

BUDGET 2010

Tuesday, December 15, 2009

“Continuing to Build Gatineau”

Check against delivery.

Mr. Chairman,
Dear colleagues,
Dear fellow residents,

I am happy to present to you today Gatineau’s 2010 budget. This is the first budget by the Municipal Council struck following the November 1st election. As in previous years, it is the outcome of close cooperation between Council members and the municipal administration.

Gatineau is a city in full expansion. At the time of the 2002 merger, it had 226,000 inhabitants. This year, our population surpassed the quarter million mark. According to the Institut de la statistique du Québec, Gatineau is the region that will undergo the strongest population growth over the next 25 years. Over this period, the number of Gatineau residents will increase by 73,000, a full 25%. This is definitely an enviable situation, but it carries some considerable challenges.

Although our residents may be enjoying economic stability thanks to a strong regional labour market, the difficult economic environment prevailing in Quebec, as in all of Canada, has nonetheless affected them.

Like other Quebec and Canadian cities, Gatineau must come to grips with the challenges involved in upgrading its infrastructures, particularly since sharp cost increases in this area over the last while restrict the number of projects we can carry out in any given year.

We have a lot of catching up to do. This is clear from the initial estimates in the master plans under preparation, which will be tabled before the Municipal Council at a later date. Whether in terms of the water supply and sewer systems, upgrading the water treatment plants, repairing the roads or maintaining municipal buildings, this catch-up is no short-term effort.

Over the next few months and years, we will have to:

- continue preparing the infrastructure **master plans**;
- introduce a **long-term financing plan** to repair these infrastructures;
- ensure **tight debt management** to keep it at an acceptable level; and
- maintain **sufficient reserves** so we can address any contingency.

In order to meet their increasingly pressing obligations in terms of infrastructure repairs, cities are being compelled to diversify their sources of revenue. I remind you that 85% of these revenues come from taxes. This is why for years cities have been requesting new sources. While there may well have been some progress in this area, it has been woefully inadequate in view of the ever-growing needs.

In this regard, I would like to remind you that since 2005, every new source of revenue that has come our way has been applied to repairing our infrastructures. For 2010, \$22.5 million will be invested in upgrading these, with no increase in our debt. Between 2005 and 2012, our infrastructure investments will total \$131 million.

The recent economic crisis has prompted the higher levels of government to introduce a number of programs aimed at revitalizing municipal infrastructures. We applied under the Programme de renouvellement des conduites d'eau potable et d'eaux usées (PRECO)—a program for the renewal of drinking water and wastewater pipes—, the Programme d'infrastructures Québec-Municipalités (PIQM)—an infrastructure rehabilitation program for Quebec municipalities—, and the Building Canada Fund – Quebec (BCFQ). The sum total of the projects submitted currently comes to more than \$360 million in investments.

I would also like to point out that at this time, no fewer than 500 projects involving infrastructures are underway within Gatineau, totalling more than \$350 million.

With regard to the fire safety cover plan and the residual materials management plan, I would remind you that these are obligations imposed by the Government of Quebec, which did not provide municipalities with sufficient financial compensation. For Gatineau, this means significant investments, which are reflected in the increase in its residents' tax burden.

In preparing the 2010 budget, we opted for a realistic and responsible approach that serves four main objectives:

- 1. maintaining and improving basic services for the public;**
- 2. making Gatineau an ever-greener city;**
- 3. moving ahead with sourcing projects; and**
- 4. adopting a responsible budget**

Maintaining and improving basic services for the public

Maintaining and improving basic services for the public involves repairing our infrastructures. Thus, Gatineau has increased the funds allocated to water supply and sewer system repairs, road maintenance, snow clearing, the fire safety cover plan and municipal building maintenance.

