

Information and Discussion Session on Rosemère's Financial Position - businesses



October 2018

Presentation Plan

- ❑ Council's ambitions
 - Economic and public finance aspects
- ❑ 2018 budget
- ❑ Strategic vision and summary of accomplishments
- ❑ Report on the Town's financial position as at December 31, 2017
- ❑ 2019 budget
 - ❑ Budget orientations - residential sector
 - ❑ Budget orientations - non-residential sector
- ❑ Conclusion

November 2017

Council's Ambitions

Economic and public finance aspects

Town Council's Ambitions

Our commitment:

- ❑ To ensure the Town's sustainability, prosperity and economic development by managing finances in a sound, responsible and transparent manner
- ❑ To strictly manage our public funds by investing over the long term and for future generations

Town Council's Ambitions

In concrete terms:

- Freeze residential and commercial tax bills in the first year
- Double the Seniors' Grant and lower the age of eligibility to 65
- Maintain the level of taxation below or equal to the rate of inflation in subsequent years
- Make substantial infrastructure investments by maximizing the use of provincial and federal grants, while continuing debt reduction efforts

December 2017

2018 Budget

2018 Budget Challenges

- Tax freeze in accordance with our election promise
- Implement this freeze during a year when the assessment roll is deposited.

Deposit of 2018-2019-2020 Assessment Roll

Every three years, the Town is required, by law, to update the value of properties on its territory according to real estate market conditions. These values form the basis of taxation. This assessment is determined by a chartered appraiser who is not affiliated with the Town. This exercise results in a different variation in taxation for each property.

- ❑ Impact of the new assessment role
 - ❑ Overall increase in taxable values: 1.40 %
 - ❑ Variation in the values

Residential sector

Overall increase of 2.59%

For 55%, increase less than or equal to 3%

For 45%, increase greater than 3%

Non-residential sector

Overall reduction of 3.01%

Variation ranging between -13% and +33%

2018 Budget

- ❑ Taking into account the tax freeze promise
- ❑ Taking into account the deposit of a new assessment roll

It has been decided:

- ❑ No additional overall property tax revenue for the Town
- ❑ To average the variation in taxable values over 3 years in order to minimize the impact on taxation

Impact of These Two Decisions

Residential sector

55% freeze or reduction in the tax bill

45% increase in the tax bill

33% reduction of more than 1%*

11% increase of more than 3%*

Non-residential sector

59% freeze or reduction in the tax bill

41% increase in the tax bill

35% reduction of more than 1%*

7,5% increase of more than 3%*

* If there had been no averaging of the values, the variation would have been three times higher, at 3% and 9%.

March 2018

**Strategic Vision and Summary
of Accomplishments**

Strategic Vision

At the beginning of 2018, the Town Council members carried out a strategic reflection process on the future of Rosemère. The main objective of this initiative was to reflect on improving Rosemerites' living environment.

With this in mind, the Town has identified a strategic vision statement that will guide Rosemère's development in the coming years. This vision is as follows:

Town Council wants to make Rosemère:

A proud, green, prosperous town

Strategic Vision

The strategic reflection process brought to light a lack of planning and vision on the part of the Town.

Following this process, three major structuring projects were selected:

- Develop the Town's urbanistic vision
- Build facilities in line with our ambitions and resources
- Modernize the administrative apparatus

Concrete Accomplishments March 2018

A proud town

- ☑ Plenary session (free discussion period) before the Council meetings
- ☑ Mayor's breakfasts
- ☑ The big garage sale

Concrete Accomplishments March 2018

A green town

- ☑ Changes in drinking water rates to promote water conservation
- ☑ Pilot project to de-ice streets with wood chips
- ☑ "Monarch-Friendly Town"
- ☑ Pilot project for urban beekeeping
- ☑ Urban chickens (adoption of the By-Law)
- ☑ Increase in the % of recycled paper in *Rosemère News*
- ☑ Integration of recreation and leisure programs in *Rosemère News* and on the Town's website - reduction in paper consumption

