



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: September 11, 2023

Report No: CORS-042-23

Subject: 2024 Budget Call Report

Recommendation:

1. THAT the Mayor be requested to consider the following when preparing the 2024 Proposed Budget for Council consideration:
 - a. That the 2024 Capital and Operating Budgets and Forecasts be prepared in alignment with the Town's Council-approved strategic plans and long-term studies (example: Strategic Plan, Official Plan, Asset Management Plan, Fiscal Impact Studies, Master Plans etc.)
 - b. That the 2024 Proposed Operating Budget be presented with a residential property tax increase of approximately 9.5% on the Town portion of the total tax levy (for an estimated total residential property tax increase of 5.37% when the Region and Education portions are considered)
2. THAT staff be directed to prepare a Capital and Operating Budget Reference Document for the Mayor and Council to consider.
3. THAT staff be directed to present options to reduce the tax levy impact for the year 2024 as well as opportunities for additional investment.

EXECUTIVE SUMMARY

- The budget process provides a venue within which decisions as to the appropriate balance between affordability, service levels and financial sustainability can be made.
- Through the 2023 budget process, a budget pressure equivalent to an increase in the Town's portion of property taxes of 8.24% (or \$24.19 per \$100,000 of assessment) was estimated for 2024 based on existing service levels.

EXECUTIVE SUMMARY

- This amount has been revised with updated information (including higher than projected rates of inflation) and is now estimated at a pressure that is equivalent to 13.06% increase to the Town's portion of property taxes (or \$38.34 per \$100,000 of assessment)
- When the Regional and Educational portion of property taxes are considered, the pressure to the total tax rate is estimated at 6.79% for 2024 (or \$49.87 per \$100,000 of assessment).
- The Town's local tax levy is lower than surrounding local municipalities by an average of 25% (or \$97 per \$100,000 of residential assessment), and when Regional and Education rates are considered, Milton property taxes as a percentage of household income remains lowest in the GTA and third lowest in the Province.
- The 2024/25 forecasted budget pressures that are presented in this Budget Call report are based on data and information currently available. As the detailed budget is developed this forecast will continue to be refined to include additional information that is identified.
- The budget process outlined herein has been developed with consideration of the changes introduced through Bill 3 (Strong Mayors, Building Homes Act, 2022). Following the 2024 Budget process, the Town can re-assess the process with consideration for both the results of the 2024 process for Milton as well as for the other municipalities that will be implementing the new legislated authorities.

REPORT

Background

Section 290 (1) of the Municipal Act requires municipalities to prepare and adopt an annual budget. In June 2023 the Province of Ontario approved Bill 3, Strong Mayors, Building Homes Act, 2022 which expanded the strong mayor powers to more cities in Ontario, including Milton. Section 284.16 of the Municipal Act, 2001 (as amended by Bill 3) identifies that the duty of preparing a proposed budget for a municipality and providing the proposed budget to the council for consideration is now the responsibility of the head of council.

To support the 2024 budget process, and consistent with prior years, staff will prepare budget reference material following the principles outlined in Financial Management - Financial Principles Policy No. 110 and the direction provided by Council. The budget process continues to be an avenue to prioritize and balance the allocation of available resources to achieve the various targets and priorities.

The Budget Call report provides background, context and financial considerations related to the 2024 budget.

Discussion

Milton has experienced steady population growth since 2001 and has consistently ranked as one of Canada's fastest growing communities. With a population of 137,870 residents at the end of 2022 and projections showing that figure approximately doubling over a 15 year period, the Town continues to be faced with a number of financial challenges and opportunities. Within this context, the budget serves as a financial plan that provides guidelines and direction to staff for the allocation of resources and the provision of services and infrastructure.

Public Input

The budget development process considers the ongoing feedback that is received from the public throughout the year as part of the public engagement that is undertaken for Town initiatives such as master plan updates and planning processes, as well as the 2022 Citizen Engagement Survey. Included as Appendix A is an excerpt of the survey findings regarding property taxes, value for tax dollars and infrastructure funding.

In addition to these ongoing opportunities for public engagement, residents and business owners were also invited to provide comments and input related to the prioritization of services and investments for the 2024 budget year. This opportunity was available from June 30, 2023 through the Let's Talk Milton platform and was advertised through a public service announcement, social media posts and an ad in the local newspaper. While the platform will continue to remain open and available for comments through December 3, 2023, all comments received to end of day August 23 are attached as Appendix B to this report. Additional comments received between August 24 and December 3, 2023 will be shared with Council in advance of the December 4, 2023 budget meeting.

Growth Forecast

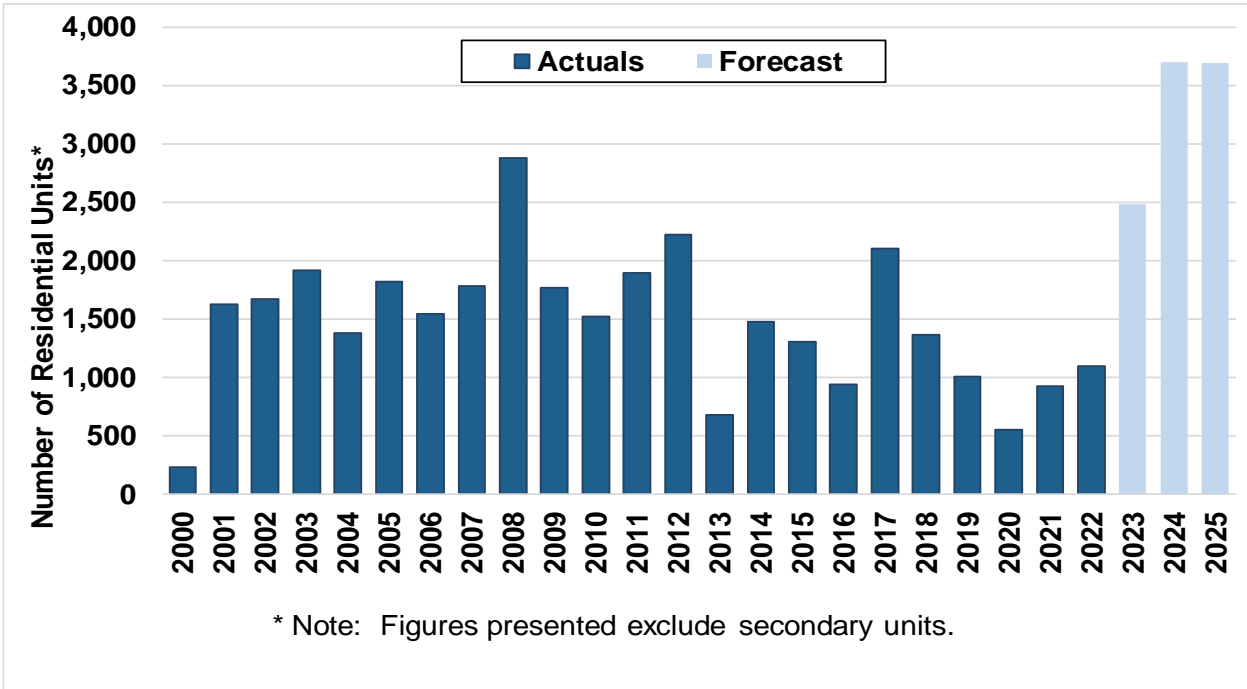
An important consideration in the preparation of the budget is estimating the rate of growth expected in the community which affects both revenues and expenses in the capital and operating budgets. Growth in the community will result in incremental tax revenues from assessment growth. It also drives the requirement to expand services and infrastructure such as roadways, parkland and facilities to the growing community.

The taxes raised from residential growth do not currently cover the costs of services provided and therefore balancing growth between the residential and non-residential sectors is critical to financial stability. Over recent years, residential growth has outpaced non-residential with the mix of assessment (unweighted) changing from 71.8% residential in 2001 to 83.8% residential in 2023.

Over the next several years residential building activity is anticipated to be higher than previous activity experienced by the Town as illustrated in the following graph.

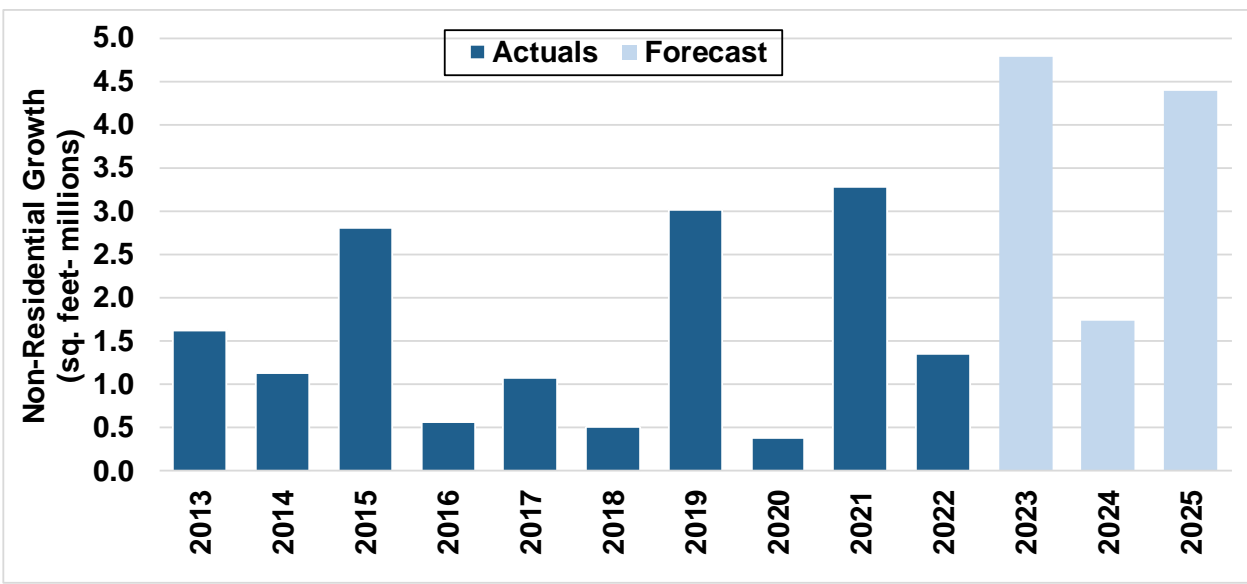
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Figure 1 - Town of Milton Residential Growth



Non-residential activity is also expected to remain strong with 4.8 million square feet of development anticipated in 2023.

