

Operating Budget Summary



The Corporation of the Town of Milton



2011 OPERATING BUDGET - OVERVIEW



The approved Operating Budget for 2011 continues to meet the needs arising from growth in the community, maintain existing service levels, and accommodate inflation. It also includes the opening of new facilities – the Milton Centre for the Arts, the new Main Library and the expansion of the Milton Sports Centre. Enhancements to service levels identified as desirable by the community have been incorporated into the budget as well, including enhanced transit service, bicycle lanes, traffic calming, webcasting of Council meetings, enhanced soccer field maintenance, new recreation programs, and economic development marketing initiatives. Council has also approved a 1% dedicated tax levy to be used for the exclusive purpose of funding the Town portion of the local share for the redevelopment and expansion of the Milton District Hospital.

The approved budget results in an overall tax increase of 2.20% in the urban area and 2.09% in the rural area when combined with the Region’s approved 1.4% increase and a 0% Educational increase.

The following table illustrates the tax impact per \$100,000 of assessed value at the Town tax increase of 3.58%, hospital levy of 1.0%, Regional increase of 1.4%, GTA Pooling tax shift of 0.91% and a 0% Educational increase.

Similarly, based on an average assessment value of \$300,000, the approved tax levy increase of 4.58% would result in a net impact of \$34.89 in the urban area and \$29.16 in the rural area for Town services.

Urban Area	Share of Tax Bill	Proposed Increase	\$ Impact on Total Tax Bill per \$100,000 of Assessment	% Impact on Total Bill
Town of Milton	29%	3.58%	\$9.09	1.03%
Hospital Levy		1.00%	\$2.54	0.29%
Region of Halton	44%	1.40%	5.37	0.61%
Tax Shift from Region to Town *		0.91%	2.42	0.27%
Education	27%	0.00%	-	0.00%
	100%		\$19.42	2.20%

Rural Area	Share of Tax Bill	Proposed Increase	\$ Impact on Total Tax Bill per \$100,000 of Assessment	% Impact on Total Bill
Town of Milton	25%	3.58%	\$7.60	0.91%
Hospital Levy		1.00%	\$2.12	0.24%
Region of Halton	46%	1.40%	5.34	0.64%
Tax Shift from Region to Town *		0.91%	2.42	0.27%
Education	29%	0.00%	-	0.00%
	100%		\$17.49	2.09%

Gross expenditures in the approved budget, including the Town and Library, are \$78,849,654. Non-tax revenues are \$46,016,803 and the tax levy is \$32,832,851.





The tax levy is a combined levy for the Town and the Library Board; however the budgets for the Town departments and the Library Board are prepared separately. The combined Town and Library Operating Budgets have an overall tax impact of 4.58%. Of the approved tax levy of \$32.8 million, \$29.6 million relates to the Town and \$3.2 million is for the Library. The levy impact for the Town over its 2010 approved budget is 3.83% and for the Library 0.75%.

Summary budgets by gross expenditures by department and net expenditures by department are included on pages 65 and 66 respectively. Also, a budget summary of expenditures and revenues by account type can be found on page 67.

The Downtown Business Improvement Area (DBIA) prepares its own budget and its tax levy is approved by its Board of Directors and then the levy is administered by the Town. The budget for the DBIA is included on pages 313-314 and has not been included in this Operating Budget Summary.

The information presented in the following Operating Budget Overview comprises the Town only and is exclusive of the Library Board and the DBIA except where otherwise stated.

2010 Budget Restatements

Changes in the budgeting methodology have resulted in restatements of the 2010 approved budget for comparative purposes. The changes reallocate certain costs and revenues between accounts and/or departments and have no impact on the total approved budget for 2010.

The significant restatements include:

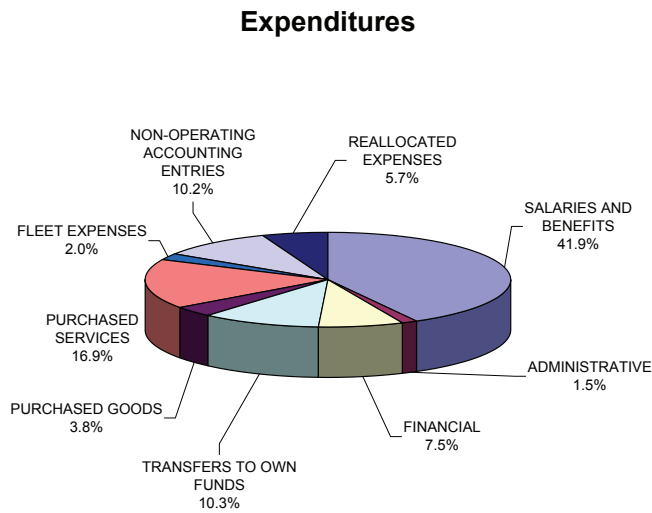
- The transfer of the Transit division from Community Services to Engineering Services;
- Realignment of staff between divisions within each of the following departments: Community Services, Planning and Development, and Executive Services; and
- A reallocation of the transfers to the Equipment Replacement Reserve from General Government to the Equipment and Fire Fleet departments





OPERATING EXPENDITURES OVERVIEW

The 2011 Operating Budget expenditures for the Town are \$75,438,305, an increase of 11.8% over 2010. Operating budget expenditures are comprised of numerous different categories as illustrated in the following graph.



