**  
Borough mayor  
of Lachine
- **Demers, Laval**  
City councillor  
District of Côte-de-Liesse  
Borough of Saint-Laurent
- **Deros, Mary**  
City councillor  
District of Parc-Extension  
Borough  
of Villeray–Saint-Michel–  
Parc-Extension
- **Deschamps, Richard**  
City councillor  
District of Sault-Saint-Louis  
Borough of LaSalle
- **DeSousa, Alan**  
Borough mayor  
of Saint-Laurent
- **Dompierre, Richer**  
City councillor  
District of Louis-Riel  
Borough  
of Mercier–Hochelaga-Maisonneuve
- **Du Sault, Carole**  
City councillor  
District of Étienne-Desmarteau  
Borough  
of Rosemont–La Petite-Patrie
- **Dubois, Christian G.**  
City councillor  
District of Est  
Borough  
of Pierrefonds-Roxboro
- **Eloyan, Noushig**  
City councillor  
District of Bordeaux-Cartierville  
Borough  
of Ahuntsic-Cartierville
- **Farinacci, Alvaro**  
City councillor  
District of Cecil-P.-Newman  
Borough of LaSalle
- **Forcillo, Sammy**  
City councillor  
District of Sainte-Marie–  
Saint-Jacques  
Borough of Ville-Marie
- **Fotopulos, Helen**  
Borough mayor  
of Plateau-Mont-Royal
- **Gibeau, Jean-Marc**  
City councillor  
District of Ovide-Clermont  
Borough  
of Montréal-Nord
- **Grondin, Gilles**  
City councillor  
District of Vieux-Rosemont  
Borough  
of Rosemont–La Petite-Patrie
- **Hamel, Line**  
City councillor  
District of Saint-Henri–  
Petite-Bourgogne  
Borough of Sud-Ouest
- **Harbour, Stéphane**  
Borough mayor  
of Outremont

- **Hénault, Andrée**  
City councillor  
Borough of Anjou
- **Infantino, James V.**  
City councillor  
District of Marie-Clarac  
Borough of Montréal-Nord
- **Labonté, Benoit**  
Borough mayor  
of Ville-Marie
- **Labrecque, Michel**  
City councillor  
District of Mile-End  
Borough of Plateau-Mont-Royal
- **Lachance, Sylvain**  
City councillor  
District of Villeray  
Borough of Villeray–Saint-Michel–  
Parc-Extension
- **Lapointe, Pierre**  
City councillor  
District of Ahuntsic  
Borough of Ahuntsic-Cartierville
- **Lavallée, André**  
Borough mayor  
of Rosemont–La Petite-Patrie
- **Maciocia, Cosmo**  
Borough mayor  
of Rivière-des-Prairies–  
Pointe-aux-Trembles
- **Magri, Joe**  
City councillor  
Borough of Rivière-des-Prairies–  
Pointe-aux-Trembles
- **Marotte, Ginette**  
City councillor  
District of Champlain–  
L'Île-des-Sœurs  
Borough of Verdun
- **Martinez, Soraya**  
City councillor  
District of Saint-Michel  
Borough of Villeray–Saint-Michel–  
Parc-Extension
- **Miranda, Luis**  
Borough mayor  
of Anjou
- **Montmorency, Nicolas**  
City councillor  
District of La Pointe-aux-Prairies  
Borough of Rivière-des-Prairies–  
Pointe-aux-Trembles
- **Montpetit, Jacqueline**  
Borough mayor  
of Sud-Ouest
- **Parent, Marcel**  
Borough mayor  
of Montréal-Nord
- **Perri, Dominic**  
City councillor  
District of Saint-Léonard-Ouest  
Borough of Saint-Léonard
- **Prescott, Michel**  
City councillor  
District of Jeanne-Mance  
Borough of Plateau-Mont-Royal
- **Primeau, Gaëtan**  
City councillor  
District of Tétéreaultville  
Borough of Mercier–Hochelaga-Maisonneuve
- **Purcell, François**  
City councillor  
District of Saint-Édouard  
Borough of Rosemont–La Petite-Patrie
- **Rotrand, Marvin**  
City councillor  
District of Snowdon  
Borough of Côte-des-Neiges–  
Notre-Dame-de-Grâce
- **Saint-Arnaud, Claire**  
City councillor  
District of Maisonneuve–  
Longue-Pointe  
Borough of Mercier–Hochelaga-Maisonneuve
- **Samson, Anie**  
Borough mayor  
of Villeray–Saint-Michel–  
Parc-Extension
- **Senécal, Francine**  
City councillor  
District of Côte-des-Neiges  
Borough of Côte-des-Neiges–  
Notre-Dame-de-Grâce
- **Sévigny, Catherine**  
City councillor  
District of Peter-McGill  
Borough of Ville-Marie
- **St-Onge, Jean-François**  
City councillor  
District of Sault-au-Récollet  
Borough of Ahuntsic-Cartierville
- **Tassé, Alain**  
City councillor  
District of Desmarçais-Crawford  
Borough of Verdun
- **Thériault Faust, Lyn**  
Borough mayor  
of Mercier–Hochelaga-Maisonneuve
- **Tremblay, Marcel**  
City councillor  
District of Notre-Dame-de-Grâce  
Borough of Côte-des-Neiges–  
Notre-Dame-de-Grâce
- **Trudel, Claude**  
Borough mayor  
of Verdun
- **Venneri, Frank**  
City councillor  
District of François-Perrault  
Borough of Villeray–Saint-Michel–  
Parc-Extension
- **Ward, Bertrand A.**  
City councillor  
District of l'Ouest  
Borough of Pierrefonds-Roxboro
- **Worth, Monique**  
Borough mayor  
of Pierrefonds-Roxboro
- **Zajdel, Saulie**  
City councillor  
District of Darlington  
Borough of Côte-des-Neiges–  
Notre-Dame-de-Grâce
- **Zampino, Frank**  
Borough mayor  
of Saint-Léonard

In conformity with the act on municipal mergers, certain boroughs are divided into electoral districts. In these cases, the district name is indicated below that of the councillor.

## Members of the Agglomeration Council

The Mayor of Montréal, Gérald Tremblay, has named the borough mayors who join him in representing Montréal on the urban agglomeration council :

- **Applebaum, Michael**  
Mayor of the Côte-des-Neiges–Notre-Dame-de-Grâce borough
- **Barbe, Manon**  
Mayor of the LaSalle borough
- **Beaudoin, Marie-Andrée**  
Mayor of the Ahuntsic-Cartierville borough
- **Dauphin, Claude**  
Mayor of the Lachine borough
- **DeSousa, Alan**  
Mayor of the Saint-Laurent borough
- **Fotopulos, Helen**  
Mayor of the Plateau-Mont-Royal borough
- **Labonté, Benoît**  
Mayor of the Ville-Marie borough
- **Lavallée, André**  
Mayor of the Rosemont–La Petite-Patrie borough
- **Maciocia, Cosmo**  
Mayor of the Rivière-des-Prairies–Pointe-aux-Trembles borough
- **Miranda, Luis**  
Mayor of the Anjou borough
- **Montpetit, Jacqueline**  
Mayor of the Sud-Ouest borough
- **Thériault Faust, Lyn**  
Mayor of the Mercier–Hochelaga-Maisonneuve borough
- **Trudel, Claude**  
Mayor of the Verdun borough
- **Worth, Monique**  
Mayor of the Pierrefonds-Roxboro borough
- **Zampino, Frank**  
Mayor of the Saint-Léonard borough

The mayors of the reconstituted municipalities also sit on the urban agglomeration council and the Ville de Dollard-des-Ormeaux has an additional representative designated by the mayor of this municipality.

- **Benedetti, Bob**  
Mayor of the Ville de Beaconsfield
- **Danyluk, Vera**  
Mayor of the Ville de Mont-Royal
- **Housefather, Anthony**  
Mayor of the Ville de Côte-Saint-Luc
- **Janiszewski, Edward**  
Mayor of the Ville de Dollard-Des Ormeaux
- **Labrosse, Yvon**  
Mayor of the Ville de Montréal-Est
- **Marks, Karin**  
Mayor of the Ville de Westmount
- **McLeish, George**  
Mayor of the Ville de Senneville
- **McMurchie, Bill**  
Mayor of the Ville de Pointe-Claire
- **Meany, John W.**  
Mayor of the Ville de Kirkland
- **Rouleau, Edgard**  
Mayor of the Ville de Dorval
- **Steinberg, William**  
Mayor of the Ville de Hampstead
- **Stuart, Campbell**  
Mayor of the Ville de Montréal-Ouest
- **Tierney, Bill**  
Mayor of the Ville de Sainte-Anne-de-Bellevue
- **Tutino, Maria**  
Mayor of the Ville de Baie-D'Urfé
- **Zingboim, Howard**  
Representative of the Ville de Dollard-Des Ormeaux  
December 1, 2005, to May 31, 2006
- **Vesely, Morris**  
Representative of the Ville de Dollard-Des Ormeaux  
June 1 to November 30, 2006
- **Prassas, Peter**  
Representative of the Ville de Dollard-Des Ormeaux  
December 1, 2006, to May 31, 2007

## Members of the Borough Councils

**Gérald Tremblay**  
Mayor

### Boroughs

#### Ahuntsic-Cartierville

- **Beaudoin, Marie-Andrée**  
Borough mayor
- **Campbell, Jocelyn Ann**  
City councillor  
District of Saint-Sulpice
- **Eloyan, Noushig**  
City councillor  
District of Bordeaux-Cartierville
- **Lapointe, Pierre**  
City councillor  
District of Ahuntsic
- **St-Onge, Jean-François**  
City councillor  
District of Sault-au-Récollet

- **Allmand, Warren**  
City councillor  
District of Loyola
- **Rotrand, Marvin**  
City councillor  
District of Snowdon
- **Senécal, Francine**  
City councillor  
District of Côte-des-Neiges
- **Tremblay, Marcel**  
City councillor  
District of Notre-Dame-de-Grâce
- **Zajdel, Saulie**  
City councillor  
District of Darlington

- **Cesari, Vincenzo**  
Borough councillor (seat 1)  
District of Cecil-P.-Newman
- **Deschamps, Richard**  
City councillor  
District of Sault-Saint-Louis
- **Farinacci, Alvaro**  
City councillor  
District of Cecil-P.-Newman
- **Palestini, Laura**  
Borough councillor  
(seat 2)  
District of Sault-Saint-Louis
- **Zarac, Lise**  
Borough councillor  
(seat 2)  
District of Cecil-P.-Newman

#### Lachine

- **Dauphin, Claude**  
Borough mayor
- **Cowell-Poitras, Jane**  
City councillor
- **Blanchet, Bernard**  
Borough councillor  
District of J.-Émery-Provost
- **Cloutier, Jean-François**  
Borough councillor  
District of Fort-Rolland
- **Verge, Elizabeth**  
Borough councillor  
District of Canal

#### LaSalle

- **Barbe, Manon**  
Borough mayor
- **Blackhurst, Ross**  
Borough councillor (seat 1)  
District of Sault-Saint-Louis

#### Le Plateau-Mont-Royal

- **Fotopulos, Helen**  
Borough mayor
- **Bergeron, Richard**  
City councillor  
District of DeLorimier
- **Duplessis, Josée**  
Borough councillor  
District of DeLorimier
- **Dos Santos, Isabel**  
Borough councillor  
District of Jeanne-Mance
- **Fakotakis-Kolaitis, Eleni**  
Borough councillor  
District of Mile-End
- **Labrecque, Michel**  
City councillor  
District of Mile-End
- **Prescott, Michel**  
City councillor  
District of Jeanne-Mance

#### Anjou

- **Miranda, Luis**  
Borough mayor
- **Beaudry, Gilles**  
Borough councillor  
District of Ouest
- **Hénault, Andrée**  
City councillor
- **Tondreau, Rémy**  
Borough councillor  
District of Est
- **Zammit, Michelle**  
Borough councillor  
District of Centre

#### Côte-des-Neiges— Notre-Dame-de-Grâce

- **Applebaum, Michael**  
Borough mayor

## Le Sud-Ouest

- **Montpetit, Jacqueline**  
Borough mayor
- **Bossy, Ronald**  
Borough councillor  
District of Saint-Paul–Émard
- **Cartier, Jean-Yves**  
City councillor  
District of Saint-Paul–Émard
- **Fréchette, Pierre E.**  
Borough councillor  
District of Saint-Henri–Petite-Bourgogne–Pointe-Saint-Charles
- **Hamel, Line**  
City councillor  
District of Saint-Henri–Petite-Bourgogne–Pointe-Saint-Charles

## L'Île-Bizard– Sainte-Genève

- **Bélanger, Richard**  
Borough mayor
- **Gibb, Diane**  
Borough councillor  
District of Pierre-Forêtier
- **Little, Christopher**  
Borough councillor  
District of Denis-Benjamin-Viger
- **Robert, François**  
Borough councillor  
District of Jacques-Bizard
- **Voisard, Philippe**  
Borough councillor  
District of Sainte-Genève

## Mercier– Hochelaga-Maisonneuve

- **Thériault Faust, Lyn**  
Borough mayor
- **Blanchard, Laurent**  
City councillor  
District of Hochelaga
- **Dompierre, Richer**  
City councillor  
District of Louis-Riel
- **Primeau, Gaëtan**  
City councillor  
District of Tétéaultville

- **Saint-Arnaud, Claire**  
City councillor  
District of Maisonneuve–Longue-Pointe

## Montréal-Nord

- **Parent, Marcel**  
Borough mayor
- **Fortin, Normand**  
Borough councillor  
District of Ovide-Clermont
- **Gibeau, Jean-Marc**  
City councillor  
District of Ovide-Clermont
- **Infantino, James V.**  
City councillor  
District of Marie-Clarac
- **Teti-Tomassi, Clementina**  
Borough councillor  
District of Marie-Clarac

## Outremont

- **Harbour, Stéphane**  
Borough mayor
- **Cinq-Mars, Marie**  
Borough councillor  
District of Robert-Bourassa
- **Moffatt, Louis**  
Borough councillor  
District of Claude-Ryan
- **Nunes, Ana**  
Borough councillor  
District of Jeanne-Sauvé
- **Piquette, Claude B.**  
Borough councillor  
District of Joseph-Beaubien

## Pierrefonds-Roxboro

- **Worth, Monique**  
Borough mayor
- **Clément-Talbot, Catherine**  
Borough councillor  
District of Ouest
- **Dubois, Christian G.**  
City councillor  
District of Est
- **Trottier, Roger**  
Borough councillor  
District of Est

- **Ward, Bertrand A.**  
City councillor  
District of Ouest

## Rivière-des-Prairies– Pointe-aux-Trembles

- **Maciocia, Cosmo**  
Borough mayor
- **Bélisle, André**  
City councillor  
District of Pointe-aux-Trembles
- **Calderone, Maria**  
Borough councillor  
District of Rivière-des-Prairies
- **Décarie, Suzanne**  
Borough councillor  
District of Pointe-aux-Trembles
- **Di Pietro, Joseph**  
Borough councillor  
District of La Pointe-aux-Prairies

- **Magri, Joe**  
City councillor  
District of Rivière-des-Prairies
- **Montmorency, Nicolas**  
City councillor  
District of La Pointe-aux-Prairies

## Rosemont– La Petite-Patrie

- **Lavallée, André**  
Borough mayor
- **Bourque, Pierre**  
City councillor  
District of Marie-Victorin
- **Du Sault, Carole**  
City councillor  
District of Étienne-Desmarteau
- **Grondin, Gilles**  
City councillor  
District of Vieux-Rosemont
- **Purcell, François**  
City councillor  
District of Saint-Édouard

## Saint-Laurent

- **DeSousa, Alan**  
Borough mayor
- **Biron, Michèle D.**  
Borough councillor  
District of Norman-McLaren
- **Bittar, Patricia**  
City councillor  
District of Norman-McLaren
- **Cohen, Maurice**  
Borough councillor  
District of Côte-de-Liesse
- **Demers, Laval**  
City councillor  
District of Côte-de-Liesse

## Saint-Léonard

- **Zampino, Frank**  
Borough mayor
- **Battista, Mario**  
Borough councillor  
District of Saint-Léonard-Ouest
- **Bissonnet, Yvette**  
City councillor  
District of Saint-Léonard-Est
- **Perri, Dominic**  
City councillor  
District of Saint-Léonard-Ouest
- **Zambito, Robert L.**  
Borough councillor  
District of Saint-Léonard-Est

## Verdun

- **Trudel, Claude**  
Borough mayor
- **Beaupré, Paul**  
Borough councillor (seat 1)  
District of Champlain–L'Île-des-Soeurs
- **Lavigueur Thériault, Josée**  
Borough councillor (seat 1)  
District of Desmarchais-Crawford
- **Marotte, Ginette**  
City councillor  
District of Champlain–L'Île-des-Soeurs
- **Savard, André**  
Borough councillor (seat 2)  
District of Desmarchais-Crawford
- **Tassé, Alain**  
City councillor  
District of Desmarchais-Crawford
- **Touchette, Marc**  
Borough councillor (seat 2)  
District of Champlain–L'Île-des-Soeurs

## Ville-Marie

- **Labonté, Benoit**  
Borough mayor
- **Boulos, Karim**  
Borough councillor  
District of Peter-McGill
- **Forcillo, Sammy**  
City councillor  
District of Sainte-Marie–Saint-Jacques
- **Mainville, Pierre**  
Borough councillor  
District of Sainte-Marie–Saint-Jacques
- **Sévigny, Catherine**  
City councillor  
District of Peter-McGill

## Villeray– Saint-Michel– Parc-Extension

- **Samson, Anie**  
Borough mayor
- **Deros, Mary**  
City councillor  
District of Parc-Extension
- **Lachance, Sylvain**  
City councillor  
District of Villeray
- **Martinez, Soraya**  
City councillor  
District of Saint-Michel
- **Venneri, Frank**  
City councillor  
District of François-Perrault

In conformity with the act on municipal mergers, certain boroughs are divided into electoral districts. In these cases, the district name is indicated below that of the councillor.

## The Executive Committee



**Gérald Tremblay**  
Mayor



**Frank Zampino**  
Chairman of the  
Executive Committee



**Francine Senécal**  
Vice-chairwoman of the  
Executive Committee



**Claude Dauphin**  
Vice-chairman of the  
Executive Committee



**Marie-Andrée Beaudoin**  
Member of the  
Executive Committee



**Alan DeSousa**  
Member of the  
Executive Committee



**Sammy Forcillo**  
Member of the  
Executive Committee



**Helen Fotopulos**  
Member of the  
Executive Committee



**Benoît Labonté**  
Member of the  
Executive Committee



**André Lavallée**  
Member of the  
Executive Committee



**Cosmo Maciocia**  
Member of the  
Executive Committee



**Marcel Tremblay**  
Member of the  
Executive Committee

## Associate councillors

**Manon Barbe**  
**Soraya Martinez**

**Patricia Bittar**  
**Jacqueline Montpetit**

**Jane Cowell-Poitras**  
**Frank Venneri**

**Richard Deschamps**  
**Monique Worth**



## DIAGRAMMATIC CALENDAR

### RESIDENTS: KEY PLAYERS IN FORMULATING THE BUDGET

The annual city budget, which is usually tabled and then adopted in December and comes into effect on January 1, is the result of a continuous planning process that extends over the 10 first months of the year preceding the fiscal year for which it is prepared. Many different parties are involved in formulating the budget, including political decision-makers and administrative staffers. Residents also provide important input, since they have opportunities throughout the year to make elected officials aware of their particular needs at public borough, City Council—and now—Urban Agglomeration council meetings.

The following diagram illustrates the main phases in the political process and the roles served by its key players.



Out of its concern for an open and effective government, the city administration has defined and adopted a Budget Management Framework, which lays the groundwork for its efforts in the areas of budget management and municipal finance.

#### Public City Council committee meetings

The various City Council committees hold meetings open to residents throughout the year. Montrealers thus have opportunities during these sessions, which focus on particular topics, to influence committee recommendations. Such recommendations are subsequently taken into account during formulation of the budget.

The Montréal Urban Agglomeration came into being on January 1, 2006 and residents will now also be entitled to participate in this body's council and committee meeting.

### **Public Borough Council Meetings**

The various borough councils hold regular public meetings that are open to resident attendance and participation. Such meetings thus offer residents opportunities to influence the city administration's priorities and budgetary choices.

### **Budget Proposals of the Borough Mayors and City Departments**

The borough mayors submit reports in the month of October to the city administration on the financial situations of their respective boroughs. In November, the borough councils draw up their budgets based on information provided to them by borough staff. They subsequently table their budgets and business plans with the city's Executive Committee. The various city departments, on the other hand, transmit their budgets and business plans to the city's general administration.

### **Tabling the Budget**

Final details are added to the financial scenarios that will serve to assist the city administration in defining its fiscal strategy. Finishing touches are made to the budget in preparation for its tabling, study and adoption by the City Council. Once proposals have been confirmed in November, the budget is submitted to the administration for approval. At this ultimate stage in the process, city and city department budgets are reviewed by members of City and Urban Agglomeration council committee members. The SPVM (police service) budget is reviewed by the Commission de la sécurité publique (public safety). As all committee meetings are open to the public, residents can voice their opinions on the city administration's top set of priorities. The committees then report back to their respective councils.

### **Budget Adoption**

The budget is adopted in December during a special meeting of the City Council and the Urban Agglomeration Council. Times and dates of borough council, City Council and Urban Agglomeration meetings appear in local weekly newspapers and on the city's Web site at: [ville.montreal.qc.ca](http://ville.montreal.qc.ca).

## **ECONOMIC PORTRAIT**

Montréal's economy is healthy and is concluding 2005 on an up note. Primary economic indicators give rise to optimism.

The labour market has posted good results. The employment rate and the number of jobs are both up, while the number of welfare recipients has declined. Job losses in the manufacturing and financial sectors have been offset by gains in building and in public administration. The Conference Board of Canada's latest forecasts anticipate a 1.1% rise in Greater Montréal's 2005 employment figures. Figure for 2006 should prove even better with expected job growth of 2%

The city spent 11% more (\$12.4 billion) in 2004 on capital expenditures, according to estimates of the Institut de la statistique du Québec (ISQ). Some \$12 billion (an amount greater than the average of the past five years) should be spent under this heading in 2005.

The city's population climbed slightly, boosted by a net gain produced by the arrival of new immigrants, thus enabling Montréal to maintain its demographic weight throughout the metropolitan region. Forecasts for 2005 suggest a very slight population increase, to a total of 1,883,000 inhabitants.

It has become increasingly clear that 2005 will mark a change in intensity of construction activities. While 2004 posted the best results in many years, a turndown of some 10% in building permits is to be expected for 2005. This decline applies primarily to the residential sector. Many factors were responsible for this levelling off, including increased numbers of dwellings (mostly condos) on the market and decreased demand for single family homes. Construction is nonetheless proceeding at a much more vigorous pace than that observed over the past decade as a whole.

Rental unit vacancy rates are rising, reducing the pressure that has been present on this market for several years. Some 12,000 new dwelling units were added to the city in 2004 and, forecasts suggest that an additional 8,750 will further swell these inventories in 2005. Such housing starts include units produced by the conversion of non-residential properties.

Tourist industry forecasts for 2005 suggest results similar to those of 2004, with hotel occupancy rates projected at 67% by the year's end. The tourist industry has been attempting to catch up with past performance ever since the events of September 2001. Despite a substantial 10% rise in overseas visitors in 2005, Americans continue to limit their travel to Québec.

The total value of film productions enjoyed strong growth until 2004, when it went into a slump caused by a sharp decline in foreign film shoots. The situation has remained stable throughout 2005. Establishment of the new Bureau du film et de la télévision du Québec, which will assume responsibility for promotional efforts among industry professionals, suggests that resumed growth is on the horizon.

The Port of Montréal and Montréal's airports both posted records over the past two years. In 2004, the port enjoyed its best results of the past two decades and is headed toward a new peak in 2005.

The same scenario seems to be in store for Montréal's airports, based on partial results available for the present year.

The year 2005 is concluding with the publication of two positive economic analyses. One was produced by the Conference Board of Canada and the other by the TD Bank Financial Group. The Conference Board forecasts 2.9% economic growth for Greater Montréal in 2006. The TD Bank Financial Group also confirms that Montréal will be Québec's economic hub in 2006. The group anticipates 2.6% economic growth for 2005, with a rate of better than 3% forecast for 2006. Increased exports and higher commercial demand for aerospace products will help sustain such performance in 2006, thus offsetting the impact of the expected decline in housing starts.

Indicators	Variation from 2003 to 2004	2005 trends
<b>Labour market</b>		
Number of jobs	+ 1.4%	↗
Employment rate	+ 0.5 point	↗
Unemployment rate	- 1.3 point	↘
Welfare recipients	- 3.2%	↘
<b>Capital expenditures</b>		
Capital expenditure investments	+ 2.1%	↘
Private sector investments	+ 3.8%	↗
Foreign direct investments	+ 21.6%	-
Building permits	+ 16.4%	↘
Office space vacancy rate <sup>1</sup>	+ 0.7 point	↘
<b>Population</b>		
Population	+ 0.3%	↗
Net increase from immigration	+ 2,230 people	-
International immigrants	33,593 new immigrants (+28%)	-
<b>Housing</b>		
Capital expenditures in the housing sector	+ 6.7%	↘
Housing starts <sup>2</sup>	+ 44%	↘
Housing unit vacancy rate	+ 0.6 point	↗
<b>Tourism</b>		
Hotel occupancy rate	+ 2.5 points	Stable
<b>Film</b>		
Total value of film productions	- 29%	↗
<b>Transportation</b>		
Passengers travelling through Montréal's airports	+ 15.7%	↗
Merchandise handled at the port	+ 13.7%	↗

<sup>1</sup> Downtown.

<sup>2</sup> Includes converted housing.

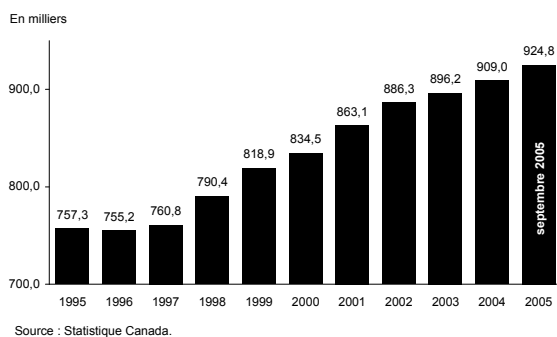
## Sustained Rise in Employment

Employment continued the growth throughout 2005 that it began in 1997. Following a slow start at the beginning of the year and a calmer summer period, August results suggest an encouraging fourth quarter. The latest figures reveal that Montréal companies provided a total of 924,800 jobs in September 2005.

Of particular note is the fact that the number of full-time jobs has climbed, one sign of increased employer confidence.

The economic outlook for 2006 is even better. The Conference Board of Canada forecasts a 1.9% rise in employment throughout the Montréal metropolitan region.

**Chart 2**  
**Jobs, City, 1995-2005**

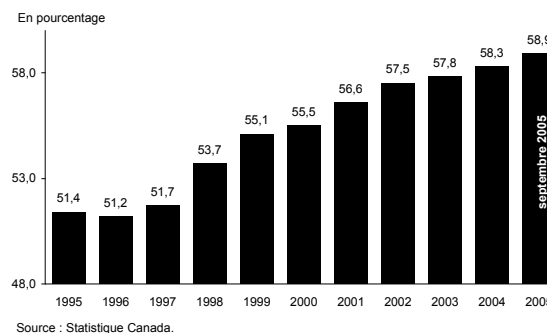


## The Employment Rate Reached a Historic Peak in 2004 . . . Which it Might Beat in 2005

With an employment rate of 58.3% in 2004, Montréal's results can be described as historic. This pattern was maintained throughout the first eight months of 2005. The September 2005 employment rate was 58.9%.

These positive employment rate trends are due to a massive arrival over the past three decades of women on the labour market and a big rise in educational levels among the public.

**Chart 3**  
**Employment Rate, City, 1995-2005**

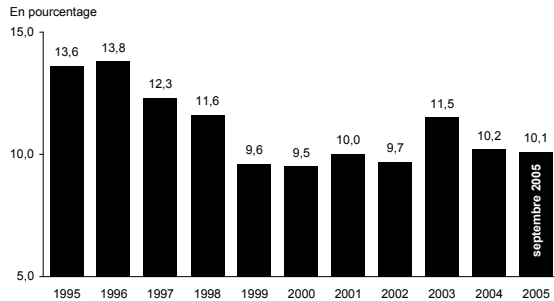


## Unemployment Rate of about 10%

Following a brief leap to 11.5% in 2003, the unemployment rate dropped to 10.2% in 2004. It has hovered around 10% since early 2005.

The year 2005 was accompanied by a flurry of upbeat news in the employment sector. At the very start of the year, Reebok announced that it was moving its head office from Toronto to Montréal, SAP Labs said it would double its software development team and Ubisoft announced 1,000 new jobs here by 2010.

**Chart 4**  
**Unemployment Rate, City, 1995-2005**

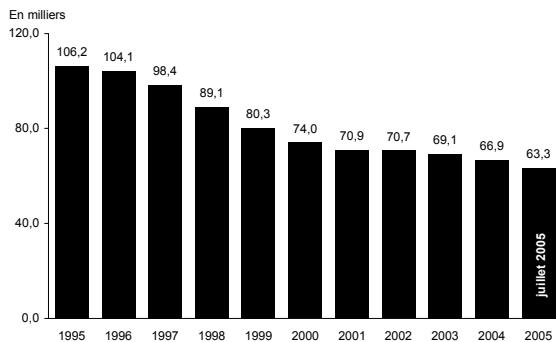


Source : Statistique Canada.

### Drop in Welfare Rolls

The decline in the number of welfare recipients is excellent news and serves as one more indicator of the city's good economic health. Available results for the year's first two quarters indicated that another drop was likely in 2005. The city had 63,300 recipients on its welfare rolls in July 2005 or 5.4% less than in December 2004. This is the city's lowest number of welfare recipients for the past decade.

**Chart 5**  
**Welfare Recipients, City, 1995-2005**



Source : Ministère de l'Emploi, de la Solidarité sociale et de la Famille du Québec.

### \$12 billion in Capital Investments Forecast for 2005

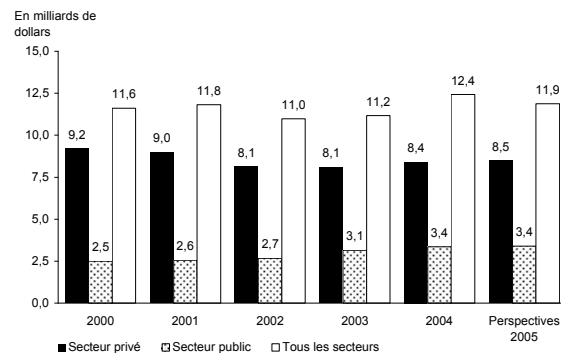
Capital investments within the city rose 11% in 2004 to \$12.4 billion, according to estimates by the Institut de la statistique du Québec (ISQ). The outlook for 2005 suggests that some \$12 billion will be spent on capital assets or more than the annual average for the past five years.

The private sector spent more than \$8.4 billion on capital assets in 2004, for a 3.8% year-on-year rise. The ISQ anticipates that the value of private sector capital expenditures in 2005 will be quite close to that of 2004.

The public sector has considerably increased its capital expenditures over the past three years, exceeding the \$3 billion threshold. The outlook for 2005 suggests that the public sector will invest more than \$3.4 billion over the year as a whole.

Since 2000, nearly \$70 billion has been spent on capital assets in Montréal.

**Chart 6**  
**Capital Expenditures, City, 2000-2005**



Source : ISQ.

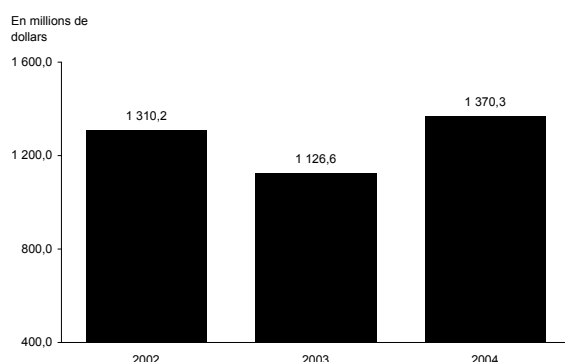
## Foreign Direct Investment: Some \$1.4 Billion in 2004

Institutions under foreign control invested nearly \$1.4 billion within the city during 2004.

In and of themselves, moneys originating in the United States represented some 65% of all foreign direct investments. This percentage, however, signalled a decline from 2002 and 2003, when US investments made up a respective 72% and 67% of all amounts invested by institutions under foreign control.

The Netherlands is the second largest source of investment and in 2004 took over market shares that the United States lost in 2002. Some 15% of all foreign direct investments in 2004 were based on Holland.

**Chart 7**  
**Foreign Direct Investment, City, 2002-2004**

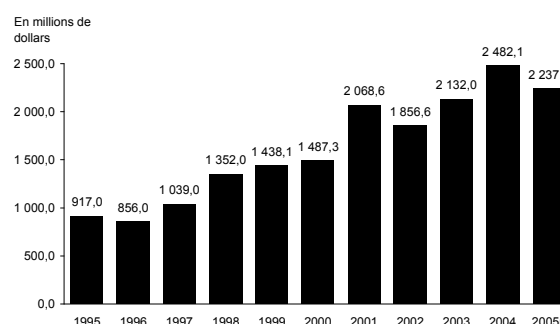


Source : ISQ.

## Building Permits: A Record \$2.5 Billion in 2004, with a Slight Decline Expected for 2005

Building permit values posted a new record in 2004 of over \$2.5 billion, a 16.4% rise from 2003. The vitality of Montréal's residential sector helped the region rank among Canada's urban centres posting the most construction activity. Estimates for 2005 based on the first eight months of the year indicated a \$2.2 billion decline. That level is still higher than the any of the past 10 years, except for 2004.

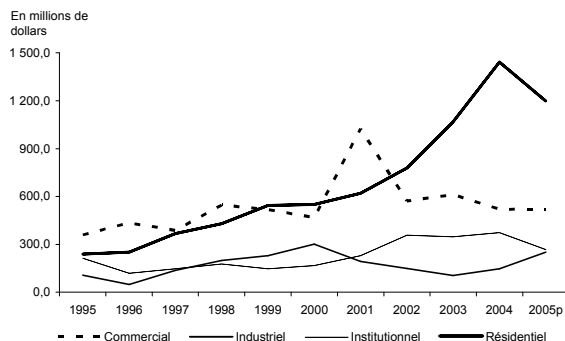
**Chart 8**  
**Value of Building Permits, City, 1995-2005**



Source : Statistique Canada.

In value terms, Montréal's residential sector was by far the most active portion of the construction market in 2004 and 200. Posting sharp growth since the start of the decade, this sector was responsible for 58% of the value of all permits issued in year 2004 and 53% of those issued in 2005. The commercial sector suffered a slight downturn in 2004 with a 15% loss in the total value of permits issued for a sector that could be described as stable in 2005. Furthermore, following three more difficult years, the industrial sector leaped back with 40% year-on-year growth in 2004. Figures for 2005 are looking even brighter, a 71% year-on-year surge in permit value for the period's first eight months.

**Chart 9**  
**Building Permits by Type, 1995-2005**

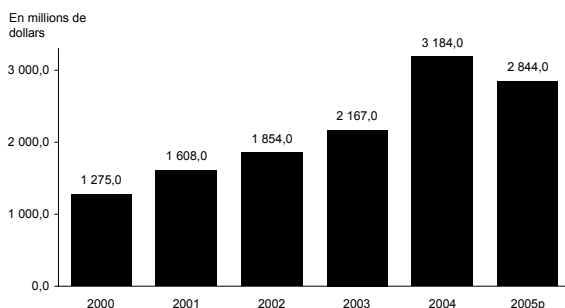


Source : Statistique Canada.

**Nearly \$13 Billion Invested in the Housing Sector from 2000 to 2005**

The ISQ estimated that capital expenditures specific to the housing sector totalled more than \$13 billion for the 2000-2005 period. The year 2004 proved even more significant in terms of amounts invested (\$3.2 billion). A slowdown in capital expenditures is forecast for 2005, but should still exceed \$2.8 billion.

**Chart 10**  
**Capital Expenditures in the Housing Sector, City, 2000-2005**



Source : ISQ.

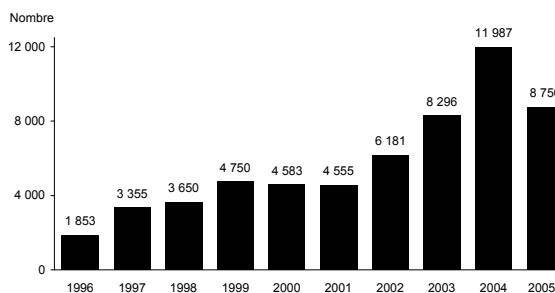
**Housing Construction Slowdown in Sight**

More than 35,000 housing units were delivered in the city over a five-year period, with figures parking in 2004. Based on the number of housing starts calculated by the Canada Mortgage and Housing Corporation (CMHC) and housing units resulting from the conversion of non-residential buildings, 11,987 new housing units were produced in this year alone, a 44% rise over the preceding period.

The year 2005 marked a slowdown from the construction sector's frenetic pace of 2004. Housing starts declined 25% year-on-year from January to August 2005. The first sectors affected by the slowdown were associated with low housing density products (semi-detached and row housing and single-family homes). The city anticipates 8,750 housing starts for 2005, a higher result than that posted over the same period in 2004.

Of new housing units built in the metropolitan region during 2004, 40% were situated within the city.

**Chart 11**  
**Housing Starts (Including Converted Units), City, 1996-2004**



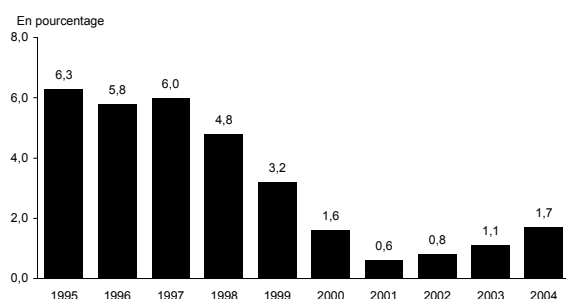
Source : SCHL, Ville de Montréal.

## End of Housing Shortage

The introduction on the market of new dwelling units has upped Montréal's vacancy rate. While most new units were destined for the rental market, increased numbers of first-time buyers freed up a share of the rental space. In 2004, the vacancy rate for private rental properties with three or more units was 1.7%. In 2001, during the peak of the crisis, the rate was 0.6%. Despite this improvement, affordable housing has remained scarce. The vacancy rate for rental units of \$600 or less (gross monthly rental) was 1.2%.

The construction sector's vitality in 2005 and continuation of the *AccèsLogis* and *Logement abordable Québec* should help improve this situation. The Canada Mortgage and Housing Corporation predicts a 2.7% vacancy rate in 2005 for the metropolitan region as a whole. Based on this outlook, the proportion of unoccupied housing units should continue climbing in 2006 to 3.2%.

**Chart 12**  
**Housing Vacancy Rates,\* City, 1995-2004**



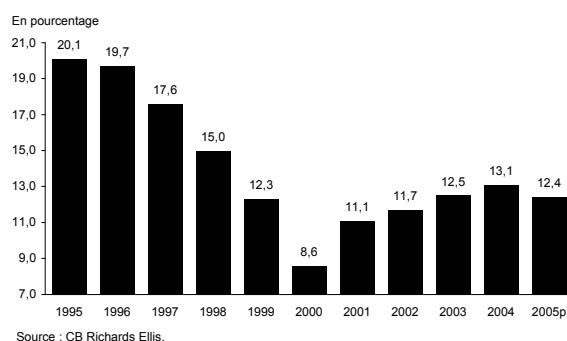
\* Immeubles privés de trois logements locatifs et plus.  
Source : SCHL.

## Office Space: The Market Adapts

Many downtown office tenants took advantage of low rates to sign early lease renewals in 2005. Other parties took advantage of the overabundance of space to move downtown at competitive rates. Office vacancy rates in the business district should accordingly drop to 12.4% in 2005.

Real-estate brokerage CB Richard Ellis says that 46,500 square metres (500,000 square feet) of new office space was added to that already available in the downtown area between 2003 and 2004. The market is currently absorbing this additional space.

**Chart 13**  
**Downtown Montréal Office Vacancy Rates, 1995-2005**

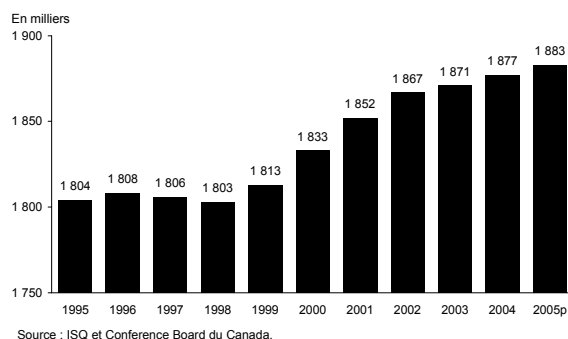


Source : CB Richards Ellis.

## Constant Rise of City Population Since 1998

The city's population was marked by stability in the late 1990s. Slow, but consistent growth has, however, characterized the city's demographics since 2000. Montréal's population grew nearly 4% between 1999 and 2004, to a total of 1,877,000 inhabitants. Forecasts for 2005 indicate that the population will be 1,883,000.

**Chart 14**  
**Population, City, 1995-2004**



A net influx of immigrants over the past few years has served to boost Montréal's population. This factor marks a significant reversal of trends from the early 1990s, when more residents left than were replaced by newcomers.

The latest data reveal that a net positive influx of 2,230 residents in Montréal during 2004. This growth is due to the net increase from international immigration, with 29,300 more persons moving to Montréal than departing from it. In 2004, 33,593 new immigrants—the largest number in the past 12 years—moved to Montréal. Figures were only as high in the 1991-1992 period. In 2004, however, 4,321 individuals left Montréal to settle in other countries.

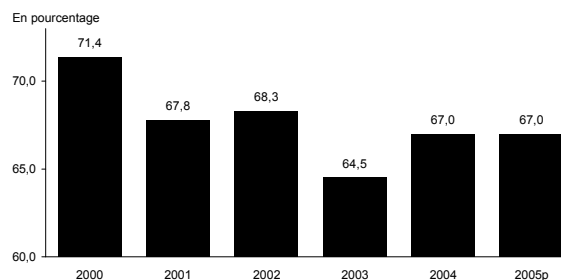
## Uncertainty in Tourist Industry

Growth of the tourist sector has been uneven since 2001. Hit by the events of September 2001 as well as a strong Canadian dollar, this sector is doing what it can to resume the growth that it enjoyed in the late 1990s.

As a whole, 2004 clearly posted better results than 2003, but still failed to achieve the kinds of figures seen prior to September 2001. Still, the number of rooms rented in 2004 was 2.8% greater than in the preceding year.

The tourist industry results for 2005 may be similar to those of 2004. The United Nations Climate Change Conference held in late November in Montreal, which hosted most than 10,000 participants, certainly helped close the year on a positive note. Tourisme Montréal anticipates a 67% occupancy rate for the year as a whole.

**Chart 15**  
**Hotel Occupancy Rates, City, 2000-2005**

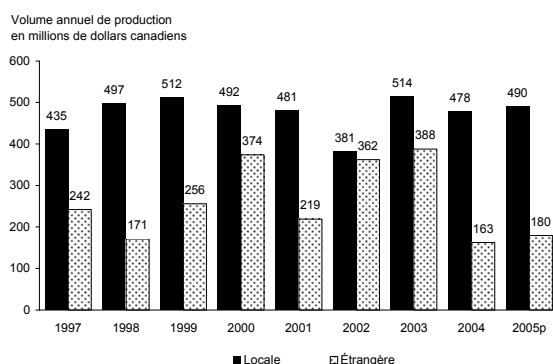


## Upbeat on Film

After posting two excellent years in 2002 and 2003, the film production value suffered a big turndown in 2004, largely due to reduced foreign production. The main factor in this decline was stiff international competition. Throughout this period, the film and television industry were primarily sustained by local productions, which came close to maintaining values equivalent to the past decade's average.

Results for 2005 reveal a slight year-on-year improvement. Despite a relatively calm summer, the last quarter of 2005 should help wrap up the year on a relatively good note. Creation of the Bureau du cinéma et de la télévision du Québec, which will be responsible for promotional efforts among film and television industry professionals, represents a positive initiative for the sector's development over coming years.

**Chart 16**  
**Film and Television Production, City, 1997-2005**



Source : Bureau du cinéma et de la télévision de Montréal.

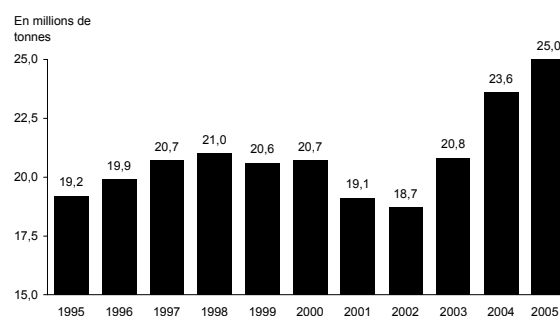
## Port of Montréal Sets new Record

The volume of merchandise handled at the Port of Montréal was the highest in two decades. Traffic totalled 23.6 million tonnes in 2004, up 2.8 million tonnes over 2003 (13.7%).

The Port of Montréal administration believes traffic was stimulated in 2004 by a strong economy and the arrival of new marine carriers. Increased trade with China also had a positive impact on activity in many North American ports.

Available results for the first three quarters of 2005 already reveals a 6.1% year-on-rise rise in volume of merchandise handled at the port.

**Chart 17**  
**Merchandise Handled at Port of Montréal, City, 1995-2004**



\* Projection basée sur les résultats de janvier à juin.

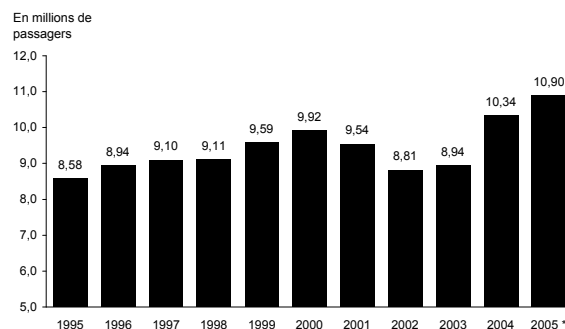
Source : Port de Montréal.

## Montréal's Airports Headed toward New Record in 2005

A record number of passengers used Montréal's airports in 2004. Passenger numbers passed the 10 million mark for the first time. The 1.4 million year-on-year leap in passenger traffic served not only to meet but to beat pre-September 2001 levels.

Based on results achieved for the January to August 2005 period, it is almost certain that the 2004 record will be beaten. From the start of 2005, passenger traffic was 5.5% higher than the volume recorded during the same period of the previous year. The increase posted in 2005 was largely due to the international market, which expanded by 9.5%. An estimated 10.9 million passengers will have used the international airport in 2005.

**Chart 18**  
**Passenger Traffic at Montréal's Airports, 1995-2004**



\* Projection basée sur les résultats de janvier à août.

Source : Aéroports de Montréal.

## Outlook for Metropolitan Region

The economy of Montréal and its region is currently evolving in an environment well suited to its development. Based on Conference Board of Canada forecasts for the metropolitan region, the economy's rate of growth in coming years should post even better results than those achieved in 2004.

All indicators are positive for the 2005-2009 period. The city's economy accounts for almost 75% of the regional economy as a whole. This means that positive predictions for the metropolitan region augur equally well for the city.

**Chart 19**  
**Primary Indicators: Conference Board of Canada Forecasts, Montréal CMA, 2005-2009**

	Taux de croissance prévu en %				
	2005	2006	2007	2008	2009
PIB	↗ 1,8	↗ 3,9	↗ 2,9	↗ 2,8	↗ 2,8
Population	↗ 0,8	↗ 0,7	↗ 0,7	↗ 0,7	↗ 0,7
Nombre d'emplois	↗ 1,1	↗ 1,9	↗ 1,7	↗ 1,5	↗ 1,5
Taux de chômage	↘ 8,1	↘ 7,7	↘ 7,5	↘ 7,3	↘ 7,1
Revenu par habitant	↗ 3,3	↗ 4,1	↗ 3,9	↗ 3,7	↗ 3,5
Mises en chantier	↗ 23,4	↗ 20,7	↗ 18,0	↗ 16,5	↗ 16,1
Ventes au détail	↗ 4,8	↗ 4,2	↗ 3,4	↗ 3,1	↗ 3,0

## Construction Sites Valued at \$50 Million or More

Site	Propriétaire	Type de construction	Valeur (en millions de dollars)	Début du chantier	Fin du chantier
Montréal - 740, rue Bel-Air	Travaux publics - Canada	Immeuble à bureaux	50,0	sept-04	déc-05
Montréal - 221, rue Saint-Jacques ouest	9018 4094 Québec inc.	Immeuble résidentiel	52,0	déc-04	sept-06
Montréal - 1225, rue Notre-Dame Ouest	True North Properties	Développement résidentiel et commercial «Terrasse Windsor»	55,0	août-03	déc-05
Montréal - 3745, chemin Côte-Sainte-Catherine	Hôpital général juif de Montréal	Agrandissement d'hôpital	63,0	oct-04	déc-05
Verdun - chemin du Golf	Kevlar Real Estate Investment «Projet Sax»	Immeubles résidentiels et commerces	65,0	avr-03	oct-05
Montréal - 1200, boulevard de Maisonneuve Ouest	Constructions Marton	Immeuble résidentiel «Le 1200 Ouest»	65,0	nov-03	oct-05
Pointe-Claire - 160, Stillview	Hôpital général du Lakeshore	Agrandissement et rénovation d'hôpital	66,5	mai-00	mai-05
Sainte-Anne-de-Bellevue	Hôpital Sainte-Anne	Agrandissement et modernisation d'hôpital	67,7	janv-04	mars-07
Montréal - 345, de la Gauchetière	Groupe Pacific	Immeubles résidentiels «Le mosaïque Southam»	70,0	déc-04	déc-06
Montréal - rue Saint-Antoine Ouest	Groupe Aquilini	Immeuble résidentiel	70,0	déc-04	août-06
Montréal - Quartier Notre-Dame-de-Grâce	Fonds foncier communautaire Benny Farm	Développement résidentiel	75,0	mars-04	juil-06
Montréal - campus universitaire	École polytechnique de Montréal	Pavillons universitaires «Pavillons Lassonde»	75,0	juin-03	août-05
Ile-des-Sœurs - 110, boulevard des Sommets	Corporation Proment	Développement résidentiel «Les Sommets sur le fleuve» Phase 3	80,0	févr-03	juil-05
Montréal - 333 Sherbrooke Est	Les Constructions Beau-Design Groupe Avantage	Immeuble résidentiel «Le 333 Sherbrooke»	90,0	nov-03	juin-07
Saint-Laurent	Bombardier Immobilier	Développement résidentiel et golf «Bois-Francis II»	100,0	déc-98	déc-05
Montréal - 1, avenue du Port	Gestion Trams	Modification de bâtiment industriel en logements	100,0	mars-00	janv-06
Ile-des-Sœurs - boulevard des Sommets	Corporation Proment	Développement résidentiel «Sommets sur le fleuve» Phase 2	100,0	janv-03	juil-05
Montréal - 145, Président-Kennedy	UQAM - Complexe des sciences	Pavillons universitaires	110,0	sept-03	sept-05
Montréal - Rues de la Commune et Amherst	Groupe Alfid et Construction le Versant	Immeuble résidentiel (Faubourg Québec)	150,0	avr-03	avr-06
Montréal - Port de Montréal	Société du Port de Montréal	Agrandissement et rénovation des installations portuaires	152,0	janv-04	déc-08
Montréal - Rues Sainte-Catherine et Guy (Campus Loyola)	Université Concordia	Pavillons universitaires (génie et arts visuels)	172,0	mai-02	juil-05
Montréal - 10501, rue Sherbrooke Est	Produits Shell Canada Ltée	Modernisation de raffinerie	200,0	mai-04	oct-05
Montréal - 11701, rue Sherbrooke Est	Péto-Canada	Modification d'usine pour mise aux normes	245,0	mars-03	déc-05
Montréal	Société de transport de Montréal (STM)	Rénovation des équipements fixes du métro	342,0	nov-03	août-05
Dorval - Aéroport	ADM - Aéroport Montréal-Trudeau	Jetée internationale (Phase 2)	356,0	avr-03	juil-05

Source: Commission de la construction du Québec, 2005

## Construction Sites Valued at from \$20 to \$49.9 Million

Site	Propriétaire	Type de construction	Valeur (en millions de dollars)	Début du chantier	Fin du chantier
Kirkland, 16711 Transcanadienne	Merck Frost Canada	Usine	20,0	mars-03	août-05
Les Cèdres	Qualiporc Regroupement Coopératif	Usine	20,0	mars-04	déc-05
Montréal - 445, Viger ouest	Les Développement du D'Arcy McGee Ltée	Immeuble résidentiel	20,0	févr-04	août-05
Montréal - rues Jeanne-Mance et Ste-Catherine	Hyatt Regency Montréal	Réaménagement d'hôtel	20,0	févr-04	mai-05
Saint-Laurent, (près de la Place Vertu)	The Hockey Company (THC)	Immeuble à bureaux et centre de recherche	20,0	sept-04	mai-05
Montréal - rues St-Urbain et Sherbrooke	UQAM - TÉLUQ	Pavillon universitaire	20,0	oct-04	déc-05
Montréal - 5655, St-Zotique est	Hôpital Santa Cabrini	Agrandissement et rénovation d'hôpital (urgence)	20,8	juin-04	déc-06
Montréal - 701, Côte de la Place d'Armes	Le Groupe Antonopoulos	Agrandissement d'hôtel «Le Place d'Armes»	21,0	oct-03	mai-05
Montréal - 7272, rue Sherbrooke ouest	Université Concordia Campus Loyola	École	22,0	janv-04	sept-05
Montréal - 50, Place du Commerce	Habitations Luc Maurice inc.	Immeuble résidentiel pour personnes âgées	23,0	avr-04	juil-05
Montréal - 130, rue Charlotte	Aquilini Investment Group inc.	Immeuble résidentiel «Le District» (Phase 1)	24,0	mars-04	nov-05
Montréal - rues St-Urbain et Sherbrooke	UQAM	Immeuble résidentiel pour étudiants	25,0	oct-04	août-05
Montréal - Échangeur des Pins	Ville de Montréal	Réfection d'échangeur	25,0	mai-05	oct-06
Montréal - rues Sherbrooke et Alexandre-de- Sève	CHUM Pavillon Notre-Dame	Rénovation d'hôpital	25,0	mars-01	juin-08
Montréal - 2910, Notre-Dame Est	Merlin Immobilier inc.	Immeuble résidentiel	25,0	juin-05	juil-06
Montréal - rues Ste-Cunégonde et St-Ambroise	Développement Les Éclusers	Développement résidentiel	25,5	juil-01	août-05
Ile-des-Soeurs	Le Groupe Maurice	Immeuble résidentiel «Ambiance»	26,0	avr-04	juil-05
Montréal - 3200, Omer-Lavallée	Société en commandite Angus	Résidence pour personnes âgées	27,0	juin-03	juin-05
Montréal - Autoroute 13	Ministère des Transports	Réfection d'autoroute	29,5	avr-05	oct-05
Montréal - 3570, rue St-Urbain	Hôpital Sainte-Jeanne-d'Arc	Centre hospitalier de soins de longue durée	30,0	janv-02	août-05
Montréal - 2376, Wellington	O-I Canada Corporation	Rénovation d'usine	30,0	mai-05	avr-08
Pointe-Claire - 300, Hymus	Le Groupe Marine TMG inc.	Immeuble résidentiel	30,0	sept-04	nov-05
Montréal - 5775, boulevard Cavendish	Soc. Immobilière Cavendish	Immeuble résidentiel	30,0	févr-04	juin-05
Montréal - 5845, Marc-Chagall	Développements La Marquise Côté St-Luc inc.	Immeuble résidentiel	30,0	déc-03	juil-05
Montréal - 3185, rue Rachel est	Société en commandite Angus	Immeuble résidentiel	32,0	mars-02	juil-05
Montréal - 630, William	Groupe immobilier Urban Capital	Immeuble résidentiel	32,0	juil-04	nov-05
Montréal - boulevard l'Acadie	Ivanhoe Cambridge	Agrandissement de centre commercial «Centre Rockland»	35,0	févr-05	juin-06
Montréal - 5, Place Ville-Marie	Société immobilière Trans-Québec	Rénovation d'immeuble à bureaux	35,0	févr-05	avr-06
Montréal - Rues Président-Kennedy et de la Concorde	Développements Domaine	Immeuble résidentiel «Le Concorde»	36,0	mars-04	oct-05
Montréal - rues Rigaud et St-Denis	Institut de tourisme et d'hôtellerie du Québec	Rénovation d'école	39,0	oct-02	mai-05
Notre-Dame-de-l'Île-Perrot	Groupe immobilier Farand	Développement résidentiel «Le Millénium»	40,0	sept-02	juin-12
Montréal - boulevard Viau et rue Jarry	Groupe Le Parc	Immeubles résidentiels «St-Léonard- sur-le-Parc»	40,0	mars-05	mars-06
Montréal - campus universitaire	Université de Montréal	Rénovation de divers pavillons faculté de médecine et des sciences infirmières	40,2	oct-03	août-07
Montréal	STM	Rénovation de stations de métro Phase 2	43,4	août-03	déc-05
Montréal - Aylmer / Sherbrooke	Université McGill	Pavillon faculté de musique	44,0	avr-03	août-05

Source: Commission de la construction du Québec, 2005

## Construction Sites Valued at from \$10 to \$19.9 Million

Site	Propriétaire	Type de construction	Valeur (en millions de dollars)	Début du chantier	Fin du chantier
Montréal - 10 et 12 St-Jacques ouest	Daniel Révah - Patrick Lévy	Rénovation d'immeuble résidentiel «Édifce Thémis»	10,0	oct-03	déc-05
St-Laurent - 840, rue Muir	Groupe immobilier Scalia	Immeuble résidentiel	10,0	nov-03	mai-05
Montréal - 334, rue Notre-Dame est	Cegerco	Immeuble résidentiel «Le 334 Notre-Dame»	10,0	mars-04	mars-05
Montréal - 4700, rue Dagenais	3911349 Canada	Centre communautaire	10,0	janv-02	avr-05
Montréal - 110, rue Rhéaume	Les Habitations Lapoudrière	Immeuble résidentiel	10,0	juil-03	sept-05
Lachine - 55, rue Ouellette	Office municipal d'habitation de Montréal	Immeuble résidentiel pour personnes âgées	10,0	janv-05	oct-05
Dollard-des-Ormeaux - 185, Thorn Hill	Résidence Château Royal inc.	Immeuble résidentiel	10,0	janv-05	déc-05
Lachine - 500, rue Sherbrooke	Excellence Construction	Immeuble résidentiel	10,0	avr-04	mai-06
Montréal - rues Lacombe et Jean-Brillant	Hôpital St. Marys	Rénovation d'hôpital	10,2	janv-04	sept-05
Lachine - 2900, rue Notre-Dame	Merlin immobilier inc.	Immeuble résidentiel	10,5	août-04	juil-05
Lachine, rues Victoria / 19e Ave / Remembrance	Développement Rose-Bleu	Développement résidentiel «Cours des Rosiers»	11,0	févr-04	avr-07
Montréal - 3598, boulevard Angrignon	Conception Habitat 2000 inc.	Immeuble résidentiel	11,0	sept-03	août-05
Montréal - 1550, Henri-Bourassa ouest	Construction Miraflore inc.	Immeuble résidentiel	11,0	mai-04	sept-05
Montréal - 12112, Rodolphe-Forget	Office municipal d'habitation	Immeuble résidentiel	11,0	févr-05	déc-05
Montréal - 8000, chemin Côte-St-Luc	Résidence B'Nai Brith House	Immeuble résidentiel pour personnes âgées	11,0	nov-04	sept-05
Montréal - rue Jeanne-Mance	Conceptions Rachel Julien	Immeuble résidentiel «Le Somo»	11,0	nov-04	sept-05
Montréal - 3591, boulevard Gouin Est	Construction Remo	Immeuble résidentiel «Le Rive-Gouin» (Phase 2)	12,0	juin-05	déc-06
Montréal - 15500, rue Sherbrooke Est	Les constructions Sydobert inc.	Immeuble résidentiel Les Crystalliques sur le golf	12,0	oct-03	mai-05
Pointe-Claire, rue Harry-Worth	Groupe GJC Lavoie	Développement résidentiel	12,0	juil-03	déc-05
Montréal - 4645, boulevard Métropolitain Est	4234081 Canada inc.	Immeuble résidentiel	12,0	mars-05	mars-06
Montréal - rue De Montigny	Habitation Les Deux Âges	Immeubles résidentiels	12,0	avr-05	déc-05
Saint-Laurent - 1200, Alexis-Nihon	Les Entreprises Samig Itée	Résidence pour personnes âgées	12,0	juin-04	juin-05
Senneville - 87, chemin Senneville	Clintrials Biorecherches Itée	Agrandissement de laboratoire	12,0	oct-03	déc-05
Montréal - 10300-10350, L. Galeries d'Anjou	Investissements Groupe Montclair inc.	Immeuble résidentiel	12,5	oct-03	nov-05
Montréal - Chemin Côte-Ste-Catherine	Hôpital Ste-Justine	Rénovation d'hôpital	13,0	déc-01	sept-05
Montréal - rues Mentana et St-Grégoire	Habitat Chambord - Le Jardin en ville	Immeubles résidentiels «Jardins d'Héracles»	13,0	févr-04	juil-05
Montréal - 11844, de Bois-de-Boulogne	Hôpital St-Joseph-de-la-Providence	Rénov. et moder. d'hôpital	13,0	août-04	déc-05
Verdun - 4000, boulevard Lasalle	Centre hospitalier de Verdun	Réaménagement et rénovation d'hôpital	13,9	juin-01	sept-05
Montréal - 11519, Pelletier	Société en commandite immobilière Solim	Résidence pour personnes âgées	14,0	mai-04	juin-05
Montréal - 1058, rue Saint-Denis	Hôpital St-Luc (CHUM)	Rénovation d'hôpital	14,9	août-01	déc-05
Rue du Marché central	Cinemas Guzzo	Complexe cinématographique	15,0	avr-04	août-05
Montréal - 451, rue Ste-Catherine Ouest	St. James United Church	Réfection d'église	15,0	avr-95	mars-06
Montréal - 71, rue de la Commune	Le Saint-Honoré	Immeuble à vocation multiple	15,0	juil-03	juil-05
Saint-Laurent - 2599, Alfred-Nobel	Redbuild Development Ltd	Hôtel	15,0	juin-05	juin-06
Montréal - 400, boulevard de Maisonneuve Ouest	Investissement Samen inc.	Rénovation d'immeuble à bureaux	15,0	mai-05	janv-06
Montréal - rue St-Patrick	Cie immobilière Gueymard & Ass. Ltée	Développement résidentiel	15,0	juin-03	juin-05
Montréal - 1650, Sherbrooke ouest	Entreprises Earl Luger inc.	Immeuble résidentiel	15,0	mai-04	juin-06
Montréal - 10, rue Ontario ouest	SLEB 1 inc.	Modification de bâtiment industriel en habitation	16,0	févr-03	déc-05
Pointe-Claire - 260 à 290, boulevard Hymus	Constructions Quorum inc.	Développement résidentiel	16,0	nov-04	déc-05

Source: Commission de la construction du Québec, 2005

## Construction Sites Valued at from \$5 to \$9.9 Million

Site	Propriétaire	Type de construction	Valeur (en millions de dollars)	Début du chantier	Fin du chantier
Verdun, 6875, boulevard LaSalle	Hôpital Douglas	Rénovation des laboratoires de recherche	5,0	avr-03	mai-06
Montréal - 3465, Côte-des-Neiges	Avantis Cellulaire inc.	Immeuble résidentiel	5,0	août-04	juil-05
Montréal - 3830, Saint-Ambroise	Le Clos St-Ambroise inc.	Immeuble résidentiel	5,0	oct-03	juil-05
Montréal - quartier Hochelaga-Maisonneuve	Ville de Montréal	Place publique «Place Valois»	5,0	mai-05	déc-05
Pierrefonds - 16609 à 16709, boulevard Pierrefonds	Immeubles Saba	Immeuble résidentiel	5,0	juil-03	août-05
Montréal - 65, boulevard René-Lévesque Est	4136985 Canada inc. Groupe Canvar	Immeuble résidentiel	5,0	sept-03	sept-05
Montréal - 12485, Primit-Paré	Le Square Perras	Immeuble résidentiel	5,0	nov-04	août-05
Montréal - 5905, Côte-de-Liesse	Standard MDL inc.	Usine	5,0	mars-05	août-05
Montréal - 5250, boulevard Décarie	Compagnie d'assurance Jevco	Immeuble à bureaux	5,0	avr-05	déc-05
Montréal - 12301, Autoroute 40 Est	Jean-Paul Beaudry ltée	Magasin	5,0	oct-04	mai-05
Montréal - rue St-Antoine	Ville de Montréal Coopérative d'habitation Val Perché	Résidence pour personnes âgées	5,2	mars-04	août-05
Montréal - rues William et de l'Inspecteur	Alliance Prével	Transformation d'usine en immeuble résidentiel	5,2	mai-04	mai-05
Montréal - rue St-Grégoire	Ville de Montréal	Égout et aqueduc	5,5	nov-04	nov-05
Montréal - 1160, Van Horne	Immobilier M. Goudreau inc.	Immeuble résidentiel	5,5	déc-04	oct-05
Montréal - rue St-Ambroise	Bâtir son quartier - OBNL Citadelle St-Ambroise	Développement résidentiel	5,6	févr-05	oct-05
Montréal - 2150, Pie IX	City Corp	Immeuble résidentiel	5,8	août-04	juil-05
Montréal - 650, rue Notre-Dame Ouest	Phénix Notre-Dame	Immeuble résidentiel	6,0	mai-03	déc-05
Montréal-Nord	Ville de Montréal	Centre communautaire	6,0	févr-05	déc-05
Montréal - 677, rue Ste-Catherine ouest	Ivanhoe Cambridge inc.	Immeuble à bureaux	6,0	août-03	juin-05
Montréal - rues Triaton et Marseille	Groupe Axxco inc.	Rues et trottoirs	6,0	août-04	déc-05
Montréal - rue Sainte-Maria-Goretti	Ville de Montréal	Infrastructures municipales	6,2	mars-05	sept-05
Saint-Laurent - 1165, avenue Ste-Croix	Les demeures Ste-Croix	Immeuble résidentiel (Phase 2)	6,3	févr-05	oct-05
Senneville - 200, chemin Senneville	Manon Pilon et Amir Hussein	Maison	6,5	avr-03	août-05
Saint-Laurent - avenue Ste-Croix	Les résidences collégiales St-Laurent inc.	Immeuble résidentiel pour étudiants	6,5	mars-05	août-05
Montréal - 1455, boulevard de Maisonneuve Ouest	Université Concordia	Rénovation de pavillon «Pavillon Drummond»	6,8	mai-05	sept-05
Montréal - 60, rue Saint-Paul Ouest	9126 7948 Québec	Immeuble résidentiel et commercial	7,0	juil-03	mai-05
Montréal - 13900, rue Notre-Dame Est	Le Groupe Savoie	Centre d'accueil «Les Résidences Soleil»	7,0	août-03	août-05
Pierrefonds - 310, Rive-Boisée	Rive-Boisée inc.	Immeuble résidentiel	7,0	juin-03	juin-05
Montréal - 1300, boulevard Rosemont	Gestion Jean-Pierre Laverdure	Immeuble résidentiel	7,0	févr-05	févr-06
Montréal - 1909, de Chambly	Conceptions Rachel Julien inc.	Immeuble résidentiel	7,0	avr-05	déc-05
Westmount - 815, Upper Belmont	Villa Sainte-Marcelline	Agrandissement d'école	7,0	juil-04	sept-05
Montréal - 9503, rue Sherbrooke est	Société en commandite Deniel Palmer	Clinique médicale	7,0	oct-04	août-05
Montréal - 1555, Carrie-Derick	Frank Motter	Immeuble à bureaux	7,0	déc-04	sept-05
Lachine, 2150, boulevard St-Joseph	Les Propriétés Belcourt inc.	Immeuble résidentiel	7,0	avr-04	déc-05
Montréal - 10950, boulevard Perras	Corporation d'hébergement du Québec - Centre Boscoville 2000	Rénovation de centre correctionnel	7,1	avr-04	août-05
Montréal - 1100, rue St-Antoine est	Coopération d'habitation La Porte du Bourg	Immeuble résidentiel	7,4	mai-04	sept-05
Montréal - 7275, de Beauport	San Carlo Construction inc.	Immeuble résidentiel	7,5	mars-04	juil-05
Montréal - 8901, Henri-Bourassa est	Les Placements Campotero inc.	Entrepôt	7,5	juin-05	oct-05
Montréal - 1200, rue Beaumont	Groupe Accueil international Ltée - Algorithme Pharma	Clinique médicale	7,5	oct-04	sept-05

Source: Commission de la construction du Québec, 2005

# **BUSINESS PLAN**



## **THE 2006 BUSINESS PLAN**

### **BACKGROUND**

The city was divided into 16 related municipalities, including the Ville de Montréal, on January 1, 2006. Like the island's other municipalities, Montréal continues to exercise its local powers within its territory. However, because Montréal also delivers services throughout the island, it also exercises agglomeration powers.

Under these circumstances and out of a concern for maintaining a high level of service quality, the city must adapt to change and demonstrate innovation and creativity. In 2005, the city accordingly enhanced the concept of responsible management within the organization and will in 2006 emphasize the application of strategic management methods and of program- and project-based activity management. With this approach, new procedures and a newly emerging institutional culture, the city is increasingly adopting the role of a public results-oriented administration.

### **MISSION**

The city of Montréal's primary mission is to provide a high quality of service to its own residents and to those of the island as a whole.

The City Council and the borough councils accordingly exercise local powers through the city and provide Montrealers with such community services as local sports and cultural facilities, libraries, local parks, local water mains and sewer lines, collection and disposal of household waste, public markets, management of local streets and urban planning.

As the urban agglomeration's central city, Montréal also provides all island residents with such common services as public transit, police protection and fire protection.

Montréal is also serves as a metropolitan leader, within the Montréal Metropolitan Community (MMC) and for Québec as a whole, for which it represents an economic and cultural hub and acts as a window on the world.

Montréal's mission is thus:

- To provide its residents, visitors and businesses with the best services at the lowest cost.
- To promote Montréal's unique character.
- To ensure the full development of Montréal's potential.

