



# PUBLIC HEARING ON ROSEMÈRE'S FINANCIAL SITUATION

NOVEMBER 14, 2015





# AGENDA

2

9:00 a.m. MESSAGE FROM THE MAYOR

9:05 a.m. PRESENTATION OF THE FINANCIAL SITUATION

- FINANCIAL HISTORY OF ROSEMÈRE
- MASTER PLANS
- ROSEMÈRE'S CHALLENGES
- ACTIONS TAKEN BY ROSEMÈRE
- ACTIONS PROPOSED BY ROSEMÈRE
- SURVEY OF RESIDENTS

9:35 a.m. WORKSHOPS

10:15 a.m. BREAK

10:30 a.m. DISCUSSION AND QUESTION PERIOD

NOON END OF MEETING



# FINANCIAL HISTORY



# ROSEMÈRE'S 2015 BUDGET

4

## REVENUES

Taxes \$22.9M

### Others:

- In lieu of taxes \$0.5M
  - Transfers \$0.5M
  - Services rendered \$2.0M
  - Duties \$1.0M
  - Fines... \$0.7M
  - Interest \$0.2M
- \$4.9M**

**Total: \$27.8M**

**Non-allocated surplus used  
(Town's reserve) \$1.6M**

**Reserve \$1.2M**

## EXPENDITURES

Town's expenses \$18.4M

Quota shares: \$ 7.8M

Debt service: \$ 3.1M

Investment activities and  
operating fund: \$ 0.1M

**Total: \$29.4M**

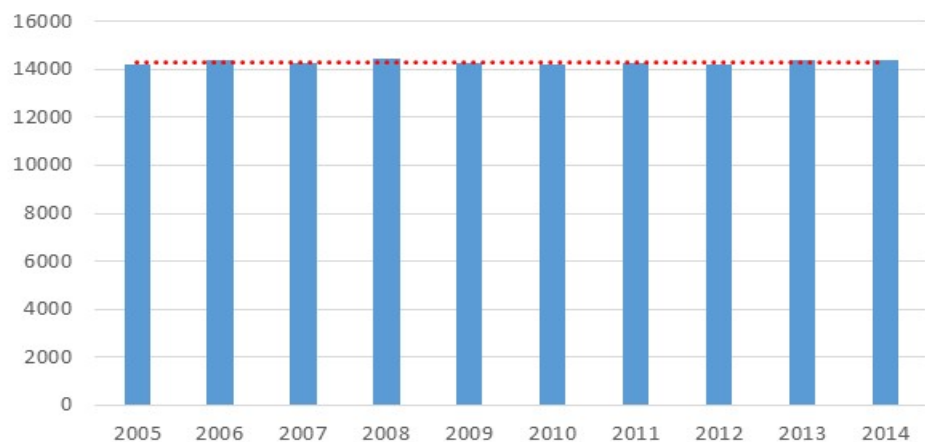


# FINANCIAL HISTORY

## REVENUES

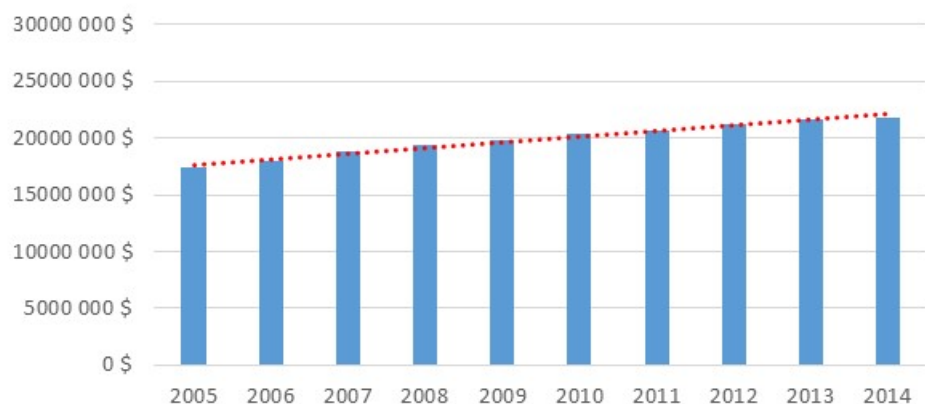
5

POPULATION GROWTH



- Stable population
- Little real estate development due to the lack of construction land

INCREASE IN TAX REVENUES



- Average tax increase: 2.1%
- Average increase in real estate tax revenue of 2.5% in the last 10 years, due to improvements made to properties
- Increase in the value of properties (Foncier value) of 109%
- Average tax bill increase of 4.9% in 2015





