

**STUDY OF THE POTENTIAL COSTS AND
CONSEQUENCES OF THE EVENTUAL
RECONSTITUTION OF FORMER MUNICIPALITIES**

VILLE DE LONGUEUIL

STUDY PRESENTED TO THE MINISTÈRE DES AFFAIRES MUNICIPALES, DU SPORT ET DU LOISIR
GOVERNMENT OF QUÉBEC

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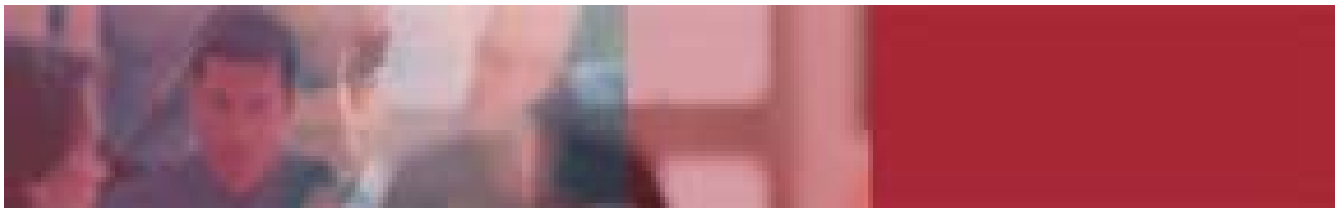


TABLE OF CONTENTS

1.	EXECUTIVE SUMMARY	1
1.1	Current city of Longueuil	1
1.2	Reconstitution of former municipalities	2
1.3	Current governance and governance in the event of reconstitution	8
2.	BACKGROUND	10
2.1	Context of the study	10
2.2	Objectives sought by the ministère des Affaires municipales	10
3.	METHODOLOGY	11
3.1	Guiding principles	11
3.2	General framework	13
3.3	Working assumptions	14
3.4	The limits of the work performed	18
3.5	Relations with representatives of the MAMSL and of the Ville	20
4.	BRIEF PRESENTATION OF THE CURRENT CITY	22
4.1	Population and territory	22
4.2	Financial position	23
5.	EXPENDITURE BREAKDOWN	26
5.1	Sharing of responsibilities prescribed by bill 9 for ville de Longueuil	26
5.2	Expenditure breakdown - before transition and reconstitution costs	29
6.	TRANSITION AND RECONSTITUTION COSTS	31
6.1	Summary of transition and reconstitution costs	31
6.2	Referendum costs	32
6.3	Transition committee costs	32
6.4	Transitional adjustment costs	33
6.5	Annually recurring reconstitution costs	34
7.	POLITICAL GOVERNANCE	36
7.1	Current type of governance	36
7.2	Projected situation for the reconstituted municipalities	38
8.	FINANCIAL AND FISCAL ASPECTS	43
8.1	Tax burdens	43
8.2	Fiscal impact	43

<u>SCHEDULE 1 – REVENUE AND EXPENDITURE ALLOCATION ASSUMPTIONS</u>	47
<u>revenues other than property and non-residential taxes</u>	47
<u>Expenditure allocation grid</u>	53
<u>SCHEDULE 2 – CONSEQUENCES AND COSTS FOR RELATED MUNICIPALITIES</u>	57
<u>Reconstituted municipality of Boucherville</u>	57
<u>Reconstituted municipality of Brossard</u>	59
<u>Reconstituted municipality of Greenfield Park</u>	61
<u>Reconstituted municipality of Saint-Bruno-de-Montarville</u>	64
<u>Reconstituted municipality of Saint-Hubert</u>	66
<u>Reconstituted municipality of Saint-Lambert</u>	68
<u>Reconstituted municipality of Lemoyne</u>	70
<u>Reconstituted municipality of Longueuil</u>	72
<u>SCHEDULE 3 – ADDITIONAL INFORMATION</u>	74

TABLE OF TABLES

<u>Table 1-1: Breakdown of population and real estate wealth</u>	1
<u>Table 1-2: Major budget expenditure accounts under the status quo</u>	2
<u>Table 1-3: Breakdown of urban agglomeration and proximity expenditures in the event of reconstruction under bill 9</u>	3
<u>Table 1-4: Breakdown of tax burdens to be funded – 2004 – under bill 9</u>	5
<u>Table 1-5: Tax bill for a single-family home and tax impact</u>	6
<u>Table 1-6: Tax impact at the end of the gradual harmonization measures</u>	7
<u>Table 1-7: Breakdown of votes on the joint council in the event of reconstitution</u>	9
<u>Table 4-1 : Breakdown of population and Real estate wealth (REW)</u>	22
<u>Table 4-2: Population of the Communauté métropolitaine de Montréal (2003)</u>	23
<u>Table 4-3: Main budget expenditure accounts</u>	24
<u>Table 4-4: Net current assets and accumulated surpluses (1)</u>	24
<u>Table 4-5: Long-term debt</u>	25
<u>Table 4-6: Triennial capital expenditures program - 2004-2006</u>	25
<u>Table 5-1: Urban agglomeration powers for Ville de Longueuil</u>	26
<u>Table 5-2: Equipment, infrastructures and activities of collective interest</u>	27
<u>Table 5-3: Powers of the reconstituted municipalities</u>	28
<u>Table 5-4: Breakdown of operating expenditures</u>	30
<u>Table 6-1: Summary of transition and reconstitution costs</u>	31
<u>Table 6-2: Referendum costs</u>	32
<u>Table 6-3: Transition committee costs</u>	33
<u>Table 6-4: Adjustment costs (before amortization)</u>	34
<u>Table 6-5: Recurring reconstitution costs</u>	35
<u>Table 7-1: Number of councillors per sector</u>	36
<u>Table 7-2: Political governance</u>	37
<u>Table 7-3: Paramunicipal Agencies</u>	38
<u>Table 7-4: Composition of municipal councils in the reconstituted municipalities</u>	39
<u>Table 7-5: Political representation on the joint council</u>	42
<u>Table 8-1: Tax burdens</u>	43
<u>Table 8-2: Impact on a typical residence, per sector</u>	44
<u>Table 8-3: Estimated fiscal impact at the end of the transition measures</u>	45
<u>Table 0-1: Breakdown of the votes on the Joint Council in the event of reconstitution</u>	57
<u>Table 0-2: Breakdown of expenses to be funded (Bill 9) - Boucherville</u>	58

<u>Table 0-3: Tax bill for a single-family home - Boucherville</u>	58
<u>Table 0-4: Breakdown of the votes on the Joint Council in the event of reconstitution</u>	59
<u>Table 0-5: Breakdown of expenses to be funded – Brossard</u>	60
<u>Tableau 0-6: Tax bill for a single-family home – Brossard</u>	61
<u>Table 0-7: Breakdown of votes on the Joint Council in the event of reconstitution</u>	62
<u>Table 0-8: Breakdown of expenses to be funded – Greenfield Park</u>	63
<u>Table 0-9: Tax bill for a single-family home – Greenfield Park</u>	63
<u>Table 0-10: Breakdown of votes on the Joint Council in the event of reconstitution</u>	64
<u>Table 0-11: Breakdown of expenses to be funded – Saint-Bruno-de-Montarville</u>	65
<u>Table 0-12: Tax bill for a single-family home – Saint-Bruno-de-Montarville</u>	65
<u>Table 0-13: Breakdown of the votes on the Joint Council in the event of reconstitution</u>	66
<u>Table 0-14: Breakdown of expenses to be funded – Saint-Hubert</u>	67
<u>Table 0-15: Tax bill for a single-family home – Saint-Hubert</u>	67
<u>Table 0-16: Breakdown of the votes on the Joint Council in the event of reconstitution</u>	68
<u>Table 0-17: Breakdown of expenses to be funded – Saint-Lambert</u>	69
<u>Table 0-18: Tax bill for a single-family home – Saint-Lambert</u>	69
<u>Table 0-19: Breakdown of the votes on the Joint Council in the event of reconstitution</u>	70
<u>Table 0-20: Breakdown of expenses to be funded – Lemoyne</u>	71
<u>Table 0-21: Tax bill for a single-family home – Lemoyne</u>	71
<u>Table 0-22: Breakdown of the votes on the Joint Council in the event of reconstitution</u>	72
<u>Table 0-23: Breakdown of expenses to be funded – Longueuil</u>	73
<u>Table 0-24: Tax bill for a single-family home – Longueuil</u>	73

1. EXECUTIVE SUMMARY

In December 2003, the Québec National Assembly tabled Bill 9, *An Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities*.

To ensure transparency in this public consultation process, the Government decided to entrust specialized firms with the responsibility of conducting studies on the consequences and costs of the eventual reconstitution of a former municipality.

SECOR Conseil received the mandate to conduct this study with regard to Ville de Longueuil and to submit its main conclusions to the Ministère des Affaires municipales, du Sport et du Loisir (MAMSL).

More specifically, the mandate consisted of simulating the application of Bill 9 in a specific reconstitution scenario involving each of the former municipalities likely to do so. The outcomes could be different if only certain former municipalities were to exercise their right to reconstitution.

1.1 CURRENT CITY OF LONGUEUIL

The current city of Longueuil was born out of the merger of eight former municipalities. The following table presents the breakdown of the population and real estate wealth within the territory.

TABLE 1-1: BREAKDOWN OF POPULATION AND REAL ESTATE WEALTH

	POPULATION (1)	% POPULATION	REW (in millions) (2)	% REW
Boucherville	37,151	9.8%	2,801	15.8%
Brossard	67,027	17.6%	3,377	19.1%
Greenfield Park	17,355	4.6%	671	3.8%
Saint-Bruno	24,326	6.4%	1,719	9.7%
Saint-Hubert	77,395	20.3%	2,821	15.9%
Saint-Lambert	21,486	5.6%	1,362	7.7%
Lemoyne	4,949	1.3%	139	0.8%
Longueuil (Vieux-Longueuil)	130,891	34.4%	4,816	27.2%
TOTAL	380,580	100.0%	\$17,706	100.0%

(1) Source : 2004 Order-in-Council, Ministère des Affaires municipales

(2) Source : Ville de Longueuil, 2004 tax assessments

In short, the 2004 Ville de Longueuil budget indicates revenues of \$442 million, operating expenditures of \$378 million, long-term debt redemption of \$41 million, and a \$30 million transfer of investing activities. The following table illustrates the major expenditure accounts for the 2004 Budget.

TABLE 1-2: MAJOR BUDGET EXPENDITURE ACCOUNTS UNDER THE STATUS QUO

	TOTAL (\$)	%
General administration	\$ 60,366,803	15.9%
Public security	\$ 84,389,958	22.3%
Transportation	\$ 90,647,404	24.0%
Community hygiene	\$ 44,022,114	11.6%
Health and welfare	\$ 2 840,539	0.8%
Land use planning, urban planning and development	\$ 14 919,497	3.9%
Recreation and culture	\$ 53,628,277	14.2%
Financial expenses	\$ 27,666,960	7.3%
TOTAL	\$ 378,481,552	100.0%

Source : 2004 Budget Estimates - Ville de Longueuil

1.2 RECONSTITUTION OF FORMER MUNICIPALITIES

In fact, sections 92 to 108 of the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* establish the urban agglomeration powers that reconstituted municipalities would be bound to respect. The central municipality (namely, Longueuil) would be responsible for delivering the urban agglomeration services. Moreover, proximity services would be the exclusive responsibility of the reconstituted municipalities. **It should thus be borne in mind that reconstituted municipalities will not necessarily recover the same responsibilities as they had in 2001.**

Our analysis of the costs associated with the reconstitution of the former municipalities is based on five guiding principles:

1. Compliance with the wording of Bill 9
2. Adherence to MAMSL directives
3. Maintenance of current service levels
4. Adoption of a lowest-cost approach
5. Existence of a climate of collaboration/cooperation

Moreover, the exercise of reconstructing the budgets of the former municipalities requires a certain number of postulates. The detailed assumptions used in the performance of this mandate, which pertain to both the revenues and expenditures of the municipalities, are presented in the tables of Schedule 1. They have been formulated in accordance with the provisions of Bill 9 or, when applicable, the directives provided us by the MAMSL.

Despite all the precautions taken, the cost assessment exercise associated with reorganization of municipal services still remains a limiting factor. In particular, we consider it important to emphasize five more significant contingencies:

- The exercise conducted is primarily a book allocation;
- The picture is essentially static;
- The available data level is imperfect, given the new sharing of responsibilities and new territorial boundaries;
- The outcomes obtained do not depend on data that has been “audited” within the accounting meaning of the term;
- The scenario presented is based on reconstitution of each of the former municipalities.

Table 1-3 presents the aggregate outcomes of the breakdown done. It contains the respective shares of the urban agglomeration and proximity functions, depending on whether the debt service is included and whether current revenues are considered. This table also depicts the tax burden to be funded (tax bill, excluding sector tax) by the two levels of responsibility.

TABLE 1-3: BREAKDOWN OF URBAN AGGLOMERATION AND PROXIMITY EXPENDITURES IN THE EVENT OF RECONSTRUCTION UNDER BILL 9

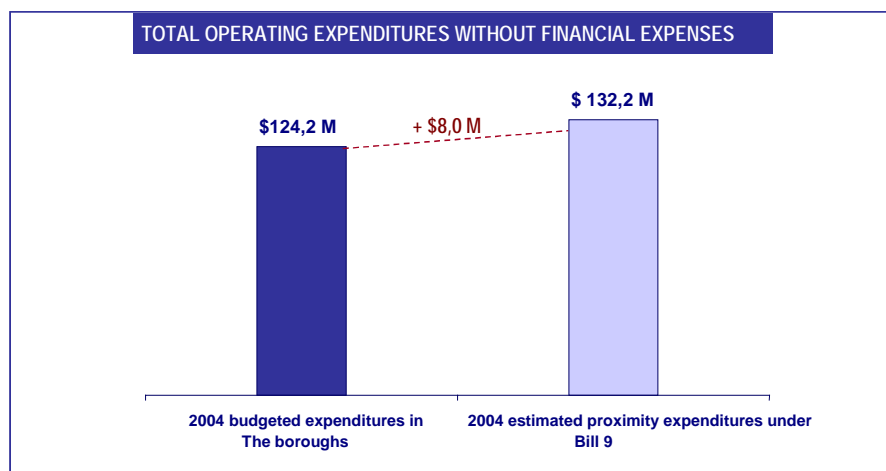
	AGGLO. (\$)	AGGLO. (%)	PROXIMITY (\$)	PROXIMITY (%)	TOTAL (\$)
Expenditures, excluding financial expenses (1)	\$ 219,577,928	62.4%	\$ 132,189,006	37.6%	\$ 351,766,934
Expenditures, including Financial expenses (1)	\$ 221,441,437	58.4%	\$ 157,992,460	41.6%	\$ 379,433,897
Expenditures to fund with Current revenues (1)	\$ 243,486,529	55.0%	\$ 199,120,785	45.0%	\$ 442,607,314
Tax burden to fund (2)	\$ 170,849,123	59.3%	\$ 117,201,218	40.7%	\$ 288,050,341

(1) Excludes the costs of transition committees, the referendum and adjustment costs

(2) Includes the costs of transition committees, the referendum and adjustment costs

Regarding proximity expenditures, the estimated budget envelope for this function for the scenario where all the former municipalities are reconstituted can be compared with the envelope currently available to the corresponding boroughs. Figure 1-1 presents this comparison. Note that the proximity expenditures under Bill 9 are slightly higher than the allocations budgeted for 2004 (about 6% more). This variance is explained by the balance between the transfer of activities from the current boroughs to the central municipality due to its agglomeration role (arterial road system, residual materials disposal and treatment, supralocal equipment, etc.), and the transfer of responsibilities to the municipalities reconstituted under Bill 9 (Municipal Council, general administration, urban planning, etc.).

FIGURE 1-1: CHANGES IN PROXIMITY EXPENDITURES – STATUS QUO AND UNDER BILL 9



The tax burdens to be funded by the territories of the former municipalities are illustrated in Table 1-4, where results are presented in dollars and percentages. A distinction is also made between the burdens associated with agglomeration and proximity responsibilities.

TABLE 1-4: BREAKDOWN OF TAX BURDENS TO BE FUNDED – 2004 – UNDER BILL 9

	Tax - burdens Agglomération	Tax burdens - Proximity	Tax burdens - Total
Boucherville	\$ 28,657,507	\$ 14,927,575	\$ 43,585,082
	16.8%	12.7%	15.1%
Brossard	\$ 32,151,744	\$ 9 583,608	\$ 41,735,352
	18.8%	8.2%	14.5%
Greenfield Park	\$ 6 325,612	\$ 4 172,321	\$ 10,497,933
	3.7%	3.6%	3.7%
Saint-Bruno	\$ 17,142,376	\$ 6 772,180	\$ 23,914,556
	10.0%	5.8%	8.3%
Saint-Hubert	\$ 26,922,199	\$ 23,013,336	\$ 49,935,535
	15.8%	19.6%	17.3%
Saint-Lambert	\$ 11,823,170	\$ 10,371,645	\$ 22,194,815
	6.9%	8.8%	7.7%
Lemoyne	\$ 1,299,035	\$ 635,911	\$ 1,934,946
	0.8%	0.5%	0.7%
Longueuil (Vieux-Longueuil)	\$ 46,527,480	\$ 47,724,642	\$ 94,252,122
	27.2%	40.8%	32.7%
TOTAL	\$ 170,849,123	\$ 117,201,218	\$ 288,050,341
	100.0%	100.0%	100.0%

To make these impacts easier for citizens to understand, the tax bill of an average residence has been calculated for each of the former municipalities within the territory. Table 1-5 compares the tax bill for this average residence under the status quo and in the event of reconstitution. The impact in dollars and as a percentage is measured for the years 2004, 2005 and 2006. It should be noted that this table includes, within the 2004 pro forma reconstitution component – Bill 9, the transition costs (costs of the referendum, the transition committee and adjustment of organizations), which are amortized over 3 years and will thereby become nil as of 2007. These costs represent nearly 1% of the total tax burden under an assumption of reconstitution. Tax bills at the end of these transition measures exclude the impact of non-recurring costs, i.e., transition costs.

