



## Mayor's speech

Decembre 10, 2019  
Check against delivery.



## Adapting

Ladies and gentlemen,

This evening we will be adopting Gatineau's budget for 2020. I would like to start by thanking all those who contributed, directly or indirectly, to this lengthy process at every level of the municipal organization. In particular, I would like to thank the elected officials, the staff of the Chief Administrative Officer and the Service des finances.

Working in collaboration enables us to enact the vision developed by the Municipal Council while at the same time adapting our actions to the needs of our communities. These needs continue to change, whether due to climate change, the expansion of the knowledge economy, our aging infrastructures, or other things.

Last year, we started to improve the budget process so that all of the elected officials could get involved much earlier. Everyone agreed that this part of the process went even better this year. There will no doubt be some need for fine-tuning, but overall, I am most satisfied with the way our budget process is progressing. I believe that it is now reaching an extremely interesting level of maturity.

Interesting for the public, first of all, who for a week get a front row seat to the workings of the municipal machinery, the issues confronting us, their scope and the Municipal Council's constant balancing act when it comes to allocating resources. Residents can choose to follow the discussion through webcasts or the media's wide-angle lens, but either way they will have access to the tools that will help them get to know their city better, namely facts and figures on results that were added to the week.

The improvements to the process will also help the elected officials by clearly identifying when they can intervene, and when their budget requests are on the agenda for the initial budget discussions. I am convinced that this is why the discussions remained focused on the essentials, such as our strategic choices, without getting heated.

I would like to thank the members of the Executive Committee, Ms. Amyot, Mr. Chagnon and Mr. Lanthier, who were involved from the beginning to the end of the budget process, with special mention to the chair, Mr. Tessier, who deftly steered all of the elected officials through the process.

This year once again, we are adopting a balanced budget that is true to our principle of prudence, while remaining ambitious. We are pursuing our efforts at continuous improvement and massive catch-up for our infrastructures, while at the same time investing strategically in projects that enable us to fulfill our vision for Gatineau.

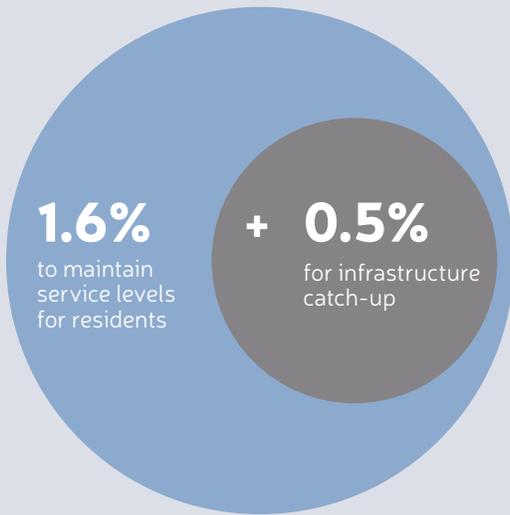
# Revenues

Over the past few years, we have worked very hard on diversifying Gatineau’s revenues so that we could reduce the burden on residential taxpayers. Our efforts have started to pay off. For the second year in a row, we have kept the tax increase at its lowest level since 2005. The tax increase is in line with the budget orientations set by the Municipal Council, and supports Gatineau’s financial viability.

Thus, we are increasing the property tax by 1.6% for operating expenses, which enables us to maintain our service offer. Given that we also want to keep catching up with infrastructure maintenance, we are keeping the dedicated infrastructure tax increase at 0.5%, and offsetting the remainder through an equivalent increase in the debt. Created in 2012, the dedicated infrastructure tax will have enabled us to invest an additional \$190 million by the end of 2020 in our infrastructures, namely the most neglected side streets.

As a result, this year’s tax increase will be 2.1%, which equates to \$60 for a median residential tax account (property assessed at \$238,200).

While the provincial and federal governments have enormous resources, which they use to offer tax cuts or to build up surpluses, municipalities’ finances are always precarious. Clearly, Québec City and Ottawa are the ones with fiscal flexibility, not the municipalities. This situation will not change as long as the latter remain responsible for maintaining 58% of the public infrastructures with only 8% of the public revenues.



= **2.1%** or the equivalent of \$60 for a \$238,200 median residence.