# FINANCIAL HISTORY

## BALANCE SHEET

6

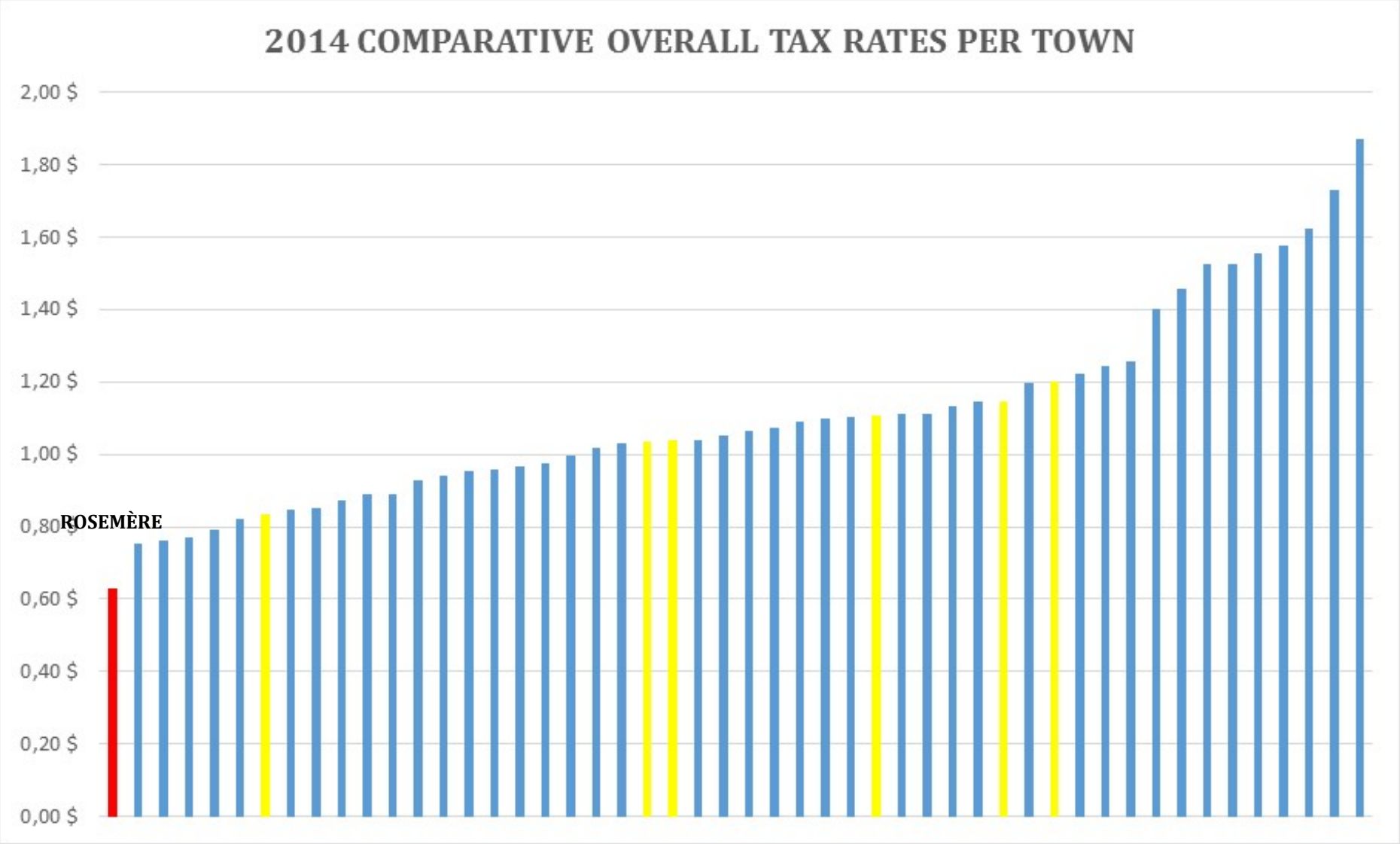
**INCREASE IN TAX  
REVENUES IN  
10 YEARS**

