



Mayor Marc Doret's Speech on the 2023 Budget Forecast
and
the 2023-2025 Three-Year Capital Expenditures Program

Dorval, December 5, 2022

Dear citizens and municipal council members,

Welcome to this special council meeting on the adoption of the City of Dorval’s 2023 budget forecast and the 2023-2025 three-year capital expenditures program.

The council’s objective, with this budget, is to mitigate the impact of decisions on the citizens’ tax burden and to provide the population with the desired services while controlling expenses. This \$148,465,000 balanced budget is the result of a rigorous planning process and takes into account the current economic situation caused by inflation, the irreducible expenses, and our contractual commitments. It is based on the principle of a sound management of public finance in respect to Dorval residents’ ability to pay.

1. 2023 Main Budget Guidelines

The budget that we are adopting tonight plans for balanced revenues, expenses and appropriations totaling \$148,465,000, representing a 2.65% increase compared to 2022.

The elaboration of a budgetary strategy must ensure that we can continue to provide quality services to our population and take into consideration unavoidable changes such as the increase in the cost of living on the costs of our contractual commitments, of our supply of goods, and of our public utilities, the increase in our employees’ salaries, and, of course, our increasing share expense to the Montreal Agglomeration, which is now up to \$80.5M for 2023.

For example, the budget for our Agglomeration payment will increase by \$2.7M compared to 2022, which represents a 3.5% increase.

We have chosen to maintain our various financial assistance programs such as those for businesses to revitalize their commercial facades and signs, to fight against the propagation of the emerald ash borer, and for the acquisition or rental of reusable hygiene products, as well as our subsidy for the replacement of wood-burning appliances. Our financial assistance for citizens to purchase and install an electric vehicle charging station is also maintained. All of these programs are part of our participation in the safeguard of the environment. Let me remind you that the City of Dorval is a leader it that regard on the island of Montreal, as it offers its citizens all of these types of programs.

Our budget is balanced by revenues and allocations equivalent to expenditures. This year, to balance our budget, we did not need to use funds from the accumulated non affected surplus of previous years, in comparison to 2021 and 2022 where we needed to use \$4.4M and \$5.9M respectively.

2. Various Tables

The following table presents the anticipated revenues by category.

Table 2.0 – Revenues

Revenues	2022	2023		
	\$	\$	Δ	%
Taxes	89,805,213	99,195,543	9,390,330	10%
Payments in Lieu of Taxes	31,145,469	31,959,532	814,063	3%
Other Local Revenues	9,045,386	8,898,925	(146,461)	-2%
Conditional Transfers	1,150,932	1,180,700	29,768	3%
TOTAL	131,147,000	141,234,700	10,087,700	7.69%

The following table illustrates the 2022-2023 comparison of local expenditures by function, including the Agglomeration expense.

Table 2.1 - Global Budget (Local Expenditures and Agglomeration Share Expense)

Operating Activities	2022 \$	2023 \$	Δ
REVENUES	131,147,000	141,234 700	10,087,700
EXPENDITURES			
General Administration	10,923,009	11,410,509	487,500
Public Security and Transport	14,156,496	15,125,748	969,252
Environmental Health	8,729,355	8,623,553	(105,802)
Health and Wellness	1,071,206	1,102,385	31,179
Urban Development	1,851,951	1,991,584	139,633
Leisure and Culture	19,727,333	19,619,920	(107,413)
Financing Fees	330,800	343,600	12,800
Amortization	10,020,200	9,675,000	(345,200)
	66,810,350	67,892,299	1,081,949
Agglomeration payment	77,824,650	80,572,701	2,748,051
TOTAL - EXPENDITURES	144,635,000	148,465,000	3,830,000
Operating Surplus (Deficit) Before Fiscal Reconciliations	(13,488,000)	(7,230,300)	6,257,700
Investment Appropriations	(500,000)	(500,000)	-
Operational Appropriations (surplus)	5,900,000	-	(5,900,000)
Other Fiscal Reconciling Items	8,088,000	7,730,300	(357,700)
TOTAL - APPROPRIATIONS	13,488,000	7,230,300	(6,257,700)
TOTAL - REVENUES AND APPROPRIATIONS	144,635,000	148,465,000	
Operating Deficit for Fiscal Purposes	-	-	-

I would also like to mention that our debt is constantly decreasing. First of all, funds borrowed more than 25 years ago are almost completely paid off. Furthermore, for the past few years, our investments have been financed through our surplus.

3. Freeze on the Average Residential Tax Bill

As promised during our election campaign, our main preoccupation relates to the tax bill for residential properties.