Figure 2 - Town of Milton Non-Residential Growth





Discussion

The projected increases in the levels of residential and non-residential growth from 2023 to 2025 are expected to result in higher levels of annual assessment growth revenues, and will therefore influence the budget processes in future years. Assessment growth for the current budget year (2024) will be influenced by prior volumes, and due to the relatively lower growth totals in recent years, lower assessment growth dollars are expected.

Capital Budget and Forecast

A 10-year capital budget and forecast will be prepared that will identify the investment required to support the anticipated growth in the community as well as the Town's infrastructure maintenance and rehabilitation needs. The starting point for preparing the 2024-2033 budget and forecast will be the 2024-2032 forecast presented and approved in principle through the 2023 budget process. The forecast estimated that the capital investment for 2024 would be approximately \$133 million, with a 9-year investment totaling \$1.2 billion. The budget and forecast will be updated to reflect revised construction timelines, updated cost estimates (including inflation) and current corporate priorities.

Operating Impacts from Capital

Investing in new and expanded infrastructure has a significant financial impact on future operating budgets and tax levies. Capital investment in local infrastructure that is constructed by developers and assumed by the Town through new developments (including local roads and stormwater assets) also results in ongoing incremental costs. Capital budgets will continue to identify the operational impacts resulting from investment in new or expanded services including the maintenance of newly constructed roads and parks, expanded transit services, new facilities and information technology infrastructure. Future capital investment to maintain or replace assets is also required and as such, contributions to reserves for the long-term rehabilitation and/or replacement of new assets will be identified.

These impacts were considered as part of the Town's comprehensive 2021 Fiscal Impact Study (FIS) which projected an annual average tax rate pressure of 5.5% for the first 10 years of the forecast due largely to additional investments towards the infrastructure deficit as well as the fire and transit service master plans.

Infrastructure Funding Deficit & Asset Management Plan

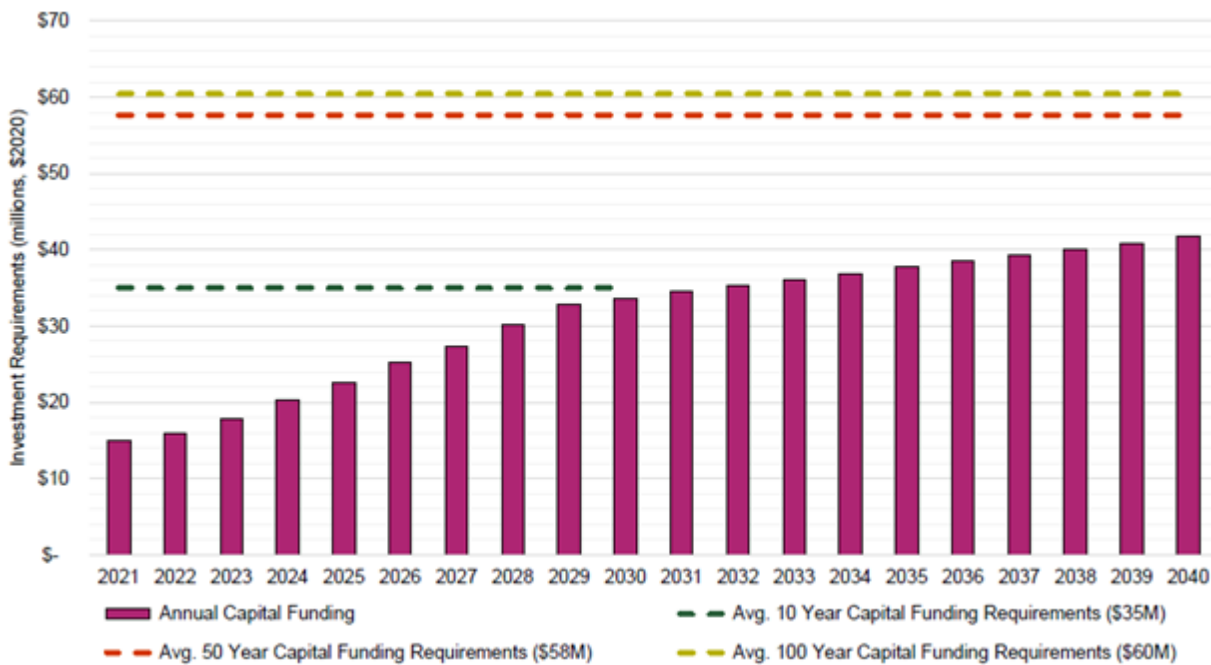
The Town's Corporate Asset Management Plan (AMP) was updated in 2021 to include all core infrastructure (roads, bridges and stormwater) and was reported to Council through staff report CORS-038-21.

The 2021 AMP included a lifecycle funding analysis that considered current lifecycle management strategies, levels of service, condition assessments, replacement costs, and

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risk management strategies. The analysis projects a comparison of the Town’s financial capacity to the funding requirements needed to maintain existing core infrastructure assets in a state of good repair using established lifecycle strategies as shown in the figure below.

Figure 3 - Non-Growth Infrastructure Financing to Lifecycle Funding Requirements - Transportation and Stormwater (millions, 2020\$)

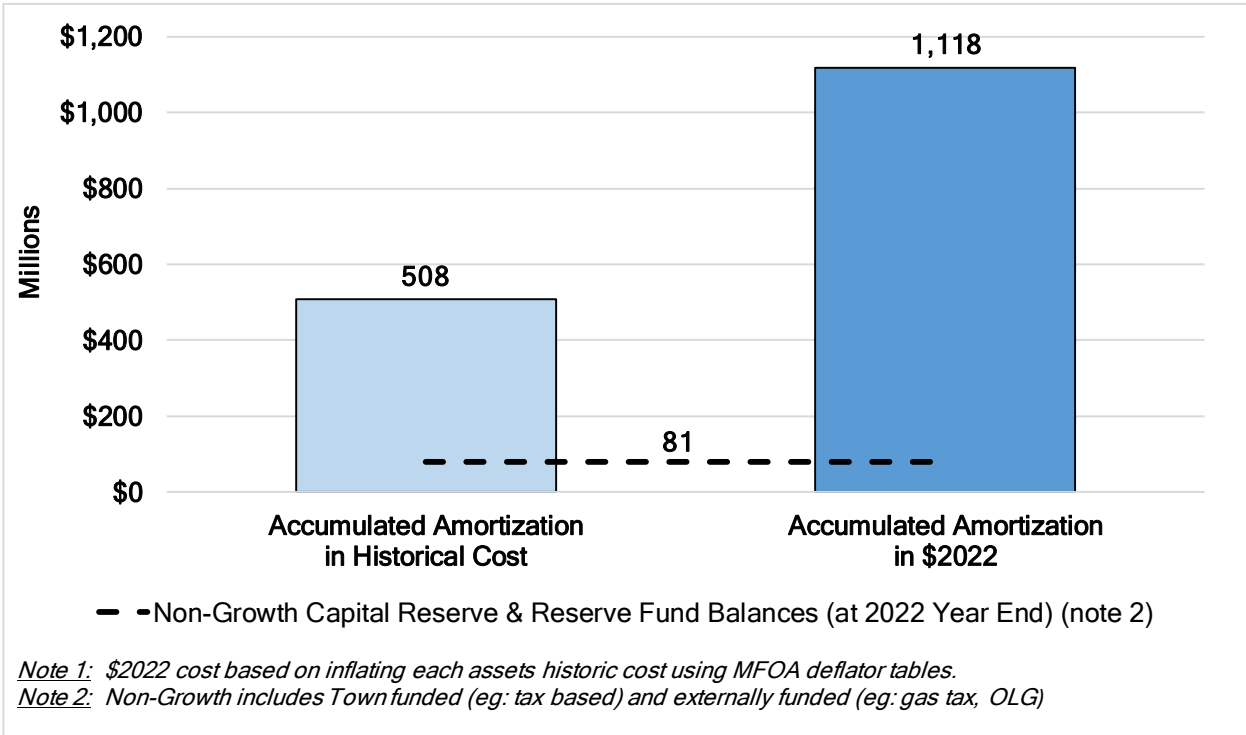


Although the 2021 AMP focused solely on core infrastructure assets it reaffirms an annual infrastructure funding deficit throughout the planning horizon. The financial strategies taken in recent years are expected to ensure that the deficit will not increase as the Town grows and highlights the long-term importance of a \$1.3 million incremental annual contribution where the majority goes to fund core infrastructure asset renewals. Even with these financial measures, an annual deficit is projected at the end of the horizon and additional forms of mitigation will be required.

Another method of reviewing the degree to which the Town is setting aside funds for future rehabilitation is to compare the capital replacement reserve and reserve fund balances to the accumulated amortization on the Town’s assets (i.e. the degree to which existing assets have aged). These figures are depicted on the following graph, and suggest that additional contributions to capital reserve are required for the Town’s existing assets based on the service levels currently provided. Although other financing tools (example debt or future contributions) will be available as a part of the funding strategy, the differences noted below exceed the current Provincially mandated and Council established debt capacity limits.