\$4.9M



# FINANCIAL HISTORY

## REVENUES

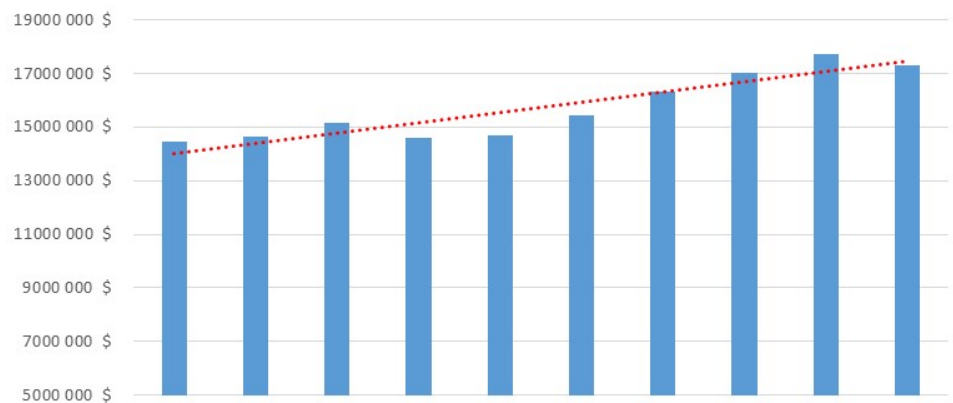




# FINANCIAL HISTORY EXPENDITURES

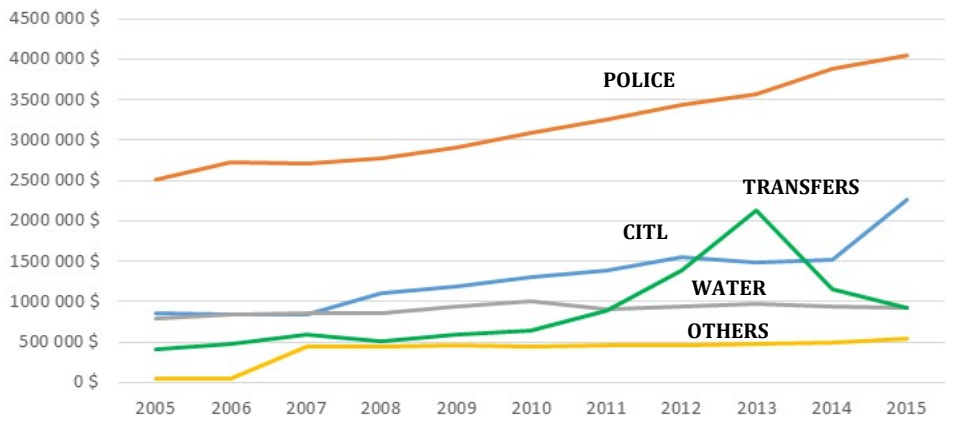
8

ÉVOLUTION OF OPERATING EXPENSES



- 2.1% increase in operating expenses since 2005
- Main reasons: snow-clearing, garbage, labour, other contracts...
- Despite growing pressure from the pension fund

EVOLUTION OF QUOTA SHARES AND GOVERNMENT TRANSFERS



- Average 7.1% increase in the share of payments for organizations since 2005
- Main reasons: Police Board and CITL (Public Transit Corporation)
- \$1.2 M drop in government transfer payments since 2013