Salaries and Benefits \$31.6M

As with any service organization, salaries and benefits represent the largest component of operating expenditures. This category includes the salaries and benefits for Town employees across all departments for full-time, part-time and contract staff.

Administrative \$1.2M

Administrative expenditures are related to the management of the municipality and include such things as professional development and training, marketing, mileage and uniform clothing allowances.

Financial \$5.7M

Financial expenditures include such things as bank charges, principal and interest payments on debt and insurance.

Transfers to Own Funds \$7.8M

Transfers to own funds include transfers to the capital budget and transfers to reserve and reserve funds. They represent a critical component of the operating budget designed to ensure the future financial stability of the Town as well as fund the capital budget.

Purchased Goods and Services \$15.7M

Purchased goods and services include all external purchases of goods and services required to provide the many services offered by the Town to residents. It includes such things as contracted services for winter control and parks maintenance, telecommunications, maintenance contracts, utilities and equipment.

Fleet Expenses \$1.5M

Expenditures related to the maintenance of the Operations Department and Fire Department fleet including fuel and maintenance repairs are included in this category.



2011 OPERATING BUDGET - OVERVIEW



Non-Operating Accounting Entries \$7.7M

As per PSAB reporting requirements, funds received by the Town that are a contribution to a reserve or reserve fund must flow through the operating fund as a source of revenue. This category of expenditure represents the transfer of these funds from the operating fund to the appropriate reserve or reserve fund. There is no net impact of these transactions on the Town's operating fund.

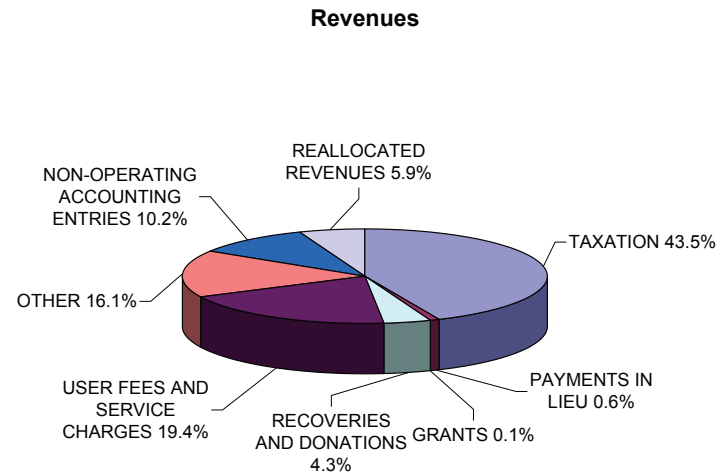
Reallocated Expenses \$4.3M

Reallocated expenses denote transfer of expenditures between departments to better reflect the true cost of providing Town services by functional/service area. These expenditures are offset by the Reallocated Revenues as they are a reallocation of costs from one functional area to another.



OPERATING REVENUES OVERVIEW

Non-tax levy revenues included in the operating budget have increased 10.8% over 2010, to reach a total of \$45,813,442. Sources of revenues to fund the operating budget are illustrated in the following graph.



Grants \$.05M

Grants denote the funds received from provincial or federal agencies and can be either conditional or unconditional in nature. The 2011 budget includes two conditional grants, an operating grant from the Ministry of Health and Long Term Care under the Elderly Persons Centres Act, and the 2011 portion of the Provincial Healthy Community Fund Grant that funds the Town's Youth in Motion program.



Recoveries and Donations \$3.2M

Recoveries and donations include the reimbursement of Town costs through agreements with external agencies. Donations from external parties are also included within this revenue category.

User Fees and Service Charges \$14.7M

This revenue source includes all fees paid by individuals or organizations to the Town for the provision of municipal programs or services. The user fees included in the operating budget were approved by Council through the 2011 Rates and Fees by-law (108-2010). This by-law provides the authority to collect these types of revenues.

Other \$12.1M

Revenue received from other Town funds including the capital fund, reserve and reserve funds; investment income; revenues from Milton Hydro including an annual dividend and interest payments on a long term note receivable; and long term lease agreements are recorded in this category.

Taxation \$32.8M

Taxation represents the amount of property tax that is received by the Town from taxpayers, including the tax levy and supplementary taxes. Also included are Right of Way payments.

Payments in Lieu \$0.5M

This revenue source represents the amount of revenue received from other government agencies who own property within the

Town of Milton; essentially, it is a cash payment received in lieu of a property tax payment.

Non-Operating Accounting Entries \$7.7M

The revenues included in this category represent revenues that are not used directly in the Operating Budget but are immediately transferred to the appropriate reserve or reserve fund. The inclusion of the revenue in the Operating Budget is solely for accounting purposes. Examples of these revenues include the Ontario Lottery Corporation proceeds and Perpetual Maintenance revenues.

Reallocated Revenues \$4.4M

Reallocated revenues denote transfers of revenues between departments to better reflect the true cost of providing Town services by functional/service area. These revenues are offset by the Reallocated Expenses as they are an allocation of costs from one functional area to another.





FACTORS DRIVING CHANGE

During budget preparation staff distinguish cost and revenue changes amongst three distinct categories: Status Quo/Contractual, Growth/Volume and Service Level. Due to growth in the Town, staff believe it is critical to understand the cost drivers in the budget and in particular, those associated with extending existing levels of service to a larger community to ensure they are in line with taxation revenues from assessment growth and supplementary taxes. The operating budget reports reflect budget changes in three separate categories to distinguish budget impacts by cost driver as illustrated in the following table.

