

# **MESSAGES AND HIGHLIGHTS**



**MESSAGE FROM THE MAYOR AND THE VICE-CHAIRMAN OF  
THE EXECUTIVE COMMITTEE, RESPONSIBLE FOR FINANCE**

Dear Madam, Sir:

We are pleased to table the Ville de Montréal 2010 Budget, which outlines the measures we plan to implement to fulfill our commitments and meet the expectations of Montrealers.

For a second year in a row, we must contend with the international economic crisis and its effects on the city's projected revenues and its obligations toward the community.

Given the extent of the anticipated economic crisis in 2009, we reacted rapidly and cautiously to implement specific measures to attenuate its impact. These efforts were recognized by major credit-rating firms, which continued to award the city the highest rating in its history. This has enabled us to maintain a steady course in 2010, progressing with a number of priority investments, safeguarding the quality of our living environment and promoting the city's cultural and economic strength.

Despite effective measures, city revenues were less than anticipated, especially regarding investment income. Consequently, we must set priorities for our commitments and make difficult but consistent choices. Because of non-existent growth revenue, the administration is compelled to increase the tax rate if we are to maintain the same level of community services and carry out projects that are essential to Montréal's future. Moreover, we will continue to manage public funds soundly and with greater discipline.

Certain procedures are being re-examined thoroughly, including purchasing, tendering and the awarding of contracts. This review will demand greater responsibility and accountability on the part of elected officials and the entire public service regarding future decisions.

We will continue to invest in projects and programs that contribute significantly to improving the living conditions of Montréal families, especially in such areas as housing, security and parks.

Also, we strongly support the completion of the Montréal Transportation Plan through investments of approximately one-half-billion dollars. What's more, for the first time ever, the city will use its enabling powers to introduce a special tax on non-residential indoor and outdoor parking spaces. The \$20 million generated by this tax will be used as a lever for investments included in the Transportation Plan. The decisions will be made with a view to promoting sustainable development, public transport, the reduction of greenhouse gas emissions, environment protection and to developing alternate modes of active and mass transportation.

Thanks to the Québec government, several major projects will make significant headway, including the East train, reserved lane along Pie-IX and Métro extension. Needless to say, we will support, with confidence, the projects included in the Transportation Plan, whose audacity and pro-environment stand have been hailed in Copenhagen. The realization of several projects included in the Transportation Plan will help Montréal become a reference in the field, in time to celebrate the city's 375th anniversary in 2017.

These initiatives will complement Montréal's First Strategic Plan for Sustainable Development, which will be updated to cover the 2010-2015 period. The valorization of residual waste, improved parks and green spaces and the protection of natural habitats will become priorities in this International Year of Biodiversity.

The success of Montréal is linked directly to concrete and hard-driving actions in the field of economic development. To achieve this, and despite the economic crisis, we also will continue to implement projects with partners capable of helping Montréal move forward. Major development projects are on the horizon, and we will fully support, as best we can, the development Montréal must enjoy.

We are committed to enhancing Montréal as a model city for creativity, knowledge, culture and innovation. This is why we intend to invest in realistic but ambitious projects that will make Montrealers proud of their city, through the development of the BIXI project, which serves as a great ambassador for Montréal on the international scene and the completion of the second phase of the Quartier des spectacles.

Elected officials and the public service will make a success of the commitments included in this budget, through determination, discipline and vision typical of an administration dedicated to maintaining the momentum of a unique, radiant and action-oriented city. It is by joining forces that, together, we will improve our quality of life. Let us take pride in our achievements and work together to build our metropolis.



Gérald Tremblay  
Mayor of Montréal and  
Chairman of the Executive Committee



Alan DeSousa, FCA  
Vice-Chairman of the Executive Committee,  
responsible for Finance

**MESSAGE FROM THE DIRECTOR GENERAL AND THE TREASURER**

Dear Fellow Residents,

As Montréal's new Director General, it is with personal and professional pride and enthusiasm that I join with the city's Treasurer to present the 2010 Budget in a year that we believe brings the promise of new growth and opportunities.

The city must contend with the international economic and financial consequences that marked 2009. Although Montréal certainly did not escape the impact of this crisis, it did hold up better than other locations, largely due to projects it had already initiated, to the \$125 million it injected to offset the effects of the situation and to its prudent management of the public debt. The major rating agencies took note of Montréal's conscientious management efforts by once again renewing our excellent credit rating and giving us the strategic flexibility we need to build our metropolis at competitive interest rates.

