



# BUDGET 2018\$

## Mayor's speech

December 18, 2017  
Check against delivery.



## Addressing our Communities' Challenges

Ladies and gentlemen,

This evening we will be adopting the first budget of the new Municipal Council. I would like to start by thanking our elected officials for their participation and contributions throughout the budget discussions from late November until today's adoption of the budget.

I would also like to acknowledge the contributions made by all those in the municipal administration who contributed from near or far to this lengthy process. There were extensive discussions, and throughout the process we were able to rely on the professionalism and efficiency of our employees at every level of the organization. The budget review exercise has once again been a testament to the rigour, prudence and transparency of Gatineau's public administration.

It is thanks to such invaluable cooperation that we are now able to bring Gatineau residents a budget that addresses our communities' challenges.

The budget we are adopting today is balanced and in line with our fiscal reality. We are pursuing the significant continuous infrastructure improvement and massive catch-up efforts undertaken in the past few years, focusing on strategic investments in projects that will improve our communities' quality of life throughout the territory.

FIRST BUDGET  
OF THE NEW MUNICIPAL  
COUNCIL

## Transparency

For years, Gatineau's budget review has been conducted in public. Not many cities in Quebec can claim such transparency: for four days, presentations and discussions were aired live on the municipal Web site. This gave residents, and, of course, journalists as well, access to the explanations about the budget and their municipal administration. By setting out our long-term financial orientations, as well as our revenues and expenses, we showed taxpayers how the funds they have given us the privilege of managing will be used.

If we want people to better understand our decisions and the factors underlying them, they need access to our decision-making process. Clearly, we are talking about complex issues, but with the media's help and our own efforts to simplify what the administration does, namely through the Budget perspective citoyenne tool, the public has a chance to better understand the choices we face.

If we want people to be more interested in municipal politics, and achieve higher voter turn-outs, they need to understand the breadth and scope of our field of action. We are continuing to work in that direction.

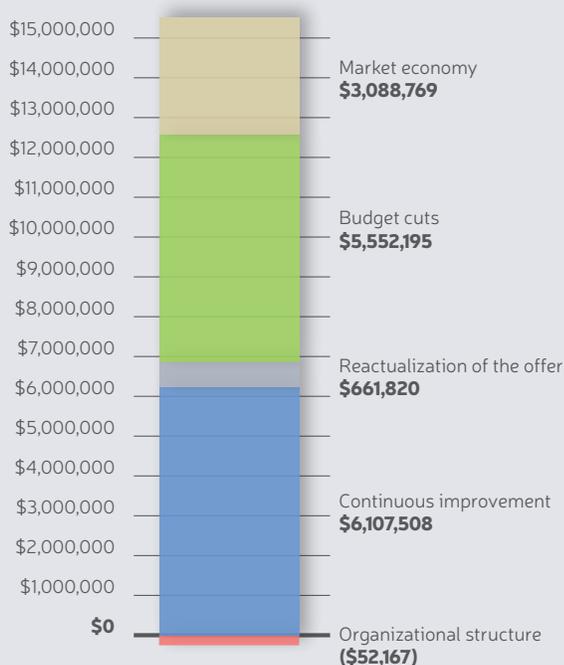


## The Commission de révision des dépenses et des services

In 2013, a report by Raymond Chabot Grant Thornton identified a potential \$15 million in savings in the municipal apparatus. We followed up by setting up the Commission de révision des dépenses et des services, with a mandate to review organizational costs and performance in the municipal administration, and to reactualize the offer of services to the public. Instead of striking out blindly, we took a department by department approach, trying to find ways to become more efficient, to work better. Our employees were front and centre in the discussions right from the get-go, and I thank them for their commitment to Gatineau. Together, we generated permanent annual savings, as indicated in the fall with the announcement that we had reached \$15.4 million in recurrent savings one year ahead of schedule.

I am proud of the approach we selected to achieve our objectives. For the past few years, there has been clear evidence that a culture of continuous improvement is taking root within the organization.