TABLE 1-5: TAX BILL FOR A SINGLE-FAMILY HOME AND TAX IMPACT

	FORMER MUNICIPALITY OF BOUCHERVILLE	FORMER MUNICIPALITY OF BROSSARD	FORMER MUNICIPALITY OF GREENFIELD PARK	FORMER MUNICIPALITY OF LEMOYNE
AVERAGE VALUE OF A RESIDENCE (2004)	\$ 144,244	\$ 126,570	\$102,741	\$ 87,191
TAX BILL UNDER THE STATUS QUO (1)				
Year 2004	\$ 1 870	\$ 1 770	\$ 1 702	\$ 1 344
Year 2005	\$ 1 941	\$ 1 738	\$ 1 676	\$ 1 322
Year 2006	\$ 2 016	\$ 1 706	\$ 1 651	\$ 1 300
TAX BILL UNDER THE ASSUMPTION OF RECONSTITUTION (1)				
Year 2004	\$ 2 084	\$ 1 622	\$ 1 666	\$ 1 237
Year 2005 (2)	\$ 2 084	\$ 1 622	\$ 1 666	\$ 1 237
Year 2006 (2)	\$ 2 084	\$ 1 622	1 666	\$ 1 237
IMPACT IN DOLLARS				
Year 2004	\$ 214	\$ 148	\$ 36	\$ 108
Year 2005 (2)	\$ 143	\$ 116	\$ 11	\$ 86
Year 2006 (2)	\$ 68	\$ 85	\$ 15	\$ 70
IMPACT AS A PERCENTAGE				
Year 2004	11.4%	-8.4%	-2.1%	-8.0%
Year 2005 (2)	7.4%	-6.7%	-0.6%	-6.5%
Year 2006 (2)	3.4%	-5.0%	0.9%	-5.4%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 budget, 2004 REW and 2004 debt, without indexing factor)

	FORMER MUNICIPALITY OF LONGUEUIL	FORMER MUNICIPALITY OF SAINT-BRUNO-DE-MONTARVILLE	FORMER MUNICIPALITY OF SAINT-HUBERT	FORMER MUNICIPALITY OF SAINT-LAMBERT
AVERAGE VALUE OF A RESIDENCE (2004)	113 916 \$	144 332 \$	96 007 \$	199 202 \$
TAX BILL UNDER THE STATUS QUO (1)				
Year 2004	1 906 \$	1 608 \$	1 608 \$	2 789 \$
Year 2005	1 877 \$	1 674 \$	1 584 \$	2 902 \$
Year 2006	1 849 \$	1 745 \$	1 560 \$	2 998 \$
TAX BILL UNDER THE ASSUMPTION OF RECONSTITUTION (1)				
Year 2004	1 937 \$	2 080 \$	1 551 \$	3 096 \$
Year 2005 (2)	1 937 \$	2 080 \$	1 551 \$	3 096 \$
Year 2006 (2)	1 937 \$	2 080 \$	1 551 \$	3 096 \$
IMPACT IN DOLLARS				
Year 2004	31 \$	472 \$	57 \$-	307 \$
Year 2005 (2)	60 \$	405 \$	33 \$-	194 \$
Year 2006 (2)	88 \$	335 \$	9 \$-	98 \$
IMPACT AS PERCENTAGE				
Year 2004	1,6%	29,3%	-3,5%	11,0%
Year 2005 (2)	3,2%	24,2%	-2,1%	6,7%
Year 2006 (2)	4,8%	19,2%	-0,6%	3,3%

(1) Includes taxes and tariff applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 budget, 2004 REW and 2004 debt, without indexing factor)

Some of the variances observed between the status quo and reconstitution scenario can be explained by the immediate elimination of the process of gradual harmonization of tax rates currently in force under Bill 9 and by the inclusion of transition costs. If the tax bills of each of the former municipalities are projected to the end of the gradual harmonization measures planned under the current system, a second basis of comparison is obtained. The following table focuses on this differentiated impact.

TABLE 1-6: TAX IMPACT AT THE END OF THE GRADUAL HARMONIZATION MEASURES

	AVERAGE VALUE OF A RESIDENCE	CURRENT MUNICIPALITY 2004		RECONSTITUTED MUNICIPALITY	
		CURRENT TAX BILL 2004	TAX BILL A THE END OF THE GRADUAL HARMONIZATION MEASURES	PRO FORMA 2004 - BILL 9	TAX BILL AT THE END OF A TRANSITION MEASURES
Boucherville	\$ 144,244	\$ 1 870	\$ 2 252	\$ 2 084	\$ 2 072
Brossard	\$ 126,570	\$ 1 770	\$ 1 677	\$ 1 622	\$ 1 604
Greenfield Park	\$ 102,741	\$ 1 702	\$ 1 582	\$ 1 666	\$ 1 649
Saint-Bruno	\$ 144,332	\$ 1 608	\$ 2 086	\$ 2 080	\$ 2 067
Saint-Hubert	\$ 96,007	\$ 1 608	\$ 1 416	\$ 1 551	\$ 1 533
Saint-Lambert	\$ 199,202	\$ 2 789	\$ 3 009	\$ 3 096	\$ 3 072
Lemoyne	\$ 87,191	\$ 1 344	\$ 1 100	\$ 1 237	\$ 1 208
Longueuil (Vieux-Longueuil)	\$ 113,916	\$ 1 906	\$ 1 786	\$ 1 937	\$ 1 917

Transition measures would not end before at least 2010, notably when the borough of Saint-Bruno would have reached the average uniform rate for the entire territory of the current municipality. This result is obtained using the assumption that rates would grow at a slower rate than average (equal to 5% per year). It should be noted that authorities from the current municipality could, under existing legislation, opt for a more gradual harmonization (up to a maximum period of 20 years).

In fact, the impact of Bill 9 on the tax bills of citizens is variable both over time and according to the municipality involved. Figure 1-3 summarizes the key factors underlying the direction and source of the variances observed.

FIGURE 1-3: MAIN FACTORS EXPLAINING THE VARIANCES OBSERVED IN TAX BILLS IN THE EVENT OF RECONSTITUTION OF A MUNICIPALITY

SHORT-TERM IMPACT

DECREASE IN THE TAX BILL



For municipalities that currently have a tax burden much greater than the one that will prevail at the end of the tax burden harmonization measures. This « gain » may appear surprising and be contrary to some expectations, but it is explained by the fact that Bill 9 does not include gradual Adjustments, as opposed to the situation in the current municipality under Bill 170. The reconstituted municipalities would immediately « benefit » from the rate reduction permitted by their inclusion in the group of related municipalities for the purposes of agglomeration services. A portion of this « gain », however, would be temporary.

INCREASE IN THE TAX BILL



For municipalities that currently have a tax burden lower than or close to the one that will prevail at the end of the tax burden harmonization measures. This increase is explained by the fact that the reconstituted municipalities would need to immediately fund the agglomeration activities on the basis of their standardized real estate wealth and/or incur additional transition/reconstitution

IMPACT AT THE END OF THE TAX BURDEN HARMONIZATION AND TRANSITIONAL MEASURES

DECREASE IN THE TAX BILL



For the municipalities whose relative share of their proximity expenditures within the total of these expenditures for the territory is much less than their relative share of the standardized real estate wealth of this same territory. This decrease is explained by an ability to deliver their proximity (services at a lower cost (lower service level or lower unit cost) or by a greater capacity to fund these services (greater per capita real estate wealth).

INCREASE IN THE TAX BILL



For municipalities whose relative of their proximity expenditures within the total of these expenditures for the territory is greater than their relative share of the standardized real estate wealth of this same territory. This increase is explained by the existence of higher delivery costs for the proximity services (higher service level or higher unit cost) or by a lesser capacity to fund these services (lower per capita real estate wealth).

1.3 CURRENT GOVERNANCE AND GOVERNANCE IN THE EVENT OF RECONSTITUTION

The current Ville de Longueuil has 42 councillors and a mayor. Based on the parameters established in the *Act respecting elections and referendums in municipalities*, it is also possible to reconstitute a political representation scenario for each of the former municipalities. The new municipal councils of the reconstituted municipalities would then be uniquely responsible for so-called proximity powers.

For the urban agglomeration powers, Bill 9 provides that the central municipality will establish an additional deliberative body designated as the Urban Agglomeration Council, or Joint Council. The Joint Council would consist of elected representatives from each of the reconstituted municipalities. Joint Council decisions would be made by simple majority, with each mayor holding a percentage of the vote corresponding to the proportion of his or her respective municipality's population in relation to the entire agglomeration.

The following table shows political representation in the current city and based on a reconstitution scenario involving all of the former municipalities.

TABLE 1-7: BREAKDOWN OF VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N/A	10 %	8	1	10 %
Brossard	7	N/A	17 %	10	1	18 %
Greenfield Park	3	N/A	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N/A	7 %	8	1	6 %
Saint-Hubert	8	N/A	19 %	10	1	20 %
Saint-Lambert	3	N/A	7 %	8	1	6 %
Lemoyne	N/A	N/A	N.A.	6	1	1 %
Longueuil	14	N/A	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

If the impact on municipal reconstitution on the tax bill varies greatly between former municipalities, the repercussions in terms of governance are much easier to pinpoint. Thus, a reconstituted municipality would benefit from greater autonomy to manage its proximity services, but in return, its power to exert an internal influence over agglomeration services would be decreased.

2. BACKGROUND

2.1 CONTEXT OF THE STUDY

In June 2003, the Government of Québec tabled Bill 9, *An Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities*, in the Québec National Assembly.

In the fall, the Government held consultations on its bill in parliamentary committee, after which the National Assembly, last December, adopted the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* (Bill 9).

To ensure transparency in this public consultation process, the Government decided to entrust specialized firms with the responsibility of conducting studies on the consequences and costs of the eventual reconstitution of a former municipality.

2.2 OBJECTIVES SOUGHT BY THE MINISTÈRE DES AFFAIRES MUNICIPALES

As stipulated in its call for tenders, “*the Government considers that the new cities’ success particularly depends on seeking the voluntary support of the greatest number of citizens. To measure this support, as provided in Bill 9, citizens will have the opportunity to express themselves on the future of their sector (former municipality).*”

(...) *To ensure that citizens express themselves in full knowledge of circumstances, the Ministère des Affaires municipales, du Sport et du Loisir (MAMSL) intends to conduct several studies and award service contracts, the scope of which will be to study the consequences and the estimated costs of eventual reconstitution of a former municipality.*”

SECOR Conseil received the mandate to conduct this study regarding Longueuil and to submit its main conclusions to the Ministère des Affaires municipales, du Sport et du Loisir (MAMSL) regarding the consequences and eventual costs of reconstitution of the eight former municipalities of the South Shore. This is the context in which SECOR Conseil carried out its mandate to provide an objective and transparent study to the government authorities.

3. METHODOLOGY

3.1 GUIDING PRINCIPLES

The analysis of the costs associated with reconstitution of the former municipalities is based on five guiding principles:

1. Compliance with the wording of Bill 9
2. Adherence to MAMSL directives
3. Maintenance of current service levels
4. Adoption of a lowest-cost approach
5. Existence of a climate of collaboration/cooperation

Compliance with the wording of Bill 9

Bill 9 defines a completely new model for sharing powers between a central city and the reconstituted municipalities that are linked with regard to the so-called urban agglomeration powers. This new sharing is central to the exercise of reconstructing the financial statements of the territory's various municipalities. It was then important to ensure that our interpretation of Bill 9 and its various provisions was as faithful as possible to the meaning sought by the legislator. Several discussions were held with MAMSL officials for this very purpose.

Adherence to MAMSL directives

The budget reconstitution exercise for the municipalities was conducted in 42 different municipalities by several different consultants. To avoid allocation assumptions that differed too greatly on certain key analytical points, the MAMSL defined some guidelines for a common framework applicable to everyone, whose elements are incorporated within the various assumptions contained in the methodological tables appended to this report. This framework delimits or circumscribes several assumptions to be postulated. The analysis presented in this document takes into account all the directives transmitted by the MAMSL.

Maintenance of current service levels

A municipality's aggregate operating costs clearly depend on the services offered and the unit costs of these services. The reconstruction of financial statements is based on the assumption whereby service levels existing in 2004 and the aggregate budget envelope already adopted for that same year are maintained. No upward or downward adjustment (e.g. the addition or

withdrawal of garbage collection) is made, except in the case of the envelope for administrative costs (when necessary). Thus, citizens can better compare the tax burdens associated with the same basket of services, depending on whether or not they choose to reconstitute a related municipality within an agglomeration.

Adoption of a lowest-cost approach

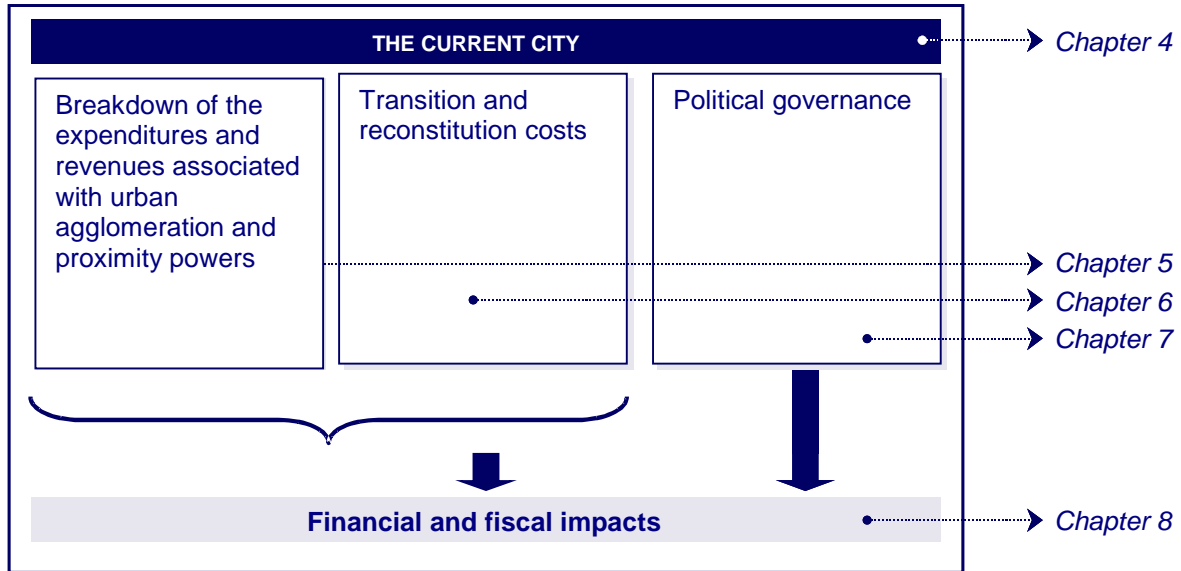
Reconstitution would, in some instances, necessitate recreating structures to ensure the governance and organizational viability of the future municipalities. A least-cost approach was used to estimate the financial consequences associated with these additional structures. Thus, no additional expenditure was postulated when the aggregate administrative envelope seemed sufficient to ensure management of the reconstituted municipalities. In cases where additional expenditures/accounts proved necessary, we chose the lower limit of the potential ranges (e.g. the number of elected representatives per new municipality).

Existence of a climate of collaboration/cooperation

Bill 9 involves the sharing of a certain number of areas of responsibility (e.g., arterial roads, waterworks and sewer systems, etc.). Lowest-cost fulfillment of these shared responsibilities may, in certain cases, mean delegating the performance of activities to one level or another. To capitalize on these gains in efficiency, it is important that the reconstituted municipalities and their central city adopt an approach based on collaboration/cooperation. We postulate that this climate will exist and that the two levels will work together in the collective interest of both parties. We have deliberately avoided politico-administrative discussions of future management in the event of reconstitution. The objective of this study is to simulate financial data for a scenario where powers are distributed, rather than resolve potential organizational issues. The latter will fall within the purview of the transition committee that would be formed, if applicable, and the municipal officers, once the reorganization is completed.

3.2 GENERAL FRAMEWORK

The following figure shows the main components of the analysis conducted.



The current city

We began by breaking down the operations and the financial statements of the current city, without reorganization. This called for a clear understanding of how the various services are currently delivered and funded, while also making it possible to clearly delineate the historical debts of each of the former municipalities present within the territory and the fiscal harmonization levels already achieved in each one. For this purpose, the 2004 budget estimates were broken down and analyzed from different angles.

Allocation of expenditures and revenues

The sharing of powers between the agglomeration and the local structure is clearly at the centre of the debate on municipal reorganization. We therefore worked, from the very outset, at defining these activities or “powers.” An analysis of the costs and revenues associated with each of these powers was produced to obtain a clear understanding of the financial and organizational implications of the reorganizations, and thereafter, to reconstruct the balance sheets of the former municipalities. The financial statements of the former municipalities for the years 2000 and 2001 were also studied to obtain reference points for certain expenditure accounts (see section on methodological assumptions).

Transition and reconstitution costs

We then defined eventual transition costs. These costs are exceptional (non-recurring) costs of reconstitution, such as the cost of referendums and transition measures. Under Bill 9, these costs would be paid by the reconstituted municipality. Recurring additional costs under the current structure could be added to these exceptional costs in some cases. These costs are related to political governance and general administration. When relevant, these costs have been identified and related to the appropriate level, either the reconstituted municipality or the urban agglomeration.

Composition of municipal councils and the Joint Council

Reconstitution of the former municipalities also necessitates redefining the political representation on the municipal council. For this purpose, the parameters established in the *Act respecting elections and referendums in municipalities* were studied and subsequently applied on the basis of potential reorganizations of the territory.

While it is relatively easy to anticipate the composition of each municipal council in the event of reconstitution, it may be more difficult to accurately predict political representation on the urban agglomeration council (Joint Council).

Financial and fiscal impacts

Finally, the foregoing steps made it possible to pinpoint the net expenditures to be financed by taxation, for both agglomeration and proximity services. These tax burdens to be funded were then translated into tax rates and tax bills for an average residence. This analysis allows for comparing the existing and future situations in the current municipality (during and at the end of the harmonization process), as well as the probable situation in the event of reconstitution of the former municipalities.