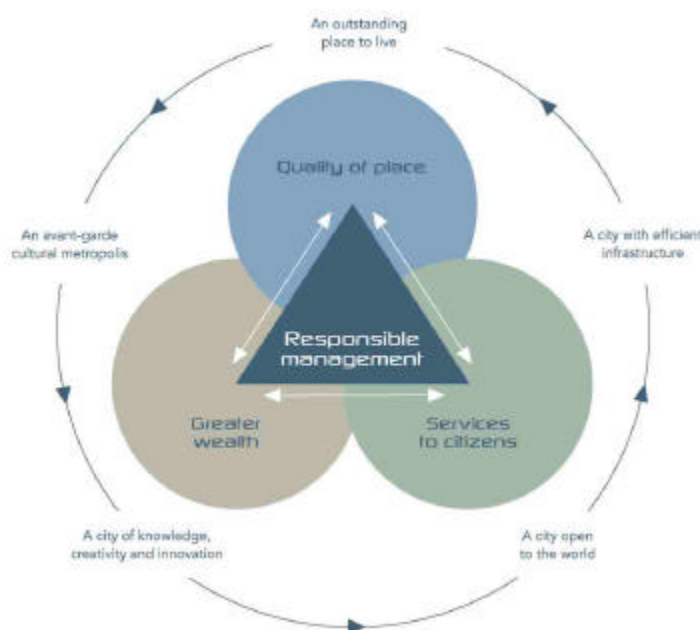
### FRAMEWORK

To better serve the community and to fulfill its mission, the city has defined main strategies for Montréal's development, which serve to guide the organization's short, medium and long-term policies on work.

These strategies are intended to make Montréal:

- A knowledge-based, creative and innovative city.
- A leading cultural centre.
- An outstanding place to live.
- A city endowed with an effective and efficient infrastructure.
- A city that is open to the world.

The municipal organization seeks to organize, deploy and assure the continuity of services to residents within the framework of these strategies, as part of a responsible approach to the management of its various business entities.



In line with these efforts, the municipal organization intends to pursue the following key objectives over the next few years:

- Emphasize the client-oriented approach, better understand the public's changing needs and adapt to them on an ongoing basis.
- Facilitate access to services.
- Build on the skills and qualifications of its employees.
- Deploy a project- and program-based approach to management and institute effective methods of communication.

- Fine-tune the relationship between services provided by the boroughs and by the city's departments.
- Swiftly integrate leading-edge technologies.

### Ongoing Work

Over the past few years, policies, plans and strategies have been formulated in several of our fields of activity that incorporate the administration's long-term policies and goals. A number of documents define this policy framework:

- Plan d'urbanisme (urban plan)
- Plan directeur de gestion de l'eau potable (master plan for the management of drinking water)
- Portrait et diagnostic du transport et le plan vélo (transportation diagnosis and profile and bicycle plan);
- The municipal housing strategy *Habiter Montréal* (living in Montréal) and the affordable housing inclusion policy for new housing projects
- The *success@montréal* economic development strategy
- Politique de paix et de sécurité (policy on peace and safety)
- Plan stratégique de développement durable (strategic plan on sustainable development)
- Politique de développement culturel (cultural development policy)
- Politique de protection et de mise en valeur des milieux naturels et la politique de l'arbre (policy on protection and enhancement of natural environments and the tree policy);
- Politique du patrimoine (heritage policy)
- Politique montréalaise du sport et du loisir (Montréal's sports and leisure policy)
- The *Imagining and Building Montréal 2025* plan.

Working priorities have been formulated and efforts were made in 2006 to pursue and to give effect in the short, medium and long terms to the directions defined by the policies, plans and strategies that have been adopted over the past few years.

Under the heading of responsible management, the organization has also finalized deployment of a new decentralized organizational model in which the boroughs provide local services. However, the discussions that resulted in the conclusion of a fiscal pact with the Government of Québec and the program resulting from the federal-provincial agreement on financial assistance for the restoration and development of municipal infrastructure are among the key factors that will determine the development of our ability to administer projects and to take action over the next few years.

In terms of outlook, the city will over the course of 2006 seek to incorporate its various policies and directions within a harmonized strategic plan, which in particular will optimize efforts at coordinating the work of its different business entities and thus boosting the effectiveness of our efforts among the public.

### **PRESENTATION OF THE 2006 PLAN<sup>1</sup>**

**The 2006 Business Plan is founded on the principle of providing excellent and efficient services to the public as part of a responsible approach to the management of public funds.**

This business plan is consistent with the city's development strategies and established objectives.

The plan presents the city's investment and project priorities for 2006. Some of these projects are the outcomes of long-term planning. In other cases, 2006 marks the initiation of such an undertaking or a new phase in a major project.

Projects that are currently on the drawing board, at the negotiating table or in some other preparatory phase are listed among the work priorities, because their organizational and planning efforts must now be included in the overall process of planning long-term investments.

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<sup>1</sup> Business plans of the city departments and of its borough services appear on the city's Web site at: [www.ville.montreal.qc.ca/finances](http://www.ville.montreal.qc.ca/finances)

## PRIORITIES FOR 2006

### For an Outstanding Quality of Life

#### Urban Development, Transportation and Infrastructural Objectives

- Enhancing efforts to restore infrastructure, including formulation of the road repair plan.
- Ensuring a financing mechanism that will support the restoration and development of municipal infrastructure.
- Adopting a transportation plan that defines policies and directions within a sustainable approach to development.
- Cooperate in the maintenance of an efficient, effective and safe public transport system.

#### Major Undertakings

##### Budget for Road System and Thoroughfare Restoration Projects

The Montréal urban agglomeration's has more than 5,600 km long of roadways, which constitute a hub in the North American shipping system. Nearly \$4 billion must be invested in the city road network over the next decade to make up for work that should have been done years ago and to restore the infrastructure of Québec's largest municipal road network.

In view of establishing a long-term financing strategy for urban road infrastructure, new funding earmarked for the road system has made it possible to begin work on restoring and upgrading Montréal's arterial system and of thus ensuring its resilience.

An amount of \$85 million will be devoted to restoring the arterial system in 2006. This investment fits into the goal of establishing a fund dedicated to improving the road system so that all necessary investments in this area can ultimately be paid in cash.

The boroughs are also devoting large shares of their investments to restoration of the local road system. Their budgets include more than \$43 that has been earmarked for local road and sidewalk repairs.

A total of more than \$125 million in all has been applied to the road repair program, permitting an expansion of its efforts and the fulfilment of such tasks as redevelopment of Notre-Dame St..

Furthermore, a number of key commitments provided in the budget framework will serve to supplement funding earmarked for the road system and permit the development in 2006 of such major projects as:

- Phases II and III of the Parc-des Pins interchange redesign
- Sherbrooke Street East, including construction of a traffic circle
- The north-south link for Cavendish Boulevard.
- The Dorval traffic circle.
- Redevelopment of Notre-Dame Street.

### Strategic Transportation Plan

In 2006, the city intends to table a transportation plan that will set forth a strategic approach to transportation issues and will promote, as outlined in the *Portrait et diagnostic de la situation* (situation portrait and diagnosis) of 2005, reduced dependence on cars based on increased use of public transit and active transport (walking, cycling, in-line skating, etc.).

Public consultation sessions will be held on this plan before it is tabled at the City Council and then at the Urban Agglomeration Council for adoption.

### Improved Public Transit Services

The city's contribution to the Société de transport de Montréal (STM) totals \$278 million in 2006, a \$10 million increase over 2005.

The Agence métropolitaine de transport (AMT) will receive a contribution of \$30.5 million, up 3.9% from 2005.

STM recently announced that major work will be conducted as part of its *Réno-systèmes* and *Réno-stations* (renovation of the subway system as a whole and its stations), including replacement of some 400 subway cars.

The city also intends to cooperate in improving customer service by participating in the creation of mass transit lanes to facilitate bus traffic on five of the city's thoroughfares and in particular, close to subway stations. Work on the following thoroughfares will thus proceed in priority mode:

- Along Rosemont Blvd., from Saint-Denis Street to Pie-IX Boulevard.
- Saint-Michel Blvd., from Henri-Bourassa Boulevard to Hochelaga Street.
- Beaubien Street, from Saint-Denis Street to Highway 25.
- Louis-H.-La Fontaine Boulevard, from Maurice-Duplessis Boulevard to Sherbrooke Street.
- Notre-Dame Street East, from Raoul-Jobin Street to Berri Street.

Financial assistance under the federal-provincial agreement for the restoration and development of infrastructure, which has earmarked funding for public transit over the next five years, will serve to pay for such investments.

The city's desire to improve security in the subway system will shape in 2006 with a plan to gradually beef up police patrols. A sum of \$2 million has been set aside for this purpose.

The STM has also announced such other measures as the installation of surveillance cameras.

The city has accordingly confirmed its desire to reduce dependence on cars and to encourage increased use of safe public transit and active transport, in view of providing Montrealers with a pleasant and environmentally friendly living space.

The STM carries more than 360 million riders each year. With a network consisting of 66 km of subway lines, 186 bus lines and a minibuss and taxi service for the disabled, the STM carries 85% of the metropolitan region's public transit riders.

### **Water Supply: Pursuing the Integrated Drinking Water Management Plan**

A total of some \$348 million is to be spent on drinking water and sewage facilities. Of this amount, \$270 million comes out of the system's operating budgets and \$78 million is to be provided under the 2006 Three-Year Capital Expenditure Program. As announced, the program that has emerged from the federal-provincial agreement on reimbursement of the gasoline tax will also serve to finance a portion of the city's infrastructural investments.

In 2006, pursuant to the objectives of the water management master plan, work is scheduled in such areas as bringing drinking water production and sewage treatment plants up to standards, implementing an action plan in the water supply and sewage systems and carrying out a water metering project for industries and businesses.

### **Objectives in Areas of the Environment, Sustainable Development and Cleanliness**

- Significant improvement in the cleanliness of public property.
- Promotion of public transit and active transport systems.
- Help meet provincial waste management programs.

### **Major Issues**

#### **Investing in Cleanliness**

An additional budget of \$10 million has been set aside to carry out efforts aimed at enhancing the city's cleanliness. These sums may be used for such purposes as setting up cleanup crews and launching cleanup operations and awareness enhancement campaigns. Measures will also be deployed to ensure that selective collection goals do not conflict with those of cleanliness.

Montréal's efforts are thus aimed at boosting cleanliness throughout the city, decreasing visual pollution and ultimately giving back to our community the lustre it deserves.

Each year, major sums are spent on maintaining public property. These efforts include waste pickup, selective collection, road and sidewalk sweeping, emptying of public trash bins, etc. However, the issue of cleanliness in an urban area poses a constantly growing challenge, in line with the growing significance of this problem for urban environments. Many factors must be considered in determining what action to take. They include more different types of waste collection, higher population density and increased passage of people and vehicular traffic in the city's central neighbourhoods. In a broader sense, we must also take into account obligations rising from laws and by-laws pertaining to waste management. A review of cleanliness-related activities within the organization and in this instance, those pertaining to shared responsibilities and revised working methods, serves to maximize the mean-term impact of activities falling under this heading within Montréal.

Intensified efforts to ensure cleanliness, particularly in the central neighbourhoods, will nonetheless permit prompt responses where the need is high.

Anticipated additional revenues from rate modifications of and extended operating hours for the city's parking meters are aimed at financing this ambitious cleanliness program. This measure will

certainly contribute to efforts aimed at cutting vehicular traffic and will promote the use of public transit downtown.

### **Other Goals**

- Continuation of the sustainable development plan, including formulation of the waste management master plan.
- Development of a downtown bike path.
- Purchase of fuel-efficient vehicles.

For the second year, the city will continue to formulate its Plan stratégique de développement durable (sustainable development plan). Efforts are being conducted in conjunction with some 80 partners from the community. Priority efforts include:

- Installation of two industrial eco-centres. The first will be set up in LaSalle in 2006, while a second in Saint-Laurent is scheduled to open in 2008;
- Composting of green waste.
- Work to bring used snow disposal sites up to standards.

Following successful efforts to formulate a bicycle plan, the city also intends to take priority action to proceed with Phase II, involving installation of the downtown bike path. A total 8.6 km of pathways will be set up, extending or linking up to the existing network. These routes are to include a bike path on Wellington Street, connecting to Peel Street and extension of the bike path on Esplanade Street up to the Parc-des Pins intersection.

Montréal also intends to pursue its efforts to help cut greenhouse gases within the city by purchasing fuel-efficient vehicles, involving annual purchases of \$4 million for the city departments. The city's goal is to replace 500 subcompact vehicles in this manner by 2011.

### **Security Objectives**

- Boosting the public's sense of security.
- Updating public emergency and safety services.
- Intensifying efforts to stop crime throughout the city, with special efforts targeting street gangs.

### **Major Issues**

#### **Improved Road, Pedestrian and Nautical Safety**

Some \$10 million in measures aimed at boosting the safety of our streets and waterways are scheduled to start as of early 2006. In particular, an additional 133 members of the police force will be assigned to this task, with responsibility for island-wide road safety and special emphasis on monitoring compliance with traffic regulations and with road and nautical safety rules.

About \$9 million has been earmarked for upgrading streetlights and the traffic lights at some 1,630 city intersections. In nearly half of the latter cases, the traffic lights will be replaced or reprogrammed, permitting the city to comply with governmental standards in this area. Pedestrian crossing lights will be replaced with lights comprising countdown mechanisms at some 300

intersections. This new equipment will enable drivers and pedestrians to use public roadways with greater ease and will improve the flow of traffic at busy intersections.

Efforts to boost the safety of the subway system have already been included as part of the city's public transit activities.

### **Deployment of First Responder Service**

The administration is injecting an additional \$5.5 million for the initial deployment phase of the citywide first responder service. This service involves providing using Montréal's fire fighters to provide swift emergency prehospital care. A \$7.1 million budget has been earmarked for this project in 2006.

This project fits within the framework of the national plan established by the Government of Québec, which proposes deployment of such service in all of its municipalities. The extent to which the Government of Québec reimburses municipal funding will vary according to service performance levels achieved.

### **We are also Seeking**

- Targeted efforts to eliminate street gangs.

While Montréal enjoys a reputation as one of the most peaceful major urban areas in the world, the emergence of street gangs is a socio-urban phenomenon with which major cities must now contend. The city is also applying appropriate preventive and communications activities, combined with coercive measures, as required, to contend with the presence of street gangs. Funds have been earmarked to maintain the city-street gang committee, which brings together various members of the police department, community services and borough services to contend with this issue. This committee considers and plans coordinated efforts by the city's departments in this area.

### **Housing Objectives**

- Increased number of social and affordable housing units within the city.
- Diligent response to serious cases of unsanitary housing.
- Promotion of increased home ownership throughout the island, particularly among families.

### Major Issues

#### Program Continuity

Under *Rénovation Québec*, the city has provided a number of housing assistance programs throughout the Island of Montréal. Montréal has, in particular, contributed to the construction of 5,000 social housing units and 10,000 affordable housing units. More than 1,300 households also received financial assistance to buy their first homes in Montréal, under the *Home Ownership* program.

The city intends to pursue its efforts to develop social and affordable housing, while at the same time providing greater support in helping families buying a first house in Montréal.

The city is thus seeking to in the very near term conclude an agreement with the Government of Québec that will:

- Promote construction of 15,000 social housing units and 10,000 affordable housing units.
- Renew the *Home Ownership* financial assistance program by offering increased aid to families selecting Montréal for a first home purchase.

The city has currently extended the Home Ownership program for two years, according to the same criteria as those previously established. This program offers such features as \$6,500 in financial assistance to first-time buyers of affordable housing in Montréal. Households including a child under 18 years of age are eligible for \$7,500 in assistance

This final measure marks the first step taken by the city to demonstrate its commitment to the Government of Québec's desire to get its municipalities involved in family policy. Over the course of the year, the city also intends to develop a municipal policy in this area, in which various planned activities are to be confirmed.

Major new residential developments are now being built in the boroughs and the city is contributing to this development by installing the appropriate infrastructure, as in Rivière-des-Prairies–Pointe-aux-Trembles.

With a new housing code, the city now intends to remain diligent in ensuring compliance with city housing sanitation rules. Appropriate follow-up on cases of unsanitary housing and adequate coordination of the various city resources involved in this issue will remain a priority.

## **Social Development Objectives in Areas of Sports, Recreation, Culture, Heritage and Outdoor Activities**

- Contribution to an integrated effort at urban renewal and efforts to keep students from dropping out of school.
- Increasing and upgrading the number of cultural facilities located throughout the city.
- Increasing access by different user groups to cultural and sports facilities.
- Pursuing implementation of policies pertaining to preservation of natural environments and green spaces.

## **Major Issues**

### **Social and Community Development**

As recommended in its urban plan, Montréal is confirming its commitment to an integrated process of urban renewal and is launching its efforts in three new municipal zones, in addition to three zones that have already been launched and are being maintained by the city. Partner agencies are undertaking work in two other zones and Montréal is closely cooperating with them to monitor efforts in all zones. The eight zones of activity are:

- Saint-Pierre, in Lachine.
- Galt, in the Côte-Saint-Paul neighbourhood of Sud-Ouest.
- Sainte-Marie, in Ville-Marie.
- Saint-Michel, in Villeray–Saint-Michel–Parc Extension.
- Montréal-Nord, in Montréal-Nord.
- Mercier Est, in Mercier–Hochelaga-Maisonneuve (new zone).
- Cartierville, in Ahuntsic-Cartierville (new zone);
- Place Benoît, in Saint-Laurent (new zone).

The *Revitalisation urbaine intégrée* (RUI) (integrated urban renewal) program is aimed at improving living conditions in the city's most underprivileged areas, by promoting consensus building and sustainable change. This integrated efforts call upon the city's public, community and private resources to help deal with the factors responsible for poverty. The success of such efforts requires a sustained and long-term commitment of about some 10 years.

Investments have also been earmarked for the boroughs to help them improve community amenities in their different neighbourhoods. Two new centres will, for example, be built in the boroughs of Saint-Léonard and **Pierrefonds-Roxboro**, and drawings and specifications will be prepared for Anjou's multipurpose centre. Young people will also be able to make use of a young people's community centre in Ahuntsic-Cartierville. The Lafond community centre, in Rosemont–La Petite-Patrie, will for its part, be completed.

The city will also make financial contributions to the construction of the Tazmahal community and recreation complex, which will serve all Montréal families and be located on Papineau St., north of the Métropolitaine Highway.

### **Culture: Libraries, Cultural Centres and Nature Museums**

Each year the city invests in upgrading its library system and making cultural phenomena accessible to all residents. Such efforts in 2006 will include among their objectives:

- Increased library hours and book purchases, through an additional \$2 million in funding.
- Maintaining *Livres dans la rue* and *Bibliothèques à la rescousse*, two programs aimed at preventing students from dropping out of school, which are in particular offered at integrated urban renewal zones.
- Planning and funding the move of the Planetarium to the eastern portion of the city, near the other nature museums (the Botanical Gardens, the Biodôme and the Insectarium).
- Injecting \$2.1 million into the construction of two cultural centres, one in Villeray-Saint-Michel—Parc Extension and the other in Rivière-des-Prairies—Pointe-aux-Trembles. These projects carry a total price tag of \$16.5 and are being produced through corporate and borough investments.
- Addition of a concert hall to the Sophie-Barat complex, in Ahuntsic-Cartierville.

### **Sports and Recreation**

Some \$1.5 million is being invested to improve disabled and reduced mobility access to sports, cultural and community structures and to provide recreational assistance to disabled children in day camps.

Playground facilities are also scheduled for Jarry Park, Mount Royal Park and the Insectarium. Furthermore, the aquatic facilities produced for the XI FINA World Championships in 2005 will be made accessible to the general public in the summer.

The boroughs are also devoting more than \$20 million of their investment programs to building or to renovating various indoor and outdoor sports, recreational, community and cultural facilities. These efforts include construction of the À-ma-Baie community centre in **Pierrefonds-Roxboro**, of the Saint-Léonard cultural and community centre, of renovation of the soccer field at Eugène-d'Ostie Park in Île Bizard—Sainte-Genève and sports facilities at the Mercier Est sports and recreation centre in Mercier—Hochelaga-Maisonneuve, as well as protective work on various structures situated in Sud-Ouest (including the Gadbois complex and the Saint-Charles library), in Ville-Marie and in Villeray—Saint-Michel—Parc Extension.

### **Green Spaces and Natural Environments**

In 2006, \$13 million will be applied to the development of the island's 10 eco-territories. This amount will be supplemented by investments of some \$4 million to perform various work on Mount Royal, including restoration of the mountain's emblem, the cross and completion of work by Beaver Lake. Maintenance budgets have also been earmarked for the ice skating rink.

Investments of some \$16.9 million have also been set aside by the boroughs to develop or to redesign local parks. These activities include the start of work on Saint-Laurent's Philippe-Laheurte Park, enhancement of the Verdun shoreline, installation of playgrounds in numerous parks (Molson, Mozart, Lafond, Sainte-Bernadette and Cité-Jardin) situated in Rosemont—La Petite-Patrie, renovation of several parks (Roy-Rivard, des Açores and Compagnons de Saint-Laurent) in

Plateau Mont-Royal and various other work mentioned in the respective three-year capital expenditure programs of Anjou, Côte-des-Neiges–Notre-Dame-de-Grâce, Lachine, LaSalle, Montréal-Nord and Outremont.

### **Goals of a Democratic Governance System and Direct Public Services**

- Increase resident participation in municipal life.
- Bring city officials closer to residents and enhance access to information.
- Ensure an equitable approach to municipal administration.

### **Major Issues**

#### **Development of the e-Cité Portal**

The city's Web portal has grown over the years and various kinds of municipal services and information are now available on line through Montréal's e-Cité network. For 2006, \$1.5 million has been set aside to develop such other services as:

- Information on recreational activities and reservations.
- Grants and permits.
- City job offers.
- Dissemination of City Council meetings and access to municipal regulations and to documents produced by decision-making bodies.
- Virtual exhibits from the municipal archives.

#### **3-1-1 Telephone Service**

A project will be launched in 2006 to upgrade the city's system for providing information over the telephone and responding to requests. Like other great North American cities, Montréal will prepare for the deployment of a single telephone number over its e-Cité /3-1-1 system, which will eventually enable residents to make requests, to receive information and to obtain responses to their questions and requests on issues falling within the city's powers, by calling a single number. This number may be used by residents for such purposes as alerting officials to the presence of a pothole, obtaining information on garbage pickup days and times, learning how to obtain a permit, etc. This new approach to telephone service fits within a desire to facilitate resident access to municipal services, to reducing waits following the submission of resident requests and to better coordinating the efforts of the different city departments in these areas.

#### **Renovation of Borough Courthouses**

Following the city's efforts since 2002 to bring municipal court services closer to the resident homes and workplaces, investments of \$0.4 million will be made in 2006 to renovate satellite courthouses located in Saint-Laurent and Outremont.



**For a Knowledge-Based, Creative and Innovative City,  
with a Window on the World**

### **Goals for Increasing Wealth**

- Facilitate and stimulate the development of high-potential, innovative projects with strategic impact that promote increased wealth and a knowledge-based economy.
- Support, sustain and promote local economic development.
- Deploy mechanisms that will facilitate the development of major projects falling within *Imagining and Building Montréal 2025*.

### **Major Issues**

#### **Structure Destined to Promote Development of High-Priority Projects for 2025**

As announced in *Imagining and Building Montréal 2025*, an office responsible for high-priority projects will be gradually rolled out in 2006, in view of accelerating the completion of major private, institutional and public projects.

The deployment of e-business solutions on the city's Web portal, which is designed to enable entrepreneurs and other members of the business community, both here and abroad, to acquire information from, interact with and do business with the city on major development projects, is scheduled for 2006.

These electronic resources will enable all interested parties to monitor such phenomena as the development of the major projects at the Centre Hospitalier de l'Université de Montréal (CHUM) and its healthcare district, including the covering over of the Ville-Marie Highway, the McGill University Health Centre (MUHC), the Technopole de la santé, the Outremont switching yard, the Quartier des spectacles, the land of the Montréal Hippodrome, the approaches to Pierre-Elliott-Trudeau International Airport, Cavendish Boulevard and Rodolphe-Forget Street, the Montréal Harbourfront, the Cité universitaire for foreign students, etc.

#### **Quartier des Spectacles**

Plans to develop the Quartier des spectacles are aimed at enhancing the downtown area's cultural resources with support for the cultural industry, the residential function of the sector and the vitality of Sainte-Catherine Street, while improving layout and usage of public property. To succeed, this project will also require the involvement of community partners.

The city will invest \$8.4 million in 2006 to give a facelift to Saint-Laurent Boulevard. A portion of this work will fall within the vast Quartier des spectacles development project. This year's work is scheduled to extend from René-Lévesque Boulevard to Mont-Royal Avenue.

### **Chabanel Station and the Acadie Sector**

Much renovation work has taken place in the Acadie-Chabanel sector over the past few years, including the creation of an east-west through street connecting the two sectors. Such efforts will continue over the next few years and \$2 million will be invested in 2006 to develop the Acadie sector, particularly through the start of construction of Jean-Pratt Street and redevelopment of Chabanel Street. Chabanel Station is also scheduled to open this year.

These activities will contribute to sustained efforts aimed at supporting the textile and garment industries, as well as retail outlets, all of which are heavily concentrated in this area.

### **Biofood Industry Cluster and Technopôle de la Santé**

Two industrial hubs offering a high potential to contribute to the growth and influence of Montréal's knowledge-based economy are responsible for investments of some \$6.3 in 2006 to promote:

- The biofood industry cluster in eastern Montréal, which seeks to build a biofood business incubator and the development of a specialized industrial park.
- The Technopole de la santé in Western Montréal, which consists of a cluster of life science activities on the site of Montréal's former Hippodrome and is intended to deploy a project seeking to stimulate cooperation among healthcare research parks on the one hand and, industrial parks and universities on the other.

### **University and Hospital Projects**

The Government of Québec and Montréal's university institutions have over the past few years announced the installation and development or expansion of hospitals and the construction of new university buildings. Deployment of the municipal infrastructure required by this set of projects will require major investments by the city.

Major projects have been announced by the following establishments:

- McGill University (MUHC);
- The Université de Montréal (CHUM)—supporting development of the life science cluster and development of the Technopôle de la santé adjacent to the Ville-Marie Highway.
- The Université de Montréal—a university building located in the former Outremont switching yard.
- Sainte-Justine hospital (CHU).
- Expansion of the Montreal Heart Institute;
- Phase III of the expansion of Concordia University.
- UQÀM's downtown development project in the area bordered by Berri Street, René-Lévesque Boulevard, Ontario Street and the Berri Viaduct.
- The École de technologie supérieure.

The city's investment schedule for these projects will depend on the evolution of implementation plans provided by project backers.

### **Program of Support for Commercial Thoroughfares**

The renovation assistance program aimed at revitalizing businesses situated on Montréal's commercial thoroughfares will continue in 2006 and an industrial component has been added, for a total budget of \$1.3 million.

#### **We are also Seeking:**

- Development of the technocity surrounding the Institut de recherche en biotechnologies.
- Development of feasibility studies and concepts aimed at enhancing Montréal's Harbourfront.
- Redevelopment of the site of former municipal factories on Rosemont Boulevard, involving a socially integrated housing project.
- Growth of Montréal's nanotechnology industry.
- Development of vacant lots and reconversion of high growth potential sites, such as 700 Saint-Antoine E. (former Viger Station), the Faubourg Québec project, the Outremont switching yard, the Montréal Hippodrome and the Maisonneuve hub (sites of the Botanical Garden and the Olympic Park).

### **Goals of Serving as a Window on the World with an International Draw**

- Facilitation of partnerships with large cities, particularly those of the United States.
- Boosting Montréal's ability to draw business centres, new talent, tourists and major sports and cultural events, etc.

#### **Goals for 2006**

In line with our objective of making Montréal a knowledge-based, creative and innovative and internationally recognized metropolis, which affords an outstanding quality of life, the city must seek to achieve both national and international distinction. The city is, accordingly, deploying its international Plan d'action en affaires internationales (international business strategy), which includes Montréal's participation in international associations of cities.

Montréal will also host numerous major events in 2006, including:

- The 2006 Outgames
- The 60<sup>th</sup> conference of the Federation of Canadian Municipalities.
- The conference of mayors of major Canadian cities, from June 3 to 6, 2006.
- The forum of the Association internationale des maires francophones (AIMF);
- The 100<sup>th</sup> conference of the *Government Finance Officers Association* (GFOA).

Furthermore, in view of forging and sustaining partnership ties with other great cities, Montréal will maintain its strategic presence abroad, through such means as:

- Development of strong alliances with Boston and other US cities and the maintenance and upgrading of bilateral ties with such great international communities as Paris, Lyon, Shanghai, Hiroshima and Barcelona.
- Intensification of Montréal's presence within great international associations of cities, such as the Association internationale des maires francophones (AIMF), the Mayors for Peace network, Metropolis, United Cities and Local Governments (UCLG) and the *Great Lake and St-Lawrence Mayors Initiative*.

<b>For Responsible Management</b>
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**Goals in the Area of Human Resources**

- Enhancement and mobilization of human resources
- Ensuring adequate representation of Montréal's diversity within the civic organization
- Preparing a new generation of workers through training tailored to the organization's needs

Key factors for successful application by an organization of a responsible management strategy are the qualification and mobilization levels of its human resources. Three top priority areas of action for the city in 2006 will comprise:

- Maintaining equal access to employment program measures so that representation among least represented within the civic organization can be enhanced.
- A human resources development plan that starts by setting skill profiles for such front-line managers as foremen and section heads.
- Planning of the workforce and preparation of the succession through implementation of identification mechanisms and staffing measures for sectors of the organization that will require large numbers of new workers in the next few years.

**Goals in the Area of Financial and Material Resources**

- Limiting resident tax burden and diversifying the city's sources of revenue.
- Enhancing management's performance by modernizing work methods.
- Putting together financial frameworks to ensure major projects involving the restoration and development of infrastructure.
- Fine-tuning decision-making processes and work procedure management systems to the organization's needs.

As part of an ongoing strategy of improving various aspects of managing our resources, measures are being taken to optimize our assets, to exert better control over expenditures and to ensure optimal management of the city's debt, while limiting taxpayer burden.

For example, the creation of a fund dedicated to the restoration and development of the water supply and the road system will serve to apply budgetary reserves to activities that require major investments and to thus pay in cash on a timely basis for work that would otherwise be financed through loans. This approach is beneficial because it relieves pressure on the debt and also reduces the cost of the work by eliminating financing costs engendered by loans. This means more work can be done for a given level of investment.

Additional cost cutting measures totalling \$88.1 million 2006, supplement the \$205.7 million saved over previous years, thus approaching the targeted total of \$300 million.

Finally, the refinancing of the initial actuarial liability of a fifth pension fund (that of the fire fighters), will generate savings of \$220 million over the next 40 years for taxpayers of the former city. These

savings will be added to the \$1.1 billion to be saved, also over 40 years, as reported in 2003, at the time the initial actual liability was refinanced for the four other retirement plans (city managers, production supervisors, municipal officers and professional workers).

As part of this process, efforts will be maintained in 2006 to limit the taxpayer burden, to control city debt and expenditures, to boost resource management performance and to optimize work methods in view of offering a high quality of service to the public.

### **Goals for 2006**

- Continued negotiations with the various levels of government in view of concluding a fiscal pact that will ensure a solid financial framework and additional sources of revenue for Montréal.
- Continued discussions with our governmental and metropolitan partners to create a new financial and institutional framework that will serve to eliminate operating deficits and ensure funding for public transit infrastructure.
- Continued implementation of the strategic management model, including the integrated planning and management cycles (planning, business plan and budgets), emphasis on a results-oriented approach, project- and program-oriented management and optimization of business procedures.
- Creation of shared strategic procurement service centres for activities that offer strong prospects for savings, such as computer equipment and water supply and sewage system products. These procurement measures could result in cost reductions of at least 8%.
- Placing different work teams, representing some 1,400 employees, within the municipal administrative office complex, thus optimizing use of space and generating savings on the maintenance of certain buildings.
- Bringing certain municipal computer systems up to standards, as in the cases of e-Cité / 3-1-1, SIMON (the integrated human resources, financial and material management system), and systems that manage requests from residents, responses to fire alarms and tax assessments, etc., thus providing effective and productive tools for serving the public and for effectively administering Montréal's resources.

All of the efforts mentioned in this 2006 Business Plan will, in short, constitute priorities for the city's efforts and investments. Many other activities complement those listed described above and fit into the city's daily undertakings.



**2006** BUDGET



# INTRODUCTION



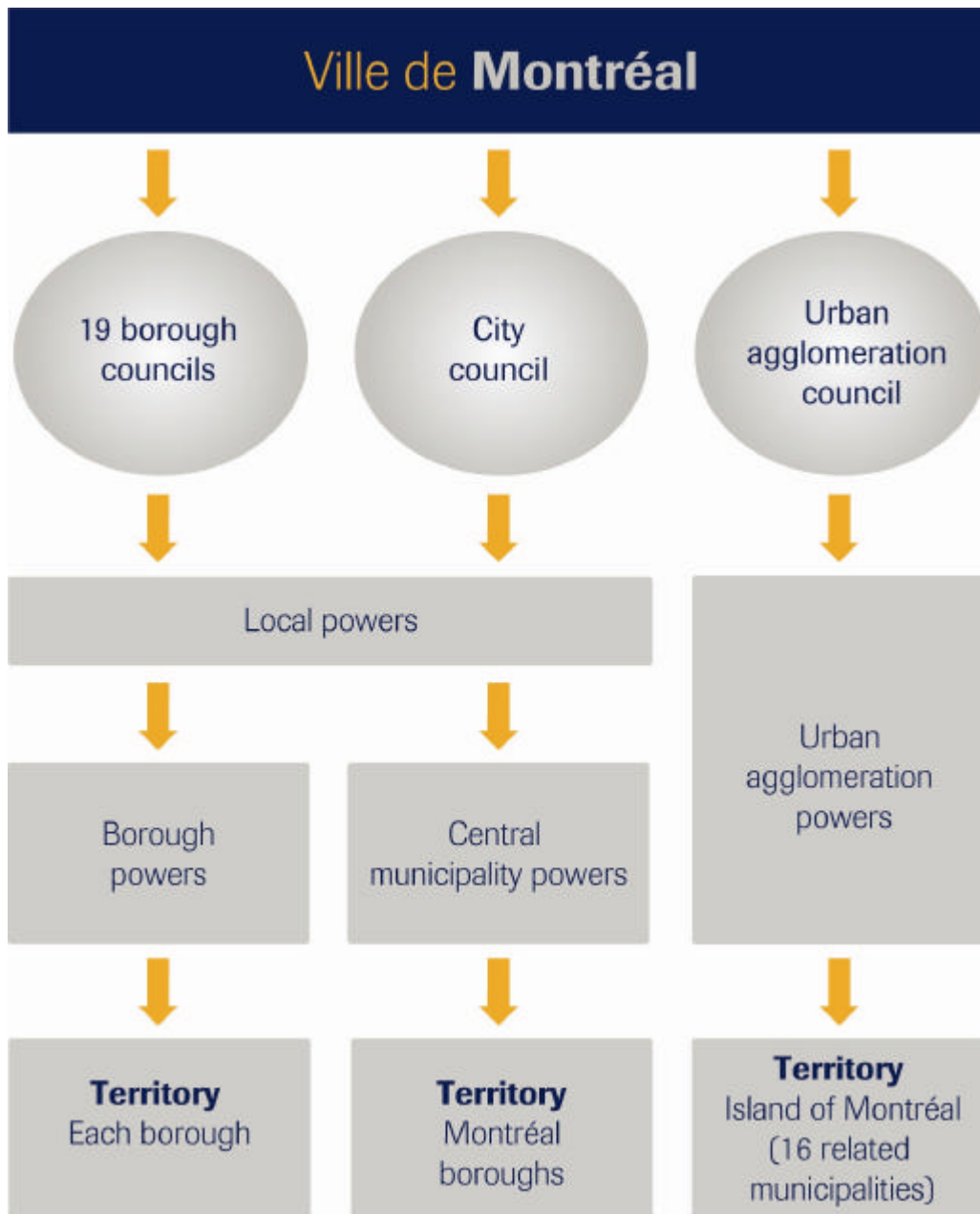
## **A NEW MUNICIPAL ORGANIZATION**

Montréal's new municipal organization has been a reality since January 1, 2006. Pursuant to the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* and the *Act respecting the exercise of certain municipal powers in certain urban agglomerations*, the city's powers of administration are divided among the urban agglomeration and local authorities. As the central city of this urban agglomeration, Montréal continues to provide services and to manage collective amenities for all island residents, within the city itself and within the 15 former suburban cities that opted for reconstitution following the June 2004 referendums. These common services will be provided by city employees. All taxpayers on the Island of Montréal must pay a collective "urban agglomeration tax" for the set of common services that have been placed under the authority of the Urban Agglomeration Council.

### **Political Authorities and Powers**

Figure 1 illustrates how powers are distributed within the city, the political entities responsible for these powers and the territories to which such powers apply. As the figure reveals, the political entity that is represented by the Urban Agglomeration Council is included within Montréal's new governance model.

**Figure 1**  
**Distribution of Powers—Political Entities and Territories of Application**



## Montréal Urban Agglomeration Council

The urban agglomeration is responsible for services provided to all island residents. These responsibilities are exercised by the Urban Agglomeration Council. This new municipal political entity and decision-making body has the authority throughout the Island of Montréal to adopt any by-law, to authorize any expenditure and to levy any tax pertaining to common services.

The Urban Agglomeration Council is designed to have a simple and democratic structure. Montréal's mayor selects representatives to accompany him to the Urban Agglomeration Council. Their briefs are established by the City Council, which defines the positions to be taken by its elected officials at the Urban Agglomeration Council. The same rule applies for the mayors of the reconstituted municipalities who are bound by the guidelines of their respective city councils. A total of 31 elected officials sit on the Urban Agglomeration Council:

- The mayor of Montréal, who is the President.
- 15 elected officials from Montréal's City Council, who are appointed by the mayor.
- 14 mayors of the reconstituted municipalities, one of whom is appointed as Vice President (L'Île-Dorval and Dorval have one representative).
- An additional representative from Dollard-des-Ormeaux (because of the size of its population), named by the mayor of this municipality.

Montréal's representation within the council is proportional to its demographic weight (87.3%). This figure for the 15 reconstituted municipalities is 12.7%.

Table 1 summarizes the Urban Agglomeration Council's powers. In 2005, these common services were provided by the Ville de Montréal to all island residents.

## City Council and Borough Councils

In accordance with the various areas of activity defined in the *Charter of the Ville de Montréal*, the city's local areas of authority are shared among the City Council and the borough councils.

Montréal's City Council continues to assume its responsibility toward local powers within the city, which will now have 19 boroughs. The borough councils are responsible for delivering their own local services. These entities are to provide essentially the same kinds of services in 2006 that they did in 2005.

The City Council now consists of the city mayor, plus 64 city councillors, including the 19 borough mayors. A borough council will have at least five members. These members include the borough mayor, its one or more city councillors and any borough councillors. There are now 19 boroughs, with 45 councillors, who also sit on the City Council and 40 borough councillors.

**Table 1****Summary of Responsibilities Falling under the Urban Agglomeration Council or the Municipal and Borough Councils**

Urban Agglomeration Powers	Local Powers
<ul style="list-style-type: none"> <li>▪ Property assessment</li> <li>▪ Municipal waterways</li> <li>▪ Emergency preparedness services</li> <li>▪ Fire protection and first responder services</li> <li>▪ Police services</li> <li>▪ 9-1-1 emergency centre</li> <li>▪ Implementation of fire coverage and public safety plans</li> <li>▪ Municipal Court</li> <li>▪ Social housing</li> <li>▪ Assistance to the homeless</li> <li>▪ Eradication and prevention of substance abuse and prostitution</li> <li>▪ Waste disposal and conversion, along with management of any other hazardous substances</li> <li>▪ Water supply system, except local mains</li> <li>▪ Water purification, except local mains</li> <li>▪ Formulation and adoption of the solid waste management plan</li> <li>▪ Public transit</li> <li>▪ Streets and arterial roads</li> <li>▪ Economic and tourist promotion outside the limits of the member municipality</li> <li>▪ Tourist information services</li> <li>▪ Convention centres</li> <li>▪ Industrial parks</li> <li>▪ Arts council</li> <li>▪ Any other responsibilities formerly under the jurisdiction of an RCM or an urban community in the event that the city took the place of the latter</li> </ul>	<ul style="list-style-type: none"> <li>▪ Land use planning</li> <li>▪ Building, public nuisance and public health regulations</li> <li>▪ Housing</li> <li>▪ Fire protection and emergency preparedness</li> <li>▪ Waste collection and disposal</li> <li>▪ Local road management</li> <li>▪ Local water and sewer mains</li> <li>▪ Local sports and recreational facilities</li> <li>▪ Local libraries</li> <li>▪ Local parks</li> <li>▪ Local economic, community, cultural and social development</li> <li>▪ Heritage</li> <li>▪ The Commission des services électriques (electrical services commission)</li> <li>▪ Sociétés de développement commercial (SDCs)</li> <li>▪ Election organization</li> </ul>

Table 1 illustrates how powers are shared among the urban agglomeration and the local powers falling under Montréal's City Council and its borough councils. The manner in which the city's local powers are shared among its departments and boroughs is discussed in the Global Budget section of the Budget by Business Unit chapter.

## ORDER CONCERNING THE MONTRÉAL URBAN AGGLOMERATION

*The Act Respecting Exercise of certain municipal powers in certain urban agglomerations* provided that various of its provisions would be clarified by an “urban agglomeration order” to be adopted by the Government of Québec. This order has been much anticipated by Montréal, because many of its provisions would have financial and budgetary impact starting in 2006. The urban agglomeration order, for example, would serve to define which amenities, infrastructure and activities were of collective interest.

The Government of Québec finally adopted the Order concerning the Urban Agglomeration of Montréal (Order number 1229-2005) on December 8, 2005. This order not only shed significant light, but has a major budgetary impact on the distribution of certain expenditures among the budgets of the Urban Agglomeration Council and of City Council. Although the Urban Agglomeration Order provided the awaited clarifications and additional information, it also contained new elements. Key Urban Agglomeration Order provisions that contain a budgetary impact are:

- The identification of amenities, infrastructure and activities of “collective interest” (the full list appears in Appendix 6, herein).
- Transitional measures pertaining to the Urban Agglomeration Council’s exclusive responsibilities for the water supply, which state that, through December 31, 2008:
  - The Pointe Claire water treatment plant remains under the responsibility of Pointe Claire.
  - The Dorval water treatment plant remains under the responsibility of Dorval.
  - The actual costs pertaining to the water supply ensured by Montréal within the reconstituted municipalities shall be shared among the latter based on the actual consumption attributable to each.
- The transitional measure pertaining to the Urban Agglomeration Council’s exclusive responsibility for public safety, which states that first responder services within the Côte-Saint-Luc shall remain under Côte-Saint-Luc’s responsibility through December 31, 2008;
- Compensation for the occupancy of buildings used for carrying out the urban agglomeration’s powers.

A final term and condition with a major budgetary impact appeared in the reading of Bill 134, which was approved by the National Assembly on December 14, 2005. Although this bill confirmed the Urban Agglomeration Council’s responsibility for appointing its representatives within the Montréal Urban Community (MUC), the bill remained silent on the issue of the Urban Agglomeration Council’s responsibility for making copayments to the MUC. As a result, the MUC will invoice each related municipality for its copayments, beginning in 2006.

All terms and provisions pertaining to the Order concerning the Urban Agglomeration of Montréal and to *Bill 134* appear in the 2006 Montréal Budget.

### **MONTRÉAL'S FINANCIAL MANAGEMENT CYCLE**

As we have just observed, The *Act Respecting Exercise of certain municipal powers in certain urban agglomerations* makes significant changes to Montréal's governance system. Every effort was applied to ensure that the delivery to residents of services, whether those falling under local or urban agglomeration powers, would not be in any way affected. As seamless as this transition to a new municipal organization may be for residents, it has required that the city's overall financial management cycle be reviewed and tailored to this new situation.

The city's financial management cycle consists of five major processes:

- The budget
- The decision-making process
- Accounting
- Production of the financial statements
- The audit process

As of January 1, 2006, any action taken by the city with any kind of impact within the financial management cycle is reviewed and reconsidered to ensure that it fully complies with the provisions of the *Act Respecting Exercise of certain municipal powers in certain urban agglomerations*. The first phase of this work, which was launched throughout 2005, is to be completed in 2007, with the production of the auditor's report. That report will review the production of financial statements for 2006.

The 2006 Montréal Budget thus not only represents the adjustments necessitated by creation of the urban agglomeration and the first element in a new financial management cycle. The rest of this document attests to the efforts that have been invested in producing the budget.

## PRESENTATION OF THE BUDGET

An Act respecting the exercise of certain municipal powers in certain urban agglomerations, assigns Montréal the role of central municipality for the urban agglomeration. The city's new governance structure reflects this function. Montréal is, in other words, responsible for managing:

- Services fallings under the **urban agglomeration's responsibility (common services)**. Such services apply to the Island of Montréal's 16 related municipalities (the 15 reconstituted municipalities and the central city, which is itself divided into 19 boroughs).
- Services falling under **local responsibility (local services)** within the city (or "residual city") and its 19 boroughs.

As the central city, Montréal has produced this single budget for 2006. The financial information contained in this budget corresponds to the new governance structure, which requires the budget to be broken down according to a **distribution of powers**, which means in terms of the political entities and their respective responsibilities.

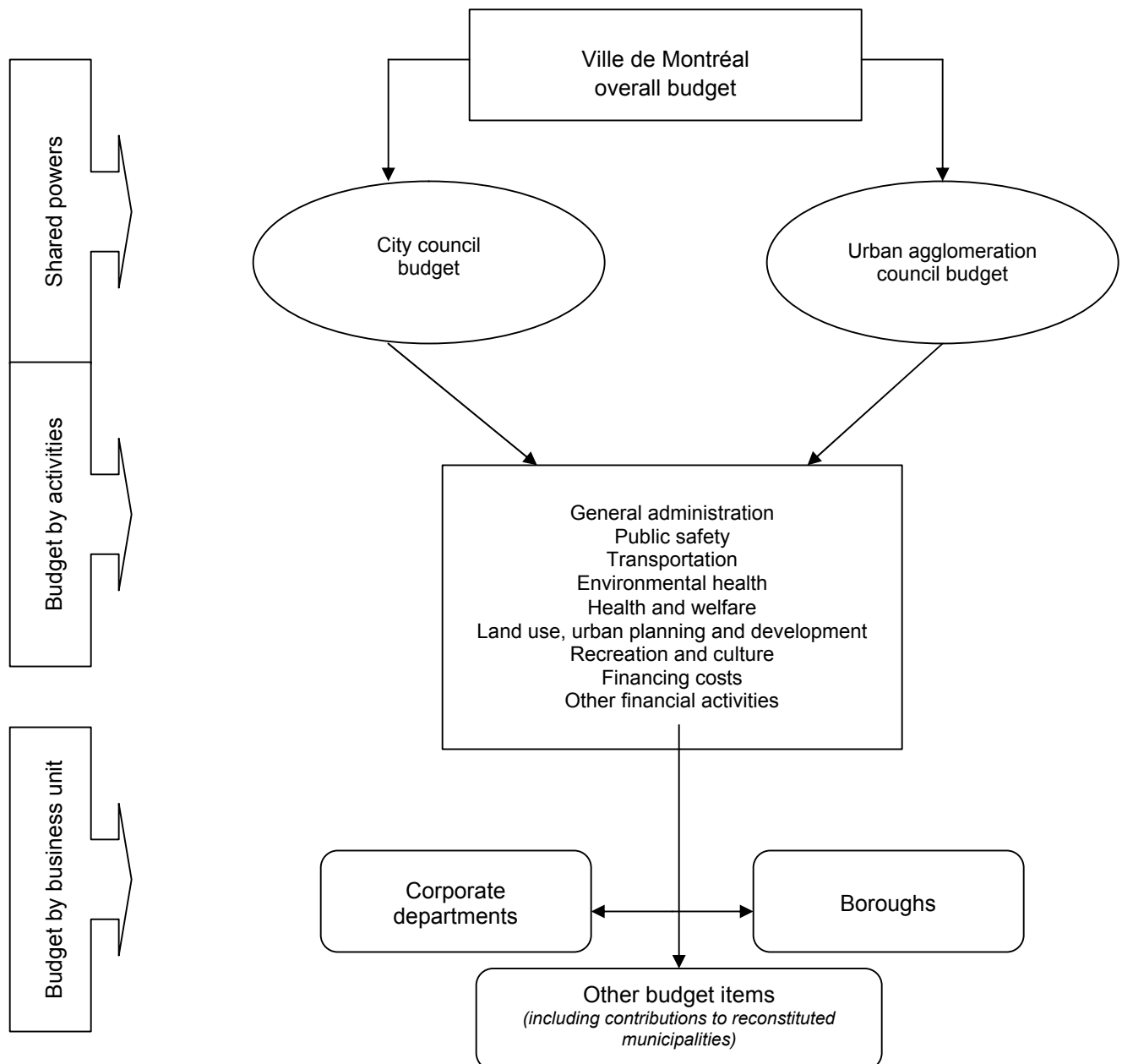
More specifically, the **2006 City Budget** has been divided into three major sections, each of which has a number of subdivisions:

1. **Global Budget:** This budget comprises amounts falling under the urban agglomeration's responsibility, as well as those falling under the city's local responsibility.
  - a. Presented by financial activity, pursuant to the *Manuel de la présentation de l'information financière municipale* of the Ministère des Affaires municipales et des Régions (MAMR).
  - b. Presented according to the city's Organizational Structure (by departmental and borough budget). Budgets for activities that are delegated to the reconstituted municipalities by the Urban Agglomeration Council also fall within the Global Budget, along with such other Items as Financial Expenditures.
  - c. Also includes a summary of the 2006-2008 Three-Year Capital Works Program.
2. **City Council Budget:** This is the budget adopted by Montréal's City Council for carrying out local responsibilities within the city and includes those budgets allocated to the borough councils for exercising their respective responsibilities.
  - a. Presented by financial activity, pursuant to the MAMR's *Manuel de la présentation de l'information financière municipale*.
  - b. Also outlines the 2006-2008 Three-Year Capital Works Program.

3. **Urban Agglomeration Council Budget:** this budget was adopted by the Urban Agglomeration Council to carry out the urban agglomeration's island-wide responsibilities.
  - a. Presented by financial activity, pursuant to the MAMR's *Manuel de la présentation de l'information financière municipale*.
  - b. Also presents the 2006-2008 Three-Year Capital Works Program.

Figure 2 Illustrates the how the 2006 Montréal Budget and its three sections are presented, distributed among the different powers and their subdivisions, broken down by financial activity and according to the city's organizational structure.

**Figure 2: Presentation of the City Budget**



## Allocation of the Global Budget

The Global Budget is allocated among the City Council and Urban Agglomeration Council budgets in view of the following two factors:

### 1. Sharing of Powers

The *Act respecting the exercise of certain municipal powers in certain urban agglomerations* (as amended by bills 111 and 134 and supplemented by the *Order concerning the Montréal Urban Agglomeration*), lists and defines the urban agglomeration's powers. Table 1, above, summarizes these powers. Only those expenditures made by the Ville de Montréal to exercise the urban agglomeration's powers, in its capacity as Central Municipality, may be charged to the Urban Agglomeration Council Budget. Administrative expenditures pertaining to the exercise of urban agglomeration powers may also be charged to the Urban Agglomeration Council Budget.

All of the Ville de Montréal's expenditures are consequently reviewed and distributed among the Urban Agglomeration Council Budget and the City Council Budget, pursuant to the *Act respecting the exercise of certain municipal powers in certain urban agglomerations*:

### 2. Allocation of Expenditures for Mixed Purposes

Certain expenditures have mixed purposes, falling under the authority of both the Urban Agglomeration Council and the City Council. Such mixed expenditures pertain particularly to general administration activities such as finance and human resources. These expenditures are allocated among the Urban Agglomeration Council Budget and the City Council Budget.

Some mixed expenditures pertain to activities other than those of general administration—such as transportation, recreation and culture—which are determined according to the nature of the activity or project and allocated according to various rules. Administrative expenditures pertaining to the city road network are, for example, allocated according to the percentage of expenditures applicable to the arterial system, which falls under the urban agglomeration's powers and the percentage applicable to local roads, which falls under local authority. These percentages are then used in calculating the respective road network administrative expenditure items in the budget.

The following information outlines the main sources of revenue and expenditure allocation among powers that fall under the City Council and those that fall under the Urban Agglomeration Council.

A section of Appendix 5 provides more details on how expenditures are distributed among the Urban Agglomeration Council and City Council budgets.



2006

OVERALL BUDGET





# **BUDGET BY ACTIVITY**



## KEY FACTORS USED IN FORMULATING THE 2006 BUDGET

Preparation of the 2006 Budget and of the revenues, expenditures and allocations falling the City Council and Urban Agglomeration Council budgets was guided by principles of sound management of public funds, consideration of policies with budgetary impact and respect for the taxpayer's ability to pay.

Funding for the reconstituted municipalities was removed from the city budget in formulating the 2006 Budget.

Funding was distributed among areas of local responsibility that fall under the City Council and those for which the urban agglomeration is responsible and which fall under Urban Agglomeration Council, as described above.

In accordance with these principles, the following factors were taken into account:

### Revenue-Related Factors

- The assumptions used in estimating tax revenue and employee remuneration are based on an estimated \$2.1 billion growth in 2006 of the property assessment roll for the Urban Agglomeration Council Budget. Corresponding growth of the roll for the City Council Budget is estimated at \$1.75 billion. These assumptions are based on historic trends and on anticipated construction projects.
- Renewal of revenue associated with the fiscal pact negotiated between the municipal community and the Government of Québec, has been included in these calculations and such revenue has been indexed.
- Revenue from SOFIL (Société de financement des infrastructures locales du Québec) has been included in the budget pursuant to agreements.
- Property transfer revenue projections have been upwardly revised, in view of the real estate market's vitality.

### Expenditure-Related Factors

The expenditure structure reflects the maintenance and evolution of the city's activities and responsibilities.

- Expenditures include increased remuneration and employer contributions, based on the rules established in the City's new collective agreements and remuneration policies. Various other remuneration-related factors that will have a major impact have also been taken into account. These factors include the anticipated impact of actuarial valuations as at December 31, 2004, hikes in insurance premiums, contributions to the occupational health and safety board and the pay equity process that is currently under negotiation.

The budget also takes into account expectations pertaining to the ongoing process of harmonizing city employee working conditions.

- Financing cost levels were calculated on the basis of anticipated capital expenditures in 2006 and financing strategies for loans that are to be contracted. An interest rate of 6% was used in formulating these projections.
- The water management strategy is described in the budget.
- Funding has been set aside for establishing a program to repair the road network.
- The budget provides funds for supporting high-priority cleanup efforts.
- A \$10 million increase in the city's contribution to the STM appears in the budget.

## CERTIFICATE OF THE PRINCIPAL DIRECTOR AND TREASURER

The *Charter of the Ville de Montréal and the Cities and Towns Act* (RSQ, c. C-11.4) and the *Cities and Towns Act* ("CTA") (RSQ, c. C-19) authorize the Treasurer of the Ville de Montréal to issue a certificate attesting that budgetary funds will be available for scheduled expenditures.

Pursuant to section 477.1 of the CTA, a council by-law or resolution authorizing an expenditure is only operative when accompanied by a treasurer's certificate stating that the municipality does in fact possess the necessary funds for the purpose to which the expenditure is to be applied.

I confirm that the budgetary credits will be available for forecasted expenditures in the budget under the responsibility of the City Council and in the budget under the responsibility of the Urban Agglomeration Council, in their respective areas of jurisdiction.

*(In thousands of dollars)*

<i>City Council Budget</i>	<i>Urban Agglomeration Council Budget</i>
--------------------------------	---

### a) Debt service

Total debt service costs breaks down as:

▪ Financing costs	\$342,345.0	\$74,590.0
▪ Repayment of long-term debt	\$329,792.6	\$68,903.1

### b) For obligations resulting from laws and from decisions that have been or will be made

▪ Signing of leases and awarding of contracts for the provision of supplies and services	\$383,819.1	\$227,361.8
▪ Granting of financial contributions and municipal assistance	\$75,460.1	\$379,659.3
▪ Salaries, wages and employer contributions	\$799,659.4	\$936,413.8

Principal Director and Treasurer,



Robert Lamontagne  
January 20, 2006



**STATEMENT OF FINANCIAL ACTIVITIES**

The Statement of Financial Activities presents a synopsis of the city operating budget with respect to revenues, expenditures and allocations. Revenues are presented by category, while expenditures are presented by municipal category. Allocations represent the use of surpluses, reserves or earmarked funds for the fiscal year's financial activities. This statement distinguishes between revenues, expenditures and allocations based on the respective responsibilities of the City Council and the Urban Agglomeration Council. A Global Budget combines both of these components and excludes transactions to be eliminated between the two entities.

The original data from the 2005 Budget have been adjusted so that they can be presented on the same basis as that required for the 2006 Budget. These data appear under the column entitled "2005 Restated."

**NOTE**

The Ville de Montréal's budget is presented in accordance with the rules established by the Ministère des Affaires municipales et des Régions. The appendix describes the main budgetary practices applying to its formulation.

Please refer to Appendix 1 for further information on how budgetary information is structured and on significant accounting practices pertaining to the operating budget.

The following tables cover the years 2005 and 2006. Because of changes in the governance structure, the Restated 2005 Budget only appears in the Statement of Financial Activities.

**Table 2**  
**Statement of Financial Activities**  
**City Budget**

(In thousands of dollars)

	Restated	City council budget	Agglomeration council budget	Inter-unit transactions to be eliminated <sup>1</sup>	Overall budget
	2005	2006	2006	2006	2006
<b>Revenues</b>					
Taxes	2 462 991,0	982 521,7	1 557 325,9	0,0	2 539 847,6
Payments in lieu of taxes	222 674,0	93 660,6	142 916,8	0,0	236 577,4
Other revenues from local sources	568 333,8	514 225,1	183 211,4	(71 477,1)	625 959,4
Transfers	515 910,6	367 141,1	90 572,2	0,0	457 713,3
Specific revenues transferred to investment activities	(84 577,0)	(25 693,0)	(26 230,0)	0,0	(51 923,0)
<b>Total revenues</b>	<b>3 685 332,4</b>	<b>1 931 855,5</b>	<b>1 947 796,3</b>	<b>(71 477,1)</b>	<b>3 808 174,7</b>
<b>Operating expenditures</b>					
General administration	570 332,5	361 529,5	267 909,1	(58 650,6)	570 788,0
Public security	739 380,1	17 770,0	763 340,2	0,0	781 110,2
Transportation	588 659,5	202 536,5	420 491,1	0,0	623 027,6
Environmental hygiene	307 205,2	128 905,4	201 140,0	(10 593,9)	319 451,5
Health and welfare	126 709,3	87 804,9	41 291,2	0,0	129 096,1
Urban planning and development	179 186,9	130 774,0	55 685,5	(2 232,6)	184 226,9
Recreation and culture	392 404,4	333 751,9	79 570,5	0,0	413 322,4
Financing expenses	411 182,5	342 345,0	74 590,9	0,0	416 935,9
<b>Total operating expenditures</b>	<b>3 315 060,4</b>	<b>1 605 417,2</b>	<b>1 904 018,5</b>	<b>(71 477,1)</b>	<b>3 437 958,6</b>
<b>Other financial activities</b>					
Repayment of long-term debt	396 663,0	329 792,6	68 903,1	0,0	398 695,7
Other transfers investment activities	2 141,0	0,0	18 272,0	0,0	18 272,0
<b>Total others financial activities</b>	<b>398 804,0</b>	<b>329 792,6</b>	<b>87 175,1</b>	<b>-</b>	<b>416 967,7</b>
<b>Total expenditures</b>	<b>3 713 864,4</b>	<b>1 935 209,8</b>	<b>1 991 193,6</b>	<b>(71 477,1)</b>	<b>3 854 926,3</b>
<b>Financial activity surplus before appropriations</b>	<b>(28 532,0)</b>	<b>(3 354,3)</b>	<b>(43 397,3)</b>	<b>-</b>	<b>(46 751,6)</b>
<b>Appropriations</b>					
Unappropriated accumulated surplus	0,0	0,0	0,0	0,0	-
Appropriated accumulated surplus	30 913,9	3 354,3	52 223,6	0,0	55 577,9
Financial reserves and reserved funds					
- transfer from	6 444,4	0,0	0,0	0,0	-
- (transfer to)	(8 826,3)	0,0	(8 826,3)	0,0	(8 826,3)
	<b>28 532,0</b>	<b>3 354,3</b>	<b>43 397,3</b>	<b>-</b>	<b>46 751,6</b>
<b>Surplus before long-term financing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup>The Restated 2005 Budget is presented for purposes of information. The information appearing in the Restated 2005 Budget has been adjusted in line with such factors as the withdrawal of funding for the reconstituted municipalities to make such data as comparable as possible to those of the 2006 Budget. In view of the many legislative and administrative modifications appearing in the 2006 Budget and particularly those concerning the distribution of local and agglomeration powers, the Restated 2005 reflects these changes as faithfully as possible.

<sup>2</sup>The City Council and Urban Agglomeration Council budgets must be formulated within two separate accounting entities. Inter-entity transactions to be eliminated result from the exchange of billed services between business units in which the supplier is based in an accounting entity different than that of the client. These internal transactions must be eliminated to consolidate city budget data. They are, in other words, deducted from the total so that they will not be counted twice.

## Statement of Financial Activities

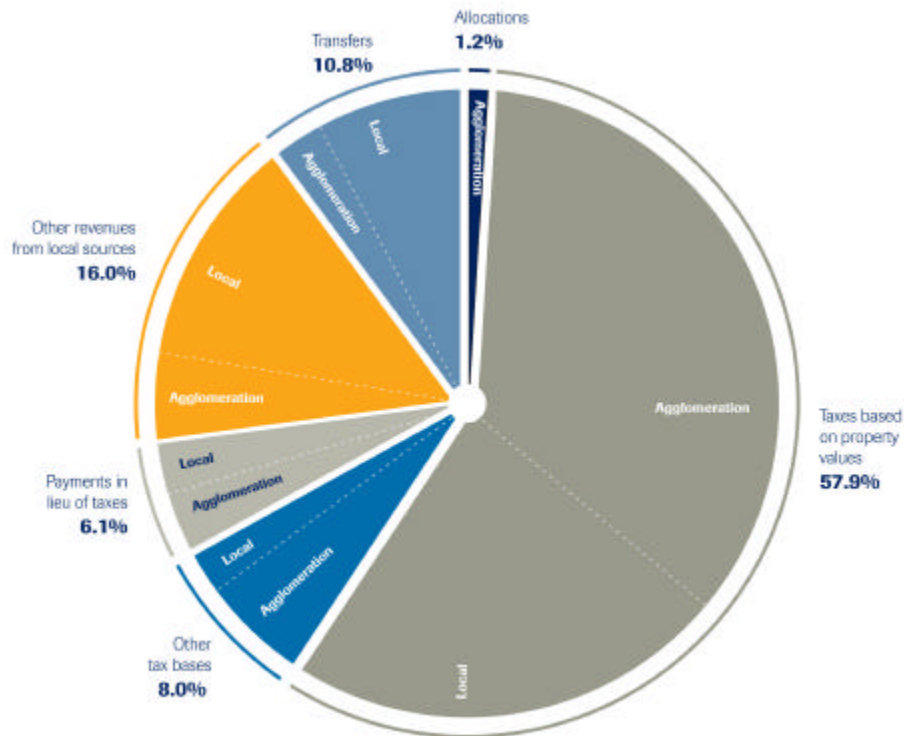
## City budget

(In thousands of dollars)

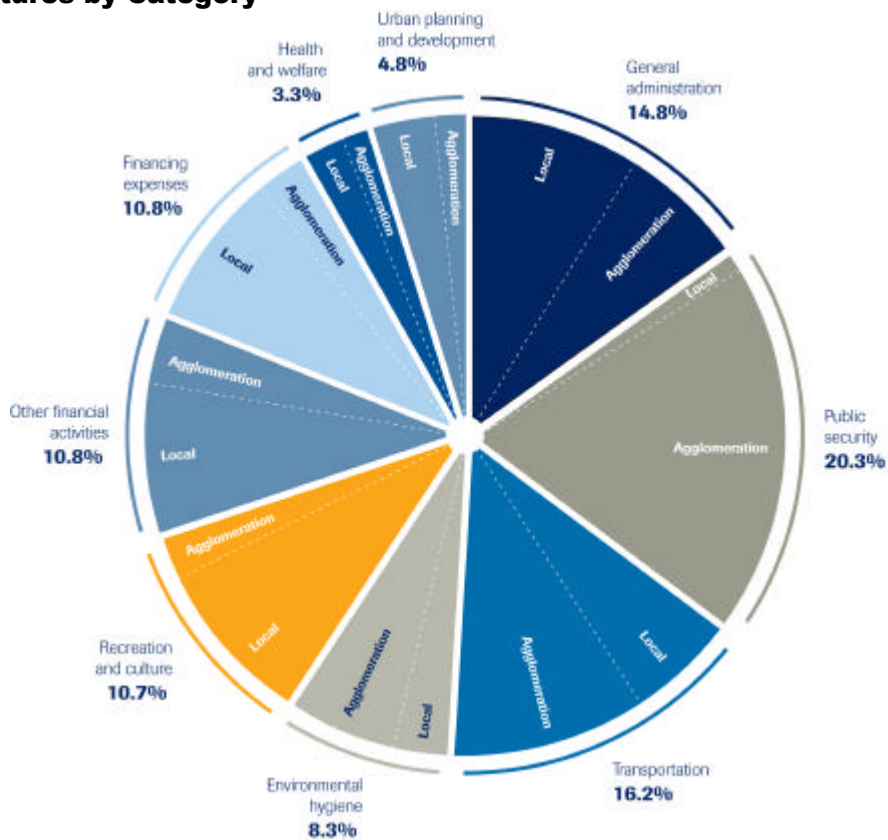
	Restated	Overall budget	%
	2005	2006	Change
<b>Revenues</b>			
Taxes	2 462 991,0	2 539 847,6	3,1
Payments in lieu of taxes	222 674,0	236 577,4	6,2
Other revenues from local sources	568 333,8	625 959,4	10,1
Transfers	515 910,6	457 713,3	(11,3)
Specific revenues transferred to investment activities	(84 577,0)	(51 923,0)	(38,6)
<b>Total revenues</b>	<b>3 685 332,4</b>	<b>3 808 174,7</b>	<b>3,3</b>
<b>Operating expenditures</b>			
General administration	570 332,5	570 788,0	0,1
Public security	739 380,1	781 110,2	5,6
Transportation	588 659,5	623 027,6	5,8
Environmental hygiene	307 205,2	319 451,5	4,0
Health and welfare	126 709,3	129 096,1	1,9
Urban planning and development	179 186,9	184 226,9	2,8
Recreation and culture	392 404,4	413 322,4	5,3
Financing expenses	411 182,5	416 935,9	1,4
<b>Total operating expenditures</b>	<b>3 315 060,4</b>	<b>3 437 958,6</b>	<b>3,7</b>
<b>Other financial activities</b>			
Repayment of long-term debt	396 663,0	398 695,7	0,5
Other transfers investment activities	2 141,0	18 272,0	-
<b>Total others financial activities</b>	<b>398 804,0</b>	<b>416 967,7</b>	<b>4,6</b>
<b>Total expenditures</b>	<b>3 713 864,4</b>	<b>3 854 926,3</b>	<b>3,8</b>
<b>Financial activity surplus before appropriations</b>	<b>(28 532,0)</b>	<b>(46 751,6)</b>	
<b>Appropriations</b>			
Unappropriated accumulated surplus	0,0	0,0	
Appropriated accumulated surplus	30 913,9	55 577,9	
Financial reserves and reserved funds			
- transfer from	6 444,4	0,0	
- (transfer to)	(8 826,3)	(8 826,3)	
	<b>28 532,0</b>	<b>46 751,6</b>	
<b>Surplus before long-term financing</b>	-	-	
<b>Net surplus</b>	-	-	

<sup>3</sup>The Restated 2005 Budget is presented for purposes of information. The information appearing in the Restated 2005 Budget has been adjusted in line with such factors as the withdrawal of funding for the reconstituted municipalities to make such data as comparable as possible to those of the 2006 Budget. In view of the many legislative and administrative modifications appearing in the 2006 Budget and particularly those concerning the distribution of local and agglomeration powers, the Restated 2005 reflects these changes as faithfully as possible.

**Chart 20**  
**Revenues and Allocations**



**Chart 21**  
**Expenditures by Category**



## KEY FACTORS IN THE 2006 BUDGET

Following reconstitution of the demerged cities and creation of the Montréal Urban Agglomeration, the Ville de Montréal is, for the first time, presenting its budget with distinction made between revenues, expenditures and allocations corresponding to areas of responsibility that fall under either the City Council or the Urban Agglomeration Council.

The preceding table also presents the Restated 2005 Budget, which contains financial data that have been adjusted to reflect changes in the new governance structure and the new distribution of responsibilities. In those sections of the budget pertaining to the City Council Budget and to the Urban Agglomeration Council, the reader will find explanations concerning various factors associated with each activity as defined by the Ministère des Affaires Municipales et des Régions, and on the various types of revenue.

Funding has been allocated based on the respective responsibilities of each entity. The Introduction to the budget contains a summary table, which outlines the key factors using in allocating the different areas of responsibility.

The 2006 Budget totals \$3,854.9 million, a \$141.1 million increase over the Restated 2005 Budget.

The increase in the 2006 Global Budget is primarily due to:

- A 2.6% rise (some \$43.4 million) in global remuneration over the Restated 2005 Budget. This growth includes the amortization cost of actuarial liabilities, pursuant to the latest actuarial valuations as at December 31, 2004.
- Additional funding of \$20 million in the operating budget will be injected for repairs to the road network.
- Inclusion of \$33 million from SOFIL (Société de financement des infrastructures locales du Québec), which will be entirely devoted to water management efforts.
- The injection of a \$10 million, which will be devoted to high-priority clean-up efforts.
- Additional staffing of 133 police officers, permitting the establishment of a new road and nautical safety program, for an amount of \$10.1 million.
- Gradual implementation of the first-responder service, requiring an additional \$5 million.
- A \$10 million increase in the city's contribution to the Société de transport de Montréal .
- Establishment of the ICI-Montréal program aimed at accelerating real-estate, commercial and industrial investments, at a cost of \$1.3 million.
- Increase in the number of housing units in the private sector of the affordable housing program at a cost of \$1.3 million.
- \$5 million in funding for the war against poverty and social exclusion.
- An additional \$700 million in 2006 (for a total of \$1 million) for organizing the first *International Outgames*—Montréal 2006.
- Increased library hours and book purchases, at a cost of nearly \$2 million.



# **PUBLIC MANAGEMENT OF WATER**



## **PUBLIC MANAGEMENT OF WATER**

### **THE NEW WATER MANAGEMENT SYSTEM**

The Montréal city administration firmly and publicly committed at the time of the March 2002 Summit of Montréal to launching one of the greatest undertakings in its history: sound and effective citywide management of water.

In the fall of 2003, following completion of two major studies (one aimed at providing a technical overview of the water supply system and the other of producing a financial profile for public water management), the Executive Committee adopted a resolution approving the creation of a Water Fund. This fund is designed to serve as the foundation of a financial framework that will take the form of a fund and which, over the long term, will help secure the financial resources needed to carry out this major project.