	TOTAL TOWN	LIBRARY	TOWN (Excluding Library)
2010 Approved	\$ 28,930,531	\$ 2,772,819	\$ 26,157,712
Status Quo/Contractual	1,535,778	177,350	1,358,429
Growth Volume	1,690,295	257,820	1,432,475
Service Level	676,247	-	676,247
2011 Approved	\$ 32,832,851	\$ 3,207,988	\$ 29,624,863

Definitions of the types of budget changes included in each category are:

Status Quo/Contractual Change:

Changes in costs and revenues to maintain existing service levels and quantities. This includes items such as inflationary adjustments, contractual obligations, legislative requirements, user fee increases, etc. Typically these are non-discretionary. The impact of the Municipal Price Index (MPI) is reflected in this type of change. Significant pressures on the MPI include hydro increases of 8.75% in the general rates and 43.8% for street lighting hydro and a 28% increase in insurance costs based on

the actual premiums paid in 2010 and the expected increase for 2011.

Growth/Volume Change:

Costs/revenues to extend existing services to newly developed communities.

Service Level Change:

Changes in cost/revenue structure due to increases/decreases to service levels and/or the introduction/discontinuance of a service.

The intent of presenting the budget impacts in this manner is to highlight the cost of growth versus the costs associated with continuing to service the existing community and changes to the levels of service being delivered. The costs of services identified as Status Quo/Contractual reflect the impact on the levy related to maintaining existing services. The cost of Growth/Volume changes should be funded from the new taxpayers through assessment growth and service level changes should be funded from the entire community.

In 2011 the gross cost, net of non-tax revenues, of providing existing levels of service to newly developed areas is estimated at \$1,432,475. The amount of additional taxes from assessment growth is \$2,029,930 resulting in a surplus of \$597,455. This surplus has been used to help offset the tax levy increase that would otherwise be required.

	TOWN (Excluding Library)
Growth Related Costs (Gross)	\$ 3,989,458
Non-Tax Revenues	\$ (2,556,983)
Subtotal	\$ 1,432,475
Assessment Growth Revenues	(2,029,930)
Deficit/(Surplus)	\$ (597,455)



2011 OPERATING BUDGET - OVERVIEW

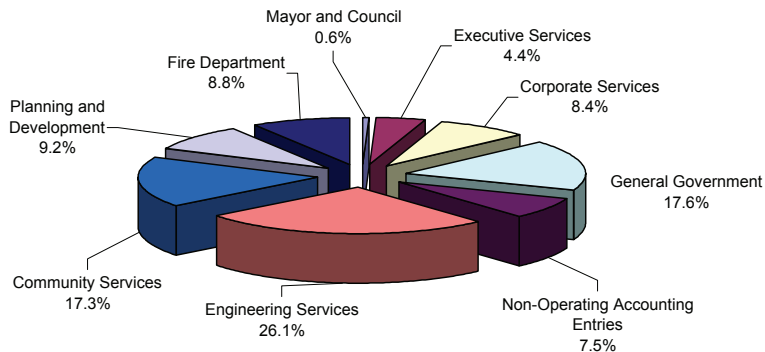


Within the approved budget, the Town is able to successfully balance inflationary increases and provide increased levels of service, while the taxes from the incremental assessment from the growth in the community are sufficient to cover the increased costs of extending service to the newly developed areas.

OPERATING BUDGET BY DEPARTMENT

The gross expenditures provided for in the 2011 operating budget, total \$75,438,305. The major service areas – Engineering Services, Community Services, and General Government – account for 68.5% or \$51,673,996 of the Town’s expenditures. Further details on each department’s budget are included in subsequent sections.

Operating Budget Gross Expenditures



Urban Service Area

At the present time, a number of Town services are taxed only to the urban area. The following table summarizes these services:

Regular Transit	\$ 1,798,965
Transfer to Tax Rate Stabilization Reserve	346,909
Sidewalk Plowing	241,952
Crossing Guards	410,490
Tree Maintenance & Replacement	329,508
Urban Mowing	175,027
Annual Sidewalk Repair Program	140,117
Bike Lanes	50,000
Windrow Program	28,249
Traffic Calming	45,000
Urban Street Lights	516,656
Traffic Signal Maintenance	155,371
Total	\$ 4,238,244

The above figures include an allocation of overhead

SIGNIFICANT CHANGES FROM THE 2010 APPROVED BUDGET

The 2011 operating budget tax levy requirement has increased by \$3.5 million over the 2010 approved budget. The table below illustrates the more significant impacts on the tax levy requirements. Additional taxes from assessment growth will offset \$2.0 million of the required tax levy increase.

	Tax Levy Impact in \$ Thousands
A. Operational costs for the Milton Centre for the Arts	\$ 471
B. Operational costs for the expansion of Milton Sports Centre	484
C. Service Level Impacts (excluding Milton Centre for the Arts above)	205
D. Increase in User Fees (excluding those in A,B,C above)	(835)
E. Transfer to/from Own Funds	1,809
F. Personnel Related Costs (excluding those in A,B,C above)	1,043
G. Other	290
Total	\$ 3,467



2011 OPERATING BUDGET - OVERVIEW



A. Operational costs for the Milton Centre for the Arts

The Milton Centre for the Arts will be opening in June 2011 and will consist of a 500 seat theatre and a visual arts centre with a gallery, exhibition space, art studios and community multi-purpose rooms.