3.3 WORKING ASSUMPTIONS

The detailed allocation assumptions used in the performance of this mandate are presented in the tables in Schedule 1. These assumptions pertain both to the revenues and expenditures of the municipalities. They were formulated in accordance with the provisions of Bill 9 or, when applicable, the directives provided by the MAMSL.

Allocation keys

It should be noted that we adopted a basic rule for favouring, whenever the information was available, the allocation keys already used by the municipalities regarding the sharing of the

costs of municipal services or the mode of financing (by tariff or by sector tax, for example). We followed the same principle with regard to the municipality's aliquot shares to the supramunicipal bodies of which it is a member, and sought to share these amounts as accurately as possible, based on the level most likely to have to finance them.

Our study is partially based on data provided by the representatives of the cities with whom we worked. This is particularly the case for the definition of the arterial road system, the sharing of the waterworks and sewer systems between the local and agglomeration levels, and the sharing of the different cost components for residual materials. In these cases, we used other sources in an effort to validate, whenever possible, the data obtained.

Certain allocation rules for revenues and expenditures were suggested by the MAMSL during performance of the mandate. These have been incorporated into the two appended tables. The main adjustments to these rules concern replacement of the use, in the allocation formula for certain revenues (TGE-FSFAL, equalization, interest and real estate transfer fees), and replacement of the aggregate tax rate (local or agglomeration) by the allocation of net expenditures between the local level and the agglomeration, which made it possible to avoid iteration in the calculation and provided a fairly precise approximation of taxation revenue needs. Such an approximation was only necessary due to the fact that the two-level tax system instituted by Bill 9 is not yet in force and as a result, the aggregate tax rates (local and agglomeration) for the previous year do not exist.

Expenditure assumptions

Regarding expenditures, a prudent interpretation of the provisions of Chapter IV of Bill 9 led us to consider that anything not specified as an agglomeration power is a local power. This involved systematically searching for components of public services that could logically be separated and handled at the local level (e.g. school crossing guards and the "public security" responsibility for animals).

Similarly, we followed the MAMSL's recommendation to maintain the debts of the former municipalities at the expense of the taxpayers of the reconstituted municipalities, regardless of the fact that the powers for which these debts were accumulated might "migrate" to the agglomeration, and to allocate the debts of the new cities (since 2002) to the agglomeration in all cases where it was difficult to break down components or allocate them separately to the territory of one of the municipalities to be reconstituted.

Accumulated surpluses of the former municipalities were allocated to the municipalities to be reconstituted, based on the most recent update of their levels, and the accumulated surplus of the new city was allocated to the agglomeration.

Revenue assumptions

Regarding revenues, it is appropriate to specify that tariff revenues levied on all taxpayers (water, sewage treatment, garbage, recycling, etc.) were systematically applied to the reconstituted local municipalities, making it possible to imagine a system where local choices on tariff levels are encouraged and respected. However, the corollary means, in our outcomes, that the residual agglomeration tax burden is comprised solely of property taxation revenues.

One major assumption inserted at the MAMSL's request is to maintain the allocation of revenues based on taxpayer classes according to the rate structure applied in 2004 or the relative weight of each type of tax revenue, in each former municipal territory. To comply with this requirement, we therefore established these proportions and then established the new rates, taking into account the net tax burdens to be funded and the tax bases. However, this assumption may lead to tax burden transfers between the various taxpayers. Still at the MAMSL's request, we included an assumption regarding the funding of agglomeration expenditures according to the same percentages as those observed for the central city in 2004.

We also assumed that non-taxation revenues (i.e. revenues from the sale of services or various transfers) could be assigned to the level corresponding to the expenditure. This calculation method made it possible to reduce the tax burden to be funded, for both the local and the agglomeration level.

Transition cost assumptions

We retained three transition cost components: costs related to holding a referendum, costs related to setting up a transition committee and finally, costs involved in adjusting to the new situation in the event of reorganization. These three cost categories are non-recurring, meaning that they will be absorbed only once. To mitigate their impact, following the precedent created by the recent amalgamations, we spread the payment of these costs over a three-year period (2004-2005-2006).

The referendum costs (section 81 of Bill 9) are completely borne by the taxpayers of the municipality that decides to reconstitute itself. In the scenario commissioned from us under this study, where each of the former municipalities is likely to reconstitute itself, these costs were estimated for each of them. We indexed the average costs of holding municipal polls (2001 elections) based on the actual historical data.

The costs related to the establishment and operation of a transition committee (also borne by the taxpayers of the reconstituted municipality, according to section 84 of Bill 9) were also derived from recent municipal experience, namely the actual per capita costs of the committees constituted in 2001 in Longueuil.

Finally, our understanding is that, except in specific situations that will be documented case by case, the current budgets of the various municipal services contain enough leeway to allow relocation of most of the staff that would be affected by a reorganization. The costs of adjusting to the new reality that would result from the creation of new municipalities (new civic image, staffing, communications with citizens, startup costs, etc.) were estimated as being equal to 1% of the operating expenditures budget before financial expenses.

Costs of new political governance

The reconstitution of a municipality naturally brings about a reconstitution of its municipal council. These costs were estimated on the basis of costs in the year 2000, indexed to the cost of living for each municipality. Our assumption is meant to be realistic and depends on the creation of councils with the minimum number of members prescribed in the *Act respecting elections and referendums in municipalities*. As for all of our other assumptions, a political decision by the reconstituted municipality that would involve creation of a council with more than the minimum number of members (as prescribed in the *Act*) would increase the cost of political governance. The same would be true of any decision to increase remuneration of elected representatives.

Costs of the new administrative structure

The other category of additional costs in the event of reorganization concerns the costs of reconstituting an administrative structure for each municipality. Indeed, while the supervisory costs specific to each municipal service are already integrated into municipal accounting functions and activities, this is not the case for most costs related to support services (payroll, accounting, communications, information technology, purchasing management, clerk, legal, general management, etc.), which must therefore be identified and estimated.

In this case, we have adopted the following assumption: for each municipality, we have adopted a normal administrative supervision cost of 15% of expenditures before financing expenses.

Conditions specific to Ville de Longueuil

Beyond the assumptions common to all the studies under our responsibility, we had to adapt various methodological elements to the specific context of certain municipalities. In the case of Longueuil, the following aspects must be emphasized:

- One current borough, namely that of Saint-Lambert, encompasses more than one former municipality (Saint-Lambert, Lemoyne). To provide the most faithful reflection possible of the budget choices of these former municipalities, now amalgamated within the same borough, we used the 2000 and 2001 financial data to allocate expenditures between the two of them. The historical data was analyzed function by function and service by service. This approach is more respectful of the

topography of the territories concerned, the services expected by the citizens of these territories and the budget decisions made to meet these expectations.

- Some expenditures were allocated only between the agglomeration and the reconstituted city of Longueuil, because of their roles or their beneficiaries. Among these expenditures are those associated with the Auditor General.
- Financial obligations resulting from taking into account the actuarial deficits of former municipalities are not included in the scenarios considered in this report, as they are not part of the 2004 budget expenses of Ville de Longueuil. Regardless of the actual expense chargeable to this aspect, it will not vary on the basis of the scenarios analyzed.
- The allocation key used for public transit differs from the one used in 2001 (passenger rate/km). There are a number of reasons for this, including the fact that there have been considerable changes in public transit over the last three years (integration of the Saint-Bruno territory, extension of the financial responsibility regarding the commuter train, etc.). It is also important to note that the current city of Longueuil chose to have its contribution to public transit applied to the general property tax. We have used real estate wealth to determine how financial burdens would be shared between the reconstituted municipalities.

3.4 THE LIMITS OF THE WORK PERFORMED

Despite all precautions, estimating the costs associated with reorganization of municipal services remains a limiting exercise. In this regard, we consider it important to emphasize five more significant contingencies:

- An essentially static picture
- The level of available data
- Non-verification of results
- The nature of an accounting exercise
- A total reconstitution scenario

An essentially static picture

The analysis essentially concerns the 2004 budget estimates. The projected expenditures for this reference year are adjusted for the various transition costs, then subjected to various financing structures (in the current city in 2004, 2005, 2006 and at the end of the fiscal harmonization measures, and in the reconstitution scenario involving all of the former municipalities). This

approach does not estimate the costs/savings generated up to now by the mergers, nor the costs/savings associated with the current city over the next few years. Therefore, no conclusions can be drawn from our analysis regarding the net cumulative financial results of the current mergers.

The level of available data

The analysis is based on the best available existing data, not necessarily on the exact data underlying the costs/expenditures that must be estimated. This aspect is especially important in that Bill 9 involves a new sharing of responsibilities and that, in some cases, no financial management data exist on these new bases of operation (for example, the relative costs associated with the arterial road system or the local water distribution system). It will only be possible to present a more specific analysis once certain more thorough technical analyses are performed.

Non-verification of results

The consultant did not exhaustively verify the information received. Whenever possible, the data used come from official documents tabled with various municipal bodies. In some cases, they were nonetheless generated from internal accounting systems or estimated by municipal officials. Since forecasts and estimates are involved, it will be understood that the data were not audited in the strict sense of the term and that the consultant cannot subsequently guarantee the total reliability of this data. However, whenever possible, the consultant used other sources in an effort to validate the data obtained.

The nature of an accounting exercise

The analysis conducted is based on an accounting and financial approach. It allocates the revenues and expenditures according to various directives, or in some cases, according to our best judgment of the legislator's intentions. Such an exercise does not deal with the potential impacts on the execution of municipal services and, in particular, on the quality-price ratio of the services obtained in the current city, or in the reconstituted municipalities. This limitation is important, because the coming debate will deal deal not only with the costs, but also the services obtained and the ability to influence them.

A total reconstitution scenario

The consultant was mandated to simulate the application of Bill 9 in a specific reconstitution scenario involving each of the former municipalities likely to reconstitute itself. Needless to say, other scenarios could emerge during the registration period. The results derived from the analysis produced on the basis of this scenario could be different if only some of the former municipalities exercised their right to reconstitution, but it is impossible to specify the extent of this phenomenon in advance.

3.5 RELATIONS WITH REPRESENTATIVES OF THE MAMSL AND THE VILLE DE LONGUEUIL

At each step of the report, the MAMSL representatives were able to follow our progress and take part in our questioning of different aspects of our mandate. We sought to inform our client about the progress with the municipality, the information obtained, the anticipated assumptions, the budget allocation keys, the problems raised and the methodological considerations.

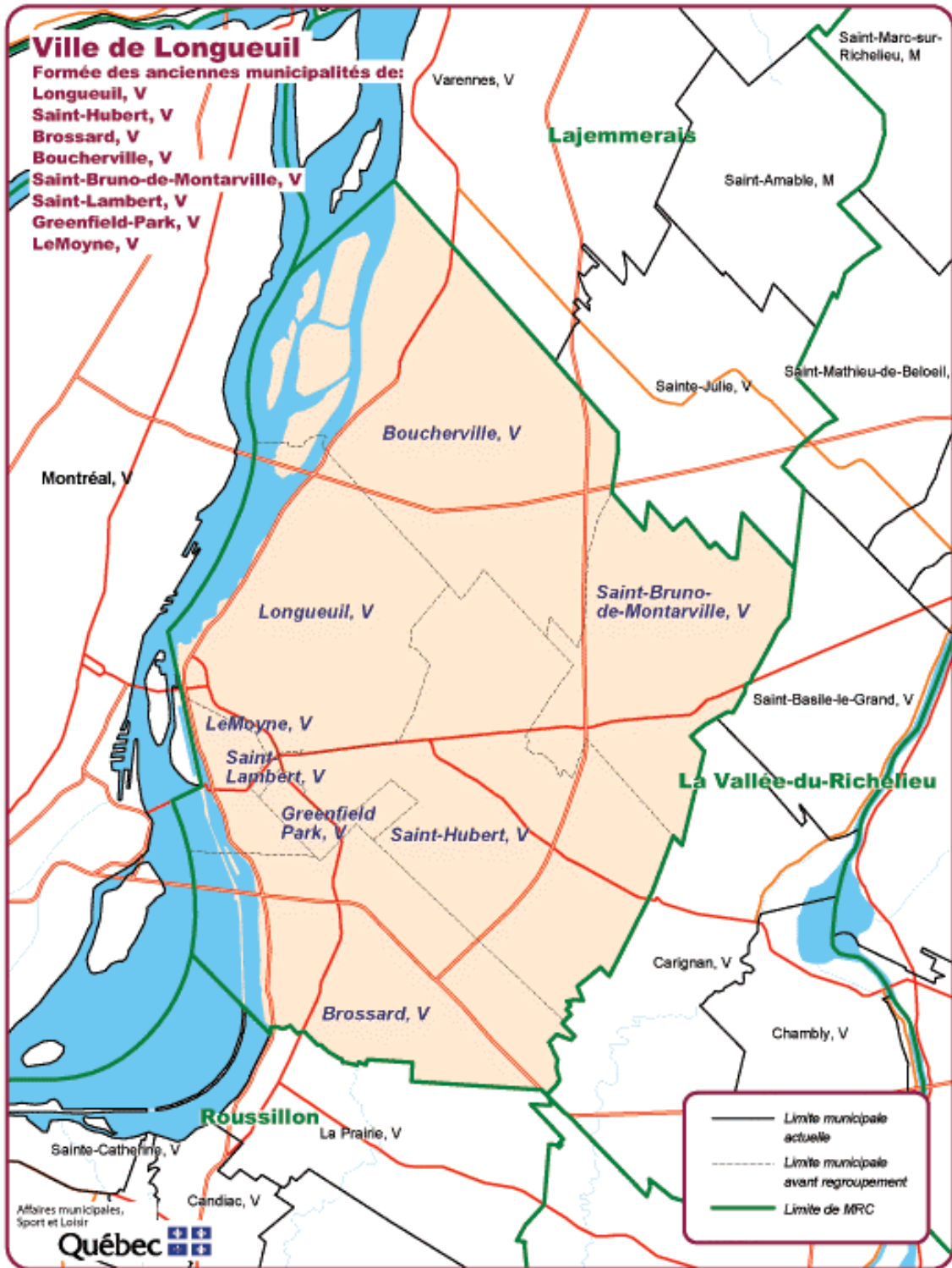
We also sought to maintain regular contact with the MAMSL to validate our positions, our methodological framework and the calculation assumptions. We asked it to clarify certain aspects of the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* (Bill 9). Finally, we had discussions with the MAMSL on a regular and constant basis. Consequently, the MAMSL is well aware of the methodology and the initial assumptions.

We wish to thank the client for its faithful collaboration and its expertise in municipal organization.

We also worked closely with the city to gather data. Work sessions with municipal representatives were held for this purpose throughout the study, to enable us to understand local circumstances and obtain data on expenditures, revenues, debt and the potential organizational impacts of a reconstitution under Bill 9.

We also wish to thank municipal officials for their professionalism, patience and unfailing cooperation. Without their support, the quality of the work produced would have suffered tremendously, and the deadlines imposed could never have been met.

MAP OF LONGUEUIL



4. BRIEF PRESENTATION OF THE CURRENT CITY

On January 1, 2002, the amalgamation of the cities of Longueuil, Brossard, Boucherville, Greenfield Park, Lemoyne, Saint-Bruno-de-Montarville, Saint-Hubert and Saint-Lambert gave birth to the new Ville de Longueuil. With a budget of over \$420 million and more than 380,000 inhabitants on a territory totalling 284 km², Ville de Longueuil is the 3rd largest city in Québec, and the second largest in the Montréal agglomeration. It consists of seven boroughs, comprising the territories of the former municipalities (with the exception of the borough of Saint-Lambert, which includes this former municipality as well as the former municipality of Lemoyne).

Ville de Longueuil is today a city-RCM, as are several other major Québec cities. It is also part of a larger regional framework, namely the Communauté Métropolitaine de Montréal (CMM).

4.1 POPULATION AND TERRITORY

At December 31, 2003, Ville de Longueuil had a population of 380,580 inhabitants. The following table gives a breakdown of the population and real estate wealth (REW) by sector.

TABLE 4-1 : BREAKDOWN OF POPULATION AND REAL ESTATE WEALTH (REW)

	POPULATION (1)	% POPULATION	REW (in millions) (2)	% REW
Boucherville	37,151	9.8%	2,801	15.8%
Brossard	67,027	17.6%	3,377	19.1%
Greenfield Park	17,355	4.6%	671	3.8%
Saint-Bruno	24,326	6.4%	1,719	9.7%
Saint-Hubert	77,395	20.3%	2,821	15.9%
Saint-Lambert	21,486	5.6%	1,362	7.7%
Lemoyne	4 949	1.3%	139	0.8%
Longueuil (Vieux-Longueuil)	130,891	34.4%	4,816	27.2%
TOTAL	380,580	100.0%	\$ 17,706	100.0%

(1) Source : 2004 Order-in-Council, Ministère des Affaires municipales

(2) Source : Ville de Longueuil, 2004 tax assessments

We note that the Longueuil sector accounts for 34% of the inhabitants of the new city, while Saint-Hubert accounts for 20% and Brossard, 18%.

Moreover, Longueuil is a significant component of the CMM, representing 11% of the metropolitan region's total population. This is shown in the following table:

TABLE 4-2: POPULATION OF THE COMMUNAUTÉ MÉTROPOLITAINE DE MONTRÉAL (2003)

SECTOR	POPULATION	RELATIVE SHARE OF THE POPULATION	% INCREASE SINCE 1993
Montréal	1,837,072	53 %	3.5 %
Laval	354,773	10 %	12.8 %
Longueuil	385,690	11 %	4.3 %
Northern suburbs	459,484	13 %	25.5 %
Southern suburbs	397,183	12 %	22.4 %
TOTAL CMM	3,434,202	100 %	9.0 %

Source: Institut de la statistique du Québec, Répertoire des municipalités du Québec

In a slightly more general manner, the data in the above table indicate the population of each CMM sector and their respective growth over the past 10 years. The Southern and Northern suburbs include the suburban municipalities respectively surrounding Longueuil and Laval, to the south and to the north. The Southern suburbs include around forty municipalities, only 2 of which have a population exceeding 25,000 inhabitants. Longueuil, as a result, becomes a critical regional pole.

