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2018 FINANCIAL STATEMENTS

TABLED IN JUNE 2019

MAYOR'S MESSAGE

Dear fellow citizens,

I am very pleased to present the key points of the 2018 financial statements of the borough of Côte-des-Neiges–Notre-Dame-de-Grâce. This document is an important exercise in transparency; it displays the budget information for the previous year and conveys a precise image of the way public money is managed.

In 2018, our vision for the borough was fulfilled in many tangible ways. We made significant investments to improve and enlarge several parks and green spaces. Our concern for the wellbeing of our residents was asserted in particular through the fund for carrying out work in substandard housing and the support for the Roundtable for Poverty Reduction. As the environment is central to our concerns, we launched an ambitious subsidy program for sustainable hygiene products. Finally, in recognition of the commitment of our community organizations in their work with the most vulnerable residents, we increased the grants they receive from the borough.

Our team works hard to ensure the people of Côte-des-Neiges–Notre-Dame-de-Grâce benefit from quality services and an environment in which they can thrive. I am proud to present the result of our administration's effective fiscal management.



A handwritten signature in white ink that reads "Sue Montgomery". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sue Montgomery
Mayor of the borough

LATEST 2018 FINANCIAL RESULTS

OPERATING ACTIVITIES AND HIGHLIGHTS

The borough ended the 2018 fiscal year with a management surplus of \$4,258,500, mainly thanks to revenue from construction and alteration permits and from the borough's performance in the area of occupational health and safety.

| | |
|---------------------------------|---------------------|
| BUDGETED EXPENDITURE \ | \$64,670,300 |
| BUDGETED LOCAL REVENUE \ | \$3,122,100 |
| NET MANAGEMENT SURPLUS \ | \$4,258,500 |

| (\$ 000s) | Actual | | | Original budget 2018 | Variance 2018 | Amended budget 2018 |
|--|-----------------|-----------------|-----------------|----------------------|----------------|---------------------|
| | 2016 | 2017 | 2018 | | | |
| REVENUE | | | | | | |
| Taxes | 8,731.7 | 8,866.5 | 8,871.4 | 9,056.7 | (185.3) | 9,056.7 |
| Central transfers | 49,225.0 | 51,399.1 | 52,617.2 | 52,176.7 | 440.5 | 52,741.8 |
| Services rendered and other revenue | 4,059.0 | 3,985.5 | 3,918.9 | 3,036.9 | 882.0 | 3130.8 |
| Transfers | 6.1 | 15.1 | 12.6 | | 12.6 | |
| Total \ Revenue | 62,021.8 | 64,226.2 | 65,420.1 | 64,270.3 | 1,149.8 | 64,929.3 |
| OPERATING EXPENDITURE | | | | | | |
| General administration | 7,822.6 | 7,929.5 | 7,569.3 | 8,602.1 | 1,032.8 | 7,905.2 |
| Public security | 563.3 | 605.7 | 619.6 | 622.2 | 2.6 | 624.1 |
| Transportation | 11,028.9 | 13,230.1 | 12,606.1 | 13,521.3 | 915.2 | 13,564.5 |
| Environmental health | 10,317.1 | 9,951.0 | 10,683.7 | 9,935.3 | (748.4) | 10,476.8 |
| Health and well-being | 1,411.3 | 1,357.0 | 1,483.2 | 1,367.1 | (116.1) | 1,531.9 |
| Land use, urban planning and development | 3,946.9 | 4,172.3 | 4,203.7 | 4,286.7 | 83.0 | 4,417.6 |
| Recreation and culture | 25,026.5 | 27,168.2 | 28,357.1 | 26,335.6 | (2,021.5) | 26,907.7 |
| Financing charges | - | - | - | - | - | - |
| Total \ Operating expenditure | 60,116.6 | 64,413.8 | 65,522.7 | 64,670.3 | (852.4) | 65,427.8 |
| Financing | - | - | - | - | - | - |
| Allocations | 1,145.8 | 2,232.6 | 623.2 | 400.0 | 223.2 | 498.5 |
| Management surplus (deficit) based on original budget | 3,051.0 | 2,085.0 | 520.6 | - | 520.6 | - |
| Adjustments | 2,033.6 | 932.1 | 3738.0 | 3738.0 | | |
| Management surplus (deficit) | 5,084.6 | 3,017.1 | 4,258.5 | - | 4,258.5 | - |