B. Operational costs for the expansion of the Milton Sports Centre

The Milton Sports Centre expansion will include two new ice pads, a double gymnasium, an elevated walking track, multi-purpose spaces, an eight lane pool and a leisure pool. The gymnasium, track and multi-purpose spaces will be operational in April 2011 and the ice pads and pool will be operational as of September 1.

C. Service Level Impacts

Service level changes are included within various departments through the 2011 Operating Budget. These service level changes represent a change in the level of service provided to the community in comparison to the approved 2010 budget. The financial impact of the service level changes identified is an increase in the tax levy of \$676,247. Of this total, \$492,863 relates to the opening of the Milton Centre for the Arts, including the operating cost of the Centre, maintenance of the grounds, and increased IT costs in Corporate Services to support the Centre. The following table presents a list of the service level changes contained in the approved Operating Budget. Further details on the service level changes can be found in each department's section of the budget document on the pages referenced in the table.

	Page		Impact
Operating Costs of the Milton Centre for the Arts	264		\$ 470,563
Transit Service Changes			
<i>TransCab Service to Scott and Harrison neighbourhoods</i>	195	\$ 15,924	
<i>Extended AM Peak Service on Route 2 Main</i>	196	\$ 3,061	
<i>Mobility Milton Marketing Campaign</i>	197	\$ 57,354	\$ 76,339
Implementation of On Street Bike Lanes	198		\$ 50,000
Development of a Traffic Calming Plan	200		\$ 20,000
Improvements to existing Sportsfield Maintenance	199		\$ 20,520
Technology Service Changes			
<i>Audio Visual Support for Council and Committee Meetings</i>	114	\$ 10,000	
<i>Software Maintenance Fees for the Milton Centre for the Arts</i>	113	\$ 22,300	
<i>Webcasting of Council Meetings</i>	116	\$ 7,500	
<i>Payment Card Industry (PCI) Requirements</i>	115	\$ 2,000	\$ 41,800
Green Technology Annual Campaign	89		\$ 20,000
Innovation Centre Program	90		\$ 20,000
Recreation and Arts Programming Changes	263		\$ (49,067)
Seniors Centre Service Changes			
<i>Seniors Activity Centre Evening and Weekend Opening</i>	265	\$ (1,505)	
<i>Maintenance of Expanded Flower Beds</i>	266	\$ 7,597	\$ 6,092
Total Service Level Changes			\$ 676,247

D. User Fees

The overall increase in user fees, excluding the fees associated with the Milton Centre for the Arts, the expanded Milton Sports Centre and the service level changes included in sections A, B, and C above, totals \$835,126.

The majority of user fees charged for services provided by the Town have been indexed by 3.1% based on the Municipal Price Index calculated for Town expenditures as previously approved through Council report CORS-070-10. Additional user fees have also been budgeted for the increase in recreation programming at the Milton Sports Centre and other recreation facilities.



E. Transfer To/From Own Funds

The most significant increases in the transfers to reserves are to the Capital Works Reserve. The 2011 budget includes additional estimated supplementary tax revenue of \$900,000. Supplementary tax revenues are extremely difficult to estimate with certainty and are completely dependent upon the provision of supplementary and omitted assessment data from the Municipal Property Assessment Corporation. The 2011 budget has been increased to reflect average revenues attained by the Town over the last couple of years. However, staff caution that this may not be a reliable basis to predict future revenues for this source. Consequently, this revenue will be transferred to the Capital Works Reserve as a start towards supporting lifecycle costing on infrastructure needs in future capital budgets. The Town's contribution to capital has not kept pace with the rapid growth in

assets owned by the Town over the last ten years. Contributions to the Capital Works Reserve have also been made to reflect the increase of \$283,507 in the GTA Pooling transfer of funding from the Region. This increase in expenditure is the 2011 tax shift from the Region to the Town and has no net impact on the taxpayer.

Other increases in transfers to reserves include:

- Additional contribution to the Tax Rate Stabilization Reserve due to the additional revenue generated from the capital surcharge as a result of the increased capital program;
- Increased contribution to the Equipment Replacement Reserve of \$271,820 to bring it towards the level identified in the Fleet review conducted in 2009; additional increases will be phased in over the next two years;
- Increased contribution of \$102,322 to the Municipal Building Components Reserve to reflect the expansion of the Milton Sports Centre;
- Increased contribution of \$200,000 to the Municipal Building Replacement and of \$95,000 to the Computer Replacement reserves to build those reserves towards their target balances;
- Additional transfers of \$262,000 to fund development charge exemptions;
- Higher than estimated assessment growth for 2011 taxation has resulted in increased tax revenue of \$110,786 which has been transferred to the tax rate stabilization reserve;
- A new reserve fund dedicated to the redevelopment and expansion of the Milton District Hospital has been established with a contribution equal to a 1% tax levy, or \$269,976, added to the residential tax bill for 2011; and
- Other reserve contributions have been increased by 3.1% over 2010 levels to reflect inflation.