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Figure 4 - Measure of Infrastructure Renewal Funding Status



2023-27 Strategic Plan

A Strategic Plan for the years 2023-2027 was approved through report ES-009-23. The plan identifies the following priorities for this term of council and will drive progress towards the long range vision of Milton in 2051:

- Invest in People
- Innovate in Technology & Process
- Quality Facilities & Amenities
- Connected Transit & Mobility
- Planed Community Growth

Due to the multi-year nature of several of the growth related initiatives included in the plan, budget approval has already occurred or the financial impacts have been incorporated into the operating and capital budget forecasts for several items. Additional or new funding requests will be presented where required as the various initiatives proceed to finalization or when the scope and expected outcomes have been further defined.

Human Resources



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The Town of Milton's full time staff complement is notably lower than that of comparator municipalities. The Town also has a higher reliance on contractors and part time staffing in several service areas. These factors influence the way in which services can be delivered, and also affect the levels of service that can be provided to a growing community.

Annually staffing level requirements are reviewed with consideration for Town goals and priorities as well as existing service levels and pressures. Performance measures are also assessed in relation to new staffing needs. In recent budget years due to financial pressures, a limited number of positions have been added and previously forecasted needs have been deferred. The 2024 operating budget forecast presented herein includes a provision to address only some of the highest priority staffing requirements, however, this leaves a number of pressures and risks outstanding. Should the Town be unable to achieve adequate staffing levels it will result in impacts to the delivery and quality of services that residents receive in various areas.

Other Revenue Sources

Aside from property taxes, user fees and service charges provide a significant portion (22.6%) of the Town's overall revenues each year. Other sources of revenue that the Town of Milton proactively pursues to help manage the overall tax pressures include items such as, but not limited to: external grants, investment income and cost recovery agreements with external organizations. As many of these sources are either frozen or stagnant and do not increase with inflation and growth the Town faces ongoing pressures in trying to meet the requirements of a growing community.

Through effective management of Town user fees, which includes indexing annually by the Municipal Price Index (MPI), fees are charged to the direct users of many Town services to cover part or all of the costs of providing these services. Aside from annual inflation, comprehensive studies are also undertaken periodically to compare the effective rates to the related cost (via activity based costing), as well as to benchmark the Town's rates to its peers. The latest comprehensive study on the Town's user fees, excluding recreation and transit, was completed in 2022 (staff report CORS-058-22).

The majority of rates and fees within the forecast will be indexed in 2024 using the MPI for expenditures of 5.11% as presented in staff report CORS-038-23.

2024 Operating Budget and Forecast

Through the 2023 Operating and Capital Budget staff completed an operating budget forecast for the pressures anticipated in 2024 and 2025. Based on the assumptions at the time, staff were projecting a significant tax levy pressure to the Town portion of the tax bill in those years. The major drivers of the forecast included:

- Inflationary impacts to maintain existing levels of service

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- Funding to gradually reduce the infrastructure deficit.
- Extending services to new growth areas including the Boyne Secondary Area.

Staff will continue to revise the forecast throughout the budget process. However, based on new information and analysis undertaken through the first two quarters of 2023 some of the more significant adjustments to the forecast include:

- Higher than anticipated inflationary pressures
- Delayed timing of assessment growth

Including the assumptions previously mentioned, the projected pressures equate to a 13.06% tax rate change in 2024 and 12.06% in 2025. Put another way, the revised forecast is currently projecting a tax pressure equivalent to \$38.34 per \$100,000 of residential assessment in 2024 and a further \$40.04 in 2025. These amounts are relative to the existing annual cost of \$294 per \$100,000.

The following table provides a summary of the primary drivers impacting the 2024 and 2025 forecast (with further detail provided in Appendix C).



The Corporation of the Town of Milton

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Component	2024 Net Levy Impact \$ (000's)	2024 Residential Tax per \$100K of Assessment	2024 Residential Tax % Change	2025 Net Levy Impact \$ (000's)	2025 Residential Tax per \$100K of Assessment	2025 Residential Tax % Change
Prior Year Tax Levy	\$ 88,012	\$ 293.69		\$ 101,832	\$ 332.03	
Inflation & Base Adjustments:						
Inflation (MPI)	\$ 5,090	\$ 16.60	5.65%	\$ 3,794	\$ 11.92	3.59%
Non-recurring & Reversal of One-Time Transfers	\$ 278	\$ 0.91	0.31%	\$ 863	\$ 2.71	0.82%
Service Enhancements	\$ 87	\$ 0.28	0.10%	\$ 5	\$ 0.02	0.00%
Infrastructure Deficit	\$ 1,300	\$ 4.24	1.44%	\$ 1,300	\$ 4.08	1.23%
Other Base Adjustments	\$ 1,666	\$ 5.43	1.85%	\$ 1,198	\$ 3.76	1.13%
Total Inflation & Base Adjustments	\$ 8,421	\$ 27.46	9.35%	\$ 7,160	\$ 22.49	6.77%
Growth Related:						
State of Good Repair for Constructed & Assumed Assets	\$ 1,793	\$ 5.85	1.99%	\$ 4,493	\$ 14.11	4.25%
Expanding Service to Growth Areas	\$ 1,886	\$ 6.15	2.09%	\$ 3,527	\$ 11.08	3.34%
Other Growth-Related Impacts	\$ 1,720	\$ 5.61	1.91%	\$ 1,437	\$ 4.51	1.36%
Total Growth Related	\$ 5,399	\$ 17.61	5.99%	\$ 9,457	\$ 29.71	8.95%
Total Increase in Levy	\$ 13,820	\$ 45.07	15.34%	\$ 16,617	\$ 52.19	15.72%
Total Tax Levy	\$ 101,832	\$ 338.76		\$ 118,449	\$ 384.23	
Estimated Assessment Growth (net of reductions)**	\$ (2,062)	\$ (6.72)	-2.29%	\$ (3,871)	\$ (12.16)	-3.66%
Forecasted Net Tax Levy Increase Required	\$ 11,758	\$ 332.03	13.06%	\$ 12,746	\$ 372.07	12.06%

* Based on 2023 CVA values per 2023 Final Tax Levy By-law, CORS-022-23. Through the annual tax setting bylaw tax rates are re-calculated each year using current year assessment values.

** This is the amount net of anticipated losses from Assessment Review Board appeals, Request for Reconsiderations, and Section 357 Applications (tax class changes, properties razed by fire, etc.).

When potential changes to the Region and Educational portion of the property tax bill are considered, the total potential impact to ratepayers is estimated as follows:

		2024	2025
Town Tax Rate Pressure	\$ Change	\$38.34	\$40.04
	% Change	13.06%	12.06%
Overall Tax Rate Pressure*	\$ Change	\$49.87	\$46.03
	% Change	6.79%	5.87%

* Includes estimated Town, Regional and Educational portion of the property tax bill. Estimated Regional change in 2024 is based on Region report FN-28-23, estimated Educational portions are held constant consistent with reports FN-17-23 and CORS-022-22.



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Post Secondary Education

With the introduction of post secondary education in Milton will come additional service requirements in areas such as transit and by-law enforcement which are not reflected in the forecast above. As an example, preliminary analysis suggests that the cost of providing transit services to the interim post secondary locations could be approximately \$1.2 million annually. The Town is continuing to assess the financial implications associated with post-secondary education within Milton as well as funding opportunities in order to mitigate pressures that would otherwise be placed on property taxes.

Long Term Fiscal Impact Study

An updated Fiscal Impact Study was prepared in 2021 (CORS-056-21) that considered growth to 2041. The projected capital investment over the period 2021 to 2041 amounted to \$3.3 billion, along with gross operating costs that were expected to grow to \$310 million per year. The analysis showed that financial pressure on the Town and its taxpayers will continue as existing shortfalls (examples - annual provisions for infrastructure funding, development charge exemptions, property tax write-offs, etc.) continue to be addressed and expansion of services continues to new urban areas. An annual average tax rate pressure of 4.3% between 2021 and 2041 was projected, including an initial pressure averaging 5.5% for the first 10 years of the forecast due to additional investments towards the infrastructure deficit as well as the fire and transit service master plans. These estimates were created prior to the significant increase in the rate of inflation that has materialized in recent years, and as a result are lower than the immediate pressures that the Town is currently confronted with.

Budget vs Actual Variance Trend

As shown in the table below, over the previous five years the year-end operating expenditures have been within 2.7% of the approved net budget and 1.3% of the approved gross budget. The surplus in 2020 and 2021 were higher than average variances experienced over the past five years largely due to organization-wide cost containment efforts, coupled with provincial and federal funding received related to specific COVID-19 impacts.

Figure 7 - Five Year Historical Net Budget Variance Trend

	2018	2019	2020	2021	2022	Average
Variance (\$Millions)	\$1.40	\$1.22	\$1.85	\$4.45	\$0.45	\$1.9
% Variance to Net Budget	2.4%	1.9%	2.7%	6.0%	0.6%	2.7%
% Variance to Gross Budget	1.1%	0.9%	1.3%	3.0%	0.3%	1.3%

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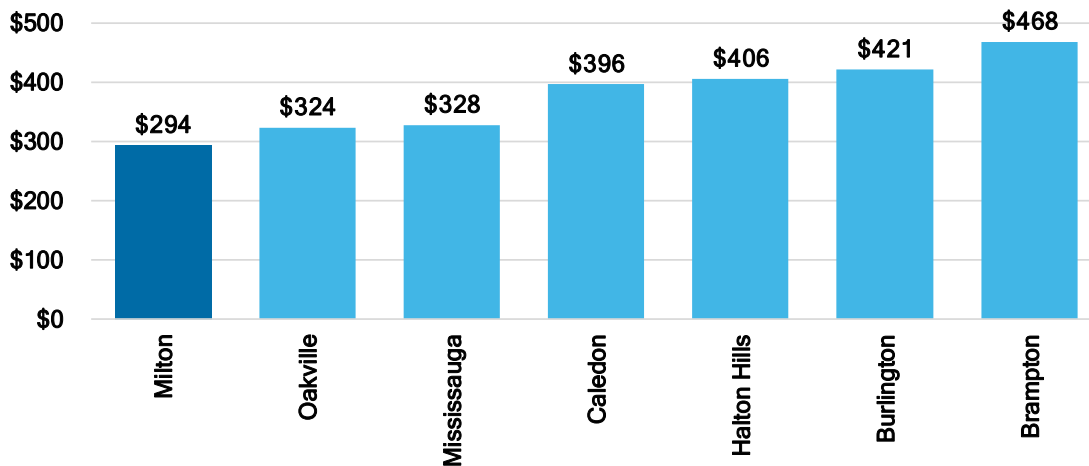
*Positive variance represents a favourable variance and a negative variance represents an unfavourable variance.

