

2012 BUDGET

Tuesday, December 6, 2011

“Heading into a New Decade”

Check against delivery.

(Under Embargo until 5 pm)

Dear fellow residents,

I am pleased to present to you Gatineau’s 2012 budget. For the first time in Quebec, the budget discussions took place in public and were webcast. Gatineau is a model in Quebec in terms of municipal transparency and democracy, as the only city in the province whose plenary, preparatory caucus and executive committee meetings are public and webcast.

January 1, 2012 will mark Gatineau’s 10th anniversary. Over the last decade, Gatineau’s population has grown by more than 35,000, bringing it to over 260,000 inhabitants in 2011.

In the last ten years, Gatineau’s residents watched their city transform itself thanks to the hard work, commitment and passion of all of everyone who contributed to the success of this tremendous project. We can be proud of our achievements.

Over these 10 years, Gatineau adopted a number of policies in order to meet long-standing needs. I am thinking, for example, of the cultural policy in 2003, the housing policy in 2006, the policy on sports, recreation and the outdoors in 2007, the environmental policy in 2008, and the social development policy in 2010.

In terms of residual materials management, we have made great strides: our recycling and composting targets have been met. I thank all residents for continuing to make this operation a resounding success, one that carries environmental dividends and has a positive impact on their tax bill.

Finally, I would be remiss if I did not highlight some of the achievements of which we can truly be proud: the Orchestre symphonique de Gatineau, the sports centre and the 45e Finale des Jeux du Québec in 2010.

As in previous years, the Municipal Council tackled the preparations for the 2012 budget with the following objectives in mind:

1. **To continue investing in infrastructures**
2. **Sustainable and environmentally sound development**
3. **To maintain and improve services for the public**
4. **To keep property taxes at a reasonable level**

Continuing to invest in infrastructures

Like most cities in Quebec and Canada, Gatineau must come to grips with the challenges involved in upgrading its infrastructures. Since 2006, it has been doing so like no other city in Quebec. Whereas between 2002 and 2005, average annual investments came to \$44 million, these should surpass \$90 million annually between 2010 and 2013, an increase of more than 100%.

Since 2006, every new source of revenue and a portion of Gatineau's operating budget have been allocated to infrastructure repairs. In 2012, close to \$22.5 million will be invested in capital assets, whereas in 2005 this figure only came to \$3 million.

Tremendous progress has also been made in terms of subsidies. Between 2002 and 2005, Gatineau averaged \$3.6 million in subsidies from higher levels of government. Between 2006 and 2010, the annual average rose tenfold, reaching \$34.6 million, not including the \$193 million subsidy for the Rapibus.

While Gatineau has made massive investments in its infrastructures, it has managed to decrease the debt servicing / budget ratio. In 2005, the debt servicing ratio took up 20% of the budget, whereas in 2012 it will come to only 13%, a 35% decrease.

- This year, \$25.7 million will go towards **road repairs**, including \$1 million for measures to reduce speeding, \$950,000 for the agricultural road network, and \$675,000 for road signs. The total amount for paving will be \$15.5 million.
- The **water supply and sewer systems** will get \$10.7 million in 2012, which includes \$8.2 million in subsidies under the Programme des infrastructures Québec Municipalités (PIQM).
- Once again this year, Gatineau will be able to keep upgrading its **water treatment and wastewater treatment plants** thanks to stable funding of approximately \$15 million through the federal Gas Tax Fund. Now that it has completed the modernization and expansion of the water treatment plant in the Aylmer sector, Gatineau will modernize the Buckingham sector plant. In addition, \$1 million will be spent on maintaining the various water facilities.
- Significant amounts are required for **municipal buildings maintenance**. A \$10.1 million envelope will be allocated to this, of which \$5.3 million will be spent on the first phase of the masonry work on Maison du Citoyen, which will require a \$12.1 million investment between 2012 and 2015. Roof repairs will get \$1 million; ventilation upgrading in the Pierre-Papin building will get \$500,000; universal access will get \$400,000; an additional \$400,000 will go to the maintenance of community centres; \$550,000 will go to the maintenance of arenas; and \$300,000 will go to preventive maintenance for our buildings.

- Gatineau will also invest \$350,000 in the **systematic maintenance program for light standards**.
- The **Programme particulier d'urbanisme (PPU)**, a special urban planning program, will be used to guide interventions in downtown Gatineau. It will be financed through half of the property taxes coming from buildings of \$5 million or more newly built in the downtown. By 2013, Gatineau will be able to count on a \$4 million envelope for developing its downtown. The other half will go to the community development fund, which, over the next five years, will help finance part of the new multipurpose centre as well as infrastructure projects throughout Gatineau, including community centres, synthetic fields, and parks.
- Gatineau will invest \$5 million in **purchasing and replacing vehicles and machinery**. At this point, 75% of its 415 vehicles are less than ten years old. This significant investment will continue until 2016, to rejuvenate the municipal fleet, in particular the 25% of vehicles that are over ten years old.