## Revenue diversification plan

Since entering municipal politics, I have been repeating, repeating and again repeating the long-standing request by municipalities to get the Quebec government to transfer one TVQ point to them. I have constantly been told that I was dreaming in technicolor and that I was wasting my time. As former Québec City Mayor Jean-Paul L'Allier would say, sometimes you have to shovel clouds if you want to see the sun.

The sun came out in May 2018 at the UMQ congress in Gatineau. The four campaigning political parties formally committed to transfer part of the TVQ. And in September, as part of the renewal of the fiscal pact, the Government of Quebec transferred to municipalities the equivalent of the fiscal growth associated with one TVQ point! This is a landmark in the history of municipal taxation. That door, which had been shut and bolted for years, we opened it, and closing it again will be no easy task!

For Gatineau, this means an additional \$27 million over five years. The amount to be transferred, without conditions and recurring, will increase year after year from approximately \$2.3 million in 2020 to around \$8.1 million in the last year of the agreement. That transfer, projected over 10 or 15 years, stands to have a profound impact on municipal finances. The phenomenon will be similar to what happened when the dedicated tax was introduced: a limited effect in 2012 when it was set up, but then kept growing year after year, and today provides us with a very real ability to act. But the TVQ point is even better than the dedicated tax in that it is already being paid by taxpayers, and is not a new tax.

The next battle will be getting the transfer enacted into law to ensure that the financial health of municipalities is not at the mercy of the political winds in Québec City.

I would like to thank all of the elected officials who have been involved in this critically important issue over the years, municipal staff, the UMQ and my counterparts across the province. Gatineau was at the centre of this important victory, and I could not be more proud of it.

In 2015, I tabled before the Municipal Council the first revenue diversification plan in our city's history. It was a detailed plan, with clear objectives, to tackle our dependence on property taxes. We introduced:

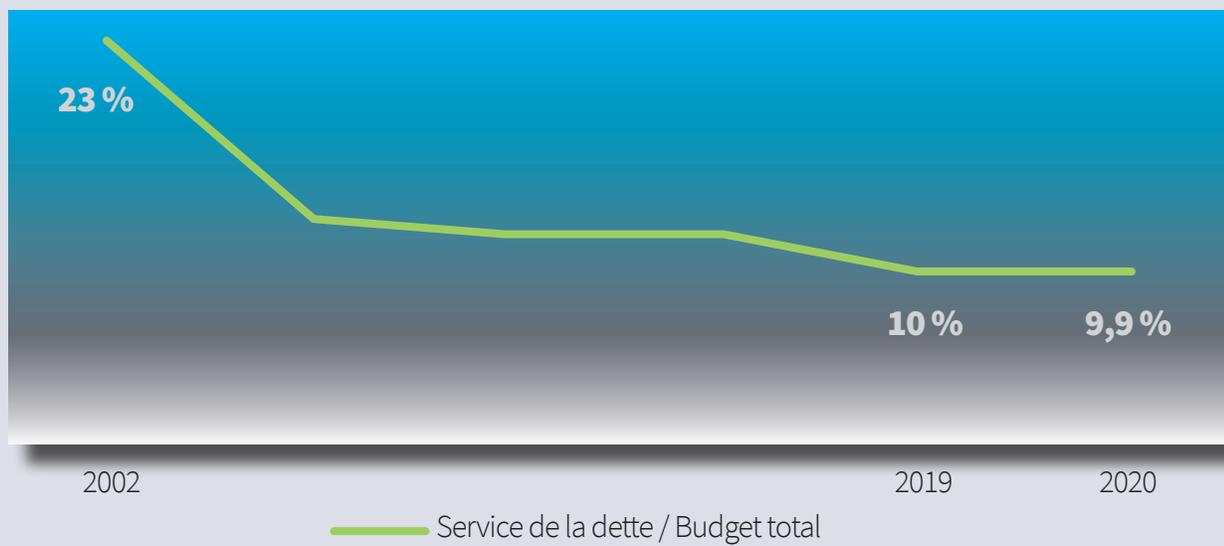
- changes to duties on transfers for transactions over \$1 million;
- an increase in the tax on serviced vacant lands; and
- the transfer of the increase in the TVQ.