- Since 2006, close to \$50 million has been pumped into the **water supply and sewer systems**. In 2010, Gatineau intends to pipe in an additional \$39.2 million. This massive investment has been made possible, in part, by the 28 projects launched under the Programme de renouvellement des conduites d'eau potable et d'eaux usées (PRECO). At this point, I would like to applaud the outstanding work done by our officials. At a media briefing on November 20, federal and provincial government representatives cited Gatineau as an example of the speed with which applications had been prepared and submitted to PRECO.
- Nearly \$65 million has been routed towards our **roads** since 2006. For 2010, close to \$22 million will be directed this way. In terms of paving, this year's total is \$13.6 million, which is \$2 million more than in 2009. I would like to remind you of the commitment we made to double our investment in paving over the next four years. The increase in 2010 over 2009 is more than 17%. The envelopes include the following:
 - \$1.3 million for chemin du Cheval-Blanc and chemin McConnell to enhance the safety of residents;
 - speed reduction measures rising from \$500,000 to \$1 million; and
 - close to \$1 million for road maintenance in the agricultural areas, including \$450,000 to reprofile ditches.
- With regard to **snow clearing**, Gatineau is keeping its efforts on track, investing an additional \$1.1 million for a total of close to \$15 million in 2010. This additional money will be used to maintain nearly 15 km of new streets and sidewalks over the winter months, including the rental of additional equipment and the new Saint-René snow dump.
- Gatineau is continuing with the implementation of the **fire safety cover plan**. In 2010 an additional \$1.9 million will be added to the \$8.8 million invested since 2007. This is the year that construction will start on the new fire hall in the city's east end, at an estimated cost of \$8.3 million. Out of concern for the environment and long-term savings, this fire hall will be LEED certified, like the one on boulevard Gréber. The plan will continue to be deployed until 2015. By that time, Gatineau will have spent \$43 million on equipment and infrastructure, and the operating budget for the Service de sécurité incendie will have risen by more than \$15 million annually due to the hiring of close to 100 new firefighters.

- **Social housing and renovation programs** will receive \$3.2 million in the 2010 fiscal year. Gatineau plans to keep up the pace of construction on 700 social housing units over its next mandate. For 2010, it will unfreeze the funds needed to build 125 such units, and it will step up the pace over the coming years to reach the objective. With regard to renovations, in 2010 Gatineau will inject \$1.2 million in the Rénovation Québec program. If we include the contributions by the Government of Quebec and residents, more than \$3.5 million will be invested in home renovations in Gatineau's oldest neighbourhoods.
- Since 2006, some \$19 million has been allocated to **municipal building maintenance**. For 2010, the investment will be in the order of \$5.4 million, including \$1 million for roof repairs. There will be an additional \$500,000 in 2010 for the new life cycle reserve, for the maintenance of new buildings and new amenities, namely our LEED buildings. By the end of 2015, \$10.5 million will have been poured into this reserve to make sure that our buildings are properly maintained.

Making Gatineau an ever-greener city

This year again, Gatineau is staying the course and promoting responsible development that respects the environment. As with previous ones, the 2010 budget includes measures that illustrate the importance Gatineau attaches to sustainable development. If our city is to be a leader on the environmental front, we have to manage our residual materials responsibly and develop sustainable transportation.

On November 18, 2008, Gatineau adopted its Environmental Policy, which touches on water, air, soil, biodiversity, energy, quality of life and residual materials. This year once again, Gatineau will invest \$300,000 in the action plan. We will review the noise by-law and tighten its application, conduct a municipal inventory of greenhouse gas emissions and design a way to reduce them, and develop a tree policy.

In 2010, Gatineau will also pursue its tree planting program. By the end of the last mandate, more than 180,000 trees had been planted, despite the fact that the initial objective had been 100,000 trees. By the fall of 2010, it is estimated that more than 200,000 will have been planted in Gatineau.

When it comes to the environment, **public transit** is a key factor in reducing greenhouse gas. Gatineau wants to provide its residents with quality public transportation and reduce the number of vehicles on its roads. To this end, its assessed contribution to the Société de transport de l'Outaouais (STO) for 2010 will increase by more than \$3.6 million. This contribution has more than tripled in the last nine years, from \$11.7 million to \$37.4 million. The sum total of service additions since 2005 will reach \$8 million in 2010. These services played a significant part in the 22% increase in STO ridership over that period. In addition to its favourable impact on traffic, road maintenance and the

health of residents, these investments help improve the mobility of workers and, consequently, the city's economic development.

Naturally, in Gatineau, public transit goes hand in hand with **Rapibus**, a project that is moving into its next phase this year. More on this later.