The Longueuil amalgamation has resulted in the creation of a 284 km² territory, which is sizeable, given the city's standing at the heart of the CMM.

Geographically speaking, the city of Longueuil benefits from being on the shores of the St. Lawrence River, close to downtown Montréal. The area originally developed as a suburban territory, then slowly changed to include increasingly evolved services, as well as a highly diversified commercial and industrial base. The city also benefits from a comprehensive road network, being entirely surrounded by highways 10, 20, 30 and 132. Longueuil also has an airport, two regional hospitals, a CEGEP and a rapidly growing number of university subbranches. It is the official capital of the Montérégie region.

4.2 FINANCIAL POSITION

The 2004 Ville de Longueuil budget indicates revenues of \$442 million, operating expenditures of \$378 million, long-term debt redemption of \$41 million, and a \$30 million transfer of investing activities.

TABLE 4-3: MAIN BUDGET EXPENDITURE ACCOUNTS

	TOTAL (\$)	%
General administration	60,366,803	15.9%
Public security	84,389,958	22.3%
Transportation	90,647,404	24.0%
Community hygiene	44,022,114	11.6%
Health and welfare	2 840,539	0.8%
Land use planning, urban planning development	14,919,497	3.9%
Recreation and culture	53,628,277	14.2%
Financial expenses	27,666,960	7.3%
TOTAL	\$ 378,481,552	100.0%

Source : Pr evision budg etaire 2004 - Ville de Longueuil

TABLE 4-4: NET CURRENT ASSETS AND ACCUMULATED SURPLUSES (1)

	NET CURRENT ASSETS	ACCUMULATED SURPLUSES(1)
Agglomeration	\$ 545,025	\$ 15,320,200
Boucherville	- \$	\$ 8 621,800
Brossard	- \$	\$ 9 621,200
Greenfield Park	- \$	\$ 2 339,600
Saint-Bruno	- \$	\$ 2 846,700
Saint-Hubert	- \$	\$ 12,621,400
Saint-Lambert	\$ 81,003	\$ 212,800
Lemoyne	- \$	\$ 300,400
Longueuil (Vieux-Longueuil)	- \$	\$ 5 646,100
TOTAL	\$ 626 028	\$ 57 530 200

(1) Source : Ville de Longueuil, balance at December 31, 2002

Long-term debt

The figures in the table below were derived from information available at December 31, 2002.

TABLE 4-5: LONG-TERM DEBT

AGGLOMERATION	\$ 3,509,700
BOUCHERVILLE	\$ 94,196,400
BROSSARD	\$ 70,654,000
GREENFIELD PARK	\$ 20,872,600
SAINT-BRUNO	\$ 32,193,100
SAINT-HUBERT	\$ 57,673,900
SAINT-LAMBERT	\$ 36,666,600
LEMOYNE	\$ 1,229,700
VIEUX-LONGUEUIL	\$ 124,948,700
TOTAL	\$ 441,944,700

(1) Source : Ville de Longueuil, balance at December 31, 2002

Triennial Capital Expenditures Program of the current city

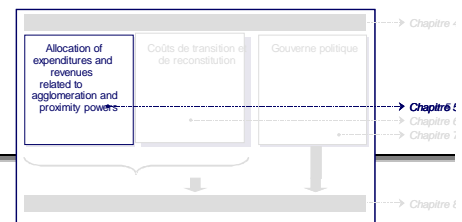
The main investments forecast in the TCEP are allocated among the boroughs according to the amounts indicated in the table below. The “Longueuil” portions of these amounts refer to investments whose earnings will be shared by all sectors.

TABLE 4-6: TRIENNIAL CAPITAL EXPENDITURES PROGRAM - 2004-2006

BOROUGHES	2004	2005	2006	TOTAL TCEP
Boucherville	\$ 33,125,958	\$ 25,819,800	\$ 18,692,900	\$ 77,638,658
Brossard	\$ 40,186,378	\$ 40,510,000	\$ 30,380,000	\$ 111,076,378
Greenfield Park	\$ 5,752,792	\$ 8,973,500	\$ 7,878,600	\$ 22,604,892
Saint-Bruno-de-Montarville	\$ 10,298,460	\$ 28,677,200	\$ 18,610,612	\$ 57,586,272
Saint-Hubert	\$ 41,401,789	\$ 34,007,000	\$ 35,141,800	\$ 110,550,589
Saint-Lambert/Le Moyne	\$ 11,489,967	\$ 11,318,067	\$ 13,172,866	\$ 35,980,900
Vieux-Longueuil	\$ 52,284,500	\$ 40,879,900	\$ 45,431,300	\$ 138,595,700
Longueuil	\$ 68,387,449	\$ 54,153,075	\$ 38,739,825	\$ 161,280,349
TOTAL	\$ 262,927,293	\$ 244,338,542	\$ 208,047,903	\$ 715,313,738

Source : Budget 2004, ville de Longueuil

5. EXPENDITURE BREAKDOWN



5.1 SHARING OF RESPONSIBILITIES PRESCRIBED BY BILL 9 FOR VILLE DE LONGUEUIL

Sections 92 to 108 of the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* determine the urban agglomeration powers that the related municipalities would be bound to respect. It is the central municipality that would be responsible for delivering the urban agglomeration services (in this instance, Longueuil).

Proximity services, however, would be at the exclusive expense of the reconstituted municipalities.

This sharing of powers was also the subject of a presentation by the Minister of Municipal Affairs, Sports and Recreation when the amended Bill 9 was tabled. We can therefore specify the urban agglomeration responsibilities and the proximity services for Ville de Longueuil.

TABLE 5-1: URBAN AGGLOMERATION POWERS FOR VILLE DE LONGUEUIL

■ <i>Property assessment</i>	■ <i>Assistance for the homeless</i>
■ <i>Management of municipal waterways</i>	■ <i>Residual materials disposal and reclamation</i>
■ <i>Civil protection services</i>	■ <i>Implementation of the residual materials management plan</i>
■ <i>Fire protection services</i>	■ <i>Drafting and adoption of the residual materials management plan</i>
■ <i>Police services</i>	■ <i>Passenger transportation</i>
■ <i>Water supply equipment and infrastructures, except for local mains</i>	■ <i>Management of the arterial road system thoroughfares</i>
■ <i>Water purification equipment and infrastructures, except for local mains</i>	■ <i>Economic promotion, including promotion for tourism purposes, outside the territory of a municipality of the agglomeration</i>
■ <i>Implementation of the fire safety cover plan and civil protection plan</i>	■ <i>Tourist services</i>
■ <i>9-1-1 emergency centre</i>	■ <i>All industrial parks</i>
■ <i>Municipal court</i>	■ <i>Premises or facilities for the dumping of snow removed from the territory of two or more related municipalities</i>
■ <i>Equipment, infrastructures and activities of collective interest according to the Schedule of the Act</i>	■ <i>Social housing</i>

TABLE 5-2: EQUIPMENT, INFRASTRUCTURES AND ACTIVITIES OF COLLECTIVE INTEREST

Equipment, infrastructures or activities are considered as being of collective interest according to their reputation, uniqueness in the agglomeration and heavy use by citizens residing outside the territory of their home municipality.

Here is the list of equipment and infrastructures of collective interest for Longueuil:

Equipment and infrastructures:

- | | |
|--|---|
| ■ <i>Parc régional de Longueuil</i> | ■ <i>St-Lawrence River bicycle path</i> |
| ■ <i>Frayère Rivière-aux-Pins</i> | ■ <i>Seaway breakwater</i> |
| ■ <i>Rivière Saint-Jacques</i> | ■ <i>Parc du Pont Champlain</i> |
| ■ <i>Musée Marcil</i> | ■ <i>Parc de la voie maritime</i> |
| ■ <i>Parc Marie-Victorin</i> | ■ <i>Route verte (long course and 116 overpass)</i> |
| ■ <i>Réal-Bouvier marina</i> | ■ <i>Île Charron</i> |
| ■ <i>Place Charles-Le Moyne</i> | ■ <i>Highway rest area</i> |
| ■ <i>Métro building</i> | ■ <i>Montréal-Longueuil shuttle boat</i> |
| ■ <i>Métro parking</i> | ■ <i>Longueuil-Île Charron shuttle boat</i> |
| ■ <i>Îles de Boucherville shuttle boat</i> | ■ <i>Jean-Béliveau sports complex</i> |
| ■ <i>La Riveraine bicycle path
(borders the St-Lawrence River)</i> | |

Subjects of activities exercised:

- | | |
|---|-----------------------------------|
| ■ <i>Centre sportif Édouard-Montpetit</i> | ■ <i>Boucherville Rowing Club</i> |
| ■ <i>Orchestre symphonique de Longueuil</i> | |

Source: *Equipment, infrastructures and activities of collective interest, Bill 9 (sect. 105)*

TABLE 5-3: POWERS OF THE RECONSTITUTED MUNICIPALITIES

If a former municipality, including the central municipality, were reconstituted, it would be responsible for proximity services to the public. These include:

■ <i>The urban plan, by-laws and minor derogations</i>	■ <i>Local sports or cultural equipment and facilities*</i>
■ <i>Issuing construction and renovation permits</i>	■ <i>Local libraries*</i>
■ <i>Neighbourhood improvement programs</i>	■ <i>Local parks*</i>
■ <i>Local water and sewer mains</i>	■ <i>Public markets*</i>
■ <i>School crossing guards</i>	■ <i>Issuing licenses for bicycles, pets, etc.</i>
■ <i>Residual materials pickup and transport</i>	■ <i>Fire protection, nuisance and public sanitation by-law</i>
■ <i>Management of local streets</i>	

* *Except those defined as being of collective interest in the Schedule to Bill 9.*

The reconstituted municipalities would have the necessary taxation powers to finance their proximity services. Exceptionally, the proceeds derived from an industrial park by a related municipality are capped and the surplus is used to finance urban agglomeration powers.

In light of the foregoing information, it should be kept in mind that the reconstituted municipalities would not regain the same responsibilities as they had in 2001. Henceforth, they would deliver proximity services, since the urban agglomeration powers would be delivered by the central municipality and managed by the agglomeration Joint Council.

5.2 EXPENDITURE BREAKDOWN - BEFORE TRANSITION AND RECONSTITUTION COSTS

Table 5-4 depicts the breakdown of the current budget according to the methodology used by all of the municipalities (also see Schedule 1). Each expenditure is broken down according to the budgeted expenditures estimated for each territory, in view of its powers under Bill 9. Overall expenditures before financial expenses are distributed as follows: 62.7% for agglomeration powers, and 37.3% for powers related to proximity services.

Administration expenses are shared between the agglomeration and proximity services according to the same ratio, this time out of the total gross expenditures before administration expenses and financial expenses. As we will later show, additional expenses (15%) will be added to each municipality, to ensure the management of their local powers. As regards the cost of reconstituted municipal councils, we have used indexed costs for the year 2000 and increased the amount for the reconstituted city of Longueuil by \$561,225, to ensure political governance costs appropriate to the actual situation.

Road system expenditures are specifically allocated, given that this power is shared on the basis of responsibilities for the various types of streets. Arterial road systems are an agglomeration power, while local road systems are a local power. Total road system expenditures were thus assessed on a proportional basis⁽¹⁾. Consideration was specifically given to the fact that arteries are more costly, given that they usually require heavier maintenance (larger, more traffic, etc.) and supplementary services (traffic lights, snow removal, etc.).

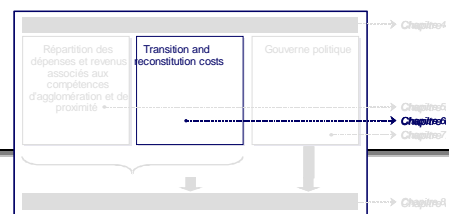
Assessment conducted by Ville de Longueuil.

TABLE 5-4: BREAKDOWN OF OPERATING EXPENDITURES

	AGGLO.	BOUCHERVILLE	BROSSARD	GREENFIELD PARK	LEMOYNE
OPERATING EXPENDITURES					
General administration	\$ 39,035,818	\$ 2,853,419	\$ 3,004,180	\$ 962,200	\$ 246,426
Public security	\$ 82,353,098	\$ 91,155	\$ 182,310	\$ 84,143	\$-
Transportation	\$ 58,746,945	\$ 2,851,534	\$ 4,697,642	\$ 1,376,998	\$ 283,338
Community hygiene	\$ 25,536,937	\$ 2,234,423	\$ 2,168,709	\$ 858,313	\$ 212,238
Health and welfare	\$ 2,840,539				
Land use planning, urban planning and development	\$ 6,618,667	\$ 1,302,718	\$ 980,411	\$ 377,669	\$ 71,680
Recreation and culture	\$ 4,445,924	\$ 7,422,716	\$ 7,317,834	\$ 1,959,469	\$ 410,755
TOTAL BEFORE FINANCIAL EXPENSES AND TRANSITION & RECONSTITUTION COSTS	\$ 219,577,928	\$ 16,755,965	\$ 18,351,086	\$ 5,618,792	\$ 1,224,437
% breakdown	62.4%	4.8%	5.2%	1.6%	0.4%
Financial expenses	\$ 1,863,509	\$ 5,878,506	\$ 4,818,258	\$ 1,540,019	\$ 127,774
TOTAL BEFORE TRANSITION AND RECONSTITUTION COSTS	\$ 221,441,437	\$ 22,634,471	\$ 23,169,344	\$ 7,158,811	\$ 1,352,211
% de répartition	58.4%	6.0%	6.1%	1.9%	0.4%

	LONGUEUIL	SAINT-BRUNO	SAINT-HUBERT	SAINT-LAMBERT	TOTAL
OPERATING EXPENDITURES					
General administration	\$7,573,484	\$ 2,180,307	\$ 3,867,111	\$ 1,596,202	\$ 61,319,147
Public security	\$867,623	\$ 78,884	\$ 457,527	\$ 275,218	\$84,389,95
Transportation	\$10,246,484	\$ 1,868,763	\$ 8,535,969	\$ 2,039,732	\$ 90,647,405
Community hygiene	\$7,314,338	\$ 1,560,789	\$ 3,153,022	\$ 983,345	\$ 44,022,114
Health and welfare					
Land use planning, urban planning and development	\$2,675,222	\$772,234	\$ 1,464,646	\$ 656,250	\$ 2,840,539
Recreation and culture	\$15,549,318	\$5,583,285	\$ 6,177,893	\$ 4,761,083	\$ 14,919,497
TOTAL BEFORE FINANCIAL EXPENSES AND TRANSITION & RECONSTITUTION COSTS	\$44,226,469	\$12,044,262	\$ 23,656,168	\$ 10,311,830	\$ 351,766,937
% breakdown	12.6%	3.4%	6.7%	2.9%	100.0%
Financial expenses	\$6,689,918	\$ 1,710,941	\$ 3,374,051	\$ 1,663,984	\$ 27,666,690
TOTAL BEFORE TRANSITION AND RECONSTITUTION COSTS	\$50,916,387	\$ 13,755,203	\$ 27,030,219	\$ 11,975,814	\$ 379,433,897
% de répartition	13.4%	3.6%	7.1%	3.2%	100.0%

6. TRANSITION AND RECONSTITUTION COSTS



6.1 SUMMARY OF TRANSITION AND RECONSTITUTION COSTS

The transition costs considered in this study are the costs of a referendum, transition committee costs, costs for adjusting to the new situation and, when relevant, costs of necessary capital expenditures. Below is a brief assessment and description of the transition and reconstitution costs that would be involved in the event of the reconstitution of one of the former municipalities of the current Ville de Longueuil.

TABLE 6-1: SUMMARY OF TRANSITION AND RECONSTITUTION COSTS

	REFERENDUM	TRANSITION	ADJUSTMENT	TOTAL	ANNUAL AMORTIZATION (1)
Boucherville	\$ 208,046	\$ 363,708	\$ 343,383	\$ 915,137	\$ 305,046
Brossard	\$ 375,351	\$ 656,194	\$ 619,523	\$ 1,651,068	\$ 550,356
Greenfield Park	\$ 97,188	\$ 169,905	\$ 160,410	\$ 427,503	\$ 142,501
Saint-Bruno	\$ 136,227	\$ 238,152	\$ 224,844	\$ 599,223	\$ 199,741
Saint-Hubert	\$ 433,413	\$ 757,697	\$ 715,356	\$ 1,906,466	\$ 635,489
Saint-Lambert	\$ 120,322	\$ 210,348	\$ 198,594	\$ 529,264	\$ 176,421
Lemoyne	\$ 27,714	\$ 48,451	\$ 45,744	\$ 121,909	\$ 40,636
Longueuil (Vieux-Longueuil)	\$ 732,990	\$ 1,281,423	\$ 1,209,816	\$ 3,224,229	\$ 1,074,743
TOTAL	\$ 131,251	\$ 3,725,878	\$ 3,517,670	\$ 9,374,799	\$ 3,124,933

(1) Referendum, transition and adjustment costs are amortized over 3 years, with zero interest.

	ADMINISTRATIVE COSTS (2)	TOTAL ADDITIONAL ANNUAL NEEDS
Boucherville	\$ 120,467	\$ 425,513
Brossard	\$ 132,982	\$ 683,338
Greenfield Park	\$ 40,350	\$ 182,851
Saint-Bruno	\$ 85,472	\$ 285,213
Saint-Hubert	\$ 171,474	\$ 806,963
Saint-Lambert	\$ 75,522	\$ 251,943
Lemoyne	\$ 8,475	\$ 49,111
Longueuil (Vieux-Longueuil)	\$ 317,601	\$ 1,392,344
TOTAL	\$ 952,343	\$ 4,077,276

(2) Total additional annual administrative needs, recurring

The impact of the reconstitution of former municipalities is assessed at \$4.2 million per year in additional expenses (recurring and non-recurring), for the first three years. Details of these costs are provided in the following sections.

6.2 REFERENDUM COSTS

Referendum costs for Longueuil are estimated at \$450,801. The cost to be borne is based on an amount equal to \$5.60 per citizen.

