



BUDGET

Operating Budget
At a Glance

2015

Montréal 

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version of Montréal's 2015
Operating Budget At a Glance.

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Message from the Mayor and Chairman of the Executive Committee



Fellow Residents,

Three months after we came to office, in January 2014, we presented Montrealers with a "transitional" budget.

We laid foundations in this budget that guided this year's activities—activities primarily aimed at bolstering Montréal's recovery by cleaning up public finances, restoring City Hall's integrity and engaging in vast administrative reform to make city operations more effective and efficient.

Less than a year later, we are very proud of all we have achieved and prepared to continue along the same path in 2015.

There were many changes in the city during our first year in office. New leadership and a clear direction have succeeded in dissipating years of gloom and given fresh impetus to our metropolis—a metropolis that requires broader powers to serve as the economic powerhouse for all Québec.

With the Québec Government's commitment and co-operation, our Metropolis status will soon be a reality, endowing us with the resources we need to fulfill our potential.

Montréal is undergoing transformation and change is visible everywhere. Montrealers have begun to believe in their city again. For the first time in a long while, they are proud to live in one of the world's most gorgeous cities.

We will work hard in 2015 to make Montréal even more beautiful, intelligent and participatory. We are a modern metropolis that will play its full role as Québec's engine of economic, social and cultural development and its launchpad to the world.

This 2015 Budget no longer marks a transition. It is our administration's first "real" budget, in which we give ourselves the tools we need to bring our dreams to life. It respects the needs of our residents and is governed by rigorous management framework.

Each decision we make will continue to be directed by our responsibilities to taxpayers.

We are accordingly proud to present this \$4,882.6 M budget for 2015. Spending is down \$12.8 M (0.3%) from 2014.

This is the first time since our new city came into being that Montréal has submitted a budget with lower expenses than the prior year—proof of our intention to stop the endless practice of producing ever bigger municipal budgets.

These expenditures rose an annual average 3.7% over the eight years before we took office in 2013.

Our diligent preparation of the budget also exemplifies our desire to cast out the past and decisively adopt management techniques suited to a modern, efficiently run city.

Since we "walk the talk," this year's budget again complied with our commitment not to raise taxes under City Council authority over the inflation rate.

Consequently, the general tax rise is 1.8% for residential and 2% for non-residential properties. The Conference Board forecasts 2% inflation in 2015.

Given our need to lessen municipal spending, we have also trimmed a municipal workforce that became bloated over the past 10 years.

From 2002 to 2013, the number of city workers climbed 20,009 to 22,423 (+12%).

Overall compensation makes up almost half (49.2%) the city's 2015 Budget.

We launched our Five-Year Workforce Plan (PQMO) in the spring of 2014 to get staffing down to optimal levels. Under this plan, we intend to abolish one of every two positions that become vacant over the next five years.

This initiative will ultimately eliminate a net 2,200 jobs.

This year, the PQMO condensed our workforce by 410 person-years, lowering the operating budget some \$33 M. In other words, our five-year plan is already bearing fruit.

Our efforts to clean up city finance will continue in 2015, particularly by shrinking the large share of the total budget allocated to city worker pension plans.

Pension plans will consume 10% of the 2015 City Budget.

There is no longer any justification for the constantly escalating cost of city worker pension plans paid by taxpayers, most of whom have no such benefits.

We will continue negotiating with our union partners to find long-term solutions for decreasing pension plan costs. Québec's Bill 3 provides a framework for such talks by instituting equal (50-50) payment of such costs by the city and its union workers.

In an effort to boost harmonization and performance of our city, we expressed a desire last year to diminish differences between boroughs and guarantee the same services to all residents.

We are pleased to formalize this wish in our 2015 Budget, which implements the Borough Financing Reform announced in July 2014. The Reform completely overhauls borough payments, according to specific criteria.

Thanks to fairer sharing, some long-neglected boroughs will now have funding more in line with their needs and obligations.

The Borough Financing Reform also created standards of uniformity among all boroughs, particularly for snow removal and garbage pick-ups. The central city will also now assume a greater portion of what had been borough obligations, especially with respect to roadwork and paid parking.

Furthermore, the city will transfer more than \$1 B to the boroughs over the next three years under the 2015-2017 3-Year Capital Investment Program (3-YCP).

We cannot stop at merely cutting municipal spending and staffing. We must also keep delivering excellent services to our constituents. This is why we must strive to make Montréal a more efficient and better city.

Our new Service de la performance organisationnelle (SPO), a division tasked with reinforcing the city's organizational performance, launched in 2014 and now running in high gear, will oversee this process. The SPO has begun reviewing municipal procedures in 12 areas, to improve operations and lower costs. The SPO will also produce efficiency comparisons between Montréal and other leading Canadian cities.

Moreover, we will increase efficiency by using modern communication tools. Our new Bureau de la ville intelligente et numérique will set up programs built around new information and communication technologies enabling, us to provide superior services, better tailored to resident needs.

In 2014, we also clearly signalled our intention of "rebuilding" the city, by substantially fast-tracking our investments to repair roads and aging infrastructure.

From this goal emerged the 2015-2024 Montréal Capital Investment Program, enabling us to plan our infrastructure investments and their funding over a decade. To achieve an ideal investment level, we must simultaneously increase our borrowing temporarily and the share of investments paid up front.