Speaking of sustainable transportation, the success of the **BIXI bike rental service** has convinced Gatineau that it would be a good idea to implement the program on a permanent basis in 2010, thanks to the \$320,000 collected during the Hydro-Québec ENERGY WISE Home Diagnostic initiative.

When it comes to the environment, **parks and green spaces** are essential, and Gatineau pays very special attention to them. Since 2006, more than 150 parks have been built or renovated, representing an investment of over \$15.2 million, including \$5.3 million for the so-called "orphan" parks. In 2010, Gatineau will keep up its annual investment of \$3.5 million for parks and green spaces. The new neighbourhood parks created as residential neighbourhoods emerge are entirely paid for by developers through a \$2 per square metre levy on property used for new home construction. Since 2009, developers can negotiate with Gatineau to develop the parks themselves.

Residual materials management is a priority for Gatineau. The distribution of 85,000 360-litre blue bins in 2008 substantially increased the volume of recycled materials. In fact, Gatineau is doing very well with its average of 744 kg of materials per inhabitant sent to landfill sites in 2008 compared to the Quebec average of 810 kg. Gatineau will introduce composting in 2010 in an effort to further reduce the volume of material sent to landfills.

On November 16, the Government of Quebec unveiled its draft residual materials management policy for 2010-2020 and the associated five-year action plan. One of the Government's proposals is a requirement that by 2020, 60% of municipalities' organic residual materials be biologically treated.

Thus, starting in May, Gatineau will distribute 80,000 80-litre brown bins for organic materials. This will be a major undertaking for Gatineau—already a leader in this area—, involving investments of \$5 million for the bins and \$1.5 million to phase in the service throughout 2010. This will help us reduce our ecological footprint by reducing the volume of material sent to landfills. This new composting service will be financed by raising the residual materials processing levy from \$159.77 to \$176.22.

One of the main priorities for 2010 will be to **preserve the quality of our water**. Efforts have already been made in this regard. Last year, Gatineau invested \$25 million in modernizing the water treatment plant in the Aylmer sector. This work will be completed in 2010 and will more than double the plant's capacity.

Thanks to the Gas Tax Fund, which the federal government recently confirmed it would continue, we can now count on approximately \$15 million annually for **upgrading our**

water treatment and wastewater treatment plants. This is good news because we expect that it will take approximately \$165 million in investments over the next few years to get the job done.

At this time, municipal officials are working out the new requirements for the Gatineau wastewater treatment plant. The upwards of \$75 million expansion project will help improve wastewater quality through a 30% increase in the plant's capacity by 2031. This work will also reduce overflows once its intake capacity significantly increases.

Moving ahead with sourcing projects

I have said it before and I will say it again, our next few months and years are going to be extraordinary:

- we will inaugurate the **sports centre**;
- we will host the **Jeux du Québec**;
- we will build a **new Robert-Guertin centre**;
- we will build the **Rapibus**;
- we will improve rue **Jacques-Cartier**;
- we will implement the **Destination Gatineau** project; and
- we will give Gatineau a new core with a **revitalized downtown**.

A number of projects are being completed in Gatineau, namely:

- the repairs to **rue Principale in the Aylmer sector**, which are expected to be completed in the summer of 2010 (\$12 million);
- the **Gatineau sports centre**, which will open in the winter of 2010 (\$50.4 million);
- the development of the **Mont-Bleu multi-sport synthetic turf field**, which is slated for inauguration in the spring of 2010 (\$3.2 million).

The **Rapibus**, the biggest construction project in Gatineau's history, started a few days ago. The first ground breaking was on November 30. A total of \$230 million will be invested. Gatineau's \$58 million share will help to ensure that Quebec's fourth-largest city gets the sustainable transportation system it deserves. More than ever, Gatineau will be able to offer its residents an efficient alternative to the automobile.

The Rapibus will be an important economic engine for Gatineau: investments connected to the route's 12 stops will reach \$1.2 billion in property taxes. Once it is in service, the Rapibus route will form the backbone along which all future institutions will set up in Gatineau. The Rapibus will also help revitalize the downtown by making it more readily accessible.

The introduction of the **special planning program (PPU)** for downtown Gatineau is another sourcing project because it will help us develop our core. Passed in 2009, the

PPU is the decision-making and planning tool that is used to specify, guide and harmonize interventions—both public and private—connected to the downtown’s development.