The Service des infrastructures, transport et environnement (SITE) (department of infrastructure, transportation and the environment) has been working since 2004 to set up an innovative and efficient approach to water management and to adopt a corresponding business plan. This new approach to managing water has been made possible by an effective organization that is backed by the community and that will quickly rank the city as a water industry leader. With the support of its partners, the city already provides users with an excellent quality of water meeting the strictest standards and requirements. The city's drinking water production and supply facilities and its wastewater collection and purification facilities ensure robust, productive and environmentally friendly performance by making the natural resource that is water a driving force for social and economic development. These goals and this business plan will be carried out by creating a new waterworks department incorporating the four administrative units currently reporting to SITE and responsible for water management throughout the Island of Montréal. This reorganization will occur in 2006.

### **THE GOAL AND THE RESOURCES**

The city hopes within the next 20 years to restore or replace 3,000 km of water mains within a 5,000-km supply system stretching across the Island of Montréal, to bring its drinking water production plants up to standards, to eliminate overflows of untreated water by building retention reservoirs and to install mechanisms for disinfecting wastewater. This work will require investment of \$4 billion, or an annual average of \$200 million.

As the city administration announced in the fall of 2003, these investments will be financed by a new \$25 million tax. This tax is to rise each year to a total of \$200 million in 2013.

The financial challenge involved in this effort is vast, because adequate revenue must be raised to not only minimize, but to avoid, any increase in debt. The work must be carefully planned, with tight production cost controls designed to maximize investment benefits. Such efforts must, however, be bundled with negotiations aimed at obtaining financial participation of some \$1 billion from the higher levels of government over the next few years. The governments of Canada and of Québec

have already agreed to contribute \$118 million through the *Fonds d'infrastructures stratégiques* (FIS). This amount will be used to defray a share of the cost involved in upgrading the Atwater and DesBaillets drinking water production plants.

In 2004, the Government of Québec established the *Société de financement des infrastructures locales* (SOFIL) and the *Fonds sur l'infrastructure municipale rurale* (FIMR). These agencies receive and administer federal and provincial funds generated by the gasoline excise tax. This organization's scheduled contribution for 2006 of \$33 million will be entirely devoted to water management. Appendix 7 describes this program in greater detail.

Furthermore, the *Fonds sur l'infrastructure municipale rurale* (FIMR), which also provides funding for the water supply systems of major municipalities, will soon become operational.

Together, these programs will help provide a portion of the \$1 billion needed to carry out this work, while making every effort to avoid the need for loans.

### ACHIEVEMENTS

Aware of the situation's urgency, the city has, since 2002, been taking prompt action, within the framework of its financial resources and with the assistance of government programs, to remedy deficiencies pertaining to inadequate investment in the water supply system. While the set of municipalities on the Island of Montréal spent some \$16 million annually in work on the water supply system over the 1992 to 2001 10-year period, Montréal invested nearly five times each year from 2002 through 2005, for an annual average of \$77 million and a total of \$300 million.

The projects described below, which began in 2005 and are to continue over a 20-year period, shall serve as the foundation of the city's new water management system. They are:

- Upgrading the city's drinking water plants—a \$226.0 million, 10-year project.
- Implementation of a plan to repair the sewage system and the water supply and auscultation investigations, requiring investments of \$1.3 billion over 10 years.
- Installation and use of water meters in industries, businesses and institutions—a five-year project requiring funding of up to \$60.0 million.
- Construction of retention reservoirs to reduce overflows of untreated wastewater.
- Development and established of a process for disinfecting wastewater.
- Establishment of five strategic water management units that will support the boroughs in their routine operations and will assume responsibility for implementing the master plan for restoring the water supply and sewage systems.
- Deployment of a new water organizational structure, without compromising current operation and maintenance activities.

## BUDGETED WATER STATEMENTS FOR 2006 AND DISTRIBUTION OF RESPONSIBILITY

The following table presents the budgeted statements of water management expenditures and revenues for 2006. The results and the presentation are different from those of 2005 because of the city's political reorganization and creation of the urban agglomeration. Key changes include:

- A new distribution of responsibilities between the city and the urban agglomeration. The urban agglomeration is responsible for drinking water production, the principle water mains and sewage lines and water purification. The city is responsible for sewer and water supply network activities that are more "local" in nature.
- A new sharing of revenues and expenditures by both entities, based on their respective powers.
- Use of a different method to assess debt service and to process grants received from the provincial government for financing the construction of the wastewater purification plant and wastewater interceptors.

In fact, a large share of water management responsibilities will be delegated. Such delegation will apply to corrective maintenance of the principle water mains and sewer lines. Responsibility for these activities is assigned to the city and then reassigned in turn to the boroughs. As has been the case since 2002, the city also delegates responsibility to the boroughs for maintenance of "local" water mains and sewer lines.

Sections 569.7 *et seq.* of the *Cities and Towns Act* state that a municipality must maintain a financial reserve before it can levy a special water tax and that any moneys paid into this reserve must be used to finance expenditures for activities pertaining to water. Such a reserve must thus be created by the City Council. Once it has been, this reserve is used to finance the cost of those water services falling under the city's authority.

In the case of the urban agglomeration, a portion of funds earmarked for water management as at December 31, 2004 will be used to pay for:

- Work on the water supply and additional requirement of drinking water plants and the wastewater treatment station, totalling \$8.7 million in the operating budget
- Certain projects falling under the 2006-2008 Capital Works program, for a total of \$6.3 million.

Montréal will seek to implement a comprehensive policy for financing water supply service costs in 2007. Furthermore, the methods of financing the cost of supplying water will be harmonized throughout the city.

**Table 3**

## Budgeted Water Management Revenues and Expenditures in Fiscal 2006

(In thousands of dollars)

	City council budget 2006	Urban agglomeration council budget 2006	Overall budget 2006
<b>REVENUE</b>			
Special tax to improve water management	57 073,7	0,0	57 073,7
Boroughs	980,7	0,0	980,7
Service des infrastructures, transport et environnement	1 584,5	3 993,9	5 578,4
Conditional transfers	0,0	11 300,0	11 300,0
User fees - drinking water - reconstituted municipalities	0,0	3 183,8	3 183,8
Amount from property and rental taxes and other revenue	47 783,1	135 122,8	182 905,9
<b>Total revenue</b>	<b>107 422,0</b>	<b>153 600,5</b>	<b>261 022,5</b>
<b>OPERATING EXPENDITURES AND COST OF DEBT</b>			
<b>Operating expenditures</b>			
Boroughs	41 857,5	0,0	41 857,5
Service des infrastructures, transport et environnement	14 755,5	124 486,5	139 242,0
<b>Subtotal - Operating expenditures:</b>	<b>56 613,0</b>	<b>124 486,5</b>	<b>181 099,5</b>
<b>Cost of debt <sup>(1)</sup></b>	<b>50 809,0</b>	<b>37 814,0</b>	<b>88 623,0</b>
<b>Transfer to investing activities</b>			
Cash investments	0,0	0,0	-
<b>Total expenditures</b>	<b>107 422,0</b>	<b>162 300,5</b>	<b>269 722,5</b>
<b>Surplus from financial activities relating to water before allocations</b>	<b>-</b>	<b>(8 700,0)</b>	<b>(8 700,0)</b>
<b>Allocations</b>			
Use of the water reserve fund	0,0	8 700,0	8 700,0
<b>Net surplus for fiscal 2006</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) The cost of debt includes subsidies relating to capital assets, financing costs and long-term debt repayment.

### Anticipated investment and financing sources for fiscal 2006

<b>Budgeted investments</b>			
Water and sewer systems	26 170,0	22 332,0	48 502,0
Drinking water filtration and treatment	0,0	24 509,0	24 509,0
Plants and filtration basins	0,0	2 000,0	2 000,0
Other asset categories	0,0	3 000,0	3 000,0
<b>Total investment</b>	<b>26 170,0</b>	<b>51 841,0</b>	<b>78 011,0</b>
<b>Sources of financing</b>			
Conditional transfers (cash government subsidies)	(14 356,0)	(11 912,0)	(26 268,0)
Subsidized loans	(2 096,0)	(5 239,0)	(7 335,0)
Use of water reserve fund	0,0	(6 309,0)	(6 309,0)
Expenditures paid in cash	0,0	0,0	-
<b>Loan charged to taxpayers</b>	<b>9 718,0</b>	<b>28 381,0</b>	<b>38 099,0</b>

# **BUDGET BY BUSINESS UNIT**



## **ORGANIZATIONAL STRUCTURE**

Under various legislative provisions contained in the *Act to reform the municipal territorial organization of the metropolitan regions of Montréal, Québec and the Outaouais* (Bill 170 adopted in December 2000 and in force since January 1, 2002), the city has a borough-based structure. The boroughs hold certain powers and each receives its own allotment of funds.

### ***Act to Amend the Charter of the Ville de Montréal and Consultations on Municipal Reorganization***

The new city of Montréal came into existence on January 1, 2002, and the Montréal transition committee formulated its first organizational structure. The subsequent enactment of Bill 33 under the title of *Act to amend the Charter of the Ville de Montréal* enabled the city administration to amend the city's charter to more clearly define the distribution of powers among the boroughs and the city departments. Furthermore, the new municipal organization, which emerged from a series of public hearings, instituted a new governance model and established an innovative organizational structure providing such benefits as increased borough autonomy.

### ***Act Respecting the Consultation of Citizens with Respect to the Territorial Reorganization of Certain Municipalities***

This act permitted 15 former municipalities to institute a demerger process following the result of referendums that were held on reconstituting the former municipalities.

The Government of Québec established a transition committee to facilitate reconstitution of these municipalities. All of the municipalities, consisting of Montréal and the 15 reconstituted municipalities, have been bound together by an Urban Agglomeration Council, since January 1, 2006.

### **The Boroughs**

The city's 19 boroughs provide direct services to the public in such fields as environmental hygiene, maintenance and repair of the city road network, drinking water supply, sports and cultural activities, local parks, social development and urban development. The boroughs are governed by the borough councils, which consist of from five to seven members, including the borough mayor.

Among their responsibilities, the City Council has placed the boroughs in charge of providing community services. The urban agglomeration services that are provided by the boroughs have been subdelegated to them by the city, to which such services were originally delegated by the Urban Agglomeration Council.

### **The City Departments**

The city departments provide direct services to the public, including support services and municipal services for which the City Council, the Urban Agglomeration Council or the Executive Committee is directly responsible.

The administrative organization, which reports to the Executive Committee, consists of 11 business units, including the Commission des services électriques (electrical services commission). This municipal trust organization serves to promote the burial of overhead power line throughout the city.

### **City Department Structure**

- The **Direction générale** (general administration) is responsible for the administration of city business, the strategic plan, municipal communications and external affairs.
- The **Service des affaires corporatives** (corporate affairs) oversees the office of the City Clerk, legal affairs, criminal and penal affairs and property assessment and provides support in the decision-making process.
- The **Service du développement culturel, de la qualité du milieu de vie et de la diversité ethnoculturelle** (Cultural development, quality of the living environment and ethnic and cultural diversity) is responsible for social development, income security, cultural development, management of Mount Royal Park, parks, green spaces, sports and recreational activities and the city's nature museums.
- The **Service des finances** (finance department) is responsible for the budget, accounting, taxation, collection of revenues, investments, financing and management of retirement benefits.
- The **Service des infrastructures, du transport et de l'environnement** (infrastructures, transportation and environment) is responsible for transportation, the city road network, vehicular traffic, the environment and sustainable development, water management, underground conduits and telecom links.
- The **Service du capital humain** (human resources) is responsible for the management of human resources.
- The **Service de la mise en valeur du territoire et du patrimoine** (economic and heritage development) is responsible for economic development, urban planning, housing and management of the city's real-estate assets.
- The **Service de police** (police department) is responsible for police activities, investigations, internal affairs, strategic planning for taxis, towing and 9-1-1 emergency communications.
- The **Service de la sécurité incendie de Montréal** (fire department) is responsible for fire prevention and firefighting, emergency preparedness, strategic planning, emergency organization, prevention, response, support and technical know-how.
- The **Service des services administratifs** (administrative services) is responsible for procurement, mobile support equipment, municipal workshops, information technologies and the maintenance of municipal real estate used for corporate purpose.

This structure is enhanced by other business units that do not report directly to the Executive Committee. These units are the Bureau du vérificateur général (auditor's office) and the Commission de la fonction publique (civil service commission). Their budgets are separately presented in this document.

## DISTRIBUTION OF LOCAL POWERS

Since January 1, 2002, the power to administer and manage the city has been shared between the city council and the borough councils. *An Act respecting the exercise of certain municipal powers in certain urban agglomerations* came into effect on January 1, 2006 and serves to redefine the city's administrative authority. With the concepts of "urban agglomeration powers" and "local powers," the powers of the City Council and the 19 borough councils are confined to the decisions pertaining to local authorities. This shared set of jurisdictions means that 20 different forums, other than the Executive Committee, are functioning within the city in fields that sometimes fall under City Council authority and on other times under that of the borough councils. Here is how the following table breaks down the various powers intrinsic to management of the city, based on the various fields set out in the *Charter of the Ville de Montréal*.

**Table 4**

**Summary of Respective Responsibilities, Authorities and Obligations of the Boroughs and the City Departments**

Boroughs	City Departments
<ul style="list-style-type: none"> <li>▪ <b>Urban planning</b>—adoption of all by-laws regarding the borough in question under the public hearing process provided in the <i>Act respecting land use planning and development</i>.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Urban planning</b>—development of an urban plan for the city and of a framework for ensuring that boroughs comply with this plan; protection of built heritage, public places and municipal buildings.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Condominium conversion</b>—variances to the by-law prohibiting conversion of a building into condominium units, to promote increased housing on the market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Housing</b>—development of housing policies; creation and evaluation of programs affecting social housing and residential subdivisions.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Prevention programs</b> for fire safety and public safety—participation, through recommendations, in developing plans to cover risks and public safety.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Prevention programs for fire safety and public safety</b>—development regulations pertaining to fire protection, public nuisances and sanitation.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Local roads and waste collection</b>—maintenance of the local road network, traffic and parking control and responsibility for solid waste collections, including recycling.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Environment, roads and networks</b>—development of programs ensuring environmental quality and waste management.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Local economic, community, cultural and social development</b>—financial support for organizations working in the local development field.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Economic, community, cultural and social development</b>—development of an institutional plan for economic, cultural and social development and administration of income security programs.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Culture, leisure and parks</b>—responsibility for parks as well as for designated local cultural and recreational facilities that have been designated as borough responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Culture, leisure and parks</b>—formulation of a common approach to culture, sports and leisure.</li> </ul>

## **BUDGET BY ORGANIZATIONAL STRUCTURE**

The city's Overall 2006 Budget totals \$3,854,926.3, a \$141.1 million rise over the Restated 2005 Budget. The following pages provide a comprehensive portrait of budget forecasts for 2006, broken down into four groups. Revenues, expenditures and their corresponding totals are presented for the boroughs, the city departments and other budget items. The fourth group presents by business unit such other budget items as the cancellation of internal transactions, specific amounts transferred to investment activities and other allocations.

Details on borough and the city department budgets will be available in the month of January on the city's Web site at: [ville.montreal.qc.ca/finances](http://ville.montreal.qc.ca/finances). Business plans for the city's various entities also appear on this site.

**Table 5**

## 2006 Business Unit Budget Forecasts

(In thousands of dollars)

	Revenues, allocations and balance amount	Revenues and allocations	Balance amount <sup>2</sup>	Revenues, allocations and balance amount	Expenditures		Change 2006-2005
	2005 Restated 1	2006 Budget			2005 Restated 1	2006 Budget	%
<b>Boroughs</b>							
Ahuntsic-Cartierville	52 358,6	1 587,7	54 149,1	55 736,8	52 358,6	55 736,8	6,5
Anjou	22 334,4	1 231,5	23 078,3	24 309,8	22 334,4	24 309,8	8,8
Côte-des-Neiges–Notre-Dame-de-Grâce	61 702,1	2 124,9	63 924,0	66 048,9	61 702,1	66 048,9	7,0
Lachine <sup>3</sup>	25 543,7	3 741,6	24 281,5	28 023,1	25 543,7	28 023,1	9,7
LaSalle	35 451,9	1 669,5	34 517,4	36 186,9	35 451,9	36 186,9	2,1
L'Île-Bizard–Sainte-Geneviève	9 390,0	929,9	9 479,9	10 409,8	9 390,0	10 409,8	10,9
Mercier–Hochelaga-Maisonneuve <sup>3</sup>	59 911,5	2 889,8	59 761,3	62 651,1	59 911,5	62 651,1	4,6
Montréal-Nord <sup>3</sup>	32 814,8	3 283,4	33 615,7	36 899,1	32 814,8	36 899,1	12,4
Outremont	14 527,9	1 896,4	14 021,5	15 917,9	14 527,9	15 917,9	9,6
Pierrefonds-Roxboro <sup>3</sup>	26 072,4	2 770,1	27 012,9	29 783,0	26 072,4	29 783,0	14,2
Plateau-Mont-Royal <sup>3</sup>	50 698,1	3 791,5	49 403,8	53 195,3	50 698,1	53 195,3	4,9
Rivière-des-Prairies–Pointe-aux-Trembles <sup>3</sup>	53 475,1	3 790,3	52 195,8	55 986,1	53 475,1	55 986,1	4,7
Rosemont–La Petite-Patrie	52 718,7	2 636,9	52 543,8	55 180,7	52 718,7	55 180,7	4,7
Saint-Laurent	62 923,6	2 823,0	61 534,7	64 357,7	62 923,6	64 357,7	2,3
Saint-Léonard <sup>3</sup>	36 846,0	2 151,1	36 326,8	38 477,9	36 846,0	38 477,9	4,4
Sud-Ouest	46 591,4	1 914,9	47 198,9	49 113,8	46 591,4	49 113,8	5,4
Verdun <sup>3</sup>	31 134,4	3 487,3	29 257,5	32 744,8	31 134,4	32 744,8	5,2
Ville-Marie	63 847,5	8 886,3	60 767,9	69 654,2	63 847,5	69 654,2	9,1
Villeray–Saint-Michel–Parc-Extension	57 586,2	2 147,2	57 832,3	59 979,5	57 586,2	59 979,5	4,2
<b>Total for boroughs</b>	<b>795 928,3</b>	<b>53 753,3</b>	<b>790 903,1</b>	<b>844 656,4</b>	<b>795 928,3</b>	<b>844 656,4</b>	<b>6,1</b>
The amount in the budget allocated to the boroughs and also listed under corporate revenues <sup>4</sup>	(754 604,7)			(795 837,2)			
<b>Net total for boroughs</b>	<b>41 323,6</b>			<b>48 819,2</b>	<b>795 928,3</b>	<b>844 656,4</b>	

<sup>1</sup> The Restated 2005 Budget is presented for purposes of information. The information appearing in the Restated 2005 Budget column has been adjusted in line with such factors as the withdrawal of funding for the reconstituted municipalities, to make such data as comparable as possible to those of the 2006 Budget. In view of the many legislative and administrative modifications appearing in the 2006 Budget and particularly those concerning the distribution of local and agglomeration powers, the Restated 2005 Budget reflects these changes as faithfully as possible.

<sup>2</sup> Under section 143.2 of the Act amending the Charter of the Ville de Montréal, which stipulates that a borough's budget must provide for revenues that are at least equal to expenditures, an equalization factor, representing that portion of the borough's budgetary credits that have been assumed by the city's overall budget, is presented separately. More specifically, this amount represents the difference between a borough's expenditures and its independent revenues, which comprise surplus allocations and any additional amount allocated to the borough if the latter offsets it through a special local tax.

<sup>3</sup> Data appearing in the 2006 Budget's Revenues and Allocations Budget column for these boroughs includes the additional amount, which is offset by a special local tax, along with allocations from the borough's surplus. These amounts are:

	Additional Amount	Surplus Allocations
Lachine Borough	\$541,80 #	
Montréal-Nord Borough	\$2 004,00 #	
Pierrefonds–Roxboro Borough	\$1 037,90 #	
Saint-Léonard Borough	\$550,40 #	
Verdun Borough	\$800,00 #	
Mercier–Hochelaga-Maisonneuve Borough		\$666,60
Plateau-Mont-Royal Borough		\$888,30
Rivière-des-Prairies–Pointe-aux-Trembles Borough		\$1 799,40
<b>Total</b>	<b>\$4 934,10</b>	<b>\$3 354,30</b>

<sup>4</sup> This amount represents the equalization factor ( \$790,903.1 ) and the additional amount allocated to the boroughs ( \$4,934.1 ) in the 2006 Budget.

## Budget by business unit

	Revenues, allocations and balance amount			Expenditures		
	Comparison 2005 <sup>1</sup>	2006 Budget	% Change	Comparison 2005	2006 Budget	% Change
<b>Corporate departments</b>						
Direction générale	2 117,2	2 287,8	8,1	20 949,8	23 747,4	13,4
Affaires corporatives	120 602,8	159 329,5	32,1	102 829,8	105 221,8	2,3
Capital humain	3 150,4	2 927,9	(7,1)	23 911,7	20 519,6	(14,2)
Commission de la fonction publique	-	0,0	-	901,7	874,8	(3,0)
Commission des services électriques	66 164,9	67 004,8	1,3	57 300,9	58 070,7	1,3
Développement culturel, qualité du milieu de vie et diversité ethnoculturelle	88 914,6	92 178,2	3,7	185 057,7	197 551,8	6,8
Finances	3 326 292,8	3 328 568,2	0,1	48 482,9	50 361,8	3,9
Gestion des infrastructures, du Transport et de l'Environnement	34 015,2	48 014,6	41,2	201 826,9	226 054,0	12,0
Mise en valeur du territoire et du patrimoine	87 082,6	92 452,0	6,2	153 747,6	154 438,2	0,4
Police	27 033,6	30 887,7	14,3	468 429,3	486 478,9	3,9
Sécurité incendie	414,0	6 024,0	-	255 257,6	278 312,6	9,0
Services administratifs	138 698,1	179 181,0	29,2	190 658,2	222 590,6	16,7
Vérificateur général	190,0	190,0	-	4 536,0	4 620,3	1,9
<b>Total corporate departments</b>	<b>3 894 676,2</b>	<b>4 009 045,7</b>	<b>2,9</b>	<b>1 713 890,1</b>	<b>1 828 842,5</b>	<b>6,7</b>
<b>Other budget items</b>						
Common expenditures				232 259,0	214 724,0	(7,5)
Financial costs <sup>2</sup>				755 289,2	763 739,8	1,1
Contributions expenditures						
- Contributions to reconstituted municipalities				15 564,8	16 210,5	4,1
- Other contributions				367 023,4	381 166,0	3,9
<b>Total other budget items</b>				<b>1 370 136,4</b>	<b>1 375 840,3</b>	<b>0,4</b>
<b>Cancellation of internal transactions<sup>3</sup></b>	(166 090,4)	(194 412,9)	17,1	(166 090,4)	(194 412,9)	17,1
<b>Specific revenues transferred to investment activities<sup>4</sup></b>	(84 577,0)	(51 923,0)	(38,6)			
<b>Other appropriations<sup>5</sup></b>	28 532,0	43 397,3	52,1			
<b>Total</b>	<b>3 713 864,4</b>	<b>3 854 926,3</b>	<b>3,8</b>	<b>3 713 864,4</b>	<b>3 854 926,3</b>	<b>3,8</b>

<sup>1</sup> The Restated 2005 Budget is presented for purposes of information. The information appearing in the Restated 2005 Budget column has been adjusted in line with such factors as the withdrawal of funding for the reconstituted municipalities to make such data as comparable as possible to those of the 2006 Budget. In view of the many legislative and administrative modifications appearing in the 2006 Budget and particularly those concerning the distribution of local and agglomeration powers, the Restated 2005 Budget reflects these changes as faithfully as possible.

<sup>2</sup> This budget item excludes that borough and corporate department portions of decentralized financial expenses.

<sup>3</sup> Internal transactions resulting from exchanges of goods and services between two business units. These operations must be cancelled to present a net budgetary portrait of any transaction that has been entered twice. A detailed portrait of internal transactions appears below in this document.

<sup>4</sup> Total revenue from taxes on developers and government grants pertaining to capital investments that are paid in cash must be deducted from total revenue as presented in the "Specific revenue transferred to investment activities" heading of the financial activity statement.

<sup>5</sup> The Other Allocations budgetary item represents the amount of expenditures financed by surplus allocations or earmarked funds, other than amounts that had been set aside in borough budgets.

The total value of allocations set aside in the 2006 Budget is:

Allocations of surplus set aside by the boroughs:	3 354,3
Other allocations	43 397,3
Total allocations in the 2006 Budget:	46 751,6



## **BOROUGH BUDGETS**

Borough budgets for 2006 total \$844,656.4, or some 22% of the total city budget. In contrast with the Restated 2005 Budget, expenditures are up 6.1%, while own-source revenue total \$53,753.3 in the 2006 Budget.

The dynamic and evolutionary budget has served for a second consecutive year as the basis for adjusting borough budgets. This method of budget preparation provides each borough with three options that it may consider on the basis of its economic, demographic, geographic and other features. The following pages describe the dynamic and evolutionary budget system in greater detail.

Borough budgets were affected by such major modifications as those necessary for pursuing implementation of the organizational model, for adjustments in remuneration associated primarily with the harmonization and job matching process, for additional amounts granted to enhance borough clean-up efforts and for various other changes pursuant to decisions of the city administration.

Under the local principal of taxation that was established in 2005 following adoption of *An Act amending the Charter of the Ville de Montréal* (L.Q. 2003, c.28) (P.L.Q. 33), which gives boroughs the right to tax their residents so as to maintain or to improve quality of local services, five boroughs opted to increase their expenditure budgets. These boroughs are Lachine, Montréal-Nord, Pierrefonds-Roxboro, Saint-Léonard and Verdun. Furthermore, the boroughs of Mercier-Hochelaga-Maisonneuve, Plateau-Mont-Royal and Rivière-des-Prairies-Pointe-aux-Trembles decided to apply their prior surpluses to finance services required by their residents. An additional amount of nearly \$8.3 million was thus added to the expenditure budget based on these decisions.

Decentralization of certain funds for human resources and property management and funding earmarked for the purchase of home composters and vats fits into the process involved in pursuing implementation of the organizational model. Furthermore, funds pertaining to regional athletic associations in Mercier-Hochelaga-Maisonneuve have been transferred and additional expenditures of \$4,100.5 similarly been transferred. However, transfer of responsibility for drinking water production plans to the Service des infrastructures, du transport et de l'environnement has served to reduce the budgets of the boroughs of Lachine and Pierrefonds-Roxboro by \$4,560.2.

Employee remuneration, which represents more than 52% of the total budget, was increased by \$12,523.5 to comply with union agreements pertaining to the harmonization and job matching processes. Salary adjustments resulting from the application of collective agreements also resulted in increased remuneration budgets for the different boroughs.

The boroughs also received additional support of more than \$23 million in new funding. This amount consisted of \$2,826.7 financed by increased local revenues, an amount of \$17,617.4 from the dynamic and evolutionary budget and an amount of \$3 million from the city administration to help the boroughs do a better job of cleaning up the city's streets and sidewalks.

Such moneys serve to improve the quality of direct and indirect services provided to residents, to meet contractual commitments and to reinforce human resource structures, in view of providing better service to residents. This year also concludes the first three-year period in which money was awarded through the development fund. This total funding of \$1,635.6 was not, accordingly, renewed for recipient boroughs in 2006, pursuant to the agreement at the time of the fund's establishment in 2003. Various other minor adjustments, totalling \$3,151.1, supplement additions to the budget that have been awarded by the city administration.

The substantial increase in own-source revenue is due to the previously mentioned efforts of \$2.8 million to bolster local revenues, by transferring revenue of \$194.1 from fees pertaining to the use of telephone booths on public property and by billing some \$600.0 in services to the reconstituted municipalities. Furthermore, the boroughs have met their revenue growth target of 2%.

## **Principles and Terms of the Dynamic and Evolutionary Budget**

The historical budget was the only basis for calculating borough budgets until the 2004 financial cycle. The historical method essentially consisted of indexing part or all of the components of the prior year's budget. Programs such as equalization and the development fund were set up during this period to award additional resources to those boroughs handicapped by this mechanical process, either because of their initially low levels of resources or because of their development efforts. In 2003, a special fund was used to correct a range of specific problems. The year 2005 marks a major shift in budgetary strategy, with the adoption of a dynamic and evolutionary budget, also known as the "option model."

### **Three Options**

The dynamic and evolutionary budget offers each borough three methods for calculating its budget funding. The highest amount produced through any of these methods is used to establish the borough's pre-adjusted budgetary allowance.

The three options for 2005 are:

- A. The parametric budget.
- B. The historical budget with the development fund.
- C. The historical indexed budget.

Since a different system of calculation applies to each option, this model will inevitably result in different increases of budgetary funds for each borough. The less wealthy boroughs and those experiencing substantial growth in real estate will obtain larger budget increases than the others.

### **Parametric Budget (Option A)**

The underlying principle of the parametric budget is to fund all of the boroughs as equitably as possible, so that they may offer no less than the minimum services that residents are entitled to expect. This option should benefit those boroughs that dispose of proportionately fewer financial resources—in view of their different situations with respect to real estate, demographics, geography and society—and enable them to catch up to the wealthier boroughs over a number of years.

Because this option is aimed at correcting inequitable situations, it is the only one to incorporate equalization components.

To meet this goal, each borough is cross-compared on the basis of different criteria. A sophisticated method of calculation serves to distribute currently available resources in line with borough needs. In preparation for the 2006 Budget, criteria for allocating budgetary funds were reviewed as part of the efforts carried out by the various working committees.

### **Historical Budget with the Development Fund (Option B)**

Option B proposes to add 50% of the taxes generated by new buildings to the current budget.

This option enables those boroughs that select this option to pay development-related costs and to also obtain financial incentives serving to foster development.

Tax proceeds generated by new buildings throughout Montréal will be distributed among the different boroughs as follows:

Boroughs hosting newly constructed buildings will initially be compensated in full for the additional costs of such development. The remaining tax proceeds, after compensation has been made for costs incurred by development of new buildings, will then be distributed among the boroughs as follows:

- Fifty percent (50%) of the remainder will be paid in proportion to the value of new buildings constructed within a given borough. This amount is paid as an incentive to ensure real estate development within each borough.
- Fifty percent (50%) of the remainder will be paid in proportion to the increase in the boroughs' property assessment (or valuation) roll, excluding the value of new buildings, as an incentive to the growth of global wealth.

This method serves to compensate the boroughs according to the different forms that development may take, when defined in its strict sense ("new structure") and also in its broader one ("increase in assessed property values for whatever reason").

In preparing the 2006 Budget, the \$15 million ceiling for the assessed property value of non-residential buildings has been raised to \$20 million.

### **Historical Budget Indexed at 1.5% (Option C)**

The third option provides for indexing the current year's budget at the rate of 1.5%, or the same as that used last year.

This option targets those boroughs lacking major real estate development or those that are relatively well endowed in terms of their budget plans and are thus ineligible for options A or B. This ensures minimal increases in the budgetary allowances to boroughs in this situation. The executive committee sets an indexing rate each year. Such indexing excludes any increase in funding that directly results from a local increase in revenue issued by the borough.<sup>1</sup> Because of this exclusion, any increase in the level of services financed by a borough through its surplus, local taxation or other revenue from local sources over prior years will be entirely up to the borough, if it wishes to maintain such revenue in the next budget year.

<sup>1</sup>Such revenue increases may result from the levying of a local tax, from drawing on prior year surpluses or from hikes in user fees and other local revenue selected by the Executive Committee.

This procedure makes it possible to treat an increased level of borough services in the same manner, whichever option is selected. The borough will be fully responsible for any increase in its levels of service.

**The Boroughs Select their Budget Options Each Year**

The budget will be recalculated according to each option each year. Because it is inherent to the idea of a dynamic and evolutionary method used that each borough be provided with the solution best tailored to its needs, the boroughs may select different options over time. The system imposes no limits in this regard and gives the boroughs full freedom in choosing their options.

The dynamic, evolving budget thus allows the boroughs to improve their budgetary situations from one year to the next, based on the option best suited for each.

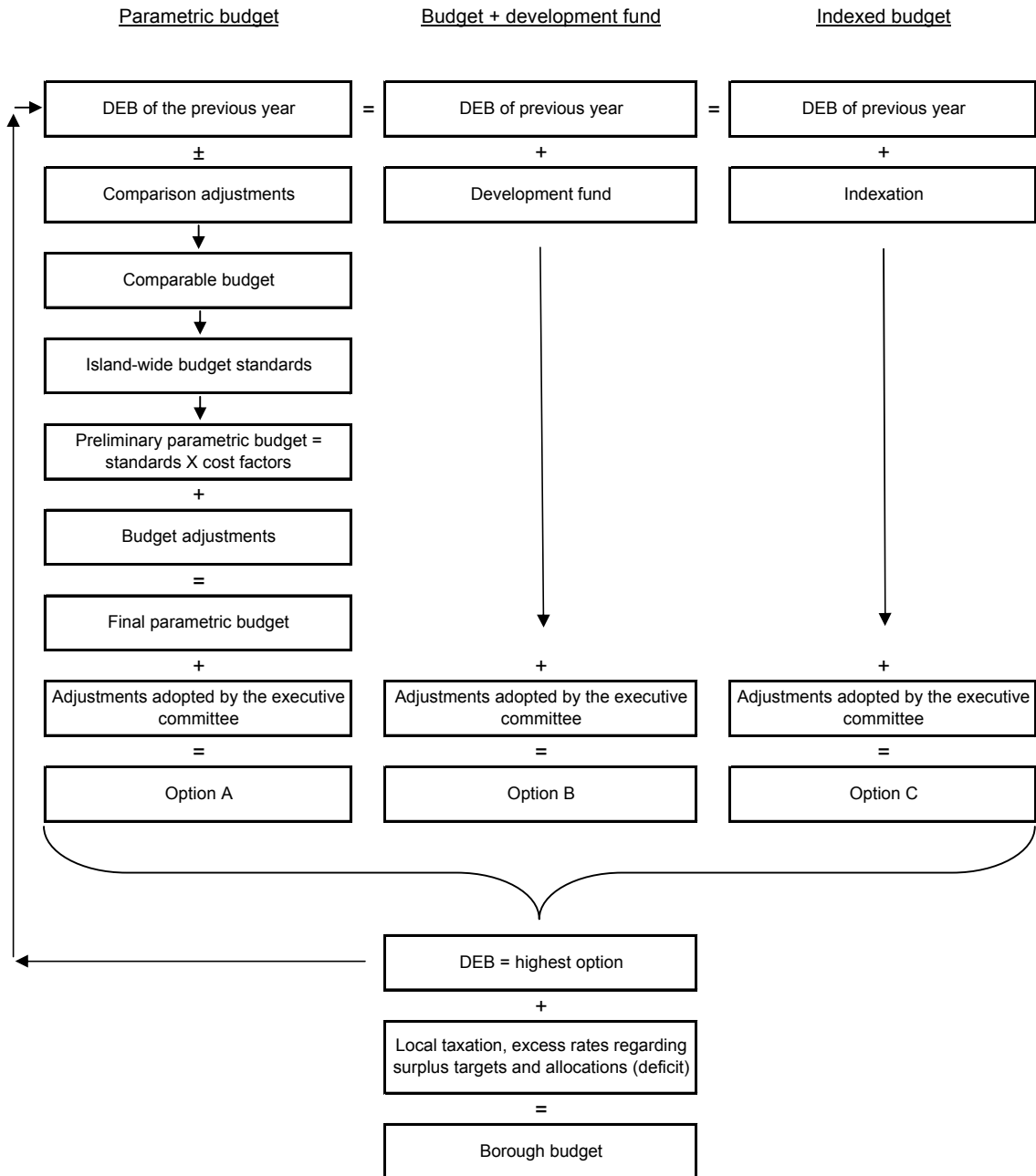
**Benefits of a Dynamic and Evolutionary Budget**

The inclusion of options in the budget-preparation process prevents collective resources from being channelled to a very limited number of boroughs. Bundling such options within the dynamic, evolving budget should serve:

- To boost borough resources.
- To provide boroughs that are undergoing major development with the resources necessary to cope with it.
- To encourage the boroughs to promote real estate development and development relating to an improved quality of life for their residents.
- To gradually provide the less wealthy boroughs with greater resources.
- To provide greater consistency among budget results by including equalization factors in calculating the parametric budget.

Similarly, the possibility of collecting financial or other revenue will enable boroughs to upgrade the levels of service they offer if they believe the resources obtained through any of the foregoing options will be inadequate to meet their needs.

## Dynamic and Evolutionary Budget Cycle



## **CITY DEPARTMENT BUDGETS**

### **Operating Expenditures**

The 2006 expenditures budget for all city departments totals \$1.828.8 million, a 6.7% rise from the Restated 2005 Budget. This amount represents 47.4% of the Global Budget.

Such growth is due in particular to the following factors:

- A specific contribution of \$20.0 million for activities pertaining to the road network.
- Implementation of emergency prehospital care service throughout Montréal, as the result of a memorandum of understanding with the Agence de développement de réseaux locaux de services de santé et de services sociaux de Montréal and the Corporation d'urgences-santé (first responders), for an amount of \$5,506.2.
- An amount of \$10,125.4 pertaining to road and nautical safety.

**Table 6****Major Factors Affecting Growth in City Department Expenditure Budgets***(In thousands of dollars)*

	2005	2006	Change	
	Restated	Budget	\$	%
Corporate department budget	1 713 890,1	1 828 842,5	114 952,4	6,7%
<b>Main elements of variation</b>				
Roads fund		20 000,0	20 000,0	-
Road and water safety program		10 125,4	10 125,4	-
First responders		5 506,2	5 506,2	-
<b>Sub-total</b>		<b>35 631,6</b>	<b>35 631,6</b>	-
<b>Total</b>	<b>1 713 890,1</b>	<b>1 793 210,9</b>	<b>79 320,8</b>	<b>4,6%</b>

Excluding major and specific undertakings, the rise in the set of city department expenditure budgets has, in principle been capped at 4.6%.

The workforce is increasing from 14,632.5 to 14,753.7 person-years, for a rise of 121.2 person-years over the Restated 2005 Budget.

Global remuneration totals \$1,161,457.8 and represents 63.3% of the city department budget. Other expenditures total \$667,384.7.

**Renovations and Special Projects**

Although most of the restructuring that resulted from implementation of the organizational model is reflected in the Restated 2005 Budget, this process will have the operational implications listed below and involve certain other adjustments reflecting the administration's priorities. Key examples include:

- The Direction des relations externes (external relations) of the Service du capital humain (human resources) will report to the general administration. The Bureau des communications opérationnelles (BCO) (office of operational communications), which was until recently attached to the Service des infrastructures, transport et environnement (SITE) (infrastructure, transportation and the environment), will also report to the general administration.
- The Service des finances (finance) will now be responsible for payroll and for the management of retirement benefits, as well as for the issues of strategic management that were previously covered by the Service du capital humain.
- The structure of the Service du développement culturel, de la qualité du milieu de vie et de la diversité ethnoculturelle (SDCQMVDE) (Cultural development, quality of the living environment and ethnic and cultural diversity) now comprises the la Direction des affaires interculturelles (intercultural affairs), which reported until 2005 to the Service du capital humain. Furthermore, SDCQMVDE's budgets are rising (to a total of \$5,315.0) in such areas

as social development, support to festivals, cultural development and libraries, Mount Royal Park and support to policies and sports.

- The Service du capital humain delegates certain human resource management functions to the boroughs in an effort to complete deployment of the organizational model.
- Major reallocations are resulting from implementation by the Service de la mise en valeur du territoire et du patrimoine (economic and heritage development) of its economic and development strategy (\$10,865.5 \$).
- The Direction des relations externes anticipates a additional budget of \$750.0 for promoting Montréal abroad.
- All city departments are conducting a streamlining plan budgeted at \$40,293.7.

### **Non-Fiscal Revenue**

Variations in non-fiscal revenue comprise:

- A reduction of \$2,364.9 under an income security agreement.
- Non-recurrence of revenue associated with the sale of the collection of the Bibliothèque centrale de Montréal to the Bibliothèque Nationale du Québec (\$35.0 million).
- The first responders project agreement: \$5,610.0.
- Revenue from fines and penalties: \$38,718.2.
- Expanded capacity for processing hazardous household waste at the Saint-Michel Environmental Complex (CESM): \$1,664.4.
- Increased revenue resulting from an asset optimization process, primarily within the Service des services administratifs and the Service de la mise en valeur du territoire et du patrimoine: \$15,123.9.
- A \$10 million increase in fees paid by the Société en commandite Stationnement Montréal (Montréal parking limited partnership).
- Grant revenue of \$33 million awarded by SOFIL (Société de financement des infrastructures locales du Québec).

## OTHER BUDGET ITEMS

Other budget item expenditures total \$1,375,840.3 and represent 35.7% of the city budget. Three major categories of expenditures fall under Other Budget Items. They are common expenditures (\$214,724.0), financial expenditures (\$763,739.8) and tax expenditures (\$397,376.5).

Such expenditures include:

- The city's contribution to activities funded by regional partners and partners among the higher levels of government .
- Centralized financial expenses that pertain to the funding of capital expenditures that have not been apportioned among the city's entities.
- Costs of meeting legal obligations, as with contingency expenses. Specific budget allocations will be requested during the course of the year to cover such expenditures.

## Common Expenditures

Common expenditures total \$214,724.0 and represent 5.6% of the city's global budget.

**Table 7**

### Common Expenditures

(In thousands of dollars)

	<b>2006 Budget</b>
Incomes, annuities and actuarial deficits	73 503,8
Redeployment of resources	52 115,0
Credits for contingency expenses	38 875,3
Possible losses in tax collection	20 351,0
General administrative expenses	10 900,1
Montréal-Government of Québec agreement	695,0
Other common expenditures	18 283,8
<b>Total</b>	<b>214 724,0</b>

## Redeployment of Resources

Some \$52,115.0 has been entered under Redeployment of Resources, which includes:

- Compensation expenditures that cannot, at this phase, be apportioned among the units and that must appear in the budget, pursuant to provisions of the collective agreements.
- A share of the funding for surplus employees, in terms of authorized structures.
- Funds pertaining to occupational injury victims.

The Redeployment of Resources budget is down by 41.5% (\$36,936.2). This decline is largely due to reapportionment within the administrative units of costs pertaining to previously signed collective agreements.

**Income, Annuities and Actuarial Liabilities**

As appears in the Table of Common Expenditures, a budget of \$73,503.8 has been earmarked for “income, annuities and actuarial liabilities.”

Of this amount, \$62,176.2 will be applied to the actuarial liabilities to the city’s various employee retirement plans.

An amount of \$10,255.0 has also been set aside to meet commitments to the retirement plan of police officers employed by the former city prior to 1971, the year in which the police department was transferred to what was then the Montréal Urban Community.

**Contingency Budget**

The Contingency Budget item serves to meet expenditures not anticipated in the budget, to settle claims and to make payments resulting from court judgements.

The Contingency Budget amount is based on the city’s global budget. Under the *Charter of the Ville de Montréal*, an amount equal to 1% of the budget must be allocated for contingencies. This amount totals \$38,875.3

**Potential Tax Collection Losses**

An amount of \$20,351.0 has been set aside in 2006 for Potential Tax Collection Losses. Of that amount, \$5,200.0 has been earmarked for Failure to Collect Taxes. The remaining \$15,151.0 has been allocated to Failure to Collect Non-Taxable Revenue, such as amounts due for citations, property transfer fees and leases.

### General Administrative Expenses

The General Administrative Expenses item totals \$10,900.1. These funds will primarily be applied to the maintenance and improvement of community services. The city administration will decide over the course of the year which units will be responsible for projects.

### Montréal-Government of Québec Framework Agreement

A framework agreement with the Government of Québec establishes a partnership for carrying out strategic initiatives pertaining to Montréal's development. An amount of \$695.0 has been set aside for that purpose.

Part of this amount will be assigned to the reception and French-language immersion of immigrants, while the rest will be allocated to the city's urban renewal program.

**Table 8**

### Other Common Expenditures

*(In thousands of dollars)*

	<b>2006 Budget</b>
S.I.G. project	6 567,0
Priority interventions – sanitation	4 500,0
Outgames 2006	1 000,0
Municipal graffiti prevention project	1 000,0
Seizure of property for non-payment of tax	250,0
Tazmahal	250,0
Forum of francophone mayors	215,0
Tax credits for tourist lodges	60,0
Others	4 441,8
<b>Total</b>	<b>18 283,8</b>

The 2006 Budget sets aside \$18,283.8 for Common Expenditures total. This item includes new funding, including:

- \$4,500.0 of the \$10.0 million earmarked for support to high-priority clean-up efforts.
- \$1,000.0 for graffiti removal.
- \$700.0 for the 2006 International Outgames.

The Other heading comprises funding of \$4,441.8 that will be needed for future adjustments.

### **Financial Expenditures**

This heading comprises all centralized charges pertaining to the funding of capital expenditures that had been incurred as at December 31, 2004, along with charges pertaining to the funding of new 2006 expenditures. The term “financial expenditures” refers primarily to the repayment of long-term debt, the payment of interest on loans and transfers to investment activities. It also includes the cost of issuing bonds, short-term financing costs and banking fees.

**Table 9**

### **Financial Expenditures**

(In thousands of dollars)

	<b>2006 Budget</b>
<b>Financing cost and repayment of long-term debt</b>	<b>815 631,6</b>
<b>Transfer to investment activities</b>	<b>3 272,0</b>
<b>Decentralized financing costs<sup>1</sup></b>	
-Financing cost	(28 598,6)
-Repayment of long-term debt	(26 565,2)
	<b>(55 163,8)</b>
<b>Total</b>	<b>763 739,8</b>

<sup>1</sup>These expenditures are listed in the budgets of certain boroughs and city departments.

Expenditures falling under the “financing costs and repayment of long-term debt” item total \$815,631.6 in the 2006 Budget. Of that amount, \$55,163.8 has been directly charged to the budgets of: the Commission des services électriques (electrical services commission), the Saint-Michel environmental complex, the Muséums Nature de Montréal (Montréal’s nature museums) and certain boroughs.

The remaining \$3,272.0, which has been entered under Transfer to Investment Activities, applies to capital expenditures that are paid in cash.

### Contribution Expenditures

Contribution expenditures total \$397,376.5 and account for \$10.3% of the city's budget. These expenditures provide financial assistance to Montréal's transportation corporation, the Société de transport de Montréal (STM), to paramunicipal corporations and to other organizations. This item also comprises funds the city needs to make co-payments to the Montréal Metropolitan Community and to Montréal's commuter line agency, the Agence métropolitaine de transport.

**Table 10**

### **Contributions to Corporations, Organizations and Other Major Partners**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Société de transport de Montréal (Montréal transit corporation)	278 000,0
Agence métropolitaine de transport (metropolitan transportation agency)	30 500,0
Montréal Metropolitan Community (MMC)	28 313,6
Contributions to reconstituted municipalities	16 210,5
Paramunicipal corporations	13 284,3
Conseil des arts (arts council)	10 000,0
Sociétés de développement commercial (Commercial development corporations)	7 093,5
Other organizations	13 974,6
<b>Total</b>	<b>397 376,5</b>

### **Société de Transport de Montréal**

The Société de transport de Montréal (STM) is an autonomous entity providing public transit throughout the city over subway and bus lines and through the use of custom transport vehicles. The city pays an annual contribution to help fund the STM. This contribution will total \$278 million in 2005, a \$10 million (3.7%) year-on-year rise. This increase represents a considerable effort in view of the financial circumstances under which it is being made. The STM, the city and their partners continue to await establishment of the desired financial framework for public transit.

### **Agence Métropolitaine de Transport**

The AMT (Agence métropolitaine de transport) is a Québec government agency with the task of making it easier to commute by promoting increased use of public transit in Greater Montréal. The agency administers and funds the metropolitan network of commuter trains and other facilities, such as park-and-ride centres, reserved lanes and bus terminals. The AMT also coordinates custom transport vehicle services. Furthermore, the agency provides financial assistance to local transportation organizations, such as the STM, within the metropolitan network, while planning public transit services for the region as a whole.

The organization's budget totals some \$245.5 million, a 3.6% rise from that of 2005.

Funding for the AMT is partly assumed by the municipalities that make up Greater Montréal. These municipalities pay the AMT a contribution equal to 1% of their harmonized property tax base. These municipalities also help defray up to 40% of the operating costs of commuter trains and of the metropolitan expressway system. The AMT also receives financing support from the Ministère des Transports du Québec and various partners.

The city's overall contribution to AMT operations and investments for 2006 is a scheduled \$30,500.0, up 3.9% from the 2005 Budget. This increase results from the sharp 12.5% hike in the city's investment fund contribution of \$11,795.0 which is due to the island-wide rise in assessed property value. The city's contribution to commuter train service, on the other hand, is increasing 1.3% to \$18,495.0.

### **Montréal Metropolitan Community**

The Montréal Metropolitan Community (MMC) was created in 2001 and was the first truly metropolitan organization. The MMC is a strategic tool aimed at creating a shared vision for the metropolitan region. The agency's task is to develop guidelines that are consistent throughout the metropolis and to coordinate the efforts needed to achieve harmonious growth of Greater Montréal.

The MMC is responsible for such areas as metropolitan development, economic development, the environment, metropolitan amenities and social housing.

The MMC's budget is over \$118.3 million, a \$28.8 million year-on-year rise. This funding is applied primarily to such fields as social housing (\$69 million), to metropolitan facilities (\$25.2 million) and to promotion, exploration and coordination (\$5.0 million). Other budget resources are allocated to the Fonds de développement métropolitain (metropolitan development fund) and to the repayment of long-term debt.

Montréal's scheduled 2006 contribution to the MMC is \$28,313.6, a 13.9% (\$4,577.8) decline from the 2005 Budget. This decrease is due to prorating of the contributed paid by Montréal in 2005 for the municipalities that were reconstituted in 2006.

### Contributions to the Reconstituted Municipalities

The new municipal organization implies a new sharing of responsibility. To achieve greater efficiency, certain activities that fall under the urban agglomeration's authority have been delegated to its reconstituted municipalities, particularly in such areas as the road network and waste disposal.

Contributions will be paid to the reconstituted municipalities to cover their anticipated expenditures pertaining to such activities. The total budget for these contributions is \$16,210.5.

**Table 11**

### Contributions to the Reconstituted Municipalities

(In thousands of dollars)

	2006
Reconstituted municipalities	Budget
Baie d'Urfé	222,2
Beaconsfield	1 044,6
Côte St-Luc	1 504,4
Dorval	1 572,8
Dollard-des-Ormeaux	1 817,8
Hampstead	184,9
Kirkland	1 285,7
L'Île Dorval	0,0
Montréal-Est	1 035,6
Montréal-Ouest	117,5
Mont-Royal	2 061,4
Pointe-Claire	3 659,8
Sainte-Anne-de-Bellevue	469,0
Senneville	40,3
Westmount	1 194,5
<b>Total</b>	<b>16 210,5</b>

### Paramunicipal Corporations

The City's has earmarked a total of \$13,284.3 for assistance to paramunicipal corporations, as appears in the following table. This financial assistance is designed to ensure the ongoing operations of these corporations within their respective fields of endeavour.

**Table 12**

### **Contributions to Paramunicipal Corporations**

*(In thousands of dollars)*

	<b>Budget 2006</b>
Société du parc des Îles	9 226,9
Société d'habitation et de développement de Montréal	2 189,4
Société de développement de Montréal	1 868,0
<b>Total</b>	<b>13 284,3</b>

### **Société du Parc des Îles**

The Société du parc des Îles ensures integrated management of all maintenance activities at Jean- Drapeau Park. The corporation provides operational support for that site's activities and events. The City is injecting a sum of \$8,843.2 million to help balance the Société du parc des Îles budget in 2006. An amount of \$383.6 has also been earmarked as an indirect contribution to this item for expenditures that the City has assumed with respect to the Jean-Drapeau park site.

### **Société de Développement de Montréal**

The Société de développement de Montréal (SDM) seeks to contribute to Montréal's development by enhancing its real-estate assets for residential, commercial and industrial purposes. The SDM also focuses its efforts on the promotion and development of Old Montréal. The city will provide \$1,868.0 in assistance to the SDM in 2006.

### **Société d'Habitation et de Développement de Montréal**

The Société d'habitation et de développement de Montréal (SHDM) operates in the area of residential real estate by offering affordable housing units to households ineligible for dwellings provided through the city housing bureau, the Office municipal d'habitation de Montréal. This year, Montréal's financial contribution to the agency totals \$2,189.4. This amount will primarily be devoted to the programs concerned with the funding of rental housing and with the acquisition of rooming houses.

### **Conseil des Arts de Montréal**

The Conseil des arts de Montréal (Montréal arts council) plays a key role in disseminating culture and in supporting artists through the promotion of artistic excellence. A contribution of \$10,000.0 has been earmarked for this purpose in 2006.

### **Sociétés de Développement Commercial**

The city of Montréal will pay a total of \$7,093.5 to the 12 Sociétés de développement commercial (SDCs) (commercial development corporations). This amount is equivalent to the contributions collected through the dues of member merchants.

### Other Organizations

An amount of \$13,974.6 has been budgeted under the Other Organizations heading. This heading comprises funding granted under agreements and partnerships with outside organizations. The following table lists these organizations and the amounts awarded to them.

**Table 13**

**Contributions to Other Organizations**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Montréal Museum of Archaeology and History	4 140,6
Employee loans to outside organizations	2 525,3
Office de consultation publique de Montréal	1 726,2
Urban renewal program	1 500,0
Fondation Mario-Racine	969,0
Centre Marcel de la Sablonnière	963,1
Ombudsman	739,3
Conseil du patrimoine	636,5
Office municipal d'habitation de Montréal	397,0
Conseil interculturel de Montréal	224,6
Montréal centre of excellence in brownfields rehabilitation	125,0
Société Marie-Victorin	20,0
Corporation d'Habitations Jeanne-Mance	8,0
<b>Total</b>	<b>13 974,6</b>

Other organizations are partners of equal importance that periodically team with the city to produce a specific project or to install a major facility. Montrealers draw tangible benefits from these relationships in all cases.

The 2006 Budget includes contributions of \$1,500.00 to the Programme de renouveau urbain (Urban Renewal Program) and to other non-profit generating projects. The urban renewal program, which receives matching funds from the Government of Québec, winds up in 2006.

Other partners work with the city on a more permanent basis. For example, Montréal's public hearing bureau, the Office de consultation publique, and the ombudsman pursue essential functions in their respective fields that must be maintained over the long term.

## INTERNAL TRANSACTIONS

Internal transactions have been eliminated (subtracted from total expenditures and revenues) to present a budgetary portrait that is free of duplicate entries. Such transactions are known as “internal transactions” or as “transactions to be eliminated.”

**Table 14**

### Cancellation of Internal Transactions

(In thousands of dollars)

Description	2006 Budget
Rental and maintenance of assets billed by the Service des services administratifs	116 868,5
Centre for shared services – rolling stock and workshops – maintenance and repair of vehicles billed by the Service des services administratifs	31 084,3
Centre for shared services – rolling stock and workshops – other departments billed by the Service des services administratifs	10 725,7
Landfill for solid waste, excavation materials and residue from the Saint-Michel environmental complex	10 594,5
Billing of administration fees to certain activities, including the management of the Montréal Nature Museums and Saint-Michel environmental complex	9 787,9
Use of underground conduits by corporate departments	8 104,0
Rental of solid waste landfill site by the Saint-Michel environmental complex	3 290,6
Printing services billed by the Service des services administratifs	2 650,5
Other services	1 306,9
<b>Total</b>	<b>194 412,9</b>

### Inter-Entity Transactions to be Eliminated

As provided by law, the City Council and the Urban Agglomeration Council budgets must be formulated within two separate accounting entities. Inter-entity transactions to be eliminated result from the exchange of billed services between business units in which the supplier is based in an accounting entity different than that of the client.

To ensure that the respective budgets of both accounting entities (the City Council Budget and Urban Agglomeration Council Budget) can accurately reflect the total cost of services used or revenue generated by internally provided services, such transactions between must be eliminated in a third accounting entity (Inter-Entity Transactions to be Eliminated). If the internal transactions of either of the two entities represented by the City Council Budget or the Urban Agglomeration Council Budget were to be eliminated, the revenues and expenditures that are presented for each would be erroneous. These transactions must, however, be eliminated in the Global Budget to prevent any over-assessment of the city's total expenditures and revenues.



# **TAXATION**



## **THE NEW FISCAL STRUCTURE OF 2006**

### **Two-Tiered Fiscal Structure**

Fiscal 2006 was marked by a complete reformulation of the city's fiscal structure. This change results from a new legal structure that divides municipal powers among the municipal councils of the related municipalities and the Montréal Urban Agglomeration Council. This same structure provides for the implementation of a two-tiered fiscal structure.

To finance expenditures incurred in exercising their respective powers, councils of the related municipalities and of the Urban Agglomeration Council levy separate taxes and user fees. The agglomeration's powers are funded by all taxpayers, island-wide, while local powers are funded by the taxpayers of each related municipality.

Because of this sharing of powers between local governments and the urban agglomeration, Montréal taxpayers will receive a single tax bill that separately itemizes the taxes and user fees levied by each council. Taxpayers of the reconstituted municipalities will receive two tax bills. The first will provide a detailed breakdown of taxes levied by the Urban Agglomeration Council, while the second will present local taxes and user fees levied by their respective municipal councils.

### **Tax Harmonization**

In the course of reformulating the fiscal structure, taxation for the urban agglomeration has been generally harmonized this year throughout the Island of Montréal. To mitigate tax increases that could result from this accelerated process of harmonizing the urban agglomeration's taxation, the Government of Québec provided the reconstituted municipalities with a mitigation measure, in the form of a tax credit granted by the Urban Agglomeration Council to taxpayers of those reconstituted municipalities that take advantage of this measure. The tax credit granted by the Urban Agglomeration Council is equal to the amount the reconstituted municipality in question opts to pay it.

The harmonization process continues to apply to local taxation within Montréal's different sectors. For purposes of tax harmonization, each of the former municipalities that makes up the Ville de Montréal constitutes one sector.

### **Continued Commitment to Upgrading Water Supply**

The city administration has been collecting a tax since 2004 aimed at upgrading the water supply system. In 2006, the city will continue to collect this tax from its residents. To avoid any increase in the tax burden, the general property tax has been reduced by an amount equivalent to the additional tax.

In 2006, the city will seek to implement a comprehensive policy of water supply service costs. The financial reserve will accordingly be expanded to include all costs that are to be paid out of specific revenue that is exclusively dedicated to the water supply.

### **Road Repair Reserve**

The Island of Montréal's roadways have suffered over the past few decades from inadequate investments that have resulted in their deterioration. So that it may promptly undertake road repairs, the Urban Agglomeration Council is setting up a financial reserve in 2006 to provide for repairs to the road network. This reserve will permit additional investments in 2006, while promoting studies long-term needs and funding strategies. This year a tax of \$20 million is being collected to carry out repairs on the arterial system. To avoid any rise in the tax burden, the general property tax has been reduced by an amount equivalent to the additional tax. This tax will appear as a separate item on tax bills from the Montréal Urban Agglomeration.

## URBAN AGGLOMERATION TAXATION IN 2006

### The Urban Agglomeration's Tax Parameters in 2006

#### Taxable Property

For its first fiscal year, the Urban Agglomeration Council has decided to apply the general property tax for funding most of its services, except for investments aimed at upgrading the roadways, which will be financed through a special tax.

The urban agglomeration's general property tax will vary according to three property categories: residual (residential properties), non-residential and serviced vacant lots.

There are two reasons for the difference in general property tax rates between Montréal and the reconstituted municipalities. The first is water management and the second is the maintenance of a rental tax.

1. The first factor concerns expenditures pertaining to exercise by the urban agglomeration of its powers pertaining to the water supply. The Government of Québec's Order concerning the Urban Agglomeration of Montréal provides that the actual cost of providing water to the reconstituted communities shall be shared among them based on the respective consumption of each. Water supply costs within Montréal itself will be paid out of the general property tax rates paid by Montrealers to the urban agglomeration. This method of financing the water supply throughout the urban agglomeration serves to reduce the rates of the reconstituted municipalities with respect to those of Montréal.

Furthermore, since Pointe-Claire and Dorval will be responsible for running the water treatment plants, these cities will also benefit from a decrease in their general property tax rates paid to the urban agglomeration.

2. The second factor concerns the Montréal sector in which the special non-resident property tax rate has been reduced to take into account revenue generated by the water and service tax levied on occupants of these buildings at the rate of \$7.9637 per \$100 of rental assessment.

The rate for serviced vacant lots is twice that applicable to residual property. Furthermore, *An Act respecting municipal taxation* permits the taxation of unserviced vacant lots. The Urban Agglomeration Council is applying this authority in 2006. The rate applicable to unserviced vacant lots will be equal to the residual property category.

Rates in the case of mixed properties (those not totally residential or non-residential) will depend on that portion of the building deemed to be non-residential.

Financing of the new financial reserve earmarked for road network investments is being provided through a property tax levied at the rate of \$0.0083 per \$100 of assessed valuation for residential properties and serviced vacant lots and \$0.0415 per \$100 of assessed valuation for non-residential properties.

Urban agglomeration tax rates applicable to all of the island's taxpayers are listed in the following table by property category.

**Table 15****Urban Agglomeration Property Tax Rates for 2006 by Property Category<sup>1</sup>**

Categories of immovables	General property tax	Special road tax	Cumulative Rates <sup>2</sup>
<b>Reconstituted municipalities</b>			
residual	0.7735	0.0083	0.7818
non-residential	2.6251	0.0415	2.6666
serviced vacant lots	1.5470	0.0083	1.5553
<b>Ville de Montréal</b>			
residual	0.7994	0.0083	0.8077
non-residential <sup>3</sup>	2.7071	0.0415	2.7486
serviced vacant lots	1.5988	0.0083	1.6071

<sup>1</sup> All property taxes are expressed in dollars per \$100 of taxable value.

<sup>2</sup> The cumulative rate corresponds to the revenues generated by the general property tax and the special road tax divided by the property values of the immovables concerned.

<sup>3</sup> For the Montreal Sector, the rate per \$100 of taxable value for the immovables of the category for non-residential immovables is \$1.6488. This rate is adjusted according to the revenues of water and service tax imposed within the Montreal Sector on all taxable business establishments entered on the roll of rental values. The equivalent to property rate of this tax is \$1.0583 per \$100 of taxable value.

**Non-Taxable Property**

Under *An Act respecting municipal taxation*, non-taxable properties are subject to various payments in lieu of taxes. Property owned by the governments of Québec and of Canada is generally subject to such payments, which are equivalent to full municipal taxes at the rates set by the Urban Agglomeration Council. Different rules apply to property owned by the healthcare and the educational systems, for which compensation is equivalent to a percentage of the Aggregate taxation rate (ATR). In a two-tiered tax system, property owned by the healthcare and the educational systems is subject to payments in lieu of taxes to both such tiers, based on the Urban Agglomeration's ATR and the Local ATR. This rate has been provisionally set for the urban agglomeration at \$1.0185 per \$100 of assessed valuation for fiscal 2006.

Non-profit organizations accredited by the Commission municipale du Québec make payments in lieu of taxes of \$0.2600 per \$100 of assessed valuation for their property, while religious institutions make such payments at the rate of \$0.4000 per \$100 of assessed valuation, but only on their land.

## Evolution of the Urban Agglomeration's Assessment Roll

Since the urban agglomeration's tax revenue is primarily derived from taxation based on assessed property values, the evolution of the assessment roll for the Island of Montréal as a whole should be discussed at this time.

Table 16 illustrates the evolution of the assessment roll since it was tabled. The table is based on certificates that adjust property values up and down throughout the island.

**Table 16**  
**Evolution of the 2004-2006 Three-Year Assessment Roll**  
**Montréal Urban Agglomeration**

	Property value (\$M)		
	Taxable	Non-taxable	Total
Value at tabling, September 12, 2004	111,789.6	19,648.7	131,438.3
Variation during year:			
Addition of new buildings	1,262.4	114.1	1,376.5
Modifications to existing buildings	432.5	240.7	673.1
Revision agreement	(233.9)	(23.1)	(257.0)
Decision of the CMQ	(36.2)	36.2	0.0
Fire	(9.9)	(0.2)	(10.1)
Demolition	(30.4)	(0.8)	(31.2)
Other	83.4	(34.6)	48.8
Value as of September 13, 2005	113,257.4	19,981.0	133,238.4
Net variation			
September 12, 2004 – September 13, 2005	<b>1,467.8</b>	<b>332.3</b>	<b>1,800.1</b>
Net variation			
September 12, 2003 – September 12, 2004	<b>1,785.7</b>	<b>401.3</b>	<b>2,186.9</b>

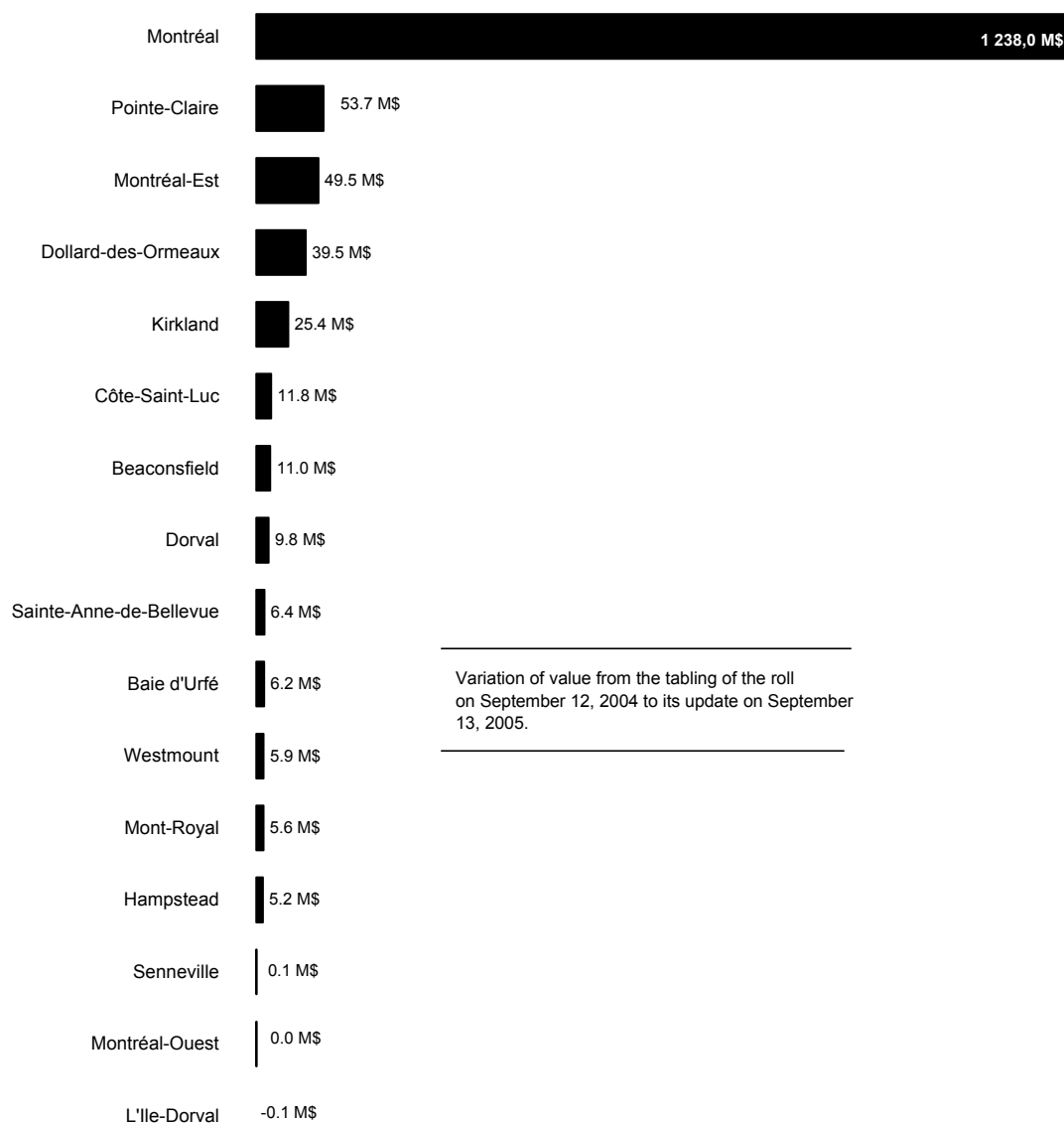
Source : City of Montréal, three-year roll 2004-2006.

For each related municipality, Table 17 and charts 22 and 23 present variations in assessed values throughout the Montréal Urban Agglomeration.

**Table 17**  
**Variations in Taxable Values for the Urban Agglomeration by Related Municipality**

Related municipalities	Taxable property value (\$M)			Net variation in percentage of tax
	Sept. 12, 2004	Sept. 13, 2005	Net variation	
Baie d'Urfé	603.2	609.4	6.2	1.0 %
Beaconsfield	1,725.6	1,736.6	11.0	0.6 %
Côte-Saint-Luc	2,305.6	2,317.4	11.8	0.5 %
Dollard-des-Ormeaux	2,941.9	2,981.4	39.5	1.3 %
Dorval	2,195.4	2,205.2	9.8	0.4 %
Hampstead	926.7	931.9	5.2	0.6 %
L'Île-Dorval	5.5	5.5	-0.1	-1.7 %
Kirkland	1,963.9	1,989.3	25.4	1.3 %
Montréal	87,916.7	89,154.6	1,238.0	1.4 %
Mont-Royal	2,846.6	2,852.2	5.6	0.2 %
Montréal-Est	592.4	641.8	49.5	8.3 %
Montréal-Ouest	465.4	465.5	0.0	0.0 %
Pointe-Claire	2,948.6	3,002.3	53.7	1.8 %
Senneville	215.6	215.7	0.1	0.0 %
Sainte-Anne-de-Bellevue	306.3	312.7	6.4	2.1 %
Westmount	3,830.2	3,836.1	5.9	0.2 %
<b>Urban agglomeration of Montréal</b>	<b>111,789.6</b>	<b>113,257.4</b>	<b>1,467.8</b>	<b>1.3 %</b>

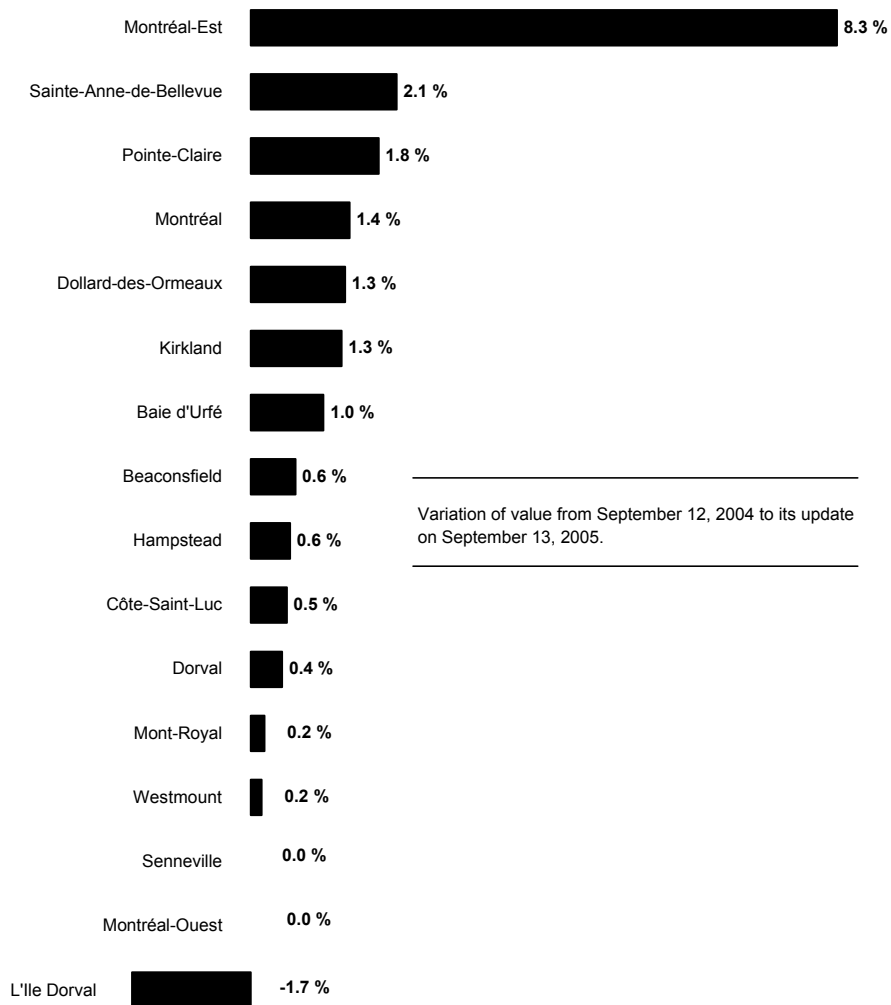
Source : City of Montréal, three-year roll 2004-2006, as of September 13, 2005.