We must deploy massive resources to overcome our severe backlog in infrastructure investment, following years of delay. This also means that Montrealers must continue putting up with numerous construction projects for a bit of time. This is the only path to a renewed city.

We are rebuilding our city and its infrastructure. We are stepping up our investment in public transit (total \$486 M) and cultural, recreational and sports activities (total \$505.7 M). We are also enthusiastically laying the groundwork for Montréal's 375th anniversary celebrations in 2017, with over \$300.5 M of planned spending on legacy projects and a \$10 M contribution to the Société des célébrations du 375^e.

At the dawn of 2015, this is Montréal's situation: tight expense management and improved operating procedures generating significant leeway, without raising taxes above the CPI.

This state of affairs also gives much cause for future optimism, as you can see in our key budget items appearing below.

We no longer have to prove that Montréal is a metropolis. Our government and regional partners recognize this fact. Québec as a whole needs a strong, dynamic metropolis. This is precisely the commitment we made as an integrated, effective city administration serving all residents.

Mayor of Montréal



Denis Coderre

Chairman of the Executive Committee



Pierre Desrochers

Highlights

A City that Respects the Taxpayer's Ability to Pay

- \$4,882.6 M budget, down 0.3% from 2014. This reduction results from the success of major spending control efforts.
- 1.8% rise in general taxes on residential and 2% on non-residential properties, staying true to our goal of capping increases at the inflation rate.
- The Five-Year Workforce Plan (PQMO), a rigorous staffing reduction program, yielded net shrinkage of 410 person-years from the 2014 Budget. The PQMO is designed to cut 2,200 person years, primarily through attrition, by 2019.
- The 2015 Operating Budget incorporates financial impacts of over \$68 M due to measures announced in the 2015 Transitional Fiscal Pact. That amount does not include the impact of municipal investment spending estimated at about \$6 M. These measures were primarily absorbed by revising the initially forecast growth in payments of capital investments up front and through savings generated by the PQMO.
- The city will continue negotiating with its union partners to find long-term solutions for reducing pension plan costs. Similarly, solid returns since 2012 have saved over \$53 M in past service costs. With Bill 3, we also expect to save an additional \$49 M in the 2015 Budget.

A more Efficient and Harmonious City

- \$5.6 M for the Bureau de l'inspecteur general, responsible for promoting integrity and preventing fraud in the award and implementation of contracts with the city and all related entities.
- The 2015 Budget marks formal implementation of the Borough Funding Reform, resulting in implementation of the plan announced in July 2014. The selected implementation strategy has boosted transfers to the boroughs by \$3.7 M.
- \$2.8 M for the Service de la performance organisationnelle (SPO), up 28.7% from 2014. The SPO is tasked with examining the fundamentals of municipal management and issues ranging from organizational efficiency to simplification of procedures and activities. It is also in charge of assessing results.
- Establishment of the Bureau de la Ville intelligente et numérique (BVIN) with a \$0.5 M operating budget. The BVIN is in charge of coordinating all open data and civic participation initiatives using new communication tools and development apps for such public services as transportation and the environment.

A City at the Service of its Residents

- The 2015 Budget reflects the administration's decision to increase its debt financing temporarily by almost \$1 B over five years, while also boosting its payments of capital investments, etc., up front, by injecting additional funding of \$40 M in 2015.
- \$155.7 M for snow removal, up \$4.5 M from 2014.
- \$13 M for the Success@Montréal (PR@M-Industry) program to stimulate our city's economic development, \$2 M more than the 2014 Budget.
- \$376.9 M for water management, a \$3.6 M rise.
- \$136.4 M for municipal roadwork, including \$4.2 M for the Operation Pothole/Crack Repair operating budget.
- A \$10 M contribution (up \$9 M from 2014) to the Société des célébrations du 375^e anniversaire de Montréal.
- \$360.5 M for the fire department (SSIM), a \$4.3 M increase from 2014.
- \$686.6 M for the police department (SPVM).
- \$409.1 M (up \$25 M from 2014) for the city's regular contribution to the STM (Société de transport de Montréal).
- A \$63.6 M contribution to the AMT (Agence métropolitaine de transport), a \$8.5 M increase to cover our share of costs for launching the Eastern Commuter Line.
- \$505.7 M for cultural and recreational activities, including :
 - \$72.6 M for Espace pour la vie (Biodôme, Botanical Garden, Insectarium and new Planetarium Rio Tinto Alcan);
 - \$13.4 M for Conseil des arts de Montréal, an almost \$0.5 M hike over 2014;
 - \$5.5 M for Pointe-à-Callière, the Montréal Museum of Archaeology and History, up a bit more than \$0.1 M from 2014.
 - \$6.4 M for the Urban Forest (tree planting and Emerald Ash Borer management), \$5.1 M over the 2014 Budget, plus \$7 M in funding under the 3-Year Capital Investment Program.
- \$163.4 M for waste management.

Montréal: A City that Respects the Taxpayer's Ability to Pay

A social contract exists between the city administration and residents. Residents agree to contribute socially and financially to their community. The administration then applies its management tools to ensure delivery of quality services to which constituents are entitled. This contract, which forms the basis of good citizenship and democracy, was compromised in the past few years. Montrealers felt they were paying constantly more for less. Action—swift action—was needed.