A one time increase in the transfer from the Tax Rate Stabilization Reserve is included for \$500,000 to mitigate the tax levy impact of tax write offs expected in 2011 primarily related to golf courses. Ten years of assessment are under appeal and it is anticipated that they will be settled in 2011. The transfer from the Provincial Gas Tax reserve has been increased by \$208,781 to match the amount of funding received for 2010. This increase will offset the annualization of transit enhancements introduced in 2010.

Debt principal and interest payments within the operating budget are expected to increase by \$402,718 over the approved 2010 budget. These payments are offset by a decrease in the Contribution to Capital and therefore have no impact on the tax levy.

Through Bill 124 legislation, the Town is able to recover overhead costs associated with the development applications process. The cost recovery from Building Permit Fees related to the use of building components and computer equipment by staff in the Building Department is being transferred into the respective reserves to fund future replacement requirements.

Further details on the Reserve and Reserve Fund balances as well as a Summary of Movement for 2011 can be found in the Reserve and Reserve Fund section on pages 359-366.

F. Personnel Related Costs (net)

Personnel related costs have a significant impact on the Town's operating budget; not surprisingly, given that personnel costs represent 42% of the operating budget due to the service provision businesses that the Town engages in. The status quo/contractual impact of \$566,430 budgeted for 2011 represents a 2% increase over 2010 and includes a market adjustment to salaries of 2%. Additional staffing outlined in the 2011 HR Report (excluding the positions related to the opening of the Milton Centre for the Arts and the expanded Milton Sports Centre), along with an increase in part-time program and maintenance staff have a budgeted net cost of \$476,371. As these positions are driven by growth, they are fully funded from the assessment growth and have no net impact on the tax levy.





HUMAN RESOURCES COMPLEMENT CHANGES

The 2011 operating budget includes increases to both the full time and part time complement to meet the escalating demands of a growing community. The table below highlights the changes in Full Time Equivalents (FTE) by department from 2010.

Full Time Complement

The 2011 Human Resources Requirements Report (CORS-050-10) outlined staffing requirements to operate the Milton Centre for the Arts and the expansion of the Milton Sports Centre, as well as additional staffing priorities required as a result of community growth. The staff complement has been increased by 24.3 FTEs to include positions outlined in the report and also the Manager, Cultural Services approved by Council in Milestone Report # 001-004-10 AECCL. All incremental complement included in the 2011 budget are funded through user fees and assessment growth with no impact on the tax levy, except for positions related to the opening of the Milton Centre for the Arts.

The positions included from the HR Report to support the opening of the Milton Centre for the Arts, the expansion of the Milton Sports Centre and as a result of growth in the community, the delivery of programs include:

Milton Centre for the Arts:

- 1 Coordinator, Technical Operations;
- 1 Administrative Assistant,
- .5 FTE Supervisor, Arts & Culture;
- 2 full time Facility Maintenance staff;
- .4 FTE part time Facility Maintenance;

Milton Sports Centre:

- 1 Manager, Recreation Facilities;
- 1 Administrative Assistant;
- 1 Lead Hand;
- 3 Pool Operators;
- 4 Arena Operators;

Program Delivery and Support:

- 1 Aquatics Coordinator;
- .5 FTE Aquatics Supervisor;
- 1 Marketing Administrator; and
- Additional .5 FTE Coordinator, Community Development.

Employees by Department	2008	2009	2010	2011 HR Report	Contract Positions	Growth / Volume	Service Level	Total 2011
Executive Services	22.50	25.40	27.38	1.00	(0.92)	0.50	-	27.96
Corporate Services	45.14	46.70	49.03	2.40	-	0.33	-	51.76
Engineering Services	69.43	77.03	82.77	1.00	-	0.53	0.10	84.41
Community Services	99.36	106.28	107.37	18.90	(1.59)	11.99	5.20	141.87
Planning and Development	44.84	54.00	54.00	-	1.79	-	-	55.79
Fire Department	57.76	62.61	62.19	1.00	-	(0.55)	-	62.64
TOTAL	339.03	372.02	382.74	24.30	(0.72)	12.80	5.30	424.43



The additional staffing required as a result of growth in the community include:

- Additional .5 FTE Customer Service Representative in Economic Development;
- Additional .5 FTE Coordinator, Accessibility;
- 1 Network Analyst;
- 1 Tax Clerk;
- Additional .4 FTE Accounts Receivable Clerk;
- 1 Firefighter; and
- 1 Right of Way Technician.

New contract positions include a Planner and an Administrative Assistant in the Planning department (combined 1.79 FTE) to prepare the update to the Comprehensive Zoning By-Law in 2011. Both these positions are fully funded from the capital project for the By-Law update. Current contracts expiring in 2011 include the position of Elections Administrator included in the 2010 budget for the municipal election (.92 FTE); the Facilities Infrastructure Implementation Team (FIIT) Municipal Approvals Expeditor that expired in 2010 (1 FTE) and the FIIT Project Coordinator for the Milton Centre for the Arts that will expire on May 31, 2011 (.59 FTE).

The 2011 budget also includes four full time contract positions being converted to permanent based on an on-going need to support the expanding infrastructure within the Town. These positions are two Parks Technologists, a Facilities Logistics Administrator, and a Budget Analyst. Two part time Program Assistant contract positions for Seniors and Skating programs have also been converted to permanent to support the growing needs of community programming. There is no net FTE or budget impact of these contract conversions.

Part Time Complement

The part time complement for 2011 includes an additional 12.8 FTEs in order to address the increased service demands of a growing community.