On November 24, the Municipal Council agreed to continue funding for the PPU. Starting in 2010, Gatineau will set aside \$300,000 a year for this program. It has also agreed to invest in the PPU all property taxes stemming from any new downtown construction over \$5 million. For 2011, Gatineau is expecting \$450,000 in additional revenue. Starting in 2012, it projects annual revenues of \$4.1 million. Gatineau also intends to promote its downtown to attract entrepreneurs and new residents.

Finally, I would like to remind you that the two subsidy programs in the form of property tax credits are still in effect for downtown Gatineau: the Programme pour les nouvelles constructions résidentielles and the Programme pour les entreprises en informatique.

Other major projects will be launched in 2010. For example, we will be forging ahead with the reconstruction of the **Robert-Guertin centre**, for which we have a \$14 million reserve to build and renovate a 5,000-seat amphitheatre and 40 corporate boxes.

We will also be pursuing the **rivière Gatineau waterfront improvement project along rue Jacques-Cartier** in 2010. This \$32 million strategic development project will help revitalize three kilometres of waterfront and transform it into a unique and captivating zone.

And of course, I must not forget the **45^e Finale des Jeux du Québec**, which will be held in Gatineau in 2010. The economic benefits of this event will be in the order of \$8 to 10 million, and it will draw attention to Gatineau from every part of Quebec. This event has already brought in more than \$3 million in subsidies for different competition venues. These investments, together with the Mont-Bleu multi-sport complex, constitute a tremendous legacy to our young people.

Adopting a responsible budget

Sound management of its public finances has enabled Gatineau to not only weather the economic crisis but also to maintain and improve the quality of the services offered for the public, and to protect the environment, complete major projects and minimize property tax increases.

In the delicate act of balancing the budget, the Municipal Council focused on:

- **maintaining and improving the basic services offered for the public;**
- **making Gatineau an ever-greener city;**
- **moving ahead with sourcing projects; and**
- **adopting a responsible budget.**

For the 2010 fiscal year, Gatineau adopted a \$443,133,000 balanced budget, an increase of 4.3% compared to the 2009 budget. The main increases stem from:

- the **payroll** (\$8.1 million);
- Gatineau's **assessed contribution to the STO** (\$3.6 million);
- the operation of the **sports centre** (\$2.2 million);
- the **fire safety cover plan** (\$1.9 million);
- **composting** (\$1.5 million); and
- **snow clearing** (\$1.1 million).

Since the new city was created in January 2002, Gatineau residents have enjoyed service improvements in the order of \$16 million. Of this, \$12 million are recurrent. **An additional \$5 million is being added in 2010 for service improvements.**

The three-year capital program for 2010-2011-2012 includes investments of close to \$274 million, \$115 million of which is for 2010.

For a fourth consecutive year, Gatineau did not use the anticipated surplus for the 2009 fiscal year—which is expected to come to \$5.9 million—to balance its budget. This is consistent with the rules of sound financial management.

For 2010, the additional costs of \$1.9 million linked to the fire safety cover plan represent 0.6% of the 3.1% increase in property taxes. This increase will help maintain and improve services for residents. The Municipal Council considers this a reasonable increase in difficult economic times.

Conclusion

Municipalities have to contend with substantial needs and limited resources. As I did last year, I would like to remind you of two factors that amply justify municipal demands for revenue diversification. At this point, municipalities in Quebec and the rest of Canada receive only 8% of the taxes collected in Canada, whereas the federal government receives 50%, and the provincial and territorial governments get 42%. Every time a municipality invests \$1 in its infrastructures, the higher levels of government take out \$0.35 in taxes, and the municipality receives nothing: clearly, municipalities must be provided **new sources of revenue**. The higher levels of government must share with the municipalities any additional revenues that stem from economic growth.

In closing, I want to once again thank my colleagues on the Municipal Council, in particular the new members, for their invaluable contribution to the preparation of this budget. I also want to thank all the municipal officials who were involved in this exercise.

Mr. Chairman, I am convinced that this budget is a source of growth, and as such will propel Gatineau to new heights. In preparing it, we paid close attention to the main concerns of our fellow residents.

Thank you!