The trend of a lower surplus in 2022 is expected to continue in the longer term as the demands on programs, facilities and transit expand with the Town’s growth. As reported in CORS-034-23, the estimated variance for 2023 is a \$1.3 million deficit, which equates to 1.5% of the net budget and 0.7% of the gross budget.

Comparing Milton’s Taxes to Other Local Municipalities

When comparing Milton’s local taxes and overall tax bill (including Town, Region and Education portions) to surrounding municipalities, Milton continues to have the lowest tax rates. As shown below Milton’s 2023 approved local portion of the tax bill is \$294 per \$100,000 which is \$97 lower (25%) than the average of the surrounding municipalities.

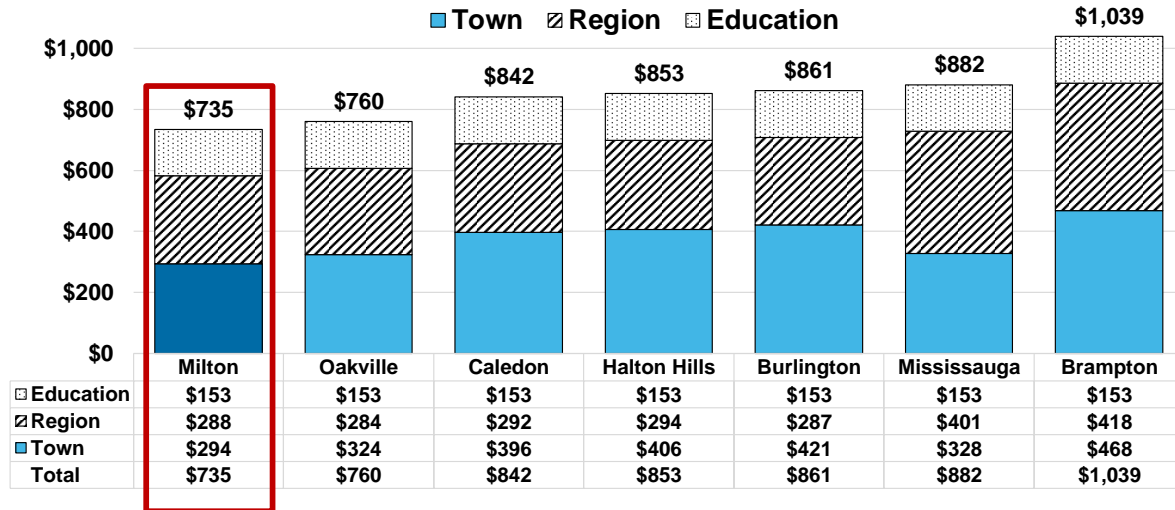
Figure 8 - 2023 Local Residential Tax Comparison (per \$100,000 of assessment)



When reviewing the 2023 total approved tax bill, an average resident in Milton will pay \$735 per \$100,000 of assessment which is the lowest of the surrounding municipalities.

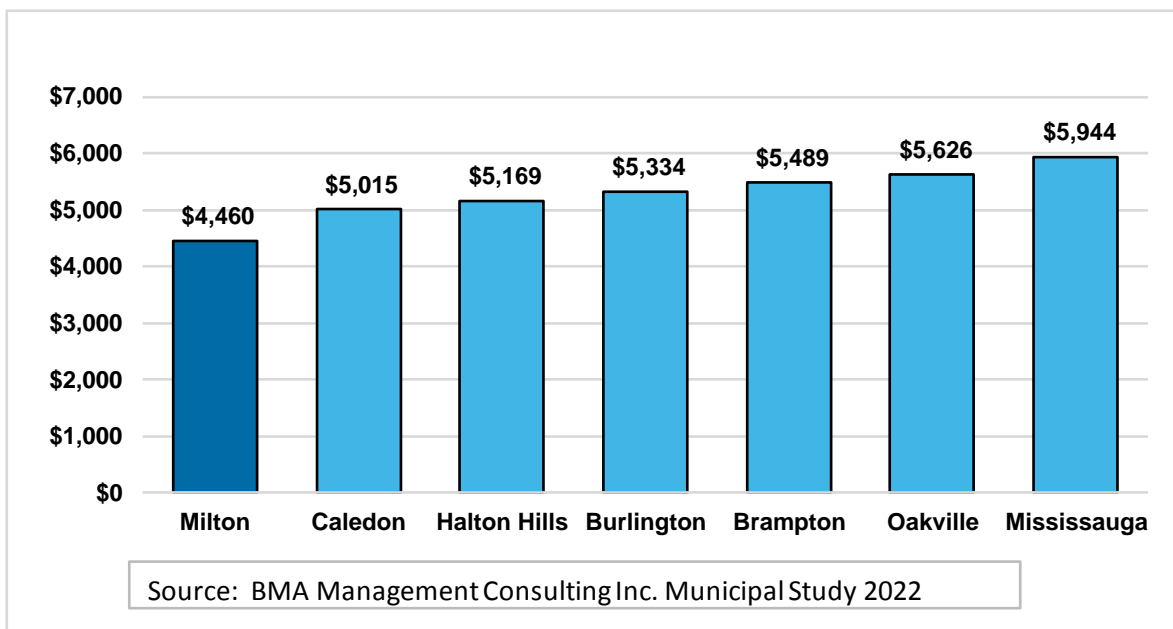
Figure 9 - 2023 Total Property Taxes (per \$100,000 of assessment)

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Each of the above graphs considers property taxes relative to \$100,000 of residential assessment, and therefore does not capture differences in assessment values between municipalities. The following graph considers these differences, and shows that Milton's residential property taxes (local, regional and education) for a 2 storey home are 18% lower than the comparator group average.

Figure 10 - 2022 Residential Property Taxes for a 2 Storey Home



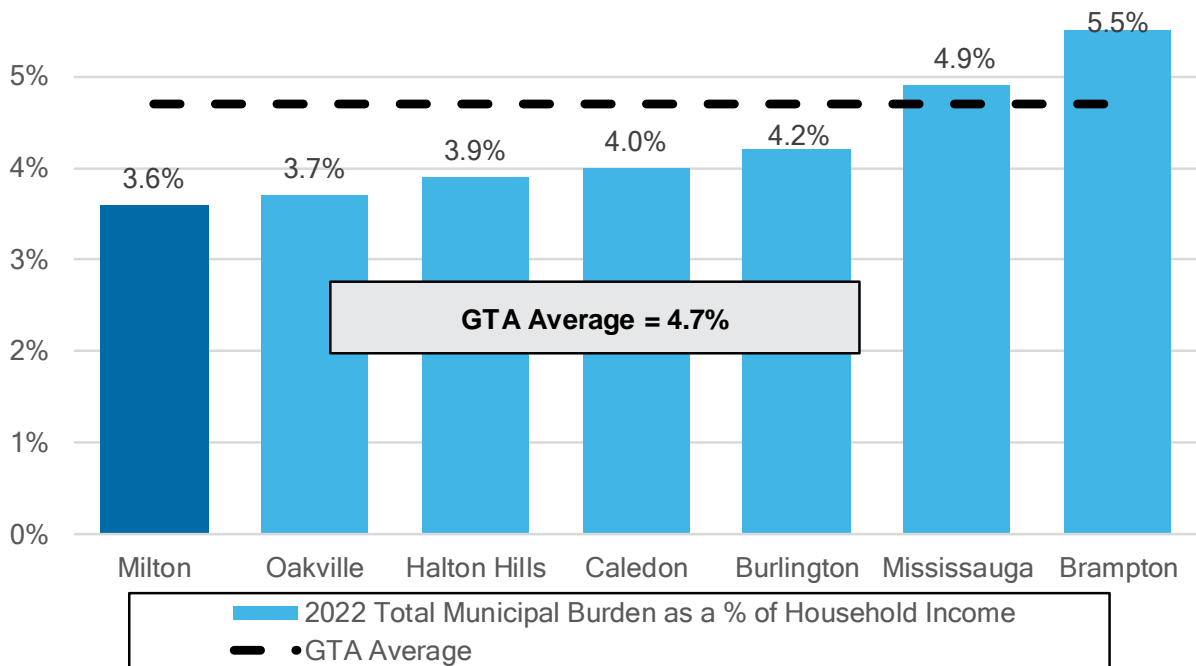
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Affordability

Each year BMA Management Consulting completes a municipal comparative study on behalf of over 100 participating Ontario municipalities. Included in the study are various indicators and metrics to help evaluate a municipality’s financial condition including an analysis of affordability where property taxes are calculated as a percentage of household income.

In terms of the total tax burden which includes property taxes for the local, region and education portion of the tax bill along with water and wastewater rates, Milton is third lowest when compared to the other participating Ontario Municipalities and is the lowest in the GTA.

Figure 11 - 2022 Total Municipal Burden as a % of Household Income



Source: BMA Management Consulting Inc. Municipal Study 2022

Non-residential Comparisons

In addition to the residential comparisons above, the Town needs to remain mindful of its relative standing with respect to non-residential competitiveness. The following tables present the industrial and commercial tax rates for the same comparator group as noted above, and show that for 2023 Milton’s commercial tax rate is lower than the comparator group, while the industrial rate represents approximately the average of the comparator group.