Concrete Accomplishments March 2018

A prosperous town

- ☑ Freeze on waste materials rates
- ☑ Doubling of the Seniors' Grant (from \$50 to \$100 and lowering the age of eligibility from 67 to 65)
- ☑ Freeze on taxpayers' tax burden in 2018 for the residential and commercial sectors
- ☑ Renewal of the \$30,000 grant for the AGAR (Aile des gens d'affaires de Rosemère) liaison officer

June 2018

**Report on the Town's
Financial Position as at
December 31, 2017**

Highlight as at December 31, 2017

Due to the impact of the record investments made and committed in 2017, net long-term debt was increased by \$13.7 million. Without questioning the relevance of these investments*, they represent an important tax burden to be shouldered by Rosemerites.

As early as 2019, the Town will be impacted by the \$13.7 million increase in long-term net debt.

**Infrastructure rehabilitation, including Roland-Durand; rehabilitation of the synthetic soccer field; development of Place des jeunes, installation of splash pads, consolidation of the police station structure and master plans...*

Variation in Net Long-Term Debt

2017

Expenditures incurred

\$6.5 M

Investments authorized in 2017 and in progress

\$7.2 M

\$13.7 M

Increase in Net Long-Term Debt



October 2018

2019 Budget

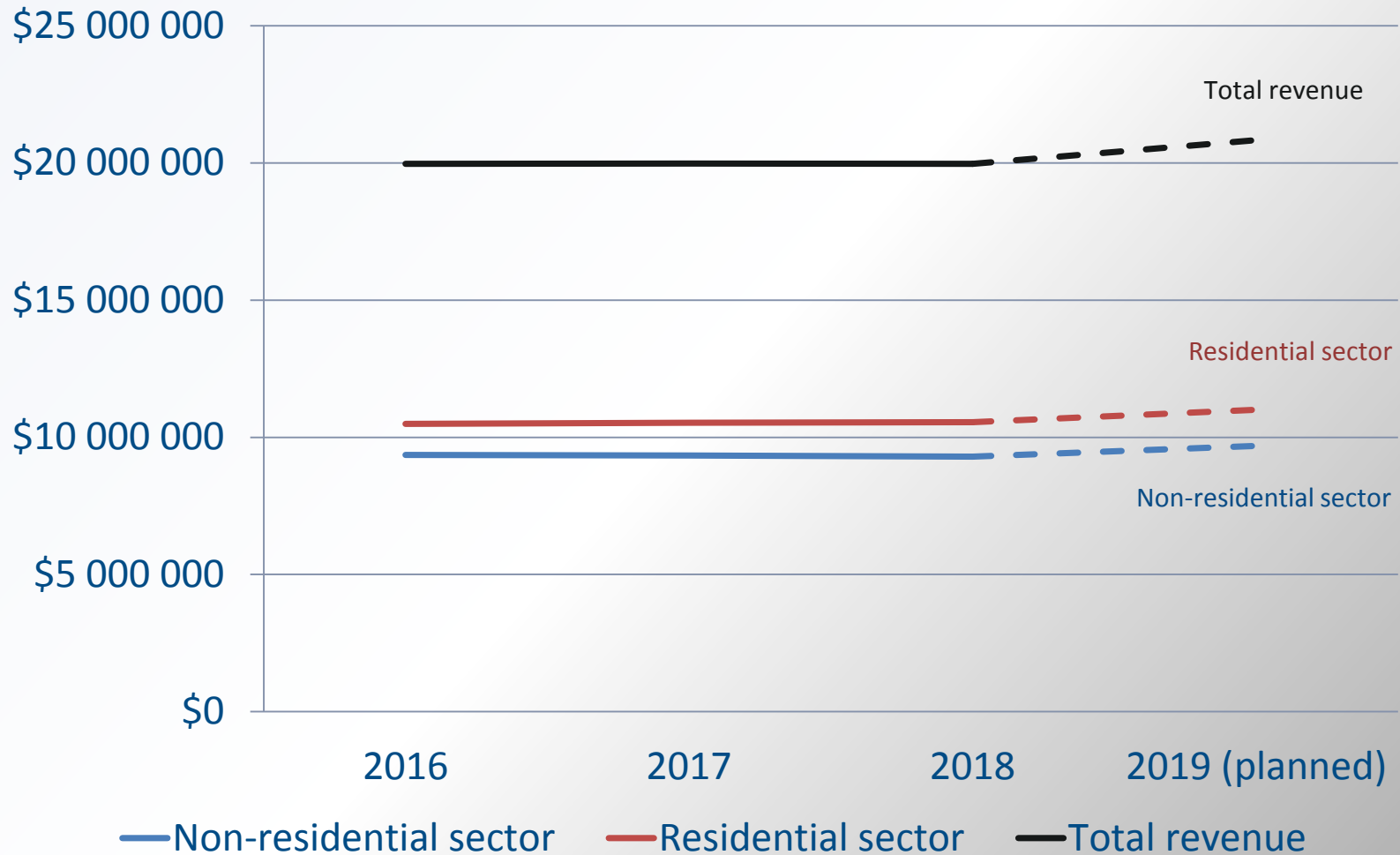
Challenges for the 2019 Budget

- ❑ Annual ultimate impact of servicing the debt related to additional 2017 commitments and investments of \$13.7 million +\$900,000
 - ❑ Demands relating to operating costs (salaries, contributions, goods and services) +\$600,000
 - ❑ Impact of taxation contestations in the non-residential sector (see p. 31) +\$500,000
- +\$2,000,000

General Budget Orientations

- ❑ No transfers of the tax burden from the non-residential sector to the residential sector or vice versa
- ❑ Maintain the increase in operating costs within the Consumer Price Index (CPI).
- ❑ Make infrastructure investments in keeping with residents' will and financial means

2016-2019 Taxation* Revenue by Sector



* excluding pricing

2019 Budget Orientations

Residential sector

2019 Budget Orientations

Property tax – residential sector

- For the annual ultimate impact of servicing the debt related to additional 2017 commitments and investments:

This represents a general tax increase of 4.5%

The 2019 orientation is to better plan the issuance of bonds and to use the reserve for infrastructure purposes in order to minimize the impact on the tax bill. - 2.5%

Therefore a net increase in 2019 of 2.0%

- For demands relating to operating costs of \$600,000

The 2019 orientation is to review budget requests by limiting the general tax increase to less than or equal to the inflation rate (Consumer Price Index - CPI).