Sustainable and environmentally sound development

Since 2005, Gatineau has been very busy in the areas of sustainable development and environmental protection. The following are but a few examples: the environmental policy, the planting of more than 200,000 trees, the blue bins, the brown bins, Communauto, the Green Fund, the paperless Municipal Council, wetlands protection, energy efficiency planning for municipal buildings, and the construction of LEED buildings. The Council will be keeping up the pace through 2012.

- **Residual materials management** is a priority for Gatineau. Its residents, who have responded in an exemplary fashion to the recycling and composting programs, have helped reduce the volume of waste sent to the landfill sites. The fee for residual materials collection will be reduced by \$15.10, going from \$152.83 to \$137.73, due in part to residents' effort. This represents a 0.7% reduction in the median residential tax bill.

Moreover, in the environmental centre, the Tricentris sorting centre and an ecocentre—both LEED buildings— will be opening their doors in 2012. Thanks to this new ecocentre, Gatineau will be able to annually divert 110,000 metric tons of residual materials from landfill sites.

- **Parks and green spaces** are undeniable assets in Gatineau. Under the four-year parks plan, which will be adopted tonight, Gatineau will maintain its \$3.5 million annual investment in 2012. This will be topped up with \$1.1 million for key repairs to the outdoor pool in parc Bisson, in the Hull sector. In addition, the 15 **community and collective gardens**, which benefit more than a thousand Gatineau families, will receive \$98,000 in 2012. One of Gatineau's special

features, its **recreational pathways**, will receive \$700,000, as well as the \$300,000 in work that had been planned for 2012 and that was carried out in 2011.

- A \$200,000 envelope will be set aside to implement the **greenhouse gas reduction plan**. In order to fulfill the obligation imposed by the Government of Quebec, Gatineau aims to reduce its emissions 15% by 2015 from the 2009 reference year levels.
- Gatineau has identified **public transportation** as a key component in the area of sustainable development and environmental protection. The municipality is determined to provide a public transit service that meets its residents' expectations. In 2012, Gatineau's assessed contribution to the Société de transport de l'Outaouais (STO) will increase by \$3.7 million. It is now over \$45 million, which includes \$2.3 million for the Rapibus.
- The **Green Fund**, established in 2005, receives \$350,000 annually from Gatineau, and is used to finance environmental projects. The proposed activities help improve the environment for Gatineau's residents. In 2012, this Fund will be used, among other things, to top up the greenhouse gas reduction program by \$100,000. In addition, again from the environmental protection standpoint, Gatineau has set aside \$300,000 annually for activities related to the environmental policy.

Maintaining and improving services

This year once again, Council identified service maintenance and improvements as one of its priorities. For 10 years, Gatineau residents have been enjoying improved services thanks to more than \$20 million in improvements. The 2012 budget provides \$2 million, which will be used for the social, cultural, heritage and outdoors policy action plans, and to maintain outdoor skating rinks.

Gatineau continues to focus on direct contact with its residents through its Web site and the 3-1-1 service. This service, which was set up in 2005, was a trailblazer in Quebec, and it has been extremely successful. Every day, an average 850 calls are made to 3-1-1, giving residents quick access to municipal staff.

Gatineau residents appreciate these efforts: surveys have shown that they are highly satisfied, rating the services provided by Gatineau at 7.4 out of 10, and client services at 7.7. The Municipal Council intends to maintain, and even increase, these satisfaction ratings.

- The public feels very strongly about **snow clearance** from their streets and sidewalks. Gatineau spares no effort to provide quality service. The approximately \$15 million it has allocated will help ensure optimal service.
- **Reducing the speed limit in neighbourhoods to 40 km/h** should make our streets safer. This measure is in response to the many complaints received from residents about speeding in neighbourhoods. A \$62,000 budget has been allocated to this 2012.
- **Social housing and home renovations** will share \$4.2 million in 2012. Of this, \$3.1 million will be used to build 175 social housing units through the Accès Logis program. Gatineau is renewing its commitment to finance 700 new affordable units by the end of 2013, and is counting on the support of the Société d'habitation du Québec to achieve this goal. In addition, Gatineau will give \$1.1 million to the Office municipal d'habitation for affordable housing. In regard to home renovations, in 2012 Gatineau will inject \$1.1 million in Rénovation Québec, a tripartite program that represents combined investment of more than \$3 million in renovations. The housing policy will receive \$175,000 to implement its action plan.
- In order to meet the requirements set by the Government of Quebec, the **fire safety cover plan** will continue, with an investment of \$1.3 million. By the time it is completed, Gatineau will have spent no less than \$43 million on its fire equipment and infrastructures. This year, the Service de sécurité incendie will receive a budget of \$31.6 million with which to provide Gatineau residents with quality fire protection service.
- The **police organization plan**, which was adopted in May 2010 to comply with the ministère de la Sécurité publique *Police Act*, will receive \$1.5 million. At the end of the day, \$5.5 million will have been allocated to the safety of residents. This year, the Service de la sécurité publique budget will reach \$58.5 million.
- The **tags and graffiti** prevention program has enabled Gatineau to reduce tags and graffiti misdemeanours by more than 60%. The program provides support to property owners who have been victims of such incidents, and will receive \$352,000 in this budget.
- In 2012, Gatineau will begin the first phase of development of approximately 100 industrial properties, which will require investments in the order of \$20 million. In addition, Gatineau will continue to support the **Gatineau airport** with the injection of \$385,000 in order to maintain this key infrastructure for our city's economic development.
- A sum of \$816,000 will go towards implementing the **social development policy**. The aims of the measures stemming from this policy, which was adopted last year, include promoting equity and access, and combating poverty.