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Figure 12 - 2023 Commercial Tax Rate Comparison (per \$100,000 of assessment)

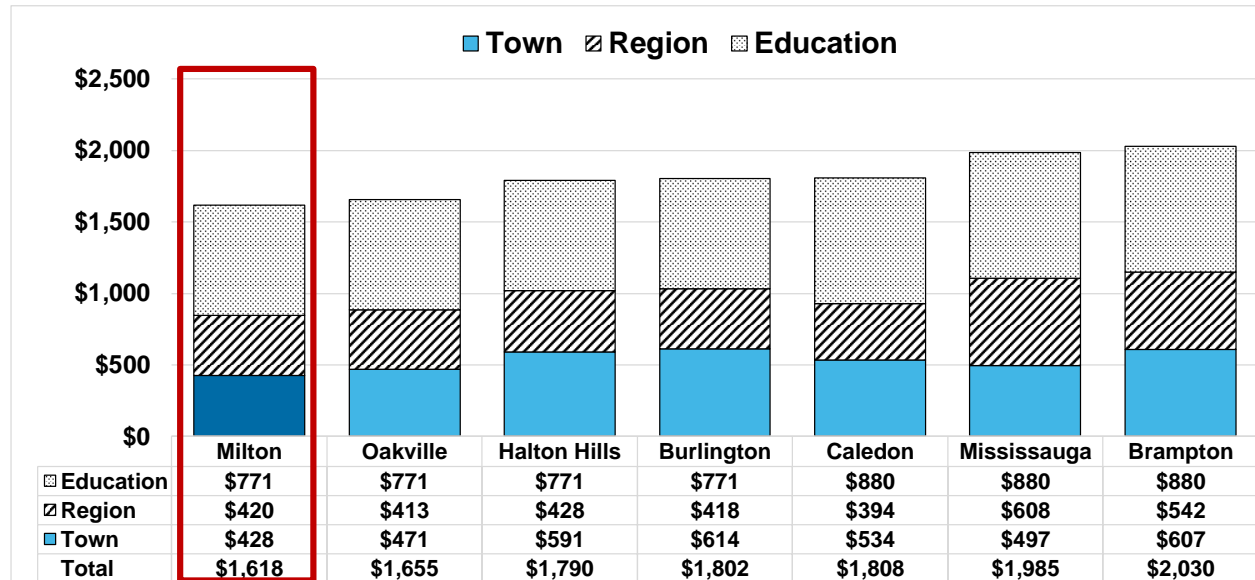
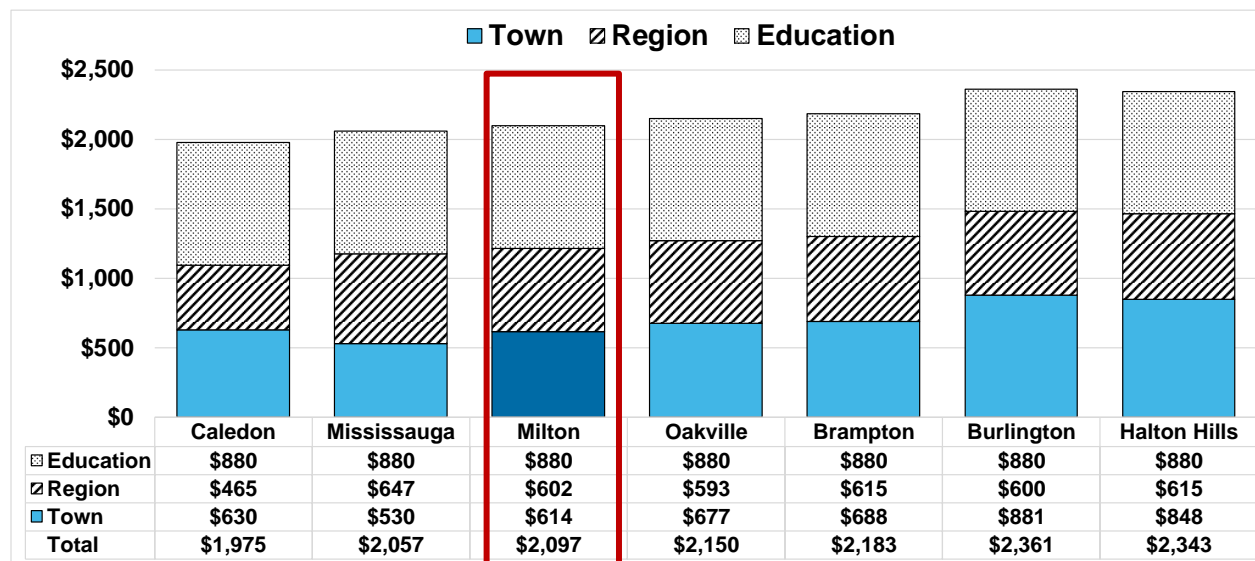


Figure 13 - 2023 Industrial Tax Rate Comparison (per \$100,000 of assessment)



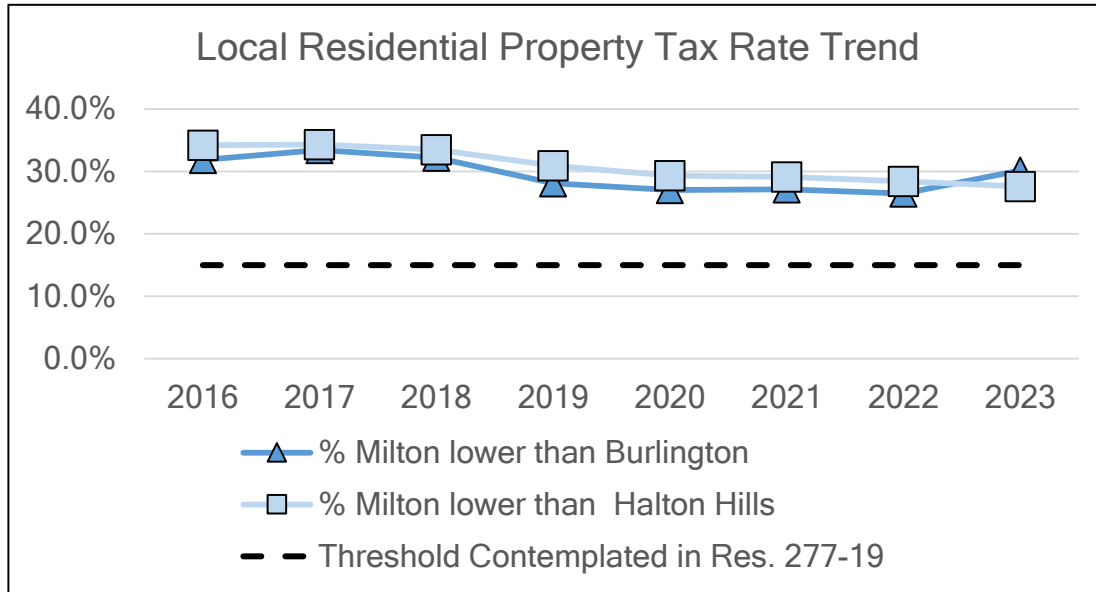
Multi-Year Trend

In 2019 through resolution 277-19, and in consideration a multi-year strategy presented through report CORS-072-19, direction was provided for annual reporting through the

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budget process with respect to the Town’ positioning relative to two of its neighbouring municipalities. The following graph provides that reporting in the context of the 15% threshold considered in that resolution and report.

Figure 14 - Annual Reporting for Resolution 277-19



Recommendations

It is recommended that the Mayor be requested to consider preparing the 2024 proposed budget in alignment with the Town’s approved strategic plans and long term studies, and that the 2024 proposed budget be presented with a residential property tax increase of approximately 9.5% on the Town portion of the tax levy.

This level of local tax increase is above the annual average identified in the most recent fiscal impact study, however it has been arrived at with consideration with the inflationary pressures that are affecting the cost of Town services. It also provides a challenge for staff and Council as opportunities will need to be identified to reduce the 13.06% pressure that is currently forecasted for 2024 based on existing service levels. It may, however, potentially provide sufficient financial capacity for progress to continue on important priorities such as the Town’s strategic plan and the gradual reduction of the infrastructure deficit.

When combined with the projected residential property tax changes for the Region and School Boards, a 9.5% local property tax increase is expected to result in an overall increase of approximately 5.37% to property owners. This total increase is approximately equal to the changes made to the Town’s user fees for 2024 (based on the Municipal Price

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Index), and will see the Town maintain its current position as having the lowest tax rates amongst its peers.

It is important to note that even with the proposed increase in 2024, the Town's budget will remain below the level of funding that is required to sustainably support the existing service levels in Milton. Long-term strategies to increase the annual funding in areas such as infrastructure, development charge exemptions, property tax write-offs and resources for program delivery will need to continue, and short-term strategies such as the funding of on-going operating costs with the use of the stabilization reserve will need to be phased out. Once these measures are complete, and assuming the continuation of current service levels, the Town's fiscal impact study processes have shown that Milton can expect to maintain a property tax rate that is more aligned with the average of its neighbouring municipalities.

As a part of the budget process annually, staff look to identify opportunities to manage the tax rate pressure, including but not limited to the following potential strategies:

- defer service enhancements and new capital projects;
- review other revenue sources;
- reduce or modify existing service levels or delivery methods;
- consider alternative financing strategies (example - utilization of reserves).

These methods will be utilized to achieve Council's direction with respect to the 2024 Budget.