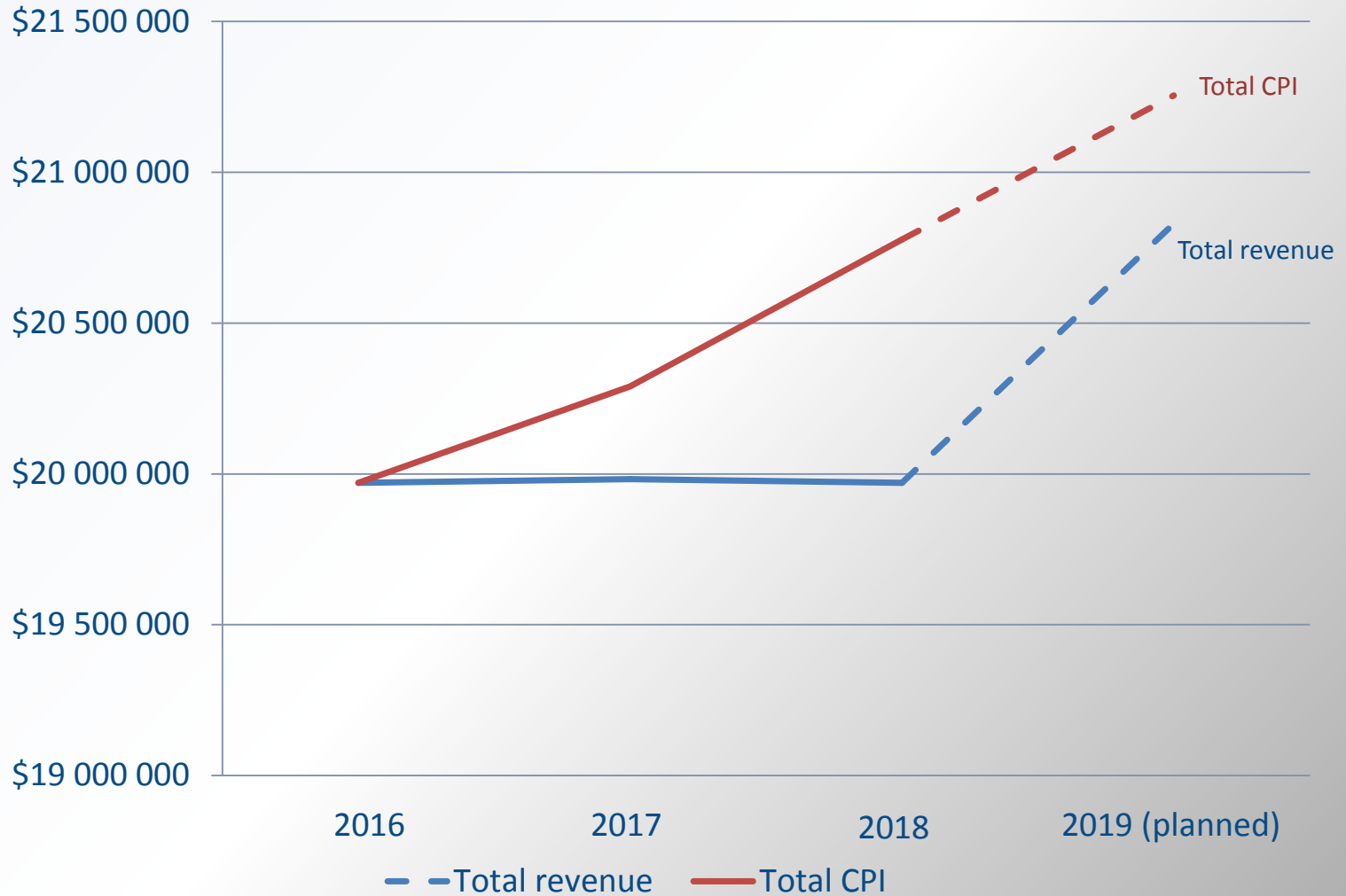
Maximum overall impact: CPI + 2%

Impact for the average house: approximately \$90

(without taking into account the impact related to deposit of roll and to averaging)

Taxation* Revenue and CPI

Total



* excluding pricing

The Town of Rosemère's Enviably Position

2018 property tax of neighboring cities and towns – residential sector

Municipalities	Rate/\$100 evaluation	Average house value	Averaged average house value	Average taxation for house	Basic rate	2018 tax bill	Variance
Rosemère	0.5188	\$431,006	\$423,746	\$2,198	\$475	\$2,673	
Blainville	0.6760	\$366,545	\$366,545	\$2,478	\$424	\$2,902	+\$228
Boisbriand	0.7556	\$294,208	\$294,208	\$2,223	\$597	\$2,820	+\$147
Lorraine	0.8021	\$387,584	\$387,584	\$3,109	\$590	\$3,699	+\$1,025
Sainte-Thérèse	0.7060	\$294,598	\$294,598	\$2,080	\$703	\$2,783	+\$109
Average		\$335,734		\$2,472	\$579	\$3,051	+\$378

In 2018, the average house in Rosemère evaluated at \$431,000 paid an average of \$378 (14%) less property tax than the average house of neighboring cities and towns.