In addition to our efforts to stamp out illegal collusion by creating an Inspector General's position, we have always carefully public moneys managed and respected the taxpayer's ability to pay. It's one thing to pay lip service to this ideal and another to have the courage and vision to apply it.

Putting the citizen at the heart of our efforts and concerns was one of our team's top pledges in the last election. And this is precisely what we have done over the past year—and will keep on doing. Our first step in meeting this commitment is by capping spending. Our transitional 2014 Budget has a slight (0.3%) increase in expenditures. For 2015—our first "real" budget since we took office a year ago—we are proud to say there is no rise at all. In fact, city spending dropped 0.3% from the 2014 Budget. Reining in last year's expenses proved a major feat. Not just curbing spending—but reducing it 0.3%—was a historic triumph. This is the first time a budget has shrunk since the new city's debut in 2002.

It took almost superhuman effort to bring spending this low and deal with considerable budgetary constraints. Such constraints include long-term debt payments of \$809.6 M—16.6% of the 2015 Budget. Plus, while overall compensation is down from 2014, it still makes up a substantial 49.2% of the budget.

The 2015 Budget stands at \$4,882.6 M, down \$12.8 M from 2014. We have, accordingly, respected our commitment to cap City Council tax increases at 2%.

This will result in a 1.8% rise in taxes on residential and 2% on non-residential properties. We shall keep our commitment to limit general tax hikes to the inflation rate for the next few years.

These record results are attributable to our far-reaching spending control efforts. On top of these efforts, we must consider the impact of the Transitional Fiscal Pact announced in November by the Québec Government. The impact of these changes is estimated at some \$75 M in revenue losses and increased spending in the city's operating and investment budgets. We have decided to assume our local government role and participate in this collective endeavour. However, our administration refused to drop our commitment to capping tax increases at a maximum 2%. We absorbed the financial impact of this decision on our operating budget by revising projected growth in the payment of capital investments up front and through savings achieved under the Five Year Workforce Plan (PQMO).

The PQMO has made big contributions to controlling our expenses by reducing the wage bill, which makes up almost half the city's budget. Naturally, we wanted to play an active role in decisions affecting all municipal workers, whether in central city departments or the boroughs. Overall compensation in the 2015 Budget totals \$2,405.5 M or 49.2% of the total municipal operating expenses budget. We are proud to announce it is \$98.1 M lower (3.9%) than the 2014 Budget, despite a \$57.6 M increase for salary indexing and salary scale advancement. Our plan targets some \$240 M in savings by trimming 2,200 employees (10% of 2013 figures) from the workforce. Our goals for 2015 have been achieved, with a net drop of 410 person-years. If all goes as planned, city workers in 2019 will number about the same as at the time of the 2002 merger.

In addition to the PQMO's impact on city finances, our administration has sought additional efforts to optimize business units, particularly by adjusting their

budget bases only for growth in operating expenses other than compensation.

Recovery of financial markets since the 2008 crisis should entail savings that will cause lower pension plan costs over the next few years. Good investment returns have cut the aggregate cost of past services some \$53 M. The Québec Government's adoption of Bill 3 will also close gaps, with forecast savings in \$49 M for day-to-day services and from the non-indexing of assets.

Longer life expectancies and record low interest rates have placed great pressure on funding for municipal organizations and taxes paid by residents. The actuarial deficit of the city's pension plans concerns all taxpayers. As a tax collection organization, we are responsible for maintaining these plans in a manner suitable to their beneficiaries and to the taxpayers who finance them. The city intends to pursue negotiations with its union partners to find lasting solutions.

Everyone agrees this is a delicate and sensitive issue. But we must not neglect it because of possible heated reactions. Maintaining the status quo is not an option. Pension plan accounting charges have become a major financial and budgetary challenge for Montréal, as with many other large cities. We have witnessed an explosion in pension plan charges since 2002. The stakes are high and require solutions within the taxpayer's ability to pay. We can no longer hide our heads in the sand. A large share of the budget will be consumed by pension plans this year again. Despite a 17.1% decline from 2014, pension plans will cost \$495 M in 2015. Ten percent of our budget goes to this heading alone. Without a shadow of a doubt, we are all convinced this is far, far too much.

The 2015 Budget illustrates our desire to rebuild our social contract with residents. We have recognized the situation and are taking action to restore the confidence of our constituents and make them proud of their city again. The new initiatives we are launching will help make Montréal the prosperous and upstanding metropolis it should be.

Montréal: A More Efficient and Harmonious City

We have heard our constituents, proposed a series of measures and supported different initiatives so that we can will ultimately stay within their ability to pay. Better spending control also requires a careful review of our internal procedures. The time has come to take a clear look at how Montréal's city administration works. A complete overhaul of our services is essential. The question is, how we can be more efficient as an organization serving its constituents? How can we provide residents with better services while limiting or even decreasing spending?

To deal with these concerns, the administration set up the Service de la performance organisationnelle with a \$2.8 M budget in 2015, 78% of which (\$2.1 M) is drawn on budgetary appropriations repatriated from other municipal units. The SPO is tasked with examining the fundamentals of municipal management and issues ranging from organizational efficiency to simplification of procedures and activities, as well as assessing results. Its goal is to make Montréal one of Canada's top-performing cities.

We have named 12 optimization projects to make this transformation effort a reality. We will provide an annual progress report on each project. We will also publish project KPIs and data on their spinoffs as part of our strategy for making Montréal a Smart City and keeping residents aware of our organizational performance.