These three measures alone will represent, by the end of the fiscal pact, recurrent annual revenues of \$14 million for Gatineau.

This is a big step forward, but our sights remain firmly set on reducing Gatineau's dependence on property taxes. Additional measures will follow in the coming years.

## The debt is under control

The other key factor that is making it possible for us to decelerate the increase in the property tax this year is the margin of manoeuvre created through sound and rigorous management of our debt over the past few years. In Gatineau, debt servicing currently represents 9% of our expenditures. At the time of the merger, it stood at 23%, and surpasses 15% in most big cities in Quebec.



# Spending and investments

With the 2020 Budget, we are pursuing the vision we developed for Gatineau through the Municipal Council's program. But we must also adapt our actions to a constantly changing environment.

## Adapting to climate change

The consequences of climate change are increasingly being felt all around the world, and we have to adapt to them. They affect our budget in several ways.

The 2019 floods cost close to \$11.5 million, of which the provincial government reimbursed \$8.5 million, leaving us with \$3 million to cover on our own.

We also have to inject \$1.4 million into a land use plan for properties left vacant as a result of the 2017 and 2019 floods. This investment is particularly symbolic because the money is coming from sums recovered by Gatineau from businesses that have operated within our territory and that have been found guilty of fraud. The money will help enhance the resilience of the communities hardest hit by the floods.

This year, we are also adding \$10 million to the action plan on heavy rains, which was set up right before last year's budget, and into which we had already injected \$24 million. That plan aims to adapt infrastructures in several neighbourhoods to this other increasingly frequent and destructive weather phenomenon.

Finally, climate fluctuations are also affecting winter operations. In order to adapt to ever less predictable winters, since 2013 we have increased the snow clearing budget by 35%. In addition, a \$1.2 million pilot project will be introduced starting this winter to improve our snow blowing operations.

The consequences of climate change are costing us dearly. We have to adapt, but we also have a responsibility to offset them. One of the main areas where we can do something tangible is transportation, a sector that accounts for more than 40% of our greenhouse gas emissions. This year once again, we are introducing some significant measures:

- a \$3 million increase in the assessed contribution of the STO. While breaking national records in terms of increased ridership, which is good news, the STO is facing tremendous pressure in regard to its organization, staff and equipment, as are riders who have to contend with packed buses. Thus, we will keep investing to improve our offer of services;
- a \$1.7 million investment in new sidewalks. This is to top up the existing envelope so that we can do more and do it faster. This will promote active transportation and improve the quality of life in our neighbourhoods;
- a recurrent investment of \$253,000 to reduce spring street sweeping operations from 8 to 6 weeks, which is another way to improve the safety of residents, promote active transportation, and make our city more beautiful; and
- a \$28,000 pilot project for a winter cycling network: this winter we will be taking the first steps to increase the number of people who are prepared to bike year-round. More people will take their bikes, which will mean fewer cars on the roads, so everybody wins.

Finally, over the past few months, one of our big environmental initiatives has been the changes in our residual materials collection. Improved sorting is critical in the fight against climate change, because waste landfill sites are also significant sources of GHG emissions. The results in the first few months following our strategic decisions have shown that the great majority of Gatineau residents are adapting, and our collective performance with sorting has significantly improved. In addition to investments of close to \$800,000 that will be needed in 2020 to pursue the measures introduced to facilitate the transition, the Municipal Council has decided to build a new ecocentre in the west end. This investment will come to approximately \$7 million.

## **Urban outdoors**

If ever there was a way to convince people to adapt their lifestyle to limit their impact on nature, it would be by offering them the opportunity to get into it! Whether biking, skiing, walking, or canoeing, Gatineau can deliver, and that in every corner of the city. Besides, when Gatineau residents are asked what they like about their city, what makes them proud of it and encourages them to invite family and friends to visit, they always bring up the fact that it is so easy to get into nature. The urban outdoors is now part of our DNA.

This is a strength we want to keep developing, which means focusing on our urban outdoors recreational tourism potential. So this year, we are starting to fund a \$2.8 million three-year plan in this area. But we do not want to do it alone. Instead of duplicating their efforts, we will rely on local organizations, of which there are quite a few. They have the expertise, flexibility and ability to reach out, which will enable us to multiply the impact of our investments.