Timetable and Process

Staff across the organization are preparing detailed estimates for the capital and operating budgets and forecasts. Budget information is scheduled to be available for Council and the public in November. In accordance with the approved Council meeting calendar for 2023, a Council workshop on the proposed budget is scheduled for November 27. Public delegations and Council deliberations on the budget will occur on December 4 (and December 5 if necessary). A summary timetable with important budget deadlines is included as Appendix D to this report.

The introduction of Bill 3, Strong Mayors, Building Homes Act, 2022 will result in procedural changes to the budget process this year as compared to prior years. A summary of the process that is anticipated for the 2024 budget is outlined in Appendix E.



Financial Impact

As the budget is developed, detailed program and service estimates will be refined as information becomes available and further analysis is undertaken. Opportunities to manage the timing of the pressure on the tax levy will also be identified.

The budget pressures for the years 2024 and 2025 result from inflationary impacts, the expansion of services to new areas and the infrastructure deficit, amongst other items. Current estimates suggest that the cost to maintain existing service levels and make incremental progress on the existing deficits would result in a tax pressure of 13.06% on the Town portion of property taxes. This figure is higher than previously forecast through the Fiscal Impact Study in part due to the significant degree that inflation rates have escalated in a number of sectors.

As shown in the table below, combining a 13.06% increase in the Town portion with the potential 2024 increase to the Region and School Boards would result in an impact on the total tax bill of 6.79% or \$49.87 per \$100,000 of assessment.

Potential Pressure on the Total Tax Bill per \$100,000 of Residential Assessment*

	Share of Tax Bill	2023 Taxes	2024 Increase	2024 Taxes	\$ Impact on Total Tax Bill	% Impact on Total Tax Bill
Milton	42.31%	\$ 293.69	13.06%	\$ 332.03	\$38.34	5.22%
Region of Halton**	38.19%	\$ 288.18	4.00%	\$ 299.71	\$11.53	1.57%
Education***	19.50%	\$ 153.00	0.00%	\$ 153.00	\$0.00	0.00%
Total	100.00%	\$ 734.87	6.79%	\$ 784.74	\$ 49.87	6.79%

* Cost per \$100,000 of residential assessment are derived using the assessment values & tax rates from the 2023 tax by-law (CORS-022-23). These values will be re-stated following budget approval using the finalized 2023 assessment figures from the returned assessment roll.

** Per Region of Halton 2024 Budget Directions approved by Council through resolution FN-28-23 (includes enhanced waste service for urban area).

*** Consistent with recent experience, the 2024 education rate is presented in alignment with the prescribed rate currently outlined in O.Reg 400/98 and is subject to change through the approval of final 2024 rates by the Province.

Milton’s tax rates and affordability are currently amongst the lowest in the GTA and province and well below the Town’s neighbouring municipalities.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, Manager, Financial Planning & Policy Phone: 905 878 7252 Ext. 2216



Attachments

Appendix A - 2022 Citizen Engagement Survey Results
Appendix B - Public Input Results
Appendix C - 2024 and 2025 Operating Budget Pressure Details
Appendix D - 2024 Budget Timetable
Appendix E - Summary of Process Changes Resulting from Bill 3 Amendments to the Municipal Act

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

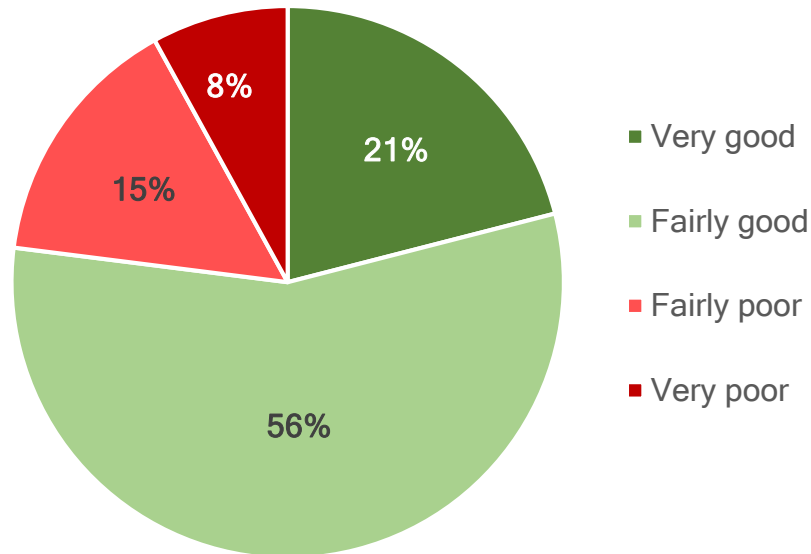
Appendix A - CORS-042-23 2022 Citizen Engagement Survey

In the fall of 2022 staff worked with a third party consultant, Forum Research, to conduct a community wide, statistically valid Citizen Engagement Survey. The scope of the engagement required 600 randomized telephone responses to achieve a high degree of statistical validity.

The following is an excerpt of results from the 2022 Citizen Engagement Survey specific to the questions asked about property taxes, value of tax dollars and infrastructure funding. The full survey results identifying satisfaction levels with services offered by the Town can be found [here](#).

Value for Tax Dollars

The majority of respondents say they receive good value for their tax dollars.

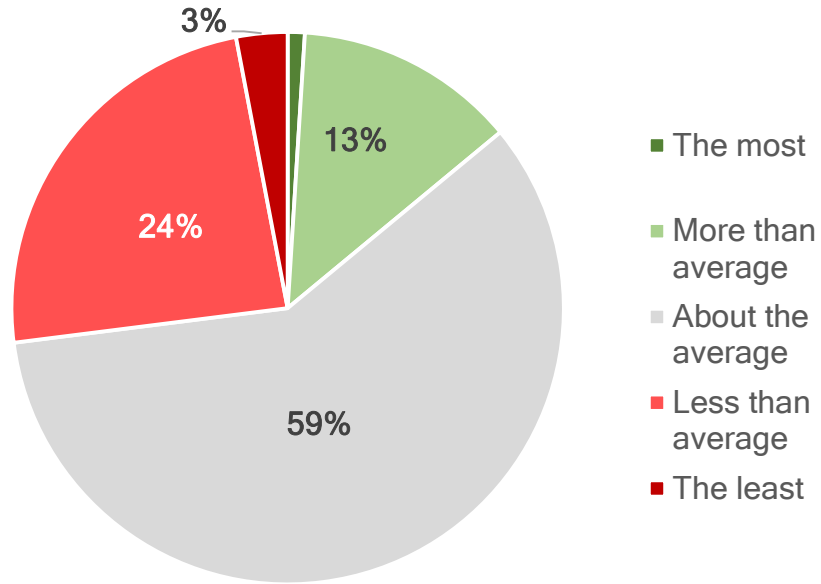


Question: Thinking about programs and services you receive from the Town of Milton, would you say that, overall, you receive very good, fairly good, fairly poor, or very poor value for tax dollars?

Property Taxes

The majority of respondents think Milton residents should pay about the average with respect to property taxes compared to other GTA municipalities.

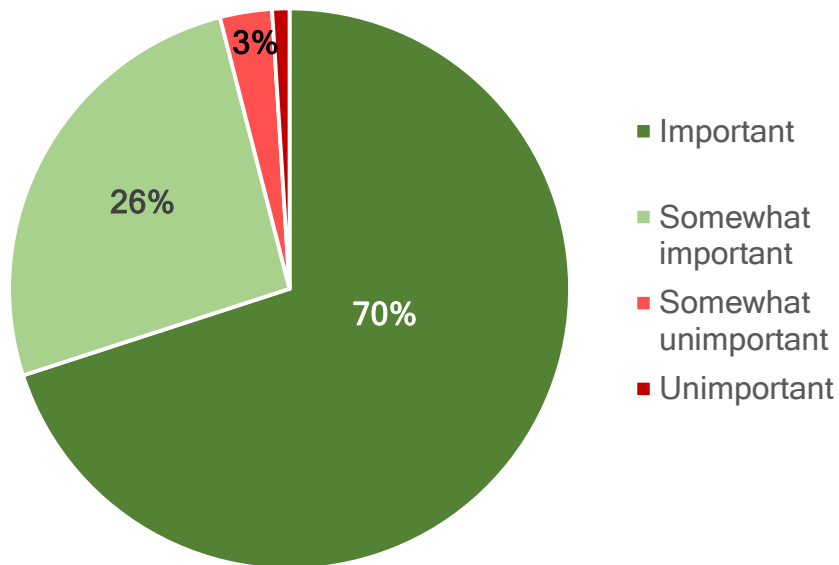
Appendix A - CORS-042-23
2022 Citizen Engagement Survey



Question: Assuming there is a direct relationship between property taxes and service levels, that is the more taxes you pay the more services will be provided, compared to other GTA municipalities, how much do you think the Town of Milton residents should pay with respect to property taxes per household?

Funding for Infrastructure

The vast majority of respondents think it is important that funding be set aside to replace infrastructure to ensure existing levels of service can be provided in future years.