**Chart 22****Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in millions of dollars)**

Source : City of Montréal, Service des finances.

### Chart 23

#### Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in percentages)



Source : City of Montréal, Service des finances.

Table 18 presents taxable and non-taxable values for each of the urban agglomeration's related municipalities.

**Table 18**  
**Taxable and Non-Taxable Values by Related Municipality**

Related municipalities	Unit	Taxable value (\$M)			Non-Taxable (M\$)	Total of roll	
		Residential	Commercial, industrial	Vacant lot		Value (M\$)	Relative share
Baie d'Urfé	1,594	406.4	181.9	21.1	49.2	658.7	0.5 %
Beaconsfield	6,714	1,669.6	25.8	41.2	113.6	1,850.2	1.4 %
Côte Saint-Luc	8,889	2,166.1	119.5	31.8	223.3	2,540.7	1.9 %
Dollard-des-Ormeaux	14,150	2,693.4	263.2	24.8	244.3	3,225.6	2.4 %
Dorval	5,946	1,002.8	1,144.1	58.2	578.1	2,783.3	2.1 %
Hampstead	1,864	928.9	0.0	3.0	50.2	982.1	0.7 %
L'Île Dorval	74	5.2	0.0	0.3	0.0	5.5	0.0 %
Kirkland	7,004	1,545.6	430.3	13.4	64.1	2,053.5	1.5 %
Montréal	352,933	62,806.6	25,209.5	1,138.6	17,409.7	106,564.4	80.0 %
Mont-Royal	5,252	2,220.5	606.4	25.3	149.6	3,001.8	2.3 %
Montréal-Est	1,204	109.0	491.2	41.6	34.5	676.3	0.5 %
Montréal-Ouest	1,591	435.6	17.2	12.6	33.2	498.6	0.4 %
Pointe-Claire	10,333	1,807.8	1,145.0	49.5	263.8	3,266.1	2.5 %
Sainte-Anne-de-Bellevue	1,611	242.9	49.3	20.4	192.7	505.4	0.4 %
Senneville	411	175.9	36.7	3.1	42.1	257.7	0.2 %
Westmount	5,598	3,433.8	379.3	23.0	532.5	4,368.6	3.3 %
<b>URBAN AGGLOMERATION OF MONTRÉAL</b>	<b>425,168</b>	<b>81,649.8</b>	<b>30,099.4</b>	<b>1,508.2</b>	<b>19,981.0</b>	<b>133,238.4</b>	<b>100.0 %</b>

Source : City of Montréal, three-year roll 2004-2006, as of September 13, 2005.

## **MONTREAL'S LOCAL TAXATION**

### **Harmonization of Montréal's Different Sectors**

The National Assembly has given the Ville de Montréal the authority to continue to gradually harmonize the tax burden of its 13 sectors. In contrast with the general rule on municipal taxation, the city thus has the authority, for purposes of harmonization, to charge different user fees and to levy taxes of different rates in each sector. The new harmonization mechanism provides that no increase in the tax burden of any sector (which includes revenue collected by City Council and the Urban Agglomeration Council) may exceed 5%. However, by virtue of the fact that taxation for the urban agglomeration taxation has been harmonized as of 2006, such adjustments will only apply on the local level.

### **Continued Commitment to Upgrading Water Supply**

Montréal's administration has, since 2004, levied an additional tax aimed at upgrading the water supply system. The city will be continuing to collect this additional tax from its taxpayers in 2006. To prevent any rise in tax burden, the general property tax has been reduced by an amount equivalent to the additional tax.

### **Borough Taxes**

To boost the levels of service it provides, a borough council may, under the *Charter of Ville de Montréal*, levy a property tax or impose other fees on taxable property within the borough.

This year, five boroughs used this authority to increase their service levels. Lachine's borough council is collecting a user fee of \$26 per housing or commercial unit. The \$541,800 in revenue generated by these fees will serve to cover increased waste collection costs. The Saint-Léonard borough council is levying a tax of \$0.0146 per \$100 of assessed valuation on all property throughout the borough. The \$550,400 in revenue thus generated will enable the borough to acquire a new indoor swimming pool. The Pierrefonds-Roxboro Borough Council is raising \$1,037,900 through a property tax of \$0.0326 per \$100 of assessed valuation. The Montréal-Nord Borough Council is raising \$2,004,00 through a property tax of \$0.07 per \$100 of assessed valuation. Finally, the Verdun Borough Council is raising \$800,000 through a property tax of \$0.0247 per \$100 of assessed valuation.

Borough taxes have not served to increase the overall tax burden. That is because the city has reduced its general property tax by an amount equivalent to borough taxes, to avoid any rise in the tax burden. This reduction applies to all city taxpayers.

### **Conclusion of Three-Year Assessment Roll Averaging Process**

As 2006 is the last year of the present three-year assessment roll, the mechanism for averaging variations in value and thus mitigating major swings in tax bills concludes this year. In other words, the value that appears on the assessment roll is the value that will be used for calculating property taxes in fiscal 2006.

## Tax Parameters in 2006

In 2006, the city is continuing to impose a variable rate property take on the local level. Rates will vary by four property categories: “residual” (residential properties of five units or less), properties with six or more units, non-residential property and serviced vacant lots.

Local general property tax rates are presented by sector and by property category in the following table.

**Table 19**  
**General Local 2006 Property Tax Rate by Property Category<sup>1</sup>**

Sector	Residual <sup>2</sup>	6 dwelling units or more	Non- residential	Serviced Vacant Lots
Anjou	0.5879	0.7073	1.7043	1.1758
Lachine	0.3620	0.0147	1.3297	0.7240
LaSalle	0.3453	0.1765	1.2891	0.6906
L'Île-Bizard	0.4468	0.2825	1.1651	0.8936
Montréal	0.6968	0.9076	1.8817	1.3936
Montréal-Nord	0.4406	0.5618	1.3189	0.8812
Outremont	0.3895	0.3544	1.1061	0.7790
Pierrefonds	0.5696	0.4629	1.7241	1.1392
Roxboro	0.4847	0.3827	1.5312	0.9694
Sainte-Genève	0.2735	0.1626	1.2955	0.5470
Saint-Laurent	0.4953	0.5320	1.2134	0.9906
Saint-Léonard	0.4989	0.5777	1.4060	0.9978
Verdun	0.2941	0.1370	1.8834	0.5882

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> The residual category includes residential buildings of five or fewer dwelling units as well as immovables not included in the vacant lot category.

The tax burden of the residual property category has been harmonized this year. The year 2006 also marks the final step in fully harmonizing the tax burdens of the city's different sectors for other property categories.

In the category of properties with six or more units, only three sectors failed to achieve their target rates for 2006. The Anjou and Sainte-Geneviève sectors should, accordingly, experience a final increase of their tax burdens in 2007, while the Verdun sector will benefit from a decrease.

In the non-residential property category, the Saint-Laurent and l'Île-Bizard sectors will, as a result of the harmonization process, experience final increases of their tax burdens in 2007, while the respective tax burdens of the non-residential property category in Verdun and Montréal-Nord will benefit from decreases.

Either or both of two factors are responsible for any differences between the general property tax rates of sectors in which the harmonization process has been completed in 2006. The first is maintenance of local water user and waste treatment fees in the sectors concerned, which has the effect of reducing general property tax rates. The second pertains to that portion of the tax devoted to reimbursing the historic debts of the city's former municipalities.

### **Residential Property**

Two local general property tax rates apply to the city's residential properties: one is "residual" and the other covers properties with six or more units. The residual property category is equivalent to the general base property tax rate.

Sectors in which residential properties were subject to water user and waste treatment fees shall maintain these fees. In Lachine, however, water user fees in the Saint-Pierre sector have been harmonized with those of the Lachine sector. The establishment in 2007 of a new means of financing the water supply system will produce harmonized user fees throughout the city.

Both categories of residential property are subject to the Water Tax at the same rate of \$0.0270 per \$100 of assessed valuation.

Tables 20 and 21 present, for each sector, cumulative taxes and fees levied on residual property and on properties with six or more units. Water user and waste treatment fee revenue has been converted to property tax rates for this table and appear for purposes of information. These equivalencies serve for each sector to indicate the approximate property tax rate that would be required to generate the same level of revenue as that provided by water user and waste treatment fees.

Table 22 also illustrates how residential water user fees and waste treatment fees applicable to residential properties are calculated for each sector.

**Table 20**  
**Average Cumulative Rates—Residual Property<sup>1</sup>**

Sector	General property tax	Water tax	Fee schedule (equivalent to property rate) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
Anjou	0.5879	0.0270	0.0747		0.6896
Lachine	0.3620	0.0270	0.2140	0.0234	0.6264
LaSalle	0.3453	0.0270	0.2169		0.5892
L'Île-Bizard	0.4468	0.0270	0.0700		0.5438
Montréal	0.6968	0.0270	0.0000		0.7238
Montréal-Nord	0.4406	0.0270	0.1076	0.0700	0.6452
Outremont	0.3895	0.0270	0.0653		0.4818
Pierrefonds	0.5696	0.0270	0.1113	0.0326	0.7405
Roxboro	0.4847	0.0270	0.1317	0.0326	0.6760
Sainte-Geneviève	0.2735	0.0270	0.3012		0.6017
Saint-Laurent	0.4953	0.0270	0.0647		0.5870
Saint-Léonard	0.4989	0.0270	0.0769	0.0146	0.6174
Verdun	0.2941	0.0270	0.1534	0.2308	0.7053
<b>VILLE DE MONTRÉAL</b>					<b>0.6841</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax. The tax rate is different for l'Île-des-Sœurs than the rest of this sector. Île-des-Sœurs: \$0.1895 per \$100 valuation, rest of the sector: \$0.2298 per \$100 valuation.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 21**  
**Average Cumulative Rates—Properties with Six or More Units<sup>1</sup>**

Sector	General property tax	Water tax	Fee schedule (equivalent to property rate) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
Anjou	0.7073	0.0270	0.1120		0.8463
Lachine	0.0147	0.0270	0.7721	0.0853	0.8991
LaSalle	0.1765	0.0270	0.5965		0.8000
L'Île-Bizard	0.2825	0.0270	0.4451		0.7546
Montréal	0.9076	0.0270	0.0000		0.9346
Montréal-Nord	0.5618	0.0270	0.1972	0.0700	0.8560
Outremont	0.3544	0.0270	0.3111		0.6925
Pierrefonds	0.4629	0.0270	0.4288	0.0326	0.9513
Roxboro	0.3827	0.0270	0.4444	0.0326	0.8867
Sainte-Geneviève	0.1626	0.0270	0.5976		0.7872
Saint-Laurent	0.5320	0.0270	0.2388		0.7978
Saint-Léonard	0.5777	0.0270	0.2090	0.0146	0.8283
Verdun	0.1370	0.0270	0.5688	0.2545	0.9873
<b>VILLE DE MONTRÉAL</b>					<b>0.9109</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax. The tax rate is different for l'Île-des-Sœurs than the rest of this sector.

Île-des-Sœurs: \$0.1895 per \$100 valuation, rest of the sector: \$0.2298 per \$100 valuation.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 22**  
**Residential Property User Fees for Different City Sectors in Fiscal 2006<sup>1</sup>**

Sector	Water	Solid waste
Anjou	Buildings with 5 or fewer units: fixed fee of \$85 per unit; Buildings with 6 units or more: metered rate of \$0.176/m <sup>3</sup>	N/A
Lachine	Fixed fee of \$150 per unit	\$85 and \$26 per unit
LaSalle	Base rate of \$90 per unit for the first 255 m <sup>3</sup> ; metered rate of \$0.371/m <sup>3</sup> up to 425 m <sup>3</sup> and \$0.406/m <sup>3</sup> for excess consumption.	\$100 per unit
L'Île-Bizard	Varied fixed fees: summer chalet \$90 per unit; rooming house \$60 per room; other buildings, \$160 per unit.	N/A
Montréal	No specific water user fee.	N/A
Montréal-Nord	Buildings with 1 to 3 units: fixed fee of \$100 per unit. Buildings with 4 units or more: fixed fee of \$69 per unit.	N/A
Outremont	No specific water user fee.	\$202 per unit
Pierrefonds	Fixed fee of \$85 per unit.	\$85 per unit
Roxboro	Buildings with 10 or fewer units : fixed fee of \$180 per unit. Buildings with 11 units or more : fixed fee of \$147 per unit.	N/A
Sainte-Geneviève	Fixed fee of \$175 per unit.	\$125 per unit or \$50 per room
Saint-Laurent	Fixed minimum of \$75 per unit for the first 228 m <sup>3</sup> metered rate of \$0.396/m <sup>3</sup> for excess consumption.	N/A
Saint-Léonard	Fixed fee of \$85 per unit.	N/A
Verdun	Fixed fee of \$78 per unit.	\$96 per unit

1. This table lists general information regarding user fees for water and solid waste treatment; many details are not included. Consumption data have been converted into metric measurement.

### **Non-Residential Property**

Non-residential property is subject to a specific general property tax rate.

Sectors that previously applied water user and waste treatment fees to non-residential property will retain such fees at the local level.

Non-residential property is also subject to the Water Supply Improvement Tax at the rate of \$0.1132 per \$100 of assessed valuation, along with a fee of \$0.46 per cubic metre of water for all consumption in excess of 100,000 cubic metres.

Rates in the case of mixed properties (those not totally residential or non-residential) will depend on the number of units (five or less and six or more) and will also depend on that portion of the building deemed to be non-residential.

Following elimination of the business tax in 2003, the city created transitional three-year grant programs for eligible owners and tenants to minimize the impact of tax transfers resulting from the change in fiscal structure. Because the law does not permit extension of these grant programs beyond the initially provided period, they have not been renewed for 2006. The administration has, however, enhanced assistance programs for non-profit organizations.

Table 23 presents the combined taxes and fees to be levied by the city on the non-residential sector. Revenue from water user and waste treatment fees is converted to property tax rates and is provided for purposes of information.

Table 24 presents the method for calculating water user and waste treatment fees on non-residential properties in each sector.

**Table 23**  
**Average Cumulative Rates—Non-Residential Property<sup>1</sup>**

Sector	General property tax	Water tax		Fee schedule (equivalent to property rate) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
		Property tax	Major water users			
Anjou	1.7043	0.1132	0.0203	0.0823		1.9201
Lachine	1.3297	0.1132	0.0571	0.2183	0.0054	1.7237
LaSalle	1.2891	0.1132	0.0334	0.1983		1.6340
L'Île-Bizard	1.1651	0.1132		0.0771		1.3554
Montréal	1.8817	0.1132	0.0374	0.0118		2.0441
Montréal-Nord	1.3189	0.1132	0.0073	0.3058	0.0700	1.8152
Outremont	1.1061	0.1132		0.1548		1.3741
Pierrefonds	1.7241	0.1132		0.1444	0.0326	2.0143
Roxboro	1.5312	0.1132		0.1554	0.0326	1.8324
Sainte-Geneviève	1.2955	0.1132		0.2680		1.6767
Saint-Laurent	1.2134	0.1132	0.0324	0.1519		1.5109
Saint-Léonard	1.4060	0.1132	0.0336	0.1323	0.0146	1.6997
Verdun	1.8834	0.1132		0.2138	0.2331	2.4435
<b>VILLE DE MONTRÉAL</b>						<b>1.9339</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling.

For Verdun, it is a property tax equivalent to a sector tax. The tax rate is different for l'Île-des-Sœurs than the rest of this sector.

Île-des-Sœurs: \$0.1895 per \$100 valuation, rest of the sector: \$0.2298 per \$100 valuation.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 24**  
**Non-Residential Property User Fees for the Different Sectors in Fiscal 2006<sup>1</sup>**

Sector	Water	Solid waste
Anjou	Metered rate of \$0,187/m <sup>3</sup> .	N/A
Lachine	Varied metered fees for mixed-used and non-residential buildings. Lachine: the higher of: a) \$150 per unit of establishment ; b) \$0.33/m <sup>3</sup> for 454 609 m <sup>3</sup> and \$0.255/m <sup>3</sup> for excess consumption.  Saint-Pierre : the higher of a) \$0.90/m <sup>3</sup> ; b) \$150 per unit or \$360 per establishment; c) depending on the type of meter : from \$1,300 to \$4,700.	\$85 et \$26 per business establishment
LaSalle	Base rate of \$90 per unit for the first 255 m <sup>3</sup> , metered rate of \$0.371/m <sup>3</sup> up to 425 m <sup>3</sup> and \$0.406/m <sup>3</sup> for excess consumption.	\$100 per business establishment
L'Île-Bizard	Varied fixed fees : business in mixed-use building, \$160 per business establishment location; other business : \$270 per business establishment premise location.	N/A
Montréal	Metered rate of \$0.22/m <sup>3</sup> for some major water users.	N/A
Montréal-Nord	The higher of : a) metered rate of \$0.3031 per \$100 of valuation; b) \$0.165/ m <sup>3</sup> .	N/A
Outremont	Metered rate of \$0,444/m <sup>3</sup> . A credit of \$0.10 per \$100 of commercial valuation is given.	\$202 per business office or \$518 per business establishment
Pierrefonds	Base rate of \$85 per business establishment for the first 360 m <sup>3</sup> and metered rate of \$0.21/m <sup>3</sup> for excess consumption.	\$85 per business establishment
Roxboro	Fixed fee per business establishment location from \$180 to \$360, depending on the type of business.	N/A
Sainte-Geneviève	Base rate of \$175 per unit for the first 227.3 m <sup>3</sup> and metered rate of \$0.275/m <sup>3</sup> for excess consumption.	\$125 per business establishment
Saint-Laurent	Different fixed minimum fee depending on meter diameter. Metered rate of \$0.396/m <sup>3</sup> up to 909,200 m <sup>3</sup> and of \$0.297/m <sup>3</sup> for excess consumption.	N/A
Saint-Léonard	Fixed minimum of \$85 per establishment of the first 318.2 m <sup>3</sup> and metered rate of \$0.267/m <sup>3</sup> for excess consumption.	N/A
Verdun	Base rate of \$78 per unit for the first 228 m <sup>3</sup> and metered rate of \$0.19/m <sup>3</sup> for excess consumption.	\$96 per business establishment

1. This table lists general information regarding user fees for water and solid waste treatment; many details are not included. Consumption data have been converted into metric measurement.

## Vacant Lots

The last property category for which a specific general property tax rate applies is that of serviced vacant lots. This year, the rate applicable to this property category is equivalent to twice the basic rate.

Under the law, any municipality that levies a general property tax with a specific rate for the serviced vacant lot category may also levy a tax on unserviced vacant lots. The city continues to make use of this power in 2006. The rate applied is the same as the base rate for residual property.

### **Non-Taxable Property**

Under *An Act respecting municipal taxation*, non-taxable properties are subject to various payments in lieu of taxes. Property owned by the governments of Québec and of Canada is generally subject to such payments, which are equivalent to full municipal taxes at the rates set by the Urban Agglomeration Council. Different rules apply to property owned by the healthcare and the educational systems, for which compensation is equivalent to a percentage of the Aggregate taxation rate (ATR). This rate has been provisionally set at \$0.7979 per \$100 of assessed valuation for fiscal 2006

Non-profit organizations accredited by the Commission municipale du Québec make payments in lieu of taxes of \$0.2400 per \$100 of assessed valuation for their property, while religious institutions make such payments at the rate of \$0.4000 per \$100 of assessed valuation, but only on their land.

Places of worship, property owned by the Régie des installations olympiques and property belonging to the Agence métropolitaine de transport make no payments in lieu of taxes, but may be subject to local user fees.

### Evolution of Montréal's Assessment Roll

Since city tax revenue is primarily derived from taxation on assessed property value, it would be appropriate at this point to discuss how the assessment roll has evolved. This review of that evolution between 2004 and 2005 is based on figures pertaining to Montréal.

Table 25 illustrates the evolution of the 2004-2006 Three-Year Assessment Roll for Montréal.

**Table 25**  
**Evolution of Montréal's 2004-2006 Three-Year Assessment Roll**

	Property value (\$M)		
	Taxable	Non-taxable	Total
Value at tabling, Septembre 12, 2004	87,916.7	17,100.0	105,016.7
Variation during the year :			
Addition or new buildings	1,084.5	108.9	1,193.4
Modifications to existing buildings	332.6	225.4	558.0
Revision agreement	(186.5)	(16.7)	(203.2)
Decision of the CMQ	(34.0)	34.0	0.0
Fire	(9.2)	(0.2)	(9.4)
Demolition	(24.9)	(0.8)	(25.6)
Others	75.4	(40.9)	34.5
Value as of September 13, 2005	89,154.6	17,409.7	106,564.4
Net variation			
September 12, 2004 – September 13, 2005	<b>1,238.0</b>	<b>309.7</b>	<b>1,547.7</b>
Net variation			
September 12, 2003 – September 12, 2004	<b>1,524.1</b>	<b>378.1</b>	<b>1,902.2</b>

Source : City of Montréal, three-year roll 2004-2006.

Table 26 and charts 24 and 25 present variations in the city's assessed values by borough.

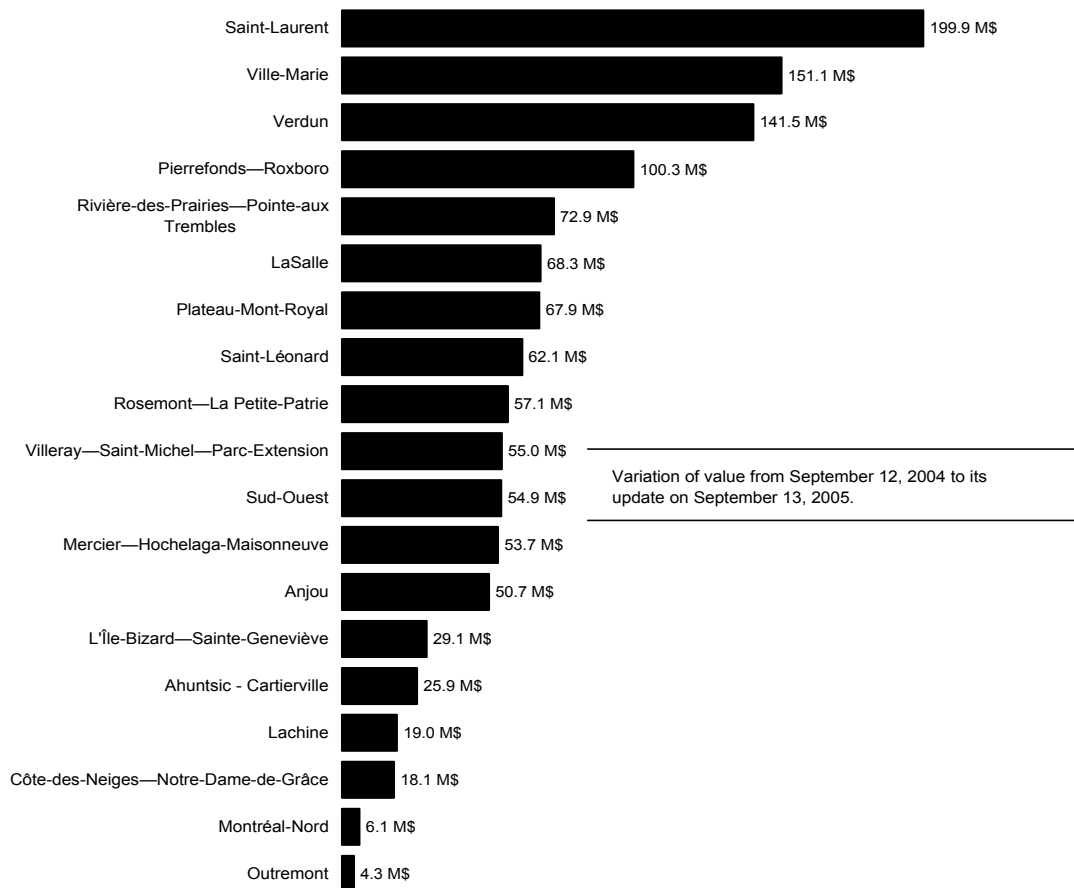
**Table 26**  
**Municipal Taxable Value Variation by Borough**

Borough	Taxable property value (\$M)			Net variation, in percentage of tax
	Sept.12, 2004	Sept.13, 2005	Net variation	
Ahuntsic - Cartierville	6,320.4	6,346.3	25.9	0.4 %
Anjou	2,645.3	2,695.9	50.7	1.9 %
Côte-des-Neiges—Notre-Dame-de-Grâce	7,585.0	7,603.1	18.1	0.2 %
L'Île-Bizard—Sainte-Geneviève	1,106.7	1,135.8	29.1	2.6 %
Lachine	2,326.4	2,345.4	19.0	0.8 %
LaSalle	3,450.8	3,519.1	68.3	2.0 %
Mercier—Hochelaga-Maisonneuve	5,169.4	5,223.1	53.7	1.0 %
Montréal-Nord	2,856.2	2,862.3	6.1	0.2 %
Outremont	2,341.2	2,345.5	4.3	0.2 %
Pierrefonds—Roxboro	3,081.1	3,181.3	100.3	3.3 %
Plateau-Mont-Royal	5,483.0	5,550.9	67.9	1.2 %
Rivière-des-Prairies—Pointe-aux-Trembles	4,704.7	4,777.6	72.9	1.5 %
Rosemont—La Petite-Patrie	5,360.8	5,417.9	57.1	1.1 %
Saint-Laurent	7,129.1	7,329.0	199.9	2.8 %
Saint-Léonard	3,707.6	3,769.6	62.1	1.7 %
Sud-Ouest	2,710.1	2,764.9	54.9	2.0 %
Verdun	3,095.5	3,237.0	141.5	4.6 %
Ville-Marie	14,285.8	14,437.0	151.1	1.1 %
Villeray—Saint-Michel—Parc-Extension	4,557.6	4,612.7	55.0	1.2 %
VILLE DE MONTRÉAL	87,916.7	89,154.6	1,238.0	1.4 %

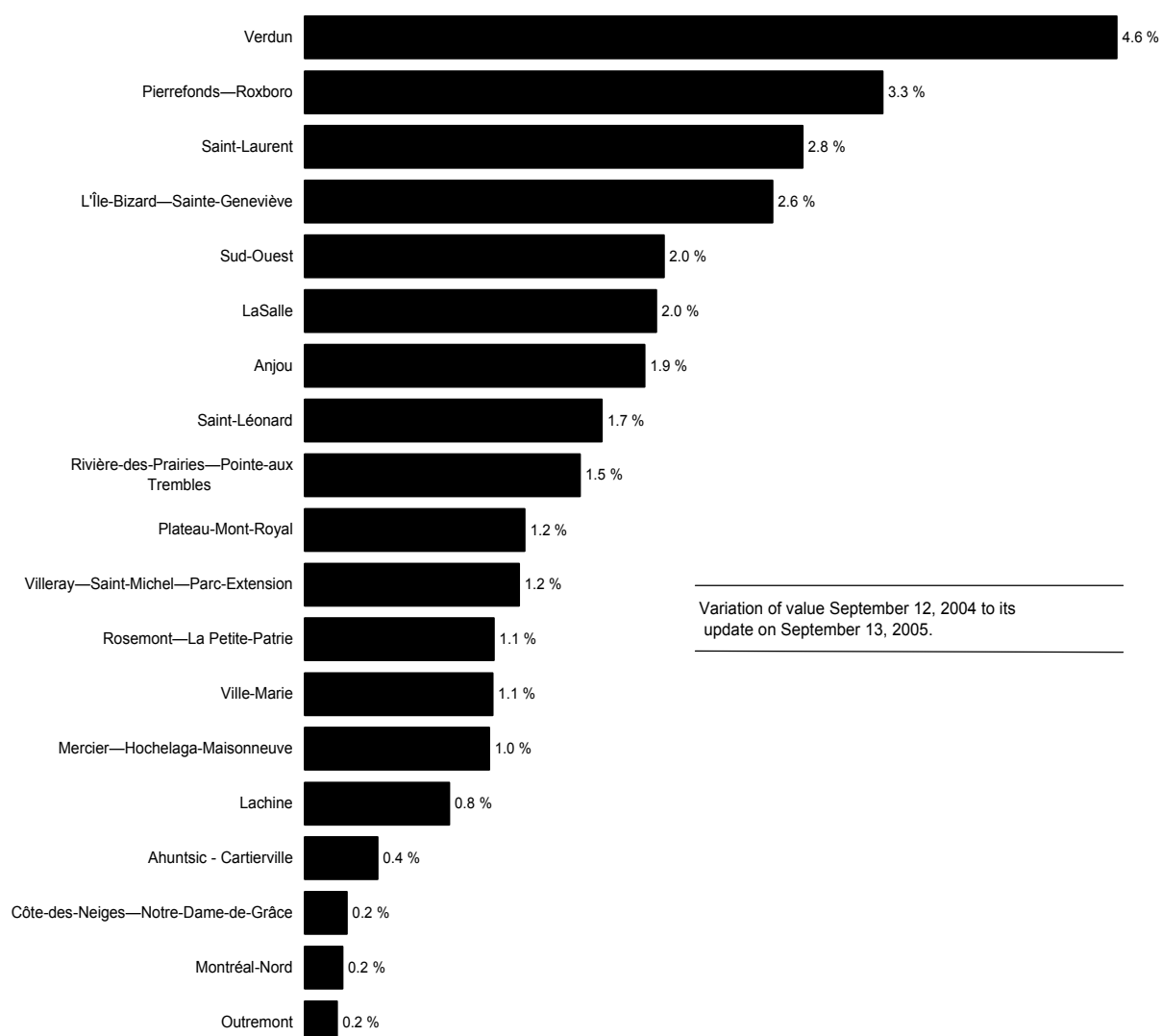
Source : city of Montréal, three-year roll 2004-2006, as of September 13, 2005.

**Chart 24**

**Municipal Taxable Value Variation by Borough (in millions of dollars)**



Source: Montréal Service des finances.

**Chart 25****Municipal Taxable Value Variation by Borough (in percentages)**

Source: Montréal Service des finances.

Table 27 presents Taxable and Non-Taxable Values for each borough.

**Table 27**  
**Taxable and Non-Taxable Values by Borough**

Borough	Unit	Taxable value (\$M)			Non-taxable (\$M)	Total of roll	
		Residential	Commercial, industrial	Vacant lot		Value (\$M)	Relative share
Ahuntsic - Cartierville	26,275	5,161.9	1,112.4	72.0	1,414.9	7,761.2	7.3 %
Anjou	11,932	1,703.5	965.2	27.3	163.0	2,859.0	2.7 %
Côte-des-Neiges—Notre-Dame-de-Grâce	23,445	6,499.4	1,055.2	48.4	2,293.1	9,896.2	9.3 %
L'Île-Bizard—Sainte-Geneviève	6,502	1,054.2	58.0	23.7	125.3	1,261.1	1.2 %
Lachine	11,193	1,412.3	835.7	97.3	308.8	2,654.2	2.5 %
LaSalle	16,863	2,765.2	725.4	28.5	476.8	3,995.9	3.7 %
Mercier—Hochelaga-Maisonneuve	25,646	4,024.3	1,145.7	53.2	1,247.7	6,470.9	6.1 %
Montréal-Nord	13,676	2,349.3	493.2	19.9	336.3	3,198.6	3.0 %
Outremont	5,698	2,244.4	90.1	11.0	393.7	2,739.1	2.6 %
Pierrefonds—Roxboro	20,657	2,949.3	168.9	63.1	280.4	3,461.8	3.2 %
Plateau-Mont-Royal	22,144	4,374.8	1,151.1	25.1	844.5	6,395.4	6.0 %
Rivière-des-Prairies—Pointe-aux-Trembles	31,570	3,851.4	782.4	143.9	934.4	5,712.0	5.4 %
Rosemont—La Petite-Patrie	26,538	4,616.5	774.3	27.1	1,089.2	6,507.1	6.1 %
Saint-Laurent	21,967	3,889.4	3,196.8	242.9	798.2	8,127.3	7.6 %
Saint-Léonard	11,948	2,915.3	826.5	27.8	255.5	4,025.1	3.8 %
Sud-Ouest	15,321	2,020.4	672.1	72.3	678.1	3,443.0	3.2 %
Verdun	17,236	2,931.6	265.4	39.9	386.1	3,623.1	3.4 %
Ville-Marie	21,695	4,440.4	9,906.4	90.2	4,643.7	19,080.7	17.9 %
Villeray—Saint-Michel—Parc-Extension	22,626	3,603.1	984.6	25.0	740.0	5,352.7	5.0 %
<b>VILLE DE MONTRÉAL</b>	<b>352,932</b>	<b>62,806.6</b>	<b>25,209.5</b>	<b>1,138.6</b>	<b>17,409.7</b>	<b>106,564.4</b>	<b>100.0 %</b>

Source : City of Montréal, 2004 property roll updated as of September 13, 2005.

## MONTREAL'S GLOBAL TAXATION

Despite a tax structure that distinguishes urban agglomeration and local taxation, city taxpayers are responsible for global taxes, which comprise charges from both levels.

### Residential Property

Tables 28 and 29 present, for each sector, cumulative taxes and fees levied by the Urban Agglomeration Council and by Montréal's City Council on residual property and on properties with six or more units. User fees have been converted to property tax rates for this table and appear for purposes of information

For each sector, the Average Cumulative Rate thus comprises all user fees and taxes levied by the two taxation authorities. The Average Cumulative Rate is intended to serve as an acceptable basis of comparison among the sectors.

**Table 28**

### Average Cumulative Rates—Residual Property<sup>1</sup>

Sector	Urban Agglomeration Taxation		Local Municipal Tax				Average cumulative <sup>4</sup>
	General property tax	Special road tax	General property tax	Water tax	Fee schedule (equivalent to property tax) <sup>2</sup>	Other rate <sup>3</sup>	
Anjou	0.7994	0.0083	0.5879	0.0270	0.0747		1.4973
Lachine	0.7994	0.0083	0.3620	0.0270	0.2140	0.0234	1.4341
LaSalle	0.7994	0.0083	0.3453	0.0270	0.2169		1.3969
L'Île-Bizard	0.7994	0.0083	0.4468	0.0270	0.0700		1.3515
Montréal	0.7994	0.0083	0.6968	0.0270	0.0000		1.5315
Montréal-Nord	0.7994	0.0083	0.4406	0.0270	0.1076	0.0700	1.4529
Outremont	0.7994	0.0083	0.3895	0.0270	0.0653		1.2895
Pierrefonds	0.7994	0.0083	0.5696	0.0270	0.1113	0.0326	1.5482
Roxboro	0.7994	0.0083	0.4847	0.0270	0.1317	0.0326	1.4837
Sainte-Geneviève	0.7994	0.0083	0.2735	0.0270	0.3012		1.4094
Saint-Laurent	0.7994	0.0083	0.4953	0.0270	0.0647		1.3947
Saint-Léonard	0.7994	0.0083	0.4989	0.0270	0.0769	0.0146	1.4251
Verdun	0.7994	0.0083	0.2941	0.0270	0.1534	0.2308	1.5130
<b>VILLE DE MONTRÉAL</b>							<b>1.4918</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 29**  
**Average Cumulative Rates—Property with Six or More Units<sup>1</sup>**

Sector	Urban Agglomeration Taxation		Local Municipal Tax				Average cumulative <sup>4</sup>
	General property tax	Special road tax	General property tax	Water tax	Fee schedule (equivalent to property tax) <sup>2</sup>	Other rate <sup>3</sup>	
Anjou	0.7994	0.0083	0.7073	0.0270	0.1120		1.6540
Lachine	0.7994	0.0083	0.0147	0.0270	0.7721	0.0853	1.7068
LaSalle	0.7994	0.0083	0.1765	0.0270	0.5965		1.6077
L'Île-Bizard	0.7994	0.0083	0.2825	0.0270	0.4451		1.5623
Montréal	0.7994	0.0083	0.9076	0.0270	0.0000		1.7423
Montréal-Nord	0.7994	0.0083	0.5618	0.0270	0.1972	0.0700	1.6637
Outremont	0.7994	0.0083	0.3544	0.0270	0.3111		1.5002
Pierrefonds	0.7994	0.0083	0.4629	0.0270	0.4288	0.0326	1.7590
Roxboro	0.7994	0.0083	0.3827	0.0270	0.4444	0.0326	1.6944
Sainte-Geneviève	0.7994	0.0083	0.1626	0.0270	0.5976		1.5949
Saint-Laurent	0.7994	0.0083	0.5320	0.0270	0.2388		1.6055
Saint-Léonard	0.7994	0.0083	0.5777	0.0270	0.2090	0.0146	1.6360
Verdun	0.7994	0.0083	0.1370	0.0270	0.5688	0.2545	1.7950
<b>VILLE DE MONTRÉAL</b>							<b>1.7186</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only.

It compiles revenues from water service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro and Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

## Non-Residential Property

Table 30 presents, for each sector of the city, the cumulative taxes and fees levied by the Urban Agglomeration Council and by Montréal's City Council on non-residential property. User fees have been converted to property tax rates for this table and appear for purposes of information

**Table 30**  
**Average Cumulative Rates—Non-Residential Property<sup>1</sup>**

Sector	Urban Agglomeration Taxation			Local Municipal Tax					
	General Property tax	Special road tax	Water and services tax	General property tax	Water tax		Fee schedule (equivalent to property tax) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
					Property tax	Major users			
Anjou	2.7071	0.0415		1.7043	0.1132	0.0203	0.0823		4.6687
Lachine	2.7071	0.0415		1.3297	0.1132	0.0571	0.2183	0.0054	4.4723
LaSalle	2.7071	0.0415		1.2891	0.1132	0.0334	0.1983		4.3826
L'Île-Bizard	2.7071	0.0415		1.1651	0.1132		0.0771		4.1040
Montréal <sup>5</sup>	1.6488	0.0415	1.0583	1.8817	0.1132	0.0374	0.0118		4.7928
Montréal-Nord	2.7071	0.0415		1.3189	0.1132	0.0073	0.3058	0.0700	4.5638
Outremont	2.7071	0.0415		1.1061	0.1132		0.1548		4.1227
Pierrefonds	2.7071	0.0415		1.7241	0.1132		0.1444	0.0326	4.7629
Roxboro	2.7071	0.0415		1.5312	0.1132		0.1554	0.0326	4.5810
Sainte-Genève	2.7071	0.0415		1.2955	0.1132		0.2680		4.4253
Saint-Laurent	2.7071	0.0415		1.2134	0.1132	0.0324	0.1519		4.2595
Saint-Léonard	2.7071	0.0415		1.4060	0.1132	0.0336	0.1323	0.0146	4.4483
Verdun	2.7071	0.0415		1.8834	0.1132		0.2138	0.2331	5.1921
VILLE DE MONTRÉAL									
4.6824									

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purpose only.

It compiles revenues from water service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro and Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

<sup>5</sup> For the Montreal Sector, the rate per \$100 of taxable value for the immovables of the category for non-residential immovables is \$1.6488. This rate is adjusted according to the revenues of water and service tax imposed. The equivalent to property rate of this tax is \$1.0583 per \$100 of taxable value.

## VARIATIONS IN MONTRÉAL'S TAX BURDEN

This heading pertains to variations in property taxes between 2005 and 2006. Because certain municipalities have been reconstituted, variation is calculated on the overall tax burden of property located within Montréal. Overall taxes comprise revenue collected by both (local and urban agglomeration) tax authorities.

Under city budget guidelines, **there is no increase in the overall tax burden** for residential or non-residential property.

Although Montréal's overall tax burden has not climbed in 2006, the following illustration shows that individual tax bills may vary, primarily due to changes in assessed property value.

**Figure 3**

**Illustration of the 2006 Budget's Impact on Montréal Taxpayers**

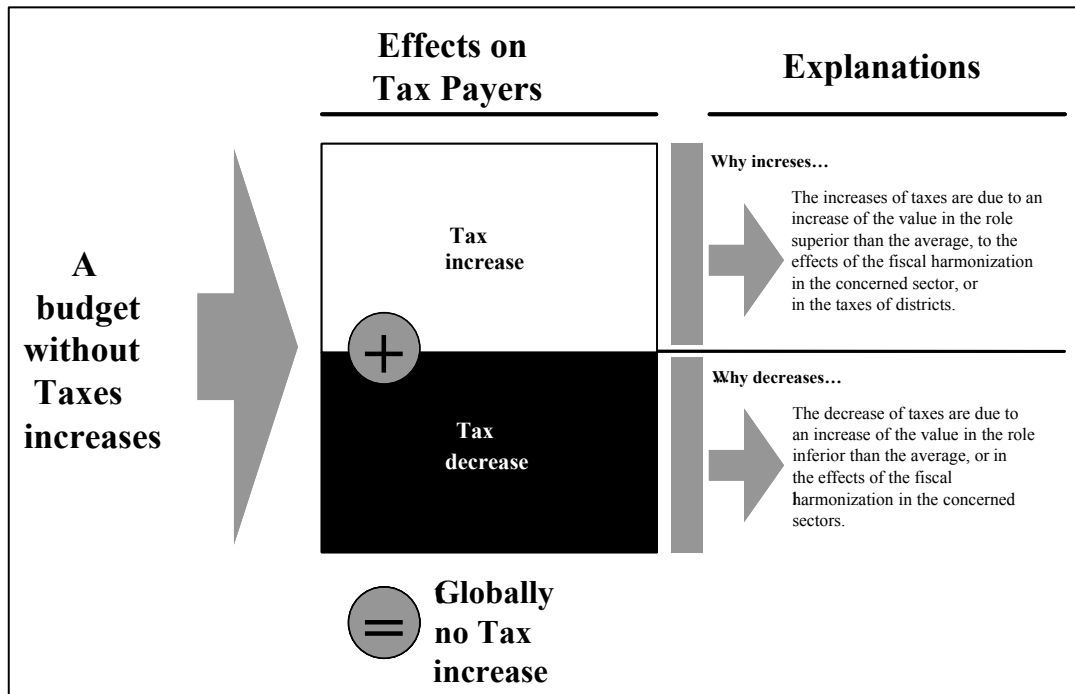
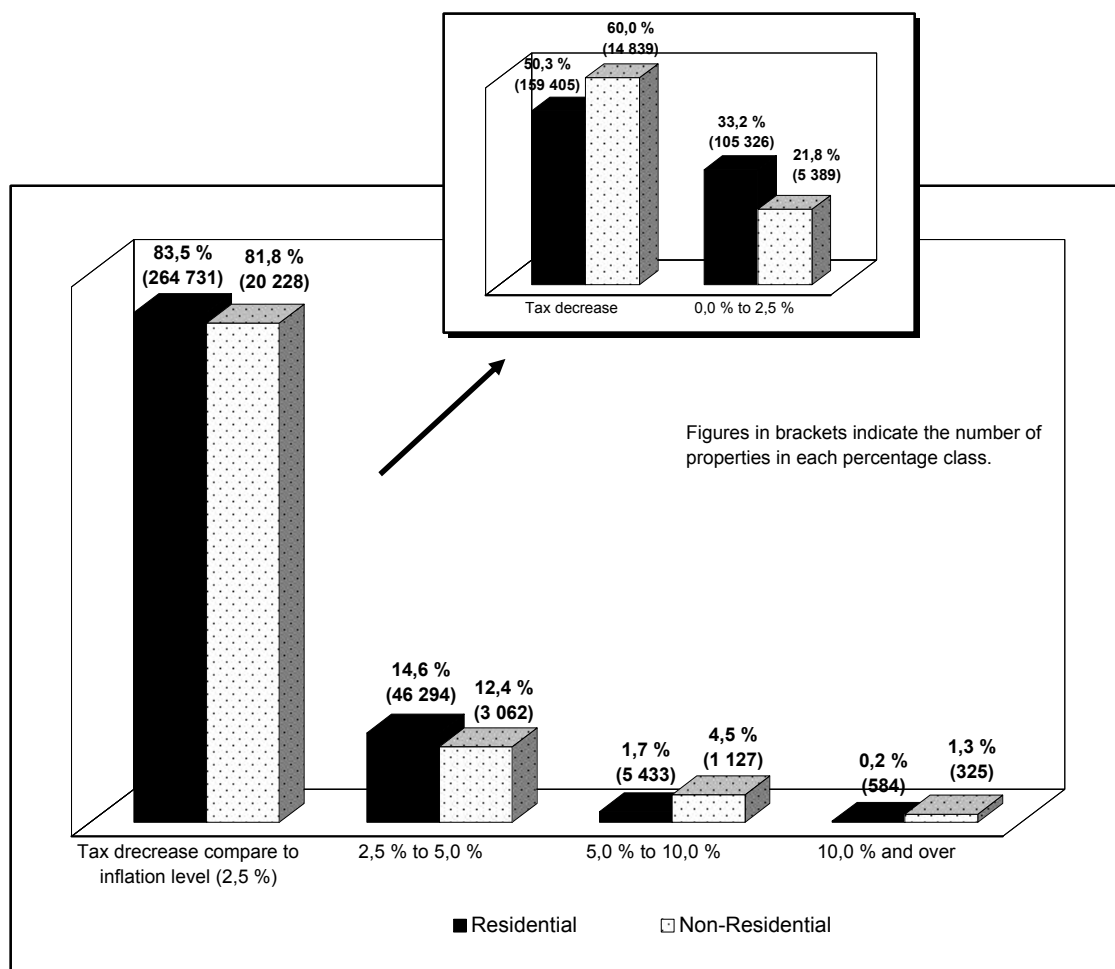


Figure 26 presents the variation in overall taxes for the city's residential and non-residential property from 2005 to 2006.

**Chart 26****Variation in Montréal's Property Tax Burden from 2005 to 2006**

Nearly 84% of residential and 82% of non-residential property owners will, as a whole, see their taxes either drop or rise at less than the inflation rate.

Table 31 presents average variation in tax burden for residential and non-residential property in each borough.

**Table 31**  
**Tax Variation<sup>1</sup> and Levels in the Boroughs from 2005 to 2006**

Borough	Residential			Non-Residential		
	2005	2006	Var.	2005	2006	Var.
	(\$000)	(\$000)	(%)	(\$000)	(\$000)	(%)
Ahuntsic - Cartierville	81,904.6	81,416.1	(0.6 %)	57,135.7	56,706.6	(0.8 %)
Anjou	25,908.5	25,936.9	0.1 %	45,533.3	45,856.3	0.7 %
Côte-des-Neiges—Notre-Dame-de-Grâce	101,422.1	103,373.8	1.9 %	53,484.9	53,172.7	(0.6 %)
Lachine	22,984.2	23,211.0	1.0 %	33,928.4	33,820.1	(0.3 %)
LaSalle	41,319.2	39,062.9	(5.5 %)	32,684.8	32,586.6	(0.3 %)
L Île-Bizard—Sainte-Geneviève	14,444.4	14,734.9	2.0 %	1,966.2	1,985.6	1.0 %
Mercier—Hochelaga-Maisonneuve	65,165.7	64,457.4	(1.1 %)	59,367.9	58,787.0	(1.0 %)
Montréal-Nord	35,575.7	35,997.2	1.2 %	22,021.4	21,160.8	(3.9 %)
Outremont	29,237.9	29,340.2	0.4 %	3,969.2	3,944.8	(0.6 %)
Pierrefonds-Roxboro	46,133.6	46,704.4	1.2 %	8,124.6	8,011.4	(1.4 %)
Plateau-Mont-Royal	71,107.9	72,186.6	1.5 %	46,534.6	46,650.9	0.3 %
Rivière-des-Prairies—Pointe-aux-Trembles	62,995.2	61,576.3	(2.3 %)	40,014.3	39,491.5	(1.3 %)
Rosemont—La Petite-Patrie	73,778.0	74,099.3	0.4 %	34,260.7	34,215.3	(0.1 %)
Saint-Laurent	57,658.1	58,264.7	1.1 %	139,145.2	143,552.3	3.2 %
Saint-Léonard	42,214.1	42,324.5	0.3 %	36,299.6	36,046.0	(0.7 %)
Sud-Ouest	34,464.5	34,040.4	(1.2 %)	35,326.8	35,479.0	0.4 %
Verdun	46,747.2	45,943.7	(1.7 %)	12,706.1	12,574.2	(1.0 %)
Ville-Marie	72,905.7	73,462.0	0.8 %	507,565.7	506,570.2	(0.2 %)
Villeray—Saint-Michel—Parc-Extension	58,469.7	58,304.1	(0.3 %)	43,339.8	42,798.0	(1.3 %)
<b>VILLE DE MONTRÉAL</b>	<b>984,436.3</b>	<b>984,436.3</b>	<b>0.0 %</b>	<b>1,213,409.3</b>	<b>1,213,409.3</b>	<b>0.0 %</b>

<sup>1</sup> By fiscal charges, we mean revenues generated by the general property tax (which includes the sums necessary to finance debt-related expenditures fee and rate schedules (water and solid waste treatment) as well the water tax based on property values and borough taxes. Moreover, please note that serviced vacant lots are no longer included in this table, nor is the provision to contest valuations.

Source : Figures compiled and updated as of September 13, 2005 and extrapolated from fiscal parameters for 2005 and 2006.

## Reasons for Variations in the Overall Tax Burden

There are four primary reasons in 2006 for variations in a given sector's tax burden:

- Evolution of the historic debt service of the former municipalities.
- The tax burden harmonization process.
- Conclusion of the three-year averaging process of assessment roll values.
- Borough taxes.

### 1. Evolution of the former municipalities' historic debt

Under the *Charter of Ville de Montréal*, properties within the former municipalities remain responsible for the debt service expenditures of those entities. The same rule applies to the actuarial liabilities and supplementary pension plans of these former municipalities. The evolution in cost of these expenditures results in different tax variations from one sector to the next.

The share of expenditures pertaining to repayment of actuarial liabilities that is to be financed through taxation rose substantially in the Montréal sector, in 2006. That factor is responsible for some of this sector's variation in tax burden.

### 2. Tax burden harmonization process

The year 2006 marks the last phase in harmonizing the tax burden on residual properties. This process will be completed in 2007 for properties with six or more units. This means that for all property categories as a whole, the harmonization process will once again this year result in a redistribution of tax burden from those sectors in which the existing tax burden is higher than average to those in which it is less. This redistribution thus explains some of the variations in tax burden for all property categories as a whole.

### 3. Conclusion of the three-year process for averaging assessment roll values

Since the administration opted, when it tabled the last assessment roll, to average the change in assessment roll values over a three-year period and since 2006 is the last year in this process, the value appearing in the role will serve as the basis of taxation for fiscal 2006. As in 2004 and 2005, taxation for 2006 will take into account averaging of the variation in values by redistributing the tax burden accordingly. This means that for a given category of property, the tax burden will decrease for those sectors that posted lower-than-average growth. Conversely, those sectors that enjoyed a greater-than-average increase in property values must make a larger proportional contribution to the overall tax burden.

### 4. Borough taxes

Under the *Charter of Ville de Montréal*, five boroughs have charged or levied property taxes or user fees on their taxable properties, thus influencing variations in the tax burdens of these boroughs. Borough taxes, on the other hand, have not had the impact of raising the tax burden for Montréal's taxpayers as a whole.



# **SUPPLEMENTARY INFORMATION**



## GLOBAL REMUNERATION

Remuneration is the budget's largest expenditure item. The following table highlights the key components of this item, which comprises remuneration to elected officials and to city employees, along with employer contributions. The latter include city contributions to various government plans (employee benefits) and the range of fringe benefits.

Global remuneration totals \$1,736,073.2 in the 2006 Budget or 45.0% of the city's global budget. This represents a \$43.4 million (2.6%) rise over the Restated 2005 Budget, in accordance with the city's new structure.

**Table 32**  
**Payroll Components**

*(In thousands of dollars)*

	Budget 2006	Relative %
<b>Remuneration of elected officials and employees</b>	<b>1 325 981,5</b>	<b>76,4 %</b>
<b>Fringe benefits</b>	<b>152 881,8</b>	<b>8,8 %</b>
<b>Employee benefits</b>		
Pension plans	114 900,8	6,6 %
Actuarial deficits	62 981,9	3,6 %
Group insurance	65 250,6	3,8 %
Other benefits	14 076,6	0,8 %
	<b>257 209,9</b>	<b>14,8 %</b>
<b>Total</b>	<b>1 736 073,2</b>	<b>100,0 %</b>

The main differences in global remuneration with respect to the 2005 Budget, other than elimination from the payroll of reconstituted municipality employees, includes:

- A net increase of some \$21.3 million to actuarial liability amortization costs following the latest actuarial valuations, as at December 31, 2004.
- A drop of some \$19.7 million, following the refinancing of the initial actuarial liability (notarial act) of the firefighters, which will now fall under financing costs.
- A rise of some \$13.4 million due to adjustments in statutory pay scales (a large share of which is associated with pay adjustments for police officers and for firefighters).
- An amount of \$40.5 million to comply with wage indexing schedules under the city's collective agreements.
- A \$30.7 million reduction in reserves following changes in certain premises, including those pertaining to laid-off employees, victims of OHS accidents, insurance, pay equity and certain modifications resulting from collective agreements.

- A \$18.6 million increase resulting from the creation of 249 new positions and ongoing harmonization of the various collective agreements.

**Table 33**
**Analysis of Remuneration and Employer Contributions**
*(en person-years et in thousands of dollars)*

	Authorized structures p.y.	Remu- neration \$000	Employer contributions		Total compensation \$000
			Employee benefits \$000	Payroll taxes \$000	
Elected officials	105,0	8 865,9	3 308,7	507,2	12 681,8
Managerial staff and foremen	2 026,8	176 933,6	39 185,3	17 764,7	233 883,6
Professional and white-collar employees	8 088,2	411 181,1	98 588,4	53 210,7	562 980,2
Blue-collar employees	4 800,7	237 286,4	58 469,3	34 221,4	329 977,1
Police officers	4 195,1	315 586,6	12 681,5	27 991,0	356 259,1
Firefighters	2 283,8	170 410,4	44 976,7	18 560,8	233 947,9
School-crossing guards	224,4	5 717,5	0,0	626,0	6 343,5
<b>Total</b>	<b>21 724,0</b>	<b>1 325 981,5</b>	<b>257 209,9</b>	<b>152 881,8</b>	<b>1 736 073,2</b>

**CHANGE IN WORKFORCE SIZE**

The city's 2006 Budget provides for a total workforce of 21,724.0 person-years. Table 34 shows how the workforce is spread between the boroughs and the departments and among other budget items.

**Change in Borough Workforce Size**

The overall borough workforce is growing by 154.3 person-years. This change is largely due to harmonization of structures, resulting from an upgrade in general service levels. Key factors include:

- The transfer, by city departments, of some 32.4 person-years for decentralized borough activities, such as human resources, property management, etc.
- The addition of 22.2 person-years for the new Côte-des-Neiges–Notre-Dame-de-Grâce intercultural library.
- The addition of 13.0 person-years for the new Montréal-Nord community centre.

**Change in City Department Workforce and Other Budget Items**

The city departments and the other budget items are reducing their combined workforce by 94.2 person-years in 2006. Many factors other than the municipal reorganization, which has differing degrees of impact on the city department workforce, explain this change:

- Increase of 125.4 person-years in the Service de gestion des infrastructures, transport et environnement (infrastructure, transportation and the environment), particularly due to the transfer of employees from water production plants and the creation of new positions associated with the launch of specific environmental hygiene projects (bringing drinking water production plants up to standards, geomatics, etc.).
- Increase of 26.5 person-years in the Service de sécurité incendie (fire department), largely resulting from various renovations to the communications centre.
- Increase of 95.2 person-years in the Service de police (police service), particularly due to establishment of the road and nautical safety program.
- Reduction of 124.3 person-years in the Service du développement culturel, qualité du milieu de vie et diversité ethnoculturelle (Cultural development, quality of the living environment and ethnic and cultural diversity), most of which (109.2 person-years) is due to management of the income security program within nine boroughs of the former city, pursuant to an agreement with the Ministère de l'Emploi et de la Solidarité sociale.
- Reduction of 30.8 person-years in the Service du capital humain (human resources), largely due to increased borough responsibility (through decentralization) for human resources.
- Increase of 31.4 person-years in the Service de mise en valeur du territoire et du patrimoine (economic and heritage development), largely due to the creation of new positions pertaining to implementation of the development strategy.
- Reduction of 27.0 person years, largely due to the revised scopes and time tables of various core projects. This reduction will have an eventual impact on city departments.

**Table 34**
**Distribution of Human Resources throughout the Organizational Structure**

(Person years)

	2006 Restated	2006 Budget	Change 2006-2005 P/Y	Change 2006-2005 %
<b>Boroughs</b>				
Ahuntsic-Cartierville	390,0	396,2	6,2	1,6
Anjou	211,1	214,3	3,2	1,5
Côte-des-Neiges-Notre-Dame-de-Grâce	451,3	493,5	42,2	9,4
Lachine	261,0	266,0	5,0	1,9
LaSalle	302,2	307,2	5,0	1,7
L'Île-Bizard-Sainte-Geneviève	96,0	97,0	1,0	1,0
Mercier-Hochelaga-Maisonneuve	536,4	538,9	2,5	0,5
Montréal-Nord	323,0	348,6	25,6	7,9
Outremont	105,5	105,5	-	-
Pierrefonds-Roxboro	266,5	279,5	13,0	4,9
Plateau-Mont-Royal	417,9	424,1	6,2	1,5
Rivière-des-Prairies-Pointe-aux-Trembles	398,1	401,6	3,5	0,9
Rosemont-La Petite-Patrie	530,2	538,4	8,2	1,5
Saint-Laurent	538,1	546,7	8,6	1,6
Saint-Léonard	298,0	298,0	-	-
Sud-Ouest	393,5	396,1	2,6	0,7
Verdun	319,5	319,5	-	-
Ville-Marie	535,2	550,7	15,5	2,9
Villeray-Saint-Michel-Parc-Extension	442,5	448,5	6,0	1,4
<b>Total for boroughs</b>	<b>6 816,0</b>	<b>6 970,3</b>	<b>154,3</b>	<b>2,3</b>
<b>Corporate departments</b>				
Direction générale	172,0	172,2	0,2	0,1
Affaires corporatives	921,1	927,4	6,3	0,7
Capital humain	162,7	131,9	(30,8)	(18,9)
Commission de la fonction publique	6,0	6,0	-	-
Commission des services électriques	106,0	110,0	4,0	3,8
Développement culturel, qualité du milieu de vie et diversité ethnoculturelle	1 923,4	1 799,1	(124,3)	(6,5)
Finances	488,6	485,8	(2,8)	(0,6)
Gestion des Infrastructures, du Transport et de l'Environnement	1 142,8	1 268,2	125,4	11,0
Mise en valeur du territoire et du patrimoine	208,2	239,6	31,4	15,1
Police	5 331,8	5 427,0	95,2	1,8
Sécurité incendie	2 636,7	2 663,2	26,5	1,0
Services administratifs	1 495,2	1 488,3	(6,9)	(0,5)
Vérificateur général	38,0	35,0	(3,0)	(7,9)
<b>Total for corporate departments</b>	<b>14 632,5</b>	<b>14 753,7</b>	<b>121,2</b>	<b>0,8</b>
<b>Other budget items</b>	<b>27,0</b>	<b>-</b>	<b>(27,0)</b>	<b>(100,0)</b>
<b>Total</b>	<b>21 475,5</b>	<b>21 724,0</b>	<b>248,5</b>	<b>1,2</b>

**SUMMARY OF THE  
2006-2008  
THREE-YEAR CAPITAL WORKS  
PROGRAM**



### **THREE-YEAR CAPITAL WORKS PROGRAM IN SHORT**

The Three-Year Capital Works Program (TCWP) comprises a range of projects that the administration plans to carry out in building a city that meets resident expectations at a time of limited resources and in view of stabilizing indebtedness.

A total of \$1,664.8 million in investments are earmarked for the city's 2006-2008 TCWP, which will result in loans of \$1,170.6 million to be repaid by residents. This is equivalent to the amount of such loans in the Restated 2005-2007 TCWP.

Investments slated for 2006 total \$546 million. These investments will primarily serve in restoring and in increasing assets in the categories of Transportation, Environmental Hygiene and Recreation and Culture. Of this amount, taxpayers will be responsible for loans of \$408.3, with taxpayers throughout the urban agglomeration responsible for \$231.2 million and taxpayers of the residual city responsible for \$177.1. The type of project determines how charges are shared. Allocation of such charges depends on the extent to which a project falls under the responsibility of the urban agglomeration or the residual city.

The budget consists of two components: the City Council Budget and the Urban Agglomeration Council Budget.

The City Council Budget pertains to projects planned for the residual city, including projects that the boroughs have adopted pertaining to local services.

The Urban Agglomeration Council Budget comprises projects scheduled to occur within the island's 16 municipalities, so that the urban agglomeration may exercise its responsibilities in the areas provided to law.

The city is setting up an ambitious road repair program with an investment target of \$500 million over four years. Investments of \$432 million have been earmarked for this purpose in the 2006-2008 TCWP. Of that amount, \$310 million is to be applied to the arterial road network and \$122 million to the local road network.

The city is also pursuing goals that were previously announced in the 2005-2007 TCWP. These include enhanced efforts to restore the water supply system, by earmarking \$246 million to this task over the 2006 to 2008 period, with \$176.3 million of this amount applied to the Urban Agglomeration Council's TCWP and \$69.7 million to the City Council's TCWP.

Overall, 73.5% of TCWP investments will be allocated to the protection of city assets in view of providing the best possible service to residents.

The following table presents capital expenditures for the 2006-2008 period by municipal category (by purpose).

The Transportation category comprises expenditures pertaining to the restoration and development road networks. The Environmental Hygiene category comprises expenditures pertaining to water, to solid waste management and to environmental protection. The Recreation and Culture category comprises investments pertaining to recreational and cultural equipment and to heritage assets.

**Table 35**  
**Capital Expenditures by Municipal Category**  
*(In thousands of dollars)*

Municipal functions	City council		Urban agglomeration council		Ville de Montréal	
	2006	2006-2008	2006	2006-2008	2006	2006-2008
General administration	30 966,0	71 043,0	23 452,0	44 773,0	54 418,0	115 816,0
Land use, urban planning and development	67 377,0	225 900,0	3 038,0	10 821,0	70 415,0	236 721,0
Environmental hygiene	41 460,0	105 952,0	54 082,0	181 182,0	95 542,0	287 134,0
Recreation and culture	50 106,0	181 131,0	39 465,0	113 265,0	89 571,0	294 396,0
Public security			21 606,0	68 207,0	21 606,0	68 207,0
Transportation	69 697,0	196 617,0	144 701,0	465 873,0	214 398,0	662 490,0
<b>Total</b>	<b>259 606,0</b>	<b>780 643,0</b>	<b>286 344,0</b>	<b>884 121,0</b>	<b>545 950,0</b>	<b>1 664 764,0</b>

## ANALYSIS OF FINANCING METHODS

Expenditures under the Three-Year Capital Works Program are largely financed by long-term loans serviced through the operating budget. These financing costs are set up in such manner as to prevent undue pressure on the operating budget.

The city's various financial partners also help finance such expenditures. Among these partners, the higher levels of government participate in transfer payments or in the repayment of loans taken out by the city.

**Table 36**  
**Summary of Financing Methods**  
*(In thousands of dollars)*

Methods of financing	2006	2007	2008	Total
Contributions by promoters	8 738,0	7 603,0	2 700,0	19 041,0
Conditional transfers	43 185,0	25 165,0	31 265,0	99 615,0
Accumulated surplus, general taxes, other	27 352,0	74 599,0	94 705,0	196 656,0
Loans under the government of Québec responsibility	11 835,0	12 655,0	10 562,0	35 052,0
Loans reimbursed by commercial activities	46 569,0	47 805,0	49 441,0	143 815,0
Loans under the urban agglomeration responsibility	231 166,0	202 912,0	198 147,0	632 225,0
Loans under the residual city responsibility	177 105,0	186 104,0	175 151,0	538 360,0
<b>Total</b>	<b>545 950,0</b>	<b>556 843,0</b>	<b>561 971,0</b>	<b>1 664 764,0</b>

### Taxes Paid by Developers

Taxes paid by developers, which are often called "deposits," represent the financial participation of real-estate developers in capital expenditure projects.

### Conditional Transfers

Conditional transfers comprise all grants intended for specific purposes that are paid in cash.

### Surpluses, General Taxes and Other

This heading comprises investments financed by allocations from surpluses or reserves, as well as transfers to investment activities paid out of tax revenue.

### Loans Charged to the Government of Québec

The financial cost of these loans is assumed under various programs and agreements by the Government of Québec.

### Loans for Commercial Activities

These loans, which pertain to the work of the Commission des services électriques (electrical services commission) are repaid out of the proceeds of the latter's commercial activities.

### **Loans Charged to the Urban Agglomeration**

Taxpayers of the associated cities are fully responsible for the financial cost of these loans.

### **Loans Charged to the Residual City**

Taxpayers of the residual city are, following reconstitution of the 15 other municipalities, fully responsible for the cost of these loans.

# **DEBT AND FINANCIAL PORTRAIT**



## INDEBTEDNESS

The city administration funds its capital expenditures primarily through long-term debts. Generally, the city's debt profile is largely influenced by projects carried out under past and present three-year capital works (TCWPs) budgets.

In special cases, the city may also borrow to finance other kinds of expenditures pertaining to its areas of authority. This situation arose, for example, in the refinancing of the initial actuarial liability of the former city of Montréal that began in 2003 and continued in 2004 and 2005. As at December 31, 2004, gross debt issued by the city of Montréal consequently stood at \$6.3 billion. When excluding debt issued for the purpose of refinancing the actuarial liability of four retirement plans<sup>1</sup> for former city of Montréal employees, long-term debt stood at some \$5.2 billion.

In view of capital expenditures made in 2005 and the financing strategy adopted in view of the territorial reorganization as at January 1, 2006, debt should total \$5 billion by the end of 2005. This slight decrease is largely due to the deferred financing of capital expenditures in view of the debt sharing process effective January 1, 2006, when the 15 former municipalities were reconstituted. These municipalities will remain responsible for their respective shares of the debt (the debt they incurred prior to the municipal merger of 2002 and that portion of the debt pertaining to investments associated with local areas of jurisdiction that were made during the merger process). One sharing agreement has been formulated on this matter. The cities that are to be reconstituted have only been assigned responsibility for the payment of their unmatured loans. All other financial transactions, loans, investments, grants, etc., remain the city's responsibility. The reconstituted municipalities must repay the city accordingly.

Capital expenditures affect the city's level of indebtedness. They also affect the operating budget not only in terms of operating expenditures, but in terms of the cost of debt. That is why investment levels must be set with a constant concern for containing the scope of the mandatory debt and limiting the pressure applied to the city's operating budget by the cost of this debt.

The table on the following page provides a better idea of how indebtedness affects the city's operating budget by distinguishing between the gross and net costs of the debt. This table also reveals the share of costs now assumed by Montréal Urban Agglomeration taxpayers.

The \$815.6 million gross cost of debt in the 2006 Budget is equivalent to 21.2% of all operating expenditures. However, taxpayers are not responsible for a large portion of this cost, because the debt is partially repaid by Government of Québec grant programs and by user fees charged by the Commission des services électriques de Montréal (electrical services commission). Long-term investments are also obtained in line with accumulated sinking fund reserves in view of future loan repayment. These investments generate interest that serves to defray a share of taxpayer cost. Net debt in 2006 stands at \$555.6 million, equivalent to 14.4% of all operating expenditures.

<sup>1</sup> Agreement was reached in September 2005 on a fifth retirement plan, permitting the refinancing of another portion of \$411 million of the initial actual deficit of retirement plans for employees of the former city. Overall, the city has now reimbursed \$1.6 billion of its debt to these plans. In consideration for this reimbursement, the city has opted for a financing strategy that not only enables it to prevent the growth of this debt, but to generate substantial long-term savings over the next four decades.

A share (\$104.5 million) of the gross debt service in 2006 is due to refinancing of the initial actuarial liability of five of the six retirement plans for employees of the former city. Since the strategy in question enabled the city to repay the retirement plans, it is no longer necessary to make special contributions to these plans. However, loans were taken out to achieve this goal, resulting in financing costs.

**Table 37**  
**2006 Debt Service**

( in thousands of dollars)

	<b>Total costs</b>	<b>Refinancing of actuarial debt</b>	<b>Total cost excluding actuarial debt</b>
<b>Gross cost of debt</b>			
Interests and other costs	416 935,8	87 941,5	328 994,3
Reimbursement of capital and contributions to the sinking fund	398 695,7	16 514,5	382 181,2
	<u>815 631,5</u>	<u>104 456,0</u>	<u>711 175,5</u>
<b>Less:</b>			
Investment income of sinking fund	54 606,6	407,3	54 199,3
Subsidies due from the government of Québec	169 193,6	21 048,7	148 144,9
	<u>223 800,2</u>	<u>21 456,0</u>	<u>202 344,2</u>
<b>Less:</b>			
Recovery as fees from the underground conduits fund	36 254,2	-	36 254,2
Amount to be paid by taxpayers	555 577,1	83 000,0	472 577,1
Amount to be paid by urban agglomeration taxpayers	<u>143 494,0</u>	<u>-</u>	<u>143 494,0</u>
Amount to be paid by Ville de Montréal taxpayers	412 083,1	83 000,0	329 083,1
<b>Percentage of cost of debt versus overall operating expenditures and other financial activities</b>			
Gross cost of debt	21,2 %	2,8 %	18,4 %
Net cost (amount to be paid by taxpayers)	<u>14,4 %</u>	<u>2,1 %</u>	<u>12,3 %</u>

Excluding financial expenses associated with the refinancing of the initial actuarial liability, gross financial expenses total \$711.2 million, or 18.4% of all expenditures. Net cost totals \$472.6 million, or 12.3% of all expenditures.

As of 2006, when the territorial reorganization takes place, urban agglomeration taxpayers will become responsible for a share (\$143.5) of the debt service. All or some city taxpayers will be responsible for the remainder.

## **Debt Management**

Montréal's Executive Committee, in its capacity as administrator of public funds, must emphasize sound financial management of the city's financial resources. A key factor in this management process obviously pertains to the debt. Public debt must be administered in a reasonable manner, which means taking into account the ability of taxpayers to pay and the need for the city to provide its residents with quality services.

