

Municipal Price Index for 2025

	2024 Budget	% of 2024 tax supported Budget	Price Index	Weighted	Source	2025 Estimate
Salaries	55,525,324	34.20%	4.23%	1.45%	Market Adjustment	57,876,666
Benefits	15,060,981	9.28%	5.01%	0.46%	Various (OMERS, Manulife, Green Shield, AIG, etc.)	15,814,913
Hydro	2,665,585	1.64%	4.80%	0.08%	Milton Hydro	2,793,533
Hydro - Streetlighting	865,650	0.53%	4.80%	0.03%	Milton Hydro	907,201
Water	817,051	0.50%	4.50%	0.02%	Region of Halton	853,818
Natural Gas	1,192,336	0.73%	9.56%	0.07%	Bank Commodity Forecasts, CPI and Regulatory imp	1,306,374
Insurance	1,430,570	0.88%	10.00%	0.09%	Estimated Increase	1,573,627
Roads	1,295,567	0.80%	4.63%	0.04%	Asphalt Cement Price Index, MTO	1,355,583
Fleet Costs						
Fuel	2,146,761	1.32%	-2.75%	-0.04%	Bank Commodity Forecasts, CPI and Regulatory imp	2,087,797
Repairs	1,759,177	1.08%	2.20%	0.02%	CPI	1,797,879
Licencing	88,578	0.05%	2.20%	0.00%	CPI	90,527
Transfer to Reserves	47,857,199	29.48%	4.69%	1.38%	Various (Stats Can Quarterly Construction Price Inde	50,102,465
Purchased Goods and Services	29,188,312	17.98%	2.20%	0.40%	CPI	29,830,455
Financial Expenditures	2,467,718	1.52%	0.63%	0.01%	Forecasted Tax Rate Change, Other	2,483,218
TOTAL EXPENSES	162,360,809	100.00%		4.01%		\$168,874,056
User Fees and Service Charges	(28,493,338)		4.01%		MPI (excluding Revenue Impacts)	(29,636,373)
Regional Recovery and Chargebacks	(6,755,410)		2.20%		CPI	(6,904,029)
Contribution from Capital	(6,962,912)		5.02%		Index of Non Union Salaries and Benefits	(7,312,354)
Investment and Interest Income	(8,878,763)		0.00%			(8,878,763)
Taxation and Payments in Lieu	(4,382,487)		5.50%			(4,623,524)
Grants, Other Recoveries and Donations	(2,324,927)		0.00%			(2,324,927)
Contributions from Reserves and Misc. Revenues	(5,381,922)		0.00%			(5,381,922)
TOTAL REVENUES	(63,179,759)					(65,061,892)
Tax Levy	99,181,050					\$103,812,164
2025 MPI						4.67%

While CPI can be a good proxy for general cost inflation it does not align with cost pressures faced by a municipality. CPI includes measures such as housing, food and transportation which does not reflect the typical basket of goods and services acquired annually by the Town, nor does it consider the significant level of investment in capital infrastructure spending or the impact of flat-lined revenue sources such as grants, investment income and most transfers from reserve.

To account for the differences and more accurately reflect the inflationary pressures facing the Town a customized Municipal Price Index (MPI) has been developed and has been in use since 2008. The MPI is an inflationary index based specifically on the mix of goods and services purchased by the Town calculated as a weighted average of price increases for each component in the Town's budget and has been developed in accordance with Government Finance Officers Association (GFOA) best practices.

Total Expenses and Revenues are \$30.2 million lower than the approved 2024 Operating Budget due to the exclusion of flow through transactions that do not impact the tax levy and therefore are not relevant to MPI. The exclusions include General Government and Interfund transfers, Building Services, Hospital Expansion and reallocated expenses and revenues that have no bottom line impact.