# FINANCIAL HISTORY BALANCE SHEET

9

**INCREASE IN  
TAX REVENUES  
IN 10 YEARS**

**INCREASE IN  
EXPENSES IN  
10 YEARS**

**\$4.9 M**

**SHORTFALL  
\$1.6 M/YR.**

**MUNICIPAL EXPENSES  
\$2.9 M**

**QUOTA SHARES  
\$3.6 M**

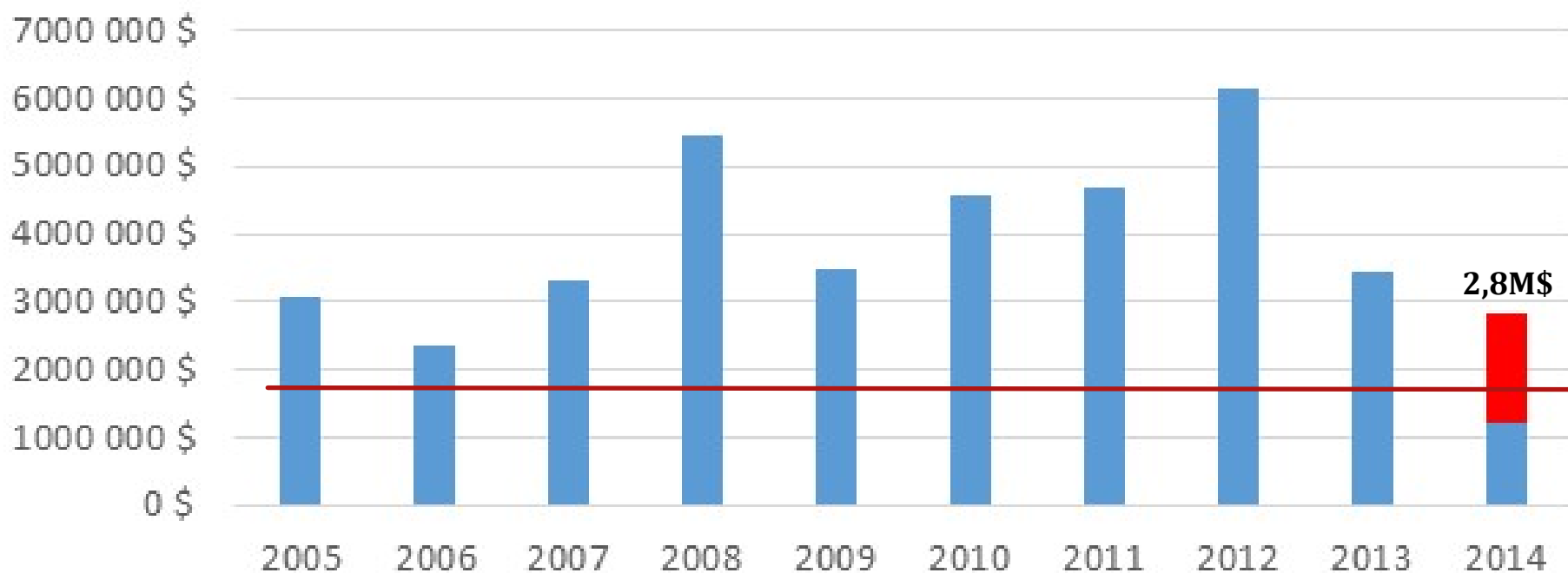


# FINANCIAL HISTORY

## NON-ALLOCATED SURPLUS

10

### EVOLUTION OF NON-ALLOCATED SURPLUS



**ROSEMÈRE  
TARGET:  
6% OF OPERATING  
REVENUES**

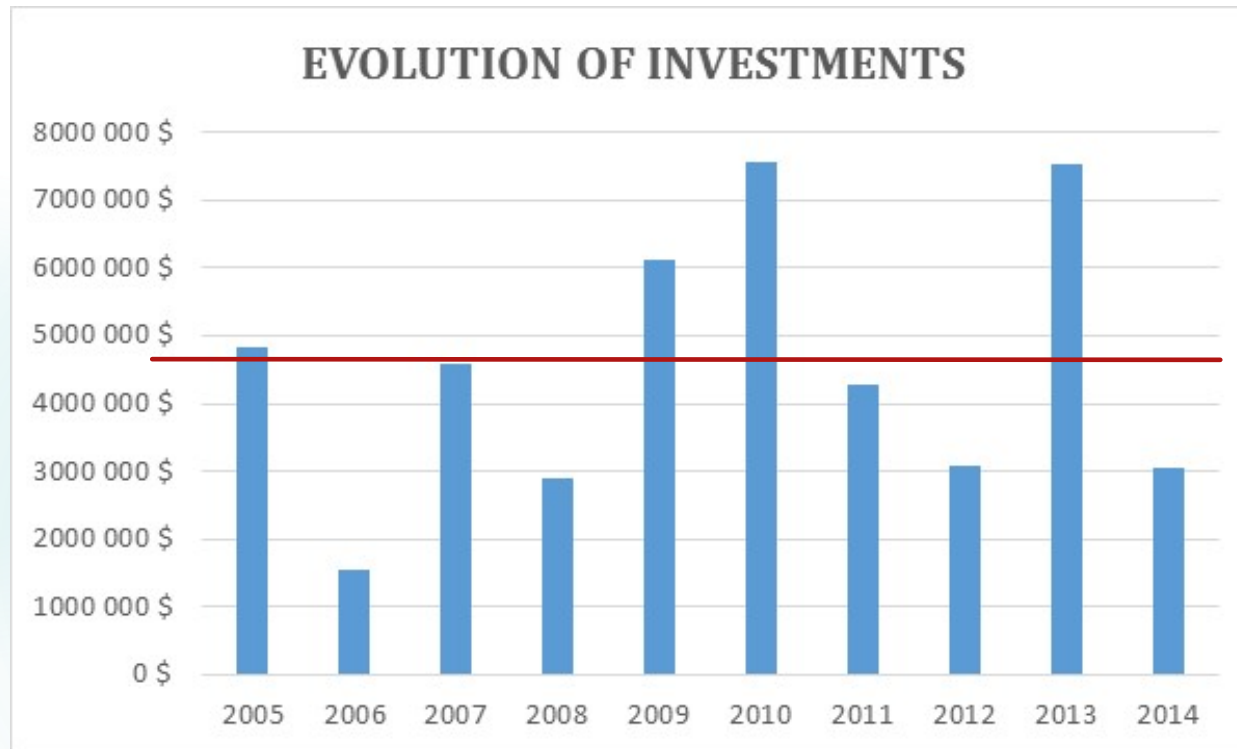
**APPROX. \$1.8 M**



# FINANCIAL HISTORY

## INVESTMENTS

11

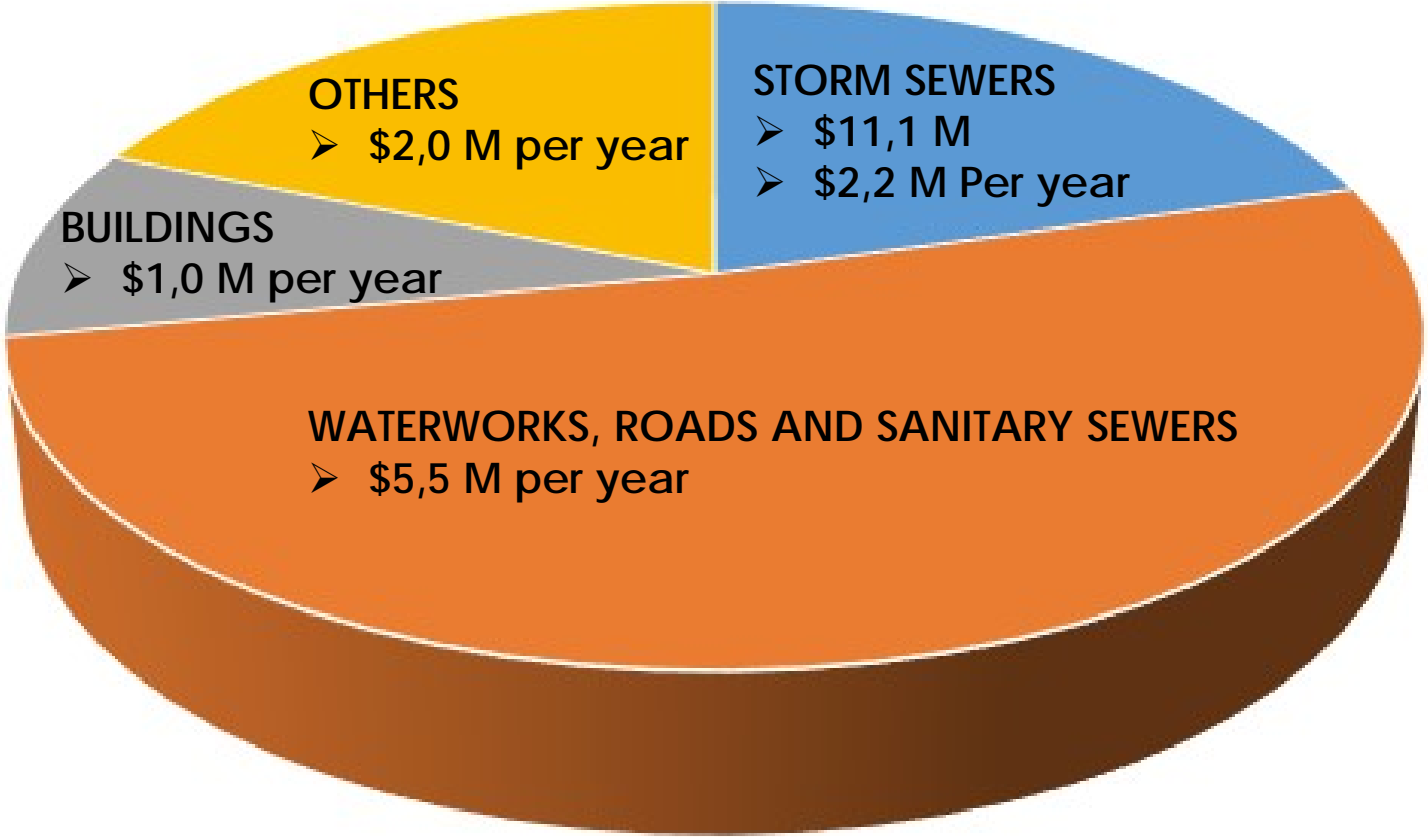