Moody's Investor Services upwardly revised the outlook for Montréal's credit rating in 2005, setting it at "A1." Standard and Poor's has rated the city of Montréal as "A+ stable."

As mentioned above, Montréal uses borrowing to finance most of its investments. It is clear to all that the necessary investments are expensive and clearly exceed the ability of taxpayers to pay. Although there is no legal limit to the city's level of indebtedness, it should not acquire excessive debt and must accordingly make certain choices. The city administration has accordingly developed a financial strategy to take this indebtedness into account. The city introduced the resulting debt-management policy in the 2004 Budget.

This debt management policy is designed to:

- Define debt management goals.
- Ensure that the decision-making process is more systematic.
- Provide consistent decisions with respect to indebtedness, by introducing discipline and continuity into the decision-making process.
- Acquire a framework aimed at ensuring the maintenance and ideally the improvement of Montréal's financial situation.

Through its debt management policy, the city intends to:

- Responsibly and prudently manage the city's debt, which means adopting a formal framework that lays out rules for borrowing.
- Adopt practices that serve to remedy the city's high level of indebtedness.
- Ensure stable access to capital markets, particularly at good rates.
- Improve its financial situation and thus maintain, or if possible, boost, the city's credit rating.

The practices adopted within the framework of Montréal's public debt management policy fall under five broad headings. Any exceptions to this policy must be approved by the City Council or the Urban Agglomeration Council, as the case may be.

A variety of debt management policy measures have been incorporated within the 2006 Budget. Under its management policy, the city is applying \$13.7 million of voluntary contributions in 2006 to accelerated reduction of the municipal debt. The debt management policy will have served to reduce the debt by \$33.2 million since it was established in 2004.

Implementation of the debt management policy serves to raise the city's financial profile and thus its credit rating. This policy also sets certain guidelines in terms of indebtedness and debt service burden.

The following section provides a financial portrait that clearly outlines the city's debt status and some of the guidelines established as part of the debt management policy.

## FINANCIAL PORTRAIT

Since the municipal merger of 2002, the city has instituted various financial and budgetary policies and frameworks. These “resources” were designed to ensure the sound management of public moneys and to provide short-, medium- and long-term improvements to the city’s financial situation. This report describes the evolution of various financial criteria over the past six years and demonstrates how the city’s financial situation has improved as a whole.

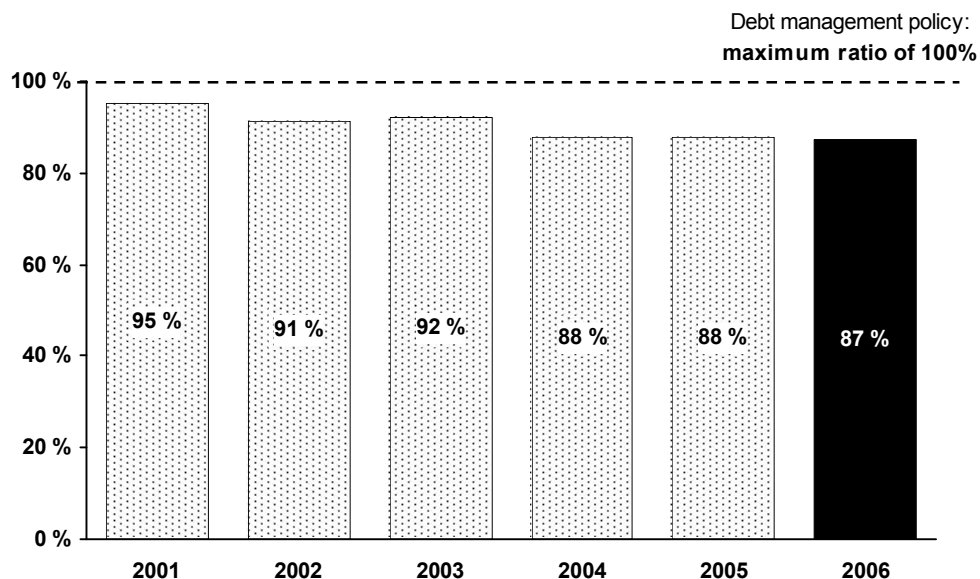
### Decreased Net Direct and Indirect Debt Burden<sup>1</sup>

The debt management policy set forth in the 2004 Budget established various criteria for guiding the city’s debt-related activities. One such criterion was designed to cap direct and indirect debt levels at 100% of city revenue, excluding refinancing of the initial actuarial liability. A review of the data shows that this indicator is, in fact, less than 100%. Furthermore the direct and indirect debt burden has been gradually declining with respect to city revenue, dropping from 95% as at December 31, 2001 to 87% in 2006.

### Chart 27

#### Net Direct and Indirect Debt (Excluding Initial Actuarial liability) from 2001 to 2006 as a Percentage of Revenue

Figures as at December 31 of each Year (in percentages)



<sup>1</sup> Indirect debt comprises debt from organizations included among the city’s accounting entities. These organizations are the Société de transport de Montréal, the Société d’habitation et de développement de Montréal, the Société de développement de Montréal and Anjou 80. The debt for 2005 has been adjusted in view of the loan deferrals following the territorial reorganization. To balance out this special situation, we have added \$250 million to the debt of 2005. Overall, debts in 2006 for the reconstituted municipalities have been excluded from Montréal’s debt. In other words, the reconstituted municipalities will remain responsible for their respective debts.

### Decline in Relative Debt Service Burden

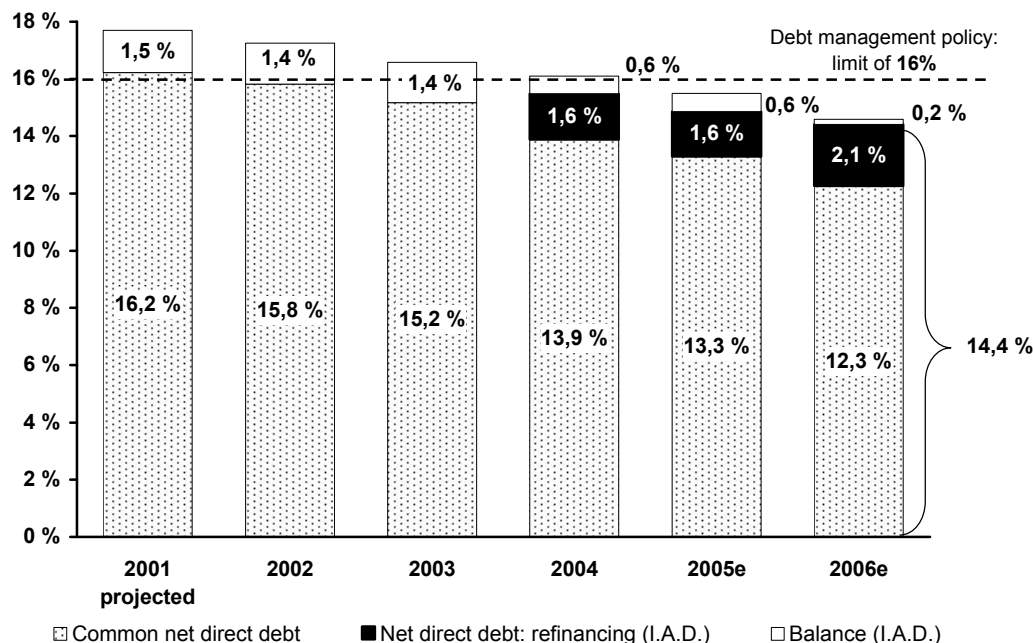
The following chart presents the net debt service cost<sup>1</sup> with respect to all expenditures. The city's debt management policy caps the relative debt service weight at 16% of all city expenditures. In 2003, for example, the city proceeded to refinance the initial actuarial liability of four of its six retirement plans (managements, supervisors, public servants and professional workers). In 2005, the city proceeded to refinance the initial actuarial liability of a fifth such plan (firefighters).

Net debt service cost in 2001 was 16.2% of all Operating Expenditures and Other Financial Activities. This ratio has dropped to 12.3% in the 2006 Budget. Even with financial expenses associated with refinancing the initial actuarial liability, the total net debt service cost (14.4%) dropped substantially with respect to 2001. It may be noted the refinancing effort of 2005 has served to increase financing expenses over those of 2004. This rise is, however, offset, by the reduction in special contributions.

### Chart 28

#### Net Debt Service Cost as a Percentage of Operating Expenditures and Other Financial Activities from 2001 to 2006

(Budget data—in percentages)



<sup>1</sup> Unless otherwise noted in this section, the net total debt consists of: (1) the usual net direct debt, essentially consisting of loans taken out to finance capital expenditures, (2) net direct debt resulting from the refinancing of the initial actuarial deficit resulting from retirement plans of the former Ville de Montréal and (3) the initial actuarial deficits of the two other plans that have not been refinanced and that we have designated as "the balance of the initial actuarial deficit."

### Improved Financial Results

As at December 31, 2001, the city of Montréal's net direct debt stood at \$3.0 billion. The former city also has an initial actuarial liability of \$1.6 billion on its retirement plans, bringing the total to \$4.6 billion.

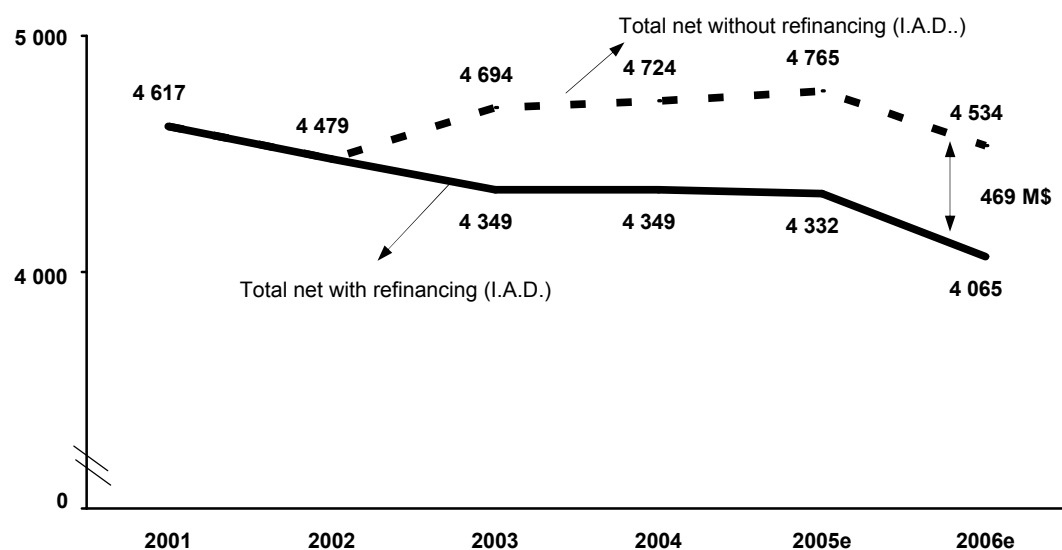
The initial actuarial liability was distinct in that it would continue to grow over the years until 2011, since the special contributions that had been set aside were insufficient for paying the interest on this debt. Deployment of the actuarial liability refinancing strategy has largely served to rectify this situation and to improve the city's financial results by \$469 million, primarily through:

- Reducing the initial actuarial liability for which the taxpayers of the former city are responsible by \$240 million, under the City Contract in which the Government of Québec takes charge of this amount.
- A gain of \$229 million resulting from various elements of this strategy, such as:
  - Freezing of the amount of the initial actuarial liability, which has largely served to prevent future growth of this debt.
  - Modification in the system of repayment, which has made it possible to begin repaying this debt beginning in 2004.
  - The financing structure, which benefits from current low interest rates.

### Chart 29

#### Evolution of Net Direct Debt and Initial Actuarial Liability with and without the Refinancing Strategy<sup>1</sup> from 2001 to 2006

(Data as at December 31 of each year—in millions of dollars)



<sup>1</sup> Long-term investment expenditures pertaining to refinancing of the initial actuarial deficit are not considered in this section. In 2006, these expenditures should stand at some \$90 million.

### Indebtedness under control

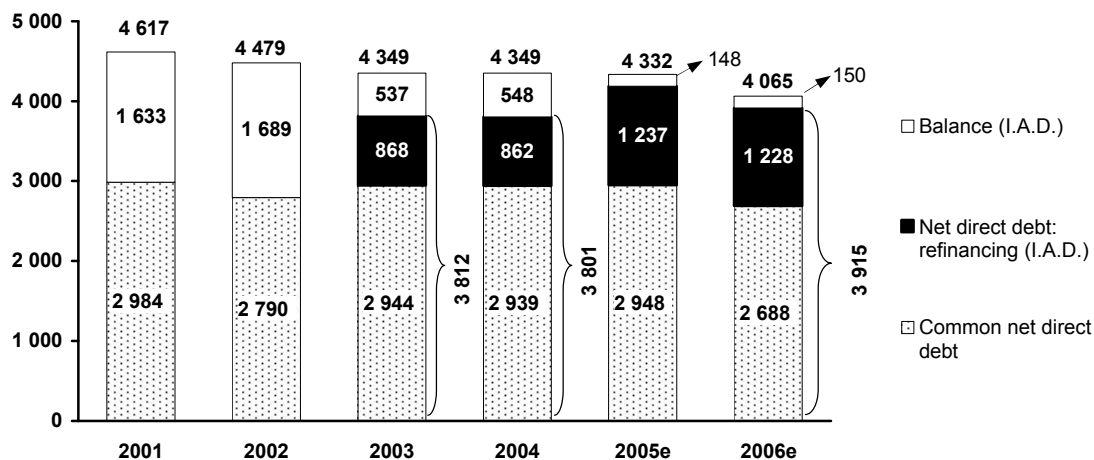
Net direct debt that has been issued (debt that pertains to loans to be repaid by the taxpayers) stood at \$3.8 billion (including loans made in 2003 to refinance the initial actuarial liability) according to the city's financial statements for 2003 and 2004.<sup>1</sup> As revealed in the following chart, net direct debt and the initial actuarial liability have declined since 2001. Although the initial actuarial liability was scheduled to gradually rise until 2011, it dropped from \$1.6 billion in 2001 to \$1.4 billion in 2006.

An amount of some \$350 million has been stricken from the debt for 2006 in view of the territorial reorganization.

### Chart 30

#### Evolution of Net Direct Debt and Initial Actuarial Liability from 2001 to 2006

(Data as at December 31 of each year—in millions of dollars)



<sup>1</sup> Investment expenditures and financial activities to be funded over the long term are not considered in this section. As at December 31, 2004, these expenditures stood at some \$330 million.

### Reduction of Direct Debt Burden in Terms of Assessed Property Value

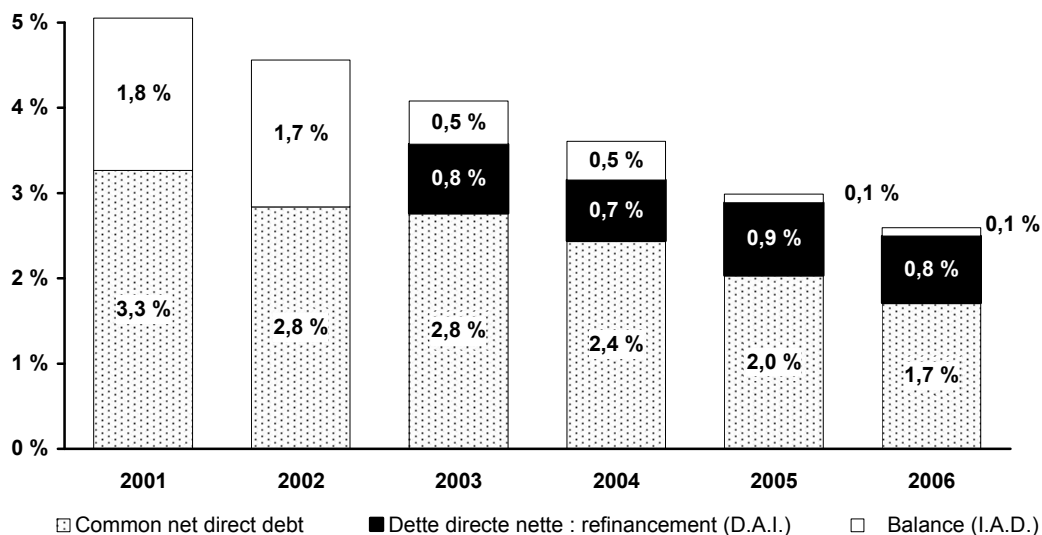
The following chart illustrates the evolution of net direct debt in percentage terms with respect to the harmonized equivalent taxable assessment.<sup>1</sup> This chart reveals that the net direct debt burden dropped from 3.3% in 2001 to 2.0% in 2005. Based on the refinancing of the initial actuarial liabilities of certain retirement plans, net direct debt burden should amount to 2.9% in December 2005. This decline is due to three key factors:

- Relatively stable net direct debt over that period, excluding refinancing.
- Rise in property values throughout the city.
- Montréal's strategy for refinancing the initial actuarial liability.

### Chart 31

#### Net Direct Debt and Initial Actuarial liability (I.A.D.) as Percentages of the Harmonized Equivalent Taxable Assessment from 2001 to 2006

(Figures as at December 31 of each year—in percentages)



<sup>1</sup> The harmonized equivalent taxable value corresponds with the taxable value plus the adjusted values of non-taxable properties subject to payments in lieu of taxes. The equivalent taxable value is adjusted to take into account changes in the real-estate market, since the tabling of the assessment roll, to reflect more current (harmonized) values.

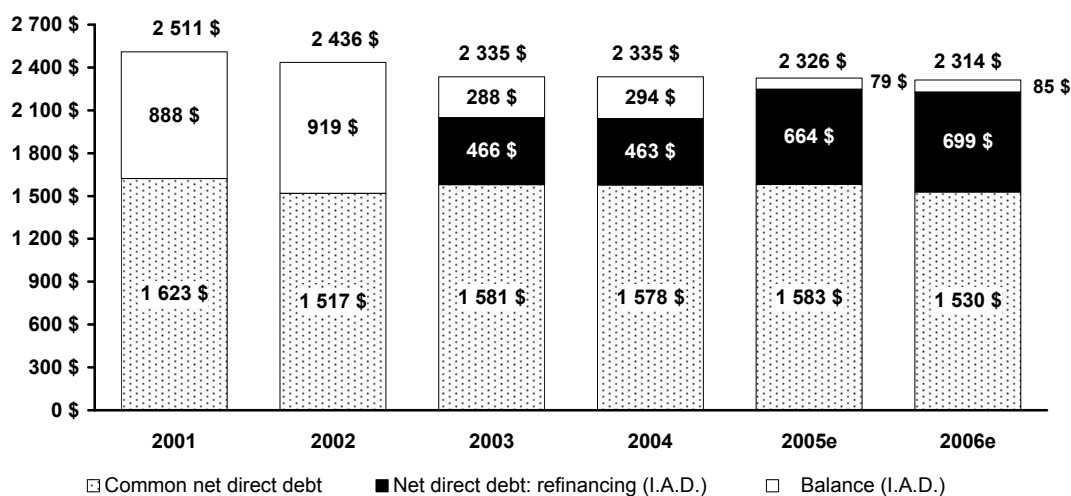
## Relatively Stable Net Direct Debt per Resident

The following chart reveals that net direct debt per resident, excluding the refinancing of the initial actuarial liability, has declined slightly since 2001. It dropped from \$1,623 in 2001 to about \$1,583 in 2005. The territorial reorganization should not have a significant impact in 2006 on the debt ratio per resident.

### Chart 32

#### Net Direct Debt and Initial Actuarial Liability by Resident from 2001 to 2006

(Figures as at December 31 of each year—in dollars)



### Rise in Assessed Property Value

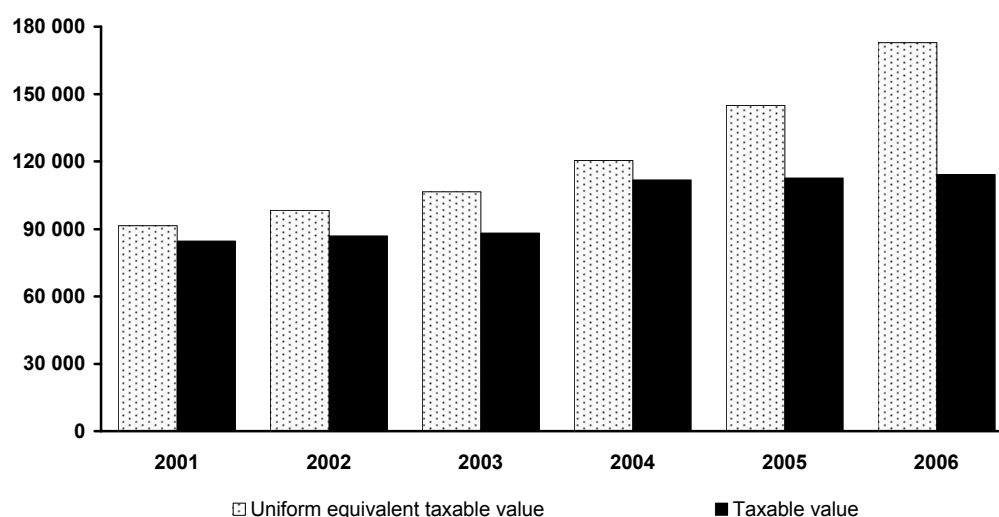
The following chart illustrates the evolution of Montréal's property tax base. Since city revenue is essentially derived from property taxes, taxable assessed property value serves as a key indicator.

There has been a substantial rise in taxable value and in the harmonized equivalent taxable value since 2001. For example, there has been a rise of some 25% in the tax base between the 2001-2003 and the 2004-2006 three-year rolls. The real estate market has continued its vigorous levels of activity, as illustrated by the harmonized values of 2005 and 2006. The values of new properties and upgrades to existing ones have further contributed to this general growth in value.

### Chart 33

#### Tax Evaluation and Harmonized Equivalent Tax Assessment from 2001 to 2006

(in millions of dollars)



### Conclusion

Over the 2001 to 2006 period, numerous factors positively influenced the city's financial situation. The key ones were:

- Control over the level of indebtedness, while increasing investment to maintain infrastructure in good shape and to remedy long-term problems.
- Refinancing of the initial actuarial liability and financial support from the Government of Québec under the City Contract.
- An economic situation that enabled the city to benefit from low interest rates.
- A substantial rise in the property tax base, primarily resulting from application of the 2004-2006 Three-Year Assessment Roll and a real estate market that demonstrated exceptional activity in 2005 and 2006.
- Implementation of a debt management policy serving to accelerate debt repayment (\$33.2 million since it was established in 2004).



**2006**

**CITY**  
COUNCIL **BUDGET**



Montréal 



# **BUDGET BY ACTIVITY**



## **STATEMENT OF FINANCIAL ACTIVITIES**

The Statement of Financial Activities presents a synopsis of the city operating budget for local services that fall under the City Council's responsibility and that are provided within the city with respect to revenues, expenditures and allocations. Revenues are presented by category, while expenditures are presented by municipal category. Allocations represent the use of surpluses, reserves or earmarked funds for the fiscal year's financial activities.

The original data from the 2005 Budget have been adjusted so that they can be presented on the same basis as that required for the 2006 Budget. These data appear under the column entitled "2005 Restated."

### **NOTE**

The Ville de Montréal's budget is presented in accordance with the rules established by the Ministère des Affaires municipales et des Régions. The appendix describes the main budgetary practices applying to its formulation.

Please refer to Appendix 1 for further information on how budgetary information is structured and on significant accounting practices pertaining to the operating budget.

The following tables cover the years 2005 and 2006. Because of changes to the government structure, the Restated 2005 Budget only appears in the Statement of Financial Activities.

**Table 38**  
**Statement of Financial Activities**  
**City Council Budget**  
*(In thousands of dollars)*

	<b>2005</b>	<b>2006</b>	<b>Change</b>
	<b>Restated <sup>1</sup></b>	<b>Budget</b>	<b>2006-2005</b>
			<b>%</b>
<b>Revenues</b>			
Taxes	960 992,3	982 521,7	2,2
Payments in lieu of taxes	88 639,1	93 660,6	5,7
Other revenues from local sources	455 848,4	514 225,1	12,8
Transfers	433 314,1	367 141,1	(15,3)
Specific revenues transferred to investment activities	(47 649,2)	(25 693,0)	(46,1)
<b>Total revenues</b>	<b>1 891 144,7</b>	<b>1 931 855,5</b>	<b>2,2</b>
<b>Operating expenditures</b>			
General administration	343 886,2	361 529,5	5,1
Public security	17 324,1	17 770,0	2,6
Transportation	187 152,6	202 536,5	8,2
Environmental hygiene	121 706,4	128 905,4	5,9
Health and welfare	89 116,9	87 804,9	(1,5)
Urban planning and development	127 169,4	130 774,0	2,8
Recreation and culture	318 621,4	333 751,9	4,7
Financing expenses	344 269,5	342 345,0	(0,6)
<b>Total operating expenditures</b>	<b>1 549 246,5</b>	<b>1 605 417,2</b>	<b>3,6</b>
<b>Other financial activities</b>			
Repayment of long-term debt	341 898,2	329 792,6	(3,5)
Other transfers investment activities	0,0	0,0	-
<b>Total others financial activities</b>	<b>341 898,2</b>	<b>329 792,6</b>	<b>(3,5)</b>
<b>Total expenditures</b>	<b>1 891 144,7</b>	<b>1 935 209,8</b>	<b>2,3</b>
<b>Financial activity surplus before appropriations</b>	<b>-</b>	<b>(3 354,3)</b>	
<b>Appropriations</b>			
Unappropriated accumulated surplus	0,0	0,0	
Appropriated accumulated surplus	0,0	3 354,3	
Financial reserves and reserved funds			
- transfer from	0,0	0,0	
- (transfer to)	0,0	0,0	
	<b>-</b>	<b>3 354,3</b>	
<b>Surplus before long-term financing</b>	<b>-</b>	<b>-</b>	
<b>Net surplus</b>	<b>-</b>	<b>-</b>	

<sup>1</sup>The Restated 2005 Budget is presented for purposes of information. The information appearing in the Restated 2005 Budget has adjusted in line with such factors as the withdrawal of funding for the reconstituted municipalities to make them as comparable as possible to those of the 2006 Budget. In view of the many legislative and administrative changes appearing in the 2006 Budget and particularly those concerning the distribution of local and agglomeration powers, the Restated 2005 reflects these changes as faithfully as possible.

## **ANALYSIS OF FINANCIAL ACTIVITIES—REVENUES**

The 2006 Budget has been divided into four main categories consistent with the guidelines provided in MAMR's *Manuel de la présentation de l'information financière*:

- Taxes
- Payments in lieu of taxes
- Other Revenue from Local Sources.
- Transfers.

These four revenue categories and their component units are discussed on the next few pages.

## Taxes

Taxes include all revenue generated by property taxes and property-related fees.

**Table 39**

### Taxes

*(In thousands of dollars)*

	<b>2006 Budget</b>
<b>On property value</b>	
General tax	834 730,5
Sector taxes	13 325,3
Water improvement tax	46 257,9
Road tax	0,0
Other	475,9
	<b>894 789,6</b>
<b>On another basis</b>	
Tax on rental value	0,0
User fees for municipal services	
- water	46 026,0
- wastewater treatment	0,0
- waste removal and recycling	12 990,4
- debt service	20 525,7
	<b>79 542,1</b>
Other	8 190,0
	<b>87 732,1</b>
<b>Total</b>	<b>982 521,7</b>

Local property taxes and property-related fees total \$982,521.7 in the 2006 Budget.

This rise in revenue is due to:

Good performance of the real estate market, which has enabled the city to anticipate a \$1.6 billion growth in assessed value for 2006. This rise will generate additional revenue of \$21.5 million.

**Payments in Lieu of Taxes**

This category includes revenue collected from owners of tax exempt properties subject to payments in lieu of taxes. *An Act respecting municipal taxation* lists these properties and identifies the various payments applicable to each.

**Table 40**  
**Payments in Lieu of Taxes**  
(In thousands of dollars)

	<b>2006 Budget</b>
<b>Québec government</b>	
Government buildings and establishments	
- property taxes	18 350,0
- water improvement tax	829,5
- road tax	0,0
- other taxes, compensations and fees	0,0
	<b>19 179,5</b>
Network establishments	
- health and social services	18 375,5
- cegeps and universities	23 149,2
- primary and secondary schools	15 667,6
	<b>57 192,3</b>
Foreign governments and international organizations	1 234,1
Classified cultural properties	342,2
	<b>77 948,1</b>
<b>Government of Canada and its enterprises</b>	
- property taxes	11 581,0
- water improvement tax	754,2
- road tax	0,0
- other taxes, compensations and fees	0,0
	<b>12 335,2</b>
<b>Municipal organizations</b>	<b>2 544,6</b>
<b>Other compensated organizations</b>	<b>832,7</b>
<b>Total</b>	<b>93 660,6</b>

Tax revenue from payments in lieu of taxes total \$93,660.6. This growth in revenue is principally due to an anticipated \$150 million rise in the value of government real estate on the Island of Montréal, which will generate \$5,000.0 in additional revenue.

### **Other Revenue from Local Sources**

This category includes all revenue other than that generated by taxation, payments in lieu of taxes and transfers. It includes amounts derived from management activities and service delivery within the framework of authority conferred, in 2006, by the Urban Agglomeration Council. This category thus comprises revenue generated from services rendered to municipal organizations and from services rendered to taxpayers or to private businesses. The “Other Revenue” heading includes such fees as those pertaining to licenses, permits and real estate transfers and revenue generated by fines and penalties. Interest, proceeds from the disposal of long-term assets, taxes paid by developers, contributions from municipal bodies and various other types of revenue also fall into this category.

**Table 41**  
**Other Revenue from Local Sources**

(In thousands of dollars)

	<b>2006 Budget</b>
<b>Services provided to municipal organizations</b>	<b>1 004,8</b>
<b>Other services provided</b>	<b>201 224,2</b>
<b>Other revenues</b>	
Fees collection	
- licenses and permits	10 817,1
- real estate transfer fees	79 730,9
	<u>90 548,0</u>
Fines and penalties	
- tickets – traffic and parking	87 506,0
- other – fines and penalties	1 726,5
	<u>89 232,5</u>
Interest	
- tax arrears	3 274,2
- amortization fund <sup>1</sup>	54 606,6
- cash and other interest	14 351,1
	<u>72 231,9</u>
Long-term transfer of assets	25 024,9
Developers' contributions	8 652,0
Contribution by municipal organizations	24 000,0
Other	2 306,8
	<u><b>311 996,1</b></u>
<b>Total</b>	<b>514 225,1</b>

<sup>1</sup> That portion of the debt service for which the urban agglomeration is responsible was calculated on the basis of the net debt assigned to it. Consequently, all interest revenue on sinking funds appears in the City Council Budget

### Services Rendered to Municipal Organizations

This item totals \$1004.8 million in the 2006 Budget. It consists primarily of:

- Revenue of \$598.1 generated by billing of water supply maintenance activities provided to certain related municipalities (Côte-Saint-Luc, Westmount, Hampstead and Montréal-Ouest) by borough (Sud-Ouest and Côte-des-Neiges–Notre-Dame-de-Grâce).
- Revenue of \$406.7 generated by borough billings for rentals of space for police facilities.

### Other Services Rendered

This item totals \$201,224.2 in the 2006 Budget and consists primarily of:

- Revenue of \$27,013.1 generated by the billing of miscellaneous services by the boroughs in areas of recreation and culture, transportation, environmental hygiene, urban development and land use planning, general administration, etc.
- Revenue of \$56,417.6 produced by billings of the Commission des services électriques (electrical services commission) in carrying out its functions.
- Revenue of \$16,421.0 generated by facilities administered by Muséums nature de Montréal (Montréal's nature museums).
- Fees of \$23,182.9 paid by the Société de stationnement de Montréal for the right to manage parking lots and parking meters located throughout the former city.
- Revenue of \$33,407.1 generated by amounts billed to the city departments and boroughs for the property fund.
- Revenue of \$11,642.0 from billings to the city departments and boroughs for use of the Centre de Services partagés (shared used of mobile support equipment and shops).
- Revenue of \$5,234.1 from collected rentals.

### Other Revenue

This item totals \$311,996.1 in the 2006 Budget and is primarily generated by:

- The collection of a total \$89,232.5 in fines and penalties. An estimated \$87,506.0 is anticipated from fines and penalties pertaining to traffic and parking offences. This revenue generally results from citations issued by traffic police and parking officers. The cost of administrative fees associated with such fines appears in the Urban Agglomeration Council Budget. Another amount of \$1,726.5 is also earmarked for the collection of other fines and penalties, such as those imposed for failure to comply with certain municipal and governmental by-laws or regulations.
- Revenue of \$79,730.9 generated by property transaction fees. This budget is calculated on the basis of the estimated volume of future real estate transactions and the overall behaviour of the real estate market.

- Interest revenue of \$72,231.9, including interest of \$3,274.2 on back taxes and interest in the 2006 Budget of \$54,606.6 on the sinking funds. Cash in hand (cash flow management) and other interest totals \$14,351.1.
- Revenue of \$25,024.9 resulting from the divestiture of assets.
- Revenue of \$10,817.1 generated primarily through the boroughs for licences and permits.
- A contribution of \$24,000.0 from the Montréal Metropolitan Community with respect to Montréal's nature museums.
- Revenue of \$8,652.0 generated by taxes on developers for various projects falling under the Three-Year Capital Works Program.

## Transfers

This category includes all grants from the higher levels of government (departments or agencies) and from private enterprise. Such transfers pertain to the funding of operating, debt service and capital asset expenditures. They are known as “conditional transfers” when subject to special usage requirements and “unconditional transfers” when no such requirements apply

Transfer revenue totals \$367,141.1 in the 2006 Budget.

**Table 42**

### Transfers

(In thousands of dollars)

	<b>2006 Budget</b>
<b>Unconditional transfers</b>	
Québec government subsidies	39 500,0
- compensation for TGE-FFLA	8 000,0
- urban centres	2 452,0
- neutrality	38 700,0
- other	<b>88 652,0</b>
<b>Conditional transfers</b>	
Government subsidies and other debts	
- related to capital spending	
- cash payment	17 041,0
- repayment of long-term debt <sup>1</sup>	169 193,6
- related to operating budget	91 910,3
	<b>278 144,9</b>
Other conditional transfers related to the operating budget	344,2
	<b>278 489,1</b>
<b>Total</b>	<b>367 141,1</b>

<sup>1</sup> That portion of the debt service to be paid by the urban agglomeration has been calculated based on the net debt for which the latter is responsible. As a result, all grants pertaining to debt repayment are presented in the City Council Budget.

### **Unconditional Transfers**

This category includes such revenue as that resulting from the fiscal pact with the Government of Québec,<sup>1</sup> compensatory revenue pertaining to central cities and revenue derived from the neutrality program, which serves to compensate for losses resulting from government payments in lieu of taxes.

A total of \$278,489.1 in unconditional transfers appears in the 2006 Budget and primarily consists of:

- Revenue of \$17,041.0 from Government of Québec grants for “paid in cash” capital expenditures, with respect to programs included in the Three-Year Capital Expenditure Program. This amount includes a grant from the Société de financement des infrastructures locales du Québec. (SOFIL);
- Revenue of \$169,193.6 from grants used to repay long-term debt (interest, principal and other expenses).
- Government of Québec grants of \$91,910.3 for the operating budget.

### **Conditional Transfers**

Two types of conditional transfers exist: those involving cash repayment for a capital asset project or for debt service repayment and those involving the repayment of operating expenditures.

Such transfers total \$278,489.1 in the 2006 Budget and primarily consist of:

- An amount of \$17,041.0 provided by government grants for “paid in cash” capital expenditures, pursuant to the projects listed in the Three-Year Capital Works Program. This amount includes a grant from SOFIL (Société de financement des infrastructures locales du Québec).
- An amount of \$169,193.6 from grants for the repayment of long-term debt (interest, principal and other costs).
- Government grants totalling \$91,910.3 pertaining to the operating budget.

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<sup>1</sup> The fiscal pact concluded in 2005 has been renewed with indexing for the 2006 Budget.

### Government Grants for Capital Assets and Other Debts

This category comprises grants that the city receives from the higher levels of government when it finances projects through long-term loans.

The 2006 Budget includes a total of \$186,234.6 in such grants. Key components of this item appear in the following table:

**Table 43**

### Government Grants for Capital Assets and Other Debts

*(In thousands of dollars)*

	<b>2006 Budget</b>
Public transit - Métro	47 169,0
Various subsidy programs paid in cash	
- recreation and culture	3 896,7
- roads	15 110,3
- local sanitation	14 982,9
	<hr/> 33 989,9
Wastewater treatment	74 329,0
Refinancing of the actuarial deficit	21 048,8
Urban renewal	9 590,9
Other	107,0
<b>Total</b>	<hr/> <b>186 234,6</b>

### Grants to Reimburse Operating Expenditures

This category includes grants pertaining to programs that the city establishes and administers on behalf of or in conjunction with the higher levels of government.

A total of \$91,910.3 in grants applying to repayment of operating expenditures is included in the 2006 Budget. This amount primarily consists of:

- An amount of \$64,391.6 pertaining to the city's administration of the former income security program throughout the former city.
- The city also administers certain renovation grant programs on behalf of the Government of Québec. The cost of such programs is equally divided between the city and the Government of Québec. In 2006, the latter's share represents revenue for the city of \$23,131.8.
- An amount of \$3,755.9 is devoted to recreation and culture and primarily to the purchase of books for libraries.

**Table 44****Government Grants to Reimburse Operating Expenditures***(In thousands of dollars)*

	<b>2006 Budget</b>
Management of income security	64 391,6
Urban renewal	23 131,8
Recreation and culture	3 755,9
Other	631,0
<b>Total</b>	<b>91 910,3</b>

**Specific Revenue Transferred to Investment Activities**

Pursuant to MAMR standards for the presentation of financial information, revenue derived from taxes paid by developers and revenue derived from cash government grants for capital expenditures must now appear under the "Specific Revenue Transferred to Investment Activities" heading in the statement of financial activities and deducted from total city revenue.

**Table 45****Specific Revenues Transferred to Investment Activities***(In thousands of dollars)*

	<b>2006 Budget</b>
Developers' contribution	(8 652,0)
Government subsidies related to capital spending - cash payment	(17 041,0)
<b>Total</b>	<b>(25 693,0)</b>



## **ANALYSIS OF FINANCIAL ACTIVITIES—OPERATING EXPENDITURES AND OTHER FINANCIAL ACTIVITIES**

Operating Expenditures and Other Financial Activities are broken down by category pursuant to the guidelines set forth in MAMR's *Manuel de la présentation de l'information financière*. Those categories are:

- The “General Administration” category consists of a set of activities pertaining to municipal management and administration. Expenditures falling within this category mainly concern operations of the city council and law enforcement, as well as financial, administrative and human resources management.
- 
- The “Public Safety” category includes activities pertaining to the protection of people and property. It comprises all expenditures relating to surveillance, prevention and emergency preparedness measures.
- The “Transportation” category comprises all expenditures pertaining to the planning, organization and maintenance of the city’s road network, as well as to the transportation of people and of merchandise.
- The “Environmental Hygiene” category includes expenditures pertaining to water and sewers, waste management and environmental protection.
- The “Health and Welfare” category includes all public hygiene and welfare services.
- The “Urban Planning and Development” category includes all activities involved in the formulation and the maintenance of the development plan and the urban plan, along with expenditures involved in formulating the city’s economic development programs.
- The “Recreation and Culture” category includes all planning, organizational and management activities for programs relating to recreational and cultural activities.
- The “Financing Costs” category comprises interest and other expenses involved in the financing municipal activities.
- The “Other Financial Activities” category comprises the repayment of long-term debt and transfers to investment activities.

Each category is analyzed, starting with a description of the activities pertaining to it. This analysis is accompanied by a table itemizing the expenditures that correspond with each heading. The table presents the 2006 Budget and highlights the main budget items associated with these activities.

### General Administration

This category consists of a set of activities pertaining to municipal management and administration. Expenditures falling within this category mainly concern operations of the city council and law enforcement, as well as financial and administrative management, the city clerk's office, the assessment process and human resources management

Certain one-time expenditures that do not fall within any of the various municipal activities may also appear under the Other heading of the General Administration category.

The Global Budget is allocated among the City Council and Urban Agglomeration Council budgets according to three main principles: distribution of powers, delegation of urban agglomeration powers and allocation of expenditures for mixed purposes.

Because of their particular nature, most General Administration expenditures have been divided among the Urban Agglomeration Council and City Council budgets under the "mixed purposes" rule.

An amount of \$361,529.5 was allocated to the General Administration category in the 2006 Urban City Council Budget.

**Table 46**

### General Administration

*(In thousands of dollars)*

	<b>2006 Budget</b>
City Council	38 016,7
Law enforcement	2 696,1
Finance and administration management	100 431,1
City clerk	11 017,3
Valuation	0,0
Human resources management	20 699,1
Other	188 669,2
<b>Total</b>	<b>361 529,5</b>

### City Council

The City Council heading primarily encompasses expenditures pertaining to the City Council, to the Executive Committee and to the borough councils. This heading also includes a portion of the contribution to the Montréal Metropolitan Community.

The 2006 Budget earmarks funding of \$38,016.7 for this activity. These funds will also serve to finance a share of those expenditures pertaining to public hearing and consultation sessions, protocol, support for the decision-making process and inter-governmental relations

### **Law Enforcement**

Law enforcement expenditures comprise management and support funds associated with activities involved in administering the law and City Council by-laws. These funds are distinct from those pertaining to the Municipal Court and to judiciary activities, which fall under the authority of Urban Agglomeration Council.

The 2006 Budget sets aside \$2,696.1 for these expenditures. They include the sharing of certain mixed purpose expenditures, such as those of the Direction du contentieux (legal affairs).

### **Financial and Administrative Management**

The Finance and Administrative Management heading consists primarily of funds assigned to the management of financial, material and information technology resources, including the SIMON integrated management system.

Total funding of \$100,431.1 has been assigned to this activity in the 2006 Budget, 53% of which (\$53,608.0) has been allocated to the boroughs.

Other funding is taken from a share of the expenditures of the Service des finances (finance), the Service des services administratifs (administrative services) and the Bureau du vérificateur général (office of the auditor general).

### **City Clerk**

This activity includes expenditures pertaining to the office of the city clerk, including:

- Application of by-laws.
- Conducting censuses, referendums and elections.
- Drafting minutes of meetings and all other official documents.
- Publications and the maintenance of archives and official documents.

Of the total \$11,017.3 in funding for this activity, \$8,266.9 (75%) has been allocated to borough operations in this area. Most of the remaining funds are derived from a portion of the City Clerk's budget.

### **Valuation**

This activity comprises expenditures relating to the production of the property assessment rolls, an area that falls under the exclusive authority of the Urban Agglomeration Council.

### **Human Resources Management**

This activity includes expenditures pertaining to the management of human resources, including recruitment, hiring of staff, labour relations, etc.

Funding of \$20,699.1 has been earmarked for human resources management. Of this amount, \$12,336.3 has been set aside for borough use and \$8,362.8 for use by the city departments. These funds are primarily drawn by the Service du capital humain (human resources).

### **Other**

Different kinds of budget items fall under this activity, including amounts that may not be associated with a specific activity at the time the budget is being prepared. These items include expenditures for city department communications, contingencies, possible collection losses, and certain provisions for remuneration expenditures.

The City Council has been allocated total funding of \$188,669.2 for this activity, including funding of \$23,334.5 (about 12.4% of this total) that has been earmarked for the boroughs.

A total of \$6,576.3 has been allocated to the city departments for their expenditures in this area. Most of this amount is drawn on funds allocated to city department communications and assistance to residents.

Common Expenditures falling under City Council authority include:

- A total of \$26.5 million in contingencies and general administrative expenses.
- Possible collection losses of \$9.1 million.
- Funding of \$50.9 million to cover pensions, annuities and new and old actuarial liabilities as at December 31, 2004.
- Reserve funds of some \$18.4 million to cover common remuneration expenditures. These reserves apply to expenditures pertaining to OHS accidents of blue collar workers, pay equity, certain insurance fees and contributions to the Commission de la santé et sécurité du travail (CSST) and include credits to cover a share of the impact of retirement plan harmonization and the impact of past actuarial valuations on current service of the various plans.
- Finally, the remaining \$53.9 million falling under this activity pertains primarily to transaction fees to be eliminated between local entities and the urban agglomeration. These transactions to be eliminated result from the exchange of billed services between business units in which the supplier is based in an accounting entity different from that of the client. To consolidate city budget data, these internal transactions must be eliminated. This means they are subtracted from the total so they are not counted twice.

## Public Safety

The Public Safety category includes all activities pertaining to the protection of people and property. It comprises all expenditures relating to surveillance, prevention and emergency preparedness measures. With the establishment of the Montréal Urban Agglomeration, most public safety activities now fall under the latter's responsibility and thus appear in the Urban Agglomeration Council Budget section.

Under the heading of local public safety, an amount of \$17.8 million has been devoted to public safety for the city's various boroughs and departments. In the area of local public safety, an amount of \$10.3 million has been set aside under the heading of Common Expenditures to meet the city's commitment to the retirement plan of police officers who served the former city prior to 1971.

A budget of some \$5.4 million appears in the Other category for local, borough-based public safety activities. This budget will be applied to such various municipal programs as crime prevention (TANDEM) and the police bike patrol.

Fire protection expenditures are fully described in the Urban Agglomeration Council Budget.

**Table 47**

### Public Safety Expenditures

*(In thousands of dollars)*

	<b>2006 Budget</b>
Police	10 255,0
Fire protection	0,0
Emergency preparedness	429,3
Other	7 085,7
<b>Total</b>	<b>17 770,0</b>

### Transportation

The transportation expenditures appearing in this section fall under City Council authority. They include all expenditures pertaining to the planning, organization and maintenance of the city's local road network, but exclude that portion of the network located in the downtown area, pursuant to the *Order concerning the Montréal Urban Agglomeration*.

The boroughs ensure maintenance of the local road network, under the *Charter of the Ville de Montréal*.

**Table 48**  
**Transportation Expenditures**  
(In thousands of dollars)

	<b>2006 Budget</b>
Road network	
- city road network	71 749,3
- snow removal	91 083,5
- street lighting	16 621,8
- traffic and parking	21 948,1
	<b>201 402,7</b>
Public transit	0,0
Other	1 133,8
<b>Total</b>	<b>202 536,5</b>

#### Road Network

This activity comprises expenditures pertaining to the city road network, to snow removal, to street lighting, to traffic control and to parking on the local road network.

#### Other

This activity comprises all other transportation-related expenditures.

## Environmental Hygiene

This category covers all activities pertaining to water and sewers, solid waste removal and recycling, environmental protection and all activities falling under the authority of the City Council.

**Table 49**  
**Environmental Hygiene**  
*(In thousands of dollars)*

	<b>2006 Budget</b>
Water and sewers	
- supply and treatment of drinking water	343,4
- drinking water distribution system	37 732,6
- waste water treatment	16,7
- sewer system	18 520,3
	<b>56 613,0</b>
Solid waste removal and recycling	
- household waste	50 367,3
- recyclable materials	21 510,1
- disposal of dry materials	(2 022,9)
	<b>69 854,5</b>
Environmental protection	2 173,7
Other	264,2
<b>Total</b>	<b>128 905,4</b>

## Water and Sewers

In terms of local powers, this activity comprises expenditures associated with local water mains within the water supply and the sewage systems.

Budgets falling under City Council authority appear under the Service des infrastructures, transport et environnement (infrastructure, transportation and the environment) and the boroughs.

The main changes in the 2006 Budget are:

- Establishment by the Service des infrastructures, transport et environnement (infrastructure, transportation and the environment) of a master plan to restore the water supply and sewage systems for an additional \$2.8 million, of which more than \$2.4 million will be applied to local water mains and sewer lines.
- A \$0.5 million reduction with respect to the water supply system and an increase of some \$1.0 million for sewer maintenance in the boroughs.

### **Solid Waste**

This activity comprises expenditures pertaining to the collection and transportation to the point of transfer or disposal of household waste, of secondary materials and dry materials, but exclude expenditures of this kind in Montréal's downtown area, pursuant to the *Order concerning the Montréal Urban Agglomeration*. These expenditures fall under City Council responsibility.

Borough budgets in this area have increased by \$1.3 million, largely due to indexing and to the renewal of waste collection and transportation contracts.

### **Environmental Protection and Other Activities Pertaining to Environmental Hygiene**

These expenditures pertain to such environmental protection efforts as air, water and noise pollution control measures and other environmental hygiene activities that find no classification elsewhere.

In terms of local powers, certain applications resulting from these policies may be carried out by the boroughs and fall under City Council responsibility.

## Health and Welfare

This category includes those activities associated with income security and public employment services situated within the former city. The health and welfare category also includes all public health and welfare services, including food inspection and social housing.

**Table 50**  
**Health and Welfare**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Food inspection	0,0
Social housing	16 947,9
Income security	63 391,6
Other	7 465,4
<b>Total</b>	<b>87 804,9</b>

### Food Inspection

This activity includes all food inspection-related expenditures, including the cost of enforcing laws and by-laws and proceedings instituted in the Municipal Court. As this activity falls under urban agglomeration authority, no expenditure is provided for it in the City Council Budget.

### Social Housing

This activity includes expenditures pertaining to social housing and to the city's contribution to the payment of operating deficits of the municipal housing offices. Most of this component is presented in the Urban Agglomeration Council Budget. Locally, under the Programme d'aide aux ménages sans logis, the 2006 Budget reflects:

- An \$800.0 decline in funding, due rising housing availability and the reduced need for action in this sector in view of development efforts that have been made over the past few years.

### Income Security

This activity comprises expenditures pertaining to the management of income security programs within the former city. In this budget, the income security activity has been separated from the other health and welfare activities, in response to the recommendation of the Ministère des Affaires municipales et des Régions.

In April 2006, the city will undertake the third year of the five-year agreement with the Ministère de l'Emploi, de la Solidarité sociale and the Famille (MESSF). The 2006 Budget includes:

- A reduction of some \$5 million in expenditures following a reorganization of the staffing levels required. A corresponding cut appears in revenue.

### Other

This activity comprises all other expenditures associated with the Health and Welfare category.

- A new, \$5 million agreement with the Government of Québec in the war against poverty and exclusion is largely responsible for an increase in expenditures that should also serve to offset an equivalent rise in revenue.

### Urban Planning and Development

This category comprises all activities pertaining to the formulation and maintenance of the urban development plan and of economic development.

**Table 51**

#### Urban Planning and Development

*(In thousands of dollars)*

	<b>2006 Budget</b>
Urban planning and zoning	38 957,1
Promotion and economic development	
- industry and commerce	32 632,8
- tourism	38,5
- other	523,2
	<b>33 194,5</b>
Urban renewal	53 714,5
Other	4 907,9
<b>Total</b>	<b>130 774,0</b>

#### Urban Planning and Zoning

This heading includes those expenditures pertaining to development, urban planning and zoning.

Most of the funding for this activity is derived from the Service de mise en valeur du territoire et du patrimoine (SMVTP) (economic and heritage development) and the boroughs.

The SMVTP established a Direction des grands projets (major projects) in 2006 following vast, \$3.3 million reorganization effort. Of that amount, \$1.5 million was earmarked for local needs. This new entity has received an allocation of \$0.9 million to support strategic initiatives. Furthermore, there is no further need to fund production of the urban plan, thus resulting in a decrease of \$1 million.

### **Promotion and Economic Development**

This heading contains expenditures relating to promotional activities and to industrial, commercial and tourist development, such as economic studies, promotion of tourist activities and other related services.

The main reasons for changes in the budget are:

- \$1.7 million has been allocated to the professional retraining of work teams assigned to business development and to economic development planning, thus contributing to the growth of wealth.
- \$0.9 million has been set aside for supporting local strategic initiatives.
- \$0.9 million has been allocated to support for the boroughs in their development projects and for the city departments in activities pertaining to real estate brokerage.
- \$0.7 million pertains to the financial contribution to the he YMCA that ended in 2005.

### **Urban Renewal**

This activity includes expenditures for the urban renewal of classified and other assets, including their restoration, studies, research and grants awarded by the city to owners of such properties.

The main differences in the 2006 Budget result from the following factors:

- An \$8.2 million reduction in the Programme Rénovation Québec, due to a decreased number of commitments.
- An accounting adjustment of funding totalling \$2.6 million for the Aide aux logements adaptés pour aînés autonomes (assistance to housing tailored to the needs of autonomous seniors), Amélioration des maisons d'hébergement (upgrades to nursing homes) and Adaptation à domicile (home adaptation) programs. An equivalent amount has been entered as revenue.
- A \$1.2 million increase has been earmarked for the Programme de logement abordable (private sector), to which announced commitments have been extended to 105 additional units.
- A \$0.9 million increase for grants to residential infrastructure resulting from an increase of the number of housing starts in designated sectors.

- A \$0.7 million reduction in residential tax credits. The program, which concluded in 2002, provided for five years of tax credits.

### **Other**

This heading includes other expenditures falling under the economic development and promotion category.

## Recreation and Culture

This category includes all local activities that pertain to the planning, the organization and the management of recreational and cultural programs, including grants and donations awarded to organizations working in these areas of endeavour. . It also includes expenditures relating to the management of amenities and to heritage activities.

Total funding of \$333,751.9 has been committed to this category in the 2006 Budget.

**Table 52**  
**Recreation and Culture**

(In thousands of dollars)

	<b>2006 Budget</b>
Recreational activities	
- community centres	50 228,7
- indoor and outdoor skating rinks	33 140,0
- swimming pools, beaches and marinas	30 051,7
- parks and playing fields	88 401,2
- regional parks	0,0
- exhibitions and fairs	362,3
- other	10 516,6
	<b>212 700,5</b>
Cultural activities	
- community centres	11 673,3
- libraries	50 393,3
- museums and exhibition centres	49 186,1
- other	9 798,7
	<b>121 051,4</b>
<b>Total</b>	<b>333 751,9</b>

### Recreational Activities

- Recreational activities generally fall into two groups: the management of recreational activities and of recreational and sports facilities and the design and maintenance of parks and green spaces. The recreational activity budget totals \$217,700.5. There will be a marked service increase in 2006 to such areas as aquatic activities, because of:
  - The opening of the Collège Sainte-Anne swimming pool, to which Lachine borough staff will be assigned.
  - Operation by the Villeray—Saint-Michel—Parc-Extension of the St-Roch swimming pool.
  - Finalization of the management contract for construction by the Saint-Léonard of an indoor pool.

### **Cultural Activities**

Cultural activities pertain to such areas as the:

- The library system and venues for cultural activities.
- Support for cultural initiatives.
- Community centres.

A total of \$121,051.4 in funding has been set aside in the 2006 Budget to maintain and to expand the existing range of local services. These efforts include such projects as:

- Opening of the Montréal-Nord's community and cultural centre.
- Signing of the management agreement for the new Outremont community centre.
- Annual operations of the Côte-des-Neiges intercultural library and extended hours for the boroughs' libraries.

The city is pursuing its annual capital asset protection program by investing in renovation and in bringing its sports, community and cultural facilities up to standards.

The capital asset development program is also maintaining its efforts to provide the boroughs with recreational and cultural facilities to ensure that all residents have access to high-quality activities. Some of the projects appearing in the 2006-2008 Three-Year Capital Works Program include:

- Construction of a community centre in Pierrefonds—Roxboro (scheduled to open in the spring of 2007).
- Opening of cultural centres in Rivière-des-Prairies—Pointe-aux-Trembles and Villeray—Saint-Michel—Parc-Extension.
- Relocation of the Saint-Léonard community centre following a fire.
- Finalization of the Lafond community centre project in Rosemont—La Petite-Patrie.

## Financing Costs

This category comprises interest and other fees for the financing of municipal activities, as well as for refinancing the initial actuarial liability of the retirement plans of managerial employees, supervisors, public servants, fire fighters and professional workers from the former city. Repayment of long-term debt is presented separately, under Other Financial Activities.

**Table 53**  
**Financing Costs**

(In thousands of dollars)

	<b>2006 Budget</b>
Long-term debt	
- interest	327 536,8
- other costs	13 379,3
	<b>340 916,1</b>
Other financing costs	1 428,9
<b>Total</b>	<b>342 345,0</b>

Expenditures for financing costs total \$342,345.0 in the 2006 Budget. This amount represents a \$1,924.5 (0.6%) decline from the amount appearing in the Restated 2005 Budget.

Variations in financing costs are primarily due to the following factors:

- Increased financing costs due to the \$411.0 million applied to the refinancing of the initial actuarial liability of the fire fighter retirement plan in 2005, resulting in a \$17,773.2 rise in the 2006 Budget. On the other hand, there has been a reduction in special contributions to the fire fighters' retirement plan, which appears under the heading of employer contributions.
- A \$19,697.7 decrease in financing costs is due to such factors as refinancing at lower interest rates and at the net maturities of current debt, as well as to the financing strategy that has been put forth, largely because of the territorial reorganization process.

### Other Financial Activities

Other Financial Activities expenditures primarily concern funds assigned to repayment of long-term debt (payment of capital on loans and contributions to the sinking funds). This expenditure item comprises the Transfer to Investment Activities item, which includes investment activities paid out of the operating budget (cash payment of capital expenditures).

**Table 54**

#### Other Financial Activities

(In thousands of dollars)

	<b>2006 Budget</b>
Repayment of the long-term debt	329 792,6
Other transfers to investment activities <sup>1</sup>	
- cash payments for capital works expenses	0,0
<b>Total</b>	<b>329 792,6</b>

<sup>1</sup> Other than the specific revenue transferred to investment activities consisting of taxes paid by real-estate developers and cash government grants.

### Repayment of Long-Term Debt

This activity consists of that portion of the debt that is reimbursed (repayment of capital), plus contributions to the sinking funds.

Expenditures applied to the repayment of long-term debt declined to \$329,792.6 in 2006, for a decrease of \$12,105.6 (3.5%). The following factors are largely responsible for this decrease:

- Pursuant to the debt management policy, an additional amount of \$2,480.1 has been earmarked for voluntary contributions to accelerated debt reduction.
- A \$3,615.4 rise in debt service, in view of the refinancing of the initial actuarial liability.
- By contrast, an \$18,201.1 decline in the debt service on debt issued for capital expenditures, primarily because the value of the matured debt was higher than that of the new loan.

Long-term debt thus totalled \$5 billion as at December 31, 2005. This total excluded amounts allocated for refinancing the initial actuarial liability. If the initial actuarial liability were to be included, the level of gross debt would rise to \$6.5 billion.

The cost of the new financing loan program in 2006 has been estimated at \$455 million.

## ANALYSIS OF ALLOCATIONS

This item represents the use of accumulated assigned or unassigned surpluses (or deficits) that remain under City Council authority.

The city plans to allocate an amount of \$3,354.3, drawn on prior year surpluses, to balancing the 2006 Budget.

**Table 55**  
**Allocations**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Appropriated accumulated surplus	3 354,3
Financial reserves and reserved funds	
- transfer from	0,0
- (transfer to)	0,0
<b>Total</b>	<b>3 354,3</b>

It should be noted that the Government of Québec's departmental directive of April 12, 2005, pertaining to distributing of assets and liabilities, stated that all of the city's unassigned surpluses for the period from 2002 through 2005 would belong to the urban agglomeration. Any borough management surpluses would, however, belong to the borough in question.

The previously noted amount of \$3,354.3 is in fact derived from the use by certain boroughs of these management surpluses in balancing their 2006 budgets. The boroughs in question are:

- Plateau-Mont-Royal (\$888.3).
- Mercier- Hochelaga-Maisonneuve (\$666.6).
- Rivière-des-Prairies- Pointe-aux-Trembles (\$1,799.4).



# **MUNICIPAL TAXATION**



## **THE NEW FISCAL STRUCTURE OF 2006**

### **Two-Tiered Fiscal Structure**

Fiscal 2006 was marked by a complete reformulation of the city's fiscal structure. This change results from a new legal structure that divides municipal powers among the municipal councils of the related municipalities and the Montréal Urban Agglomeration Council. This same structure provides for the implementation of a two-tiered fiscal structure.

To finance expenditures incurred in exercising their respective powers, councils of the related municipalities and of the Urban Agglomeration Council levy separate taxes and user fees. The agglomeration's powers are funded by all taxpayers, island-wide, while local powers are funded by the taxpayers of each related municipality.

Because of this sharing of powers between local governments and the urban agglomeration, Montréal taxpayers will receive a single tax bill that separately itemizes the taxes and user fees levied by each council. Taxpayers of the reconstituted municipalities will receive two tax bills. The first will provide a detailed breakdown of taxes levied by the Urban Agglomeration Council, while the second will present local taxes and user fees levied by their respective municipal councils.

### **Tax Harmonization**

In the course of reformulating the fiscal structure, taxation for the urban agglomeration has been generally harmonized this year throughout the Island of Montréal. To mitigate tax increases that could result from this accelerated process of harmonizing the urban agglomeration's taxation, the Government of Québec provided the reconstituted municipalities with a mitigation measure, in the form of a tax credit granted by the Urban Agglomeration Council to taxpayers of those reconstituted municipalities that take advantage of this measure. The tax credit granted by the Urban Agglomeration Council is equal to the amount the reconstituted municipality in question opts to pay it.

The harmonization process continues to apply to local taxation within Montréal's different sectors. For purposes of tax harmonization, each of the former municipalities that makes up the Ville de Montréal constitutes one sector.

### **Continued Commitment to Upgrading Water Supply**

The city administration has been collecting a tax since 2004 aimed at upgrading the water supply system. In 2006, the city will continue to collect this tax from its residents. To avoid any increase in the tax burden, the general property tax has been reduced by an amount equivalent to the additional tax.

In 2006, the city will seek to implement a comprehensive policy of water supply service costs. The financial reserve will accordingly be expanded to include all costs that are to be paid out of specific revenue that is exclusively dedicated to the water supply.

### **Road Repair Reserve**

The Island of Montréal's roadways have suffered over the past few decades from inadequate investments that have resulted in their deterioration. So that it may promptly undertake road repairs, the Urban Agglomeration Council is setting up a financial reserve in 2006 to provide for repairs to the road network. This reserve will permit additional investments in 2006, while promoting studies long-term needs and funding strategies. This year a tax of \$20 million is being collected to carry out repairs on the arterial system. To avoid any rise in the tax burden, the general property tax has been reduced by an amount equivalent to the additional tax. This tax will appear as a separate item on tax bills from the Montréal Urban Agglomeration.

## **MONTRÉAL'S LOCAL TAXATION**

### **Harmonization of Central City Sectors**

The National Assembly has given Montréal the authority to gradually continue harmonizing the tax burden of its 13 sectors. In contrast with the general rule on municipal taxation, the city thus has the authority, for purposes of harmonization, to charge different user fees and to levy taxes of different rates in each sector. The new harmonization mechanism provides that no increase in the tax burden of any sector (which includes revenue collected by City Council and the Urban Agglomeration Council) may exceed 5%. However, by virtue of the fact that taxation for the urban agglomeration taxation has been harmonized as of 2006, such adjustments will only apply on the local level.

### **Continued Commitment to Upgrading Water Supply**

Montréal's administration has, since 2004, levied an additional tax aimed at upgrading the water supply system. The city will be continuing to collect this additional tax from its taxpayers in 2006. To prevent any rise in tax burden, the general property tax has been reduced by an amount equivalent to the additional tax.

### **Borough Taxes**

To boost the levels of service it provides, a borough council may, under the *Charter of Ville de Montréal*, levy a property tax or impose other fees on taxable property within the borough.

This year, five boroughs used this authority to increase their service levels. Lachine's borough council is collecting a user fee of \$26 per housing or commercial unit. The \$541,800 in revenue generated by these fees will serve to cover increased waste collection costs. The Saint-Léonard borough council is levying a tax of \$0.0146 per \$100 of assessed valuation on all property throughout the borough. The \$550,400 in revenue thus generated will enable the borough to acquire a new indoor swimming pool. The Pierrefonds-Roxboro Borough Council is raising \$1,037,900 through a property tax of \$0.0326 per \$100 of assessed valuation. The Montréal-Nord Borough Council is raising \$2,004,00 through a property tax of \$0.07 per \$100 of assessed valuation. Finally, the Verdun Borough Council is raising \$800,000 through a property tax of \$0.0247 per \$100 of assessed valuation.

### **Conclusion of the Three-Year Assessment Roll Averaging Process**

As 2006 is the last year of the present three-year assessment roll, the mechanism for averaging variations in value and thus mitigating major swings in tax bills concludes this year. In other words, the value that appears on the assessment roll is the value that will be used for calculating property taxes in fiscal 2006.

## Tax Parameters in 2006

In 2006, the city is continuing to impose a variable rate property take on the local level. Rates will vary by four property categories: “residual” (residential properties of five units or less), properties with six or more units, non-residential property and serviced vacant lots.

Local general property tax rates are presented by sector and by property category in the following table.

**Table 56**  
**General Local 2006 Property Tax Rate by Property Category<sup>1</sup>**

Sector	Residual <sup>2</sup>	6 dwelling units or more	Non-residential	Serviced Vacant Lots
Anjou	0.5879	0.7073	1.7043	1.1758
Lachine	0.3620	0.0147	1.3297	0.7240
LaSalle	0.3453	0.1765	1.2891	0.6906
L'Île-Bizard	0.4468	0.2825	1.1651	0.8936
Montréal	0.6968	0.9076	1.8817	1.3936
Montréal-Nord	0.4406	0.5618	1.3189	0.8812
Outremont	0.3895	0.3544	1.1061	0.7790
Pierrefonds	0.5696	0.4629	1.7241	1.1392
Roxboro	0.4847	0.3827	1.5312	0.9694
Sainte-Geneviève	0.2735	0.1626	1.2955	0.5470
Saint-Laurent	0.4953	0.5320	1.2134	0.9906
Saint-Léonard	0.4989	0.5777	1.4060	0.9978
Verdun	0.2941	0.1370	1.8834	0.5882

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> The residual category includes residential buildings of five or fewer dwelling units as well as immovables not included in the vacant lot category.

The tax burden of the residual property category has been harmonized this year.

The year 2006 also marks the final step in fully harmonizing the tax burdens of the city's different sectors for other property categories.

In the category of properties with six or more units, only three sectors failed to achieve their target rates for 2006. The Anjou and Sainte-Geneviève sectors should, accordingly, experience a final increase of their tax burdens in 2007, while the Verdun sector will benefit from a decrease.

In the non-residential property category, the Saint-Laurent and l'Île-Bizard sectors will, as a result of the harmonization process, experience final increases of their tax burdens in 2007, while the

respective tax burdens of the non-residential property category in Verdun and Montréal-Nord will benefit from decreases.

Either or both of two factors are responsible for any differences between the general property tax rates of sectors in which the harmonization process has been completed in 2006. The first is maintenance of local water user and waste treatment fees in the sectors concerned, which has the effect of reducing general property tax rates. The second pertains to that portion of the tax devoted to reimbursing the historic debts of the city's former municipalities.

### **Residential Property**

Two local general property tax rates apply to the city's residential properties: one is "residual" and the other covers properties with six or more units. The residual property category is equivalent to the general base property tax rate.

Sectors in which residential properties were subject to water user and waste treatment fees shall maintain these fees. In Lachine, however, water user fees in the Saint-Pierre sector have been harmonized with those of the Lachine sector. The establishment in 2007 of a new means of financing the water supply system will produce harmonized user fees throughout the city.

Both categories of residential property are subject to the Water Tax at the same rate of \$0.0270 per \$100 of assessed valuation.

Tables 57 and 58 present, for each sector, cumulative taxes and fees levied on residual property and on properties with six or more units. Water user and waste treatment fee revenue has been converted to property tax rates for this table and appear for purposes of information. These equivalencies serve for each sector to for each sector the approximate property tax rate that would be required to generate the same level of revenue as that provided by water user and waste treatment fees.

Table 59 also illustrates how residential water user fees and waste treatment fees applicable to residential properties are calculated for each sector.

**Table 57**  
**Average Cumulative Rates—Residual Property Category<sup>1</sup>**

Sector	General property tax	Water tax	Fee schedule (equivalent to property rate) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
Anjou	0.5879	0.0270	0.0747		0.6896
Lachine	0.3620	0.0270	0.2140	0.0234	0.6264
LaSalle	0.3453	0.0270	0.2169		0.5892
L'Île-Bizard	0.4468	0.0270	0.0700		0.5438
Montréal	0.6968	0.0270	0.0000		0.7238
Montréal-Nord	0.4406	0.0270	0.1076	0.0700	0.6452
Outremont	0.3895	0.0270	0.0653		0.4818
Pierrefonds	0.5696	0.0270	0.1113	0.0326	0.7405
Roxboro	0.4847	0.0270	0.1317	0.0326	0.6760
Sainte-Geneviève	0.2735	0.0270	0.3012		0.6017
Saint-Laurent	0.4953	0.0270	0.0647		0.5870
Saint-Léonard	0.4989	0.0270	0.0769	0.0146	0.6174
Verdun	0.2941	0.0270	0.1534	0.2308	0.7053
<b>VILLE DE MONTRÉAL</b>					<b>0.6841</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax. The tax rate is different for l'Île-des-Sœurs than the rest of this sector. Île-des-Sœurs: \$0.1895 per \$100 valuation, rest of the sector: \$0.2298 per \$100 valuation.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 58**  
**Average Cumulative Rates—Properties with Six or More Units<sup>1</sup>**

Sector	General property tax	Water tax	Fee schedule (equivalent to property rate) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
Anjou	0.7073	0.0270	0.1120		0.8463
Lachine	0.0147	0.0270	0.7721	0.0853	0.8991
LaSalle	0.1765	0.0270	0.5965		0.8000
L'Île-Bizard	0.2825	0.0270	0.4451		0.7546
Montréal	0.9076	0.0270	0.0000		0.9346
Montréal-Nord	0.5618	0.0270	0.1972	0.0700	0.8560
Outremont	0.3544	0.0270	0.3111		0.6925
Pierrefonds	0.4629	0.0270	0.4288	0.0326	0.9513
Roxboro	0.3827	0.0270	0.4444	0.0326	0.8867
Sainte-Geneviève	0.1626	0.0270	0.5976		0.7872
Saint-Laurent	0.5320	0.0270	0.2388		0.7978
Saint-Léonard	0.5777	0.0270	0.2090	0.0146	0.8283
Verdun	0.1370	0.0270	0.5688	0.2545	0.9873
<b>VILLE DE MONTRÉAL</b>					<b>0.9109</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax. The tax rate is different for l'Île-des-Sœurs than the rest of this sector.