This is an approach that we use in other areas, with extremely interesting results. Examples include Vision Multisports Outaouais in sports and Fondation forêt Boucher in the protection and promotion of urban forests.

This urban outdoors plan is first and foremost a way of improving the quality of life in our neighbourhoods, but also a tremendous opportunity to promote tourism by highlighting our more spectacular attractions.

## **Donalda-Charron library**

Our city's first architectural contest, alongside a very popular public consultation to come up with the name of the new library in the Plateau, are about to culminate with the opening of the Donalda-Charron library in the spring of 2020! This budget allocates \$530,000 to finance its first eight months of operations.

With more than one million visits a year and more than 1.7 million loans, the library network is the most frequently used municipal service. Today's libraries play an essential role in our communities, at the cultural, social and economic levels. The brain is an organ that needs to be kept in shape so that we can think, appreciate, dream and create. Next spring, your neurons will get their money's worth when you step through the doors of the Donalda-Charron library for the very first time.

## **Office de consultation publique de Gatineau**

When it comes to municipal affairs, never before have Gatineau residents been as well informed or interested. People want to help build a city that they can identify with.

This means that we have to come up with new ways to enable them to influence the decisions made by their elected officials. This year, we will be funding a first tranche of \$125,000 to set up the Office de consultation publique de Gatineau, a tool that should quickly develop into a tremendous public consultation instrument and a central cog in Gatineau's democratic life.

# Infrastructure: still catching up

This year, we are continuing to deploy significant efforts into making up for decades of neglect in the maintenance of our infrastructures. The specific types of investments made in the past few years clearly illustrate the amount of work being done:

- we will spend an additional recurrent \$1.5 million in paving this year, for a total recurrent investment of \$27.4 million in 2020. That's 25% more than in 2017, and 72% more than in 2013, an astounding leap forward! Few other budget items have grown to that extent; and
- total infrastructure investments for the next five years come to \$767 million, of which close to \$198 million will be in 2020. Our annual investment in infrastructure has increased by close to 60% since 2013.

## Conclusion

Over the past six years, there have been several improvements in the budget process, as much in terms of the form as the substance, with, in particular, the work of the Commission de révision des dépenses et des services, the adoption of a revenue diversification plan, and the in-depth budget review. I am very proud of how efficient we have become.

In terms of municipal finances, the agreement on TVQ revenue sharing reached with the Government of Quebec is still the highlight of the past year as far as I'm concerned. Earlier, I set out in some detail the impact that this measure will have on our finances over time, but I would like to elaborate a bit on the role that Gatineau played in this debate. This victory is yet another demonstration of our ability to hold our own, to defend our interest and to get results for Gatineau. And make no mistake, those results were the kind that many thought to be unattainable or overly ambitious.

There were quite a few issues that many saw as lost causes! But despite all the skepticism, we managed to win the following:

- a private bill for our amphitheatre at la Cité;
- a seat on the Board of Directors of the National Capital Commission;
- an historic transportation agreement with the City of Ottawa;
- significant improvements in assistance programs for victims;
- major achievements by the government in its legislation on cannabis;
- more than \$1 billion contributed by the Government of Quebec to our tramway project; and
- a solid start to fiscal reform thanks to TVQ revenues.

I would also add that, thanks to Gatineau's leadership, the National Assembly passed a resolution recognizing the accumulated shortfalls in funding for numerous public service projects in the Outaouais, namely in health, education and culture. I am convinced that the next provincial budget will entrench this commitment, which is also historic.

These successive wins did not happen by chance. They are the outcome of a great deal of work, of course, but also of a clear, strong and daring commitment by Gatineau in the search for solutions to our local issues, regardless of whether the answer lay in the hands of the provincial or the federal government. That commitment and those actions are as much a testament to the Municipal Council as to the municipal administration and the partners who have rallied around us. The success belongs to all of them.

And it is because of all of those successes and the vision contained in this budget that we can continue to build the Gatineau of our dreams, a city that is prepared to face the challenges of its times, and able to rise to the expectations of its residents.

I thank you, and wish you a pleasant evening.

The mayor,



Maxime Pedneaud-Jobin