The Organizational Performance Optimization Projects are:

- 1) Harmonization and simplification of bid specifications;
- 2) Increased number and quality of capital projects produced;
- 3) Optimization of revenue and payment management;
- 4) Simplification of decision-making;
- 5) Implementation of activity-based management;
- 6) Reduction of occupational diseases and accidents at work;
- 7) Enhanced productivity of the Service du matériel roulant et des ateliers [Rolling Stock and Shops];
- 8) Improved property acquisition and maintenance procedures;
- 9) Increased efficiency of waste-related activities;
- 10) Streamlining of inventories;
- 11) Optimization of snow-removal activities;
- 12) Optimization of public works.

We also recently joined Ontario Municipal Benchmarking Initiatives (OMBI), a network of municipal experts that will enable us to compare Montréal with 14 other Canadian cities to measure the efficiency of our activities.

We have taken action to make Montréal a better city by streamlining central city departments with the creation of assistant director general positions, grouping missions and creating a new Service du développement économique.

We also created the Bureau de l'inspecteur général (BIG), with such responsibilities as preventing fraud in contract award and implementation. The Charter of Montréal established this function. A total 27 person-years are assigned to BIG activities. We have increased BIG's budget 11% to \$5.6 M in 2015. This funding will be used to consolidate the activities of BIG, headed by attorney Denis Gallant, a key figure in the Charbonneau Commission. BIG is one gauge of our commitment to foster integrity and good ethics. Consistency in municipal activities is another of our priorities, particularly in terms of the central city

departments and the boroughs. Residents rightfully expect us to be working for their common good, so we have created the Table des maires [Mayoral Roundtable], for the Mayor of Montréal and the borough mayors.

During the year, we also announced one of the most fundamental achievements in the new city's history: the Borough Financing Reform. Arising out of a long deliberative process, this reform has been awaited since 2002, with funding continuing to be allocated according to the same inequitable formula, based on historic borough budgets and no other factors to ensure a better balance among all boroughs. We set up a committee of elected officials to resolve this issue. Based on previous studies and guided by a Steering Board, we prepared a new financial model no longer relying on historic criteria, but on objective criteria.

The boroughs will preserve their core missions. Changes in jurisdiction primarily apply to the creation of harmonization standards, particularly in snow removal and garage pick-ups. We are seeking economies of scale and better operational performance over the long term, to achieve our ultimate goal of delivering quality services to residents within their ability to pay.

We have decided to roll out this Funding Reform gradually. It will result in an annual increase in central transfers to the boroughs of \$3.7 M (\$18.6 M over 5 years). We want Montréal to be united and equal. We sometimes forget: We are Montrealers first.

New technologies play a key role in making a city more efficient and harmonious. Our metropolis is firmly committed to becoming a smarter and more modern city. We plan to make it a world leader in this field by 2017, the year of our 375th anniversary. The Intelligent Community Forum (ICF) has already named Montréal as one of the "21 Intelligent Communities of the Year." We're off to a good start, but we intend to go further.

This is why we promptly set up the Bureau de la Ville intelligente et numérique (BVIN), with a \$0.5 M operating budget. BVIN's role is to develop the 2014-2017 Montréal, Smart and Digital City Strategy and issue an action plan by January 2015, while coordinating all open data initiatives by using new com-

munication tools and developing apps for such public services as transportation and snow removal. BVIN's activities will be the fruit of an ongoing dialogue presently underway with Montrealers.

We must apply information technologies to improve our practices and the services we provide constituents. This year's establishment of the Centre de gestion de la mobilité urbaine (CGMU) is an excellent example of a technological resource at the service of citizens. The city has also allocated 12 person-years to create a smart parking/CGMU team at the Service des infrastructures, voirie et transports. A total \$70.7 M will be applied in 2015 to information technologies. There will be the creation of a centre of radiocommunication expertise to support the SÉRAM network, a system serving public safety workers.

It sometime takes a dose of humility to recognize that some things in an organization don't work as well as others if we want to move forward. Our administration has put in place the processes needed for delivering better service to constituents. We are confident this imperative exercise will yield positive results in coming years and make Montréal a more efficient, harmonious and successful city.

Montréal: A City at the Service of its Residents

Guaranteeing Montrealers' quality of life is more than a campaign slogan—it's a priority of our administration. This principle guides all our decisions in making Montréal the stimulating metropolis it should be. To meet this goal, we must deliver top-quality services.

Transport of people and goods is the cornerstone of Montréal's social and economic development. Our administration has made public transit one of its key priorities this year in the 2015 Budget. We recognize the importance of this heading and our contribution to public transit stands at \$486 M—10% of the total budget—up \$30 M from 2014. The portion of the budget allocated to the Société de transport de Montréal (STM) totals \$409.1 M or \$25 M more than the prior year. We are contributing \$63.6 M to the Agence métropolitaine de transport (AMT)—\$8.5 M more than 2014—to cover costs of rolling out the Eastern Commuter Line. Contributions to transit agencies constitute 83.5% of all contributions paid to different city-supported organizations.

We have set aside the large sum of \$374.4 M in the 2015 Budget for road network management. This is \$10.4 M up (+2.8%) from 2014. Of this amount, \$155.7 M will be applied to snow removal. We have also raised roadwork budgets by \$4 M to a total \$136.4 M, including \$4.2 M for pothole and crack repairs. Funding of \$45 M has been earmarked for traffic control and parking.