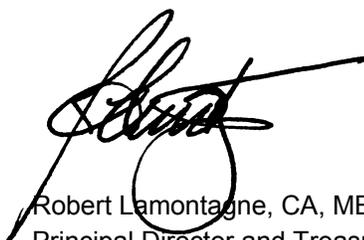
Although prudence is more important than ever before, it is also time to mobilize our people and devise innovative methods. It is precisely in this spirit that we have begun reviewing the city's processes for awarding and administering public contracts. This review results, of course, from the mayor's decision to suspend most calls to tender and contract awards temporarily. This delay in investment is momentary, however, and will have absolutely no impact on city operations or services to residents. When this suspension is lifted, we will have installed measures to ensure an optimal price-quality ratio in contracts awarded and better control over the management of public funds. Furthermore, we shall draw upon priorities for capital expenditures in the 2010 through 2012 period based on the city's commitments, as outlined in the budget, and its financial capabilities.

As part of this revision process, we can confirm that 2010 will also be a year dedicated to restoring the expertise the city needs to install appropriate supervisory mechanisms and controls over all sectors requiring municipal involvement. We must accordingly invest in the qualifications and mobilization of city employees who provide outstanding public service on a daily basis. This is why the city will, for example, hire new workers over the course of the coming year, so that it can maintain and develop its internal expertise in areas such as project management, engineering, procurement, legal services and financial controls.

We shall accordingly strive in 2010 to support the Administration in meeting the ambitious goals of its business plan, while seeing to the development of an increasingly more effective municipal workforce and to the efficient, rigorous and strict management of public moneys. Residents can rely on the skill, goodwill and hard work of our vast team, which will proudly deploy every effort necessary to meet the priorities set out in this budget.



Louis Roquet  
Director General



Robert Lamontagne, CA, MBA  
Principal Director and Treasurer

## HIGHLIGHTS OF THE 2010 BUDGET

### A stringent and future-oriented budget

- The Ville de Montréal 2010 operating budget stands at \$4,298.1 million, an increase of 5.6%, compared to 2009.
- A budget of \$12 million is earmarked for the boroughs. Given this figure, the budget for the boroughs has grown by 2.4%, compared to 2009.
- \$10 million to increase public service expertise, especially in the fields of project management, engineering and financial control.
- The three-year capital works program for 2010-2012 stands at \$3,105 million, including:
  - \$1,053.5 million for water infrastructures
  - \$775.4 million for roads, bridges and traffic lights
  - \$400.9 million for large economic development projects
- The three-year capital works program includes:
  - \$774.5 million in 2010, including \$566.2 million to complete work already underway
  - \$1,185.6 million in 2011
  - \$1,145.3 million in 2012
- New projects may be authorized in 2010 based on criteria determined by the administration. Therefore, projects to ensure public safety or those involving the payment of financial assistance or contributions by governments or private partners will be carried out.

### Mass and active transportation

- Unprecedented annual contribution of \$389.6 million to the Société de transport de Montréal (STM) and \$44.1 million to the Agence métropolitaine de transport (AMT). This means an overall gain of \$62.2 million for these public transit bodies, with an additional \$57.6 million for the STM and \$4.6 million for the AMT. These increases represent 16.7% more funding allocated to mass transportation.
- Investment of \$21.4 million for bicycle paths, until 2012.

### Culture, heritage and sports

- \$33.4 million over three years to complete the Quartier des spectacles.
- Close to \$15 million to develop public property in Old Montréal, redevelop square Dorchester and enhance heritage buildings.
- Investment of \$11.2 million in the Montréal Nature Museums, including \$4.6 million for the new Planetarium.

- \$10.9 million for the Conseil des arts de Montréal.
- \$10.4 million, from the Arena Fund, to upgrade the Henri-Bourassa, Jacques-Lemaire, Camillien-Houde and Howie-Morenz arenas.

### **Parks and natural habitats**

- \$21 million to improve park equipment.
- \$12 million annually over the next three years to protect, acquire, develop and maintain natural habitats.

### **Economic, social and environmental development**

- \$120.6 million for major projects including the redevelopment of autoroute Bonaventure.
- \$81 million over 10 years for economic development programs (PR@M).
- \$54 million for housing subsidy programs involving, among others, the development and renovation of social and community housing.
- \$9.2 million to acquire new recycling bins.
- \$8 million to fight poverty and social exclusion.
- \$6.6 million to build and rehabilitate solid waste management infrastructures.

### **Taxation**

- A 5.3% increase of general tax charges for the residential sector and a 6% increase for the non-residential sector.
- Introduction of a tax on non-residential parking spaces representing an overall amount of \$20 million, to help finance mass transportation.

**Chart 1**  
**All Your Taxes Count**