- Investments required for:
  - ✓ waterworks, roads, sewers
  - ✓ wastewater treatment and drinking water distribution plants
  - ✓ buildings
  - ✓ parks
  - ✓ rolling stock
- For 10 years, average investments of \$4.7 M per year



# MASTER PLANS

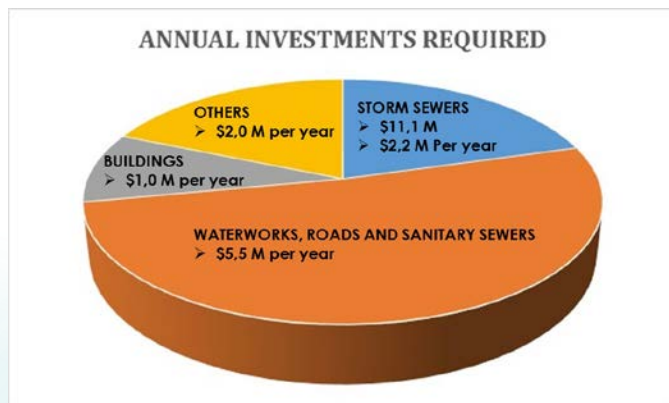
## ANNUAL INVESTMENTS REQUIRED



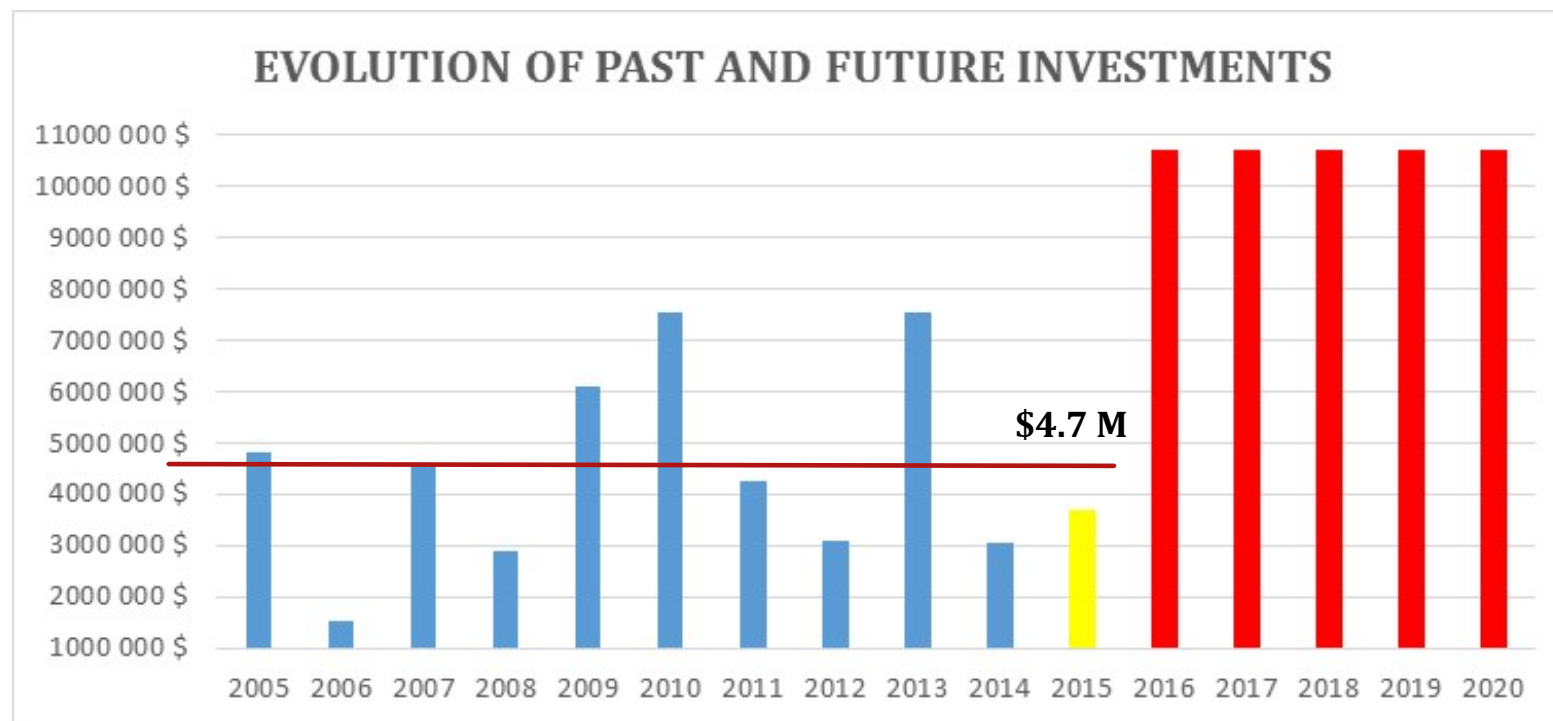


# MASTER PLANS INVESTMENT NEEDS

13



- Future investment level at \$10.7 M per year
- Double past investments
- Annual increase of \$535K for servicing the debt