Tonight, it is my pleasure to announce that, despite a 6.4% increase in the Quebec consumer price index in October (inflation) and despite an increase regarding the Agglomeration payment, we have managed to create a budget with no increase on

the average residential tax bill. In the current context, this was not an easy task! To achieve this, we have had to review each of our budget lines and analyze each expense. Our team of managers made great efforts to face these major challenges that await us. The City of Dorval will continue to do all that it can to limit the increase of the average residential tax bill, all the while continuing to offer quality services to its citizens. Unfortunately, we have the sentiment, however, that we are now close to our limits in this aspect, as the inflation adds a major burden to the City's operations.

This freeze of the average residential tax bill follows the reductions made in 2017 (-2.66%), in 2018 (-2.5%), in 2020 (-2%), in 2021 (-2.5%), and in 2022 (-2.5%). Let's not forget that in 2019, the increase was only one-tenth of 1%, which was far lower than the consumer price index.

At the same time, there will be a slight increase (around 2%) for non-residential buildings in the \$2M or less tax bracket and for industrial buildings in the less than \$3M tax bracket. The decision to introduce an increase lower than the inflation rate was made to help smaller businesses that were greatly affected by the COVID-19 crisis.

This shows, once again, our ability to properly manage the City's finances and to offer our citizens an excellent quality of service, while at the same time respecting our taxpayers' ability to pay.

Unfortunately, to partially compensate for the increase in the Montreal Agglomeration's share expense, we will have to increase taxes for non-residential buildings in the over \$2M tax bracket by 18.62% and for industrial buildings in the over \$3M tax bracket by 14.08%.

We are now in the first year of the triennial roll. As with the previous roll, we chose to spread the roll values over a three-year period to allow taxpayers to progressively absorb the property value increases, which were approximately 31.1%. We see that the average single-family dwelling value has increased by 38.23% in comparison to 2022.

That being said, I wish to reassure you that the tax rate has been lowered in order to take this increase into account. Also, as previously stated, the tax bill for the average dwelling will be at the same level as 2022.

The following table shows the comparison of the tax bill for the average residential dwelling.

Table 3.0 - Tax Comparison – Average Residence for Year 1 of the Roll

	2022	2023
Average Value	\$509,212	\$574,097
Tax Rate	0.5643/\$100	0.5005/\$100
Total	\$2,873	\$2,873
Écart	+\$0 (0%)	

Despite not having a reduction in their 2023 tax bill, citizens have to realize that they actually benefited from a real life decrease due to the 6.4% inflation rate.

In order to further develop my analysis, I would like to go back to 2010. That year, the tax bill for the average single-family dwelling was \$2,867.37. In 2023, it will be \$2,873. We are talking about returning to 2010 taxation levels, which is to say 13 years ago!

4. Three-Year Capital Expenditures Program

We have considered the following objectives in the long-term planning of our investments presented in our three-year capital expenditure program: to ensure the sustainability of infrastructures, to maximize the use of subsidies, to improve the services offered to our citizens, and to reduce the impact of investment decisions on the citizens’ tax burden.

The year 2022 has been a good year for investments. As such, we have invested over \$23M in work related to the Edgar Rouleau Arena expansion, the acquisition of the property located at 12 Dahlia Avenue, as well as to road, water main, sewer, and building repairs. These investments are part of our sustainable development vision and the desire to maintain our infrastructure in good condition.

We expect to invest over \$128M in the next three years. We have many projects to undertake: the redesign of St-Charles Park, the construction of the “Citizens” Park, of a collective garden at Royal Dixie Park, of a refrigerated skating rink, and of a skate park, the improvement of certain green spaces such as Neptune Park, the redevelopment of chemin du Bord-du-Lac–Lakeshore between Dorval and St- Charles avenues (village sector), the upgrading of the Ballantyne Aquatic Centre, the renovation of the gardener’s house at Pine Beach Park, the rehabilitation work on water mains and sewer pipes, the resurfacing work on many roads, and the installation of electric vehicle charging stations. As always, our objective is to improve the quality of life of Dorval residents.

We plan on investing approximately \$52M in the upcoming year in work related to the three-year capital expenditures program (as presented in the following table), including the replacement of fuel vehicles with electric ones withing the Public Works Department.

Table 4.0 - Investments by Category

Activities	\$
Municipal Engineering	23,940,000
Buildings and Land	23,540,000
Public Networks	1,135,000
Vehicles	3,795,000
Leisure and Culture	100,000
Information Technology	255,000
Total	52,765,000

In closing, this budget exercise was carried out in close collaboration between elected officials and directors of various services. I wish to thank members of council and the City of Dorval staff for their work and their dedication.

As always, your questions and comments on the expected quality of service help us in our planning and in the vision that we must have for the future of the City of Dorval. We thank you, and rest assured that the municipal council remains attentive to your needs.

The Mayor of the City of Dorval
Marc Doret