These positions include: the annualization of the 2010 budget for the part time Committee Secretary; additional crossing guards; an additional coop student for one term in Corporate Services; increased staffing in operations to maintain roads and parks; and changes in staffing levels for various community programs and recreation facilities. The net reduction in FTEs in the Fire Department is due to the conversion of part time firefighter positions to 3 new full-time firefighters approved by Council in 2010.

The part time complement also includes the following service level changes: part time concession, box office and technical positions at the Milton Centre for the Arts; increases in staffing levels for new recreation programs to be run at the Centre for the Arts as well as at existing Town recreation facilities; increased hours for Seniors Centre staff in order for the facility to be open in the evenings and on weekends; and additional hours for operations staff in the Engineering Department to maintain the grounds at the Centre for the Arts.





LIBRARY BOARD LEVY

Factors Driving Change

The Library Board levy impacts are presented in a similar fashion as the Town's budget. The Library Board's impact on the 2011 tax levy is composed of three distinct cost impacts.

2010 Approved Levy	\$ 2,772,819
Status Quo/Contractual Changes	177,349
Incremental cost of new Main Library	182,257
Growth/Volume Changes	75,563
2011 Approved Levy	<u>\$ 3,207,988</u>

First, the Library Board is faced with the same cost pressure from the Municipal Price Index as the Town's budget. The dollar impact on the Library Board of inflationary pressures totals \$87,349. This equates to roughly a 3.2% increase over the Library Board's 2010 approved budget. The status quo/contractual changes in the table above include the inflationary increase and also reflect the removal of a one time reserve contribution of \$90,000 in 2010 used to fund the majority of the operating cost of the Beaty Branch.

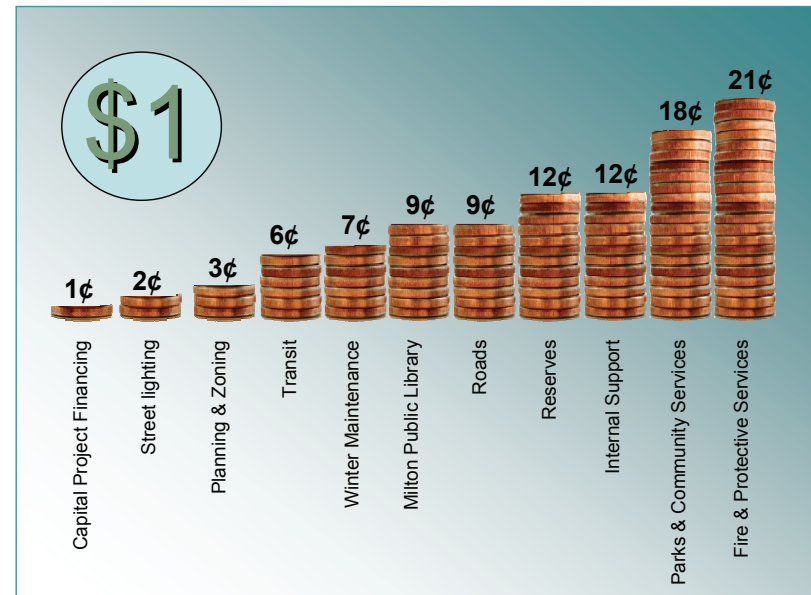
The second impact is the incremental cost of operating the new expanded Main Library opening in June 2011. The new facility is 30,000 square feet, which is almost double the size of the current Bruce Street facility. The incremental cost of operating this facility is \$182,257 for 2011. The incremental tax revenues from assessment growth have been pro-rated between the Town and the Library Board based on each organization's approved 2010 levy. The Library has been allocated a portion of the additional taxes from assessment growth for 2011 of \$202,097, which will fully cover these costs.

Finally, the Library's growth related expenditures of \$75,563 include increased contributions to the capital fund and the addition of a full time supervisor at the Beaty Branch. This additional position has been partially offset by a reduction in part time hours.

WHAT DOES \$1 OF MUNICIPAL TAXES BUY?

The core municipal services supported through property taxation are:

- Parks and Community Services
- Fire and Protective Services
- Infrastructure and Winter Maintenance
- Milton Public Library





FUTURE FINANCIAL ISSUES

There are a number of issues the Town will be required to consider and address in future budget preparation. The major issues the Town will face over the forecast period and into the foreseeable future include:

Operating Impacts of New Capital Infrastructure

There are several new facilities and parks included in the capital budget and forecast that will have an impact on the preparation of future budgets. These include:

- Headquarters/Fire Station 3 to be completed in 2012
- A new Operations Centre to be completed in 2012
- Construction of Phase 1 – Community Park (south of Milton Sports Centre)

Funding Expanded Services

As new developments are completed, timing of the expansion of the transit system routes to include the growth areas will need to be considered. In addition, new infrastructure such as roads and parks is being built within subdivisions. There will be additional operating costs related to maintenance of the infrastructure such as winter control and grass cutting. The operating costs of these services will have an impact on future operating budgets and may cause immediate tax impacts in the year they become operational.

Funding Future Infrastructure Needs

In order to be able to provide for the future replacement of Town infrastructure, consideration should be given to increasing the annual contribution to reserves to support lifecycle costing.

Historically, the contribution to the Capital Fund has been increased by assessment growth but not by inflation. Consideration should be given to increasing the contributions by the rate of the Construction Price Index as this is the most relevant index given the type of expenditure. This index typically runs at a higher rate than the Consumer Price Index.