TABLE 6-2: REFERENDUM COSTS

	\$ TOTAL	\$ POPULATION	PER 100 \$ REW
Boucherville	\$ 208,046	\$ 5,60	0,007
Brossard	\$ 375,351	\$ 5,60	0,011
Greenfield Park	\$ 97,188	\$ 5,60	0,014
Saint-Bruno	\$ 136,227	\$ 5,60	0,008
Saint-Hubert	\$ 433,413	\$ 5,60	0,015
Saint-Lambert	\$ 120,322	\$ 5,60	0,009
Lemoyne	\$ 27,714	\$ 5,60	0,020
Longueuil (Vieux-Longueuil)	\$ 732,990	\$ 5,60	0,015
TOTAL	\$ 2,131,251	\$ 5,60	0,012

(1) Referendum costs amortized over 3 years.

Referendum costs are established on the basis of the costs of the 2001 municipal elections in Longueuil, indexed for 2004. The indexing factor used is that suggested by the MAMSL, namely 1.071. We should recall that these costs are amortized over three years.

6.3 TRANSITION COMMITTEE COSTS

We have retained as an assumption that the transition committee costs would be the same as those generated during the amalgamations of 2001. This indexed cost is \$9.79 per capita for Longueuil. The transition committee cost is thus estimated as \$3.73 million.

TABLE 6-3: TRANSITION COMMITTEE COSTS

	\$ TOTAL	\$ POPULATION	PER 100 \$ REW(1)
Boucherville	\$ 363,708	\$ 9,79	0,013
Brossard	\$ 656,194	\$ 9,79	0,019
Greenfield Park	\$ 169,905	\$ 9,79	0,025
Saint-Bruno	\$ 238,152	\$ 9,79	0,014
Saint-Hubert	\$ 757,697	\$ 9,79	0,027
Saint-Lambert	\$ 210,348	\$ 9,79	0,015
Lemoyne	\$ 48,451	\$ 9,79	0,035
Longueuil (Vieux-Longueuil)	\$ 1,281,423	\$ 9,79	0,027
TOTAL	\$ 3,725,878	\$ 9,79	0,021

(1) Transition committee costs amortized over 3 years.

6.4 TRANSITIONAL ADJUSTMENT COSTS

In most cases, as indicated in our guiding principles, the study uses minimalist cost assumptions. Thus, we take for granted that a large portion of the adjustment costs would be funded from within the cities' budgets, by reallocations during the course of the year. However, the addition of adjustment costs is sometimes necessary. In the case of Longueuil, we have retained a cost equivalent to 1% of the 2004 expenditure budget, excluding financial expenses, which we then spread out over 3 years.

Thus, total adjustment costs for the entire territory would be slightly less than \$1.2 million. These amounts notably include the purchase or adaptation of computer and telephone systems, as well as non-recurring expenses such as filling newly-created positions, and public communications regarding the reconstitution and relocation of certain services.

TABLE 6-4: ADJUSTMENT COSTS (BEFORE AMORTIZATION)

	\$ TOTAL	PER 100 \$ REW (1)
Boucherville	\$ 343,383	0,012
Brossard	\$ 619,523	0,018
Greenfield Park	\$ 160,410	0,024
Saint-Bruno	\$ 224,844	0,013
Saint-Hubert	\$ 715,356	0,025
Saint-Lambert	\$ 198,594	0,015
Lemoyne	\$ 45,744	0,033
Longueuil (Vieux-Longueuil)	\$ 1,209,816	0,025
TOTAL	\$ 3,517,670	0,020

(1) Adjustment costs amortized over 3 years.

6.5 ANNUALLY RECURRING RECONSTITUTION COSTS

The additional costs we considered in the event of reorganization are essentially the costs of reconstituting an administrative structure for each municipality. Indeed, while the supervisory costs specific to each municipal service are already integrated into municipal accounting functions and activities, the opposite is true of most costs related to support services (payroll, accounting, communications, information technology, purchasing management, clerk, legal, general management, etc.), which must therefore be identified and estimated.

As regards operating costs for new municipal councils, the rule from the year 2000, indexed, was used. Additional administration expenses were thus added in all instances where this 15% rule was not reached. In this fashion, municipal council costs were evaluated at \$2,000,396.

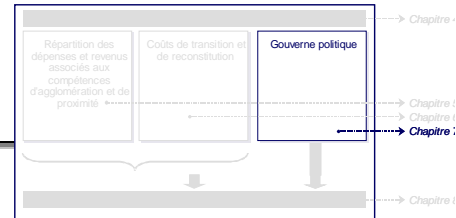
We took into consideration that the municipal organization of the new Ville de Longueuil had been established since 2002, and this by taking into consideration the necessary grouping of “central services” and those managed by the boroughs. In the event of the reconstitution of former municipalities, certain services would nonetheless need to be relocated, some systems modified, a few managers hired, etc.

The current Ville de Longueuil has maintained most of the borough immovables and equipment, and the city halls of boroughs continue to manage proximity services. This fact, combined with the assumptions we have adopted for this study, enabled us to establish minimum recurring reconstitution costs, based on a realistic figure of 15% of operating expenditures, excluding financial expenses.

TABLE 6-5: RECURRING RECONSTITUTION COSTS

	\$ TOTAL	\$ POPULATION	PER 100 \$ REW ANNUAL AMORTIZATION
Boucherville	\$ 120,467	\$ 3,24	0,004
Brossard	\$ 132,982	\$ 1,98	0,004
Greenfield Park	\$ 40,350	\$ 2,32	0,006
Saint-Bruno	\$ 85,472	\$ 3,51	0,005
Saint-Hubert	\$ 171,474	\$ 2,22	0,006
Saint-Lambert	\$ 75,522	\$ 3,51	0,006
Lemoyne	\$ 8,475	\$ 1,71	0,006
Longueuil (Vieux-Longueuil)	\$ 317,601	\$ 2,43	0,007
TOTAL	\$ 952,343	\$ 2,50	0,005

7. POLITICAL GOVERNANCE



7.1 CURRENT TYPE OF GOVERNANCE

The new Ville de Longueuil has 42 municipal councillors and a mayor. The boroughs delegate a variable number of municipal councillors to the Municipal Council, weighted by population.

TABLE 7-1: NUMBER OF COUNCILLORS PER SECTOR

	NUMBER
Boucherville	4
Brossard	7
Greenfield Park	3
Saint-Bruno-de-Montarville	3
Saint-Hubert	8
Saint-Lambert / Lemoine	3
Longueuil	14
TOTAL	42

The chief executive is the Mayor of the city. He chairs the sessions of the Executive Committee and appoints its members. The Executive Committee of Ville de Longueuil has 7 members plus the mayor of the city. Its function is to expedite the current business of the municipal administration. It meets every week, and reports on its decisions to the municipal council, which meets once a month.

As to the municipal council, it can set up standing commissions to explore certain municipal issues in depth. However, the council commissions only have the power to recommend. The municipal council has set up 8 standing committees:

- Commission de l'aménagement du territoire, des infrastructures et du développement durable, regarding land use planning, infrastructures and sustainable development;
- Commission de circulation et du transport, regarding traffic and transportation;
- Commission des arts, de la culture et du patrimoine, regarding arts, culture and heritage;

- Commission des loisirs, du sport et du développement communautaire, regarding recreation, sports and community development;
- Commission de la sécurité publique, regarding public security;
- Commission des fonds de pension et régimes de retraite, regarding pension funds and plans;
- Commission des finances et des ressources humaines, regarding finances and human resources;
- Commission de la présidence du conseil municipal, regarding the role of the council Chair.

These commissions are comprised of representatives. As needed, public servants, experts or citizens may be added. However, the latter will not have the right to vote. Commissions report on their deliberations to the municipal council.

Lastly, the municipal council may also set up different ad hoc committees or commissions, depending on the context or the public’s interest. These specialized committees or commissions are also composed of elected representatives.

To summarize, the political governance of Ville de Longueuil is composed of the following bodies:

TABLE 7-2: POLITICAL GOVERNANCE

POLITICAL GOVERNANCE	COMPOSITION
■ Municipal council	42 municipal councillors + Mayor
■ Mayor	Chief Executive
■ Executive Committee	7 municipal councillors + Mayor
■ Municipal council standing committees	8
■ Municipal council ad hoc and specialized committees and commissions (if applicable)	N/A

Moreover, Ville de Longueuil has three elected representatives on the Communauté métropolitaine de Montréal (CMM, a supralocal body). In all paramunicipal bodies, the presence of elected representatives is also noticeable, as the following list attests:

TABLE 7-3: PARAMUNICIPAL AGENCIES

PARAMUNICIPAL AGENCIES	ELECTED REPRESENTATIVES
■ Réseau de transport de Longueuil (RTL)	3
■ Office municipal d'habitation (Municipal Housing Bureau)	7
■ Pension committees of the former municipalities	2 elected representatives / committee
■ Régie intermunicipale d'assainissement des eaux de Saint-Bruno	3
■ Bureau des délégués pour la gestion des cours d'eaux (Delegates' bureau for the management of waterways)	4
■ Conseil intermunicipal de transport en commun de la Vallée du Richelieu	3
■ Conseil local de développement (CLD): General Meeting	10
■ Conseil local de développement (CLD): Board of Directors	4
■ Longueuil Economic Development / Développement économique Longueuil (DEL)	2
■ Société de développement à l'exportation (SDE)	1
■ Agence métropolitaine de transport (AMT): follow-up committees	4

The municipal councillors and the Mayor therefore sit at several tables and can thus participate in the work of a multitude of bodies that have influence over the territory of the new Ville de Longueuil.

This participation by elected representatives makes it possible to build solid relationships with the political governance bodies for the Longueuil agglomeration and the metropolitan region.

7.1 PROJECTED SITUATION FOR THE RECONSTITUTED MUNICIPALITIES

In light of the above information, the current governance and the political representation within supralocal and paramunicipal agencies would be impacted in the event of reconstitution of the former municipalities.

Since the Act stipulates that the former municipalities may be reconstituted, it is therefore necessary to examine what this would represent in terms of municipal geography. In the case of Longueuil, this does not involve reconstituting seven boroughs, but rather, eight former municipalities.

We have examined the respective weight of the former municipalities within the new Ville de Longueuil:

TABLE 7-4: COMPOSITION OF MUNICIPAL COUNCILS IN THE RECONSTITUTED MUNICIPALITIES

RECONSTITUTED MUNICIPALITIES	POPULATION	COUNCILLORS + MAYOR
Boucherville	> 20,000 < 50,000	8 + 1
Brossard	50,000 à 100,000	10 + 1
Greenfield Park	< 20,000	6 + 1
Saint-Bruno-de-Montarville-	> 20,000 < 50,000	8 + 1
Saint-Hubert	50,000 à 100,000	10 + 1
Saint-Lambert	> 20,000 < 50,000	8 + 1
Lemoyne	< 20,000	6 + 1
Longueuil	100,000 +	14 + 1

Taking into account the parameters of Bill 9, section 109 stipulates that *the central municipality shall have an additional deliberative body* designated as the *urban agglomeration council*.

Under the so-called agglomeration powers set out in sections 94 and following of this Act, the paramunicipal agencies whose activities cover urban agglomeration powers would remain within the agglomeration. There is no question here of envisioning major impacts on the functioning of these bodies. It may be necessary to add the fact that the reconstituted municipalities would want to obtain political representatives on the boards of these bodies. It would then be up to the Urban Agglomeration Council (the Joint Council) to resolve this issue based on majority rule.

For paramunicipal bodies with a more local vocation, the impacts of which largely remain of a *proximity* nature, the reconstituted municipality would be able to delegate political representatives, previously selected by a majority vote of the council of this municipality. A case in point is that of the pension committees of the former municipalities.

In fact, if any paramunicipal agencies existed within the territory of the reconstituted municipality before 2001, the council of this new city would be able to delegate political representatives to the decision-making bodies of these agencies on condition that they are of strictly local scope.

This situation regarding paramunicipal agencies is comparable to what already exists in the other Québec municipalities. There is thus no need to formulate other assumptions in this area.

Composition of municipal councils

A good way to reconstitute the cities and envision a fair and equitable scenario for political representation would be to start from the parameters established in the *Act respecting elections*

and referendums in municipalities. Thus, the minimum and maximum sizes of municipal councils are stipulated in section 9 as follows:

The number of electoral districts of a municipality shall be:

1. *Not fewer than 6 nor more than 8 if its population is under 20,000;*
2. *Not fewer than 8 nor more than 12 if its population is 20,000 or over but under 50,000;*
3. *Not fewer than 10 nor more than 16 if its population is 50,000 or over but under 100,000;*
4. *Not fewer than 14 nor more than 24 if its population is 100,000 or over but under 250,000;*
5. *Not fewer than 18 nor more than 36 if its population is 250,000 or over but under 500,000;*
6. *Not fewer than 30 nor more than 90 if its population is 500,000 or over.*

This reconstitution assumption therefore allows political representation patterned on the parameters of the Act and constitutes, in each case, the minimum number of representatives on the municipal councils. This assumption represents a strict minimum as regards political governance costs in the event of reconstitution.

Moreover, the new councils may establish the number of standing committees and other committees necessary for the efficient operation of the decision-making bodies. The *Cities and Towns Act* allows considerable leeway regarding the composition of these standing committees. However, they have no decision-making power. They can only table reports and submit recommendations to the municipal council. Obviously, the standing committees of the council of the reconstituted municipality would have to act within the powers reserved to that municipality.

Composition of the Joint Council

While it is relatively easy to anticipate the composition of each municipal council in the event of reconstitution, it may be more difficult to predict political representation on the urban agglomeration council, or joint council.

Section 110 of Bill 9 stipulates as follows:

The number of representatives of a related municipality on the joint council shall be in approximately the same proportion to the total number of members as the population of the related municipality is to the total population of all the related municipalities.

Every related municipality is entitled to have a representative on the joint council even if not warranted by its relative demographic weight under the first paragraph.

Section 111 specifies that *the mayor of a related municipality is by virtue of office the representative or one of the representatives of the municipality on the joint council.*

Theoretically, we can therefore establish the political representation on the urban agglomeration council in the following manner:

TABLE 7-5: POLITICAL REPRESENTATION ON THE JOINT COUNCIL

RECONSTITUTED MUNICIPALITIES	POPULATION	ELECTED REPRESENTATIVES	% OF VOTES
Boucherville	37,151	1	10 %
Brossard	67,027	1	18 %
Greenfield Park	17,355	1	5 %
Saint-Bruno-de-Montarville	24,326	1	6 %
Saint-Hubert	77,395	1	20 %
Saint-Lambert	21,486	1	6 %
Lemoyne	4,949	1	1 %
Longueuil	130,891	1	34 %
TOTAL	380,580	8	100 %

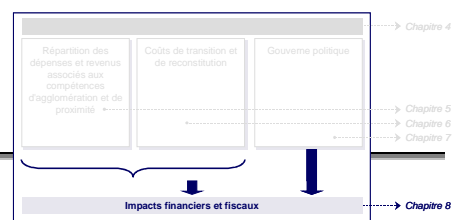
Technically, the Joint Council would consist of merely eight elected representatives, but according to the provisions of the Act, each elected representative would have a weight corresponding to the demographic weight of each of the reconstituted municipalities (other elected representatives could also be added, by fractioning the number of votes from a reconstituted municipality, notably Longueuil, Saint-Hubert and Brossard).

This scenario responds to the provisions contained in this Act and allows each municipality to send one representative to the urban agglomeration council (the Joint Council).

Moreover, the Joint Council could create commissions and committees within the scope of its powers, and delegate representatives to these according to the majority rule.

Lastly, we must reemphasize that the scenario concerning the composition of the Joint Council is presented in theory only, for we do not know the exact number of potential municipal reconstitutions, nor the number of inhabitants that would be impacted in such cases. The scenario we have put forth specifically refers to the reconstitution of each of the eight former municipalities that were amalgamated in 2001 to form the current Ville de Longueuil.

8. FINANCIAL AND FISCAL ASPECTS



8.1 TAX BURDENS

The following table summarizes the main budget breakdowns resulting from the assumptions in question, and identifies their impact on tax burdens.

TABLE 8-1: TAX BURDENS

	AGGLO.	BOUCHERVILLE	BROSSARD	GREENFIELD PARK	LEMOYNE
TOTAL EXPENDITURES BEFORE TRANSITION AND RECONSTITUTION COSTS	\$ 221,441,437	\$ 22,634,471	\$ 23,169,344	\$ 7,158,811	\$ 1,352,211
Redemption and transfers	\$ 28,584,317	\$ 8,253,050	\$ 6,858,108	\$ 1,857,632	\$ 186,107
Allocations	\$ 6,539,225		\$ 1,912,006		
Transition costs		\$ 304,704	\$ 549,740	\$ 142,342	\$ 40,591
TOTAL TO FUND FROM REVENUES	\$ 243,486,529	\$ 31,192,225	\$ 28,665,186	\$ 9,158,785	\$ 1,578,909
<i>Less: Revenues other than property taxes</i>	<i>\$ 72,637,406</i>	<i>\$ 16,264,650</i>	<i>\$ 19,081,578</i>	<i>\$ 4,986,464</i>	<i>\$ 942,998</i>
	\$ 170,849,123	\$ 14,927,575	\$ 9,583,608	\$ 4,172,321	\$ 635,911

	LONGUEUIL	SAINT-BRUNO	SAINT-HUBERT	SAINT-LAMBERT	TOTAL (\$)
TOTAL EXPENDITURES BEFORE TRANSITION AND RECONSTITUTION COSTS	\$ 50,916,387	\$ 13,755,203	\$ 27,030,219	\$ 11,975,814	\$ 379,433,897
Redemption and transfers	\$ 13,369,410	\$ 2,884,781	\$ 6,949,030	\$ 2,682,216	\$ 71,624,651
Affectations					\$ 8,451,231
Transition costs	\$ 1,073,538	\$ 199,516	\$ 634,776	\$ 176,223	\$ 3,121,430
TOTAL TO FUND FROM REVENUES	\$ 65,359,335	\$ 16,839,500	\$ 34,614,025	\$ 14,834,253	\$ 445,728,747
<i>Less: Revenues other than property taxes</i>	<i>\$ 17,634,693</i>	<i>\$ 10,067,320</i>	<i>\$ 11,600,689</i>	<i>\$ 4,462,608</i>	<i>\$ 157,678,406</i>
TAX BURDEN	\$ 47,724,642	\$ 6,772,180	\$ 23,013,336	\$ 10,371,645	\$ 288,050,341

8.2 FISCAL IMPACT

As noted in Table 8-2, the reconstitution of former municipalities would have various effects, depending on the reconstituted municipalities. A slight portion of these variances, on the order of 1% as compared to the current situation, would be transitory and only last three years. The amount corresponding to the current tax bill, along with that equal to the proximity portion in the event of reconstitution, include the various tariffs (water, sewer, garbage) that are added to residential property taxes. The amounts compared are thus the total amounts citizens would be called upon to pay, from one year to the next, in the current situation and in the scenario involving the reconstitution of former municipalities.