- The new **heritage policy** and the renewal of the **cultural policy** will together receive \$356,000 in 2012. The municipal departments will report to the Municipal Council early in the year to validate the key measures introduced.
- An additional \$193,000 will be invested in **outdoor skating rinks** in 2012 in order to improve this service all over Gatineau's territory. The **policy on the outdoors** will get a \$50,000 budget. All of these funds will enable Gatineau to follow through on its plans.
- Gatineau will increase its support for **Winterlude**, and will become a full partner in organizing the activities at Jacques Cartier Park, to which it will contribute an additional \$139,000 for a total of \$480,000 in cash and services.
- In the same vein, Gatineau will allocate an additional \$152,000 to its **celebrations, festivals and events** support program. This includes financial, technical and promotional support. One of the goals of this assistance is to make Gatineau a year-round tourist destination.

Keeping property taxes at a reasonable level

As we were preparing the 2012 budget, my colleagues and I had to negotiate the delicate balance between maintaining and improving services, renewing infrastructures over the short and medium terms and, at the same time, keeping tax increases at a reasonable level.

For 2012, Gatineau's Municipal Council adopted a \$491,303,000 balanced budget, up 6% compared to the 2011 budget. The main increases stem from:

- the **payroll** (\$8.7 million)
- Gatineau's **assessed contribution to the STO** (\$3.7 million)
- the **dedicated infrastructure fund (1%)** (\$3.2 million)
- **service improvements** (\$2 million)
- **new standards and statutory obligations** (\$1.8 million)
- the **increase in the TVQ** (\$1.7 million)
- the **police organization plan** (\$1.5 million)
- **Gatineau's growth** (\$1.4 million)

The three-year capital program for 2012, 2013 and 2014 provides for investments in the order of \$247.5 million, including \$82.7 million for 2012.

For a sixth consecutive year, Gatineau did not use the anticipated surplus for the 2011 fiscal year to balance its 2012 budget. The Municipal Council is committed to this sound financial management practice, which speaks to efficiency and prudence.

Thanks to the decrease in the levy for residual materials management, which represents an average decrease of 0.7% in the tax bill, the average increase in residential property taxes will be 2.2%. The goal of keeping the increase below the consumer price index (CPI) has been met, given that the regional inflation rate was 2.7% in October.

Of this 2.2%, 1.2% will be allocated to the operating budget and service improvements, while the remaining 1%, which represents \$3.2 million, will be dedicated to infrastructure repairs. The uses to which this new fund are put will be reported every year in the speech on the financial situation.

I would like to point out that since 2006, Gatineau has had the smallest tax increase of Quebec's 10 largest cities, according to a survey run by *La Presse* on November 18, 2011. While the average increase was 17.5%, and peaks of 19.9% and 25.9% were reached, Gatineau's property taxes have only risen 12.2% over six years.

Again in an effort to keep property taxes at a reasonable level and to increase our infrastructure investments, municipal programs and services will undergo an efficiency review in the coming year.

Conclusion

Gatineau's first decade was highlighted by some wonderful achievements, memorable events, innovative ideas and remarkable moments. If these 10 years were to be summed up in one word, that would surely be "growth".

Gatineau has laid some solid foundations at the demographic, economic, cultural, environmental, sports and social levels, and it has blazed the trail that should be followed in the coming decade, which promises to be every bit as exciting.

Gatineau should see its population surpass the 300,000 mark within 15 years; 2,700 new businesses will see the light of day in the city over the coming years; the Destination Gatineau project and the downtown's revitalization should provide the opportunity to expand its tourist attractions and facilities, and help it become a major destination; the establishment of new permanent ecocentres will make Gatineau a leader on the environmental stage; the arrival of a new multi-purpose centre, combined with the sports centre, will make Gatineau a popular gathering place for sports events in Quebec, and finally; the development of several municipal programs will help maintain the quality of life for which Gatineau has come to be known across Canada.

We can be optimistic as we head into the second decade. However, we will have to watch our budget choices very carefully so that we can meet residents' current and future needs. We will have to find new ways to pay for the upgrades to Gatineau's infrastructures, because currently 80% of its revenues come from property taxes. Renewing and updating the fiscal pact with the Government of Quebec and a new federal long-term infrastructure plan are tools that will enable Gatineau, as well as many other cities in Quebec, to move

forward and renovate their infrastructures without imposing unreasonable property tax increases.

Gatineau is a dynamic and exciting city that is growing along with its achievements. One thing is certain, and that is that these last ten years have been marked by the efforts, commitment and passion of Gatineau's employees, elected officials, volunteers and residents. By continuing with this cooperative approach, we will keep Gatineau on the path to prosperity over the next 10 years.

Thank you.