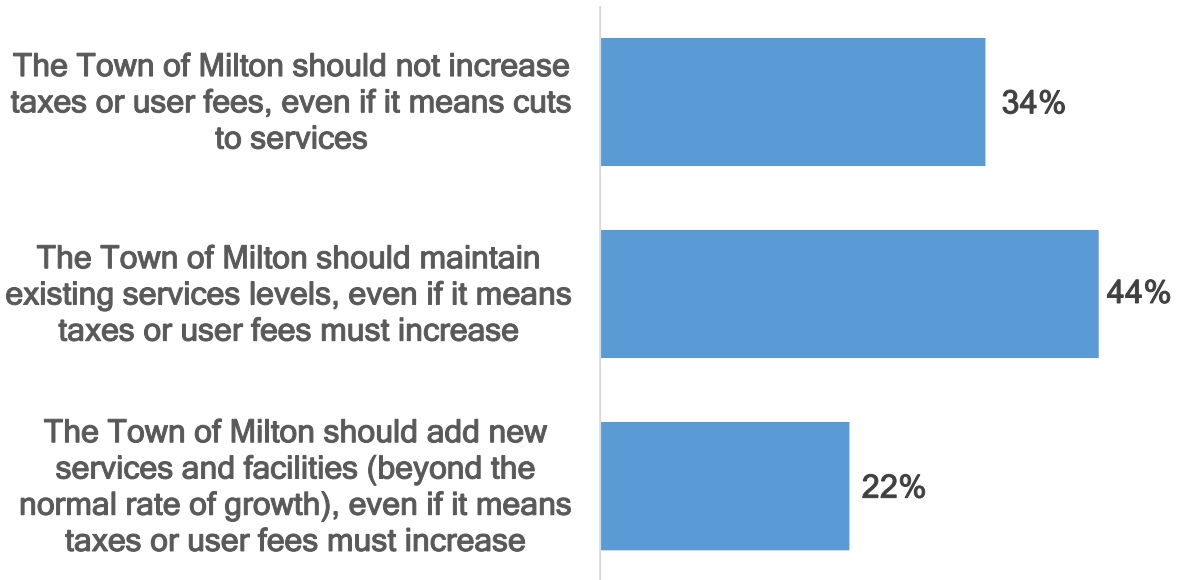


Appendix A - CORS-042-23
2022 Citizen Engagement Survey

Question: How important is it to you that funding be set aside to replace infrastructure such as roads and buildings to ensure existing levels of service can be provided in future years?

Balancing Services and Taxes/Fees

Respondents were most likely to say that the Town of Milton should maintain existing service levels, even if it means taxes or user fees must increase.



Question: Which of the following comes closest to your view?

Share your thoughts!			01 July 2023 to 23 August 2023		
Date of contribution	Ideas		Votes	Visitors	Media Url
	Title	Description			
Jul 06 23 09:46:27 am	Bike Infrastructure & Transit	'Work on getting a connected bike-network (without needing to drive on busy car-dominated roads) - ensure places have bicycle parking	3	19	
Jul 06 23 09:51:37 am	Downtown Decongestion	reduce congestion on main street - remove on-street parking (there's plenty in lots on both sides of main) - allow use of the extra space for patios / public benches/tables, maybe plant some more trees - if possible, close downtown main st. to car traffic	1	26	
Jul 10 23 09:39:26 am	Improve transit services with more frequencies and weekend services; provide security to crew and public		2	14	
Jul 18 23 09:01:42 am	Staff all Fire stations with Full time firefighters and full time apparatus 24/7. No more volunteer or composite fire department.	Milton is too large now to still have volunteer firefighters. There are 5 stations that should be staffed with full time career firefighters. Each station should contain at least 1 apparatus running at all time. The Milton fire department should also invest in advanced equipment and training for special rescues and circumstances. The Milton fire department should also invest in fire prevention, inspections, investigations and public education officers.	2	22	
Jul 18 23 09:06:23 am	Dedicated Milton animal services department.	The town of Milton stopped paying Oakville/Burlington humane society in favour of creating their own animal services however that was never done. We need a dedicated Milton animal services department (and not contracted out) in order to deal with sick & injured wildlife and dispose of carcasses on our roadways.	1	14	
Jul 18 23 04:57:01 pm	Make Milton transit free for seniors; Make Presto or credit card or other electronic payment option available.		2	10	
Jul 20 23 10:12:03 am	Free transit for all. We paid for transit through our property taxes. Why should we pay again for using the service.	Town consistent in double charging tax payers.	1	16	
Jul 20 23 10:32:02 am	Priorities should be: Protection to People, Places and Things, Roads, then look at eliminating fees for things that are covered by Taxation.	Town does nothing for its citizens.	2	12	
Jul 20 23 10:19:25 pm	Revisit how taxes fund the building of schools. Paid much for this and I have no more children in the school system, provide some tax breaks		0	15	
Jul 21 23 09:02:30 pm	Sound barrier south of 401 west of James Snow	The highway traffic produces noise that can be easily heard as far south as the train tracks. A sound barrier on the south of 401 and west of James Snow will help reduce this noise for this community living in this area.	0	6	
Jul 26 23 08:37:38 pm	Time to invest in Milton Staffing	I guess a simple question could be: how can a Town be expanding while not investing in the number of people serving the community? Contractors are not a substitute for Town staff (and are often more expensive). I believe we deserve great services and necessary services (our parks, our roads, our boulevards, our forests, etc.). New staffing levels have not met the demand from citizens and new housing growth. But where does this new tax revenue go from all the growth?! Time for council to open the coffers and put the money where it matters the most.	0	18	
Jul 31 23 04:38:10 pm	Security		0	3	
Aug 19 23 07:54:35 am	Update Brian Best Park	Walking paths and trees. You could even include outdoor exercise stations or an amphitheater which could double as a hill for safe sledding Trees lining the walkways and cut the grass once in awhile	0	3	

Share your thoughts!			01 July 2023 to 23 August 2023		
Date of contribution	Ideas		Votes	Visitors	Media Url
	Title	Description			
Aug 19 23 08:58:26 am	Snow removal	Please have ALL sidewalks plowed . So many seniors just can't do it anymore . It's just not fair that everyone on the street pay taxes but only those that have the sidewalk on their side have to clear the snow or pay someone if you can even find someone plus pay for salt and sand.	0	3	
Aug 23 23 06:41:58 am	Add lighting to Pickleball courts at Community Sports Park	The Town installed 3 dedicated pickleball courts at the CSP in 2022. At the time, there was not budget funding set aside to install lighting for the courts, which would give access to the courts earlier in the Spring and later into the Fall to players that work days and families. The courts have seen significant usage after 5pm all summer. Many of the other sports in the park have lighting - volleyball, baseball, skate pad, basketball.	0	2	
Aug 23 23 07:19:08 am	Lighting for dedicated pickleball courts at Community Park	The number of participants using the pickleball courts is increasing daily. If lights could be added to the courts that would substantially increase playing time espresso in the early spring and fall.	0	7	
Aug 23 23 07:31:55 am	Lighting for the outdoor dedicated pickleball courts.		0	0	
Aug 23 23 09:06:40 am	Install lighting to the Pickleball courts at CSP	The Pickleball players are increasing in our beloved town, it will be great if you get the 3 new Pickleball courts at Community sports park lighted which will give access to players and families using the courts early fall and late spring. All other sport courts in CSP are lighted.	1	1	
Jul 10 23 02:31:53 pm	Comment response to "Bike Infrastructure & Transit"	Biggest thing is having proper label bike routes	0	0	
Jul 20 23 03:23:14 pm	Comment response to "Downtown Decongestion"	How about closing main street to traffic?	0	0	
Jul 20 23 03:34:34 pm	Comment response to "Downtown Decongestion"	closing main street completely to traffic would be even better.- or at least a shared/pedestrian-priority street - take down the signs threatening to fine pedestrians at least.	0	0	
Jul 20 23 10:34:36 am	Comment response to "Improve transit services with more frequencies and weekend services; provide security to crew and public "	Make transit free for all. Why do I have to pay for a service that I already pay for through my property and gas taxes.	0	0	
Jul 20 23 10:36:09 am	Comment response to "Staff all Fire stations with Full time firefighters and full time apparatus 24/7. No more volunteer or composite fire department."	Agreed. Number 1 priority for any council is Protection to its taxpayers, property and things.	0	0	
Aug 04 23 01:13:54 pm	Comment response to "Staff all Fire stations with Full time firefighters and full time apparatus 24/7. No more volunteer or composite fire department."	No need for more firefighters if there are no fires that are out of control or if fire related issues are not out of control. More evidence based decision is needed so that actual issues are addresses beyond training existing staff and supplementation with volunteers is still working.	0	0	
Jul 20 23 03:29:22 pm	Comment response to "Dedicated Milton animal services department. "	ABSOLUTELY! We have nothing. It's pathetic.	0	0	
Aug 04 23 01:15:46 pm	Comment response to "Make Milton transit free for seniors; Make Presto or credit card or other electronic payment option available."	Seniors with a 10 year or more history living in Halton region would be acceptable for access to free transit	0	0	
Jul 20 23 03:30:28 pm	Comment response to "Free transit for all. We paid for transit through our property taxes. Why should we pay again for using the service. "	Doubt the property/road taxes alone cover the costs of such a system. But it needs to be massively improved. Why not a regional transit system which links in with all GTA municipalities? Like they do in Vancouver.	0	0	

Share your thoughts!			01 July 2023 to 23 August 2023		
Date of contribution	Ideas		Votes	Visitors	Media Url
	Title	Description			
Jul 20 23 04:44:04 pm	Comment response to "Free transit for all. We paid for transit through our property taxes. Why should we pay again for using the service. "	Trifosajane: You are missing the main point. Your taxes pay for the transit system. When you use the system you have to pay a tax (fare, more money). Therefore paying twice for the system. Why do USERS have to pay twice.	0	0	
Aug 04 23 01:09:09 pm	Comment response to "Free transit for all. We paid for transit through our property taxes. Why should we pay again for using the service. "	No thanks. Nothing should be free. We all pay for social services to drive the barrier to entry lower but free invites a whole new set of issues with those that do not wish to contribute at all. There are enough social nets for those who can't afford a 3 to 5 dollar ride without driving the cost ofntgat service to zero.	0	0	
Aug 04 23 03:14:56 pm	Comment response to "Free transit for all. We paid for transit through our property taxes. Why should we pay again for using the service. "	TongYou missed the point completely. This is to stop DOUBLE taxation. The town charges a portion of YOUR property TAX to cover transit. Then charges people another TAX (fare) to use the service. Thus DOUBLE TAXATION.	0	0	
Jul 21 23 07:59:09 am	Comment response to "Priorities should be: Protection to People, Places and Things, Roads, then look at eliminating fees for things that are covered by Taxation."	I agree, look at Britannia, we know the population is increasing so it should be something we do proactively. For example making it 6 lanes ahead of time. Not like we are going to stop adding houses, lol.	0	0	
Aug 04 23 01:07:21 pm	Comment response to "Revisit how taxes fund the building of schools. Paid much for this and I have no more children in the school system, provide some tax breaks"	As citizens and community members I strongly advise in everyone contributing to services, especially schools even if you don't have your own children going to them as well funded schools, good parents and and contributing tax papers all benefit from a higher quality population that adds value to the entire community. Those who slip through the cracks are few in a well funded, strong family unit style community.	0	0	
Aug 19 23 08:03:05 am	Comment response to "Revisit how taxes fund the building of schools. Paid much for this and I have no more children in the school system, provide some tax breaks"	I have no children and wholeheartedly agree with Tomg	0	0	
Aug 04 23 01:11:53 pm	Comment response to "Time to invest in Milton Staffing"	No need to increase bureaucracy. Not a good thing.	0	0	