Île-des-Sœurs: \$0.1895 per \$100 valuation, rest of the sector: \$0.2298 per \$100 valuation.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 59**  
**Residential Property User Fees for Different City Sectors in Fiscal 2006<sup>1</sup>**

Sector	Water	Solid waste
Anjou	Buildings with 5 or fewer units: fixed fee of \$85 per unit; Buildings with 6 units or more: metered rate of \$0.176/m <sup>3</sup>	N/A
Lachine	Fixed fee of \$150 per unit	\$85 and \$26 per unit
LaSalle	Base rate of \$90 per unit for the first 255 m <sup>3</sup> ; metered rate of \$0.371/m <sup>3</sup> up to 425 m <sup>3</sup> and \$0.406/m <sup>3</sup> for excess consumption.	\$100 per unit
L'Île-Bizard	Varied fixed fees: summer chalet \$90 per unit; rooming house \$60 per room; other buildings, \$160 per unit.	N/A
Montréal	No specific water user fee.	N/A
Montréal-Nord	Buildings with 1 to 3 units: fixed fee of \$100 per unit. Buildings with 4 units or more: fixed fee of \$69 per unit.	N/A
Outremont	No specific water user fee.	\$202 per unit
Pierrefonds	Fixed fee of \$85 per unit.	\$85 per unit
Roxboro	Buildings with 10 or fewer units : fixed fee of \$180 per unit. Buildings with 11 units or more : fixed fee of \$147 per unit.	N/A
Sainte-Geneviève	Fixed fee of \$175 per unit.	\$125 per unit or \$50 per room
Saint-Laurent	Fixed minimum of \$75 per unit for the first 228 m <sup>3</sup> metered rate of \$0.396/m <sup>3</sup> for excess consumption.	N/A
Saint-Léonard	Fixed fee of \$85 per unit.	N/A
Verdun	Fixed fee of \$78 per unit.	\$96 per unit

1. This table lists general information regarding user fees for water and solid waste treatment; many details are not included. Consumption data have been converted into metric measurement.

**Non-Residential Property**

Non-residential property is subject to a specific general property tax rate.

Sectors that previously applied water user and waste treatment fees to non-residential property will retain such fees at the local level.

Non-residential property is also subject to the Water Supply Improvement Tax at the rate of \$0.1132 per \$100 of assessed valuation, along with a fee of \$0.46 per cubic metre of water for all consumption in excess of 100,000 cubic metres.

Rates in the case of mixed properties (those not totally residential or non-residential) will depend on the number of units (five or less and six or more) and will also depend on that portion of the building deemed to be non-residential.

Following elimination of the business tax in 2003, the city created transitional three-year grant programs for eligible owners and tenants to minimize the impact of tax transfers resulting from the change in fiscal structure. Because the law does not permit extension of these grant programs beyond the initially provided period, they have not been renewed for 2006. The administration has, however, enhanced assistance programs for non-profit organizations.

Table 60 presents the combined taxes and fees to be levied by the city on the non-residential sector. Revenue from water user and waste treatment fees is converted to property tax rates and provided for purposes of information.

Table 61 presents the method for calculating water user and waste treatment fees on non-residential properties in each sector.

**Table 60**  
**Average Cumulative Rates—Non-Residential Property<sup>1</sup>**

Sector	General property tax	Water tax		Fee schedule (equivalent to property rate) <sup>2</sup>	Other rate <sup>3</sup>	Average cumulative <sup>4</sup>
		Property tax	Major water users			
Anjou	1.7043	0.1132	0.0203	0.0823		1.9201
Lachine	1.3297	0.1132	0.0571	0.2183	0.0054	1.7237
LaSalle	1.2891	0.1132	0.0334	0.1983		1.6340
L'Île-Bizard	1.1651	0.1132		0.0771		1.3554
Montréal	1.8817	0.1132	0.0374	0.0118		2.0441
Montréal-Nord	1.3189	0.1132	0.0073	0.3058	0.0700	1.8152
Outremont	1.1061	0.1132		0.1548		1.3741
Pierrefonds	1.7241	0.1132		0.1444	0.0326	2.0143
Roxboro	1.5312	0.1132		0.1554	0.0326	1.8324
Sainte-Geneviève	1.2955	0.1132		0.2680		1.6767
Saint-Laurent	1.2134	0.1132	0.0324	0.1519		1.5109
Saint-Léonard	1.4060	0.1132	0.0336	0.1323	0.0146	1.6997
Verdun	1.8834	0.1132		0.2138	0.2331	2.4435
<b>VILLE DE MONTRÉAL</b>						<b>1.9339</b>

<sup>1</sup> All property taxes are expressed in dollars per \$100 valuation.

<sup>2</sup> Fee revenues have been integrated into the property tax rate. This rate is shown for information purposes only. It compiles revenues from water service and solid waste service and solid waste collection fees divided by the adjusted property value of the immovable concerned.

<sup>3</sup> This is a borough tax in the sectors of Montréal-Nord, Pierrefonds, Roxboro et Saint-Léonard. Lachine imposes a fee of \$26 per dwelling. For Verdun, it is a property tax equivalent to a sector tax. The tax rate is different for l'Île-des-Sœurs than the rest of this sector. Île-des-Sœurs: \$0.1895 per \$100 valuation, rest of the sector: \$0.2298 per \$100 valuation.

<sup>4</sup> The average cumulative rate corresponds to the revenues generated by the general property tax, fiscal fee schedules as well as borough taxes, divided by the adjusted property values of the immovables concerned. As such, it serves as the best possible acceptable basis of comparison among sectors.

**Table 61**  
**Non-Residential Property User Fees for the Different Sectors in Fiscal 2006<sup>1</sup>**

Sector	Water	Solid waste
Anjou	Metered rate of \$0,187/m <sup>3</sup> .	N/A
Lachine	Varied metered fees for mixed-used and non-residential buildings. Lachine: the higher of: a) \$150 per unit of establishment ; b) \$0.33/m <sup>3</sup> for 454 609 m <sup>3</sup> and \$0.255/m <sup>3</sup> for excess consumption.  Saint-Pierre : the higher of a) \$0.90/m <sup>3</sup> ; b) \$150 per unit or \$360 per establishment; c) depending on the type of meter : from \$1,300 to \$4,700.	\$85 et \$26 per business establishment
LaSalle	Base rate of \$90 per unit for the first 255 m <sup>3</sup> , metered rate of \$0.371/m <sup>3</sup> up to 425 m <sup>3</sup> and \$0.406/m <sup>3</sup> for excess consumption.	\$100 per business establishment
L'Île-Bizard	Varied fixed fees : business in mixed-use building, \$160 per business establishment location; other business : \$270 per business establishment premise location.	N/A
Montréal	Metered rate of \$0.22/m <sup>3</sup> for some major water users.	N/A
Montréal-Nord	The higher of : a) metered rate of \$0.3031 per \$100 of valuation; b) \$0.165/ m <sup>3</sup> .	N/A
Outremont	Metered rate of \$0,444/m <sup>3</sup> . A credit of \$0.10 per \$100 of commercial valuation is given.	\$202 per business office or \$518 per business establishment
Pierrefonds	Base rate of \$85 per business establishment for the first 360 m <sup>3</sup> and metered rate of \$0.21/m <sup>3</sup> for excess consumption.	\$85 per business establishment
Roxboro	Fixed fee per business establishment location from \$180 to \$360, depending on the type of business.	N/A
Sainte-Geneviève	Base rate of \$175 per unit for the first 227.3 m <sup>3</sup> and metered rate of \$0.275/m <sup>3</sup> for excess consumption.	\$125 per business establishment
Saint-Laurent	Different fixed minimum fee depending on meter diameter. Metered rate of \$0.396/m <sup>3</sup> up to 909,200 m <sup>3</sup> and of \$0.297/m <sup>3</sup> for excess consumption.	N/A
Saint-Léonard	Fixed minimum of \$85 per establishment of the first 318.2 m <sup>3</sup> and metered rate of \$0.267/m <sup>3</sup> for excess consumption.	N/A
Verdun	Base rate of \$78 per unit for the first 228 m <sup>3</sup> and metered rate of \$0.19/m <sup>3</sup> for excess consumption.	\$96 per business establishment

1. This table lists general information regarding user fees for water and solid waste treatment; many details are not included. Consumption data have been converted into metric measurement.

## Vacant Lots

The last property category for which a specific general property tax rate applies is that of serviced vacant lots. This year, the rate applicable to this property category is equivalent to twice the basic rate.

Under the law, any municipality that levies a general property tax with a specific rate for the serviced vacant lot category may also levy a tax on unserviced vacant lots. The city continues to make use of this power in 2006. The rate applied is the same as the base rate for residual property.

### **Non-Taxable Property**

Under *An Act respecting municipal taxation*, non-taxable properties are subject to various payments in lieu of taxes. Property owned by the governments of Québec and of Canada is generally subject to such payments, which are equivalent to full local municipal taxes. Different rules apply to property owned by the healthcare and the educational systems, for which compensation is equivalent to a percentage of the Aggregate taxation rate (ATR). This rate has been provisionally set at \$0.7979 per \$100 of assessed valuation for fiscal 2006

Non-profit organizations accredited by the Commission municipale du Québec make payments in lieu of taxes of \$0.2400 per \$100 of assessed valuation for their property, while religious institutions make such payments at the rate of \$0.4000 per \$100 of assessed valuation, but only on their land.

Places of worship, property owned by the Régie des installations olympiques and property belonging to the Agence métropolitaine de transport make no payments in lieu of taxes, but may be subject to local user fees.

### Evolution of the City's Assessment Roll

Since city tax revenue is primarily derived from taxation on assessed property value, it would be appropriate at this point to discuss how the assessment roll has evolved. This review of that evolution between 2004 and 2005 is based on figures pertaining to the central city.

Table 62 illustrates the evolution of the 2004-2006 Three-Year Assessment Roll for the central city.

**Table 62**  
**Evolution of the City's 2004-2006 Three-Year Assessment Roll**

	Property value (\$M)		
	Taxable	Non-taxable	Total
Value at tabling, Septembre 12, 2004	87,916.7	17,100.0	105,016.7
Variation during the year :			
Addition or new buildings	1,084.5	108.9	1,193.4
Modifications to existing buildings	332.6	225.4	558.0
Revision agreement	(186.5)	(16.7)	(203.2)
Decision of the CMQ	(34.0)	34.0	0.0
Fire	(9.2)	(0.2)	(9.4)
Demolition	(24.9)	(0.8)	(25.6)
Others	75.4	(40.9)	34.5
Value as of September 13, 2005	89,154.6	17,409.7	106,564.4
Net variation			
September 12, 2004 – September 13, 2005	<b>1,238.0</b>	<b>309.7</b>	<b>1,547.7</b>
Net variation			
September 12, 2003 – September 12, 2004	<b>1,524.1</b>	<b>378.1</b>	<b>1,902.2</b>

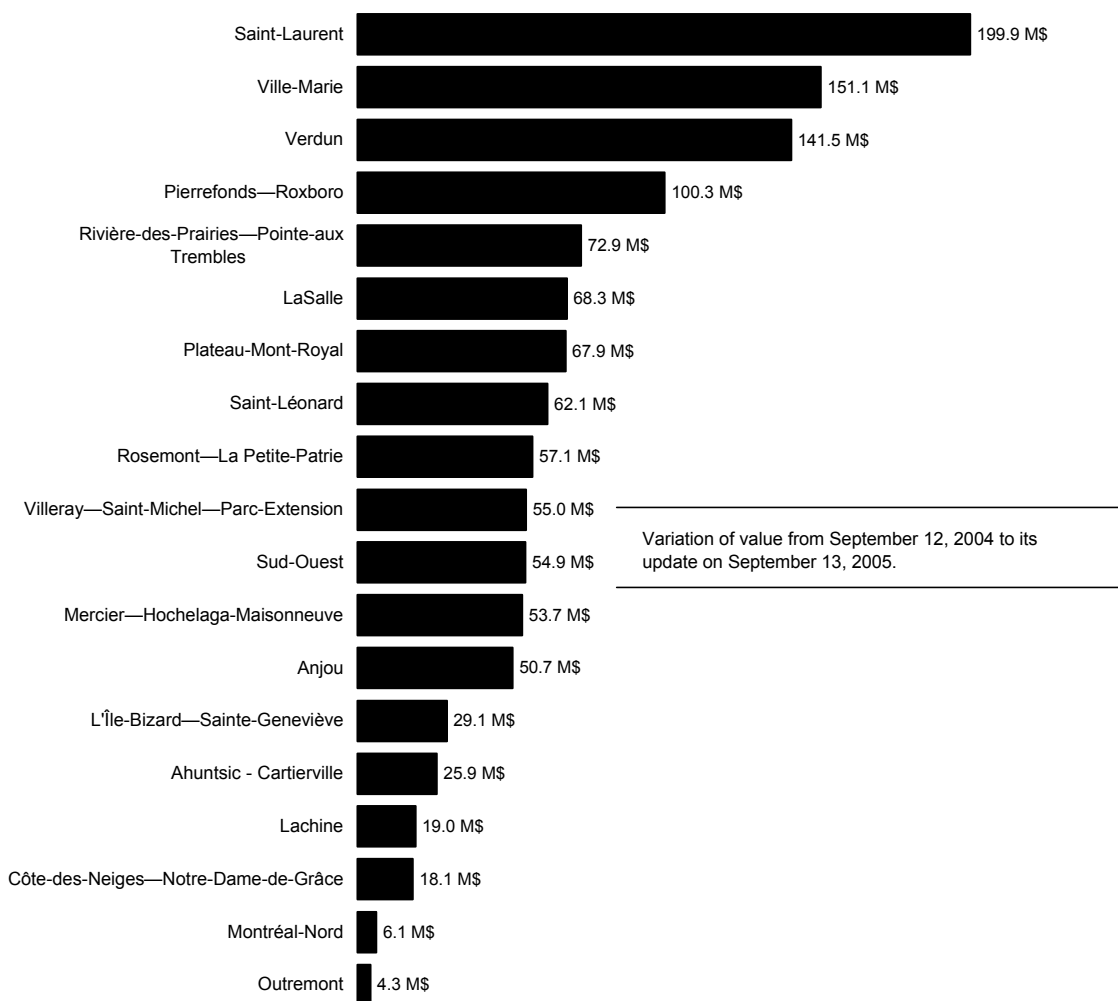
Source : City of Montréal, three-year roll 2004-2006.

Table 63 and charts 34 and 35 present variations in the city's assessed values by borough.

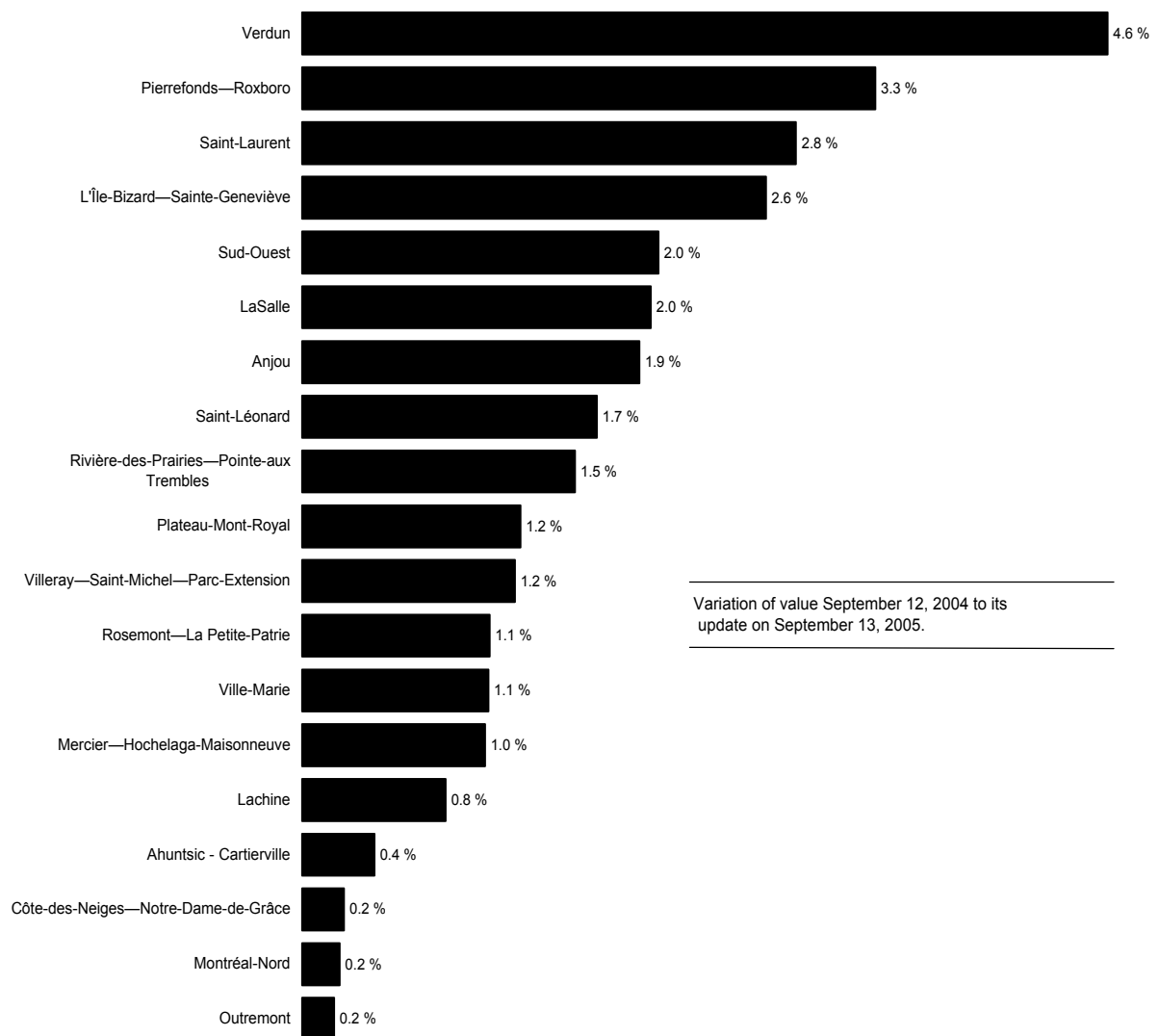
**Table 63**  
**Municipal Taxable Value Variation by Borough**

Borough	Taxable property value (\$M)		Net variation	Net variation, in percentage of tax base
	Sept.12, 2004	Sept.13, 2005		
Ahuntsic - Cartierville	6,320.4	6,346.3	25.9	0.4 %
Anjou	2,645.3	2,695.9	50.7	1.9 %
Côte-des-Neiges—Notre-Dame-de-Grâce	7,585.0	7,603.1	18.1	0.2 %
L'Île-Bizard—Sainte-Geneviève	1,106.7	1,135.8	29.1	2.6 %
Lachine	2,326.4	2,345.4	19.0	0.8 %
LaSalle	3,450.8	3,519.1	68.3	2.0 %
Mercier—Hochelaga-Maisonneuve	5,169.4	5,223.1	53.7	1.0 %
Montréal-Nord	2,856.2	2,862.3	6.1	0.2 %
Outremont	2,341.2	2,345.5	4.3	0.2 %
Pierrefonds—Roxboro	3,081.1	3,181.3	100.3	3.3 %
Plateau-Mont-Royal	5,483.0	5,550.9	67.9	1.2 %
Rivière-des-Prairies—Pointe-aux-Trembles	4,704.7	4,777.6	72.9	1.5 %
Rosemont—La Petite-Patrie	5,360.8	5,417.9	57.1	1.1 %
Saint-Laurent	7,129.1	7,329.0	199.9	2.8 %
Saint-Léonard	3,707.6	3,769.6	62.1	1.7 %
Sud-Ouest	2,710.1	2,764.9	54.9	2.0 %
Verdun	3,095.5	3,237.0	141.5	4.6 %
Ville-Marie	14,285.8	14,437.0	151.1	1.1 %
Villeray—Saint-Michel—Parc-Extension	4,557.6	4,612.7	55.0	1.2 %
<b>VILLE DE MONTRÉAL</b>	<b>87,916.7</b>	<b>89,154.6</b>	<b>1,238.0</b>	<b>1.4 %</b>

Source : city of Montréal, three-year roll 2004-2006, as of September 13, 2005.

**Chart 34****Municipal Taxable Value Variation by Borough (in millions of dollars)**

Source: Montréal, Service des finances.

**Chart 35**
**Municipal Taxable Value Variation by Borough (in percentages)**


Source: Montréal, Service des finances.

Table 64 presents Taxable and Non-Taxable Values for each borough.

**Table 64**  
**Municipal Taxable and Non-Taxable Values by Borough**

Borough	Unit	Taxable value (\$M)			Non-taxable (\$M)	Total of roll	
		Residential	Commercial, industrial	Vacant lot		Value (\$M)	Relative share
Ahuntsic - Cartierville	26,275	5,161.9	1,112.4	72.0	1,414.9	7,761.2	7.3 %
Anjou	11,932	1,703.5	965.2	27.3	163.0	2,859.0	2.7 %
Côte-des-Neiges—Notre-Dame-de-Grâce	23,445	6,499.4	1,055.2	48.4	2,293.1	9,896.2	9.3 %
L'Île-Bizard—Sainte-Geneviève	6,502	1,054.2	58.0	23.7	125.3	1,261.1	1.2 %
Lachine	11,193	1,412.3	835.7	97.3	308.8	2,654.2	2.5 %
LaSalle	16,863	2,765.2	725.4	28.5	476.8	3,995.9	3.7 %
Mercier—Hochelaga-Maisonneuve	25,646	4,024.3	1,145.7	53.2	1,247.7	6,470.9	6.1 %
Montréal-Nord	13,676	2,349.3	493.2	19.9	336.3	3,198.6	3.0 %
Outremont	5,698	2,244.4	90.1	11.0	393.7	2,739.1	2.6 %
Pierrefonds—Roxboro	20,657	2,949.3	168.9	63.1	280.4	3,461.8	3.2 %
Plateau-Mont-Royal	22,144	4,374.8	1,151.1	25.1	844.5	6,395.4	6.0 %
Rivière-des-Prairies—Pointe-aux-Trembles	31,570	3,851.4	782.4	143.9	934.4	5,712.0	5.4 %
Rosemont—La Petite-Patrie	26,538	4,616.5	774.3	27.1	1,089.2	6,507.1	6.1 %
Saint-Laurent	21,967	3,889.4	3,196.8	242.9	798.2	8,127.3	7.6 %
Saint-Léonard	11,948	2,915.3	826.5	27.8	255.5	4,025.1	3.8 %
Sud-Ouest	15,321	2,020.4	672.1	72.3	678.1	3,443.0	3.2 %
Verdun	17,236	2,931.6	265.4	39.9	386.1	3,623.1	3.4 %
Ville-Marie	21,695	4,440.4	9,906.4	90.2	4,643.7	19,080.7	17.9 %
Villeray—Saint-Michel—Parc-Extension	22,626	3,603.1	984.6	25.0	740.0	5,352.7	5.0 %
<b>VILLE DE MONTRÉAL</b>	<b>352,932</b>	<b>62,806.6</b>	<b>25,209.5</b>	<b>1,138.6</b>	<b>17,409.7</b>	<b>106,564.4</b>	<b>100.0 %</b>

Source : City of Montréal, 2004 property roll updated as of September 13, 2005.



**2006-2008**  
**THREE-YEAR CAPITAL WORKS**  
**PROGRAM**



## RESIDUAL CITY POWERS

The “residual city” is that portion of the city that remains following the reconstitution of the 15 municipalities. The residual city’s budget is called the “City Council Budget” in this document.

Within the framework of Montréal’s new municipal organization, the City Council will continue to assume its responsibilities for local powers within the city.

At the same time, the *Charter of the Ville de Montréal* states that the boroughs are responsible for providing community services. Within the residual city, we must accordingly distinguish between borough and corporate responsibilities.

The boroughs are responsible for the following areas of responsibility:

- The road network.
- Cultural facilities, sports and recreation and local parks.
- The amenities and facilities required to carry out their local powers, including local computer applications and mobile support equipment.

Primary central areas of authority include:

- The secondary water supply and sewage systems.
- Snow dumping sites.
- Collective amenities (property, information systems and mobile support equipment).

## **2006-2008 TCWP PRIORITIES**

A total of \$780.6 million in City Council investments are scheduled for the 2006-2008 Three-Year Capital Works Program (TCWP). Of that amount, \$259.6 million is to be spent in 2006. These investments will primarily serve in the restoration and addition of assets in the categories of Transportation, Environmental Hygiene and Recreation and Culture.

The boroughs are responsible for setting their respective local needs within the framework of their particular responsibilities. The 2006 Borough TCWP thus involves investments of \$130.4 million, or 50.2% of the amount adopted by the City Council for the overall TCWP.

### **Asset Restoration and Replacement Projects**

A total of \$187.2 million is to be spent on asset restoration and replacement in 2006. These investments are primarily aimed at restoring the local road network and such underground facilities as secondary water mains and sewer lines.

A sum of \$118 million for the 2006 to 2008 period, including \$41.7 million in 2006, has been earmarked for the City Council Budget in the course of setting up a plan to inject \$500 million over four years to restore the local, municipal and arterial road systems.

Investments of \$69.6 million have been earmarked in the 2006-2008 TCWP to restore secondary water mains and sewer lines. Of this amount, \$26.2 million is to be spent in 2006.

Investments of \$13.6 million have been earmarked in 2006 for the protection of parks, green spaces and playgrounds. This amount includes investments of \$0.9 million in Lalande Promenade in Pierrefonds, of \$0.8 million in Henri-Bourassa Park in Montréal-Nord and of \$0.7 million in Étienne-Desmarteaux Park, in Rosemont–La Petite-Patrie.

Finally, investments of \$28.8 million have been earmarked for the protection of various municipal buildings in 2006.

### **Development Projects**

An investment of \$72.4 million is to be made in 2006 to support residential development and to introduce new facilities permitting better service to residents.

An amount of \$21.6 million, including financial participation from developers, will be invested in infrastructure for new residential neighbourhoods. Major residential development work is underway in a number of boroughs, including Mercier–Hochelaga–Maisonnette, Pierrefonds–Roxboro, Rivière-des-Prairies–Pointe-aux-Trembles and Saint-Laurent.

To maintain a high quality of service for residents, the boroughs will offer increased levels of service. Major projects to be launched or continued this year include the cultural centre in Rivière-

des-Prairies (\$9.0 million is to be invested over the 2005-2008 period), the cultural centre at the Centre Jean-Marie-Gauvreau in Villeray–Saint-Michel–Parc-Extension (\$4.2 million is to be injected over the 2005-2007 period) the À-ma-Baie community centre, located in eastern Pierrefonds, near Roxboro (\$3.5 million is to be spent in 2006) and the start of work on Philippe-Laheurte Park in Saint-Laurent (\$1.5 million is to be invested in 2006).

The Acadie-Chabanel sector will also benefit from a revitalization plan, aimed at promoting the diversification of employment activities and improved accessibility and traffic flow within the sector. Investments of \$16.7 million have been slated over a three-year period. Of this amount, \$2 million is to be spent in 2006.

**Table 65**  
**Capital Expenditures by Municipal Category**  
*(In thousands of dollars)*

Municipal functions	2006	2007	2008	Total
General administration	30 966,0	21 678,0	18 399,0	71 043,0
Land use, urban planning and development	67 377,0	75 304,0	83 219,0	225 900,0
Environmental hygiene	41 460,0	36 035,0	28 457,0	105 952,0
Recreation and culture	50 106,0	64 320,0	66 705,0	181 131,0
Public security	-	-	-	-
Transportation	69 697,0	66 713,0	60 207,0	196 617,0
<b>Total</b>	<b>259 606,0</b>	<b>264 050,0</b>	<b>256 987,0</b>	<b>780 643,0</b>

Classifying expenditures by category serves to highlight their respective purposes.

- The urban planning and development category includes an amount of \$47.6 million that has been allocated to the work of the Commission des services électriques (electrical services commission).
- The environmental hygiene category comprises budgets that have been allocated to the secondary water and supply and sewage systems.
- The recreation and culture category includes budgets allocations to the repair of sports and community centres, swimming pools and arenas and for the renovation of parks, green spaces and playgrounds. This category also includes expenditures for the acquisition of new facilities.
- The transportation category comprises investments made in the local road network.

**Table 66**
**Capital Expenditures by Asset Category**
*(In thousands of dollars)*

Asset category	2006		2007		2008	
	Protection	Development	Protection	Development	Protection	Development
Road infrastructures	99 340,0	11 544,0	92 083,0	18 171,0	93 792,0	11 708,0
Environment and underground infrastructures	26 170,0	12 791,0	21 718,0	12 210,0	21 718,0	5 038,0
Parks, green spaces and playing fields	13 556,0	3 741,0	12 128,0	4 226,0	10 204,0	2 934,0
Buildings	28 769,0	16 543,0	22 060,0	30 871,0	17 866,0	39 194,0
Land	711,0	850,0	156,0	860,0	156,0	2 305,0
Vehicles	15 647,0		15 440,0		15 359,0	
Office furnishings and equipment	861,0	11 211,0	683,0	10 423,0	349,0	7 743,0
Machinery, specialized tools and equipment	1 869,0	19,0	1 230,0	6,0	1 531,0	
Other assets	290,0	15 694,0	202,0	21 583,0	415,0	26 675,0
<b>Total investments</b>	<b>187 213,0</b>	<b>72 393,0</b>	<b>165 700,0</b>	<b>98 350,0</b>	<b>161 390,0</b>	<b>95 597,0</b>
<b>Percentage</b>	<b>72,1 %</b>	<b>27,9 %</b>	<b>62,8 %</b>	<b>37,2 %</b>	<b>62,8 %</b>	<b>37,2 %</b>

Classification of expenditures by asset category services to confirm the importance of investing in the protection of roadways and underground conduits.

## ANALYSIS OF FINANCING METHODS

Expenditures under the Three-Year Capital Works Program are largely financed by long-term loans serviced through the operating budget. These financing costs are set up to prevent undue pressure on the operating budget.

The city's various financial partners also help finance such expenditures. Among these partners, the higher levels of government participate in transfer payments or in the repayment of loans taken out by the city.

**Table 67**  
**Summary of Financing Methods**  
*(In thousands of dollars)*

Methods of financing	2006	2007	2008	Total
Contributions by promoters	8 652,0	7 368,0	2 700,0	18 720,0
Conditional transfers	17 041,0	10 230,0	18 190,0	45 461,0
Accumulated surplus, general taxes, other	6 043,0	3 343,0	3 705,0	13 091,0
Loans under the government of Québec responsibility	4 196,0	9 200,0	7 800,0	21 196,0
Loans reimbursed by commercial activities	46 569,0	47 805,0	49 441,0	143 815,0
Loans under the residual city responsibility	177 105,0	186 104,0	175 151,0	538 360,0
<b>Total</b>	<b>259 606,0</b>	<b>264 050,0</b>	<b>256 987,0</b>	<b>780 643,0</b>

### Taxes Paid by Developers

Taxes paid by developers, which are often called “deposits,” represent the financial participation of real-estate developers in capital expenditure projects. The by-law on infrastructure financing for residential construction projects, adopted in 2003, obliges developers to fully finance new infrastructure. With this by-law, the city adopted a practice current in many Canadian municipalities and one that serves to reduce the debt associated with such new infrastructure.

### Conditional Transfers

The Conditional Transfers heading comprises all grants intended for specific purposes. In 2006, conditional transfers, including those of SOFIL (Société de financement des infrastructures locales du Québec) amount to \$17 million.

### Surpluses, General Taxes and Other

This heading comprises investments financed by allocations from surpluses or reserves, as well as transfers to investment activities paid out of tax revenue. This financing method is scheduled to provide \$6 million in 2006 out of a total \$13.1 million over the life of the present TCWP.

### Loans Charged to the Government of Québec

The Government of Québec assumes the financial cost of these loans under various programs and agreements. A total of \$4.2 million is to be provided through this source of funding in 2006 and \$21.2 million is to be disbursed over the life of the present TCWP.

### **Loans for Commercial Activities**

These loans, which pertain to the work of the Commission des services électriques (electrical services commission) are repaid out of the proceeds of the latter's' commercial activities. This funding method is scheduled to generate \$46.6 million in 2006 and \$143.8 million over the 2006 to 2008 period.

### **Loans Charged to the Residual City**

Montréal taxpayers are fully responsible for the financial cost of these loans. Investments ultimately financed by loans to be repaid by the taxpayers are scheduled to total \$538.4 million for the duration of the capital works program, with \$177.1 million of that amount applying to 2006.

It bears mention that there are two components involved in the financial cost of projects by the residual city. Local taxpayers are responsible for the cost of their borough's capital works projects. All taxpayers of the residual city are responsible for capital works projects undertaken by a city department. The manner in which the tax burden is distributed among taxpayers appears below.

**Table 68**
**Analysis of Indebtedness to be Repaid by Taxpayers of the Residual City**
*(In thousands of dollars)*

Business units	2006	2007	2008	Capital works budget
<b>Boroughs</b>				
Ahuntsic–Cartierville	5 810,0	5 810,0	5 810,0	17 430,0
Anjou	5 148,0	5 148,0	5 148,0	15 444,0
Côte-des-Neiges–Notre-Dame-de-Grâce	6 176,0	6 176,0	6 176,0	18 528,0
L'Île-Bizard–Sainte-Geneviève	2 762,0	2 760,0	2 910,0	8 432,0
Lachine	4 677,0	2 972,0	3 382,0	11 031,0
LaSalle	3 632,0	4 006,0	5 132,0	12 770,0
Mercier–Hochelaga-Maisonneuve	7 112,0	7 984,0	8 092,0	23 188,0
Montréal-Nord	5 050,0	4 050,0	1 564,0	10 664,0
Outremont	1 222,0	1 475,0	1 746,0	4 443,0
Pierrefonds–Roxboro	10 066,0	3 399,0	3 133,0	16 598,0
Plateau-Mont-Royal	4 695,0	4 695,0	4 695,0	14 085,0
Rivière-des-Prairies–Pointe-aux-Trembles	14 511,0	12 253,0	5 950,0	32 714,0
Rosemont–La Petite-Patrie	7 421,0	7 421,0	7 499,0	22 341,0
Saint-Laurent	11 970,0	9 330,0	7 200,0	28 500,0
Saint-Léonard	3 570,0	3 570,0	5 400,0	12 540,0
Sud-Ouest	5 458,0	5 458,0	5 458,0	16 374,0
Verdun	6 216,0	3 478,0	2 651,0	12 345,0
Ville-Marie	2 234,0	1 971,0	1 971,0	6 176,0
Villeray–Saint-Michel–Parc-Extension	6 951,0	7 232,0	6 670,0	20 853,0
<b>Total boroughs (1)</b>	<b>114 681,0</b>	<b>99 188,0</b>	<b>90 587,0</b>	<b>304 456,0</b>
<b>Corporate departments</b>				
Commission des services électriques	1 085,0	1 508,0	1 986,0	4 579,0
Développement culturel, qualité du milieu de vie et diversité ethnoculturelle	4 927,0	4 890,0	3 595,0	13 412,0
Direction système intégré de gestion	6 119,0	5 465,0	-	11 584,0
Finances	10 643,0	21 443,0	26 443,0	58 529,0
Infrastructures, transport et environnement	10 920,0	25 138,0	25 334,0	61 392,0
Mise en valeur du territoire et du patrimoine	10 364,0	15 198,0	11 332,0	36 894,0
Services administratifs	18 366,0	13 274,0	15 874,0	47 514,0
<b>Total corporate departments (2)</b>	<b>62 424,0</b>	<b>86 916,0</b>	<b>84 564,0</b>	<b>233 904,0</b>
<b>Total</b>	<b>177 105,0</b>	<b>186 104,0</b>	<b>175 151,0</b>	<b>538 360,0</b>

1) To be paid by residents of the respective boroughs

2) To be paid by all taxpayers of the residual city

## **IMPACT ON OPERATING BUDGET**

TCWP projects have an impact on the operating budget in terms of debt service cost and operating activity budgets.

The financial impact of a capital expenditure project can take different forms:

- Additional fiscal and non-fiscal (user fees) expenses.
- Additional cost.
- Savings.
- Cost avoidance.

Such impact may or may not be recurring.

Additional revenue, which is generated over the long and mean terms by the residual city, is generally fiscal in nature and results from development projects that serve to boost the tax base.

- The main recurring impact on the residual city of expenditures is the anticipated reduction in maintenance cost for the local road network and the water supply system.

Additional expenditures normally result from the introduction of new facilities to the borough. The boroughs are generally expected to make the necessary adjustments in their budgets.

## SUMMARY OF CAPITAL EXPENDITURES BY BUSINESS UNIT

There are two types of business units: the boroughs and the city departments. The boroughs are responsible for capital works projects pertaining to neighbourhood services. The city departments handle capital works projects intended for the Montréal community as a whole or those that require special expertise.

**Table 69**  
**Summary of Capital Expenditures by Business Unit**  
(In thousands of dollars)

Business units	2006	2007	2008	Capital works budget	Ultior	Grand Total
<b>Boroughs</b>						
Ahuntsic–Cartierville	5 810,0	5 810,0	5 810,0	17 430,0	-	17 430,0
Anjou	5 148,0	5 148,0	5 148,0	15 444,0	-	15 444,0
Côte-des-Neiges–Notre-Dame-de-Grâce	6 176,0	6 176,0	6 176,0	18 528,0	4 570,0	23 098,0
L'Île-Bizard–Sainte-Geneviève	2 762,0	2 760,0	2 910,0	8 432,0	-	8 432,0
Lachine	4 677,0	2 972,0	3 382,0	11 031,0	-	11 031,0
LaSalle	3 632,0	4 006,0	5 132,0	12 770,0	-	12 770,0
Mercier–Hochelaga-Maisonneuve	13 550,0	9 065,0	8 092,0	30 707,0	-	30 707,0
Montréal-Nord	6 840,0	4 495,0	2 669,0	14 004,0	-	14 004,0
Outremont	1 222,0	1 475,0	1 746,0	4 443,0	-	4 443,0
Pierrefonds–Roxboro	14 903,0	9 984,0	5 833,0	30 720,0	-	30 720,0
Plateau-Mont-Royal	4 695,0	4 695,0	4 695,0	14 085,0	5 374,0	19 459,0
Rivière-des-Prairies–Pointe-aux-Trembles	14 511,0	12 253,0	5 950,0	32 714,0	-	32 714,0
Rosemont–La Petite-Patrie	7 421,0	7 421,0	7 499,0	22 341,0	2 400,0	24 741,0
Saint-Laurent	12 270,0	20 330,0	23 800,0	56 400,0	9 500,0	65 900,0
Saint-Léonard	5 950,0	3 570,0	5 400,0	14 920,0	-	14 920,0
Sud-Ouest	5 458,0	5 458,0	5 458,0	16 374,0	-	16 374,0
Verdun	6 216,0	3 478,0	2 651,0	12 345,0	-	12 345,0
Ville-Marie	2 234,0	1 971,0	1 971,0	6 176,0	-	6 176,0
Villeray–Saint-Michel–Parc-Extension	6 951,0	7 232,0	6 670,0	20 853,0	-	20 853,0
<b>Total boroughs</b>	<b>130 426,0</b>	<b>118 299,0</b>	<b>110 992,0</b>	<b>359 717,0</b>	<b>21 844,0</b>	<b>381 561,0</b>
<b>Corporate departments</b>						
Commission des services électriques	47 654,0	49 313,0	51 427,0	148 394,0	-	148 394,0
Développement culturel, qualité du milieu de vie et diversité ethnoculturelle	6 427,0	14 890,0	14 595,0	35 912,0	8 850,0	44 762,0
Direction système intégré de gestion	6 119,0	5 465,0	-	11 584,0	-	11 584,0
Finances	10 643,0	21 443,0	26 443,0	58 529,0	-	58 529,0
Infrastructures, transport et environnement	27 400,0	25 266,0	25 422,0	78 088,0	21 220,0	99 308,0
Mise en valeur du territoire et du patrimoine	11 664,0	15 198,0	11 332,0	38 194,0	7 445,0	45 639,0
Services administratifs	19 273,0	14 176,0	16 776,0	50 225,0	2 315,0	52 540,0
<b>Total corporate departments</b>	<b>129 180,0</b>	<b>145 751,0</b>	<b>145 995,0</b>	<b>420 926,0</b>	<b>39 830,0</b>	<b>460 756,0</b>
<b>Total investments</b>	<b>259 606,0</b>	<b>264 050,0</b>	<b>256 987,0</b>	<b>780 643,0</b>	<b>61 674,0</b>	<b>842 317,0</b>



## INVESTMENT DETAILS BY BUSINESS UNIT AND BY PROJECT

The following pages provide an investment breakdown by business unit and by project.



## Ahuntsic-Cartierville

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
36025	Sophie-Barat Complex- addition of a performance hall	150,0	-	-	150,0	-	150,0
36150	Construction of a youth centre	100,0	-	-	100,0	-	100,0
34024	Program to upgrade outdoor sports installations	21,0	-	-	21,0	-	21,0
40003	Program to equip sports facilities	500,0	-	-	500,0	-	500,0
66056	Program to preserve administration buildings	1 250,0	1 000,0	-	2 250,0	-	2 250,0
55836	Program to preserve roadway infrastructures	-	3 050,0	4 110,0	7 160,0	-	7 160,0
34224	Program to relandscape parks	81,0	1 000,0	1 000,0	2 081,0	-	2 081,0
53896	Program to redesign streets	240,0	60,0	-	300,0	-	300,0
55733	Road repair program	2 476,0	-	-	2 476,0	-	2 476,0
68024	Program to replace vehicles	906,0	700,0	700,0	2 306,0	-	2 306,0
16000	Infrastructure repair program – new residential areas	86,0	-	-	86,0	-	86,0
<b>Total</b>		<b>5 810,0</b>	<b>5 810,0</b>	<b>5 810,0</b>	<b>17 430,0</b>	<b>-</b>	<b>17 430,0</b>

## Anjou

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>68509</b>	Acquisition of equipment and computer system development	30,0	128,0	-	<b>158,0</b>	-	158,0
<b>40013</b>	Acquisition of the Mont Saint-Antoine Arena	400,0	-	1 000,0	<b>1 400,0</b>	-	1 400,0
<b>32520</b>	Development of a skateboard area	20,0	50,0	-	<b>70,0</b>	-	70,0
<b>20031</b>	Development of parks	250,0	-	-	<b>250,0</b>	-	250,0
<b>40509</b>	Construction of a multipurpose centre	600,0	-	1 000,0	<b>1 600,0</b>	-	1 600,0
<b>40014</b>	Construction of a swimming pool and a wading pool - Roger-Rousseau centre	-	325,0	500,0	<b>825,0</b>	-	825,0
<b>10509</b>	Residential development - Anjou-sur-le-lac	108,0	618,0	782,0	<b>1 508,0</b>	-	1 508,0
<b>68709</b>	Program to acquire small equipment	85,0	100,0	22,0	<b>207,0</b>	-	207,0
<b>34009</b>	Program to improve ball fields	35,0	310,0	-	<b>345,0</b>	-	345,0
<b>32009</b>	Program to develop parks	120,0	420,0	300,0	<b>840,0</b>	-	840,0
<b>57031</b>	Program to install lighting equipment	-	1 050,0	-	<b>1 050,0</b>	-	1 050,0
<b>59509</b>	Program to bring traffic lights up to standard	100,0	60,0	-	<b>160,0</b>	-	160,0
<b>38509</b>	Program to preserve cultural buildings	30,0	381,0	-	<b>411,0</b>	-	411,0
<b>42509</b>	Program to preserve recreation and community centres	-	86,0	-	<b>86,0</b>	-	86,0
<b>34509</b>	Program to relandscape older parks	550,0	50,0	-	<b>600,0</b>	-	600,0
<b>34129</b>	Program to redevelop soccer fields	-	70,0	70,0	<b>140,0</b>	-	140,0
<b>67509</b>	Program to rebuild building envelopes	-	100,0	100,0	<b>200,0</b>	-	200,0
<b>55510</b>	Road repair program	2 709,0	1 000,0	974,0	<b>4 683,0</b>	-	4 683,0
<b>68609</b>	Program to replace vehicles	111,0	400,0	400,0	<b>911,0</b>	-	911,0
<b>Total</b>		<b>5 148,0</b>	<b>5 148,0</b>	<b>5 148,0</b>	<b>15 444,0</b>	-	<b>15 444,0</b>

## Côte-des-Neiges-Notre-Dame-de-Grâce

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>46359</b>	Construction of a pedestrian crosswalk – chemin Hillsdale	100,0	-	-	<b>100,0</b>	-	100,0
<b>55959</b>	Land decontamination program	115,0	60,0	60,0	<b>235,0</b>	-	235,0
<b>42302</b>	Program to preserve sports buildings	700,0	1 000,0	1 536,0	<b>3 236,0</b>	4 570,0	7 806,0
<b>34227</b>	Program to relandscape older parks	784,0	1 070,0	980,0	<b>2 834,0</b>	-	2 834,0
<b>67851</b>	Program to rebuild building envelopes	1 877,0	946,0	500,0	<b>3 323,0</b>	-	3 323,0
<b>55734</b>	Road repair program	2 000,0	2 000,0	2 000,0	<b>6 000,0</b>	-	6 000,0
<b>57101</b>	Program to replace urban furniture	100,0	100,0	100,0	<b>300,0</b>	-	300,0
<b>68027</b>	Program to replace vehicles	500,0	1 000,0	1 000,0	<b>2 500,0</b>	-	2 500,0
<b>Total</b>		<b>6 176,0</b>	<b>6 176,0</b>	<b>6 176,0</b>	<b>18 528,0</b>	<b>4 570,0</b>	<b>23 098,0</b>

## L'Île-Bizard-Sainte-Geneviève

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>36506</b>	Purchase of indoor sports equipment	50,0	25,0	-	<b>75,0</b>	-	75,0
<b>68606</b>	Computerization development program	64,0	50,0	45,0	<b>159,0</b>	-	159,0
<b>34506</b>	Program to relandscape older parks	1 102,0	650,0	515,0	<b>2 267,0</b>	-	2 267,0
<b>44506</b>	Program to rebuild administration buildings	50,0	545,0	1 400,0	<b>1 995,0</b>	-	1 995,0
<b>42506</b>	Program to preserve recreation and community centres	40,0	623,0	-	<b>663,0</b>	-	663,0
<b>55706</b>	Road repair program	910,0	550,0	950,0	<b>2 410,0</b>	-	2 410,0
<b>68506</b>	Program to replace vehicles	546,0	317,0	-	<b>863,0</b>	-	863,0
<b>Total</b>		<b>2 762,0</b>	<b>2 760,0</b>	<b>2 910,0</b>	<b>8 432,0</b>	-	<b>8 432,0</b>

## Three-year capital works program in short 2006-2008 - city council

Lachine

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>58617</b>	Programme to purchase urban furniture	75,0	-	-	<b>75,0</b>	-	75,0
<b>68717</b>	Program to acquire small equipment	217,0	50,0	100,0	<b>367,0</b>	-	367,0
<b>34617</b>	Program to upgrade playing fields	150,0	-	300,0	<b>450,0</b>	-	450,0
<b>57517</b>	Program to install lighting fixtures and structures	50,0	75,0	75,0	<b>200,0</b>	-	200,0
<b>68517</b>	Program to manage computer obsolescence	100,0	100,0	100,0	<b>300,0</b>	-	300,0
<b>58517</b>	Program to bring traffic lights up to standard	50,0	50,0	50,0	<b>150,0</b>	-	150,0
<b>66517</b>	Program to preserve administration buildings	370,0	-	-	<b>370,0</b>	-	370,0
<b>32517</b>	Program to relandscape older parks	1 005,0	50,0	250,0	<b>1 305,0</b>	-	1 305,0
<b>42517</b>	Program to rebuild sports and community buildings	110,0	247,0	57,0	<b>414,0</b>	-	414,0
<b>55717</b>	Road repair program	2 100,0	2 000,0	2 000,0	<b>6 100,0</b>	-	6 100,0
<b>68017</b>	Program to replace vehicles	450,0	400,0	450,0	<b>1 300,0</b>	-	1 300,0
<b>Total</b>		<b>4 677,0</b>	<b>2 972,0</b>	<b>3 382,0</b>	<b>11 031,0</b>	-	<b>11 031,0</b>

LaSalle

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>56400</b>	Approach to the Latour Bridge	800,0	-	-	<b>800,0</b>	-	800,0
<b>55709</b>	Program to install lighting equipment	100,0	100,0	500,0	<b>700,0</b>	-	700,0
<b>68160</b>	Program to manage computer obsolescence	100,0	306,0	100,0	<b>506,0</b>	-	506,0
<b>34210</b>	Program to relandscape older parks	200,0	900,0	1 000,0	<b>2 100,0</b>	-	2 100,0
<b>55700</b>	Road repair program	1 332,0	1 500,0	2 332,0	<b>5 164,0</b>	-	5 164,0
<b>68018</b>	Program to replace vehicles	1 100,0	1 200,0	1 200,0	<b>3 500,0</b>	-	3 500,0
<b>Total</b>		<b>3 632,0</b>	<b>4 006,0</b>	<b>5 132,0</b>	<b>12 770,0</b>	-	<b>12 770,0</b>

## Three-year capital works program in short 2006-2008 - city council

Mercier-Hochelaga-Maisonneuve

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
55003	Development of a new street – industrial sector	280,0	-	-	280,0	-	280,0
55001	Residential development - Louis-H.-Lafontaine site	7 525,0	3 781,0	-	11 306,0	-	11 306,0
68723	Program to acquire small equipment	356,0	194,0	300,0	850,0	-	850,0
40004	Program to equip sports facilities	900,0	1 200,0	2 500,0	4 600,0	-	4 600,0
66055	Program to preserve buildings	826,0	1 000,0	1 200,0	3 206,0	-	3 206,0
34223	Program to relandscape parks	780,0	290,0	392,0	1 282,0	-	1 282,0
55729	Road repair program	1 650,0	1 700,0	2 500,0	5 850,0	-	5 850,0
68023	Program to replace vehicles	933,0	900,0	1 200,0	3 033,0	-	3 033,0
55011	Relocation of borough facility, Maison d'arrondissement	300,0	-	-	300,0	-	300,0
<b>Total</b>		<b>13 550,0</b>	<b>9 065,0</b>	<b>8 092,0</b>	<b>30 707,0</b>	<b>-</b>	<b>30 707,0</b>

## Montréal-Nord

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>70016</b>	Program to build and modify underground conduits	20,0	20,0	20,0	<b>60,0</b>	-	60,0
<b>68042</b>	Computerization development program	75,0	75,0	75,0	<b>225,0</b>	-	225,0
<b>59016</b>	Program to bring traffic lights up to standard	850,0	50,0	50,0	<b>950,0</b>	-	950,0
<b>66016</b>	Program to preserve administration buildings	150,0	100,0	-	<b>250,0</b>	-	250,0
<b>42316</b>	Sports building preservation program	395,0	100,0	860,0	<b>1 355,0</b>	-	1 355,0
<b>34616</b>	Program to relandscape older parks	1 950,0	900,0	500,0	<b>3 350,0</b>	-	3 350,0
<b>55891</b>	Program to rebuild arterial streets	300,0	50,0	50,0	<b>400,0</b>	-	400,0
<b>55716</b>	Road repair program	2 500,0	2 500,0	414,0	<b>5 414,0</b>	-	5 414,0
<b>68016</b>	Program to replace vehicles	600,0	600,0	600,0	<b>1 800,0</b>	-	1 800,0
<b>32015</b>	Program to replace and plant trees	-	100,0	100,0	<b>200,0</b>	-	200,0
<b>Total</b>		<b>6 840,0</b>	<b>4 495,0</b>	<b>2 669,0</b>	<b>14 004,0</b>	-	<b>14 004,0</b>

## Outremont

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
68115	Program to acquire small equipment	102,0	60,0	-	162,0	-	162,0
34100	Program to upgrade playing fields	155,0	-	250,0	405,0	-	405,0
68070	Program to manage computer obsolescence	-	-	50,0	50,0	-	50,0
66040	Program to preserve administration buildings	40,0	-	-	40,0	-	40,0
55705	Road repair program	910,0	1 400,0	1 250,0	3 560,0	-	3 560,0
68005	Program to replace vehicles	15,0	15,0	196,0	226,0	-	226,0
<b>Total</b>		<b>1 222,0</b>	<b>1 475,0</b>	<b>1 746,0</b>	<b>4 443,0</b>	<b>-</b>	<b>4 443,0</b>

## Pierrefonds-Roxboro

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
57213	Acquisition of office furniture and equipment	25,0	25,0	13,0	63,0	-	63,0
32513	Landscaping – new local parks	900,0	350,0	-	1 250,0	-	1 250,0
30060	Construction of a community centre - À-ma-Baie	3 500,0	-	-	3 500,0	-	3 500,0
16513	Residential development - infrastructures	4 862,0	6 610,0	2 725,0	14 197,0	-	14 197,0
59513	Program to bring traffic lights up to standard	75,0	25,0	24,0	124,0	-	124,0
66513	Program to preserve administration buildings	400,0	-	-	400,0	-	400,0
34513	Program to relandscape older parks	1 881,0	104,0	635,0	2 620,0	-	2 620,0
55713	Road repair program	2 610,0	2 870,0	2 436,0	7 916,0	-	7 916,0
68013	Program to replace vehicles	650,0	-	-	650,0	-	650,0
<b>Total</b>		<b>14 903,0</b>	<b>9 984,0</b>	<b>5 833,0</b>	<b>30 720,0</b>	<b>-</b>	<b>30 720,0</b>

## Plateau-Mont-Royal

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
66183	Program to develop service yards	295,0	860,0	2 415,0	3 570,0	5 210,0	8 780,0
42307	Program to preserve administration buildings	320,0	100,0	-	420,0	164,0	584,0
34222	Program to relandscape older parks	793,0	935,0	60,0	1 788,0	-	1 788,0
55735	Road repair program	2 579,0	2 000,0	1 720,0	6 299,0	-	6 299,0
68022	Program to replace vehicles	708,0	800,0	500,0	2 008,0	-	2 008,0
<b>Total</b>		<b>4 695,0</b>	<b>4 695,0</b>	<b>4 695,0</b>	<b>14 085,0</b>	<b>5 374,0</b>	<b>19 459,0</b>

## Rivière-des-Prairies-Pointe-aux-Trembles

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
36111	Construction - Pointe-aux-Trembles maison de la culture	-	50,0	-	50,0	-	50,0
32018	Construction of the Rivière-des-Prairies recreation centre	-	200,0	-	200,0	-	200,0
36145	Construction of the Rivière-des-Prairies maison de la culture	250,0	1 500,0	1 500,0	3 250,0	-	3 250,0
34123	Program to upgrade playing fields	350,0	600,0	-	950,0	-	950,0
34019	Program to upgrade outdoor sports installations	165,0	326,0	50,0	541,0	-	541,0
32019	Program to relandscape parks	590,0	1 215,0	650,0	2 455,0	-	2 455,0
66178	Program to preserve maintenance yards	336,0	462,0	-	798,0	-	798,0
34219	Program to relandscape parks	1 550,0	1 700,0	1 200,0	4 450,0	-	4 450,0
55892	Program to rebuild arterial streets	4 250,0	2 500,0	1 500,0	8 250,0	-	8 250,0
34126	Programme de réaménagement des terrains de soccer et de tennis	-	800,0	-	800,0	-	800,0
42202	Program to rebuild recreational and community centres	360,0	750,0	50,0	1 160,0	-	1 160,0
55731	Road repair program	2 500,0	1 500,0	1 000,0	5 000,0	-	5 000,0
68019	Program to replace vehicles	1 000,0	-	-	1 000,0	-	1 000,0
34319	Program to replace park equipment	60,0	-	-	60,0	-	60,0
16004	Infrastructure repair program – new residential areas	3 100,0	650,0	-	3 750,0	-	3 750,0
<b>Total</b>		<b>14 511,0</b>	<b>12 253,0</b>	<b>5 950,0</b>	<b>32 714,0</b>	<b>-</b>	<b>32 714,0</b>

## Three-year capital works program in short 2006-2008 - city council

Rosemont-La Petite-Patrie

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
45056	Community centre - 5350 Lafond	1 000,0	290,0	-	1 290,0	-	1 290,0
22031	Industrial development - Angus	-	335,0	-	335,0	2 400,0	2 735,0
34425	Program to upgrade playing fields	1 125,0	300,0	300,0	1 725,0	-	1 725,0
34025	Program to upgrade sports facilities	1 035,0	861,0	-	1 896,0	-	1 896,0
40005	Program to acquire sports, community and cultural facilities	200,0	950,0	1 599,0	2 749,0	-	2 749,0
42303	Program to preserve sports buildings	750,0	-	-	750,0	-	750,0
34225	Program to relandscape parks	100,0	185,0	1 000,0	1 285,0	-	1 285,0
67852	Program to rebuild building envelopes	310,0	1 000,0	1 000,0	2 310,0	-	2 310,0
28002	Program to rebuild and redevelop commercial streets	120,0	-	-	120,0	-	120,0
55732	Road repair program	2 781,0	2 500,0	2 600,0	7 881,0	-	7 881,0
68025	Program to replace vehicles	-	1 000,0	1 000,0	2 000,0	-	2 000,0
<b>Total</b>		<b>7 421,0</b>	<b>7 421,0</b>	<b>7 499,0</b>	<b>22 341,0</b>	<b>2 400,0</b>	<b>24 741,0</b>

## Saint-Laurent

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
32518	Landscaping parks - Philippe-Laheurte	1 500,0	1 000,0	1 000,0	3 500,0	9 500,0	13 000,0
32521	Development of public parking areas	100,0	100,0	100,0	300,0	-	300,0
30085	Construction of a sports complex	-	1 000,0	18 500,0	19 500,0	-	19 500,0
30086	Construction of a library	1 000,0	13 000,0	100,0	14 100,0	-	14 100,0
30087	Construction of wading pools and watergame sites	1 000,0	500,0	500,0	2 000,0	-	2 000,0
11615	Residential development - Bois-Franc project – lighting and landscaping	450,0	730,0	-	1 180,0	-	1 180,0
30089	Building-preservation program	2 390,0	200,0	200,0	2 790,0	-	2 790,0
32515	Program to relandscape parks	130,0	200,0	200,0	530,0	-	530,0
55714	Road repair program	2 100,0	1 950,0	1 600,0	5 650,0	-	5 650,0
44715	Program to replace steel lampposts	200,0	200,0	200,0	600,0	-	600,0
68015	Program to replace vehicles	1 300,0	1 100,0	1 100,0	3 500,0	-	3 500,0
55715	Program for traffic and air signals	800,0	100,0	50,0	950,0	-	950,0
30083	Rehabilitation of infrastructures - Décarie.	1 300,0	250,0	250,0	1 800,0	-	1 800,0
<b>Total</b>		<b>12 270,0</b>	<b>20 330,0</b>	<b>23 800,0</b>	<b>56 400,0</b>	<b>9 500,0</b>	<b>65 900,0</b>

## Three-year capital works program in short 2006-2008 - city council

Saint-Léonard

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>68614</b>	Acquisition of equipment and computer system development	50,0	150,0	150,0	<b>350,0</b>	-	350,0
<b>34614</b>	Program to upgrade playing fields	-	-	60,0	<b>60,0</b>	-	60,0
<b>66514</b>	Program to preserve administration buildings	710,0	-	-	<b>710,0</b>	-	710,0
<b>42314</b>	Program to preserve sports buildings	400,0	100,0	-	<b>500,0</b>	-	500,0
<b>42514</b>	Sports building preservation program	-	250,0	650,0	<b>900,0</b>	-	900,0
<b>34714</b>	Program to redevelop soccer and football fields	-	30,0	30,0	<b>60,0</b>	-	60,0
<b>34514</b>	Program to rebuild tennis courts	75,0	-	-	<b>75,0</b>	-	75,0
<b>55718</b>	Road repair program	3 975,0	2 465,0	3 610,0	<b>10 050,0</b>	-	10 050,0
<b>68514</b>	Program to replace vehicles	370,0	575,0	725,0	<b>1 670,0</b>	-	1 670,0
<b>16514</b>	Infrastructure repair program – new residential areas	370,0	-	175,0	<b>545,0</b>	-	545,0
<b>Total</b>		<b>5 950,0</b>	<b>3 570,0</b>	<b>5 400,0</b>	<b>14 920,0</b>	-	<b>14 920,0</b>

### Sud-Ouest

#### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>10196</b>	Acquisition and rehabilitation for development purposes	55,0	-	240,0	<b>295,0</b>	-	295,0
<b>68721</b>	Program to acquire equipment and urban furniture	65,0	60,0	65,0	<b>190,0</b>	-	190,0
<b>68053</b>	Program to manage computer obsolescence	35,0	40,0	35,0	<b>110,0</b>	-	110,0
<b>42304</b>	Program to preserve sports buildings	1 489,0	1 659,0	1 010,0	<b>4 158,0</b>	-	4 158,0
<b>34221</b>	Program to relandscape older parks	445,0	460,0	545,0	<b>1 450,0</b>	-	1 450,0
<b>55736</b>	Road repair program	1 989,0	2 100,0	2 453,0	<b>6 542,0</b>	-	6 542,0
<b>68021</b>	Program to replace vehicles	1 105,0	1 099,0	1 050,0	<b>3 254,0</b>	-	3 254,0
<b>16006</b>	Infrastructure repair program – new residential areas	275,0	40,0	60,0	<b>375,0</b>	-	375,0
<b>Total</b>		<b>5 458,0</b>	<b>5 458,0</b>	<b>5 458,0</b>	<b>16 374,0</b>	-	<b>16 374,0</b>

## Three-year capital works program in short 2006-2008 - city council

Verdun

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
34712	Projects to upgrade embankments	829,0	75,0	-	904,0	-	904,0
34512	Program to upgrade playing fields	282,0	510,0	-	792,0	-	792,0
57512	Program to install lighting fixtures and structures	-	117,0	-	117,0	-	117,0
59512	Program to bring traffic lights up to standard	66,0	66,0	-	132,0	-	132,0
66612	Program to preserve administration buildings	215,0	103,0	56,0	374,0	-	374,0
42512	Program to preserve sports buildings	396,0	326,0	304,0	1 026,0	-	1 026,0
42612	Program to rebuild sports and community buildings	2 147,0	-	-	2 147,0	-	2 147,0
55719	Road repair program	1 530,0	1 530,0	1 540,0	4 600,0	-	4 600,0
68512	Program to replace heating equipment	751,0	751,0	751,0	2 253,0	-	2 253,0
<b>Total</b>		<b>6 216,0</b>	<b>3 478,0</b>	<b>2 651,0</b>	<b>12 345,0</b>	<b>-</b>	<b>12 345,0</b>

## Ville-Marie

### Investment by Project and by Program

(In thousands of dollars)

Number	Projet	2006	2007	2008	Capital works budget Total	Ulterior	Grand Total
<b>68052</b>	Program to manage computer obsolescence	29,0	29,0	29,0	<b>87,0</b>	-	87,0
<b>66175</b>	Program to preserve maintenance yards	223,0	-	-	<b>223,0</b>	-	223,0
<b>66553</b>	Program to preserve building sites	700,0	608,0	608,0	<b>1 916,0</b>	-	1 916,0
<b>34220</b>	Program to relandscape older parks	105,0	435,0	435,0	<b>975,0</b>	-	975,0
<b>67854</b>	Program to rebuild building envelopes	278,0	-	-	<b>278,0</b>	-	278,0
<b>55737</b>	Road repair program	609,0	609,0	609,0	<b>1 827,0</b>	-	1 827,0
<b>68020</b>	Program to replace vehicles	232,0	232,0	232,0	<b>696,0</b>	-	696,0
<b>34320</b>	Program to replace park equipment	58,0	58,0	58,0	<b>174,0</b>	-	174,0
<b>Total</b>		<b>2 234,0</b>	<b>1 971,0</b>	<b>1 971,0</b>	<b>6 176,0</b>	-	<b>6 176,0</b>

## Villeray-Saint-Michel-Parc-Extension

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
42305	Program to preserve sports buildings	1 090,0	1 200,0	719,0	3 009,0	-	3 009,0
34226	Program to relandscape older parks	610,0	800,0	719,0	2 129,0	-	2 129,0
55730	Road repair program	4 481,0	4 481,0	4 481,0	13 443,0	-	13 443,0
68026	Program to replace vehicles	770,0	751,0	751,0	2 272,0	-	2 272,0
<b>Total</b>		<b>6 951,0</b>	<b>7 232,0</b>	<b>6 670,0</b>	<b>20 853,0</b>	<b>-</b>	<b>20 853,0</b>

### Commission des services électriques

#### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ulterior	Grand Total
69900	Conversion – laying of underground wires	1 085,0	1 508,0	1 986,0	4 579,0	-	4 579,0
69097	Program to build and modify underground conduits	46 569,0	47 805,0	49 441,0	143 815,0	-	143 815,0
Total		47 654,0	49 313,0	51 427,0	148 394,0	-	148 394,0

## Three-year capital works program in short 2006-2008 - city council

Développement culturel, Qualité du milieu de vie et Diversité ethnoculturelle

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>Direction - événements et équipements - Ville</b>							
<b>38120</b>	Acquisition and development of cultural facilities	1 600,0	1 600,0	-	<b>3 200,0</b>	-	3 200,0
<b>Direction - développement culturel et des bibliothèques</b>							
<b>36306</b>	Acquisition of artworks and objets d'art	25,0	60,0	-	<b>85,0</b>	-	85,0
<b>36206</b>	Installation of new public artworks	212,0	80,0	232,0	<b>524,0</b>	-	524,0
<b>39701</b>	Restoration of works of art – furniture and identification	45,0	-	-	<b>45,0</b>	-	45,0
<b>39601</b>	Restoration of public art	130,0	87,0	300,0	<b>517,0</b>	-	517,0
<b>Direction - sport, loisirs, parcs et espaces verts</b>							
<b>34600</b>	Landscaping - De l'Assomption nursery	-	148,0	148,0	<b>296,0</b>	-	296,0
<b>Direction - Muséums nature Montréal</b>							
<b>37000</b>	Science centre administration – capital works projects	3 415,0	2 915,0	2 915,0	<b>9 245,0</b>	-	9 245,0
<b>37002</b>	Construction of a new planetarium	1 000,0	10 000,0	11 000,0	<b>22 000,0</b>	8 850,0	30 850,0
<b>Total</b>		<b>6 427,0</b>	<b>14 890,0</b>	<b>14 595,0</b>	<b>35 912,0</b>	<b>8 850,0</b>	<b>44 762,0</b>

Directions système intégré de gestion (SIMON)

### Investment by Project and by Program

*(In thousands of dollars)*

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
68082	Integrated management system	6 119,0	5 465,0	-	11 584,0	-	11 584,0
Total		6 119,0	5 465,0	-	11 584,0	-	11 584,0

## Finances

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
30010	Montréal economic development and opportunities fund	10 643,0	21 443,0	26 443,0	58 529,0	-	58 529,0
Total		10 643,0	21 443,0	26 443,0	58 529,0	-	58 529,0

## Infrastructure, Transport et Environnement

### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>Administration and technical support</b>							
55909	Analysis and control of land and materials	72,0	72,0	72,0	216,0	-	216,0
28106	Technical support to various investment projects	215,0	215,0	215,0	645,0	-	645,0
<b>Direction de l'ingénierie de voirie</b>							
54000	Traffic management near major worksites	1,0	1,0	1,0	3,0	7,0	10,0
58016	Infrastructure program for waste snow	537,0	3 037,0	2 454,0	6 028,0	2 460,0	8 488,0
57001	Program to install lighting equipment - TICQ program, element 2.4	1,0	1,0	1,0	3,0	8,0	11,0
46000	Program to rebuild road structures	18,0	15,0	812,0	845,0	2 935,0	3 780,0
46001	Program to repair road structures - TICQ program, element 2.4	320,0	-	-	320,0	-	320,0
59015	Program for road safety and harmonization measures	8,0	14,0	17,0	39,0	8 085,0	8 124,0
59002	Program for traffic and air signals	15,0	-	-	15,0	-	15,0
<b>Transportation and planning of major projects</b>							
45002	Program to extend and redevelop bicycle paths – TICQ	43,0	193,0	132,0	368,0	-	368,0

## Three-year capital works program in short 2006-2008 - city council

### Infrastructure, Transport et Environnement

#### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>Strategic water management unit</b>							
<b>Program to rehabilitate waterworks and sewer systems in the boroughs</b>							
<b>56124</b>	Ahuntsic-Cartierville	1 652,0	1 652,0	1 458,0	<b>4 762,0</b>	2 013,0	6 775,0
<b>56109</b>	Anjou	549,0	649,0	649,0	<b>1 847,0</b>	728,0	2 575,0
<b>56127</b>	Côte-des-Neiges-Notre-Dame-de-Grâce	1 791,0	1 459,0	1 459,0	<b>4 709,0</b>	-	4 709,0
<b>56106</b>	L'île-Bizard-Ste-Geneviève	420,0	420,0	420,0	<b>1 260,0</b>	40,0	1 300,0
<b>56117</b>	Lachine	600,0	647,0	647,0	<b>1 894,0</b>	-	1 894,0
<b>56118</b>	Lasalle	1 060,0	798,0	798,0	<b>2 656,0</b>	-	2 656,0
<b>56123</b>	Mercier-Hochelaga-Maisonneuve	1 532,0	1 232,0	1 832,0	<b>4 596,0</b>	970,0	5 566,0
<b>56116</b>	Montréal-Nord	865,0	1 065,0	1 065,0	<b>2 995,0</b>	-	2 995,0
<b>56105</b>	Outremont	264,0	264,0	264,0	<b>792,0</b>	-	792,0
<b>56113</b> <b>56111</b>	Pierrefonds-Roxboro	2 260,0	2 460,0	1 463,0	<b>6 183,0</b>	3 140,0	9 323,0
<b>56122</b>	Plateau-Mont-Royal	787,0	787,0	987,0	<b>2 561,0</b>	-	2 561,0
<b>56119</b>	Rivière-des-Prairies-Pointe-aux-Trembles	4 649,0	3 323,0	2 269,0	<b>10 241,0</b>	-	10 241,0
<b>56125</b>	Rosemont-La Petite-Patrie	1 099,0	1 036,0	1 189,0	<b>3 324,0</b>	-	3 324,0
<b>56115</b>	Saint-Laurent	1 359,0	1 078,0	1 640,0	<b>4 077,0</b>	-	4 077,0
<b>56114</b>	Saint-Léonard	764,0	964,0	964,0	<b>2 692,0</b>	200,0	2 892,0
<b>56121</b>	Sud-Ouest	1 046,0	1 042,0	1 062,0	<b>3 150,0</b>	-	3 150,0
<b>56112</b>	Verdun	705,0	705,0	705,0	<b>2 115,0</b>	634,0	2 749,0
<b>56120</b>	Ville-Marie	3 677,0	746,0	1 456,0	<b>5 879,0</b>	-	5 879,0
<b>56126</b>	Villeray-Saint-Michel-Parc-Extension	1 091,0	1 391,0	1 391,0	<b>3 873,0</b>	-	3 873,0
<b>Total</b>		<b>27 400,0</b>	<b>25 266,0</b>	<b>25 422,0</b>	<b>78 088,0</b>	<b>21 220,0</b>	<b>99 308,0</b>

### Mise en valeur du territoire et du patrimoine

#### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>51000</b>	Creation of the bio-food pole of attraction	4 814,0	1 900,0	-	<b>6 714,0</b>	-	6 714,0
<b>40130</b>	Residential development – oversizing and Prerequisite	4 800,0	4 500,0	4 500,0	<b>13 800,0</b>	4 500,0	18 300,0
<b>40300</b>	Strategic investments to promote real estate development	-	500,0	500,0	<b>1 000,0</b>	500,0	1 500,0
<b>40600</b>	L'Acadie/Chabanel action plan	2 050,0	8 298,0	6 332,0	<b>16 680,0</b>	2 445,0	19 125,0
<b>Total</b>		<b>11 664,0</b>	<b>15 198,0</b>	<b>11 332,0</b>	<b>38 194,0</b>	<b>7 445,0</b>	<b>45 639,0</b>

## Three-year capital works program in short 2006-2008 - city council

### Services administratifs

#### Investment by Project and by Program

(In thousands of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>Immovables</b>							
64030	Development – administration buildings	23,0	44,0	-	67,0	-	67,0
64040	Des Carrières Incinerator - transformation into a multipurpose warehouse	8,0	328,0	420,0	756,0	-	756,0
66130	Access to buildings program	450,0	450,0	450,0	1 350,0	-	1 350,0
66050	Program to acquire computer equipment	50,0	-	-	50,0	-	50,0
66150	Program to protect, remove and replace oil tanks	45,0	45,0	45,0	135,0	-	135,0
66030	Program to preserve administration buildings	2 993,0	3 042,0	3 489,0	9 524,0	830,0	10 354,0
38009	Program to preserve cultural buildings	142,0	142,0	142,0	426,0	-	426,0
66460	Program to preserve corporate industrial buildings	935,0	1 168,0	681,0	2 784,0	-	2 784,0
42306	Program to preserve sports buildings	253,0	240,0	130,0	623,0	77,0	700,0
66556	Program to preserve building sites	8,0	110,0	-	118,0	-	118,0
66167	Program to preserve electric mechanical systems	198,0	121,0	121,0	440,0	-	440,0
66240	Relocation of technical support activities – Viau-De Rouen Complex	134,0	23,0	-	157,0	-	157,0
30910	Rental improvement work – city premises	5 531,0	180,0	225,0	5 936,0	1 408,0	7 344,0
<b>Rolling stocks</b>							
68099	Program to replace vehicles	3 600,0	3 600,0	3 600,0	10 800,0	-	10 800,0
<b>Information technology</b>							
68040	Program to modernize radio communications	4 903,0	4 683,0	7 473,0	17 059,0	-	17 059,0
<b>Total</b>		<b>19 273,0</b>	<b>14 176,0</b>	<b>16 776,0</b>	<b>50 225,0</b>	<b>2 315,0</b>	<b>52 540,0</b>



**2006**

**AGGLOMERATION**  
COUNCIL BUDGET





# **BUDGET BY ACTIVITY**



## **STATEMENT OF FINANCIAL ACTIVITIES**

The Statement of Financial Activities presents a synopsis of the city operating budget for all agglomeration services offered to residents throughout the island with respect to revenues, expenditures and allocations. Revenues are presented by category, while expenditures are presented by municipal category. Allocations represent the use of surpluses, reserves or earmarked funds for the fiscal year's financial activities.