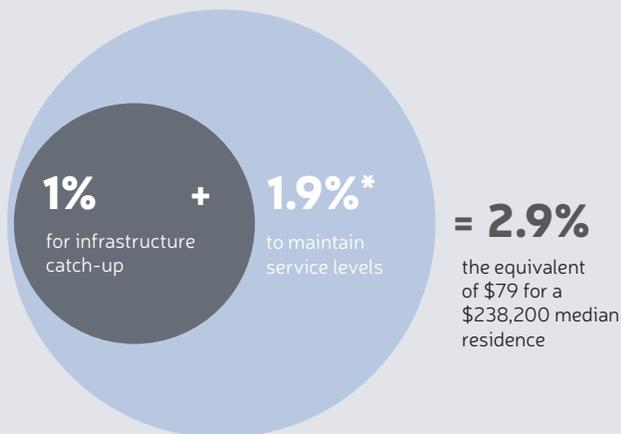
And the work is not yet done. By August, Mr. Carpentier, who chairs the Executive Committee, as well as Mr. Lajeunesse, who chairs the Commission de révision, will undertake an in-depth budget review, including revenues and expenses, and the human resource plan, and will propose budgetary orientations for the next three years. During this mandate, we will explore how the use of certain new technologies could help achieve efficiency gains along with enhanced services to the public. Our aim remains to provide the best possible service at the best possible cost, as well as to make Gatineau residents aware of the efforts we are making to get the most out of every dollar they entrust to us.



OUR AIM REMAINS TO PROVIDE THE BEST POSSIBLE SERVICE AT THE BEST POSSIBLE COST

# Revenues

The tax increase is in line with our long-term financial plan, and will help ensure Gatineau's financial viability. On the one hand, we are introducing a 1.9% increase in property taxes for operating expenses, which enables us to maintain the service offer. Given that we also want to keep catching up with our infrastructure maintenance, we are also retaining the 1% dedicated infrastructure tax. Created in 2012, the dedicated infrastructure tax has so far enabled us to invest more than \$81 million, with another \$31.5 million coming in 2018.



\* Corresponding to the Bank of Canada target consumer price index (CPI).

Thus, this year we will see a 2.9% tax increase, which equates to \$79 for a median residential tax account (property assessed at \$238,200). In 2018, property taxes will represent approximately 88% of Gatineau's revenues, a situation we will address during our mandate.

## Revenue Diversification Plan

In the last mandate, we adopted a revenue diversification plan to help us reduce our dependence on property taxes. Several aspects of the plan require that the government grant cities more powers, and representations were made accordingly.

Last June, the National Assembly adopted Bill 122 recognizing municipalities as local governments. The Act grants cities more autonomy and legal and financial powers. In other words, municipalities are able to seek out new revenue sources, other than property taxes, to reduce the pressure on taxpayers.

Those amendments enable us to implement certain elements set out in our diversification plan, namely the application, starting in 2018, of higher rates for transactions in excess of \$100,000, a measure that will help generate additional annual revenues in the order of \$2 million while sparing less fortunate taxpayers.

In 2018, we will also be working on draft by-laws for a tax on downtown parking, and an increase in duties on licensing. According to the scenarios being considered, those two measures could generate significant revenues and thereby help us ease the pressure on property taxes by 2019.

It is worth repeating that last June's measure by the Quebec government was a historic step in that it officially recognized cities as local governments. And we have to keep up the momentum for autonomy. As was the case over the past few years, Gatineau will continue to actively collaborate with UMQ and to push for major changes by the Government of Quebec in our tax system. Cities have more and more responsibility, and need the means to address them. One of the next hurdles cities face is securing a QST point, a change that would have a major impact on the finances of Quebec municipalities. Next fall's election campaign will be critical for getting the different parties to take a stance on the issue.

## The debt is under control

According to all available indicators, our debt is under control. In 2018, debt servicing amounted to only 10.5% of spending, compared to 23% at the time of the municipal merger. In round numbers, that comes to an estimated \$607.5 million in 2017.