Needs for our aging infrastructure have spiked. This is why we have planned a decade of investment under our Montréal Capital Investment Program. We intend to protect and develop our property assets for the long term, despite limited resources.

The city's various departments have worked together with these concerns in mind. After carefully reviewing our needs, we accurately established the necessary investments. They stand at \$2.1 B per year. Underinvesting in infrastructure repair or maintenance could generate future additional outlays. Prevention is always the best cure. Our 2015–2017 Three-Year Capital Works Program provides for \$4,562 M in total investments. This is up 20% (+\$778 M) from the previous plan. We must find ways of funding this 3-YCP in compliance

with the city's debt policy, while of course providing the human resources needed to carry out these ambitious projects.

The 2015 Budget has also set aside \$40 M to increase payments of capital investments up front, in line with 3-YCP policies.

Montréal is Québec's economic powerhouse and backbone. Our goal, on coming into office, was to get the city back on track. This economic and administrative reboot is now well underway. We are at work creating wealth that will generate benefits for the entire community. We established a Service de développement économique [Economic Development Department] and allocated over \$40 M to its 2015 operating budget. Funding of \$13 M (up \$2 M from last year) has been earmarked to the Success@Montréal program for stimulating various economic hubs within the city.

We are ramping up our already significant presence on the international scene. We must be more competitive abroad to attract large-scale projects, job-creating business and fresh capital. Within 2 years—by our 375th anniversary—we want Montréal to show the world not only its economic vitality but that it is once again the brilliant and prosperous metropolis it should be. We want to restore the pride of all Montrealers.

Our city's 375th birthday is on the way and we are responsible for hosting the kinds of celebrations our residents deserve and expect. We owe this to the Montrealers of today and yesterday who helped build this metropolis. Our legacy projects, for which we have set aside investments of over \$300.5 M in the Three-Year Capital Works Program, will also serve as gifts to future generations. A \$10 M contribution will be made to the Société des célébrations du 375^e 2015 Budget to help it organize these festivities. And there will be many reasons to celebrate in 2017. In addition to the city's 375th, there will be Expo 67's 50th and the Canadian Confederation's 150th anniversaries. We hope Montréal will be the central platform for all these events.

The overall water management budget stands at some \$376.9 M, up \$3.6 M. We are also allocating \$61.8 M for wastewater treatment, 1.2% more than the previous year. A sum of \$56.7 M will be applied to drinking water supply and treatment, while \$82.3 M will be allocated to the water supply system. We are staying on course in the maintenance, repair and optimization of our secondary sewage systems, with a budget of more than \$50.3 M. We will accordingly pursue the Montréal Water Strategy to improve our infrastructure.

We have set aside some \$163.4 M for waste management (household waste and recyclables).

We are paying special attention to environmental matters. We have consequently earmarked \$12.7 M (+2.6 % from 2014) to the control of air, water and sound pollution and for the treatment of contaminated soil. We have allocated \$6.4 M (+\$5.1 M from 2014) for our Urban Forest, under the sustainable development heading. In addition to tree planting, we will also step up efforts to control the Emerald Ash Borer. Another \$7 M will be provided under the Three-Year Capital Investment Program.

Like other great cities, Montréal is not immune to social problems, which pose major challenges with multiple ramifications and require solutions coordinated among the different levels of government. Nonetheless, we are prepared to play a key role in controlling these issues. We have launched the 2014-2017 Montréal Action Plan on Homelessness. This plan will help improve living conditions for the homeless and their re-entry to mainstream society. This year we are allocating \$2.4 M to fight homelessness.

Our housing budget is essentially the same, despite the Québec Government's failure to help fund Programme Rénovation Québec (PRQ) for 2014 to 2015. We shall keep up our requests with this government to resume PRQ funding in its 2015-2016 Budget.

Our administration, for its part, will maintain its investment in Keeping Families in Montréal through our Home Ownership Program, our participation in the AccèsLogis Program for social and community housing and SHDM's Accès-Condo Program.

The cultural vitality of "The City of 100 Bell Towers" is evident. To sustain our momentum in this area, we have set aside \$505.7 M for the metropolis's cultural and recreational activities. Investments will include \$72.6 M in the Espace pour la vie, an important Montréal recreational and tourist destination comprising the Biodôme, the Botanical Garden, the Insectarium

and the new Planetarium Rio Tinto Alcan. We have also allocated \$13.4 M for the Conseil des arts de Montréal and \$5.5 M for Pointe-à-Callière, the Montréal Museum of Archaeology and History. The recreational activity budget covers sports and recreational services, along with the maintenance of parks and green spaces. It is up \$14.7 M from 2014 to \$302.9 M. This hike also includes the additional \$5.1 M budget for the Urban Forest, \$6.7 M growth in payroll and funding of operating expenses for such recreational facilities as the Saint-Laurent Sports Complex and preservation of the "L'homme qui plantait des arbres" mosaiculture by the on-ramp to the Jacques-Cartier Bridge in Ville-Marie. There is also a \$1.4 M operating budget for the new Stade de soccer de Montréal [Montréal Soccer Stadium].

The road to our 375th anniversary is an opportunity to optimize services to the public, renew our town and position Montréal as a smart city and home of high-benefit economic projects not just for future, but well beyond our 400th anniversary.