2011 OPERATING BUDGET - GROSS EXPENDITURES BY DEPARTMENT



	2009 Actuals	2010 Projected Actuals	2010 Approved Budget	2011 Status Quo/ Contractual	2011 Base Budget	2011 Growth/Volume Change	2011 Service Level Change	2011 Approved Budget	% Change Approved/ P.Y. Approved
EXPENDITURES									
MAYOR & COUNCIL	\$420,025	\$454,581	\$454,327	\$17,245	\$471,572	\$406		\$471,978	3.9%
EXECUTIVE SERVICES	\$2,541,882	\$3,184,299	\$3,224,542	(\$65,657)	\$3,158,885	\$83,261	\$40,000	\$3,282,145	1.8%
CORPORATE SERVICES	\$5,397,610	\$5,948,307	\$5,929,365	\$125,415	\$6,054,780	\$229,682	\$41,800	\$6,326,262	6.7%
GENERAL GOVERNMENT	\$22,142,249	\$16,371,945	\$16,253,405	\$1,270,785	\$17,524,190	\$1,407,079		\$18,931,269	16.5%
ENGINEERING SERVICES	\$15,970,994	\$18,792,809	\$18,306,724	\$440,599	\$18,747,323	\$732,461	\$193,638	\$19,673,422	7.5%
COMMUNITY SERVICES	\$9,003,904	\$10,329,303	\$10,197,313	\$370,992	\$10,568,305	\$1,177,079	\$1,323,921	\$13,069,305	28.2%
PLANNING & DEVELOPMENT	\$6,082,662	\$6,963,491	\$6,955,301	(\$59,472)	\$6,895,829	\$112,413		\$7,008,241	0.8%
FIRE DEPARTMENT	\$5,364,598	\$6,386,720	\$6,168,060	\$260,545	\$6,428,605	\$247,078		\$6,675,683	8.2%
LIBRARY	\$3,157,404	\$3,094,447	\$3,057,598	\$85,932	\$3,143,530	\$267,820		\$3,411,349	11.6%
DBIA	\$194,880	\$181,900	\$181,900	\$12,600	\$194,500			\$194,500	6.9%
Total EXPENDITURES	\$70,276,209	\$71,707,802	\$70,728,535	\$2,458,982	\$73,187,517	\$4,257,278	\$1,599,360	\$79,044,154	11.8%
REVENUE									
MAYOR & COUNCIL	(\$12,282)	(\$14,784)	(\$14,784)		(\$14,784)			(\$14,784)	
EXECUTIVE SERVICES	(\$588,907)	(\$946,025)	(\$738,025)	\$162,748	(\$575,277)	(\$35,342)		(\$610,619)	(17.3%)
CORPORATE SERVICES	(\$1,798,216)	(\$2,375,763)	(\$2,306,364)	(\$118,446)	(\$2,424,810)	(\$79,127)		(\$2,503,937)	8.6%
GENERAL GOVERNMENT	(\$22,464,231)	\$17,601,293	(\$16,843,427)	(\$1,137,825)	(\$17,981,252)	(\$1,103,398)		(\$19,084,650)	13.3%
ENGINEERING SERVICES	(\$7,432,565)	(\$8,367,363)	(\$8,344,664)	\$152,596	(\$8,192,068)	(\$652,332)	(\$34,418)	(\$8,878,818)	6.4%
COMMUNITY SERVICES	(\$6,212,167)	(\$6,561,137)	(\$6,517,508)	(\$168,549)	(\$6,686,057)	(\$554,880)	(\$888,695)	(\$8,129,632)	24.7%
PLANNING & DEVELOPMENT	(\$5,367,014)	(\$6,404,755)	(\$6,401,565)	\$122,019	(\$6,279,546)	(\$131,904)		(\$6,411,450)	0.2%
FIRE DEPARTMENT	(\$150,533)	(\$164,988)	(\$164,988)	(\$14,564)	(\$179,552)			(\$179,552)	8.8%
LIBRARY	(\$701,054)	(\$312,003)	(\$284,779)	\$91,418	(\$193,361)	(\$10,000)		(\$203,361)	(28.6%)
DBIA	(\$194,880)	(\$181,900)	(\$181,900)	(\$12,600)	(\$194,500)			(\$194,500)	6.9%
Total REVENUE	(\$44,921,849)	(\$42,930,011)	(\$41,798,004)	(\$923,203)	(\$42,721,207)	(\$2,566,983)	(\$923,113)	(\$46,211,303)	10.6%
TOTAL LEVY REQUIREMENTS	\$25,354,360	\$28,777,791	\$28,930,531	\$1,535,778	\$30,466,309	\$1,690,295	\$676,247	\$32,832,851	13.5%



