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Westmount, QC H3Z 1E2



Office of the Mayor
City Hall
4333 Sherbrooke Street W.
Westmount, QC H3Z 1E2

January 28, 2016

Dear fellow Citizen,

For the first time since I started writing a yearly tax letter – and that was in 1992 – this one has been an undiluted pleasure to write. This is because it is chock-full of good-news items, to wit:

1. On average, your 2016 taxes are frozen. The last time that happened was in 1999.
2. In spite of this tax freeze, budgeted capital spending is up by 18% (and 50% over what we actually spent in 2015). The roads budget is nearly three times what we spent in 2015.
3. By the end of 2016, thanks to past surpluses, we will have no net debt.* In other words, we will have enough funds to pay off all debt and other liabilities as they come due.
4. From now on, we will not have to resort to borrowing for regular capital spending.
5. Barring unforeseen events, we expect to continue to keep the tax bill in check next year.

Investing in infrastructure

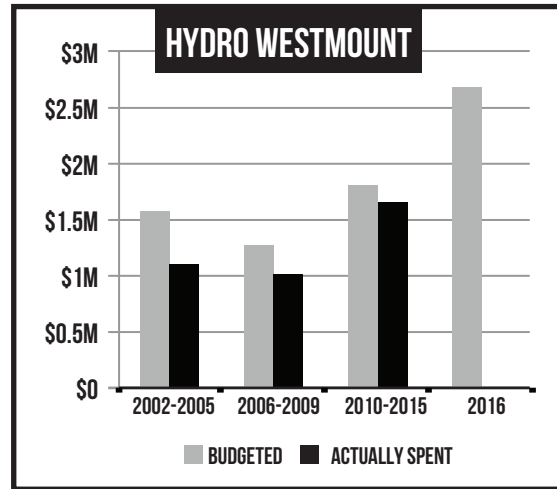
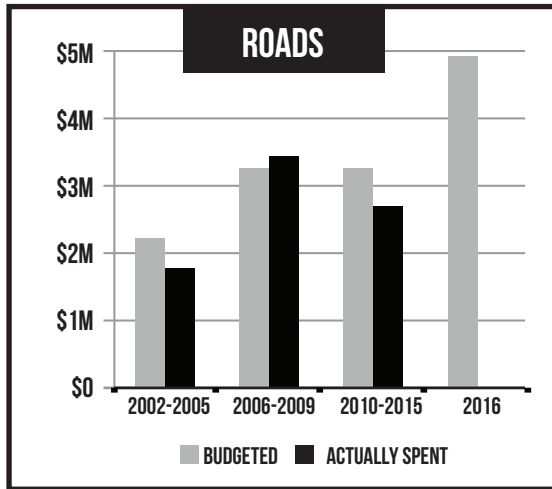
The challenge now is not in funding infrastructure projects, but in executing them. Looking at the sorry state of our roads and some of our buildings, one might conclude that City Council has been underfunding Public Works. On the contrary: over the last four years, Public Works and Hydro Westmount have spent less on infrastructure than the amounts actually approved by City Council. Over \$6 million dollars remained in our bank account and did not get spent to fix roads, buildings, and power installations. So some of our surplus is simply deferred infrastructure investment. We clearly had a problem of throughput.

This is why we have reorganized Public Works to handle this massive increase in workload. As well as creating a new position of assistant director in charge of infrastructure projects and hiring a full-time project engineer, we have also hired five new technicians for job site supervision and to ensure quality assurance. For the first time, Council approved the capital works budget two months before year-end in order to get a head start in awarding 2016 contracts. As for Hydro Westmount, we intend to produce a business plan making it more autonomous, efficient, modern, sustainable, and responsive to its customers' needs.

Westmount's capital works budget for 2016 totals \$14.5 million. Our projections suggest that we can keep up this accelerated pace of infrastructure investment well into the future. And one way to measure the effect of this increased investment is to see its effect on our two largest services: our roads network and Hydro Westmount.

*Net debt is equal to all the City's liabilities minus its financial assets.

AVERAGE YEARLY CAPITAL INVESTMENT, INFLATION ADJUSTED



On the operations side

In the 2016 Budget, we have provided for boosted maintenance on buildings, waterworks, parks and trees. We have also increased services in recreation (offset by revenues) and in communications. These items represent one-half of the total local operating cost increase for 2016 over the 2015 forecast.

In spite of salary increases above the rate of inflation, in spite of increased maintenance spending, in spite of continued downloading from Quebec, and in spite of a massive increase in capital works spending, we have managed to approve a budget with no tax increase for the average homeowner.

With a 2016 tax rate of \$ 0.8507, the taxes on the average single-family dwelling (assessed at \$1,496,709) will be \$12,733. Once the effect of new construction is removed, the average bill for existing properties will be \$12,669 – the same as last year. Tax bills may be paid in two instalments; the first due on February 26, 2016 and the second on May 27, 2016. An interest rate of 9% per annum will be charged on the unpaid balance, plus a penalty of 0.5% per month.

If you would like a copy of Finance Commissioner Victor Drury's budget speech or a copy of the budget itself, please call City Hall at 514 989-5240. You can also consult budget information on the City of Westmount's web site at www.westmount.org or at the Westmount Public Library.

I do hope next year's tax letter will also be a pleasure to write.

Sincerely,

Peter F. Trent
Mayor