The value of the average house in Rosemère is \$95,272 (+28%) higher.

Therefore, less tax, more value

2019 Budget Orientations

Non-residential sector

2019 Budget Orientations

Property tax – non-residential sector

- ❑ For the annual ultimate impact of servicing the debt related to additional 2017 commitments and investments:

This represents a general tax increase of 4.5%

The 2019 orientation is to optimize the issuance of bonds and to use the reserve for infrastructure purposes in order to minimize the impact on the tax bill. - 2.5%

Therefore a net increase in 2019 2.0%

- ❑ For demands relating to operating costs of \$600,000:

The 2019 orientation is to review budget requests by limiting the general tax increase to less than or equal to the inflation rate (Consumer Price Index - CPI).

2019 Budget Orientations

Property tax - non-residential sector

□ Taxation contestations

In 2018:

We adopted the following taxation strategy:

- Averaging of values, minimizing impact of deposit of assessment roll
Variation of taxable values ranging from -4.3% to +11%
(instead of -13% to +33%)
- Increase in the taxation rate for buildings valued at \$100 million or over
- Reduction in the taxation rate for buildings under \$100 million

This strategy, which has been contested, was implemented in order to fulfil our promise to freeze taxation.

2019 Budget Orientations

Property tax - non-residential sector

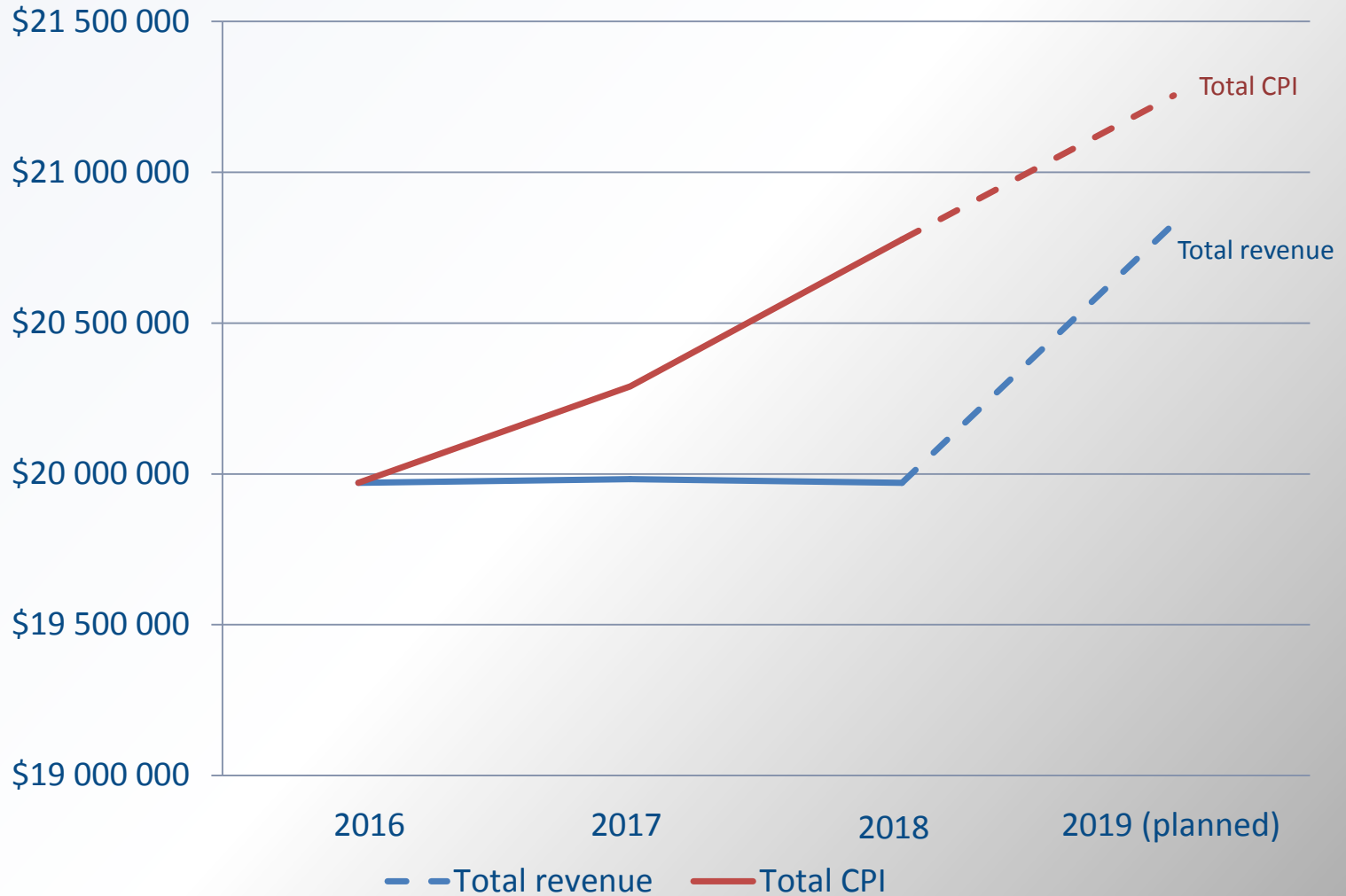
□ Taxation contestations (cont'd)