Gatineau must continue to manage its debt soundly and prudently. We do not want to pass the tax burden on to future generations. Our approach underscores the rigour of our procedures and our administration, as well as our commitment to intergenerational equity for taxpayers.

# Spending and investments

We have chosen to invest in improving certain strategic municipal services that will make a difference in the everyday lives and quality of life of Gatineau residents. The following are a few examples:

- Improved safety in more school zones.
- Improved snow clearing with an additional investment of \$225,000 to more quickly clear our side streets.
- New water playgrounds in our parks and extended hours for outdoor swimming and wading pools, starting this summer.
- More support for the revitalization of our former city cores and our downtown through a number of measures that will be designed in collaboration with our business associations and that will improve our commercial offer and the quality of life in neighbourhoods.
- Support some of the projects stemming from community efforts, such as the Old Aylmer public market and the Dalton ecological park.
- Introduce a program to encourage people to be more ecologically responsible.
- Introduce a free compost distribution program.

We also found the means to address once and for all the issue of the expansion of the Lucy-Faris and Guy-Sanche libraries, which no longer meet the growing needs of

residents. Every time a city enhances the offer in its library network, attendance increases significantly. Given that the future lies in the knowledge economy, investing in our libraries is both a strategic and necessary move. It helps breed better residents and a more versatile labour force.

Whether from the social, economic or environmental standpoint, these initiatives directly address some of our communities' needs. It is by continuing to listen to residents and different groups that Gatineau can keep fine-tuning its approach year after year.

# Infrastructure: still catching up

In terms of infrastructure, despite massive investments over the past few years, Gatineau still has a lot of catching up to do. We are one of the cities in Quebec that is doing the most to correct the situation with a series of targeted measures:

- Since 2012, we have used a 1% special dedicated infrastructure tax. In 2018 alone, \$31.5 million worth of work will be done thanks to that tax, for a total of \$81 million in work completed since 2012 under that envelope. That's significant.
- Since 2010, we have built up a reserve for our new infrastructure in order to factor in, from the time of their construction, the money needed for their future maintenance. In 2018, the reserve will stand at \$22.5 million, and investments out of the fund started in the past few years.
- In addition, we are tapping into every possible subsidy program that can help with our catch-up.

These measures, all of which are focused on our infrastructure, represent the mainstay of our margin of fiscal manoeuvre. Thanks to them, over the next few years, we will completely rebuild rue Notre-Dame in Vieux-Gatineau (\$19.3 million), and boulevard Saint-Joseph in the Hull sector (\$58.8 million). We also started a significant \$53 million multi-year project to address the issue of discoloured water in several neighbourhoods, a key aspect of quality of life.

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## Conclusion

As we start into our new mandate, I am confident that we are on the right path with today's budget. This is a responsible and balanced budget that perpetuates our sound financial practices while at the same time enabling us to invest in certain key sectors to make a difference in the lives of people. Every time we improve services, whether through safety in school zones, revitalizing our former urban core or our downtown, investing in the Old Aylmer public market or the Dalton farm ecological park, the needs are well known and clearly defined in collaboration with residents or our partner groups in the field.

The work that will be directed by Messrs. Carpentier and Lajeunesse will enable us to soon set out the budgetary objectives and orientations for the next three years, which will set clear principles to guide our decisions in anticipation of Gatineau's upcoming budgets.

Once again, I would like to thank the elected officials and members of the municipal administration for their contributions to the budget process. We are fortunate to be living through exciting times in Gatineau: our city is booming, young, dynamic and spectacular. A city with people from every part of the province and the world. A city with groups engaged in business, communities, the environment, social activities, and much more. We have at the table elected officials from the four corners of Gatineau, with a range of experience and expertise, sometimes differing opinions, but all wishing to work on improving our community. Together, we can keep Gatineau on the path to success.

TOGETHER, WE CAN  
KEEP GATINEAU ON THE  
PATH TO SUCCESS

The mayor,



Maxime Pedneaud-Jobin