The original data from the 2005 Budget have been adjusted so that they can be presented on the same basis as that required for the 2006 Budget. These data appear under the column entitled "2005 Restated."

### **NOTE**

The Ville de Montréal's budget is presented in accordance with the rules established by the Ministère des Affaires municipales et des Régions. The appendix describes the main budgetary practices applying to its formulation.

Please refer to Appendix 1 for further information on how budgetary information is structured and on significant accounting practices pertaining to the operating budget.

The following tables cover the years 2005 and 2006. Because of changes in the governance structure, the Restated 2005 Budget only appears in the Statement of Financial Activities.

**Table 70**  
**Statement of Financial Activities**  
**Urban Agglomeration Council Budget**  
*(In thousands of dollars)*

	<b>2005</b>	<b>2006</b>	<b>Change</b>
	<b>Restated <sup>1</sup></b>	<b>Budget</b>	<b>2006-2005</b>
			<b>%</b>
<b>Revenues</b>			
Taxes	1 501 998,7	1 557 325,9	3,7
Payments in lieu de taxes	134 034,9	142 916,8	6,6
Other revenues from local sources	162 199,1	183 211,4	13,0
Transfers	82 596,5	90 572,2	9,7
Specific revenues transferred to investment activities	(36 927,8)	(26 230,0)	(29,0)
<b>Total revenues</b>	<b>1 843 901,4</b>	<b>1 947 796,3</b>	<b>5,6</b>
<b>Operating expenditures</b>			
General administration	263 579,6	267 909,1	1,6
Public security	722 056,0	763 340,2	5,7
Transportation	401 506,9	420 491,1	4,7
Environmental hygiene	195 846,6	201 140,0	2,7
Health and welfare	37 592,4	41 291,2	9,8
Urban planning and development	54 250,1	55 685,5	2,6
Recreation and culture	73 783,0	79 570,5	7,8
Financing expenses	66 913,0	74 590,9	11,5
<b>Total operating expenditures</b>	<b>1 815 527,6</b>	<b>1 904 018,5</b>	<b>4,9</b>
<b>Other financial activities</b>			
Repayment of long-term debt	54 764,8	68 903,1	25,8
Other transfers to investment activities	2 141,0	18 272,0	-
<b>Total other financial activities</b>	<b>56 905,8</b>	<b>87 175,1</b>	<b>53,2</b>
<b>Total expenditures</b>	<b>1 872 433,4</b>	<b>1 991 193,6</b>	<b>6,3</b>
<b>Surplus des activités financières before appropriations</b>	<b>(28 532,0)</b>	<b>(43 397,3)</b>	
<b>Appropriations</b>			
Unappropriated accumulated surplus	0,0	0,0	
Appropriated accumulated surplus	30 913,9	52 223,6	
Financial reserves and reserved funds			
- transfers from	6 444,4	0,0	
- (transfer to)	(8 826,3)	(8 826,3)	
	<b>28 532,0</b>	<b>43 397,3</b>	
<b>Surplus before long-term financing</b>	<b>-</b>	<b>-</b>	
<b>Net surplus</b>	<b>-</b>	<b>-</b>	

<sup>1</sup>The Restated 2005 Budget is presented for purposes of information. The information appearing in the Restated 2005 Budget has been adjusted in line with such factors as the withdrawal of funding for the reconstituted municipalities to make such data as comparable as possible to those of the 2006 Budget. In view of the many legislative and administrative modifications appearing in the 2006 Budget and particularly those concerning the distribution of local and agglomeration powers, the Restated 2005 reflects these changes as faithfully as possible.

## **ANALYSIS OF FINANCIAL ACTIVITIES—REVENUES**

To provide a better representation of city revenue, the budget has been divided into four main categories consistent with the guidelines provided in MAMR's *Manuel de la présentation de l'information financière*:

- Taxes.
- Payments in lieu of taxes.
- Other Revenue from Local Sources.
- Transfers.

These four revenue categories and their component units are discussed on the next few pages.

### Taxes

Taxes include all revenue generated by property taxes and property-related fees.

**Table 71**

**Taxes**

*(In thousands of dollars)*

	<b>2006 Budget</b>
<b>On property value</b>	
General tax	1 317 483,8
Sector taxes	0,0
Water improvement tax	0,0
Road tax	19 558,5
Other	859,4
	<b>1 337 901,7</b>
<b>On another basis</b>	
Tax on rental value	189 940,4
User fees for municipal services	
- water	3 183,8
- wastewater treatment	6 300,0
- waste removal and recycling	0,0
- debt service	0,0
	<b>9 483,8</b>
Other	20 000,0
	<b>219 424,2</b>
<b>Total</b>	<b>1 557 325,9</b>

Property taxes and property-related fees total \$1,557,325.9 in the 2006 Budget.

This rise in revenue is due to:

- Good performance of the real estate market, which has enabled the city to anticipate a \$1.9 billion growth in assessed value for 2006. This rise will generate additional revenue of \$36 million.
- New sources of revenue totalling \$20 million that will be placed in the road network reserve fund.

**Payments in Lieu of Taxes**

This category includes revenue collected from owners of tax exempt properties subject to payments in lieu of taxes. *An Act respecting municipal taxation* lists these properties and identifies the various payments applicable to each.

**Table 72****Payments in Lieu of Taxes***(In thousands of dollars)*

	<b>2006 Budget</b>
<b>Québec government</b>	
Government buildings and establishments	
- property taxes	12 648,6
- water improvement tax	0,0
- road tax	309,2
- other taxes, compensations and fees	9 894,8
	<b>22 852,6</b>
Network establishments	
- health and social services	24 830,4
- cegeps and universities	31 751,1
- primary and secondary schools	23 415,3
	<b>79 996,8</b>
Foreign governments and international organizations	726,0
Classified cultural properties	98,2
	<b>103 673,6</b>
<b>Government of Canada and its enterprises</b>	
- property taxes	27 810,7
- water improvement tax	0,0
- road tax	542,4
- other taxes, compensations and fees	7 120,3
	<b>35 473,4</b>
<b>Municipal organizations</b>	<b>2 803,9</b>
<b>Other compensated organizations</b>	<b>965,9</b>
<b>Total</b>	<b>142 916,8</b>

Tax revenue from payments in lieu of taxes total \$142,916.8. This growth in revenue is principally due to an anticipated \$200 million rise in the value of government real estate on the Island of Montréal, which will generate \$9 million in additional revenue.

### **Other Revenue from Local Sources**

This category includes all revenue other than that generated by taxation, payments in lieu of taxes and transfers. It includes amounts derived from management activities and service delivery within the framework of authority conferred, in 2006, by the Urban Agglomeration Council. This category thus comprises revenue generated from services rendered to municipal organizations and from services rendered to taxpayers or to private businesses. The “Other Revenue” heading includes such fees as those pertaining to licenses, permits and real estate transfers and revenue generated by fines and penalties. Interest, proceeds from the disposal of long-term assets, taxes paid by developers, contributions from municipal bodies and various other types of revenue also fall into this category.

**Table 73**  
**Other Revenue from Local Sources**  
*(In thousands of dollars)*

	<b>2006 Budget</b>
<b>Services provided to municipal organizations</b>	<b>177,5</b>
<b>Other services provided</b>	<b>60 406,0</b>
<b>Other revenues</b>	
Fees collection	
- licenses and permits	1 899,0
- real estate transfer fees	0,0
	<u>1 899,0</u>
Fines and penalties	
- tickets – traffic and parking	67 555,2
- other – fines and penalties	5 523,8
	<u>73 079,0</u>
Interest	
- tax arrears	4 160,4
- amortization fund <sup>1</sup>	0,0
- cash and other interest	15 037,9
	<u>19 198,3</u>
Long-term transfer of assets	360,0
Developers' contributions	86,0
Contribution by municipal organizations	27 709,4
Other	296,2
	<u><b>122 627,9</b></u>
<b>Total</b>	<b>183 211,4</b>

<sup>1</sup> That portion of the debt service to be paid by the urban agglomeration has been calculated based on the net debt for which the latter is responsible. Consequently, all interest revenue on sinking funds appears in the City Council Budget.

### Services Rendered to Municipal Organizations

This item totals \$177.5 in the 2006 Budget and represents the value of water sold to the municipality of Charlemagne.

### Other Services Provided

This item totals \$60,406.0 in the 2006 Budget and consists primarily of:

- Revenue of \$26,492.7 generated by the billing of miscellaneous activities of the police, the 9-1-1 emergency centre, loans of services, the Taxi Bureau, etc.
- Revenue of \$20,467.3 generated by application of user fees at the Saint-Michel Environmental Complex.
- Revenue of \$1,018.8 generated by user fees on equipment and activities falling under the city's nature parks.
- Revenue of \$2,938.3 specific to Montréal's downtown area, pursuant to the *Order concerning the Montréal Urban Agglomeration*.
- A total amount of \$3,045.1 collected for the use of such facilities falling under the authority of the Urban Agglomeration Council as Mount Royal Park and the Claude-Robillard Sports Complex.
- Billings of \$1,799.3 for miscellaneous services pertaining to employee loans and releases for union activities.

### Other Revenue

This item totals \$122,627.9 in the 2006 Budget and is primarily generated by:

- The collection of a total \$73,079.0 in fines and penalties. An estimated \$67,555.2 will be obtained from fines and penalties resulting from traffic and parking offences. This amount is generally equivalent to the administrative cost of ticket issuance by police and parking officers. Revenue from fines themselves is earmarked for the City Council Budget. Another amount of \$5,523.8 is also earmarked for the collection of other fines and penalties such as those imposed for failure to comply with certain municipal and governmental by-laws, including setting off an alarm without a valid purpose, failure to meet food sanitation requirements, failure to observe air and water quality standards and failure to pay tax bills.
- A total contribution of \$27,709.4 from the Montréal Metropolitan Community with respect to the AccèsLogis and Logement abordable Québec (social component) programs.
- Interest revenue of \$19,198.3 including interest of \$4,160.4 on back taxes, plus \$15,037.9 from interest on cash in hand (cash flow management) and other interest.

## Transfers

This category includes all grants from the higher levels of government (departments or agencies) and from private enterprise. Such transfers pertain to the funding of operating, debt service and capital asset expenditures. They are known as “conditional transfers” when subject to special usage requirements and “unconditional transfers” when no such requirements apply.

Transfer revenue totals \$90,572.2 in the 2006 Budget.

**Table 74**

### Transfers

(In thousands of dollars)

	<b>2006 Budget</b>
<b>Unconditional transfers</b>	
Québec government subsidies	0,0
- compensation for TGE-FFLA	0,0
- urban centres	7 187,9
- neutrality	0,0
- other	<b>7 187,9</b>
<b>Conditional transfers</b>	
Government subsidies and other debts	
- related to capital spending	
- cash payment	26 144,0
- repayment of long-term debt <sup>1</sup>	0,0
- related to operating budget	57 210,3
	<b>83 354,3</b>
Other conditional transfers related to the operating budget	30,0
	<b>83 384,3</b>
<b>Total</b>	<b>90 572,2</b>

<sup>1</sup> That portion of the debt service to be paid by the urban agglomeration has been calculated based on the net debt for which the latter is responsible. As a result, all grants pertaining to debt repayment are presented in the City Council Budget.

### **Unconditional Transfers**

A total of \$7,187.9 in unconditional transfers appears in the 2006 Budget. This amount primarily represents the Urban Agglomeration Budget's share of the neutrality program.

### **Conditional Transfers**

Two types of conditional transfers exist: those involving cash repayment for a capital asset project or for debt service repayment and those involving the repayment of operating expenditures.

Such transfers total \$83,384.3 in the 2006 Budget and primarily consist of:

- A \$26,144.0 increase in government grants pertaining to "paid in cash" capital assets, based on projects included in the Three-Year Capital Works Budget.
- Government grants of \$57,210.3 pertaining to the operating budget.

**Government Grants for “Paid in Cash” Capital Assets**

This category includes grants that the city receives from the higher levels of government when they fund capital works projects that are paid in cash.

Such grants totalled \$26,144.0 in the 2006 Budget, as appears in the following table. This amount includes a grant from SOFIL (Société de financement des infrastructures locales du Québec).

**Table 75****Government Grants for Capital Expenditures Paid in Cash**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Recreation and culture	3 266,0
Roads	10 960,0
Environmental hygiene	11 912,0
Other	6,0
<b>Total</b>	<b>26 144,0</b>

**Grants to Reimburse Operating Expenditures**

This category includes grants pertaining to programs that the city establishes and administers on behalf of or in conjunction with the higher levels of government.

A total of \$57,210.3 in grants applying to repayment of operating expenditures is included in the 2006 Budget. This amount primarily consists of:

- An amount of \$12,676.4 pertaining to the city’s local development centres (CLDs).
- An amount of \$8,939.7, earmarked for air cleanup efforts and food inspection.
- An amount of \$5,610.0 to be received by the city’s Service de la sécurité incendie (fire department) for setting up the first responders service.
- An amount of \$5,622.0 for administering certain grants programs pertaining to renovation (Programme de subventions résidentielles, agreement between the Ministère de la Culture et des Communications du Québec and the city, Programme de mise en valeur du Mount Royal).
- An amount of \$1,100.0 for setting up a plan of action for the water supply system.
- Compensation of \$5,000.0 under the anti-poverty program.

**Table 76**

**Government Grants to Reimburse Operating Expenditures**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Air purification	5 061,7
Food inspection	3 878,0
Urban renewal	5 622,0
Local economic development	12 676,4
Recreation and culture	380,8
Settlement of the inter-municipal issue	6 300,0
First Responder project	5 610,0
Aqueduct intervention plan	1 100,0
Fight against poverty	5 000,0
Other	11 581,4
<b>Total</b>	<b>57 210,3</b>

**Specific Revenue Transferred to Investment Activities**

Under MAMR's standards for the presentation of financial information, revenue derived from taxes paid by developers and revenue derived from cash government grants for capital assets must now appear under the "Specific Revenue Transferred to Investment Activities" item in the statement of financial activities, reducing total city revenue.

**Table 77**

**Specific Revenues Transferred to Investment Activities**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Developers' contribution	(86,0)
Government subsidies related to capital spending - cash payment	(26 144,0)
<b>Total</b>	<b>(26 230,0)</b>

## **ANALYSIS OF FINANCIAL ACTIVITIES—OPERATING EXPENDITURES AND OTHER FINANCIAL ACTIVITIES**

Operating Expenditures and Other Financial Activities are broken down by category pursuant to the guidelines set forth in MAMR's *Manuel de la présentation de l'information financière*. A detailed presentation is provided for each of those functions, which are:

- The “General Administration” category consists of a set of activities pertaining to municipal management and administration. Expenditures falling within this category mainly pertain to operations of the city council, law enforcement as well as finance administration and human resources management.
- The “Public Safety” category includes activities pertaining to the protection of people and property. It comprises all expenditures relating to surveillance, prevention and emergency preparedness measures.
- The “Transportation” category comprises all expenditures pertaining to the planning, organization and maintenance of the city’s road network, as well as to the transportation of people and of merchandise.
- The “Environmental Hygiene” category includes expenditures pertaining to water and sewers, waste management and environmental protection.
- The “Health and Welfare” category includes all public hygiene and welfare services.
- The “Urban Planning and Development” category includes all activities involved in the formulation and the maintenance of the development plan and the urban plan, along with expenditures involved in formulating the city’s economic development programs.
- The “Recreation and Culture” category includes all planning, organizational and management activities for programs relating to recreational and cultural activities.
- The “Financing Costs” category comprises interest and other expenses involved in the financing municipal activities.
- The “Other Financial Activities” category comprises the repayment of long-term debt and transfers to investment activities.

Each category is analyzed, starting with a description of the activities pertaining to it. This analysis is accompanied by a table itemizing the expenditures that correspond with each heading. This table presents the 2006 Budget and highlights the main budget items associated with these activities.

### General Administration

This category comprises a set of activities pertaining to municipal management and administration. Expenditures falling within this category mainly concern to operations of the Urban Agglomeration Council, law enforcement, finance and administration management, the city clerk's office, the assessment process and human resources management.

Certain one-time expenditures that do not fall within any of the various municipal activities may also appear under the Other heading of the General Administration category.

The Global Budget is allocated among the City Council and Urban Agglomeration Council budgets according to three main principles: distribution of powers, delegation of urban agglomeration powers and allocation of expenditures for mixed purposes.

Because of their particular nature, most General Administration expenditures have been divided among the Urban Agglomeration Council and City Council budgets under the "mixed purposes" rule.

An amount of \$267,909.1 was allocated to the General Administration category in the 2006 Urban Agglomeration Council Budget.

**Table 78**  
**General Administration**

*(In thousands of dollars)*

	<b>Budget 2006</b>
Conseil municipal	19 282,5
Application de la loi	46 470,8
Gestion financière et administrative	59 077,6
Greffe	3 435,6
Évaluation	22 114,1
Gestion du personnel	10 921,6
Autres	106 606,9
<b>Total</b>	<b>267 909,1</b>

### City Council

The City Council heading primarily encompasses expenditures pertaining to the Urban Agglomeration Council and for support to that council and to the various committees.

The 2006 Budget provided funding for this activity of \$19,282.5. These funds will also serve to finance a share of those expenditures pertaining to public hearing and consultation sessions, protocol, support for the decision-making process and inter-governmental relations.

### **Law Enforcement**

Law enforcement expenditures include funds pertaining to Municipal Court and judiciary activities that fall under the authority of the Urban Agglomeration Council. An amount of \$46,470.8 has been set aside in the 2006 Budget for this activity.

### **Financial and Administrative Management**

The Financial and Administrative Management heading consists primarily of funds assigned to the management of financial, material and information technology resources.

The amount of \$59,077.6 that has been assigned to the urban agglomeration for this activity is primarily derived from the sharing of “mixed” expenditures of the Service des finances (finance department), the Service des services administratifs (administrative service department) and the Bureau du vérificateur général (office of the auditor general).

### **City Clerk**

This activity includes expenditures pertaining to the office of the city clerk, including:

- Application of by-laws.
- Conducting censuses, referendums and elections.
- Drafting minutes of meetings and all other official documents.
- Publications and the maintenance of archives and official documents.

The projected expenditures for this activity of \$3,45.6 largely result from the sharing of central expenditures of the City Clerk’s office.

### **Valuation**

This activity comprises expenditures relating to the production of the property assessment rolls, an area that falls under the exclusive authority of the Urban Agglomeration Council. Funds of \$22,114.1 have been included in the 2006 Budget for this activity.

### **Human Resources Management**

This activity includes expenditures pertaining to the management of human resources, including recruitment, hiring of staff and labour relations.

The budget assigned to this activity, which falls under the authority of the Urban Agglomeration Council, is \$10,921.6 and results from the sharing of “mixed” expenditures from the Service du capital humain (department of human resources).

### **Other**

Different kinds of budget items fall under this activity, including amounts that may not be associated with a specific activity at the time the budget is being prepared. These items include

expenditures for city department communications, contingencies, possible collection losses, and certain provisions for remuneration expenditures.

The Urban Agglomeration Council has been allocated total funding of \$106,606.9 to for this activity, which breaks down as follows:

- City department expenditures of \$43,825.3.
- A total of \$23,307.4 for contingencies and general administrative expenses.
- Possible collection losses of at \$11,290.3.
- Funds of \$12,311.4 to cover pensions, annuities and new and old actuarial liabilities as at December 31, 2004.
- Reserve funds of more than \$15.8 million to cover common remuneration expenditures. These reserves apply to expenditures pertaining to pay equity, certain insurance fees and contributions to the Commission de la santé et sécurité du travail (CSST) and include credits to cover a share of the impact of retirement plan harmonization and the impact of past actuarial valuations on current service to the various plans.

## Public Safety

This Public Safety category includes all activities pertaining to the protection of people and property. It comprises all expenditures relating to surveillance, prevention and emergency preparedness measures. With the establishment of the Montréal Urban Agglomeration, most public safety activities now fall under the latter's responsibility and thus appear in the Urban Agglomeration Council Budget section.

Public safety takes up for a large share of budgetary resources. The funds devoted to this heading make up nearly 38.3% of Urban Agglomeration Budget expenditures. Funding of \$763,340.2 has been set aside in the 2006 Budget for public safety throughout the Island of Montréal. More than 63% of this amount has been earmarked for police activities and slightly more than 33% to fire protection.

An additional amount of more than \$5 million has been set aside in the 2006 Budget for implementation by the fire department of the first responders project. Furthermore, in 2006, the police service will spend \$8.3 million of police resources on road and nautical safety throughout the island.

The Other category also includes funding for school crossing guards.

**Table 79**  
**Public Safety**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Police	478 043,0
Fire protection	277 376,1
Emergency preparedness	1 542,1
Other	6 379,0
<b>Total</b>	<b>763 340,2</b>

Most aspects of public safety for the urban agglomeration are overseen by two city departments: the police service and the fire department.

### Transportation

This category covers all expenditures pertaining to the planning, organization and maintenance of the city's road network and to its public transit system.

The transportation expenditures appearing in this section fall under the authority of the Urban Agglomeration Council. They include activities relating to public transit and maintenance of the arterial network and of the road network in downtown Montréal, pursuant to the *Order concerning the Montréal Urban Agglomeration*.

**Table 80**  
**Transportation**  
*(In thousands of dollars)*

	<b>2006 Budget</b>
Road network	
- city road network	43 240,0
- snow removal	35 730,7
- street lighting	13 161,8
- traffic and parking	11 456,1
	<b>103 588,6</b>
Public transit	308 500,0
Other	8 402,5
<b>Total</b>	<b>420 491,1</b>

### Road Network

This activity comprises expenditures pertaining to the city road network, to snow removal, to street lighting, to traffic control and to parking on that portion of the arterial road network falling under the urban agglomeration's responsibility.

A total of \$103,588.6 in expenditures appears in the 2006 Budget for arterial road network maintenance and structures. The main expenditures are snow removal (\$35,730.7) and the city road network (\$43,240.0). The cost of street lights, traffic control and parking represents a much smaller share.

An amount of \$2,488.5 in the 2006 Budget is devoted to high-priority clean-up efforts.

### Public Transit

Public transit expenditures pertain to contributions that the city pays to the Société de transport de Montréal (STM) and to the Agence métropolitaine de transport (AMT).

These expenditures total \$308.5 million in the 2006 Budget.

The STM is an independent entity that ensures the provision of citywide public transit services through the subway and bus systems and through custom transport vehicles.

- The city's contribution to the STM totals \$278 million in 2006, a \$10 million increase over 2005.

The AMT is the agency that administers and finances the metropolitan commuter train network, along with various facilities, such as park and ride centres, reserved lanes and bus terminals. The AMT coordinates custom transportation services. It also provides financial support to local transportation organizations that work within the metropolitan transportation network by redistributing rebates on motor vehicle registration fees and gasoline taxes that are paid to it by the Government of Québec.

The AMT's funding is provided partly by different organizations. To begin with, the Government of Québec contributes rebates on motor vehicle registration fees and gasoline taxes. These funds serve in particular to support various assistance programs. The municipalities that make up Greater Montréal pay contributions to the AMT equivalent to 1% of their harmonized property tax bases. This amount serves to finance 25% of all capital works projects pertaining to metropolitan transportation. The municipalities also contribute 40% of commuter train and metropolitan expressway operating costs. In addition, the AMT relies on the Ministère des Transports du Québec and other partners for its funding.

The city's 2006 contribution to the AMT totals \$30,500.50, a 3.9% rise over 2005. This increase is largely due to a 12.5% rise (to \$11,795.0) in the city's contribution to the Capital Works Fund. The city's contribution to the commuter train system is \$18,495.0 (up 1.3%).

### Other

This heading covers transportation-related expenditures that find no classification elsewhere, such as the Bureau de taxi (taxi office) and police department towing activities. Towing, it may be noted, is self-financing.

The following amounts are included in the 2006 Budget:

- \$1 million, to formulate a road network master plan.
- \$4 million, earmarked for initiatives pertaining to the development of sustainable transportation.

### Environmental Hygiene

This category covers all activities pertaining to water and sewers, solid waste removal and recycling, environmental protection. These activities fall under the authority of the Urban Agglomeration Council. Funding totals \$201,140.0.

**Table 81**  
**Environmental Hygiene**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Water and sewers	
- supply and treatment of drinking water	48 018,6
- drinking water distribution system	13 437,3
- waste water treatment	54 280,2
- sewer system	8 750,4
	<b>124 486,5</b>
Solid waste removal and recycling	
- household waste	31 993,6
- recyclable materials	12 653,6
- disposal of dry materials	23 551,7
	<b>68 198,9</b>
Environmental protection	8 295,8
Other	158,8
<b>Total</b>	<b>201 140,0</b>

### Water and Sewers

This activity comprises expenditures, within the area of responsibility covered by Urban Agglomeration Council for this category, associated with the production of drinking water, the interception and treatment of wastewater and the maintenance and installation of principal water mains and sewer lines.

Expenditures of \$124,486.5 appear for this activity in the 2006 budget, with \$48,018.6 assigned to drinking water production and \$54,280.2 to wastewater treatment.

### Solid Waste

This activity comprises expenditures, within the area of responsibility covered by Urban Agglomeration Council for this category, for the formulation and management of the solid waste management master plan, the disposal and recycling of solid waste, the management of hazardous

substances and all activities pertaining to solid waste in downtown Montréal, pursuant to the *Order concerning the Montréal Urban Agglomeration*.

Expenditures of \$68,198.9 appear for this activity in the 2006 Budget, with \$31,993.6 assigned to household waste disposal and \$23,551.7 to the disposal of dry materials.

### **Environmental Protection and Other Activities Pertaining to Environmental Hygiene**

These expenditures pertain to such environmental protection efforts as air, water and noise pollution control measures and other environmental hygiene activities that find no classification elsewhere. These expenditures total \$8,295.8 in the 2006 Budget.

### Health and Welfare

This category includes those activities associated with income security and public employment services situated within the former city. The health and welfare category also includes all public health and welfare services, including food inspection and social housing.

**Table 82**  
**Health and Welfare**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Food inspection	4 091,6
Social housing	30 903,2
Income security	0,0
Other	6 296,4
<b>Total</b>	<b>41 291,2</b>

#### Food Inspection

This activity includes all food inspection-related expenditures, including the cost of enforcing laws and by-laws and proceedings instituted in the Municipal Court. The “Ministère de l’Agriculture, des Pêcheries et de l’Alimentation du Québec” (MAPAQ) finances all expenditures associated with the various food inspection programs.

#### Social Housing

This activity includes expenditures pertaining to social housing and to the city’s contribution to the payment of operating deficits of the municipal housing offices. Funding of \$30,903.2 has been set aside for this area in the 2006 Budget.

Municipal expenditures of \$9,500.0 pertaining to the AccèsLogis and those of \$18,209.5 with respect to the Logement abordable Québec (social component) program are, incidentally, reimbursed in full by the Montréal Metropolitan Community (MCC).

#### Income Security

This activity comprises expenditures pertaining to the management of income security programs within the former city. Since such programs are run locally, no expenditures falling under this heading appear on the Urban Agglomeration Council Budget.

#### Other

This activity comprises all other expenditures associated with the Health and Welfare category.

- A new \$5 million agreement with the Government of Quebec pertaining to the war on poverty and social exclusion is largely responsible for increased expenditures, which are offset by an equivalent rise in revenue.

## Urban Planning and Development

This category comprises all activities pertaining to the formulation and maintenance of the urban development plan and of economic development.

Funding of \$55,685.5 has been set aside for this category in the 2006 Budget.

**Table 83**

### Urban Planning and Development

*(In thousands of dollars)*

	<b>2006 Budget</b>
Urban planning and zoning	2 904,3
Promotion and economic development	
- industry and commerce	37 419,4
- tourism	1 460,0
- other	0,0
	<b>38 879,4</b>
Urban renewal	13 901,8
Other	0,0
<b>Total</b>	<b>55 685,5</b>

### Urban Planning and Zoning

This heading includes those expenditures pertaining to development, urban planning and zoning.

Most of the funding for this activity is essentially derived from the Service de mise en valeur du territoire et du patrimoine (economic and heritage development) and totals \$2,904.3.

Major differences in the 2006 Budget are due to:

- Establishment of a Direction des grands projets (major projects division) following a \$3.3 million overhaul of this department. Of this amount, \$1.8 million was allocated urban agglomeration needs.

### Promotion and Economic Development

This heading comprises expenditures relating to the promotion of economic, commercial and tourist development. Such expenditures include promotional campaigns, promotional campaigns, contributions to an LDC (Local Development Centres), promotion of tourist activities, convention services and any assistance specifically intended for a business.

Most of the funding for this activity is administered by the Service de mise en valeur du territoire et du patrimoine (economic and heritage development) and totals \$38,879.4.

The main reasons for changes in the budget are:

- \$1.3 million has been set aside for the establishment of the ICI–Montréal program (commercial and industrial incentive), aimed at stimulating commercial and industrial real estate investment.
- \$0.7 million has been allocated to the professional retraining of work teams assigned to business development and to economic development planning, thus contributing to the growth of wealth.
- PROCIM's allocation has been reduced by \$1.6 million. Funding for this soon-to-be-completed program decreases as each of its various phases comes to a close.

### **Urban Renewal**

This activity includes expenditures for the urban renewal of classified and other assets, including their restoration, studies, research and grants awarded by the city to owners of such properties. Funding totals \$13,901.8.

Most of the funding for this activity is provided by the Service de mise en valeur du territoire et du patrimoine.

The main budgetary differences are due to:

- A \$1.5 million decline in the amount allocated to the Programme Rénovation Québec due to a reduced number of commitments.
- An amount of \$0.9 million stemming from the new 2005-2008 agreement concluded with the Ministère de la Culture et des Communications, resulting in a reduced rate of commitment to heritage preservation and presentation projects.

## Recreation and Culture

This category includes all activities that pertain to the planning, the organization and the management of recreational and cultural programs, including grants and donations awarded to organizations working in these areas of endeavour that fall under the authority of the Urban Agglomeration Council. It also includes expenditures relating to the management of amenities and to heritage activities. Except for the nature park system, which falls under the authority of the Urban Agglomeration Council, this category covers collective amenities, facilities and activities listed in the appendix to the Urban Agglomeration Order and which also fall under the authority of the Urban Agglomeration Council.

Total funding of \$79,570.5 has been committed to this activity in the 2006 Budget.

**Table 84**  
**Recreation and Culture**  
*(In thousands of dollars)*

	<b>2006 Budget</b>
Recreational activities	
- community centres	9 697,4
- indoor and outdoor skating rinks	2 225,3
- swimming pools, beaches and marinas	2 814,3
- parks and playing fields	30 194,2
- regional parks	5 509,3
- exhibitions and fairs	0,0
- other	2 687,7
	<b>53 128,2</b>
Cultural activities	
- community centres	1,4
- libraries	7 958,6
- museums and exhibition centres	5 079,1
- other	13 403,2
	<b>26 442,3</b>
<b>Total</b>	<b>79 570,5</b>

### Recreational Activities

- Recreational activities generally fall into two groups: the management of recreational activities and of recreational and sports facilities and the design and maintenance of parks and green spaces. The recreational activity budget totals \$53,128.2. In this area, the city provides common services to all residents for activities conducted in such facilities as:
  - The Claude-Robillard Sports Complex
  - The Jarry Tennis Centre
  - Jean-Drapeau Park
  - Mount Royal Park

### Cultural Activities

Cultural activities pertain to such areas as the:

- Lachine Museum.
- The city's financial contribution to the Bibliothèque nationale du Québec.
- Support granted to certain celebrations and festivals.
- Support granted to the Montréal Museum of Archaeology and History.

A total of \$26,442.3 has been set aside in the in 2006 Budget for all cultural activities. This amount is aimed at maintaining the existing range of services, while exploring other possible means of enhancing and upgrading cultural activities available to residents of the urban agglomeration.

### Budget and Investment

In its 2006-2008 Three-Year Capital Works Program, the city is continuing its programs aimed at protecting and developing recreational and cultural facilities for all Island of Montréal residents.

The city's Service du développement culturel, qualité du milieu de vie et diversité ethnoculturelle (department of cultural development, quality of the living environment and ethnic and cultural diversity) has included the following areas in its planning:

- Restoration and renewal of Mount Royal Park facilities.
- External renovation of the Claude-Robillard Sports Complex.
- Repair of access to and pathways within Maisonneuve Park.

## Financing Costs

This category comprises interest and other fees for the financing of capital assets falling under the authority of the Urban Agglomeration Council. These interest fees include those pertaining to the former debt of the Montréal Urban Community and financing of urban agglomeration expenditures since the municipal merger. The repayment of long-term debt is presented separately in the Other Financial Activities section.

**Table 85**  
**Financing Costs**

*(In thousands of dollars)*

	<b>2006 Budget</b>
Long-term debt	
- interest	74 590,9
- other costs	0,0
	<b>74 590,9</b>
Other financing costs	0,0
<b>Total</b>	<b>74 590,9</b>

Expenditures for financing costs total \$74,590.9 in the 2006 Budget. This amount represents a \$7,677.9 (11.5%) rise over the corresponding figure of \$66,913.0 in the Restated 2005 Budget.

Variations in financing costs are primarily due to the fact that the new urban agglomeration expenditures being financed are greater than the net debts of the former Montréal Urban Community, which are maturing and now fall under the urban agglomeration's responsibility. New legislative provisions have in fact transferred new responsibilities to the Urban Agglomeration Council, with the effect that the capital expenditures for which the municipalities were previously responsible are now financed by the urban agglomeration. Furthermore, these new expenditures have received less grant support than did the debt of the former Montréal Urban Community.

### Other Financial Activities

Other Financial Activities expenditures primarily concern funds assigned to repayment of long-term debt (payment of capital on loans and contributions to the sinking funds). This expenditure item comprises the Transfer to Investment Activities item, which includes investment activities paid out of the operating budget (cash payment of capital expenditures).

This item totals \$87,175.1.

**Table 86**

### Other Financial Activities

*(In thousands of dollars)*

	<b>2006 Budget</b>
Repayment of the long-term debt	68 903,1
Other transfers to investment activities <sup>1</sup> - cash payments for capital works expenses	18 272,0
<b>Total</b>	<b>87 175,1</b>

<sup>1</sup> Other than the specific revenue transferred to investment activities consisting of taxes paid by real-estate developers and cash government grants.

### Repayment of Long-Term Debt

This activity consists of that portion of the debt that is reimbursed (repayment of capital), plus contributions to the sinking funds.

Long-term debt repayment expenditures climbed from \$54,764.8 in 2005 to \$68.903.1 in 2006, for a rise of \$14,138.3 (25.8%). Such substantial growth is largely due to the fact that newly financed urban agglomeration expenditures are much greater than the net debts of the former Montréal Urban Community, which are maturing. . New legislative provisions have in fact transferred new responsibilities to the Urban Agglomeration Council, with the effect that capital expenditures for which the municipalities were previously responsible are now financed by the urban agglomeration. Furthermore, these new expenditures received less grant support than did the debt of the former Montréal Urban Community.

### Transfer to Investment Activities

This amount represents cash payment of capital expenditures. The expenditure listed for this item in the 2006 Budget is \$18,272.0, a \$16,131.0 rise over the figures for 2005. This increase is largely due to the establishment of the Road Fund, \$15,000.0 of which will be used for cash payments for work to restore the arterial road network.

## ANALYSIS OF ALLOCATIONS

This item represents the use of accumulated assigned or unassigned surpluses (or deficits) that remain under the authority of the Urban Agglomeration Council.

The city plans to allocate an amount of \$43,397.3 to balancing the 2006 Budget. This amount is derived from two sources:

- The accumulated surplus.
- Financial reserves.

**Table 87**  
**Allocations**  
*(In thousands of dollars)*

	<b>2006 Budget</b>
Appropriated accumulated surplus	52 223,6
Financial reserves and reserved funds	
- transfer from	0,0
- (transfer to)	(8 826,3)
<b>Total</b>	<b>43 397,3</b>

It should be noted that the Government of Québec's departmental directive of April 12, 2005, pertaining to distributing of assets and liabilities, stated that all of the city's unassigned surpluses for the period from 2002 through 2005 would belong to the urban agglomeration. However, any borough management surpluses would belong to the borough in question.

The amount of \$52,223.6, which appears under the "assigned accumulated surplus" heading in the preceding table, comes from the anticipated surplus for 2005 (\$43,523.6) and from the water management reserve fund (\$8,700.0).

To balance its 2002 budget, the new city had to temporarily draw on a share of surpluses available from the former cities of the Island of Montréal, as well as on a share of surpluses available from the former Montréal Urban Community (MUC). If the MUC's share is excluded, the 2002 contribution of the former suburban cities and of the former city to the balanced budget totalled \$45 million.

Pursuant to the city council's policy of using and allocating unrestricted surpluses as at December 31, 2001, the new city will reimburse this loan over the five-year 2003 through 2007 period. For that reason, an amount of \$7,596.7 entered under the Financial Reserves and Reserved Funds—Transfer To heading will be returned to the unrestricted surpluses of the boroughs in 2005. Furthermore, from this same budget item, funds of \$1,229.6 from the 2004 surplus will be paid to

the boroughs to provide for certain demands that were not met in allocations of the 2002 and 2003 surpluses.

Amounts due to the reconstituted municipalities with respect to the above-mentioned loan or as credits for any unmet demands will be processed for payment when the opening balance sheets are prepared.

# **TAXATION – URBAN AGGLOMERATION**



## **THE NEW FISCAL STRUCTURE OF 2006**

### **Two-Tiered Fiscal Structure**

Fiscal 2006 was marked by a complete reformulation of the city's fiscal structure. This change results from a new legal structure that divides municipal powers among the municipal councils of the related municipalities and the Montréal Urban Agglomeration Council. This same structure provides for the implementation of a two-tiered fiscal structure.

To finance expenditures incurred in exercising their respective powers, councils of the related municipalities and of the Urban Agglomeration Council levy separate taxes and user fees. The agglomeration's powers are funded by all taxpayers, island-wide, while local powers are funded by the taxpayers of each related municipality.

Because of this sharing of powers between local governments and the urban agglomeration, Montréal taxpayers will receive a single tax bill that separately itemizes the taxes and user fees levied by each council. Taxpayers of the reconstituted municipalities will receive two tax bills. The first will provide a detailed breakdown of taxes levied by the Urban Agglomeration Council, while the second will present local taxes and user fees levied by their respective municipal councils.

### **Tax Harmonization**

In the course of reformulating the fiscal structure, taxation for the urban agglomeration has been generally harmonized this year throughout the Island of Montréal. To mitigate tax increases that could result from this accelerated process of harmonizing the urban agglomeration's taxation, the Government of Québec provided the reconstituted municipalities with a mitigation measure, in the form of a tax credit granted by the Urban Agglomeration Council to taxpayers of those reconstituted municipalities that take advantage of this measure. The tax credit granted by the Urban Agglomeration Council is equal to the amount the reconstituted municipality in question opts to pay it.

The harmonization process continues to apply to local taxation within Montréal's different sectors. For purposes of tax harmonization, each of the former municipalities that makes up the Ville de Montréal constitutes one sector.

### **Continued Commitment to Upgrading Water Supply**

The city administration has been collecting a tax since 2004 aimed at upgrading the water supply system. In 2006, the city will continue to collect this tax from its residents. To avoid any increase in the tax burden, the general property tax has been reduced by an amount equivalent to the additional tax.

In 2006, the city will seek to implement a comprehensive policy of water supply service costs. The financial reserve will accordingly be expanded to include all costs that are to be paid out of specific revenue that is exclusively dedicated to the water supply.

### **Road Repair Reserve**

The Island of Montréal's roadways have suffered over the past few decades from inadequate investments that have resulted in their deterioration. So that it may promptly undertake road repairs, the Urban Agglomeration Council is setting up a financial reserve in 2006 to provide for repairs to the road network. This reserve will permit additional investments in 2006, while promoting studies long-term needs and funding strategies. This year a tax of \$20 million is being collected to carry out repairs on the arterial system. To avoid any rise in the tax burden, the general property tax has been reduced by an amount equivalent to the additional tax. This tax will appear as a separate item on tax bills from the Montréal Urban Agglomeration.

## URBAN AGGLOMERATION TAXATION IN 2006

### The Urban Agglomeration's Tax Parameters in 2006

#### Taxable Property

For its first fiscal year, the Urban Agglomeration Council has decided to apply the general property tax for funding most of its services, except for investments aimed at upgrading the roadways, which will be financed through a special tax.

The urban agglomeration's general property tax will vary according to three property categories: residual (residential properties), non-residential and serviced vacant lots.

There are two reasons for the difference in general property tax rates between Montréal and the reconstituted municipalities. The first is water management and the second is the maintenance of a rental tax.

1. The first factor concerns expenditures pertaining to exercise by the urban agglomeration of its powers pertaining to the water supply. The Government of Québec's Order concerning the Urban Agglomeration of Montréal provides that the actual cost of providing water to the reconstituted communities shall be shared among them based on the respective consumption of each. Water supply costs within Montréal itself will be paid out of the general property tax rates paid by Montrealers to the urban agglomeration. This method of financing the water supply throughout the urban agglomeration serves to reduce the rates of the reconstituted municipalities with respect to those of Montréal.

Furthermore, since Pointe-Claire and Dorval will be responsible for running the water treatment plants, these cities will also benefit from a decrease in their general property tax rates paid to the urban agglomeration.

2. The second factor concerns the Montréal sector in which the special non-resident property tax rate has been reduced to take into account revenue generated by the water and service tax levied on occupants of these buildings at the rate of \$7.9637 per \$100 of rental assessment.

The rate for serviced vacant lots is twice that applicable to residual property. Furthermore, *An Act respecting municipal taxation* permits the taxation of unserviced vacant lots. The Urban Agglomeration Council is applying this authority in 2006. The rate applicable to unserviced vacant lots will be equal to the residual property category.

Rates in the case of mixed properties (those not totally residential or non-residential) will depend on that portion of the building deemed to be non-residential.

Financing of the new financial reserve earmarked for road network investments is being provided through a property tax levied at the rate of \$0.0083 per \$100 of assessed valuation for residential

properties and serviced vacant lots and \$0.0415 per \$100 of assessed valuation for non-residential properties.

Urban agglomeration tax rates applicable to all of the island's taxpayers are listed in the following table by property category.

**Table 88**  
**2006 Urban Agglomeration Property Rates by Property Category<sup>1</sup>**

Categories of immovables	General property tax	Special road tax	Cumulative Rates <sup>2</sup>
<b>Reconstituted municipalities</b>			
residual	0.7735	0.0083	0.7818
non-residential	2.6251	0.0415	2.6666
serviced vacant lots	1.5470	0.0083	1.5553
<b>Ville de Montréal</b>			
residual	0.7994	0.0083	0.8077
non-residential <sup>3</sup>	2.7071	0.0415	2.7486
serviced vacant lots	1.5988	0.0083	1.6071

<sup>1</sup> All property taxes are expressed in dollars per \$100 of taxable value.

<sup>2</sup> The cumulative rate corresponds to the revenues generated by the general property tax and the special road tax divided by the property values of the immovables concerned.

<sup>3</sup> For the Montreal Sector, the rate per \$100 of taxable value for the immovables of the category for non-residential immovables is \$1.6488. This rate is adjusted according to the revenues of water and service tax imposed within the Montreal Sector on all taxable business establishments entered on the roll of rental values. The equivalent to property rate of this tax is \$1.0583 per \$100 of taxable value.

### Non-Taxable Property

Under *An Act respecting municipal taxation*, non-taxable properties are subject to various payments in lieu of taxes. Property owned by the governments of Québec and of Canada is generally subject to such payments, which are equivalent to full municipal taxes at the rates set by the Urban Agglomeration Council. Different rules apply to property owned by the healthcare and the educational systems, for which compensation is equivalent to a percentage of the Aggregate taxation rate (ATR). In a two-tiered tax system, property owned by the healthcare and the educational systems is subject to payments in lieu of taxes to both such tiers, based on the Urban Agglomeration's ATR and the Local ATR. This rate has been provisionally set for the urban agglomeration at \$0.9907 per \$100 of assessed valuation for fiscal 2006.

Non-profit organizations accredited by the Commission municipale du Québec make payments in lieu of taxes of \$0.1633 per \$100 of assessed valuation for their property, while religious institutions make such payments at the rate of \$0.40 per \$100 of assessed valuation, but only on their land.

### Evolution of the Urban Agglomeration's Assessment Roll

Since the urban agglomeration's tax revenue is primarily derived from taxation based on assessed property values, the evolution of the assessment roll for the Island of Montréal as a whole should be discussed at this time.

Table 89, which is based on certificates serving to raise or lower property values throughout the island, illustrates how the assessment roll has evolved since the time it was tabled.

**Table 89**  
**Evolution of the 2004-2006 Three-Year Assessment Roll**  
**Montréal Urban Agglomeration**

	Property value (\$M)		
	Taxable	Non-taxable	Total
Value at tabling, September 12, 2004	111,789.6	19,648.7	131,438.3
Variation during year:			
Addition of new buildings	1,262.4	114.1	1,376.5
Modifications to existing buildings	432.5	240.7	673.1
Revision agreement	(233.9)	(23.1)	(257.0)
Decision of the CMQ	(36.2)	36.2	0.0
Fire	(9.9)	(0.2)	(10.1)
Demolition	(30.4)	(0.8)	(31.2)
Other	83.4	(34.6)	48.8
Value as of September 13, 2005	113,257.4	19,981.0	133,238.4
Net variation			
September 12, 2004 – September 13, 2005	<b>1,467.8</b>	<b>332.3</b>	<b>1,800.1</b>
Net variation			
September 12, 2003 – September 12, 2004	<b>1,785.7</b>	<b>401.3</b>	<b>2,186.9</b>

Source : City of Montréal, three-year roll 2004-2006.

For each related municipality, Table 90 and charts 36 and 37 present variations in taxable value throughout the Montréal Urban Agglomeration.

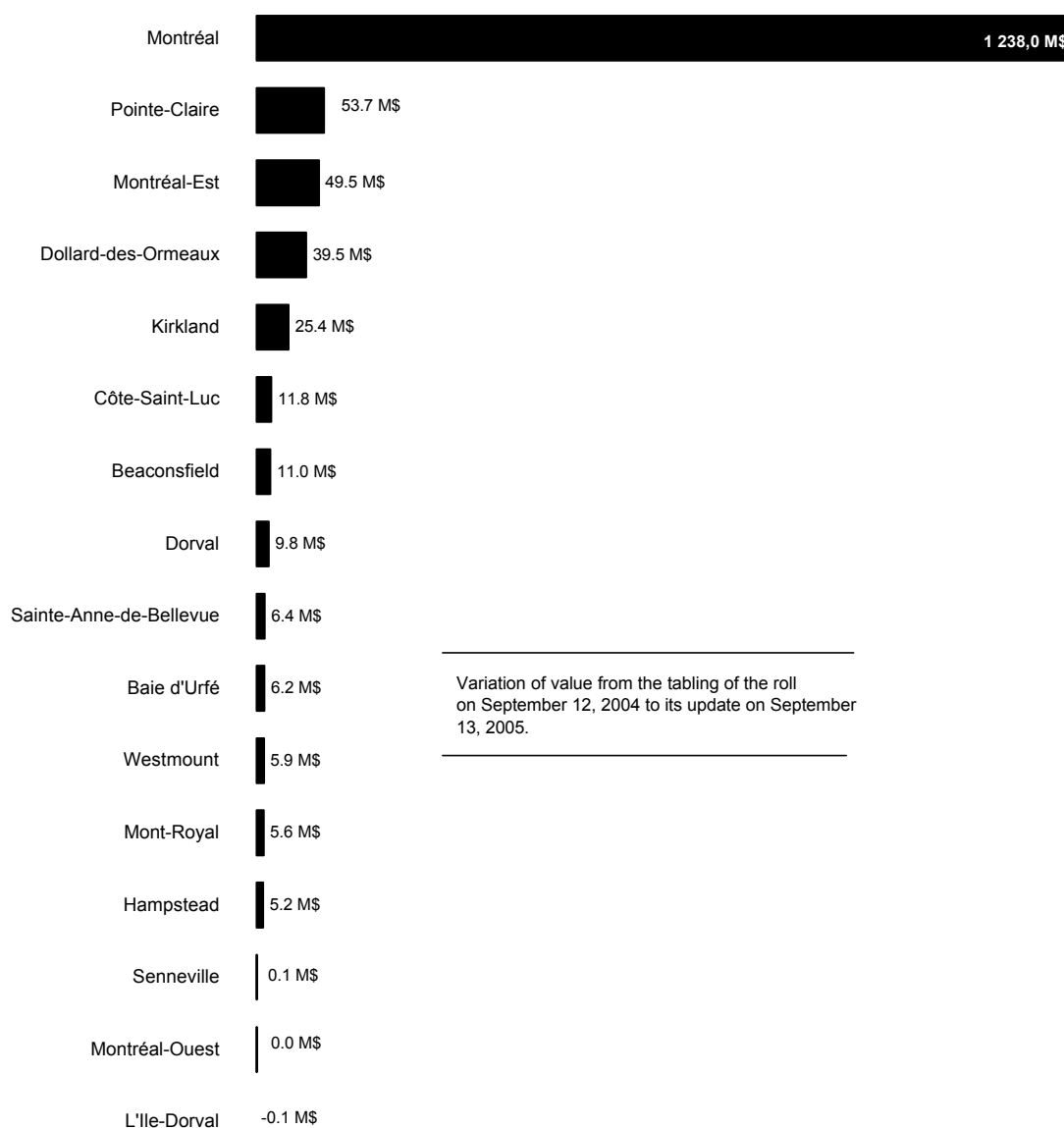
**Table 90**  
**Variations in Taxable Values for the Urban Agglomeration by Related Municipality**

Related municipalities	Taxable property value (\$M)			Net variation in percentage of tax
	Sept. 12, 2004	Sept. 13, 2005	Net variation	
Baie d'Urfé	603.2	609.4	6.2	1.0 %
Beaconsfield	1,725.6	1,736.6	11.0	0.6 %
Côte-Saint-Luc	2,305.6	2,317.4	11.8	0.5 %
Dollard-des-Ormeaux	2,941.9	2,981.4	39.5	1.3 %
Dorval	2,195.4	2,205.2	9.8	0.4 %
Hampstead	926.7	931.9	5.2	0.6 %
L'Ile-Dorval	5.5	5.5	-0.1	-1.7 %
Kirkland	1,963.9	1,989.3	25.4	1.3 %
Montréal	87,916.7	89,154.6	1,238.0	1.4 %
Mont-Royal	2,846.6	2,852.2	5.6	0.2 %
Montréal-Est	592.4	641.8	49.5	8.3 %
Montréal-Ouest	465.4	465.5	0.0	0.0 %
Pointe-Claire	2,948.6	3,002.3	53.7	1.8 %
Senneville	215.6	215.7	0.1	0.0 %
Sainte-Anne-de-Bellevue	306.3	312.7	6.4	2.1 %
Westmount	3,830.2	3,836.1	5.9	0.2 %
<b>Urban agglomeration of Montréal</b>	<b>111,789.6</b>	<b>113,257.4</b>	<b>1,467.8</b>	<b>1.3 %</b>

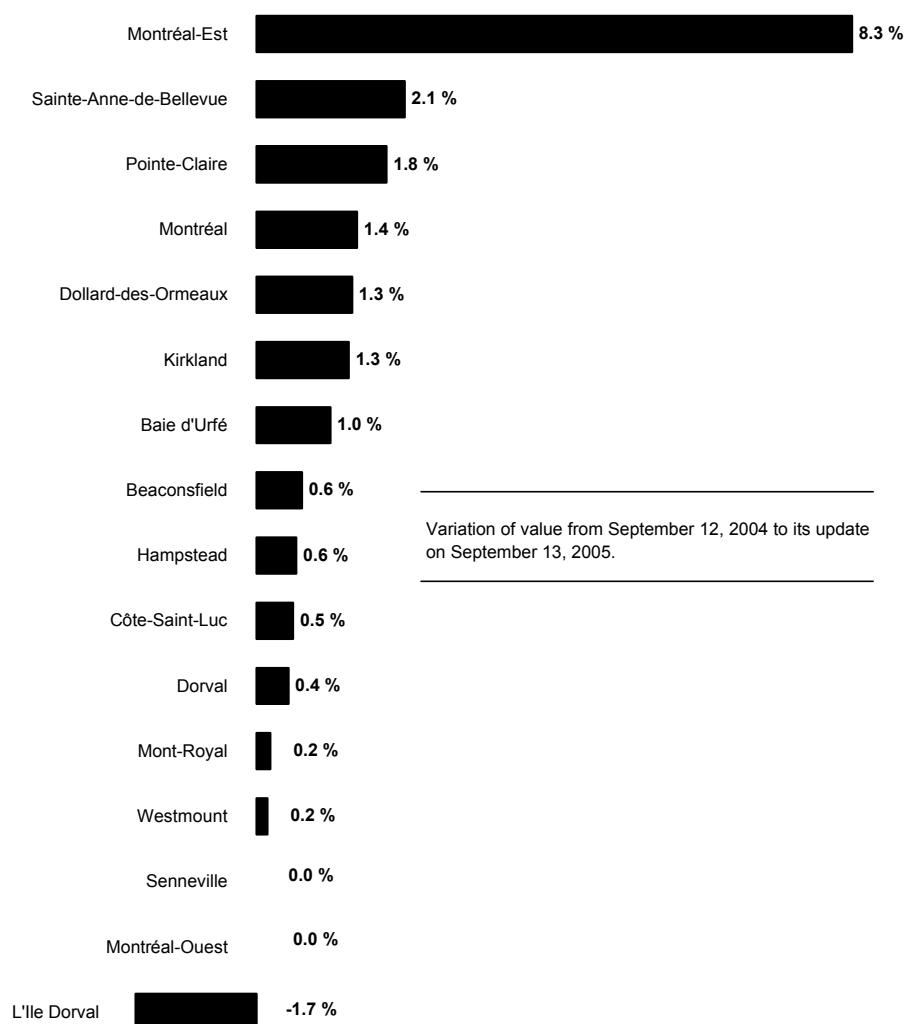
Source : City of Montréal, three-year roll 2004-2006, as of September 13, 2005.

**Chart 36**

**Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in millions of dollars)**



Source : City of Montréal, Service des finances.

**Chart 37****Variations in Taxable Values for the Urban Agglomeration by Related Municipality (in percentages)**

Source : City of Montréal, Service des finances.

Table 91 presents taxable and non-taxable values for each of the urban agglomeration's related municipalities.

**Table 91**

**Taxable and Non-Taxable Values by Related Municipality**

Related municipalities	Unit	Taxable value (\$M)			Non-Taxable (M\$)	Total of roll	
		Residential	Commercial, industrial	Vacant lot		Value (M\$)	Relative share
Baie d'Urfé	1,594	406.4	181.9	21.1	49.2	658.7	0.5 %
Beaconsfield	6,714	1,669.6	25.8	41.2	113.6	1,850.2	1.4 %
Côte Saint-Luc	8,889	2,166.1	119.5	31.8	223.3	2,540.7	1.9 %
Dollard-des-Ormeaux	14,150	2,693.4	263.2	24.8	244.3	3,225.6	2.4 %
Dorval	5,946	1,002.8	1,144.1	58.2	578.1	2,783.3	2.1 %
Hampstead	1,864	928.9	0.0	3.0	50.2	982.1	0.7 %
L'Île Dorval	74	5.2	0.0	0.3	0.0	5.5	0.0 %
Kirkland	7,004	1,545.6	430.3	13.4	64.1	2,053.5	1.5 %
Montréal	352,933	62,806.6	25,209.5	1,138.6	17,409.7	106,564.4	80.0 %
Mont-Royal	5,252	2,220.5	606.4	25.3	149.6	3,001.8	2.3 %
Montréal-Est	1,204	109.0	491.2	41.6	34.5	676.3	0.5 %
Montréal-Ouest	1,591	435.6	17.2	12.6	33.2	498.6	0.4 %
Pointe-Claire	10,333	1,807.8	1,145.0	49.5	263.8	3,266.1	2.5 %
Sainte-Anne-de-Bellevue	1,611	242.9	49.3	20.4	192.7	505.4	0.4 %
Senneville	411	175.9	36.7	3.1	42.1	257.7	0.2 %
Westmount	5,598	3,433.8	379.3	23.0	532.5	4,368.6	3.3 %
<b>URBAN AGGLOMERATION OF MONTRÉAL</b>	<b>425,168</b>	<b>81,649.8</b>	<b>30,099.4</b>	<b>1,508.2</b>	<b>19,981.0</b>	<b>133,238.4</b>	<b>100.0 %</b>

Source : City of Montréal, three-year roll 2004-2006, as of September 13, 2005.



# **2006-2008 THREE-YEAR CAPITAL WORKS PROGRAM**



## **URBAN AGGLOMERATION POWERS**

The Urban Agglomeration Council's 2006-2008 Three-Year Capital Works Program (TCWP) includes the capital works projects planned by the urban agglomeration in its areas of responsibility. These areas are the arterial road network, drinking water production, wastewater purification, the water supply and sewage systems, public safety, the Municipal Court and social housing, as well as collective amenities, facilities and activities.



### **2006-2008 TCWP PRIORITIES**

A total of \$884.1 million in investments have been earmarked under the Montréal Urban Agglomeration's 2006-2008 Three-Year Capital Works Program (TCWP). Such investments account for \$286.4 million in the 2006 Budget.

Municipal asset restoration and replacement is scheduled to represent 75% of overall 2006 investments, as appears in the table of Expenditures by Asset Category. Development projects, which represent 25% of all investments slated for 2006, will primarily contribute to the economic and cultural development of Greater Montréal.

#### **Asset Restoration and Replacement Projects**

The urban agglomeration budget contains an amount of \$310.0 million to repair arterial roads over the 2006-2008 period (with \$80.0 of the total to be spent in 2006), within the framework of a new plan aimed at injecting \$500 million over four years into restoration of the local and arterial road networks. These funds will permit the development, initiation or completion of a variety of major projects. The latter include improved safety measures for rue Notre-Dame, repairs to Victoria Street in Lachine, repairs to Crémazie Boulevard (between Saint-Hubert and avenue du Parc) and repairs to Marcel-Laurin Boulevard in Saint-Laurent. The 2006 arterial system repair program will be formulated at the start of the year in conjunction with the boroughs and the related municipalities.

Other road repair projects are still underway. For example, \$10 million will be invested in the repair of civil engineering structures in 2006, while nearly \$9 million will be spent on bringing traffic lights up to standards so as to improve traffic flow and arterial roadways and enhance pedestrian safety.

In addition to these amounts, other specific projects have been earmarked. They include the redesign of the Parc-des Pins interchange and improved safety measures for Sherbrooke Street in the eastern portion of the island.

Efforts are also continuing to restore the drinking water supply system, with investments of \$176.2 million over the 2006-2008 period. Of this amount, \$51.8 million is to be spent in 2006. The main work involves bringing drinking water production plants up to standards.

Under the heading of green spaces, investments of nearly \$2 million will be made in Jeanne-Mance Park and in the Claude-Robillard Sports Complex to complete repairs to the soccer fields in anticipation of the International Outgames that will be held in the summer of 2006. The 2006-2008 TCWP has also earmarked \$1 million to repair the Cross on top of Mount Royal.

An amount of \$21.6 million will be allocated to public safety. Repairs are required at a number of fire and police stations and some \$7 million will be spent on this effort in 2006. An allowance of \$10.5 million has also been set aside to replace police and fire protection vehicles.

### **Development Projects**

Under the heading of economic and cultural development, efforts are being made to upgrade à Saint-Laurent Boulevard. This project will reach beyond the Quartier des spectacles and extend from boulevard René-Lévesque to Mont-Royal Avenue, involving investments of \$27.4 million, \$8.4 million of which is to be spent in 2006.

To promote housing construction, \$5.2 million is to be spent in 2006 on the development of social housing and \$5.2 million on infrastructure in new residential developments.

In 2006, a sum of \$13 is to be devoted to the acquisition of large-scale natural environments, as part of the city's policy of protecting and of enhancing such environments, in view of preserving and increasing biodiversity throughout the Island of Montréal.

Finally, the Accès-vélo project is continuing in downtown Montréal with investments of \$0.7 million in 2006.

## Capital Expenditures by Municipal Category

The following table presents capital expenditures by municipal category. As this table reveals, 68% of all capital expenditures have been earmarked for the Transportation and Environmental Hygiene categories.

The Transportation category comprises expenditures pertaining to the restoration and development of the arterial road network. The Environmental Hygiene category includes expenditures pertaining to water and sewers, waste management and environmental protection. The latter heading includes efforts to bring drinking water production plants up to standards and to restore principle water mains and sewer lines.

**Table 92**  
**Capital Expenditures by Municipal Category**  
(In thousands of dollars)

Municipal functions	2006	2007	2008	Total
General administration	23 452,0	14 333,0	6 988,0	44 773,0
Land use, urban planning and development	3 038,0	2 711,0	5 072,0	10 821,0
Environmental hygiene	54 082,0	64 774,0	62 326,0	181 182,0
Recreation and culture	39 465,0	36 508,0	37 292,0	113 265,0
Public security	21 606,0	25 209,0	21 392,0	68 207,0
Transportation	144 701,0	149 258,0	171 914,0	465 873,0
<b>Total</b>	<b>286 344,0</b>	<b>292 793,0</b>	<b>304 984,0</b>	<b>884 121,0</b>

The Table of Capital expenditures by Asset Category clearly reveals the substantial investments being made in roadways and underground conduits.

**Table 93**  
**Capital Expenditures by Asset Category**  
(In thousands of dollars)

Asset category	2006		2007		2008	
	Protection	Development	Protection	Development	Protection	Development
Road infrastructures	123 489,0	19 143,0	133 306,0	13 747,0	157 455,0	11 156,0
Environment and underground infrastructures	47 084,0	1 905,0	60 800,0	336,0	61 602,0	-
Parks, green spaces and playing fields	10 324,0	4 714,0	10 287,0	6 897,0	10 317,0	5 368,0
Buildings	15 827,0	12 909,0	14 321,0	8 035,0	14 684,0	9 140,0
Land	164,0	13 000,0	164,0	10 000,0	164,0	9 000,0
Vehicles	12 724,0		12 384,0		11 939,0	
Office furnishings and equipment	285,0	17 698,0	371,0	17 037,0	271,0	7 537,0
Machinery, specialized tools and equipment	3 680,0	51,0	2 354,0	17,0	1 220,0	-
Other assets	1 846,0	1 501,0	1 182,0	1 555,0	922,0	4 209,0
<b>Total investments</b>	<b>215 423,0</b>	<b>70 921,0</b>	<b>235 169,0</b>	<b>57 624,0</b>	<b>258 574,0</b>	<b>46 410,0</b>
<b>Percentage</b>	<b>75,2%</b>	<b>24,8%</b>	<b>80,3%</b>	<b>19,7%</b>	<b>84,8%</b>	<b>15,2%</b>

## SUMMARY OF FINANCING METHODS

Three-Year Capital Works Program expenditures are largely financed by long-term loans that are serviced through the operating budget. These financing costs are set up to prevent undue pressure on the operating budget.

The city's various financial partners also help finance such expenditures. Among these partners, the higher levels of government participate in transfer payments or in the repayment of loans taken out by the city.

The main methods used by the Montréal Urban Agglomeration to finance its investments are listed below.

**Table 94**  
**Summary of Financing Methods**  
*(In thousands of dollars)*

Methods of financing	2006	2007	2008	Total
Contributions by promoters	86,0	235,0	-	321,0
Conditional transfers	26 144,0	14 935,0	13 075,0	54 154,0
Accumulated surplus, general taxes, other	21 309,0	71 256,0	91 000,0	183 565,0
Loans under the government of Québec responsibility	7 639,0	3 455,0	2 762,0	13 856,0
Loans reimbursed by commercial activities	-	-	-	-
Loans under the urban agglomeration responsibility	231 166,0	202 912,0	198 147,0	632 225,0
<b>Total</b>	<b>286 344,0</b>	<b>292 793,0</b>	<b>304 984,0</b>	<b>884 121,0</b>

### Conditional Transfers

Conditional transfers comprise all grants intended for specific purposes and are paid in cash. Conditional transfers total \$26.1 million in the 2006 TCWP, including those from SOFIL (Société de financement des infrastructures locales du Québec).

### Surpluses, General Taxes and Other

This financing method is scheduled to provide \$21.3 million in 2006. The size of this amount attests to the urban agglomeration's desire to begin restoring its roadways and underground conduits, while minimizing impact on the debt.

### Loans Charged to the Government of Québec

The financial cost of these loans is assumed under various programs and agreements by the Government of Québec. A total of \$7.6 million is to be provided through this source of funding in 2006.

### Loans Charged to the Urban Agglomeration

The urban agglomeration's taxpayers are fully responsible for the financial cost of these loans. Investments that are eventually to be financed by loans to be repaid by taxpayers are slated to total \$231.2 million in 2006.

## **IMPACT ON OPERATING BUDGET**

TCWP projects have an impact on the operating budget in terms of debt service cost and operating activity budgets.

### **Operating Activities**

The financial impact of a capital expenditure project can take different forms:

- Additional fiscal and non-fiscal (user fees) expenses.
- Additional cost.
- Savings.
- Cost avoidance.

Such impact may or may not be recurring.

Additional revenue, which is generated over the long and mean terms by the urban agglomeration, is generally fiscal in nature and results from development projects that serve to boost the tax base.

- The main recurring impact on the residual city of expenditures is the anticipated reduction in maintenance cost for the arterial road network and the water supply system. In the case of the water supply, intensive work now being performed on the water mains to prevent leakage should reduce the city's drinking water production needs.

## SUMMARY OF CAPITAL EXPENDITURES BY BUSINESS UNIT

The following table provides a summary of investments by business unit.

**Table 95**

### Summary of Capital Expenditures by Business Unit

(In thousands of dollars)

Business units	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>Borough Ville-Marie</b>	<b>3 074,0</b>	<b>3 337,0</b>	<b>3 337,0</b>	<b>9 748,0</b>	<b>-</b>	<b>9 748,0</b>
<b>Corporate departments</b>						
Commission des services électriques	215,0	350,0	-	565,0	-	565,0
Développement culturel, qualité du milieu de vie et diversité ethnoculturelle	29 830,0	28 807,0	28 662,0	87 299,0	845,0	88 144,0
Direction système intégré de gestion	7 481,0	6 680,0	-	14 161,0	-	14 161,0
Infrastructures, transport et environnement	176 990,0	198 597,0	217 013,0	592 600,0	748 948,0	1 341 548,0
Mise en valeur du territoire et du patrimoine	21 150,0	12 973,0	16 839,0	50 962,0	33 011,0	83 973,0
Parc des îles	2 500,0	2 500,0	2 500,0	7 500,0	-	7 500,0
Sécurité incendie	11 582,0	11 126,0	11 126,0	33 834,0	17 604,0	51 438,0
Service de Police	4 018,0	4 018,0	4 018,0	12 054,0	-	12 054,0
Services administratifs	29 504,0	24 405,0	21 489,0	75 398,0	135,0	75 533,0
<b>Total corporate departments</b>	<b>283 270,0</b>	<b>289 456,0</b>	<b>301 647,0</b>	<b>874 373,0</b>	<b>800 543,0</b>	<b>1 674 916,0</b>
<b>Total investments</b>	<b>286 344,0</b>	<b>292 793,0</b>	<b>304 984,0</b>	<b>884 121,0</b>	<b>800 543,0</b>	<b>1 684 664,0</b>

## INVESTMENT DETAILS BY BUSINESS UNIT AND BY PROJECT

The following pages provide an investment breakdown by business unit and by project.