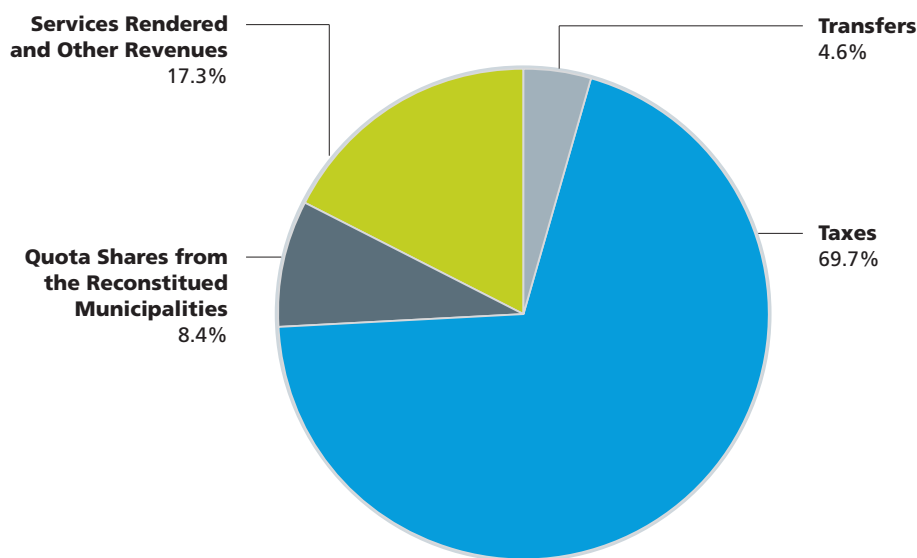
How Are City Revenues Generated?

Montréal's 2015 revenues will come primarily from property taxes totalling \$3.4 B and representing 69.7% of the city administration's total funding.

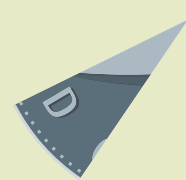
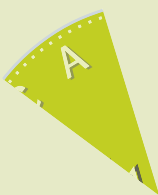
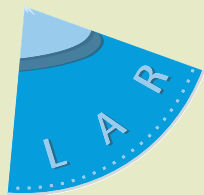
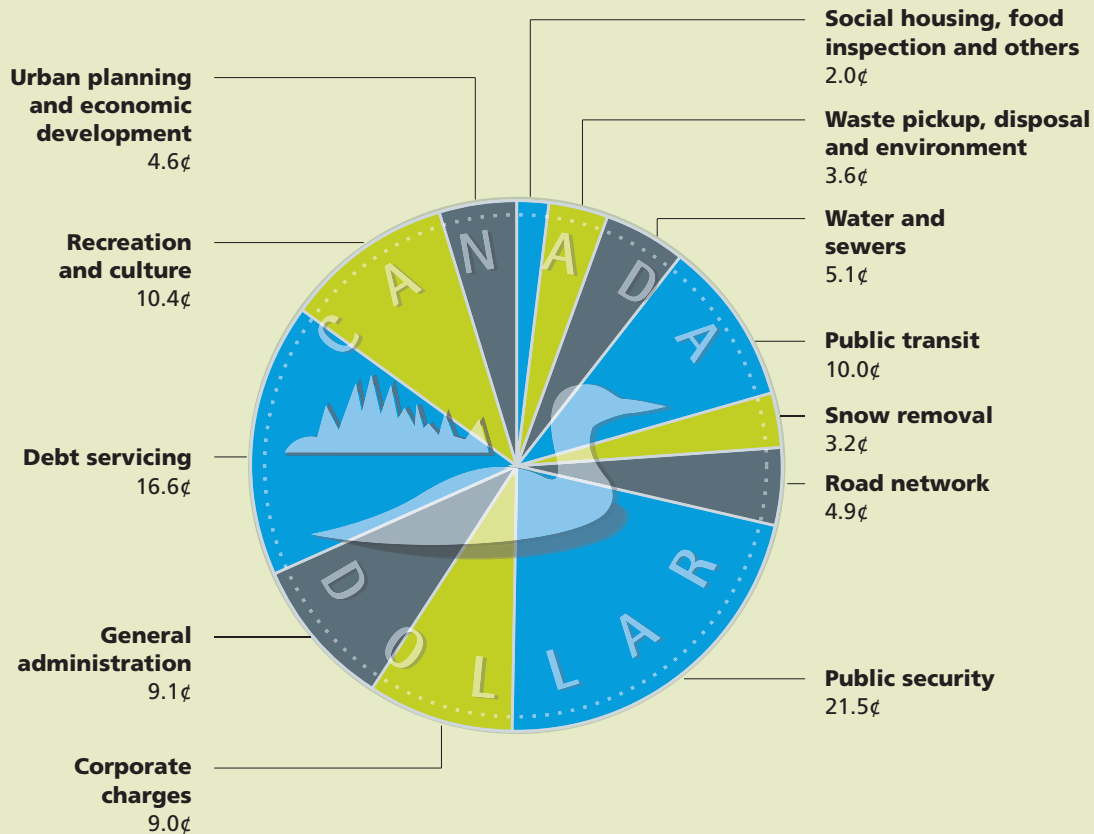
Fee-for-service and other revenues are projected to stand at \$841 M and represent 17.3% of the total. Transfer revenues—grants from the higher levels of government and various agencies—amount to an expected \$223 M (4.6% of total).

