BUDGET 2017

Joint Presentation
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Moving Midland Forward

BUDGET 2017 SIGNALS CHANGE
Budget 2017 Timelines - Process

• March 10/17 - Budget Mtg. – Operating
• March 22/17 – Budget Mtg. – Capital
• March 30/17 – Budget Mtg. – Public input
• April 10/17 – Budget Mtg. – Final Draft
• April 24/17 – Council Mtg. – Adoption Report
Municipal Financial Management Cycle

Plan & Budget

Evaluate & Report

Implement

Monitor
Is there an ideal budget approach?

- Priority Based
- Incremental
- Zero Based
- Traditional
- Activity Based
- Program or Service Based
Budget 2016

Resolution 2016-354

1) Immediate Hiring Freeze
2) Exception to #1 – complete a review to determine the need for replacement
3) Annual Budget present Council with a core budget at minus 2% and minus 1%
4) Business Plans be incorporated into the budget process
5) Business Plan focused on corporate-wide process improvements
6) Process improvements reduce costs in the order of $1.5M by 2018 (commencing 2015 base excluding police and capital)
7) Future Budget Savings be applied to fund Economic Development and Tourism and/or Healthy Sustainable Community priorities in Council’s Strategic Plan

• Financial Competence and Performance Excellence
  – Demonstrate prudent fiscal management keeping focused on regulatory compliance
  – Performance Management – measuring ourselves against standard of excellence – striving for improvement and innovation – ensuring our budgets reflect desired outcomes
  – Fiscal Responsibility & New Policy Development
MIDLAND FORWARD

• November 14, 2016 – General Committee

+ 5 significant challenges

1) Strategic Priorities
2) Corporate Capacity
3) Program and Process Improvements
4) Rebuilding productive relations
5) Develop positive climate for community and economic growth
Budget 2017 presented March 10th

• Base Budget reflects a 1.13% tax increase less than the current rate of inflation
• Proposed “One Time” costs – 0.95%
• Proposed “Service Level” changes – 1.10%
• Total Draft 1 - 3.17%
Assessment Growth

• Impact of the new CVA assessment included in Base Budget
• Net increase - $27,169 (Town portion of municipal property taxes)
• Net growth - 0.1%
Budget 2017 Definitions

• Base Budget – staff’s best estimate of the level of expenditures necessary to continue the service provided in 2016 in 2017
• One Time – items that should not necessarily get buried in the base budget in future years
• Service Level – changes that increase or decrease the service levels and would be added or subtracted from the base in future
B 2017 Principles

• Improve transparency by breaking down large cost accumulations
• Begin to provide true cost of services/functions through appropriate distribution
• Introduction of new funding mechanism for IT related operating and capital expenditures
B 2017 Improving Transparency

- Economic Development moved to Council
- Administration broken into component operating departments/service areas:
  - CAO
  - Clerks
  - Finance
  - Information Technology
  - Human Resources & Health and Safety
  - Town Hall
B 2017 Transparency

- Introduced costing for many active Council committees
- Properly accounted for actual cost of Committee of Adjustment & Heritage
- Increased rigour in separating tax-based services from rate-based services
- Studies transferred to capital
Appropriate Recognition of Costs

• Liability and other types of insurance distributed internally and externally (MCC)
• Health & Safety costs
• Utilities updated for accurate projection
• Town Hall “rent” based on square footage
  – MPS offset by costing some previously in-kind services
New Funding Mechanism for IT

• Implemented an IT Chargeback system to distribute IT cost across all users based on inventory on a per unit basis

• IT Chargeback will cover cost of all items related to IT and office automation except:
  – SCADA hardware and software used by W & WW
  – Election technology

• Expected to change as a plan is developed to advance the Town’s technology capacity
Water/Wastewater Rates

• Changes in disclosure impacted the presentation of the Water and Waste Water budgets

• All rates for 2017 remain as already established by Council in By-Law 2016-12
**Tax – Based Gross Capital for 2017**

- Totals $6,121,530
- Funded as follows:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants &amp; Donations</td>
<td>$384,675</td>
</tr>
<tr>
<td>Federal Gas Tax</td>
<td>$131,312</td>
</tr>
<tr>
<td>Reserves &amp; Reserve Funds</td>
<td>$3,360,358</td>
</tr>
<tr>
<td>Debentures</td>
<td>$2,244,885</td>
</tr>
</tbody>
</table>
Rate-Based Gross Capital for 2017

• Rate-based - $1,999,200 fully funded through Reserve and Reserve Funds
Budget 2017 Final

• Base Budget remain at 1.13%
• “One Time” costs remain at 0.95%
• Council reduced “Service Level” requests from 1.10% to 1.02%
• Final total budget to budget impact - 3.10% or $569,663 for a total levy of $18,953,871
## Budget 2017 Final

Increase on $100,000 of assessment:

<table>
<thead>
<tr>
<th></th>
<th>2016 Taxes</th>
<th>2017 Taxes</th>
<th>TAX INCREASE</th>
<th>% INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town - purposes</td>
<td>$ 917</td>
<td>$ 940</td>
<td>$ 23</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
THANK YOU

• Council Questions ???