# FINANCIAL HISTORY

## BALANCE SHEET

14

**INCREASE IN TAX  
REVENUES IN  
10 YEARS**

**\$4.9 M**

**INCREASE IN  
EXPENSES IN  
10 YEARS**

**DEBT SERVICE: \$0.5 M**

**MUNICIPAL EXPENSES  
\$2.9 M**

**QUOTA SHARES  
\$3.6 M**

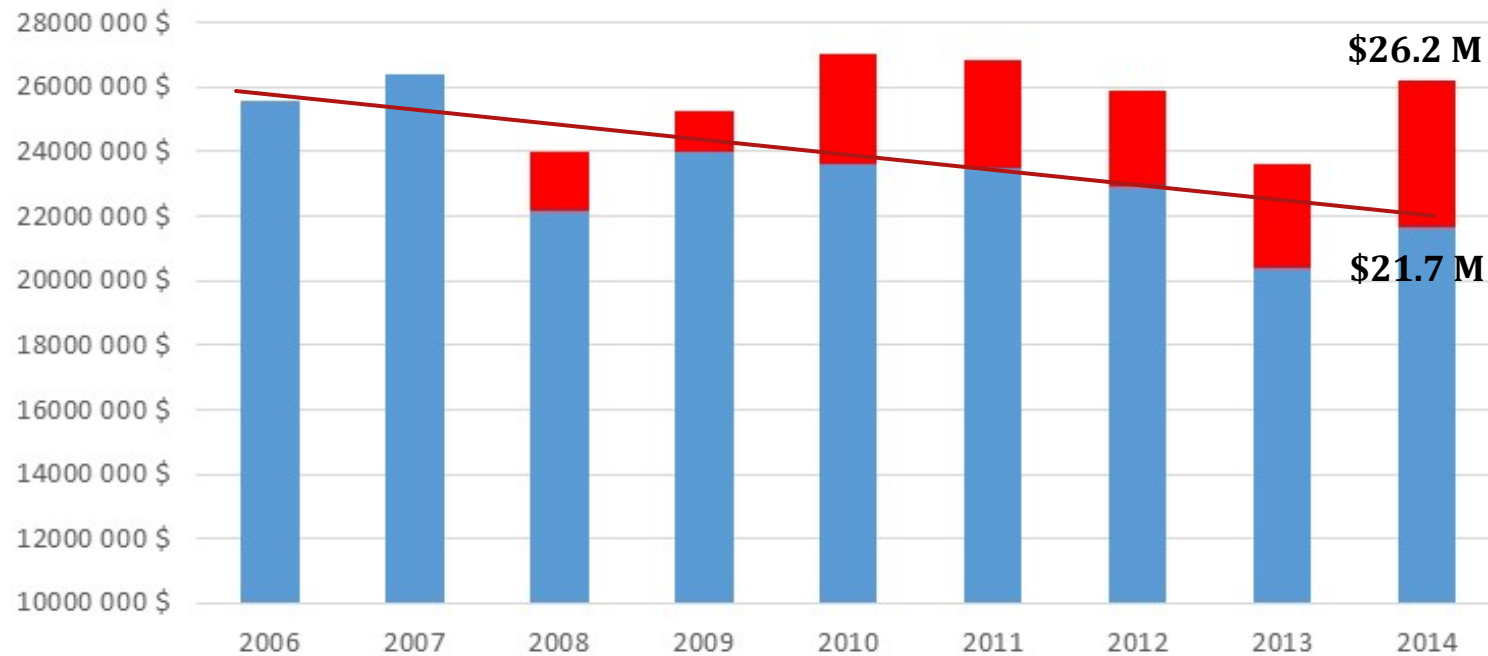


# FINANCIAL HISTORY

## DEBT

15

EVOLUTION OF THE GROSS AND NET DEBT

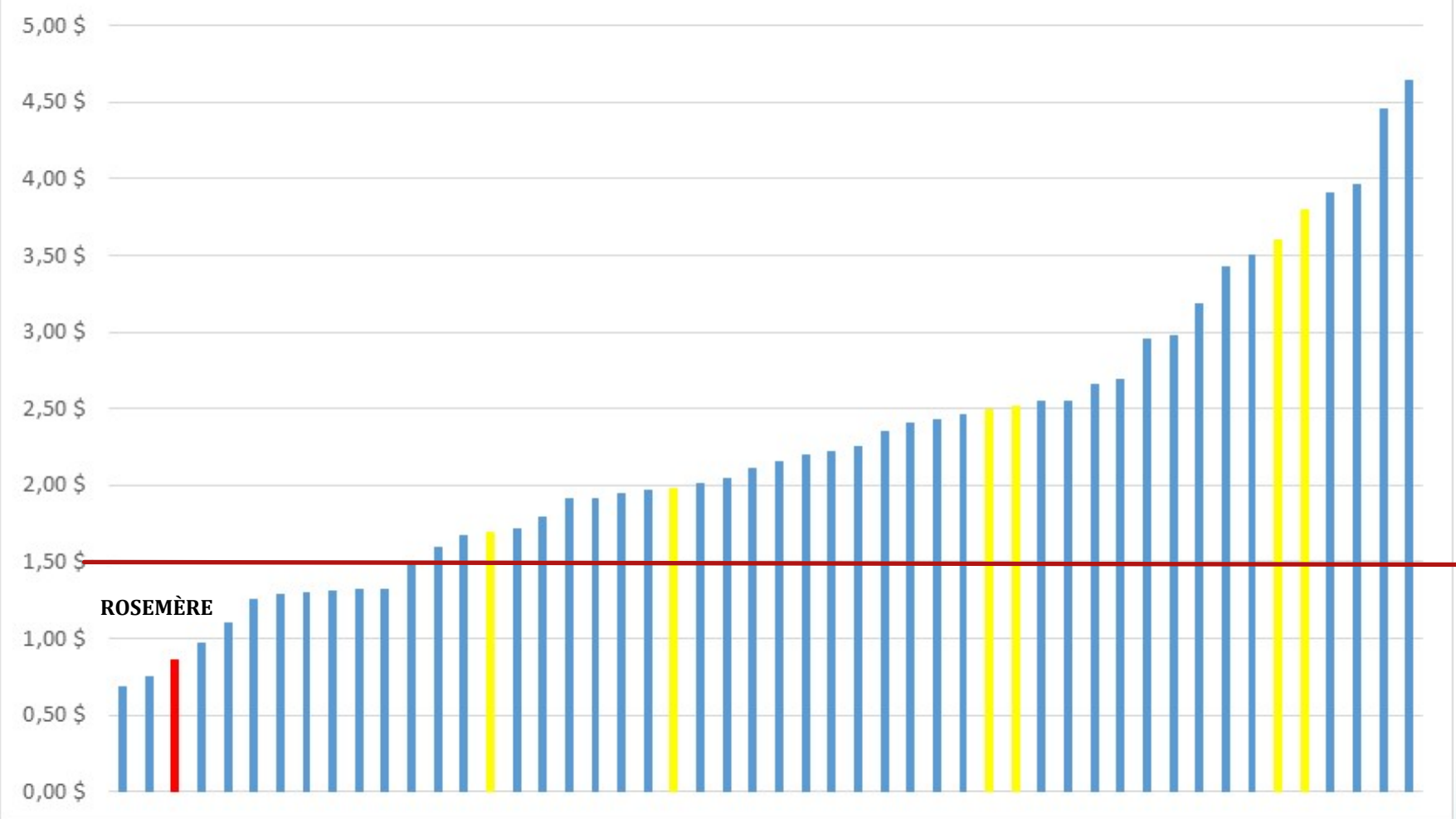


- In the past 10 years, average annual investments of \$4.7 M
- Current financial impact on the annual \$3.1 M servicing of the debt
- Debt's slight downward trend



# FINANCIAL HISTORY

COMPARATIVE DEBT/\$100 FONCIER VALUE PER TOWN - 2013



**BENCHMARK FOR ROSEMÈRE**

**SERVICING OF THE DEBT < 15% OF OPERATING REVENUES**

**or**

**\$1.50 PAR \$100 FONCIER VALUE**



## NEW COSTS :

- PICK-UP OF ORGANIC MATERIALS – 3<sup>rd</sup> WAY (GOVERNMENT REQUIREMENT)
- EMERALD ASH BORER – TREE FELLING AND REPLACEMENT
- URBAN LIGHTING
- ...



# FINANCIAL STATE BEFORE ADJUSTMENTS

18

**INCREASE IN TAX  
REVENUES IN  
10 YEARS**