For 2005 and 2006, fluctuations in the amounts for the current city are due to the gradual harmonization of tax rates provided for in the Charter of the current city.

It is important to remember that a portion of the increase in payments from citizens results from the fact that our scenario is a very conservative one, depending in large part on the good will of each eventual entity to collaborate at each step of the transition and reconstitution process. It should also be noted that the tax rate harmonization depicted for 2005 and 2006, under the current situation, is a maximum.

TABLE 8-2: IMPACT ON A TYPICAL RESIDENCE, PER SECTOR

	FORMER MUNICIPALITE OF BOUCHERVILLE	FORMER MUNICIPALITY OF BROSSARD	FORMER MUNICIPALITY OF GREENFIELD PARK	FORMER MUNICIPALITY OF LEMOYNE
AVERAGE VALUE OF A RESIDENCE (2004)	\$ 144,244	\$ 126,570	\$ 102,741	\$ 87,191
TAX BILL UNDER THE STATUS QUO (1)				
Year 2004	\$ 1,870	\$ 1,770	\$ 1,702	\$ 1,344
Year 2005	\$ 1,941	\$ 1,738	\$ 1,676	\$ 1,322
Year 2006	\$ 2,016	\$ 1,706	\$ 1,651	\$ 1,300
TAX BILL UNDER THE ASSUMPTION OF RECONSTITUTION (1)				
Year 2004	\$ 2,084	\$ 1,622	\$ 1,666	\$ 1,237
Year 2005 (2)	\$ 2,084	\$ 1,622	\$ 1,666	\$ 1,237
Year 2006 (2)	\$ 2,084	\$ 1,622	\$ 1,666	\$ 1,237
IMPACT IN DOLLARS				
Year 2004	\$ 214	\$ 148	\$ 36	\$ 108
Year 2005 (2)	\$ 143	\$ 116	\$ 11	\$ 86
Year 2006 (2)	\$ 68	\$ 85	\$ 15	\$ 70
IMPACT AS A PERCENTAGE				
Year 2004	11.4%	-8.4%	-2.1%	-8.0%
Year 2005 (2)	7.4%	-6.7%	-0.6%	-6.5%
Year 2006 (2)	3.4%	-5.0%	0.9%	-5.4%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without

	FORMER MUNICIPALITY OF LONGUEUIL	FORMER MUNICIPALITY OF BRUNO-DE-MONTARVILLE	FORMER MUNICIPALITY OF SAINT-HUBERT	FORMER MUNICIPALITY OF SAINT-LAMBERT
AVERAGE VALUE OF A RESIDENCE (2004)	\$ 113,916	\$ 144 332	\$ 96 007	\$ 199 202
TAX BILL UNDER THE STATUS QUO				
Year 2004	\$ 1,906	\$ 1,608	\$ 1,608	\$ 2,789
Year 2005	\$ 1,877	\$ 1,674	\$ 1,584	\$ 2,902
Year 2006	\$ 1,849	\$ 1,745	\$ 1,560	\$ 2,998
TAX BILL UNDER THE ASSUMPTION OF RECONSTITUTION (1)				
Year 2004	\$ 1,937	\$ 2,080	\$ 1,551	\$ 3,096
Year 2005 (2)	\$ 1,937	\$ 2,080	\$ 1,551	\$ 3,096
Year 2006 (2)	\$ 1,937	\$ 2,080	\$ 1,551	\$ 3,096
IMPACT IN DOLLARS				
Year 2004	\$ 31	\$ 472	\$ 57	\$ 307
Year 2005 (2)	\$ 60	\$ 405	\$ 33	\$ 194
Year 2006 (2)	\$ 88	\$ 335	\$ 9	\$ 98
IMPACT AS A PERCENTAGE				
Year 2004	1.6%	29.3%	-3.5%	11.0%
Year 2005 (2)	3.2%	24.2%	-2.1%	6.7%
Year 2006 (2)	4.8%	19.2%	-0.6%	3.3%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

The following table presents the fiscal impact at the end of the transition measures, which enables taking into account the end of the gradual harmonization of the tax rates provided for by the Charter of the city.

The transition period would end, at the earliest, in 2010, which corresponds to the time when Saint-Bruno would have reached the average uniform rate for the entire territory of the current Ville de Longueuil. This result is obtained by using the assumption where rates are increasing at a lower-than-average rate (the average being 5%). It should be noted that under the current law, Ville de Longueuil authorities could opt for more gradual harmonization, over a maximum period of 20 years.

TABLE 8-3: ESTIMATED FISCAL IMPACT AT THE END OF THE TRANSITION MEASURES

	AVERAGE VALUE OF A RÉSIDENCE	CURRENT MUNICIPALITY 2004		RECONSTITUTED MUNICIPALITY	
		CURRENT TAX BILL 2004	TAX BILL AT THE END OF THE GRADUAL HARMONIZATION MEASURES	PRO FORMA 2004 - BILL 9	TAX BILL AT THE END OF THE TRANSITION MEASURES
Boucherville	\$ 144,244	\$ 1,870	\$ 2,252	\$ 2,084	\$ 2,072
Brossard	\$ 126,570	\$ 1,770	\$ 1,677	\$ 1,622	\$ 1,604
Greenfield Park	\$ 102,741	\$ 1,702	\$ 1,582	\$ 1,666	\$ 1,649
Saint-Bruno	\$ 144,332	\$ 1,608	\$ 2,086	\$ 2,080	\$ 2,067
Saint-Hubert	\$ 96,007	\$ 1,608	\$ 1,416	\$ 1,551	\$ 1,533
Saint-Lambert	\$ 199,202	\$ 2,789	\$ 3,009	\$ 3,096	\$ 3,072
Lemoyne	\$ 87,191	\$ 1,344	\$ 1,100	\$ 1,237	\$ 1,208
Longueuil (Vieux-Longueuil)	\$ 113,916	\$ 1,906	\$ 1,786	\$ 1,937	\$ 1,917

SCHEDULES

SCHEDULE 1 – REVENUE AND EXPENDITURE ALLOCATION ASSUMPTIONS

REVENUES OTHER THAN PROPERTY AND NON-RESIDENTIAL TAXES

REVENUE TYPE	ORIGIN OF LEVY	BENEFICIARY LEVEL	ALLOCATION METHOD	SOURCE
Revenues from industrial parks				
NR- Industrial park (see section 100 of Bill 9) <ul style="list-style-type: none"> ▪ General taxes ▪ Debt service (sector) ▪ Operations (sector) ▪ Water (tariff) ▪ Sewers (tariff) ▪ Wastewater treatment (tariff) ▪ Residual materials (tariff) ▪ Debt service (tariff) ▪ Business taxes ▪ Other 	Depending on the territory where the industrial park is located	Local level/ Agglomeration	The local municipality retains the revenues generated by industrial park immovables up to an amount equal to the aggregate taxation rate applied to the debt service. Amounts in excess of this sum are remitted to the agglomeration.	L-A
Other revenues from local sources				
Services rendered to municipal agencies <ul style="list-style-type: none"> ▪ General administration ▪ Public security ▪ Transportation ▪ Community hygiene ▪ Health and social welfare ▪ Land use planning, urban planning and development ▪ Recreation and culture 	Via tariffs or special agreements for the provision of municipal services.	Local level/ Agglomeration	These revenues are applied against the gross expenditure of the service concerned. The balance (net expenditures) is to be funded by taxation revenues.	M-A
Other services rendered <ul style="list-style-type: none"> ▪ General administration ▪ Public security ▪ Transportation ▪ Community hygiene ▪ Health and social welfare ▪ Land use planning, urban planning and economic development ▪ Recreation and culture 	Via tariffs or special agreements for the provision of municipal services.	Local level/ Agglomeration	These revenues are applied against the gross expenditure of the service concerned. The balance (net expenditures) is to be funded by taxation revenues.	M-A
Imposition of duties				
Licenses and permits	Depending on the origin of the by-law in question	Local level (with exceptions)	Local revenues (P): Depending on the Ville's budget assumptions:	

REVENUE TYPE	ORIGIN OF LEVY	BENEFICIARY LEVEL	ALLOCATION METHOD	SOURCE
Real estate transfer tax	Depending on the territory where the immovable covered by the transaction is located	Local level/ Agglomeration	a) Allocate identified revenues to the former municipalities according to the 2004 budget assumptions;	M
			b) Allocate revenues not specifically identified in the 2004 assumptions according to the real estate wealth of the former municipalities.	M-A
Allocated between “A” and “P”, in proportion to net expenditures, then allocated locally (among “P”) on the basis of real estate wealth.				
Fines and penalties – This account includes the revenues related to the activities of the municipal court. The following revenues must be posted to this item, among others:				
1. Penalties or fines for offences under the Cities and Towns Act or the Québec Municipal Code, the Charter or any by-law or resolution of the municipal agency.	Depending on the territory of origin of the by-law in question	Local level	Allocated between the municipalities according to the actual prorata in 2003.	M
2. The costs of execution of the judgment in the event of proceedings in collection of fines or penalties, taxes, licences and permits, etc.	Court costs	Agglomeration	Applied against the municipal court expenditure.	M
3. Parking	Depending on the location	Local level/ Agglomeration	55 % to municipalities, allocated as per the 2004 budget assumptions.	M
4. Fines for offences under the Highway Safety Code	Depending on the location and nature of the offence	Sharing between the local and the agglomeration levels, depending on the responsibility for the public thoroughfare in question	Revenues used first to decrease municipal court expenditures, with the balance allocated as follows: 10% to reduce local urban planning expenditures and 90%, on a prorata basis, for local roads and arterial roads (A).	M
5. The portion of the fines collected under council by-laws or the Cities and Towns Act, the Québec Municipal Code or the Charter of the municipality, when the plaintiff is not a municipal agency.	Depending on the origin of the by-law in question	Local level (most of the time). Agglomeration, if applicable	If available, add these amounts to 1 and integrate into the calculation.	M
6. Fines and costs allocated to the municipal agency further to an agreement with the Attorney General on the division of proceedings between the municipal courts and the Court of Québec (Criminal and Penal Chamber).	Police department – other departments or services (legal, etc.)	Agglomeration	Applied against the “municipal court” expense.	M

REVENUE TYPE	ORIGIN OF LEVY	BENEFICIARY LEVEL	ALLOCATION METHOD	SOURCE
7. Remittance of costs and fines related to criminal offences prosecuted before the municipal courts is also part of this item.	Police department	Agglomeration	Applied against the “municipal court” expense.	M
8. Penalties on tax arrears	Depending on the issuer of the tax bill	Local level/ Agglomeration	Sharing between the local and agglomeration levels, in proportion to tax revenues.	M-A
9. The penalties applicable to real estate transfer fees, in accordance with subsection 250.1 of the Act respecting municipal taxation.	Depending on the origin of the transaction	Sharing between the local and agglomeration levels	Same allocation as for real estate transfer tax revenues.	M-A
Interest – This item includes the interest income of the municipal agency, particularly for the following items:				
Tax arrears	Depending on the issuer of the tax bill	Local level/ Agglomeration	Sharing between the local and agglomeration levels in proportion to net expenditures (including ...).	M-A
Arrears of allocation of expenditures of municipal agencies	Depending on the agency concerned	Agglomeration	Applied against agglomeration expenditures.	A
Bank deposits and short-term investments	Depending on the agency concerned	Local level/ Agglomeration	Allocated between “A” and “P” in proportion to net expenditures (including financial expenses).	M-A
Foreign exchange premium in the normal course of operating activities	Depending on the agency concerned	Local level/ Agglomeration	Allocated between “A” and “P” in proportion to net expenditures.	A
Financial reserves and reserve funds	Depending on the agency concerned	Agglomeration (Local level in specific instances)	Allocated according to 2004 budget assumptions.	A
Disposal of long-term assets				
Municipal industrial immovables and other.		Agglomeration	Applied against agglomeration expenditures.	A
Contributions by developers				
Financial participation assumed by developers following an agreement on the performance of work pertaining to municipal infrastructures and equipment under subsection 145.21 of the Act respecting land use planning and development	Investing activities	Applied against transfers to investing activities	This revenue is applied to the “transfers on investing activities” expenditure. Theoretical amount determined by the expectations resulting from the rhythm of performance of the work stipulated in the TCEP.	M-A
Other				
The amounts of long-term receivables due and payable during the fiscal year.	Depending on the agency concerned	Local level/ Agglomeration	Allocated case by case, depending on the assumptions of the 2004 Budget.	M
Servitudes.	Depending on the agency concerned	Local level	Allocated case by case, depending on the assumptions of the 2004 Budget.	M-A

REVENUE TYPE	ORIGIN OF LEVY	BENEFICIARY LEVEL	ALLOCATION METHOD	SOURCE
Revenues resulting from the assignment or leasing of rights and licences pertaining to municipal processes and know-how.	Depending on the agency concerned	Agglomeration	Agglomeration (greater potential than in proximity competencies).	A
Collection of receivables previously written off.	Depending on the agency concerned	Agglomeration	Agglomeration (to minimize the redistributive effects).	A
Aggregate grants or donations disbursed by private or government enterprises, persons and organizations other than government agencies.	Depending on the agency concerned	Local level/ Agglomeration	Allocated case by case depending on the assumptions of the 2004 Budget.	M

REVENUE TYPE	ORIGINAL BENEFICIARY	END BENEFICIARY	ALLOCATION METHOD	SOURCE
UNCONDITIONAL TRANSFERS				
Government grants				
Municipal amalgamation (PAFREMI).	Agglomeration	Agglomeration	Applied against the net agglomeration expenditure.	M
Compensation for TGE-FSFAL.	Local municipalities (2001 territories and amounts before withholding)	Sharing between local and agglomeration levels	Allocated between “A” and “P”, in proportion to the net expenditures between “A” and “P”, then allocated locally on the same basis. It is assumed for 2006 that the amount is renewed as is (Year 3 simulation).	M-A
Equalization payments	Calculated based on local municipalities ^z	Sharing between local and agglomeration levels	Allocated as a proportion of the net expenditures between “A” and “P”, then local allocation depending on the destination of the transfer.	M-A
Central cities	Central local municipalities.	Agglomeration	Applied against the net agglomeration expenditure.	M-A
Municipal reorganization	Agglomeration	Agglomeration	Applied against the net agglomeration expenditure.	M-A
Neutrality of equalization payments and for payments in lieu of taxes	Agglomeration	Agglomeration	Applied against the net agglomeration expenditure.	M-A
Revenue diversification (consumption taxes component)	Local municipalities (2004 territories and amounts)	Local level/ Agglomeration	Allocation in proportion to (A) and (P) expenditures, then in proportion to the non-residential tax base between the municipalities.	M-A
Revenue diversification (royalties on resources component)	RCM or city-RCM (2004 amounts)	RCM or agglomeration-RCM	Agglomeration	M
Other	Depending on the situation before amalgamation	Local level/ Agglomeration	Allocated case by case, depending on the assumptions of the 2004 Budget.	M
Other unconditional transfers	Depending on the situation before amalgamation	Local level/ Agglomeration	Allocated case by case, depending on the assumptions of the 2004 Budget.	M
CONDITIONAL TRANSFERS				
This account includes all the transfers received for specific purposes.	Depending on the level responsible for the service. The amount is deducted from the expenditure concerned.	Local level/ Agglomeration	Allocated case by case, depending on the assumptions of the 2004 Budget.	M
FUNDING OF RESIDUAL EXPENDITURES RELATED TO THE DEBT SERVICE				
Debt service borne by the taxpayers (net of dedicated and specific revenues allocated to the territory)				

REVENUE TYPE	ORIGINAL BENEFICIARY	END BENEFICIARY	ALLOCATION METHOD	SOURCE
For local improvements before or after the amalgamation	Sector tax, depending on the loan by-law concerned, on the real estate value or according to a tariff method	Reconstituted municipality encompassing the sector	Allocated case by case.	M
For work at the expense of all taxpayers before amalgamation:	Choice among all taxation methods, while renewing the existing tax structure		To be determined case by case.	M
<ul style="list-style-type: none"> debt still borne by the territory of a former municipality debt pooled upon amalgamation 	Determined by the reconstituted municipality Determined by the agglomeration	Reconstituted municipality must assume the debt Agglomeration	To be determined case by case.	M
For work at the expense of all taxpayers after amalgamation	Determined by the agglomeration	Agglomeration (if impossible to identify a purely local benefit)		
GENERAL APPLICATION TARIFFS				
Within the powers of the agglomeration or a reconstituted municipality	The agglomeration and the reconstituted municipality have the power to resort to all methods of taxation and tariffs.	Reconstituted municipality and agglomeration	All general tariff revenues are broken down between the municipalities.	M
PAYMENTS IN LIEU OF TAXES				
Immovables and establishments of government corporations	Depending on the location of the immovables concerned: include these immovables in the tax base when calculating tax and tariff revenues.	Reconstituted municipality and agglomeration	Add the value of these immovables to the tax base and impose the local aggregate taxation rate and the agglomeration aggregate taxation rate. Provincial payments in lieu of taxes will be shared between the two levels.	M
Immovables of the health and social services and education networks (s. 254 of the Act respecting municipal taxation) including improvement	Depending on the location of the immovables concerned: separate calculation based on the local aggregate taxation rate and the aggregate taxation rate of the agglomeration as a whole.	Reconstituted municipality and agglomeration	Provincial payments in lieu of taxes will be shared between the two levels. Make an assumption on the amount of payments in lieu of taxes before calculating the aggregate taxation rate.	M-A