Under An Act to amend various legislative provisions concerning Montréal (RSQ 2008, c. 19), "urban agglomeration expenditures will be financed by aliquot shares required from the related municipalities." The aliquot (or quota) shares required from the related municipalities stand at \$406 M (8.4% of Montréal's revenues).

All these revenues have been earmarked for funding expenses associated with local city and agglomeration areas of responsibility. Montréal, as the central city, is responsible for administering the agglomeration's financial responsibilities on behalf of all related municipalities.



Your Taxes Are Important



Public security	21.5 ¢
Police	13.7 ¢
First safety	7.4 ¢
Civil security and others	0.4 ¢

Recreation and culture	10.4 ¢
Swimming pools, parks and playing fields	3.9 ¢
Community centres	1.6 ¢
Libraries	1.8 ¢
Heritage, museums and exhibition centres	1.4 ¢
Skating rinks	0.7 ¢
Others	1.0 ¢

Corporate charges	9.0 ¢
Pension plans	5.1 ¢
Contingencies, pay equity and others	3.9 ¢

General administration	9.1 ¢
City council	1.1 ¢
Law enforcement	1.2 ¢
Financial management	4.9 ¢
City clerk and property assessment	0.7 ¢
Human resource management	1.2 ¢

2015 Tax Highlights

Overall Tax Increase

The administration is raising taxes 2.0% for residential and non-residential properties. This decision will result in a global 1.8% change in tax rates for residential and 2.0% for non-residential properties.

Borough Taxation

The boroughs are responsible for indexing their service taxes to ensure overall budget indexing since the 2013 transfer of additional tax room to them.

Borough councils increased their service tax revenues a global 5.3% for 2015. These decisions, made by each council, will boost total residential property taxes 0.4% and non-residential property taxes 0.1%.

Changes in Overall Taxation

The following chart presents changes in overall taxation for Montreal taxpayers by borough, including the impact of changes in borough taxes.

Each taxpayer's tax bill could drop or climb to different extents depending on changes in the value of their property compared that those of other properties in Montréal.

Change in total tax charges between 2014 and 2015, by borough

Boroughs	Residential properties			Non-residential properties		
	General tax charges ¹	Borough service taxes	Overall tax charges	General tax charges ¹	Borough service taxes	Overall tax charges
Ahuntsic-Cartierville	1,8%	0,1%	1,9%	1,2%	—	1,2%
Anjou	0,8%	0,5%	1,3%	1,2%	0,1%	1,3%
Côte-des-Neiges—Notre-Dame-de-Grâce	2,3%	0,4%	2,7%	2,0%	0,1%	2,1%
Lachine	1,8%	0,1%	1,9%	-0,6%	0,1%	-0,5%
LaSalle	2,2%	0,7%	2,9%	1,3%	0,2%	1,5%
L'Île-Bizard—Sainte-Geneviève	0,6%	0,3%	0,9%	-0,8%	0,1%	-0,7%
Mercier—Hochelaga-Maisonneuve	1,5%	0,1%	1,6%	0,8%	—	0,8%
Montréal-Nord	0,2%	0,3%	0,5%	0,6%	0,1%	0,7%
Outremont	2,7%	0,1%	2,8%	2,4%	—	2,4%
Pierrefonds-Roxboro	0,9%	0,2%	1,1%	1,9%	—	1,9%
Plateau-Mont-Royal	3,4%	1,1%	4,5%	4,0%	0,2%	4,2%
Rivière-des-Prairies—Pointe-aux-Trembles	0,4%	0,2%	0,6%	0,2%	—	0,2%
Rosemont—La Petite-Patrie	2,6%	0,4%	3,0%	3,0%	0,1%	3,1%
Saint-Laurent	2,3%	0,6%	2,9%	0,0%	0,2%	0,2%
Saint-Léonard	0,7%	0,2%	0,9%	1,2%	—	1,2%
Sud-Ouest	2,4%	1,6%	4,0%	1,6%	0,3%	1,9%
Verdun	1,6%	0,2%	1,8%	2,7%	—	2,7%
Ville-Marie	1,8%	0,1%	1,9%	3,0%	—	3,0%
Villeray—Saint-Michel—Parc-Extension	2,3%	0,1%	2,4%	2,4%	—	2,4%
VILLE DE MONTRÉAL	1,8%			2,0%		

— Minimal data

¹ "General tax charges" include general property taxes, the water and road taxes, fiscal user fees and borough investment taxes. They exclude changes relating to borough service taxes.

