



# **BUDGET 2017**

Joint Presentation

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**Moving Midland Forward**

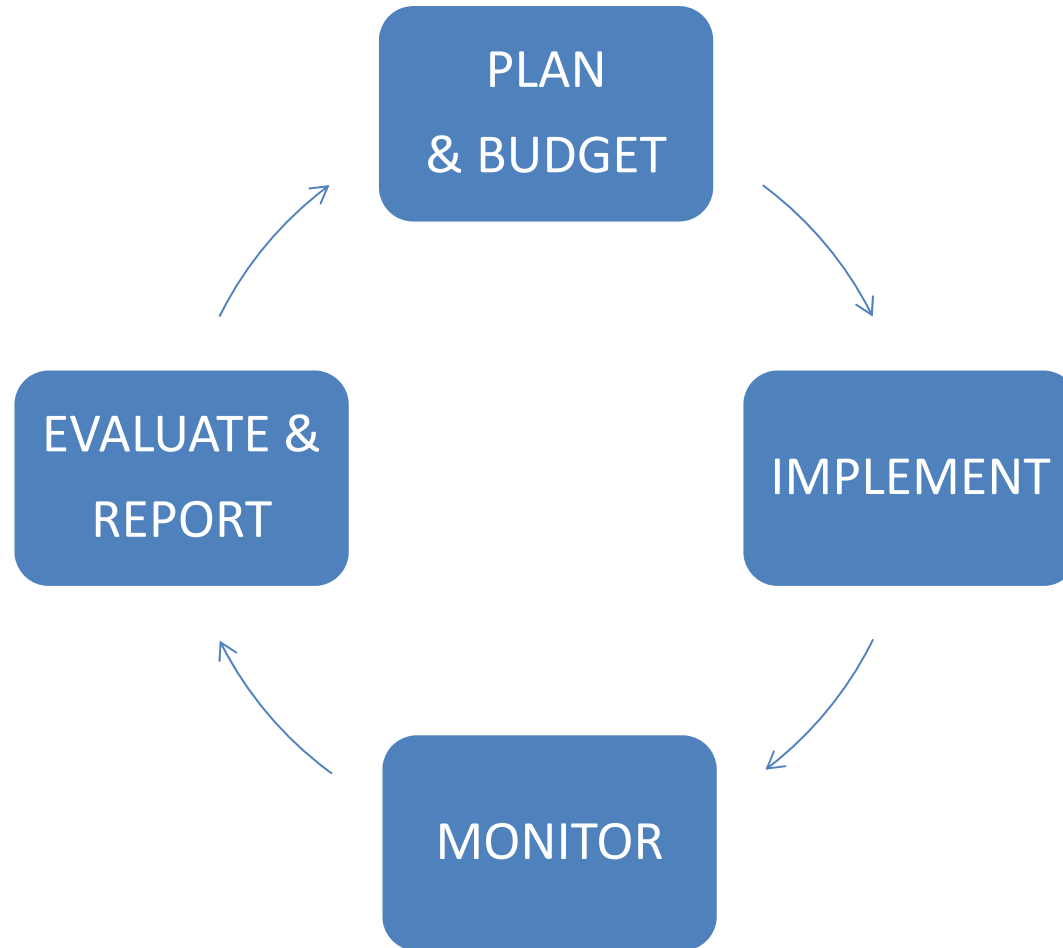
**BUDGET 2017 SIGNALS CHANGE**

# Budget 2017 Timelines - Process

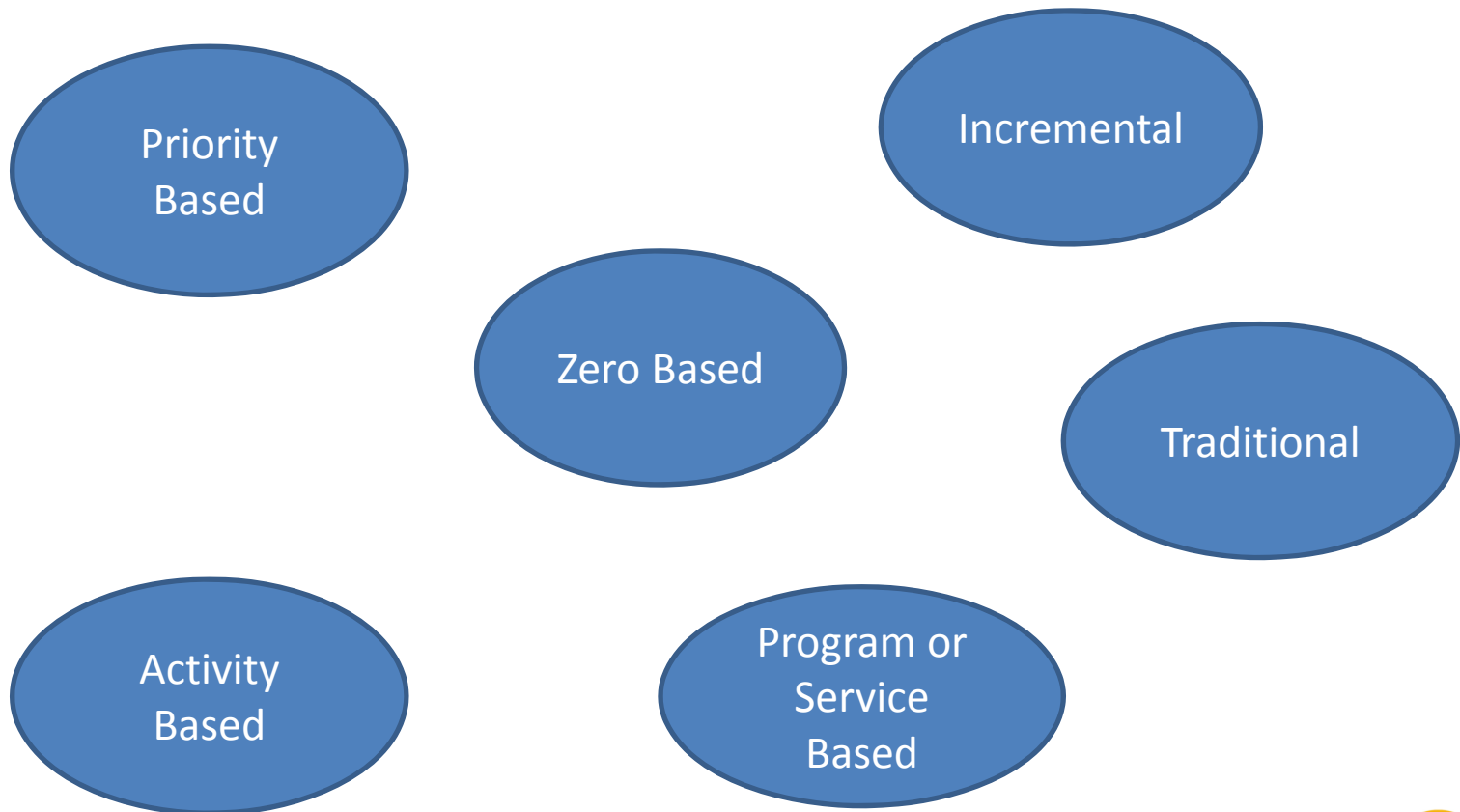
- March 10/17 - Budget Mtg. – Operating
- March 22/17 – Budget Mtg. – Capital
- March 30/17 – Budget Mtg. – Public input
- ~~April 10/17 – Budget Mtg. – Final Draft~~
- April 24/17 - Council Mtg. – Adoption Report



# Municipal Financial Management Cycle



# Is there an ideal budget approach?



# Budget 2016

- **Resolution 2016-354**

**July 25, 2016**

- 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 in to 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



# CAO – Recruitment July 25, 2016

- 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:

Grants & Donations	\$384,675
Federal Gas Tax	\$131,312
Reserves & Reserve Funds	\$3,360,358
Debentures	\$2,244,885



# 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:

	2016 Taxes	2017 Taxes	TAX INCREASE	% INCREASE
Town - purposes	<b>\$ 917</b>	<b>\$ 940</b>	<b>\$ 23</b>	<b>2.5%</b>



# THANK YOU

- Council Questions ???