## Three-year capital works program in short 2006-2008 - agglomeration

Ville-Marie

### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>68052</b>	Program to manage computer obsolescence	71,0	71,0	71,0	<b>213,0</b>	-	213,0
<b>66175</b>	Program to preserve maintenance yards	546,0	-	-	<b>546,0</b>	-	546,0
<b>34220</b>	Program to replace park equipment	256,0	1 065,0	1 065,0	<b>2 386,0</b>	-	2 386,0
<b>55737</b>	Road repair program	1 491,0	1 491,0	1 491,0	<b>4 473,0</b>	-	4 473,0
<b>68020</b>	Program to replace vehicles	568,0	568,0	568,0	<b>1 704,0</b>	-	1 704,0
<b>34320</b>	Program to replace park equipment	142,0	142,0	142,0	<b>426,0</b>	-	426,0
<b>Total</b>		<b>3 074,0</b>	<b>3 337,0</b>	<b>3 337,0</b>	<b>9 748,0</b>	-	<b>9 748,0</b>

## 2006 Budget - agglomeration

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### Commission des services électriques

#### Investments by projects and programs

*(In thousand of dollars)*

Number	Project	2006	2007	2008	Capital works budget Total	Ulterior	Grand Total
69900	Conversion – laying of underground wires	215,0	350,0	-	565,0	-	565,0
Total		215,0	350,0	-	565,0	-	565,0

## Three-year capital works program in short 2006-2008 - agglomeration

Développement culturel, Qualité du milieu de vie et Diversité ethnoculturelle

### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>Direction - événements et équipements - ville</b>							
<b>38120</b>	Acquisition and development of cultural facilities	3 183,0	3 495,0	2 177,0	<b>8 855,0</b>	-	8 855,0
<b>38300</b>	Construction of sports, community and cultural facilities	-	-	2 918,0	<b>2 918,0</b>	-	2 918,0
<b>38011</b>	Renovation or rehabilitation – cultural buildings	312,0	-	-	<b>312,0</b>	-	312,0
<b>Direction - développement culturel et des bibliothèques</b>							
<b>36206</b>	Installation of new public artworks	30,0	45,0	-	<b>75,0</b>	-	75,0
<b>39701</b>	Restoration of works of art – furniture and identification	90,0	-	-	<b>90,0</b>	-	90,0
<b>39601</b>	Restoration of public art	80,0	340,0	80,0	<b>500,0</b>	-	500,0
<b>Direction - sport, loisirs, parcs et espaces verts</b>							
<b>34600</b>	Landscaping - De l'Assomption nursery	-	52,0	52,0	<b>104,0</b>	-	104,0
<b>34500</b>	Landscaping artificial skating rinks	840,0	-	-	<b>840,0</b>	-	840,0
<b>32125</b>	Landscaping surroundings - Complexe environnemental de Saint-Michel	1 435,0	1 330,0	1 200,0	<b>3 965,0</b>	-	3 965,0
<b>30062</b>	Enhancement of Old Montréal	500,0	1 000,0	200,0	<b>1 700,0</b>	-	1 700,0
<b>32300</b>	Program to acquire major natural spaces	13 000,0	10 000,0	9 000,0	<b>32 000,0</b>	-	32 000,0
<b>32305</b>	Development program for large natural spaces	300,0	1 700,0	2 000,0	<b>4 000,0</b>	-	4 000,0
<b>32310</b>	Program to landscape nature parks	200,0	500,0	700,0	<b>1 400,0</b>	40,0	1 440,0
<b>32325</b>	Program to landscape the blue network	1 125,0	1 650,0	1 175,0	<b>3 950,0</b>	-	3 950,0
<b>34300</b>	Program to redevelop major parks	1 589,0	2 275,0	2 685,0	<b>6 549,0</b>	805,0	7 354,0
<b>34310</b>	Program to redevelop nature parks	1 419,0	1 685,0	1 610,0	<b>4 714,0</b>	-	4 714,0
<b>34250</b>	Program to redevelop Mount Royal Park	4 227,0	4 135,0	4 315,0	<b>12 677,0</b>	-	12 677,0
<b>34260</b>	Program to redevelop René-Lévesque Park	100,0	200,0	150,0	<b>450,0</b>	-	450,0
<b>34280</b>	Exterior rehabilitation of the Complexe sportif Claude-Robillard	1 400,0	400,0	400,0	<b>2 200,0</b>	-	2 200,0
<b>Total</b>		<b>29 830,0</b>	<b>28 807,0</b>	<b>28 662,0</b>	<b>87 299,0</b>	<b>845,0</b>	<b>88 144,0</b>

## 2006 Budget - agglomeration

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Direction système intégré de gestion (SIMON)

### Investments by projects and programs

*(In thousand of dollars)*

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
68082	Integrated management system	7 481,0	6 680,0	-	14 161,0	-	14 161,0
Total		7 481,0	6 680,0	-	14 161,0	-	14 161,0

## Three-year capital works program in short 2006-2008 - agglomeration

### Infrastructure, Transport and Environnement

#### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>Administration et soutien technique</b>							
55909	Analysis and control of land and materials	328,0	328,0	328,0	984,0	-	984,0
55911	Control of air emissions and sewers	150,0	150,0	150,0	450,0	-	450,0
28105	Major repairs to level crossings	100,0	100,0	100,0	300,0	-	300,0
28106	Technical support to various investment projects	976,0	976,0	976,0	2 928,0	-	2 928,0
<b>Direction de l'ingénierie de voirie</b>							
54000	Traffic management near major worksites	74,0	74,0	74,0	222,0	743,0	965,0
57001	Program to install lighting equipment - TICQ program, element 2.4	75,0	75,0	75,0	225,0	752,0	977,0
55840	Program to develop the arterial network	4 306,0	2 100,0	-	6 406,0	-	6 406,0
59001	Program to bring traffic lights up to standard	8 851,0	1 243,0	-	10 094,0	-	10 094,0
59009	Geometric development program – arterial etwork and network harmonization	248,0	3 282,0	1 143,0	4 673,0	3 847,0	8 520,0
46000	Program to rebuild road structures	1 769,0	7 247,0	11 751,0	20 767,0	36 352,0	57 119,0
46006	Program to repair road structures - MTQ	400,0	1 500,0	1 600,0	3 500,0	1 000,0	4 500,0
46001	Program to repair road structures - TICQ program, element 2.4	5 675,0	788,0	402,0	6 865,0	3 320,0	10 185,0
55830	Program to repair arterial roads	65 261,0	102 900,0	125 000,0	293 161,0	145 000,0	438 161,0
59015	Program for road safety and harmonization measures	803,0	1 379,0	1 701,0	3 883,0	4 455,0	8 338,0
59002	Program for traffic and air signals	1 444,0	-	-	1 444,0	-	1 444,0
46003	Project Bonaventure	832,0	1 953,0	579,0	3 364,0	2 500,0	5 864,0
76000	Project to modernize Notre-Dame Street	2 122,0	3 061,0	2 821,0	8 004,0	4 957,0	12 961,0
46005	Project to redevelop the Parc/des Pins Interchange	10 997,0	2 228,0	2 000,0	15 225,0	-	15 225,0
76001	Project to improve safety - Notre-Dame Street	10 433,0	-	-	10 433,0	-	10 433,0
46004	Project to improve safety - Sherbrooke Street in Pointe-aux-Trembles	3 645,0	1 290,0	1 200,0	6 135,0	3 650,0	9 785,0
46002	Project – L'Acadie Circle	-	300,0	300,0	600,0	-	600,0
55960	Repairs to de la Concorde Bridge and related structures	402,0	-	-	402,0	-	402,0
46111	Repairs to de la Concorde Bridge and related structures	117,0	-	-	117,0	-	117,0
46100	Building of the Latour Bridge crossing the Aqueduct Canal	1 306,0	1 800,0	1 800,0	4 906,0	-	4 906,0
30002	Old Montréal and historic heritage – enhancement – MCCQ-Ville agreement	47,0	-	-	47,0	-	47,0

## 2006 Budget - agglomeration

### Infrastructure, Transport and Environnement

#### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
<b>Environnement</b>							
58049	Odour-reduction measures	-	-	40,0	40,0	-	40,0
58044	Capturing, treating and burning biogas	580,0	480,0	480,0	1 540,0	480,0	2 020,0
58040	Construction of infrastructures on the C.E.S.M. site	200,0	-	50,0	250,0	-	250,0
50011	Construction of an industrial ecocentre - LaSalle	580,0	1 240,0	500,0	2 320,0	1 280,0	3 600,0
50012	Construction of an industrial ecocentre - Saint-Laurent	-	-	935,0	935,0	4 065,0	5 000,0
50010	Establishment of equipment and infrastructures for solid waste	260,0	290,0	1 200,0	1 750,0	31 045,0	32 795,0
58048	Program to replace vehicles	1 260,0	920,0	175,0	2 355,0	-	2 355,0
58042	Recovery and treatment of runoff and leachate	500,0	450,0	-	950,0	1 200,0	2 150,0
<b>Production de l'eau potable</b>							
58026	Upgrading of drinking water treatment plants	-	-	774,0	774,0	25 964,0	26 738,0
58025	Upgrading of drinking water treatment plants (Bureau de projets – Process mechanics)	16 197,0	30 825,0	31 000,0	78 022,0	428 900,0	506 922,0
58018	Project to bring water production plants up to standard	4 339,0	1 000,0	-	5 339,0	-	5 339,0
58011	Program to modernize water production systems	22,0	-	-	22,0	-	22,0
56088	Program to rehabilitate water conduits	12 472,0	11 234,0	10 261,0	33 967,0	36 616,0	70 583,0
56500	Sainte-Anne-de-Bellevue–Baie-d'Urfé intermunicipal conduits	67,0	-	-	67,0	-	67,0
58017	Replacement of equipment at the water production plants	261,0	-	-	261,0	-	261,0
58015	Protection of electricity supply to the Atwater and Des Bailleurs water production plants	2 958,0	4 034,0	5 159,0	12 151,0	-	12 151,0
<b>Traitement des eaux usées</b>							
56014	Construction of a main sewer - Charles-Renard	1 833,0	266,0	-	2 099,0	-	2 099,0
56528	Construction of a filtration station and its network of collector conduits	1 413,0	1 497,0	1 700,0	4 610,0	3 500,0	8 110,0
56529	Program to bring station infrastructures and equipment up to standard	3 587,0	3 503,0	3 250,0	10 340,0	763,0	11 103,0
53010	Program for the major repair of sewer and main sewer systems	7 510,0	7 436,0	7 055,0	22 001,0	-	22 001,0
<b>Transport et planification des grands projets</b>							
75002	Access to the Montréal-Trudeau Airport	257,0	709,0	-	966,0	-	966,0
45003	Program to develop bicycle paths downtown	705,0	490,0	93,0	1 288,0	-	1 288,0
45000	Program to extend the bicycle path network	222,0	227,0	-	449,0	-	449,0
45002	Program to extend and redevelop bicycle paths – TICQ	62,0	-	-	62,0	-	62,0
75001	Cavendish project	1 344,0	1 222,0	2 341,0	4 907,0	8 559,0	13 466,0
<b>Total</b>		<b>176 990,0</b>	<b>198 597,0</b>	<b>217 013,0</b>	<b>592 600,0</b>	<b>748 948,0</b>	<b>1 341 548,0</b>

## Three-year capital works program in short 2006-2008 - agglomeration

Mise en valeur du territoire et du patrimoine

### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>35010</b>	Quartier des spectacles (entertainment district)	2 000,0	1 400,0	-	<b>3 400,0</b>	-	3 400,0
<b>39500</b>	Covering of the Ville-Marie Expressway	270,0	1 010,0	2 774,0	<b>4 054,0</b>	13 496,0	17 550,0
<b>48007</b>	Development of social and community housing	5 148,0	3 876,0	4 000,0	<b>13 024,0</b>	-	13 024,0
<b>35000</b>	Industrial development – western pole of attraction	1 500,0	-	-	<b>1 500,0</b>	-	1 500,0
<b>40130</b>	Residential development – “oversizing” and “Prerequisite”	5 200,0	4 500,0	4 500,0	<b>14 200,0</b>	4 500,0	18 700,0
<b>40300</b>	Strategic investments to promote real estate development	-	500,0	500,0	<b>1 000,0</b>	500,0	1 500,0
<b>35030</b>	Development and improvement of Saint-Laurent Blvd.	6 446,0	1 627,0	4 700,0	<b>12 773,0</b>	11 300,0	24 073,0
<b>40600</b>	L'Acadie/Chabanel action plan	20,0	60,0	365,0	<b>445,0</b>	3 215,0	3 660,0
<b>35050</b>	Urban renewal program	566,0	-	-	<b>566,0</b>	-	566,0
<b>Total</b>		<b>21 150,0</b>	<b>12 973,0</b>	<b>16 839,0</b>	<b>50 962,0</b>	<b>33 011,0</b>	<b>83 973,0</b>

## 2006 Budget - agglomeration

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### Parc des Îles

#### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
43010	Program to preserve assets – Jean-Drapeau Park	2 500,0	2 500,0	2 500,0	7 500,0	-	7 500,0
Total		2 500,0	2 500,0	2 500,0	7 500,0	-	7 500,0

## Three-year capital works program in short 2006-2008 - agglomeration

### Sécurité incendie

#### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>60505</b>	Construction of a fire station - Baie d'Urfé	656,0	-	-	<b>656,0</b>	-	656,0
<b>62470</b>	Program to preserve fire stations and administration buildings	4 118,0	4 318,0	4 318,0	<b>12 754,0</b>	4 318,0	17 072,0
<b>71080</b>	Program to replace vehicles	6 478,0	6 478,0	6 478,0	<b>19 434,0</b>	12 956,0	32 390,0
<b>62600</b>	Replacement and harmonization of equipment related to fire safety in Montréal	330,0	330,0	330,0	<b>990,0</b>	330,0	1 320,0
<b>Total</b>		<b>11 582,0</b>	<b>11 126,0</b>	<b>11 126,0</b>	<b>33 834,0</b>	<b>17 604,0</b>	<b>51 438,0</b>

## 2006 Budget - agglomeration

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### Service de police

#### Investments by projects and programs

*(In thousand of dollars)*

Number	Project	2006	2007	2008	Capital works budget Total	Ultiorior	Grand Total
71076	Program to replace vehicles	4 018,0	4 018,0	4 018,0	12 054,0	-	12 054,0
Total		4 018,0	4 018,0	4 018,0	12 054,0	-	12 054,0

## Three-year capital works program in short 2006-2008 - agglomeration

### Services administratifs

#### Investments by projects and programs

(In thousand of dollars)

Number	Project	2006	2007	2008	Capital works budget Total	Ultior	Grand Total
<b>Immovables</b>							
64030	Development – administration buildings	57,0	64,0	-	121,0	-	121,0
40000	Development of sports and leisure facilities	790,0	529,0	690,0	2 009,0	-	2 009,0
64040	Des Carrières Incinerator - transformation into a multipurpose warehouse	2,0	62,0	80,0	144,0	-	144,0
66130	Building accessibility program	550,0	550,0	550,0	1 650,0	-	1 650,0
66050	Program to acquire computer equipment	3,0	-	-	3,0	-	3,0
64020	Development program – Police department assets	1 331,0	2 182,0	1 300,0	4 813,0	-	4 813,0
66150	Program to protect, remove and replace oil tanks	121,0	149,0	149,0	419,0	-	419,0
66030	Program to preserve administration buildings	2 439,0	3 427,0	3 350,0	9 216,0	-	9 216,0
38009	Program to preserve cultural buildings	345,0	563,0	252,0	1 160,0	-	1 160,0
66460	Program to preserve corporate industrial buildings	1 937,0	3 339,0	3 049,0	8 325,0	-	8 325,0
42306	Programme de protection des bâtiments sportifs	1 012,0	-	-	1 012,0	-	1 012,0
66556	Program to preserve building sites	189,0	21,0	-	210,0	-	210,0
66167	Program to preserve electric mechanical systems	464,0	299,0	249,0	1 012,0	-	1 012,0
42211	Program to rebuild corporate buildings in major parks	382,0	394,0	-	776,0	-	776,0
66240	Relocation of technical support activities – Viau-De Rouen Complex	164,0	27,0	-	191,0	-	191,0
66670	Renovation of the municipal court building	587,0	845,0	700,0	2 132,0	-	2 132,0
42290	Renovation of the Claude-Robillard Sports Complex	2 173,0	1 057,0	2 958,0	6 188,0	-	6 188,0
30910	Rental improvement work – city premises	6 501,0	220,0	275,0	6 996,0	-	6 996,0
<b>Rolling stocks</b>							
68099	Program to replace vehicles	400,0	400,0	400,0	1 200,0	-	1 200,0
<b>Information technology</b>							
68040	Program to modernize radio communications	7 905,0	10 277,0	7 487,0	25 669,0	135,0	25 804,0
68009	Computerization development program	2 152,0	-	-	2 152,0	-	2 152,0
<b>Total</b>		<b>29 504,0</b>	<b>24 405,0</b>	<b>21 489,0</b>	<b>75 398,0</b>	<b>135,0</b>	<b>75 533,0</b>



2006

APPENDICES





## **PRESENTATION FORMAT FOR BUDGET INFORMATION AND STANDARD ACCOUNTING PRACTICES FOR THE OPERATING BUDGET**

Montréal has adopted the general budget and accounting practices set out in MAMR's *Manuel de la présentation de l'information financière*. These standards resemble those generally recognized in the municipal accounting field. Budget figures are accounted for by category for revenues, and by category and activity for expenditures. Budget figures are also accounted for by business unit.

According to generally accepted municipal accounting practices, along with accounting procedures for revenues and expenditures per business unit that are based on Montréal's organizational structure, the Administration has decided to use the funds of municipal corporations and of internal departments to control certain city activities. These funds serve to create a single accounting entity for those revenues and expenditures associated with activities of a commercial nature or with certain services that one municipal business unit provides to another (internal billing). The funds are not listed in this document because the Administration wishes to simplify the presentation of budget figures and in view of the fact that these figures are accounting items, not areas of responsibility, as defined in the city's organizational structure.

## **Presentation of Revenues and Operating Expenditures**

Revenues fall under the following four headings:

- **Taxes** comprises all revenues from taxation and fee schedules for water and solid waste treatment services.
- **Payments in Lieu of Taxes** encompasses revenues from owners of non-taxable properties subject to compensation in lieu of taxes. *An Act respecting municipal taxation* identifies these properties and sets out the various compensation amounts applicable to each case.
- **Other Revenues from Local Sources** covers revenues from services furnished to municipal organizations, other services provided and other kinds of revenue.
- **Transfers** includes all grants from the government, from other public organizations and from private enterprise.

Expenditures are presented by both category and activity:

- **General Administration** includes the set of activities pertaining to municipal management and administration. Expenditures are primarily associated with operations of the City Council and law enforcement, as well as with financial, administrative and human resources management.
- **Public Safety** encompasses expenditures for the protection of individuals and property, such as surveillance, prevention-oriented activities and emergency preparedness measures.
- **Transportation** covers all activities involved in the planning, organization and maintenance of the roadways and the transportation of people and goods.
- **Environmental Hygiene** takes in all expenditures for water and sewers, solid waste management and environmental protection.
- **Health and Welfare** includes all public hygiene and welfare services for individuals.
- **Land Use, Urban Planning and Development** covers all economic activities for the development and maintenance of city planning activities or the Urban Plan, along with expenditures involved in formulating the city's economic development programs.
- **Recreation and Culture** encompasses all economic activities for planning, organizing and managing recreational and cultural programs.
- **Financing Costs** incorporates interest and other costs for financing municipal activities.
- **Other Financial Activities** comprises repayment of the long-term debt and transfers to investment activities.

## **BUDGET PRACTICES STATEMENT**

The city's budget base is comparable to the accounting base, with certain exceptions explained at the end of this section. The budget base comprises and relies on the following principles.

### **Accounting Method**

Transactions are recorded in the city's books using the accrual basis of accounting. Under this method, revenues and expenditures are recognized in the year in which the events and transactions occur.

Transactions involving the following items existing prior to January 1, 2001 are recorded in the Statement of Financial Activities using the cash basis of accounting: interest income from Sinking Fund investments (including their reinvestment), interest income from long-term receivables and interest expense on long-term debt (including any refinancing until the debt is extinguished).

Pension plan costs and obligations and other future employee benefits are accounted for using the methods described below.

### **Deferred Revenues**

Proceeds on disposal of capital assets and real estate assets intended for sale are shown as deferred revenues up to a maximum of the balance of the debt related to the loan by-law. Proceeds of such disposal exceeding the balance of debt are recorded in the Statement of Financial Activities. These deferred revenues are amortized on a straight-line basis over the remaining term of the loan by-law. Deferred revenues from the sale of a franchise are amortized on a straight-line basis over the term of the agreement.

### **Grants**

Grant revenues are recognized in the Statement of Financial Activities at the time the operating expenditures and other financial activities relating to the subsidies are recorded, as long as the city meets eligibility criteria.

### **Costs resulting from Pension Plans and Other Future Employee Benefits**

The expenditure regarding retirement funds encompasses contributions for current services, along with special payments and other stated deficits. Expenditures regarding other future employee benefits, such as complementary retirement benefits, post-employment benefits, paid holidays and severance pay, are calculated according to the cash basis of accounting.

### **Landfill Closure and Post-Closure Costs**

For an estimated period of 20 years, the city will assume closure and post-closure costs for landfills that it has operated. Such costs, which are covered by reserve funds, equal the present value of the cost of final site recovery and for monitoring and maintenance expenses of collection and treatment systems for biogases and leachates. These estimated costs are recognized based on the landfill capacity already used.

Assumptions regarding the calculation of these costs are periodically reviewed to take into account progress made in the management of these landfills.

### **Repayment of Long-Term Debt**

This item represents the repayment of loans and payments to the Sinking Fund with respect to loans taken out by the city.

### **Foreign Currency Conversion**

Revenues and expenditures resulting from transactions in foreign currencies are converted into Canadian dollars at the transaction date's prevailing rate. Investments and loans denominated in foreign currencies are converted using the balance sheet date's prevailing exchange rates. The repayment of loans and payments to the Sinking Fund relating to loans denominated in foreign currencies are converted using the transaction date's prevailing exchange rate. Gains and losses resulting from the difference between the historical foreign exchange rate and the foreign exchange rate in effect at the date of repayment or payment are charged to revenues and expenditures in the Statement of Financial Activities.

The foreign exchange gain or loss associated with a long-term monetary item denominated in a foreign currency (but not covered by a contract providing protection against the risk of exchange rate fluctuation) is recognized as a deferred item and accounted for in the Statement of Financial Activities using the straight-line method. Loans contracted as at December 31, 1992 are amortized over the remaining terms of the loans and loans contracted prior to this date are amortized over the remaining life of the loan by-laws.

### **Cancellation of Internal Transactions**

Activities requiring internal billing between two business units within the City are eliminated in the Statement of Financial Activities to avoid counting such revenues and expenditures twice. This procedure is necessary in consolidating budget data because certain transactions resulting from exchanges of billed services between business units must be eliminated. In other words, they are subtracted from the total so that they are not counted twice. These transactions are known as "internal transaction" or "transactions to be eliminated."

- Transactions to be eliminated:

Transactions to be eliminated result from the exchange of billed services between business units in which the supplier is based in the same accounting entity as the client.

- Inter-entity transactions to be eliminated:

As provided by law, The City Council Budget and the Urban Agglomeration Council Budget must be formulated within two separate accounting entities. Inter-entity transactions to be eliminated result from the exchange of billed services between business units in which the supplier is based in an accounting entity different than that of the client.

### **Budget Forecasts for Municipal Organizations**

Budget forecasts for municipal organizations included within the city accounting purview are neither cumulated nor consolidated in the municipal operating budget. Furthermore, the city budget accounts for contributions made to these organizations.

### **Difference between the Budget Basis and the Accounting Basis**

The following minor differences may be observed when comparing the budget presentation with the financial statements.

- Certain operational expenses are capitalized at the end of the fiscal year to be accounted for as capital assets. This practice reduces operating expenses by increasing the Transfer to Investment Activities item by the same amount when the financial statement is made. As it is difficult to establish this kind of detailed profile during preparation of the annual budget, these transactions are not reflected in the budget. This method has no impact on the total amount of city expenditures.
- Under methods used in the former city, the budget pertaining to employer contributions is calculated using an average rate per union accreditation. However, for certain kinds of contributions (such as the Québec Pension Plan and unemployment insurance) the expense is accounted for as a real cost and not as the average rate anticipated in the budget forecast. This difference has no impact on the total amount of municipal expenditures.
- If a situation requires that consideration based on general assumptions be given to the impact of issues that could affect multiple boroughs or city departments (such as labour contract negotiations, planned savings programs, etc.), required funds may be allocated to a budget item, which is centralized in “common expenses” during budget preparation. Over the years, the affects of such situations are generally reflected in the results of various business units.



## THE BUDGET MANAGEMENT FRAMEWORK

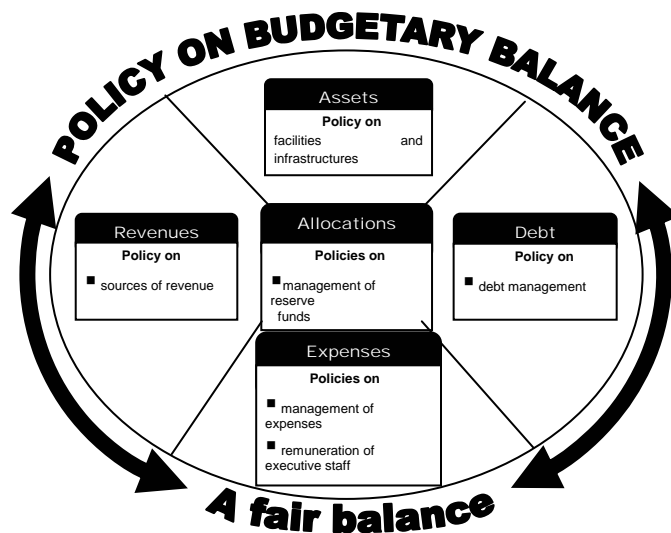
The city has adopted a management framework comprising the essential foundations of sound financial and budgetary management. In formulating this administrative framework, the city has committed itself to an open style of management with respect to residents, employees and the various levels of governments. This same management style has resulted in the present budgetary process—one that ensures participation by both residents and of elected officials.

### Management Philosophy

The city is committed to the sound management of its public funds. By adopting a results-oriented style of management and by assessing performance, the city has opted for decentralized management and has placed residents at the heart of its concerns.

In view of providing a sound management framework, the city has adopted budget-related policies<sup>1</sup> that are aimed at all of its managers and various entities. These policies have also been the subjects of public consultation sessions:

- Policy on a balanced budget.
- Policy on facilities and infrastructures.
- Policy on management of expenditures
- Policy on management of reserve funds.
- Policy on sources of revenue
- Policy on debt management.



In 2006, these policies will be submitted to the Municipal Council and to the Urban Agglomeration Council.

<sup>1</sup> The full texts of these policies are available from the Web site of the Services des finances of the city of Montréal at: [ville.montreal.qc.ca/finances](http://ville.montreal.qc.ca/finances). Under section 18 of *Bill 75*, "Municipal Council" is to be understood as "Urban Agglomeration Council," when the area of responsibility corresponds to the latter entity. However, if an act or order would serve to amend, limit or rescind some aspect of a policy, the latter shall take precedence.

*Bill 75*, section 18:

*If, according to an Act or an applicable statutory instrument, the act that may be performed respecting those matters and subjects is under the authority of a municipal council or an executive committee, the central municipality performs the act in the first case through its council provided for in Chapter I of Title IV and, in the second case, through that council or its executive committee, depending on what is specified in the order made under section 135.*



**GLOSSARY AND SPECIAL TERMS****Allocation**

Technical term pertaining to the sources and uses of funds from surplus accounts and from earmarked funds. Allocations are neither a form of revenue nor of operating expenditure.

**Annualization**

Administrative procedure which consists of establishing budget expenditure and revenue components on an annual basis that had previously been established for short periods.

**Average cumulative property tax rate**

Rate produced by adding property tax rates to the property tax equivalents of user fees applicable to a given property category.

**Averaging of assessment roll changes over time**

Fiscal measure intended to mitigate the impact of a new three-year valuation roll by distributing over a three-year period a change in the assessed value of a property resulting from implementation of the new roll.

**Borough**

Territorial, administrative and political division. Montréal is divided into 19 boroughs that are considered to be business units, so that it may exercise certain powers.

**Business plan**

Strategic plan in which a business unit defines its key concerns and issues and focuses on the goals and commitments that it intends to meet over the short and medium terms.

**Business plan performance framework**

Specific information grids accompanied by precise action plans that outline a business unit's established objectives and its proposed undertakings, so that the unit may respond to a concern or to an issue affecting targeted recipients.

**Business unit**

Entity consisting of either a borough or a city department.

**Canada-Québec Infrastructure Works Program**

This financial assistance program, funded by both the governments of Canada and Québec, covers all initiatives enabling a municipality to reconstruct, replace and build infrastructures. The program's main goals are to improve environmental quality, support long-term economic growth, upgrade public facilities and contribute to creating infrastructure for the 21<sup>st</sup> century using the most advanced technology, the latest approaches and best practices.

### ***Charter of the Ville de Montréal***

Québec statute pertaining to the constitution, organization, areas of jurisdictions and powers of this municipality. Rules governing the harmonization of municipal taxation appear in the *Charter of the Ville de Montréal*.

### **City Contract**

Agreement between the Government of Québec government and the city that lays the groundwork for a new mode of governance based on autonomy in decision-making, efficiency in municipal action and obligatory accountability. This contract is based on an integrated action strategy for urban issues. It establishes a new model for partnership between the two parties, emphasizing a harmonized, territorial approach to achieving goals that encompasses housing, urban renewal, upgraded infrastructure, roadways and mass transit, social, community and economic development and a dynamic cultural environment. The \$2.5-billion contract, signed in February of 2003, extends to 2007.

### **City department**

Administrative entity or business unit that provides planning and support services to the city administration and to the boroughs. City departments may also maintain operational responsibilities.

### **Development**

In the Three-Year Capital Works Program, “development” is considered to be the goal of any investment pertaining to the addition or expansion of facilities, increase in the amount of municipal equipment, construction of roadways or underground conduits, as well as the acquisition and landscaping of new parks.

### **Eco-centre**

Facility designed to receive recyclable and reusable materials. Eco-centres also serve as community centres by providing information and by allowing residents to participate in educational and other activities pertaining to the environment.

### **Eco-Quartier**

Program aimed at supporting initiatives of residents seeking to participate in an organization devoted to the promotion and to the improvement of their borough's quality of life.

### **Effectiveness**

Measure of the extent to which certain objectives have been achieved.

### **Efficiency**

Measure of how well resources have been used in meeting a set objectives.

### **Employer contributions**

Expenditure item consisting of fringe benefits (various insurance programs, pension plan contributions, etc.) and employee benefits (contributions to the QPP, to employment insurance, to the CSST, to the Fonds de santé) granted to elected officials and to employees.

**Employee on availability**

Permanent employee whose permanent position has been abolished and who is no longer the incumbent of a position.

**Employee on availability outside of the administrative structure**

Employee on availability who has not been assigned to any authorized position within the administrative structure of a borough or of a city department.

**Equalization**

Means of distributing budget allowances among boroughs to adjust the allocations of those boroughs that must contend with budget shortfalls or with economic and social disadvantages.

**Expenditures by heading**

Expenditure classification system based on the economic characteristics of various goods and services as defined in the *Manuel de la présentation de l'information financière municipale*. This system of classification groups expenditures under the following headings: Compensation, Employer Contributions, Transportation and Communications, Professional, Technical and Other Services, Rental, Maintenance and Repair, Durable Goods, Non-Durable Goods, Financing Costs, Contributions to Other Organizations and Other.

**Field of endeavour**

Term designating a sector of municipal responsibility.

**Follow-up indicator**

Any significant measurement, whether relative or not, serving to assess results achieved, use of resources, progress of work or external context.

**General property tax**

Tax based on a building's assessed property value and thus on revenue used to finance the municipality's overall expenditures. Tax rates vary according to four property categories.

**Global tax rate**

Rate obtained by dividing the assessed property value of a municipality by the tax revenue collected from all of its taxpayers.

**Gross investment expenditure**

This expression indicates total investment expenditures adjusted by subtracting the GST rebate. These amounts are shown in contrast with net investment expenditures and do not take into account financing methods.

### **Imbalance in taxation**

Transfer of a share of the tax burden from one sector to another, from one property category to another or from one property to another. Any modification of the basis for a tax or a fee in terms of value, frontage, dwelling units, etc., may result in an imbalance in taxation.

### **Investment expenditure**

Expenditure for items that can be purchased, built, developed or improved. Such asset items must also meet the following criteria:

- They are to be used to produce goods, to provide services or to ensure operations of the municipal administration.
- They have been purchased, built, developed or improved to be used in a sustainable manner.
- They are not to be sold in the municipality's normal course of business.

### **Inter-unit charge**

Transaction involving an exchange of services between two business units. The concept of inter-unit charge enables a unit providing a service to charge an expenditure to the receiving unit.

### **Loan by-law**

Authorization from the Ministre des Affaires municipales et des Régions, du Sport et du Loisir for the city take out a loan that generally will serve to fund certain investment expenditures that are too costly to be assumed over a single fiscal year.

### **Montréal International**

Organization seeking to contribute to the economic development of Greater Montréal and to expand the region's international influence.

### **Municipal category**

Standardized system of classifying municipal activities applicable to all municipal organizations and which is defined in the *Manuel de la présentation de l'information financière municipale*. These categories are: General Administration, Public Safety, Transportation, Environmental Hygiene, Health and Welfare, Urban Planning and Development, Recreation and Culture, Electricity and Financing Costs.

### **Net investment expenditure**

This expression indicates only that portion of gross investment expenditures financed through loans to the city. This figure is calculated by deducting other sources of financing (grants, contributions, etc.) from the gross investment expenditure.

### **Occupancy of the public domain**

Installation of certain structures, in whole or in part, in an area normally reserved for public use. Such structures could include stairways, balconies, pedestrian overpasses and underground passages. Owners are billed rental fees for such use. A rental fee may represent a symbolic amount, it may be based on a contractually established rate or it may be based on a value set by the city.

**Other budget items**

Budgetary subdivision grouping a set of similar expenditures not associated with the boroughs or the city departments.

**Paramunicipal corporation**

Entity that maintains business relationships with the city and that is endowed with a legal personality, pursuant to the *Charter of the Ville de Montréal*.

**Paramunicipal organization**

Non-profit entity that has been endowed, under conditions provided by law, with a legal personality and which maintains a business relationship with the city.

**Payments in lieu of taxes**

Amounts paid by the owners of tax-exempt properties in lieu of various taxes and fees. The nature and amount of such compensation varies by owner (government, school board, hospital, non-profit organization, church, etc.).

**Person-year**

Concept used by the city administration to convert the number of employees of any status into fulltime equivalents.

**Program**

Programs serve as complements to projects listed in the business unit tables of the Three-Year Capital Works Budget and cover a series of sub-projects to carry out work of a similar nature and that are common to multiple boroughs or to city departments.

**Programme Infrastructures-Québec (Québec infrastructure program)**

This program covers all financing measures aimed at supporting municipalities in the building, upgrade or reconstruction of their infrastructure and facilities. It also provides funding for upgrading municipal management tools in the areas of supply and services, drinking water supply and filtration, as well as in wastewater channelling, interception and treatment.

**Programme Quartiers ciblés (target districts program)**

This program stems from a framework agreement between the city and the Government of Québec that defines follow-up methods for a series of sector agreements involving a number of fields, especially actions taken in certain “vulnerable” neighbourhoods, as well as in the transportation area.

**Programme Québec-Municipalités (Québec municipalities program)**

This program comprises the set of measures aimed at enabling municipalities and organizations to undertake construction projects and work to rebuild or expand infrastructures with government financial assistance. The program primarily seeks to upgrade infrastructure and the quality of life and the environment and to support the economy.

### **Programme Renouveau urbain (urban renewal program)**

This financial assistance program stems from the agreement between the city and the Government of Québec that aims to renew the physical environment, while enhancing the environment and social and economic conditions in certain older or struggling urban sectors. The program also seeks to encourage residents and partners to take responsibility for the future of their neighbourhood.

### **Protection**

This represents the Three-Year Capital Works Program investment goal of preserving, restoring, rehabilitating and maintaining assets.

### **Property categories**

For general property tax assessment purposes, the overall set of properties to which a particular rate applies. In assessing taxes, the city administration uses four property categories: non-residential properties, vacant lots, properties with six or more dwellings and the residual category.

### **Property transfer**

Transfer of ownership of a building, creation or transfer of an emphyteutic lease or lease of a building for a period of more than 40 years.

### **Property transfer fees**

Fees paid by the purchaser of a property at the time it changes hands. These fees are equivalent to 0.5% of the sale price up to \$49,999; 1% of that price from \$50,000 to \$249,999 and 1.5% on any higher value.

### **Property valuation roll**

Record prepared by the city's Direction de l'évaluation foncière (tax assessment,) including all information required for producing the tax roll.

### **Real estate assessment roll (property valuation roll)**

Record prepared by the city's Direction de l'évaluation foncière (property valuation division), including all information required for producing the tax roll.

### **Reclamation rate**

Percentage of solid waste produced that did not serve as landfill because of recovery, reuse or reduction of disposal at the source.

### **Remuneration**

Heading that includes the salaries and compensation paid to elected officials and to employees.

### **Residual category**

Set of buildings primarily consisting of residential structures containing no more than five units. Such buildings are subject to the general property tax basic rate. This category also includes vacant lots on which construction is prohibited.

### **Royalties—underground conduits**

Rental fee imposed on users of the underground conduit network of the Commission des services électriques (electrical services commission) based on the space their conduits take up within the network.

### **Sector**

In terms of taxation, territory of a former municipality. The property situated within each former municipality remains responsible for the latter's' respective debts.

### **Tax burden**

For a given fiscal year, the set of tax revenues derived from such sources as general property taxes, water user fees and solid waste treatment fees. The tax burden is estimated on the basis of real estate assessment roll data as at September 13, 2003. Finally, the tax burden is that portion of the tax revenue for a given sector to which a ceiling on any increase applies (5% maximum) for purposes of tax harmonization under the *Charter of the Ville de Montréal*.

### **Tax collection roll**

Record containing information pertaining to the breakdown of taxes that have been assessed. Also includes the names of each property owner, the assessed value of each building, the rate of every property tax, the amount of taxes due from each taxpayer and the amount of all back taxes due from each taxpayer. This roll is a public document.

### **Tax harmonization**

Effort to bring the various tax regimes and taxation levels of various city sectors (former municipalities) within into a single system of taxation.

### **Transfers**

Grants from different levels of government, other public organizations, private businesses and individuals, with no service provided as valuable consideration. Transfer revenues are organized in accordance with their ultimate categories. They may be used to finance operating expenditures, to service the debt or to make investments.

### **User fees**

With respect to taxation, amount due in consideration of a service provided to a building or to its occupant. Such fees are paid by the property owner or occupant.

## **SPECIAL TERMS**

### **TERRITORIES**

#### **Montréal Urban Agglomeration**

The 16 cities that make up the Island of Montréal or simply, the Island of Montréal.

#### **Local municipality**

- The term “local municipality” comprises a variety of different entities including cities, municipalities, villages, parishes and townships. (Source: MAMR).
- The local municipality is administered by a municipal or city council. (Source: MAMR).

#### **Central city**

- Montréal, in its relationship with the local municipalities making up the Montréal Urban Agglomeration.
- The central city carries out the Urban Agglomeration’s various responsibilities within the Island of Montréal and local responsibilities within the residual city, through the appropriate decision-making body (the Urban Agglomeration Council, the City Council or a borough council).
- The central city is administered by the Urban Agglomeration Council, the City Council and the borough councils.

#### **Reconstituted municipalities**

- Excluding the residual city, the 15 territories of the Island of Montréal that resumed their municipal status on January 1, 2006.
- The reconstituted municipalities are responsible for their respective local services.

#### **Related municipalities**

The 16 municipalities that make up the Island of Montréal (the 15 reconstituted municipalities plus the residual city) that sit on Montréal’s Urban Agglomeration Council.

#### **Residual city**

Montréal’s remaining territory following reconstitution of the 15 reconstituted municipalities.

**SERVICES RENDERED and powers****Urban Agglomeration Powers**

The Urban Agglomeration Council or the Executive Committee carries out the urban agglomeration's responsibilities pursuant to law. These entities are, in other words, responsible for urban agglomeration services provided by the central city (Montréal) to all island residents.

**Urban Agglomeration Services**

All common services provided by Montréal to island-wide residents.

**Local Powers**

- The council of each municipality on the island exercises local powers pursuant to law. Each such council is, in other words, responsible for the local services provided within its local municipality.
- Responsibilities that are exercised out by the local municipalities are also known as “community services.”
- In the case of Montréal, the *Charter of the Ville de Montréal* provides that these local powers shall be distributed among the City Council and the borough councils. This results in:
  - Borough-administered local powers.
  - City Council-administered local powers.

### **DELIBERATIVE BODIES**

#### **Urban Agglomeration Council**

- One of the city's deliberative bodies.
- The Urban Agglomeration Council exercises the urban agglomeration's powers pursuant to law. This council is, in other words, responsible for urban agglomeration services provided by the city to all island residents.

#### **City Council**

- Each local municipality has a City Council.
- The City Council is one of the city's four deliberative bodies.
- Montréal's City Council exercised those local powers stipulated under the *Charter*. This council is, in other words, responsible for certain city-wide local services.
- In the case of Montréal, the *Charter* stipulates that local powers be divided among the City Council and the borough councils.
- In the case of the reconstituted municipalities, municipal council also exercise local powers. They are, in other words, responsible for their own local services.

#### **Borough Council**

- Deliberative body found in each of Montréal's 19 boroughs.
- Borough councils exercise local powers as prescribed by the *Charter*. This means they are responsible for the local services provided within each borough.

#### **Executive Committee**

- Montréal's deliberative body, consisting of from 7 to 11 members appointed by the mayor of Montréal.
- The Executive Committee has authority of local, rather than agglomeration powers.

#### **Deliberative Bodies**

Montréal has four deliberative bodies:

- The City Council.
- The Urban Agglomeration Council.
- The borough councils.
- The Executive Committee.

The 15 reconstituted municipalities of the Montréal Urban Agglomeration each have two deliberative bodies:

- A municipal council.
- The Urban Agglomeration Council.

## **BUDGET**

### **City Budget**

The city budget comprises amounts associated with both the urban agglomeration's powers and with the city's local powers.

### **City Council Budget**

- The City Council Budget is the budget adopted by Montréal's City Council so that it may exercise local powers within the city.
- The city's local powers are exercised both by the boroughs and the city departments.

### **Urban Agglomeration Council Budget**

- The Urban Agglomeration Council Budget is the budget adopted by the Urban Agglomeration Council so that it may exercise the urban agglomeration's powers throughout the island.
- The urban agglomeration's powers are exercised by Montréal's city departments.

### **Borough Budget**

The borough budget is the budget adopted by the borough council and applied to the borough's local powers under the latter's authority.

## **TAXES**

### **City Taxes**

Consist of both:

- The urban agglomeration tax paid by all island residents for urban agglomeration services.
- The local municipal tax paid by city residents for local services.
- The borough tax (where applicable) is paid by borough residents for community services.

### **Urban Agglomeration Taxes**

Taxes paid by all island residents for urban agglomeration services falling under the authority of the Urban Agglomeration Council.

### **Local Municipal Taxes**

- **Local municipal taxes**

Taxes falling under the authority of the City Council paid by all Montréal residents for local services.

- **Borough taxes**

Specific taxes falling under the authority of the borough council and paid (where applicable) by residents of a particular borough for neighbourhood services.

## **INDEX OF ACRONYMS, ABBREVIATIONS AND INITIALS**

### **AMT**

Agence métropolitaine de transport (Montréal commuter train agency)

### **BAM**

Bureau accès Montréal (Accès Montréal office)

### **CCU**

Comité consultatif d'urbanisme (urban planning advisory committee)

### **CESM**

Complexe environnemental de Saint-Michel

### **CIM**

Conseil interculturel de Montréal (Montréal intercultural council)

### **CJM**

Conseil jeunesse de Montréal (Montréal youth council)

### **CLD**

Centre local de développement (local development centre)

### **CLE**

Centre local d'emploi (local employment centre)

### **CSE**

Commission des services électriques (electrical services commission)

### **CSST**

Commission de la santé et de la sécurité du travail (Québec occupational health and safety board)

### **DEB**

Dynamic and evolutionary budget

### **FINA**

Fédération internationale de natation (international swimming federation)

### **FSFAL**

Fonds spécial de financement des activités locales (special fund to finance local activities)

### **GST**

Federal Goods and Services Tax

**LCD**

Local Development Centres

**MAMR**

Ministère des Affaires Municipales et des Régions

**MAPAQ**

Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (Québec ministry of agriculture, fisheries and food industries)

**MCCQ**

Ministère de la Culture et des Communications du Québec (Québec ministry of culture and communications)

**MI**

Montréal International

**MESSF**

Ministère de l'Emploi, de la Solidarité sociale et de la Famille (Ministry of labour, social solidarity and the family)

**MLHPC**

Montreal Light, Heat and Power Company

**MMC**

Montreal Metropolitan Community

**OMH**

Office municipal d'habitation (Montréal municipal housing bureau)

**PIIA**

Plan d'implantation et d'interprétation architecturale (architectural implementation and interpretation plan)

**PROCIM**

Programme de coopération industrielle de Montréal (Montréal industrial cooperation program)

**PRU**

Programme de renouveau urbain (urban renewal program)

**PTRIU**

Programme tripartite de réfection des infrastructures urbaines (three-partner program to rebuild urban infrastructure)

**P-Y**

Person-years

**QIM**

Quartier international de Montréal (Montréal international district)

**RRQ**

Régie des rentes du Québec (Québec income-security board)

**SDC**

Société de développement commercial (commercial development corporation)

**SDM**

Société de développement de Montréal (Montréal development corporation)

**SHDM**

Société d'habitation de Montréal (Montréal housing corporation)

**SHQ**

Société d'habitation du Québec (Québec housing corporation)

**SIMON**

Système Intégré Montréal (Montréal integrated management system)

**SOFIL**

Société de financement des infrastructures locales du Québec

**STM**

Société de transport de Montréal (Montréal public transit corporation)

**TGE**

Telecommunications, gas and electricity

**TCWP**

Three-year Capital Works Budget



## PREPARING THE BUDGET

As described in the introduction to the budget, a new municipal organization was established in Montréal on January 1, 2006. One major result of this change is that the city's administrative powers are now distributed between the urban agglomeration and local powers. In accordance with its organizational structure, the city has produced an integrated global budget for 2006. This new situation, however, has an impact on budget preparation and presentation.

The global budget is presented both by financial activity, pursuant to the MAMR's *Manuel de la présentation de l'information financière municipale* du ministère des Affaires municipales et des Régions and by the city's organizational structure (that is, by city department and by borough). Furthermore, in accordance with the new governance structure, the city has also prepared the budget on the basis of urban agglomeration and local powers (the budgets of the Urban Agglomeration Council and of the City Council) and has presented these two separate budgets by financial activity.

### Legal Framework

The *Act respecting the exercise of certain municipal powers in certain urban agglomerations* sets certain specific obligations for the central municipality with respect to the expenditures it make in exercising urban agglomeration powers.

Among its stipulations, the law provides that:

- The expenditures incurred by the central municipality in the exercise of urban agglomeration powers are treated separately from those incurred in the exercise of local powers.
- Expenditures incurred by the central municipality in the exercise of both urban agglomeration powers and local powers are mixed expenditures
- By by-law, the Urban Agglomeration Council sets criteria for determining what part of a mixed expenditure is an expenditure incurred in the exercise of urban agglomeration powers.
- Revenues follow the same rules as expenditures. Thus, central municipality revenue that is generated by exercising an urban agglomeration power must be assigned to financing the expenditures incurred in the exercise of that power.

### Flexible, Effective and Efficient Approach

Montréal, in its role as the central city, discharges its responsibilities for the exercise of urban agglomeration powers, while at the same time providing its residents with services falling under its local powers. All such services, whether associated with the exercise of agglomeration powers or with the exercise of local powers, are still offered by Montréal's employees.<sup>1</sup>

Under these circumstances, all of Montréal's expenditures must be analyzed and distributed among the Urban Agglomeration and the City Council budgets. Such distribution is conducted in accordance with the powers named in the *Act respecting the exercise of certain municipal powers in certain urban agglomerations*, which is supplemented by the *Order concerning the Montréal*

<sup>1</sup> Certain services provided by Montréal may be performed externally on a contract basis. These services are still administered by city employees and are treated as city services. Furthermore, certain services falling under the urban agglomeration's powers may also be delegated by the Urban Agglomeration Council to the related municipalities.

*Urban Agglomeration* (Order number 1229-2005). Mixed expenditures on the other hand, which fall under the authority of both the Urban Agglomeration Council and the City Council, are distributed on the basis of various pre-established rules demanding equity, effectiveness and efficiency. Montréal, in other words, has one single group of municipal employees, not two. This approach is consistent with the Act and is intended to be flexible, effective and most of all efficient, thereby enabling Montréal to continue providing shared services (those falling under the Urban Agglomeration Council in 2006) to all island residents in the same manner as before and at the lowest cost.

### **Breakdown of the Budget and of the Global Budget: An Accurate and Detailed Analysis**

Montréal's global budget thus consists of both the City Council Budget and the Urban Agglomeration Council Budget. This distribution is based on the following factors:

- The sharing of powers as defined in the *Act respecting the exercise of certain municipal powers in certain urban agglomerations*
- Distribution of mixed expenditures.

#### **Sharing of Powers**

The *Act respecting the exercise of certain municipal powers in certain urban agglomerations*, as amended by bills 111 and 134 and supplemented by the *Order concerning the Montréal Urban Agglomeration* (Order number 1229-2005), lists the various matters that fall under the Urban Agglomeration Budget. Essentially, they are:

- a) Municipal assessment.
- b) Passenger transportation.
- c) The thoroughfares forming the arterial road system of the urban agglomeration.
- d) Water supply and water purification.
- e) The disposal and reclamation of residual materials and any other aspect of their management if they are dangerous, as well as the development and adoption of a residual materials management plan.
- f) The components of public security, namely, police, civil protection, fire protection and first aid services, the 9-1-1 emergency centre, the development and adoption of the civil protection plan and the fire safety cover plan.
- g) The municipal court.
- h) Social housing and assistance intended specifically for the homeless.
- i) The prevention and elimination of substance abuse and prostitution.
- j) The promotion of the territory of a related municipality, including the promotion of tourism, when it is done outside that territory, tourist services in the urban agglomeration, local development centres, convention centres, ports and airports, industrial parks and railway sidings and assistance intended specifically for a business.
- k) All components pertaining to other matters that formerly fell under the MUC, such as the nature parks.

- I) Collective amenities, facilities and activities names in the appendix to the *Order concerning the Montréal Urban Agglomeration*. The complete list appears in Appendix 6, herein.

Administrative expenditures pertaining to the exercise of urban agglomeration powers also fall under the Urban Agglomeration Budget.

Shared services pertaining to these urban agglomerations powers are provided within the city by different business entities, pursuant to the city's organizational structure. These same business entities also provide Montréal residents with services falling under the city's local powers. Most of the city's business entities actually provide services associated with the exercise of agglomeration powers and services pertaining to the exercise of its local powers. All services provided by the city's business entities comprise sub-activities and each of the latter is analyzed to determine if it pertains to an expenditure falling under a local power or an urban agglomeration power. The expenditure will then be assigned to the City Budget Council or to the Urban Agglomeration Council Budget, as the case may be. This analysis can also be used to determine if it is a mixed expenditure. A second level of analysis is required to determine the distribution of mixed expenditures.

#### **Distribution of Mixed Expenditures**

Certain expenditures of the city's various business entities fall under the budgets of both the Urban Agglomeration Council and the City Council. These mixed expenditures are lumped in two separate categories:

- Thus pertaining to public services (such as those falling under the Service de la mise en valeur du territoire et du patrimoine).
- Thus pertaining to general administrative activities (such as the Service des finances).

Following analysis and distributed, mixed expenditures pertaining to public services may be specifically identified with local or agglomeration powers. The manner for distributing mixed expenditures is determined by the business entities which provide these services based on the type of project or activity in question. Such an analysis results in the assigned of a specific distribution key within the city's budget systems according to one of three possible approaches:

- A specialized key (as with the arterial road system).
- A key based on the number of human resources devoted to the task.
- A key based on the financial resources devoted to the task.

Here are examples of each approach:

1. Expenditures of the laboratory analyzing pavement samples within the Service des infrastructures, transport et environnement are distributed on the basis of that proportion of the arterial road system that falls under urban agglomeration authority and that proportion of the local road system falling under local authority. In this case, the distribution is based on a special formula.
2. At the same time, expenditures pertaining to the Division des orientations et de l'expertise en parcs et espaces verts du Service du développement culturel et de la qualité du milieu de vie et de la diversité ethnoculturelle are distributed on the basis of the evaluation of human resources devoted to exercising local powers (support to the boroughs for their

local parks and green spaces) and urban agglomeration powers (nature parks and other parks of collective interest).

3. A similar approach is used for expenditures falling under the Service de la mise en valeur du territoire et du patrimoine, but they are primarily distributed on the basis of the assessment of financial resources from the Service consacrées à chacun des services rendus à la population (once the latter have been shared on the basis of respective powers), since the Service de la mise en valeur du territoire et du patrimoine provides all of them with support in proportion to expenditures incurred.

Once mixed expenditures pertaining to public services have been analyzed and distributed, we obtain an abstract portrait of mixed expenditures pertaining to general administrative activities:

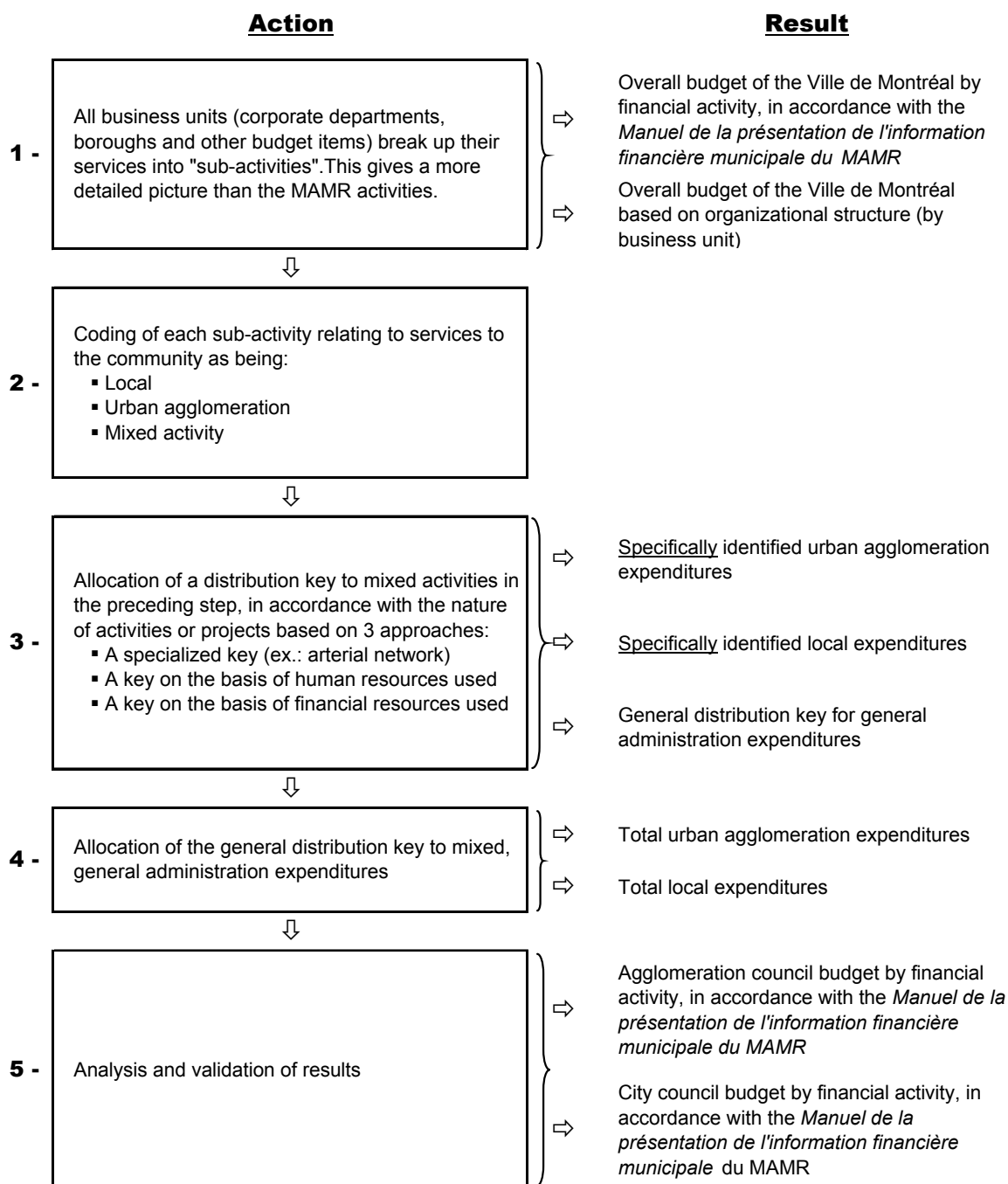
- Specifically identified urban agglomeration expenditures.
- Specifically identified local expenditures.
- A general local/urban agglomeration distribution key. This key is calculated on the basis of that proportion of urban agglomeration expenditures specifically identified with respect to specifically identified local expenditures.

Mixed expenditures pertaining to general administrative activities (such as Service des finances, Direction générale, Service du capital humain, etc.) cannot, on the other hand, be specifically identified with local or urban agglomeration activities. These are support activities pertaining to both local and urban agglomeration powers. Such activities are globally distributed among the City Council and Urban Agglomeration Council budgets on the basis of a distribution key. Depending on the city's organizational structure and the kinds of general administrative activities to be distributed, the general distribution based on the proportion of specifically identified urban agglomeration expenditures with respect to specifically identified local expenditures constitutes the most appropriate basis for distribution.

### **Step-by-Step Process**

The following diagram summarizes and includes each of the steps in preparing the city's global budget and the necessary distribution of expenditures among the Urban Agglomeration Council and the City Council budgets.

## PROCESS OF PREPARING THE BUDGET AND DISTRIBUTING REVENUES AND EXPENDITURES





## COLLECTIVE AMENITIES, FACILITIES AND ACTIVITIES

### APPENDIX OF THE *ORDER CONCERNING THE MONTRÉAL URBAN AGGLOMERATION*

(Order number 1229-2005)

#### Amenities and Facilities

- Maurice-Richard arena
- Jarry Park tennis centre
- Centre d'histoire de Montréal
- Bon-Pasteur historic chapel
- Claude-Robillard sports complex
- Atwater farmer's market
- Jean-Talon public market
- Pointe-à-Callière museum
- Lachine museum
- Angrignon Park
- Mount Royal Park
- Jarry Park
- Jean-Drapeau Park
- Lafontaine Park
- Maisonneuve Park
- René-Lévesque Park
- Saint-Michel Environmental Complex Park
- Cap-Saint-Jacques Nature Park
- Anse-à-l'Orme Nature Park
- Bois-de-l'Île-Bizard Nature Park
- Bois-de-Liesse Nature Park
- Île-de-la-Visitation Nature Park
- Pointe-aux-Prairies Nature Park
- Bois-de-la-Roche Nature Park
- Bois-de-Saraguay Nature Park
- Bois-d'Anjou Nature Park
- Bellerive Promenades
- The following eco-territories: Senneville forest, Orme river eco-forest corridor, Île-Bizard eco-forest corridor, Cheval-Blanc rapids, Coulée verte du ruisseau Bertrand (green corridor along Bertrand brook), sides and summit of Mount Royal, Coulée verte du ruisseau De Montigny (De Montigny brook's green corridor), Trame verte de l'Est (set of green spaces in eastern Montréal), Lachine Rapids and Saint-Jacques cliff.

### Activities and Topics of Activity

- Culture Montréal
- Cité des Arts du cirque
- Tour de l'Île (bicycle tour of the island)
- Film production and television broadcasts
- Forum permanent sur les équipements culturels (ongoing forum pertaining to cultural amenities)
- Projects to enhance Old Montréal
- Festival du monde arabe (Arab community festival)
- Urban renewal of the Sud-Ouest, Ville-Marie, Montréal-Nord and Lachine (Saint-Pierre neighbourhood) sectors
- Renovation (including decontamination, demolition and relocation of potentially harmful enterprises) of large sites, such as railroad switching yards, obsolete and abandoned factories and unused railroad rights of way to bring them back into the urban framework.
- Agencies responsible for overseeing agglomeration-wide planning and development
- Coup de coeur francophone (festival of French song)
- Festival international Nuits d'Afrique (African nights international festival)
- Francofolies de Montréal (French music festival)
- Just for Laughs comedy festival
- Montréal High Lights Festival
- Présence autochtone – Terres en vue (featuring the Aboriginal community)
- Biennale Les coups de theatre (biannual international festival of the arts for young people)
- Fringe Festival
- Shakespeare in the Park – Répercussion théâtre
- Biannual FIND festival
- Festival de musique de chambre (chamber music festival)
- International Jazz Festival
- MEG (Montréal électronique groove)
- Off festival de jazz (jazz festival)
- World Film Festival
- Montreal Jewish Film Festival
- Montreal International Festival of New Cinema
- Les 400 coups (theatre)
- Rendez-vous du cinéma québécois (Québec film festival)
- Vues d'Afrique (African cultural festival)
- Museum Day
- Festival interculturel du conte (international storytelling festival)
- Festival international de littérature (international literature festival)
- Salon du livre de Montréal (Montréal book show)
- Carifesta (Caribbean parade)
- Divers/Cité (Gay and lesbian festival)
- Canada Day festival
- Saint-Jean Baptiste Day

- St. Patrick's Day
- Assistance to key athletes and metropolitan, national and international sports events
- Implementation of the framework agreement between the city, the Ministère de la Culture et des Communications and the Bibliothèque nationale du Québec
- Harmonization of library computer systems
- Montréal World Outgames 2006
- Pan-Montréal bike path network
- Municipal contributions to and administration of federal programs and agreements in the war against poverty
- Municipal contributions to and administration of federal programs and agreements in the presentation and development of assets, sites and neighbourhood designated under the *Cultural Property Act*
- Municipal contributions to programs of the Government of Québec or of the Montréal Metropolitan Community aimed at the improvement and protection of conditions for using the shorelines surrounding the Montréal agglomeration and the establishment of riverside parks within the agglomeration
- Development and renovation of public property, including infrastructural work in that sector of the agglomeration designated as "downtown" and bounded (approximately) as follows:: from the intersection of Amherst and Cherrier streets, southeast along Amherst and its extension to the St. Lawrence River, from that point south along the St. Lawrence River to the intersection of Highway 15 and Highway 20 at the Champlain Bridge, from there to the west and along Highway 15-20 to the intersection with the rail line; from there northeast along the rail line to the building adjacent to the rail line, to the end of that building; from there northwest along the building to the intersection with Parc-Marguerite-Bourgeoys Street; from there to the northeast along Parc-Marguerite-Bourgeoys Street and the rail line to the intersection with the extension of Sainte-Madeleine Street; from there to the west along Sainte-Madeleine to the intersection with Le Ber street; from there to the north along Le Ber Street and its extension to the intersection with the extension of de Sébastopol Street; from there and to the west along de Sébastopol Street, to the intersection with Wellington Street; from there to the north along Wellington Street to the intersection with Bridge Street; from there to the west along Bridge street to the intersection with Saint-Patrick Street; from there to the northwest to the intersection with Guy, William and Ottawa streets; from there to the northwest along Guy Street to the intersection with Notre-Dame Street West; from there northwest along the border of Ville-Marie borough to the intersection with the border of the Mount Royal historic and natural borough; from there to the northwest along the border of the Mount Royal historic and natural border to the intersection of Pins Avenue West; from there to the northwest along Pins Avenue West to the intersection with Saint-Denis Street; from there to the southwest along Saint-Denis Street to the intersection with Cherrier Street; from there northwest along Cherrier Street to the intersection with Amherst, the point of departure.



## **FEDERAL-PROVINCIAL AGREEMENT ON SHARING FEDERAL GAS TAX REVENUE<sup>1</sup>**

(through the Société de financement des infrastructures locales du Québec, or SOFIL)

### **BACKGROUND**

Since the start of the decade, one government program<sup>2</sup> after another has contributed to the funding of municipal infrastructural work.<sup>3</sup> In June, 2005, the federal and provincial government jointly laid out the groundwork for a new agreement based on the sharing of federal gas tax revenue. A new five-year program supporting the restoring and development of municipal infrastructure emerged out of this agreement. Municipalities have been seeking a share of the federal gas tax and Montréal actively participated in the negotiations resulting in this agreement.

Sharing of the fuel tax arises out of “A New Deal for Canada’s Communities,” formulated by the Government of Canada. In Québec, this deal was concluded with the Government of Québec, in compliance with Québec’s constitutional jurisdictions.

### **Establishment of SOFIL**

The Government of Québec had previously established SOFIL (Société de financement des infrastructures locales du Québec) in December 2004 to receive federal funds and add the provincial contribution to them. Under its incorporating statute, SOFIL’s mission is to “provide financial assistance to municipal bodies for infrastructure projects relating to drinking water, waste water, local roads and public transit and for infrastructure projects having an economic, urban or regional impact.”

### **Formalization of the Agreement**

The following June, both governments signed the memorandum of agreement pertaining to a rebate by the federal government to the Government of Québec of \$1.34 billion over the following five years for all of Québec’s municipalities. The Government of Québec must add its own contribution of \$475.7 million to this amount during that period. SOFIL is supposed to serve as the intermediary in the management of federal and provincial funds and its role was confirmed when the final agreement was signed on November 28, 2005.

On December 14, the Government of Québec published an order defining the primary key rules involved over the next five years in paying financial assistance to those municipalities and transportation corporations in question.

Following the establishment of SOFIL’s board of directors, which has been scheduled for 2006, and disclosure of certain clarifications, in particular by the Ministère des Transports (MTQ) and the Ministère des Affaires municipales et des Régions (MAMR), which is directly involved in the

<sup>1</sup> This document is based on information available in January 2006. Various clarifications must be provided by the departments directly concerned, specifically, Transports and Affaires municipales et des Régions, with respect to confirmation of amounts allocated to each municipality. For that reason, the estimates appearing herein have been formulated on the basis of general parameters.

<sup>2</sup> Canada-Québec Infrastructure Works (signed in 2000), Québec-municipalités and Infrastructures-Québec programs.

<sup>3</sup> The other infrastructure programs are the Canada Strategic Infrastructure Fund (CSIF) and the Municipal Rural Infrastructure Fund (MRIF).

program resulting from this agreement, the Ville de Montréal and the Société de transport de Montréal will be able to table their investment plan on this topic.

## **Main Lines of the Agreement**

### **Commitment of the Municipalities**

For entitlement to program funds, municipalities must make financial contributions equal to that of the Government of Quebec, representing some 22.6% of a project's value. Federal and provincial contributions thus respectively represent the equivalents of 54.8% and 22.6% of a supported project's value.

Municipalities must also show that they are boosting their investments in recognized sectors of activity. Only those expenditures greater than the average net investments of the prior few years will be eligible for a grant.

### **Eligibility for Assistance**

To calculate how much program funding will be available on an annual basis, must submit an action plan to the Ministère des Affaires municipales et des Régions (MAMR) by 2007. This plan must outline their main investment projects over the 2006 to 2010 period and such projects must comply with the following order of priorities:

- Bringing equipment used for drinking water intake and treatment and for wastewater collection up to standards.
- Diagnostic studies on water mains and sewage lines.
- Replacement of water mains and sewage lines.
- The local road system (bridge, road repair and other municipal civil engineering work, city streets and other local roads).

Eligible expenditures must be made after November 28, 2005. Municipalities must also provide lists of their capital works investments pertaining to the construction or repair of municipal drinking water, wastewater or local road infrastructure during 2002, 2003 and 2004, to establish a benchmark above which investment projects will be eligible for assistance.

In the case of infrastructural projects other than those permitting to public transit, MAMR prefers to review and to approve as a group all of a municipality's applications. The MTQ may require analyses of each investment project pertaining to public transit.

Following program approval, assistance will be paid on an annual basis by SOFIL upon the recommendation of the department in question.

MTQ and MAMR are responsible for publicizing directly or through SOFIL the conditions and other administrative procedures that must be observed to obtain assistance. The departments will also advise each municipality and transport organization of the funds they have available.

### **Budgetary Allowance**

Based on the set of information provided in the federal-provincial agreement, government assistance will total \$1,815.6 million over the next five years for Québec as a whole.

As noted on the following table, the federal contribution includes an amount of \$1,151 million for public transit and infrastructure, as well as funding of \$188.9 million, which has been exclusively set aside for mass transit, following amendment of the federal budget.

For its part, the Government of Québec must pay SOFIL the revenue from its special tax on large-cylindered vehicles, as well as the additional amounts necessary to achieve a targeted contribution of \$475.7 million over five years.

In addition to these amounts, the municipality must, of course, invest an amount equivalent to the contribution paid by the Government of Québec.

### **Funding Reserved for Public Transit and Infrastructure**

Pursuant to the Government of Québec order, municipalities of more than 6,500 people can receive a per-capita amount of \$154.94 for all five years. Municipalities with less than 6,500 can receive a basic amount of \$210,203, plus \$122.10 per capita. The total amount set aside for infrastructure is \$311.7 million. The balance of \$503.9 million has been set aside for public transit.

## Government Contributions for the First Five Years of Operation

(in millions of dollars)

Enveloppe	Montant	Utilisation	
		Infrastructures municipales	Transport en commun
Gouvernement du Canada - Taxe sur l'essence	1 151,0		
Gouvernement du Québec	475,7		
<b>Sous-total</b>	1 626,7	1 311,7 80,6%	315,0 19,4%
Montant additionnel réservé au transport en commun (amendement "Layton" du projet de loi C-48)	188,9		188,9 1
<b>Total</b>	1 815,6	1 311,7 72,2%	503,9 27,8%

### Specific Benefits for Montréal

Estimates reveal that the Island of Montréal as a whole should expect financial assistance of some \$290 million over the next five years. This total is based on the population of each municipality. An amount of \$367 million should be available for public transit over the next five years, with \$193 million of this sum being paid over the next two years (the amount granted depends on ridership levels for public transit throughout Québec).

Consideration must also be given as to how these moneys will be shared in view of the new municipal structure and its agglomeration powers and local powers. It is likely, in fact, that the amounts scheduled for 2005 will be provided to the Island of Montréal as a whole and thus distributed among the agglomeration and the related municipalities. Funding that has been earmarked for 2006 should be paid to Montréal and to the reconstituted municipalities based on their respective populations.

In view of the fact that discussions between the city and the Government of Québec are continuing with respect to methods for paying funding for 2006, that revenue has not been included in this budget.

The following chart illustrates how potential funding for public transit and infrastructural work will be distributed within the Montréal agglomeration.

### **Société de financement des infrastructures locales du Québec (SOFIL)**

#### **Global Budget Allowance for the First Five Years**

##### **Montréal**

(in millions of dollars)

#### **Société de financement des infrastructures locales du Québec (SOFIL)**

##### **Enveloppe globale des 5 premières années**

##### **Ville de Montréal**

(en millions de dollars)

	<b>An 1</b>	<b>An 2</b>	<b>An 3</b>	<b>An 4</b>	<b>An 5</b>	<b>Total</b>
Infrastructures <sup>1</sup>	33,0 \$	37,4 \$	45,7 \$	57,4 \$	116,4 \$	289,9 \$
Transport en commun <sup>2</sup>	95,6 \$	97,6 \$	36,2 \$	45,4 \$	92,0 \$	366,8 \$

1. Selon le territoire de la Ville de Montréal en 2005.

2. Répartition selon l'achalandage.

### **City Investment Priorities**

With previously established major investments, Montréal must optimize access to money made available to it under this program by SOFIL. This contribution will serve to boost priority investment levels without thereby increasing taxpayer burden or municipal debt.

In 2006, \$33 million was expected to be received from SOFIL. This amount will be entirely applied to water management.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Fiscal Year Beginning  
January 1, 2005

PRESIDENT

EXECUTIVE DIRECTOR

The Government Finance Officers Association (GFOA), with members representing the United States and Canada, has accorded the Ville de Montréal its 2005 Distinguished Budget Presentation Award.

To earn this annual award, a public administration must produce documents that fulfill all the criteria for materials that combine general policy statements with information on financial activities and planning which also may be used as communications tools.

Moreover, the GFOA jury described the Montréal budget documents as exceptional general policy statements and operations guide.

The Montréal municipal administration feels that these budget documents respect the same criteria and intends to submit them for the 2006 Award.



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