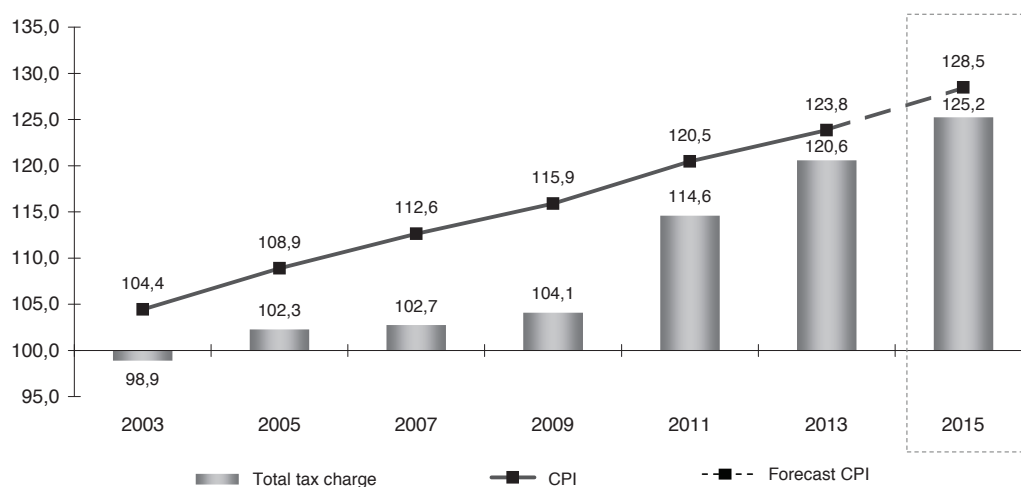
Source: Compilation updated September 11, 2014 and based on 2014 and 2015 tax parameters.

Total Tax Change Since 2001

The following graphs present changes in total taxes paid by Montréal taxpayers since 2001, by property category.

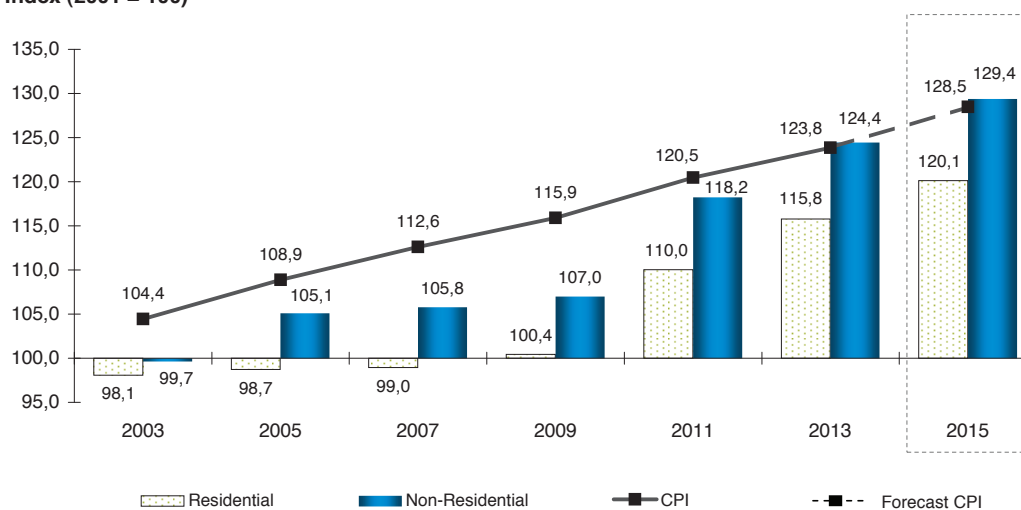
Evolution of total tax charge¹ and consumer price indexes², between 2001 and 2015

Index (2001 = 100)



Evolution of total tax charge¹ and consumer price indexes², by property category, between 2001 and 2015

Index (2001 = 100)



¹ The total tax charge index measures the changes in the general property tax, fiscal user fees, borough service taxes and water and road taxes.

² Source: Institut de la statistique du Québec and Statistics Canada.

Legend:

- The 19 boroughs of Montréal
- The 15 other related municipalities

Population Data (2014):

Municipality	Population
19 Boroughs of Montréal (Green)	
Rivière-des-Prairies-Pointe-aux-Trembles	108 751
Montréal-Est	3 765
Anjou	43 434
Montréal-Nord	86 185
Saint-Léonard	78 858
Mercier-Hochelaga-Maisonneuve	134 851
Villeray-Saint-Michel-Parc-Extension	145 355
Rosemont-La Petite-Patrie	137 945
Le Plateau-Mont-Royal	102 498
Outremont	24 251
Côte-des-Neiges-Notre-Dame-de-Grâce	168 186
Westmount	20 111
Ville-Marie	86 105
Le Sud-Ouest	75 688
Verdun	67 828
LaSalle	76 707
Lachine	43 228
Montréal-Ouest	5 166
Côte-Saint-Luc	32 914
Hampstead	7 283
Mont-Royal	20 073
Ahuntsic-Cartierville	131 468
Saint-Laurent	99 334
Donat	18 849
L'Île-à-Bizard-Sainte-Geneviève	18 587
Pierrefonds-Roxboro	70 803
Dollard-des-Ormeaux	50 114
Pointe-Claire	31 128
Kirkland	21 154
Beaconsfield	19 547
Sainte-Anne-de-Bellevue	5 012
Baie-D'Urfe	3 878
Senneville	937
15 Other Related Municipalities (Yellow)	
L'Île-à-Dorval	6

Total Population of the Island of Montréal: 1,937,999

Montréal total population: 1,698,062

Map Labels: Rivière des Prairies, Rivière des Îles, Lac des Deux Montagnes, Lac Saint-Louis, Canal de Lachine, Canal de l'Aqueduc, Fleuve Saint-Laurent, Longueuil, Laval.

Scale: 0 to 6 km

Source: DIMENSION DPA inc., 2014

The 15 other related municipalities

Montréal total population: 1,698,062

Total population of the Island of Montréal: 1,937,999

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