HIGHLIGHTS



REVENUE

The highlights of the borough's 2018 revenue are as follows:

Taxes

- Adjustment of (\$0.2 M) related to a change in the tax classification of the Shriners Hospital for Children

Central transfers

- Additional contribution of \$0.5 M from the Direction des réseaux d'eau to maintain the level of service in the borough

Services rendered and other services

- Additional revenue of **\$0.3 M** for work done by the borough and billed to residents, e.g. driveway creation and tree felling.
- Additional revenue of **\$0.2 M** attributable mainly to permits for the temporary occupancy of public property
- Additional revenue of **\$0.4 M** in fines and penalties for towing, in particular during snow-removal operations, and for the issue of permits
- Surplus revenue of **\$2.1 M** from construction and alteration permits



EXPENDITURE

Starting with the 2018 budget, the borough funded a number of projects in addition to its current expenditure on services, including:

- Creating an **emergency fund** for carrying out work in substandard housing
- Renewing the lease for the borough offices** at 5160 boulevard Décarie and work to upgrade the Darlington yard
- Service contract for a roundtable on **reducing poverty**
- Funding a local program providing grants for the purchase of **sustainable sanitary products**
- Funding a project to green the Darlington **ecological corridor** linking Mount Royal and the railway
- Funding four **bicycle patroller** positions
- Creating the borough's second **Fab Lab (factory laboratory)**, at the Intercultural Library, funded by the Policy on Children corporate program
- Improving digital services** in all borough libraries by adding publicly accessible Internet stations and audiovisual equipment (televisions, video games, sound systems)
- Conducting 1,400 full **fire hydrant inspections**
- Cleaning** 1,369 valve boxes
- Cleaning** 3,035 sumps and replacing 60 sumps

RESERVE FUNDS

DEFERRED REVENUE – PARKS AND PLAYGROUNDS (FORMERLY THE PARKS FUND)

This was a good year in terms of revenue related to the Parks Fund. All in all, there were 12 transactions amounting to a total of \$2.06 M. The borough reinvested nearly \$1.0 M, mainly in 3 parks: creating an artificial turf soccer field in Parc Loyola (\$0.22 M), expanding the Parc de la Savane chalet (\$0.65 M) and finalizing the Parc Notre-Dame-de-Grâce chalet (\$0.08 M). The reserve fund grew by nearly \$0.6 M in 2018.

PARKING FUND

At the start of 2018, the Parking Fund totalled \$0.22 M, and \$0.3 M was added over the course of the year. The amount of \$0.15 M was used for upgrading the Darlington service yard. At the beginning of 2019, this Fund stood at \$0.13 M.

CAPITAL WORKS ACTIVITIES FOR TAX PURPOSES

The latest three-year capital expenditure program called for a total budget of \$20,490,000, allocated as follows:

| | |
|--------|-------------|
| 2018 \ | \$6,830,000 |
| 2019 \ | \$6,830,000 |
| 2020 \ | \$6,830,000 |

In 2018, the Côte-des-Neiges–Notre-Dame-de-Grâce borough invested \$14 M in the following projects, from its capital works budget and its management surpluses:

DEVELOPMENT OF PARKS AND REAL-ESTATE ASSETS

| | |
|---|--|
| <p>Parc de la Confédération Reconfiguring the playground to meet universal accessibility standards: \$0.2 M</p> | <p>Dog run Creating a new dog run in Place de Darlington: \$0.2 M</p> |
| <p>Parc de la Savane Beginning work to expand the park chalet: \$0.3 M</p> | <p>Côte-des-Neiges Community Centre Repairing masonry: \$0.3 M</p> |
| <p>Parc Loyola Creating a new artificial turf soccer field: \$2.4 M</p> | <p>Notre-Dame-de-Grâce Cultural Centre and Benny Library Finalizing contingency and incidental work: \$0.3 M</p> |
| <p>Parc Macdonald Converting the wading pool to a splash pad: \$0.5 M</p> | <p>Darlington service yard Upgrading: \$1.4 M</p> |
| <p>Parc Notre-Dame-de-Grâce Developing Place de Vimy: \$0.6 M, and renovating the chalet: \$0.8 M</p> | <p>Various Municipal buildings Other work, including on the Côte-des-Neiges Sports Centre: \$0.8 M</p> |