EXPENDITURE ALLOCATION GRID

DETAILED GRID ON EXPENDITURE ALLOCATION ASSUMPTIONS

ACCORDING TO BILL 9 AND THE MAMSL

EXPENDITURE TYPE	COMMENTS	RESPONSIBILITY UNDER BILL 9	EXPENDITURE ALLOCATION KEY AND COMMENTS	SOURCE
General Administration				
<ul style="list-style-type: none"> ▪ Council (functioning of the council and its dependent bodies, remuneration of elected representatives) ▪ Application of the law ▪ Financial and administrative management ▪ Clerk ▪ Assessment ▪ Personnel management ▪ Other: Auditor General (cities with over 100,000 population), Ombudsman (cities with over 100,000 population), contribution to the CMM 	<p>Auditor General + Ombudsman, (agglomeration of over 100,000 inhabitants): separate as a proportion of agglomeration and central city expenditures.</p>	<p>Local</p> <p>Agglomeration</p> <p>Local/Agglomeration</p> <p>Local/Agglomeration</p> <p>Agglomeration</p> <p>Local/Agglomeration</p> <p>Local/Agglomeration</p>	<p>To estimate the council expenditures: index the actual cost for the year.</p> <p>Urban agglomeration council (Joint Council): zero cost assumption..</p> <p>For all mandates included under general administration (after deducting municipal court, assessment and council), the gross expenditure is allocated in proportion to the agglomeration vs. local gross expenditures (before financial expenses).</p> <p>Allocated as a proportion of gross expenditures before financial expenses, except for 100% provision granted to the agglomeration.</p> <p>Allocated as a proportion of gross expenditures (before financial expenses).</p> <p>Allocated as a proportion of gross expenditures (before financial expenses).</p> <p>Allocated as a proportion of gross expenditures (before financial expenses).</p> <p>Allocated between (A) and (P). The contribution to the CMM has been allocated according to the functions concerned.</p>	<p>M-A-L</p> <p>M-A-L</p>
Public security				
<ul style="list-style-type: none"> ▪ Police ▪ Fire protection ▪ Civil protection and 9-1-1 ▪ Other 		<p>Agglomeration</p> <p>Agglomeration</p> <p>Agglomeration or RCM</p> <p>Local</p>	<p>School crossing guards: as a % of the number of guards / former municipality's territory.</p>	<p>M-A-L</p> <p>M-A-L</p>

EXPENDITURE TYPE	COMMENTS	RESPONSIBILITY UNDER BILL 9	EXPENDITURE ALLOCATION KEY AND COMMENTS	SOURCE
Transport				
Road system				
<ul style="list-style-type: none"> ▪ Municipal road system and snow removal ▪ Street lighting ▪ Traffic and parking (pavement marking, traffic light electricity, maintenance of off-street parking, signage, parking control agents, etc.) 	The city proposes an arterial road system. In some cases, this system may be the object of a by-law.	Local/Agglomeration	Allocate the road system between “agglomeration” and “local” in proportion to the area of the system in each municipality (depending on the estimates supplied by each municipality), then allocate the proximity portion locally on the basis of the relative area of the local road system of each of the former municipalities.	M-A-L
		Local/Agglomeration	“Snow disposal”: include in “local”, except when a site is designed to serve more than one municipality, allocate between them based on their proportion of local roads.	
		Local/Agglomeration	Parking control agents: local expenditure	
Passenger transportation				
<ul style="list-style-type: none"> ▪ Public transit ▪ Air transport ▪ Water transport 		Agglomeration		M
		Local (if private or recreational)/ Agglomeration		
		Local (if private or recreational)/ Agglomeration		
Community hygiene				
Waterworks and sewers				
<ul style="list-style-type: none"> ▪ Water supply and treatment ▪ Water distribution system ▪ Wastewater treatment ▪ Sewer systems 	The city proposes a road network or by-law, if applicable	Agglomeration	Allocated between the agglomeration and the municipalities.	M
	The city proposes a road network or by-law, if applicable	Local/Agglomeration	Allocated between the agglomeration and the municipalities.	
		Agglomeration		
		Local/Agglomeration		
Residual materials				
<ul style="list-style-type: none"> ▪ Household waste <ul style="list-style-type: none"> ○ Pickup and transport 		Local	As per current agreements.	A-L
<ul style="list-style-type: none"> ○ Elimination 		Agglomeration		

EXPENDITURE TYPE	COMMENTS	RESPONSIBILITY UNDER BILL 9	EXPENDITURE ALLOCATION KEY AND COMMENTS	SOURCE
<ul style="list-style-type: none"> ▪ Secondary materials <ul style="list-style-type: none"> ○ Pickup and transport ○ Treatment ▪ Elimination of dry materials 		Local Agglomeration Agglomeration	As per current agreements.	
Other		Local – allocated case by case, according to the 2004 Budget		
Health and welfare				
<ul style="list-style-type: none"> ▪ Social housing 		Agglomeration		
Land use planning, urban planning and development				
Land use planning, urban planning and zoning	Allocate 10% of the balance of the revenues from fines (after deduction of the operating costs of the court) to this expenditure account.	Local – Agglomeration (if the agglomeration corresponds to an RCM and must prepare a development plan).	“Urban planning” and “Urban renewal”: REW for net cost.	M-A-L
Urban renewal		Local		L-A
<ul style="list-style-type: none"> ▪ Heritage property ▪ Other property 				
Promotion and economic development <ul style="list-style-type: none"> ▪ Industry and commerce ▪ Tourism ▪ Other 		Local/Agglomeration	Local portion estimated on the basis of 2000 and 2001 expenditures.	
Other		Local		
Recreation and culture				
<ul style="list-style-type: none"> ▪ Recreational activities ▪ Cultural activities ▪ Parks and playgrounds ▪ Regional parks – management and operation ▪ Exhibits and fairs ▪ Other 	REW tariff or taxes	Local unless listed in Bill 9	According to 2004 budget assumptions.	L-A
		Local unless listed in Bill 9	According to 2004 budget assumptions.	L-A
		Local unless listed in Bill 9		
		Local/Agglomeration		
		Local		
		Local unless listed in Bill 9		
Cultural activities				
<ul style="list-style-type: none"> ▪ Community centres 		Local unless listed in Bill 9		L-A
<ul style="list-style-type: none"> ▪ Libraries 		Local unless listed in Bill 9		

EXPENDITURE TYPE	COMMENTS	RESPONSIBILITY UNDER BILL 9	EXPENDITURE ALLOCATION KEY AND COMMENTS	SOURCE
<ul style="list-style-type: none"> ▪ Heritage – Museums and exhibition centres ▪ Other heritage resources ▪ Other 		Local unless listed in Bill 9 Local unless listed in Bill 9 Local (except Arts Council)	The CMM aliquot share for “scientific equipment/facilities”, the rest to the agglomeration, with an allocation based on real estate wealth.	

SCHEDULE 2 – CONSEQUENCES AND COSTS FOR RELATED MUNICIPALITIES

RECONSTITUTED MUNICIPALITY OF BOUCHERVILLE

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality¹ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Boucherville would benefit from 10% of the votes.

TABLE 0-1: BREAKDOWN OF THE VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

¹ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

TABLE 0-2: BREAKDOWN OF EXPENSES TO BE FUNDED (BILL 9) - BOUCHERVILLE

BOUCHERVILLE	(IN MILLIONS \$)	(%)
What Boucherville taxpayers would pay for services related to agglomeration powers	\$ 28 657 507	65.8%
What Boucherville taxpayers would pay for services related to proximity powers	\$ 14 927 575	34.2%
TOTAL	\$ 43 585 082	100.0%

The transition and reconstitution costs are estimated at \$707,091, in addition to the referendum costs, which would amount to \$208,046. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Boucherville, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Boucherville, the firm estimates the additional human and material resources needs at \$120,467.

The impact of reconstitution on the tax bill would be as follows:

TABLE 0-3: TAX BILL FOR A SINGLE-FAMILY HOME - BOUCHERVILLE

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$ 144,244	\$ 144,244	\$ 144,244
TAX BILL UNDER THE STATUS QUO (1)	\$ 1,870	\$ 1,941	\$ 2,016
TAX BILLS IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF BOUCHERVILLE			
- Agglomeration taxes (1)	\$ 1,193	\$ 1,193	\$ 1,193
- Taxes of the reconstituted municipality (1)	\$ 891	\$ 891	\$ 891
TOTAL	\$ 2,084	\$ 2,084	\$ 2,084
IMPACT IN DOLLARS	\$ 214	\$ 143	\$ 68
IMPACT AS A PERCENTAGE	11.4%	7.4%	3.4%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

RECONSTITUTED MUNICIPALITY OF BROSSARD

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality² would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Brossard would benefit from 18% of the votes.

TABLE 0-4: BREAKDOWN OF THE VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

² The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

TABLE 0-5: BREAKDOWN OF EXPENSES TO BE FUNDED – BROSSARD

BROSSARD	(IN MILLIONS \$)	(%)
What Brossard taxpayers would pay for services related to agglomeration powers	\$ 32,151,744	77.0%
What Brossard taxpayers would pay for services related to proximity powers	\$ 9,583,608	23.0%
TOTAL	\$ 41,735,352	100.0%

The transition and reconstitution costs are estimated at \$1,275,717, in addition to the referendum costs, which would amount to \$375,351. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Brossard, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Brossard, the firm estimates the additional human and material resources needs at \$132,982.

The impact of reconstitution on the tax bill would be as follows:

TABLEAU 0-6 : TAX BILL FOR A SINGLE-FAMILY HOME – BROSSARD

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE	\$126,570	\$126,570	\$126,570
TAX BILL UNDER THE STATUS QUO (1)	\$1,770	\$1,738	\$1,706
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF BROSSARD			
- Agglomération taxes (1)	\$1,047	\$1,047	\$1,047
- Taxes of the reconstituted municipality (1)	\$575	\$575,00	\$575
TOTAL	\$1,622	\$1 622,00	\$1,622
IMPACT IN DOLLARS	-\$148	-\$116	-\$84
IMPACT AS A PERCENTAGE	- 8.4%	-6.7%	-4.9%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

RECONSTITUTED MUNICIPALITY OF GREENFIELD PARK

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality³ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Greenfield Park would benefit from 5% of the votes.

³ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

TABLE 0-7: BREAKDOWN OF VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

The expenses to be funded would be broken down as follows:

TABLE 0–8: BREAKDOWN OF EXPENSES TO BE FUNDED – GREENFIELD PARK

GREENFIELD PARK	(IN MILLIONS, \$)	(%)
What Greenfield Park taxpayers would pay for services related to agglomeration powers	\$6,325,612	60.3%
What Greenfield Park taxpayers would pay for services related to proximity powers	\$4,172,321	39.7%
TOTAL	\$10,497,933	100.0%

The transition and reconstitution costs are estimated at \$330,315, in addition to the referendum costs, which would amount to \$97,188. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Greenfield Park, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Greenfield Park, the firm estimates the additional human and material resources needs at \$40,350.

The impact of reconstitution on the tax bill would be as follows:

TABLE 0–9: TAX BILL FOR A SINGLE-FAMILY HOME – GREENFIELD PARK

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$102,741	\$102,741	\$102,741
TAX BILL UNDER THE STATUS QUO (1)	\$1,702	\$1,676	\$1,651
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF GREENFIELD PARK			
- Agglomération taxes (1)	\$850	\$850	\$850
- Taxes of the reconstituted municipality (1)	\$816	\$816	\$816
TOTAL		\$1,666	\$1,666
IMPACT IN DOLLARS	-\$36	-\$10	\$15
IMPACT AS A PERCENTAGE	-2.1%	-0.6%	0.9%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

RECONSTITUTED MUNICIPALITY OF SAINT-BRUNO-DE-MONTARVILLE

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality⁴ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Saint-Bruno-de-Montarville would benefit from 6% of the votes.

TABLE 0-10: BREAKDOWN OF VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

⁴ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

**TABLE 0-11: BREAKDOWN OF EXPENSES TO BE FUNDED –
SAINT-BRUNO-DE-MONTARVILLE**

SAINT-BRUNO-DE-MONTARVILLE	(EN MILLIONS \$)	(%)
What Saint-Bruno taxpayers would pay for services related to agglomeration powers	\$17,142,376	71.7%
What Saint-Bruno taxpayers would pay for services related to proximity powers	\$6,772,180	28.3%
TOTAL	\$23,914,556	100%

The transition and reconstitution costs are estimated at \$462,996, in addition to the referendum costs, which would amount to \$136,227. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Saint-Bruno-de-Montarville, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Saint-Bruno-de-Montarville, the firm estimates the additional human and material resources needs at \$85,472.

The impact of reconstitution on the tax bill would be as follows:

**TABLE 0-12: TAX BILL FOR A SINGLE-FAMILY HOME –
SAINT-BRUNO-DE-MONTARVILLE**

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$144,332	\$144,332	\$144,332
TAX BILL UNDER THE STATUS QUO (1)	\$1,608	\$1,674	\$1,745
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF SAINT-BRUNO-DE-MONTARVILLE			
- Agglomération taxes (1)	\$1,194	\$1,194	\$1,194
- Taxes of the reconstituted municipality (1)	\$886	\$886	\$886
TOTAL	\$2,080	\$2,080	\$2,080
IMPACT IN DOLLARS	\$472	\$406	\$335
IMPACT AS A PERCENTAGE	29.4%	24.3%	19.2%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

RECONSTITUTED MUNICIPALITY OF SAINT-HUBERT

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality⁵ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Saint-Hubert would benefit from 20% of the votes.

TABLE 0-13 : BREAKDOWN OF THE VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

⁵ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

TABLE 0-14: BREAKDOWN OF EXPENSES TO BE FUNDED – SAINT-HUBERT

SAINT-HUBERT	(EN MILLIONS \$)	(%)
What Saint-Hubert taxpayers would pay for services related to agglomeration powers	\$26,922,199	53.9%
What Saint-Hubert taxpayers would pay for services related to proximity powers	\$23,013,336	46.1%
TOTAL	\$49,935,535	100,0%

The transition and reconstitution costs are estimated at \$1,473,054, in addition to the referendum costs, which would amount to \$443,413. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Saint-Hubert, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Saint-Hubert, the firm estimates the additional human and material resources needs at \$171,474.

The impact of reconstitution on the tax bill would be as follows:

TABLE 0-15: TAX BILL FOR A SINGLE-FAMILY HOME – SAINT-HUBERT

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$96,007	\$96,007	\$96,007
TAX BILL UNDER THE STATUS QUO (1)	\$1,608	\$1,584	\$1,560
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF SAINT-HUBERT			
- Agglomération taxes (1)	\$794	\$794	\$794
- Taxes of the reconstituted municipality (1)	\$757	\$757	\$757
TOTAL	\$1,551	\$1,551	\$1,551
IMPACT IN DOLLARS	-\$57	-\$33	-\$9
IMPACT AS A PERCENTAGE	-3.5%	-2.1%	-0.6%

RECONSTITUTED MUNICIPALITY OF SAINT-LAMBERT

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality⁶ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Saint-Lambert would benefit from 6% of the votes.

TABLE 0-16: BREAKDOWN OF THE VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

⁶ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

TABLE 0-17: BREAKDOWN OF EXPENSES TO BE FUNDED – SAINT-LAMBERT

SAINT-LAMBERT	(IN MILLIONS \$)	(%)
What Saint-Lambert taxpayers would pay for services related to agglomeration powers	\$ 11,823,170	53.3%
What Saint-Lambert taxpayers would pay for services related to proximity powers	\$ 10,371,645	46.7%
TOTAL	\$ 22,194,815	100.0%

The transition and reconstitution costs are estimated at \$408,942, in addition to the referendum costs, which would amount to \$120,321. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Saint-Lambert, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Saint-Lambert, the firm estimates the additional human and material resources needs at \$75,522.

The impact of reconstitution on the tax bill would be as follows:

TABLE 0-18: TAX BILL FOR A SINGLE-FAMILY HOME – SAINT-LAMBERT

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$199,202	\$199,202	\$199,202
TAX BILL UNDER THE STATUS QUO (1)	\$2 789	\$2 902	\$2 998
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF SAINT-LAMBERT AGGLOMERATION TAXES (1)			
- Agglomeration taxes (1)	\$1 647	\$1 647	\$1 647
- Taxes of the reconstituted municipality (1)	\$1 449	\$1 449	\$1 449
TOTAL	\$3 096	\$ 3 096	\$3 096
IMPACT IN DOLLARS	\$307	\$194	\$98
IMPACT AS A PERCENTAGE	11.0%	6.7%	3.3%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

RECONSTITUTED MUNICIPALITY OF LEMOYNE

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality⁷ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Lemoyne would benefit from 1% of the votes.

TABLE 0-19: BREAKDOWN OF THE VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

⁷ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

TABLE 0-20: BREAKDOWN OF EXPENSES TO BE FUNDED – LEMOYNE

LEMOYNE	(IN MILLIONS \$)	(%)
What Lemoyne taxpayers would pay for services related to agglomeration powers	\$ 1,299,035	67.1%
What Lemoyne taxpayers would pay for services related to proximity powers	\$ 635,911	32.9%
TOTAL	\$ 1,934,946	100.0%

The transition and reconstitution costs are estimated at \$94,194, in addition to the referendum costs, which would amount to \$27,714. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Lemoyne, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Lemoyne, the firm estimates the additional human and material resources needs at \$8,475.

The impact of reconstitution on the tax bill would be as follows:

TABLE 0-21: TAX BILL FOR A SINGLE-FAMILY HOME – LEMOYNE

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$ 87,191	\$ 87,191 \$	\$ 87,191 \$
TAX BILL UNDER THE STATUS QUO (1)	\$ 1 344	\$ 1 322 \$	\$ 1 300 \$
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF LEMOYNE AGGLOMERATION TAXES (1)			
- Agglomeration taxes (1)	\$ 721	\$ 721	\$ 721
- Taxes of reconstituted municipality (1)	\$ 515	\$ 515	\$ 515
TOTAL	\$ 1 236	\$ 1 236	\$ 1 236
IMPACT IN DOLLARS	\$ 108	\$ 86	\$ 64
IMPACT AS A POURCENTAGE	-8.0%	-6.5%	-4.9%

(1) Include taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

RECONSTITUTED MUNICIPALITY OF LONGUEUIL

In the event that the territory of the current Ville de Longueuil were dismembered, an urban agglomeration council (Joint Council) would be constituted. This council, comprised of elected representatives of all the municipalities, including the mayors, would be vested with the power to make decisions and impose taxes and tariffs for the agglomeration services.