**\$4.9 M**

**INCREASE IN  
EXPENSES IN  
10 YEARS**

**SHORTFALL  
\$3.3 M/YR.**

<b>OTHER EXPENSES \$1 M</b>
<b>DEBT SERVICE: \$0.5 M</b>
<b>MUNICIPAL EXPENSES \$2.9 M</b>
<b>QUOTA SHARES \$3.6 M</b>

**TOTAL: 8M\$**





# ROSEMÈRE'S CHALLENGES

19

***FINDING SOLUTIONS TO THE FINANCIAL ISSUES  
WITH AN EYE TO SUSTAINABILITY AND RESPECT  
FOR FUTURE GENERATIONS WITHOUT REDUCING  
THE SERVICES YOU ENJOY.***



# ACTIONS TAKEN BY THE MUNICIPAL COUNCIL IN 2015

## 1 – STRATEGIC COMMITTEE: REVIEW THE STRUCTURE OF THE TOWN'S EXPENSES

- ANALYSIS OF EXPENSES
- REVIEW OF THE PROCESS
- GAINS: \$300 K PER YEAR

## 2 – SALE OF CERTAIN NON-STRATEGIC ASSETS:

- LOTS ON BÉLAND, ÎLE BÉLAIR, HECTOR, ROSE-ALMA AND LANGOISERIE STREETS

## 3 - OTHER ACTIONS:

- RESTRUCTURING OF LOAN BY-LAWS
- BETTER BORROWING RATES



# 2015 ROSEMÈRE BUDGET

21

## REVENUES

Taxes	\$22.9M
<u>Others:</u>	
➤ In lieu of taxes	\$0.5M
➤ Transfers	\$0.5M
➤ Services rendered	\$2.0M
➤ Duties	\$1.0M
➤ Fines...	\$0.7M
➤ Interest	\$0.2M
	\$4.9M
Total:	\$27.8M