Appendix C - CORS-042-23 - 2024 and 2025 Budget Pressure Details

Component	2024 Net Levy Impact \$ (000's)	2024 Residential Tax per \$100K of Assessment*	2024 Residential Tax % Change	2025 Net Levy Impact \$ (000's)	2025 Residential Tax per \$100K of Assessment*	2025 Residential Tax % Change	Comments
Prior Year Tax Levy	\$88,012	\$293.69		\$101,832	\$332.03		
Inflation and Base Adjustments:							
Inflation (MPI)	\$5,090	\$16.60	5.65%	\$3,794	\$11.92	3.59%	Inflation based on Municipal Price Index (MPI) and other miscellaneous status quo items.
Non-recurring & Reversal of One-Time Transfers	\$278	\$0.91	0.31%	\$863	\$2.71	0.82%	2024 includes reversal of miscellaneous 2023 one-time items, largely in area of IT (\$0.14M) and corporate training (\$0.1M). 2025 includes reduction in funding from Tax Rate Stabilization Reserve (\$0.70M), reversal of temporary cost reductions in administration (\$0.13M) and reversal of miscellaneous 2024 one-time items in IT (\$0.04M).
Service Enhancements	\$87	\$0.28	0.10%	\$5	\$0.02	0.00%	Includes service level enhancements such as participation in Halton Region Smart Commute program (\$0.04M in 2024) and introduction of Subsidized Passes for Low Income Transit program (\$0.05M in 2024, \$0.01M in 2025).
Infrastructure Deficit	\$1,300	\$4.24	1.44%	\$1,300	\$4.08	1.23%	Funding to gradually reduce the infrastructure deficit outlined in existing asset management plan.
Other Base Adjustments	\$1,666	\$5.43	1.85%	\$1,198	\$3.76	1.13%	Progression of fire staff through ranks and uniform/training material, short term rental staffing requirements, reduction in crossing guards, net revenue from Vehicle for Hire Bylaw changes, annualization of staff positions starting mid 2023 and results of 2023 compensation reviews, continued conversion of seasonal operations staff to full time, automated speed enforcement costs, annualization of 1% increase in recreation user fees revenue approved in 2023 budget, reduction in revenue from transfer Indoor Turf programs to third party, cost of Wildlife Services on Private Property and elimination of library fines in 2025.
Total Inflation & Base Adjustments	\$8,421	\$27.46	9.35%	\$7,160	\$22.49	6.77%	
Growth Related:							
State of Good Repair for Constructed & Assumed Assets	\$1,793	\$5.85	1.99%	\$4,493	\$14.11	4.25%	Lifecycle contributions to reserves based on budgeted and assumed assets in order to prevent a further increase in the infrastructure funding deficit.
Expanding Service to Growth Areas	\$1,886	\$6.15	2.09%	\$3,527	\$11.08	3.34%	Costs (staffing, materials, contracts etc.) of expanding service to growth areas (\$1.7M in 2024 and \$2.3M in 2025), expansion of conventional transit (\$1.2M in 2025) to service Boyne and Derry Green areas as well as specialized transit expansion (\$0.22M in 2024, \$0.07 in 2025).
Other Growth-Related Impacts	\$1,720	\$5.61	1.91%	\$1,437	\$4.51	1.36%	Funding for legislated development charge exemptions (\$0.2M in each of 2024/2025), growth related increase to reserves (\$0.6M in 2024, \$0.7M in 2025), software licensing (\$0.3M in 2024), annualization of operating impacts from 2023 approved capital projects (\$0.2M in 2024), reduction in subdivision revenue (\$0.3M in 2024 \$0.4M in 2025), increase in tax write-offs (\$0.1M in each of 2024/2025).
Total Growth Related	\$5,399	\$17.61	5.99%	\$9,457	\$29.71	8.95%	
Total Increase in Levy	\$13,820	\$45.07	15.34%	\$16,617	\$52.19	15.72%	
Total Tax Levy	\$101,832	\$338.76		\$118,449	\$384.23		
Estimated Assessment Growth (net of reductions)**	(\$2,062)	(\$6.72)	-2.29%	(\$3,871)	(\$12.16)	-3.66%	Forecast assessment growth based on updated residential growth forecast and expected industrial/commercial development.
Forecasted Net Tax Levy Increase Required)	\$11,758	\$332.03	13.06%	\$12,746	\$372.07	12.06%	

* Based on 2023 CVA values per 2023 Final Tax Levy By-law, CORS-022-23. Through the annual tax setting bylaw tax rates are re-calculated each year using current year assessment values.

** This is the amount net of anticipated losses from Assessment Review Board appeals, Request for Reconsiderations, and Section 357 Applications (tax class changes, properties razed by fire, etc.).

Appendix D - CORS-042-23
2024 Capital and Operating Budget Timetable



Appendix E - CORS-042-23 Summary of Budget Process

The following is a summary of the implications to the 2024 budget process giving consideration to the Bill 3 (Strong Mayors, Building Homes Act, 2022) amendments to Section 284.16 of the Municipal Act, 2001. A full copy of the Act can be found [here](#), along with the details found within [O.Reg. 530/22](#).

The proposed process for the 2024 Budget has been developed in a manner that maintains many elements of the Town's recent budget processes with amendments where required in response to the newly approved legislation. Following the 2024 Budget process, the Town can re-assess the process with consideration for both the results of the 2024 process for Milton as well as for the other municipalities that will be implementing the new legislated authorities. The Town's Budget Management Policy (Policy 113) can also be revisited at that time for any required revisions.

Bill 3 includes the following language in relation to the power and duties associated with the budget process:

Proposed budget

(2) The head of council shall, in accordance with the regulations, prepare a proposed budget for the municipality and provide the proposed budget to the council for the council's consideration.

Council may adopt or amend budget

(3) After receiving the proposed budget, council may, in accordance with the regulations, pass a resolution making an amendment to the proposed budget.

Veto power

(4) The head of council may, in accordance with the regulations, veto a resolution passed under subsection (3).

Override of veto

(5) Council may, in accordance with the regulations, override the head of council's veto under subsection (4) if two-thirds of the members of council vote to override the veto.

As such, the process includes the preparation of the budget by the head of council for council's consideration, and the final decision-making step in the process resides with Council. Details with respect

Appendix E - CORS-042-23 Summary of Budget Process

to the timeframes associated with each step and other pertinent details can be found in the related regulations.

Process	Legislative Changes	Process Implications
<p>Budget guidance, budget preparation and budget document</p>	<p>The Mayor is responsible to propose the budget and provide it to Council for consideration.</p> <p>Duty reverts to Council if Mayor fails to present a budget by February 1.</p>	<p>Budget call report</p> <ul style="list-style-type: none"> • presented in September for Council deliberation • recommendations include items that are identified by Council for the Mayor to consider in the preparation of the proposed budget • recommendations also include direction to staff for the preparation of a Budget Reference Document that will help inform Council’s consideration of the Mayor’s proposed budget <p>Budget Reference Document</p> <ul style="list-style-type: none"> • will be available in November • will be prepared by staff in a manner that is similar to the past with respect to content, and will include figures that align with Council’s recommended budget target for the Mayor’s consideration • will include options for further reducing the budget or making additional investments <p>Council Report</p> <ul style="list-style-type: none"> • will be published in November and presented at the December 4th meeting • will identify the Mayor’s proposed budget and highlight the differences between the proposed budget and the Budget Reference Document figures

Appendix E - CORS-042-23 Summary of Budget Process

<p>Budget Deliberation</p>	<p>Council may pass resolutions making amendments to the proposed budget within 30 days of receiving the proposed budget from the Mayor.</p> <ul style="list-style-type: none"> • The Mayor may veto a resolution passed by Council within 10 days of the expiry of Council's amendment period. • Council may override the Mayor if two thirds of Council vote to override the veto within 15 days of the expiry of the Mayor's veto period. 	<p>During the December 4 budget meeting:</p> <ul style="list-style-type: none"> • The Budget Chair role will continue to be utilized to moderate discussion around amendments and vetoes. • Members of Council may bring forward resolutions to make changes to the budget, each of which will require a simple majority of Council as in the past. • The Mayor may then veto a resolution passed by Council. • Council may then override the Mayor with a two-thirds (6 members) vote. • The Mayor and Council may then choose to confirm that no further resolutions or vetoes will be brought forward and shorten the related timeframes in accordance with legislation. Should that occur, the Town's budget will be considered finalized at the meeting.
<p>Final Approved Budget</p>	<p>Council will not vote on the budget; it will be passively deemed adopted when various rights of the Mayor and Council are exhausted.</p>	<p>After the budget has been deemed to be final (based on the steps noted above), staff will prepare a final budget document that is consistent with the Town's past practice with respect to content. The final levy amount will also be utilized to prepare the Town's final tax levy by-law for the year as well.</p>