For reasons of fairness and efficiency, the remaining municipality⁸ would supply common services, i.e., agglomeration services, to the entire territory.

The number of votes of each municipality on this council would be awarded on the basis of its population and the decisions would be made by simple majority. Thus, the former municipality of Longueuil would benefit from 34% of the votes.

TABLE 0-22: BREAKDOWN OF THE VOTES ON THE JOINT COUNCIL IN THE EVENT OF RECONSTITUTION

	CURRENT			RECONSTITUTION		
	# Councillors	# Mayors	% of representatives on the municipal council	# Councillors	# Mayors	% of Joint Council votes*
Boucherville	4	N.A.	10 %	8	1	10 %
Brossard	7	N.A.	17 %	10	1	18 %
Greenfield Park	3	N.A.	7 %	6	1	5 %
Saint-Bruno-de-Montarville	3	N.A.	7 %	8	1	6 %
Saint-Hubert	8	N.A.	19 %	10	1	20 %
Saint-Lambert	3	N.A.	7 %	8	1	6 %
Lemoyne	N.A.	N.A.	N.A.	6	1	1 %
Longueuil	14	N.A.	33 %	14	1	34 %
TOTAL	42	1	100 %	70	8	100 %

* In proportion to the population

⁸ The entity representing all of the agglomeration municipalities that would not have reconstituted themselves.

The expenses to be funded would be broken down as follows:

TABLE 0-23: BREAKDOWN OF EXPENSES TO BE FUNDED – LONGUEUIL

LONGUEUIL	(IN MILLIONS \$)	(%)
What Longueuil taxpayers would pay for services related to agglomeration powers	\$ 46,527,480	49.4%
What Longueuil taxpayers would pay for services related to proximity powers	\$ 47,724,642	50.6%
TOTAL	\$ 94,252,122	100.0%

The transition and reconstitution costs are estimated at \$2,491,239, in addition to the referendum costs, which would amount to \$732,990. These costs mainly concern:

- Setting up a transition committee;
- Reorganizing office space;
- Conducting studies on the allocation of certain assets;
- Reorganizing services and activities.

These costs would be paid by the taxpayers of the reconstituted municipality. The budget of the former municipality of Longueuil, in the event of reconstitution, would account for the funding of these costs over a three-year period.

In the event of reconstitution of the former municipality of Longueuil, the firm estimates the additional human and material resources needs at \$317,601.

The impact of reconstitution on the tax bill would be as follows:

TABLE 0-24: TAX BILL FOR A SINGLE-FAMILY HOME – LONGUEUIL

	2004	2005 (2)	2006 (2)
AVERAGE VALUE OF A RESIDENCE (2004)	\$ 113,916	\$ 113,916	\$ 113,916
TAX BILL UNDER THE STATUS QUO (1)	\$ 1,906	\$ 1,877	\$ 1,849
TAX BILL IN THE EVENT OF RECONSTITUTION OF THE FORMER MUNICIPALITY OF LONGUEUIL			
- Agglomeration taxes (1)	\$ 942	\$ 942	\$ 942
- Taxes of the reconstituted municipality (1)	\$ 995	\$ 995	\$ 995
TOTAL	\$ 1,937	\$ 1,937	\$ 1,937
IMPACT IN DOLLARS	\$ 31	\$ 60	\$ 88
IMPACT AS A PERCENTAGE	1.6%	3.2%	4.8%

(1) Includes taxes and tariffs applicable to all taxpayers. Thus, local improvement taxes (sector taxes) are not included.

(2) With constant scope of audit (2004 Budget, 2004 REW and 2004 debt, without indexing factor).

SCHEDULE 3 – ADDITIONAL INFORMATION

BREAKDOWN OF REAL ESTATE WEALTH BY CLASS OF IMMOVABLES AND RENTAL VALUE ROLL

	FORMER MUNICIPALITY OF BOUCHERVILLE	FORMER MUNICIPALITY OF BROSSARD	FORMER MUNICIPALITY OF GREENFIELD PARK	FORMER MUNICIPALITY OF SAINT-BRUNO-DE- MONTARVILLE
TAXABLE VALUES				
Property	\$ 2,801,356,367	\$ 3,377,246,250	\$ 670,909,100	\$ 1,718,920,511
Non-residential	\$ 864,812,858	\$ 651,257,834	\$ 123,703,090	\$ 460,914,413
TOTAL	\$ 3,666,169,225	\$ 4,028,504,084	\$ 670,909,100	\$ 2,179,834,924
NON-TAXABLE VALUES (1)				
Primary and secondary schools	\$ 39,046,600	\$ 72,341,600	\$ 34,348,600	\$ 50,628,630
CEGEPs and universities				
Health and social services network	\$ 5,593,800	\$ 5,385,300	\$ 50,238,100	\$ 8,460,920
Government immovables	\$ 6,991,200	\$ 15,756,500		\$ 3,806,440
TOTAL	\$ 51,631,600	\$93,483,400	\$ 84,586,700	\$62,895,990

Source : 2004 Budget estimates, Ville de Longueuil

(1) : These values give the right to payments in lieu of taxes, at a rate that varies according to the type of immovable.

	FORMER MUNICIPALITY OF SAINT-HUBERT	FORMER MUNICIPALITY OF SAINT-LAMBERT	FORMER MUNICIPALITY OF LEMOYNE	FORMER MUNICIPALITY OF LONGUEUIL	TOTAL
TAXABLE VALUES					
Property	\$ 2,821,068,931	\$ 1,361,719,921	\$ 138,643,100	\$4,816,473,340	\$ 17,706,337,520
Non-residential	\$ 444,649,346	\$ 83,342,796	\$ 24,265,405	\$963,124,429	\$ 3,616,070,171
TOTAL	\$ 3,265,718,277			\$ 5,779,597,769	\$ 19,590,733,379
NON-TAXABLE VALUES (1)					
Primary and secondary schools	\$ 120,739,700	\$ 37,964,300	\$ 2,534,500	\$222,247,600	\$ 579,851,530
CEGEPs and universities	\$ 25,688,600	\$ 21,493,900		\$ 64,614,800	\$ 111,797,300
Health and social services network	\$ 14,004,700	\$ 5,717,700		\$ 130,492,000	\$ 219,892,520
Government immovables	\$ 96,505,460	\$ 4,556,400		\$ 77,914,400	\$ 205,530,400
TOTAL	\$ 256,938,460	\$ 69,732,300	\$ 2,534,500	\$ 495,268,800	\$ 1,117,071,750

TAX RATES AND TARIFFS - 2004 ACTUAL – RESIDENTIAL

FORMER MUNICIPALITY BOUCHERVILLE	ACTUAL
TAX RATE	
General property tax rate	\$ 1,0830
TARIFFS	
Residential water tariff	\$ 99,00
Residential garbage collection	\$ 109,00

FORMER MUNICIPALITY OF BROSSARD	ACTUAL
TAX RATE	
General property tax rate	\$ 1,1840
TARIFFS	
Residential water tariff	\$ 40,00
Water (residential counters) - Tariff per 1,000 gallons	
- from 0 to 40,000	\$ 1,00
- from 40,000 to 80,000	\$ 1,30
- from 80,000 to 120,000	\$ 1,70
- from 120,000 to 160,000	\$ 2,00
- from 160,000 to 200,000	\$ 2,30
- 200,000 gallons and over	\$ 2,65
Residential garbage collection	\$ 67,00
Garbage – recycling and general expenses	\$ 18,00
Tax for rehabilitation of the road system	
Per housing unit	\$ 14,00
Fixed, residential	\$ 40,00

FORMER MUNICIPALITY OF GREENFIELD PARK	ACTUAL
TAX RATE	
General property tax rate	\$ 1,3890
TARIFFS	
Residential water tariff	\$ 110,00
Swimming pool	\$ 35,00
Residential garbage collection	\$ 90,00

(1) No residential tariffs for Saint-Lambert and Vieux-Longueuil

TAX RATES AND TARIFFS - 2004 ACTUAL – NON-RESIDENTIAL

FORMER MUNICIPALITY OF BOUCHERVILLE	ACTUAL
TAX RATE	
General property tax rate	\$ 1,1000
TARIFFS	
Water tariff, by immovable – non-residential	\$ 199,00
Commercial garbage collection	\$ 109,00
Water counters, non-residential Tariff per 1,000 gallons	
- In excess of 60,000 gallons	\$ 1,02

FORMER MUNICIPALITY OF BROSSARD	ACTUAL
TAX RATE	
General property tax rate	\$ 1,0300
TARIFFS	
Water counters, non-residential - Tariff per 1,000 gallons	
- from 0 to 1,000,000 gallons	\$ 1,30
- from 1,000,000 to 5,000,000 gallons	\$ 1,35
- 5,000,000 gallons and over	\$ 1,40
Tax for rehabilitation of the road system	
- per housing unit	\$ 14,00
	\$ 40,00

FORMER MUNICIPALITY OF GREENFIELD PARK	ACTUAL
TAX RATE	
General property tax rate	\$ 1,4300
TARIFFS	
Water tariff, by immovable – non-residential	\$ 130,00
Commercial garbage collection	\$ 300,00
Water counters, non-residential - Tariff per 1,000 gallons	\$ 1,55
Borough tax	
- Tariff for rehabilitation of infrastructures (per housing unit)	\$ 75,00
- Commercial, per square foot	\$ 0,05
Surtax on vacant land served	\$ 0,695

FORMER MUNICIPALITY OF LEMOYNE	ACTUAL
TAX RATE	
General property tax rate	\$ 1,1200
TARIFFS	
Commercial water tariff, fixed	\$ 107,00
Commercial garbage collection	\$ 118,00
Water counters, non-residential Tariff per cubic metre	
- In excess of 22.5 2.m3/premises and Or 185 m per housing unit	\$ 0,25
Surtax on vacant land served	\$ 0,679

FORMER MUNICIPALITY OF SAINT-BRUNO-DE-MONTARVILLE	ACTUAL
TAX RATE	
General property tax rate	7.03%
TARIFFS	
Commercial water tariff, fixed	\$ 248,00
- Waterworks immovables debt	\$ 31,00
Commercial garbage collection	\$ 185,00
Water purification – non-residential	\$ 93,00
- In excess of 40,000 gallons (par 1,000 gallons)	\$ 0,95
Water counters, non-residential - Tarif du 1,000 gallons	
- In excess off 40,000 gallons	\$ 2,45

FORMER MUNICIPALITY OF SAINT-HUBERT	ACTUAL
TAX RATE	
General property tax rate	\$ 1,1400
TARIFFS	
Commercial garbage collection	\$ 0,096
Surtax on vacant land served	\$ 0,7982
Replotting of agricultural land	
- per square metre	\$ 0,0203
- per \$ 100 assessed	
- minimum	

FORMER MUNICIPALITY OF SAINT-LAMBERT	ACTUAL
TAX RATE	
General property tax rate	\$ 1,0000

FORMER MUNICIPALITY OF VIEUX-LONGUEUIL	ACTUAL
TAX RATE	
General property tax rate	\$ 1,2600
TARIFFS	
Water counters, non-residential - Tariff per cubic metre	\$ 0,1763
Gross water counters, non-residential - Tariff per 1,000 gallons	\$ 0,1500
Surtax on vacant land served	\$ 0,8220
Sanitary building drains and storm sewers, per square metre	\$ 0,0433

TAX RATES - 2004 - RECONSTITUTION - BILL 9

	FORMER MUNICIPALITY OF BOUCHERVILLE	FORMER MUNICIPALITY OF BROSSARD	FORMER MUNICIPALITY OF GREENFIELD PARK	FORMER MUNICIPALITY OF SAINT-BRUNO-DE- MONTARVILLE (1)
PROPERTY TAX RATE - RÉSIDENTIAL				
Rate - Agglomeration	\$ 0,8270	\$ 0,8270	\$ 0,8270	\$ 0,8270
Rate - proximity	\$ 0,4044	\$ 0,2401	\$ 0,5267	\$ 0,3118
Subtotal (including debt service)	\$ 1,2314	\$ 1,0671	\$ 1,3537	\$ 1,1388
Property tax rate - NON-RÉSIDENTIAL				
Agglomeration	\$ 0,6280	\$ 0,6280	\$ 0,6280	5.50%
Proximity	\$ 0,4128	\$ 0,2206	\$ 0,5162	2.66%
Subtotal	\$ 1,0408	\$ 0,8486	\$ 1,1442	8.16%

	FORMER MUNICIPALITY OF SAINT-HUBERT	FORMER MUNICIPALITY OF SAINT-LAMBERT	FORMER MUNICIPALITY OF LEMOYNE	FORMER MUNICIPALITY OF LONGUEUIL
PROPERTY TAX RATE - RÉSIDENTIAL				
Rate - Agglomeration	\$ 0,8270	\$ 0,8270	\$ 0,8270	\$ 0,8270
Rate - Proximity	\$ 0,7097	\$ 0,7273	\$ 0,4007	\$ 0,8455
Subtotal (including debt service)	\$ 1,5367	\$ 1,5543	\$ 1,2277	\$ 1,6725
PROPERTY TAX RATE - NON-RÉSIDENTIAL				
Agglomeration	\$ 0,6280	\$ 0,6280	\$ 0,6280	\$ 0,6280
Proximity	\$ 0,5188	\$ 0,5211	\$ 0,3309	\$ 0,6586
Subtotal	\$ 1,1468	\$ 1,1491	\$ 0,9589	\$ 1,2866

At the request of the MAMSL, tax bills at the end of historical debts of the former municipalities were also estimated. This scenario is based on a new allocation of 2004 financial expenses. In the case where the actual Ville de Longueuil is maintained, financial expenses are assumed by all taxpayers on the territory, based on taxable value. In the event of reconstitution, the burden related to financial expenses is distributed between the agglomeration and each of the former municipalities in proportion to their respective gross expenditures. Financial expenses in this scenario represent the total of all financial costs (interest and other costs) and redemption of the long-term debt, from which we deduct the revenues related to the debt (revenues from amortization funds and government grant for debt redemption over the long term). In short, it consists of the net amount of the historical debt recovered by the debt rate. It should be noted that the harmonization period necessary to cover the historical debt could extend over a period of 20 years.

ESTIMATED FISCAL IMPACT AT THE END OF THE HISTORICAL DEBT

	AVERAGE VALUE OF A RESIDENCE	ACTUAL MUNICIPALITY 2004		RECONSTITUTED MUNICIPALITY 2000	
		ACTUAL TAX BILL	TAX BILL AT THE END OF HARMONIZATION MEASURES AND HISTORICAL DEBT (1)	PRO FORMA 2004 - BILL 9	TAX BILL AT THE END OF HARMONIZATION MEASURED AND HISTORICAL DEBT
Boucherville	\$ 144,244	\$ 1,870	\$ 2,158	\$ 2,084	\$ 1,948
Brossard	\$ 126,570	\$ 1,770	\$ 1,894	\$ 1,622	\$ 1,625
Greenfield Park	\$ 102,741	\$ 1,702	\$ 1,537	\$ 1,666	\$ 1,569
Saint-Bruno	\$ 144,332	\$ 1,608	\$ 2,159	\$ 2,080	\$ 2,193
Saint-Hubert	\$ 96,007	\$ 1,608	\$ 1,436	\$ 1,551	\$ 1,575
Saint-Lambert	\$ 199,202	\$ 2,789	\$ 2,980	\$ 3,096	\$ 3,175
Lemoyne	\$ 87,191	\$ 1,344	\$ 1,305	\$ 1,237	\$ 1,322
Longueuil (Vieux-Longueuil)	\$ 113,916	\$ 1,906	\$ 1,704	\$ 1,937	\$ 1,943

(1) Using the average rate, namely 1.6748, as per the 2004 Budget

At the request of the MAMSL, we used the 2000 aggregate taxation rate it provided us to estimate 2000 tax bills for a typical residence, indexed to 2004 dollars. The indexing rate used was the one supplied by the MAMSL, namely 1.096. Note that the data for the year 2000, indexed, correspond to the average residence in that year, while those for the year 2004 correspond to the average residence in this second year. These data may not even apply to the same average residence, particularly in those municipalities where major residential development projects have been carried out between 2000 and 2004.

2000 TAX BILL FOR A SINGLE-FAMILY HOME

	ACTUAL MUNICIPALITY 2004		RECONSTITUTED MUNICIPALITY 2004	FORMER MUNICIPALITY - 2000 INDEXED TO 2004	
	AVERAGE VALUE OF A RESIDENCE	ACTUAL TAX BILL	TAX BILL - PRO FORMA - BILL 9	AVERAGE VALUE OF A RESIDENCE	INDEXED TAX BILL (1)
Boucherville	\$ 144,244	\$ 1,870	\$ 2,084	\$ 140,537	\$ 2,288
Brossard	\$ 126,570	\$ 1,770	\$ 1,622	\$ 124,530	\$ 2,280
Greenfield Park	\$ 102,741	\$ 1,702	\$ 1,666	\$ 99,191	\$ 1,895
Saint-Bruno	\$ 144,332	\$ 1,608	\$ 2,080	\$ 137,695	\$ 1,832
Saint-Hubert	\$ 96,007	\$ 1,608	\$ 1,551	\$ 95,615	\$ 2,139
Saint-Lambert	\$ 199,202	\$ 2,789	\$ 3,096	\$ 184,564	\$ 2,669
Lemoyne	\$ 87,191	\$ 1,344	\$ 1,237	\$ 86,097	\$ 1,753
Longueuil (Vieux-Longueuil)	\$ 113,916	\$ 1,906	\$ 1,937	\$ 110,858	\$ 2,227

(1) Tax bills calculated using the aggregate taxation rate of each municipality supplied by the MAMSL, and indexed (1.096) for comparison