2011 OPERATING BUDGET - NET EXPENDITURES BY DEPARTMENT



	2009 Actuals	2010 Projected Actuals	2010 Approved Budget	2011 Status Quo/ Contractual	2011 Base Budget	2011 Growth/Volume Change	2011 Service Level Change	2011 Approved Budget	% Change Approved/ P.Y. Approved
MAYOR & COUNCIL	\$407,743	\$439,797	\$439,543	\$17,245	\$456,788	\$406		\$457,194	4.0%
EXECUTIVE SERVICES	\$1,952,975	\$2,238,274	\$2,486,517	\$97,091	\$2,583,608	\$47,919	\$40,000	\$2,671,526	7.4%
CORPORATE SERVICES	\$3,599,395	\$3,572,544	\$3,623,001	\$6,969	\$3,629,970	\$150,555	\$41,800	\$3,822,325	5.5%
GENERAL GOVERNMENT	(\$321,982)	(\$1,229,348)	(\$590,022)	\$132,960	(\$457,062)	\$303,681		(\$153,381)	(74.0%)
ENGINEERING SERVICES	\$8,538,429	\$10,425,446	\$9,962,060	\$593,194	\$10,555,254	\$80,129	\$159,220	\$10,794,604	8.4%
COMMUNITY SERVICES	\$2,791,737	\$3,768,166	\$3,679,805	\$202,443	\$3,882,248	\$622,199	\$435,226	\$4,939,673	34.2%
PLANNING & DEVELOPMENT	\$715,648	\$558,736	\$553,736	\$62,547	\$616,283	(\$19,491)		\$596,791	7.8%
FIRE DEPARTMENT	\$5,214,065	\$6,221,732	\$6,003,072	\$245,981	\$6,249,053	\$247,078		\$6,496,131	8.2%
LIBRARY	\$2,456,350	\$2,782,444	\$2,772,819	\$177,350	\$2,950,169	\$257,820		\$3,207,988	15.7%
DBIA									
Total TOWN OF MILTON	\$25,354,360	\$28,777,791	\$28,930,531	\$1,535,778	\$30,466,309	\$1,690,295	\$676,247	\$32,832,851	13.5%





2011 OPERATING BUDGET - BUDGET BY ACCOUNT TYPE



	2009 Actuals	2010 Projected Actuals	2010 Approved Budget	2011 Status Quo/ Contractual	2011 Base Budget	2011 Growth/Volume Change	2011 Service Level Change	2011 Approved Budget	% Change Approved/ P.Y. Approved
EXPENDITURES									
Salaries and Benefits	\$27,449,588	\$31,180,985	\$31,113,640	\$614,111	\$31,727,751	\$1,703,915	\$617,186	\$34,048,852	9.4%
Administrative	\$823,189	\$1,110,678	\$1,095,150	\$32,768	\$1,127,918	\$9,593	\$45,334	\$1,182,845	8.0%
Financial	\$4,562,238	\$4,664,575	\$4,679,575	\$609,451	\$5,289,026	\$84,334	\$301,344	\$5,674,704	21.3%
Transfers to Own Funds	\$20,315,465	\$14,583,402	\$13,550,974	\$889,936	\$14,440,910	\$1,454,465		\$15,895,375	17.3%
Purchased Goods	\$2,391,042	\$2,881,920	\$2,842,681	\$50,091	\$2,892,772	\$7,932	\$114,466	\$3,015,170	6.1%
Purchased Services	\$9,566,054	\$11,657,708	\$11,917,430	\$440,560	\$12,357,990	\$453,088	\$495,530	\$13,306,608	11.7%
Fleet Expenses	\$1,633,954	\$1,484,555	\$1,384,944	(\$33,302)	\$1,351,642	\$153,449		\$1,505,091	8.7%
Reallocated Expenses	\$3,534,677	\$4,143,981	\$4,144,141	(\$144,633)	\$3,999,508	\$390,502	\$25,500	\$4,415,510	6.5%
Total EXPENDITURES	\$70,276,209	\$71,707,804	\$70,728,535	\$2,458,982	\$73,187,517	\$4,257,278	\$1,599,360	\$79,044,154	11.8%
REVENUE									
Taxation	(\$4,262,464)	(\$4,036,410)	(\$3,278,644)	(\$124,495)	(\$3,403,139)	(\$900,000)		(\$4,303,139)	31.2%
Payments In Lieu	(\$351,110)	(\$330,892)	(\$330,892)	(\$123,634)	(\$454,526)			(\$454,526)	37.4%
Grants	(\$1,490,379)	(\$122,056)	(\$85,952)	(\$20,312)	(\$106,264)			(\$106,264)	23.6%
Recoveries and Donations	(\$1,958,241)	(\$2,659,107)	(\$2,753,498)	\$182,389	(\$2,571,109)	(\$254,416)	(\$442,042)	(\$3,267,567)	18.7%
User Fees and Service Charges	(\$13,779,388)	(\$13,045,265)	(\$12,742,978)	(\$295,385)	(\$13,038,363)	(\$952,369)	(\$348,359)	(\$14,339,091)	12.5%
Other	(\$19,418,459)	(\$18,592,140)	(\$18,461,899)	(\$689,400)	(\$19,151,299)	(\$173,902)		(\$19,325,201)	4.7%
Reallocated Revenue	(\$3,661,808)	(\$4,144,141)	(\$4,144,141)	\$147,634	(\$3,996,507)	(\$286,296)	(\$132,712)	(\$4,415,515)	6.5%
Total REVENUE	(\$44,921,849)	(\$42,930,011)	(\$41,798,004)	(\$923,203)	(\$42,721,207)	(\$2,566,983)	(\$923,113)	(\$46,211,303)	10.6%
TOTAL LEVY REQUIREMENTS	\$25,354,360	\$28,777,793	\$28,930,531	\$1,535,778	\$30,466,309	\$1,690,295	\$676,247	\$32,832,851	13.5%