For 2019:

We must adopt a new strategy aimed at reducing the variation of the tax burden applicable to residential and non-residential buildings, by setting a second, higher rate, applicable starting only at a certain taxable value range, and all in accordance with the law.

Taxation* Revenue and CPI

Total



* excluding pricing

Enviably Position for Rosemère Businesses

2018 non-residential property tax rates in neighbouring municipalities

Municipalities	Rate / \$100 of assessment
Rosemère	1.5365
Blainville	2.1290
Boisbriand	2.5055
Lorraine	2.4950
Sainte-Thérèse	2.7120
Average	2.4604

The 2018 non-residential property tax rate is \$0.92/\$100 of assessment (60%) lower in Rosemère than the average for the other neighbouring municipalities.

Enviably Position for Rosemère Businesses

2018 non-residential sector tax rates of comparable cities

Municipalities	Rate/\$100 of assessment
Rosemère	1.5365
Saint-Bruno-de-Montarville	2.6568
Mont-Saint-Hilaire	1.6175
Beaconsfield	3.5042
Average	2.5928

Statistic (1)

Results (consolidated 2017 data)

	Rosemère	Comparable Québec towns	RCM
Overall tax rate	0.6615	1.0146	0.9437
Net expenditures per \$100 SPV*	\$1.16	\$1.57	\$1.56

Debt (consolidated 2017 data)

	Rosemère	Comparable Québec towns	RCM
Total net long-term debt per \$100 SPV	\$0.98	\$1.92	\$2.55
Total net long-term debt per evaluation unit	\$4,853	\$5,417	\$8,967

Evaluation (2018 data)

	Rosemère	Comparable Québec towns	RCM
Average standardized evaluation of single family homes (including condominiums)	\$422,788	\$306,448	\$325,704

* SPV : standardized property value

(1) MAMOT, General Municipal Finance Office, 2018 Financial Profile - Rosemère

Conclusion

Conclusion

In light of these budgetary challenges that shape the Town's financial situation and in line with our commitments, our objective is to maintain the enviable position of Rosemère residents in terms of:

- ❑ property values
- ❑ the taxation rate (among the most competitive in Québec)
- ❑ the quality of services and living environment offered to residents

**Together, let's define our future to make Rosemère
*a proud, green, prosperous town!***