HOUSING, URBAN DEVELOPMENT AND BUSINESS SERVICES

Funding a greening project for the Darlington ecological corridor linking Mount Royal and the railway: **\$0.03 M**

Renewing the lease for the borough offices at 5160 boulevard Décarie: **\$1.6 M**

UPGRADING INFRASTRUCTURE

In 2018, the borough carried out nearly \$30.2 M of infrastructure work. As part of its road repair program (PRR), nearly 13 km of streets were paved, traffic calming measures including 89 speed bumps and 10 sidewalk extensions were installed, and 14.46 km of sidewalks were rebuilt. In addition, 1,556 lead water service connections were replaced, as well as other maintenance activities on water systems.

Lastly, maintenance operations for the borough's trees involved felling 467 ashes as part of the 2014 metropolitan strategy to combat emerald ash borer infestations, and 339 dying or dangerous trees, removing 675 tree stumps, including ashes and other species, and planting 889 new trees.

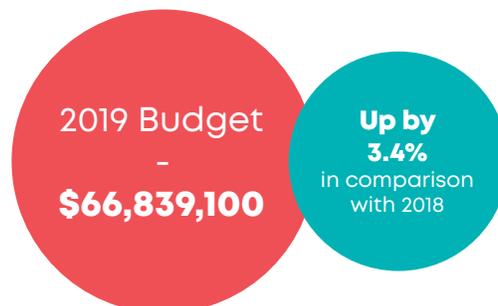
PRELIMINARY INFORMATION FOR 2019

OPERATING BUDGET

The 2019 borough budget calls for expenditure of \$66,839,100, up by \$2,019,000 or 3.4% in comparison with 2018. This increase reflects improvements to services for residents, in particular efforts to remedy substandard housing, improve cleanliness in public spaces, maintain the urban forest and increase grants to community organizations.

Compensation and employer contributions account for \$0.6 M of this increase. The budget also aims to promote active transportation by introducing various projects and preparing a local transportation plan. In addition, the optimization of the borough's administrative building is planned for 2019, as part of the renewal of its lease.

Lastly, 2019 revenue is estimated at \$3,431,900, up by 10%, largely because of changes to the rates for residents-only parking stickers based on vehicle categories.



THREE-YEAR CAPITAL WORKS PROGRAM (2019-2021 TCWP)

In 2019, the Côte-des-Neiges–Notre-Dame-de-Grâce borough has a budget of \$6,830,000, and the same amount for each of 2020 and 2021.

The Central City will also contribute to increasing this budgetary envelope by over \$39.8 M as part of its road maintenance programs, by \$12.3 M for the traffic calming program (speed bumps), by \$1.5 M for the TAPU program (traffic calming measures near schools) and by \$1.5 M for the program to upgrade playing fields.

All in all, total planned investment amounts to over \$60.4 M and will allow the borough to carry out a series of projects including:

- \\ repairing the Community Centre and Le Manoir **(\$1.725 M)**
- \\ repairing the façades of the Le 6767 building - 6767 Chemin de la Côte-des-Neiges **(\$0.45 M)**
- \\ upgrading Parc de la Savane **(\$0.7 M)**
- \\ modernizing the splash pad in Parc Notre-Dame-de-Grâce **(\$0.36 M)**
- \\ creating a basketball court **(\$0.2 M)**
- \\ replacing lead water service entries **(\$12.3 M)**
- \\ continuing the road repair program **(\$2.0 M)**
- \\ extending the program for minor sidewalk repairs **(\$0.4 M)**
- \\ implementing traffic calming measures **(\$2.0 M)**
- \\ repairing street sewer sumps **(\$0.2 M)**

In addition, the borough plans to invest \$2.05 M in a number of projects to be funded from the 2018 management surplus, including:

- \\ a five-year tree-trimming program, **\$1.2 M** of it in 2019
- \\ a climate resilience reserve of **\$0.5 M**
- \\ a repurposing plan for the Saint-Jacques sector, of **\$0.05 M**
- \\ transition projects on the former Hippodrome site, of **\$0.3 M**

REPORT OF THE AUDITOR GENERAL AND EXTERNAL AUDITOR

The city's Auditor General and the external auditor have concluded without reservation that the city's consolidated financial statements, which include the boroughs' results, accurately reflect its financial position as at December 31, 2018.

2018 FINANCIAL STATEMENTS

Tabled in June 2019

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