Non-allocated surplus used (Town's reserve)	\$1.6M
--	--------

Reserve	\$1.2M
---------	--------

## EXPENDITURES

Town expenses	\$18.4M
Quota shares:	\$7.8M
Debt service:	\$ 3.1M
Investment activities and operating fund:	\$ 0.1M
Total:	\$29.4M



# ACTUAL ANTICIPATED 2015 RESULTS

22

## REVENUES

Taxes	\$23.0M
<u>Others:</u>	
➤ In lieu of taxes	\$0.5M
➤ Transfers	\$0.5M
➤ Services rendered	\$2.0M
➤ Duties	\$1.2M
➤ Fines...	\$0.8M
➤ Interest	\$0.2M
➤ Sales	\$0.3M
Total Others	\$5.5M
Total:	\$28.5M
Non-allocated surplus used (Town's reserve)	\$0.2 M

## EXPENDITURES

Town expenses	\$18.4M
Quota shares:	\$7.8M
Debt service:	\$ 3.0M
Investment activities and operating fund:	-\$0.5 M
Total:	\$28.7M

Reserve	\$2.6M
---------	--------



# ACTIONS TAKEN BY THE MUNICIPAL COUNCIL IN 2015

## DEVELOPMENT OF A FIVE-YEAR FINANCIAL PLAN:

- Balance the budget (revenues and expenditures)
- Meet our investment needs
- Not exceed our non-allocated surplus and debt targets

**AUGMENTATION DES  
REVENUS DE TAXATION  
EN 10 ANS**

**4,9M\$**

**MANQUE À  
GAGNER  
3,1M\$/AN**

**AUGMENTATION DES  
DÉPENSES EN 10 ANS**

**AUTRES CHARGES 1M\$**

**SERVICE DETTE: 0,5M\$**

**DÉPENSES VILLE  
2,9M\$**

**QUOTES-PARTS  
3,6M\$**

**TOTAL: 8M\$**





# ACTIONS PROPOSED BY THE MUNICIPAL COUNCIL FOR 2016-2020

24

## SUMMARY OF PROPOSED ACTIONS:

### ***STRIKING THE RIGHT BALANCE BETWEEN VARIOUS LEVERS***

- Reducing expenses without reducing services
- Selling assets for real estate development
- Property tax revenues from new real estate developments
- Controlled increase of the debt
- Reasonable increase in the tax rate, but slightly above the inflation rate for investments financing (between 2% and 4%)



# ONLINE SURVEY

25

- Citizen consultation
- 6 questions
- October 30 to November 11, 2015
- 385 respondents



# ONLINE SURVEY *YOU'VE ANSWERED*

26

## ON PRIORITIES:

1	UPGRADING OF INFRASTRUCTURES	6	PARKS AND GREEN SPACES
2	PUBLIC SECURITY	7	COMMUNICATIONS AND INFORMATION TO CITIZENS
3	THE ENVIRONMENT	8	PUBLIC TRANSIT
4	RECREATIONAL ACTIVITIES	9	CYCLING PATHS
5	SNOW-CLEARING	10	SUPPORT TO NON- PROFIT ORGANIZATIONS



# ONLINE SURVEY

## ***YOU'VE ANSWERED***

27

**To increase revenues in order to invest in its infrastructures and maintain a competitive tax rate, would you be in favour of having the Town of Rosemère sell some of its vacant lots?**

**YES: 56,3%      NO: 26,6%      DON'T KNOW: 17,2%**

**Would you be in favour of a reduction in the Town's expenses that would result in a reduction in services to residents?**

**YES: 40,1%      NO: 59,9%**

**Are you aware of the Town's level of indebtedness?**

**YES: 43,5%      NO: 56,5%**

**Taking into account your answers and your knowledge of the Town's financial situation, a reasonable tax increase would be:**

<b>BETWEEN 2% - 3%:</b>	<b>86,3%</b>
<b>BETWEEN 3% - 4%:</b>	<b>10,4%</b>
<b>Over 4%:</b>	<b>6.0%</b>



# ROSEMÈRE PUBLIC HEARING

28

***THE FLOOR IS YOURS***





# FOLLOWING THE HEARING

29

- **Workshop by table with a spokesperson**
- **Two questions to be answered - 30 minutes**
- **Break - 15 minutes**
- **Return to the larger group - 60 minutes**
- **Free question period - 30 minutes**



# TWO QUESTIONS

30

- **After the presentation, what are your concerns, issues and suggestions?**
- **What do you think about the balanced plan of action proposed by the Council:**
  - ☐ **Reducing expenses without reducing services**
  - ☐ **Selling assets for real estate development**
  - ☐ **Tax revenues generated by the new real estate developments**
  - ☐ **Controlled increase of the debt**
  - ☐ **Reasonable increase in the tax rate, but slightly above the rate of inflation (between 2% and 4%)**