

Municipal Price Index for 2024						
	2023 Budget	% of 2023 tax supported Budget	Price Index	Weighted	Source	2024 Estimate
Salaries	51,075,997	34.60%	2.55%	0.88%	Market Adjustment, Contract Increases, Minimum wage increase	52,378,390
Benefits	13,412,858	9.09%	5.32%	0.48%	Various (OMERS, Manulife, Green Shield, AIG, etc.)	14,126,930
Hydro	3,084,650	2.09%	4.80%	0.10%	Milton Hydro	3,232,713
Hydro - Streetlighting	824,736	0.56%	4.80%	0.03%	Milton Hydro	864,323
Water	791,019	0.54%	4.10%	0.02%	Region of Halton	823,451
Natural Gas	1,024,907	0.69%	4.68%	0.03%	Bank Commodity Forecasts, CPI and Regulatory impacts	1,072,865
Insurance	1,280,641	0.87%	10.00%	0.09%	Estimated Increase	1,408,705
Roads	605,420	0.41%	6.20%	0.03%	Asphalt Cement Price Index, MTO	642,960
Fleet Costs						
Fuel	1,942,649	1.32%	-6.46%	-0.09%	Bank Commodity Forecasts, CPI and Regulatory impacts	1,817,121
Repairs	1,637,068	1.11%	2.30%	0.03%	CPI	1,674,721
Licencing	83,809	0.06%	2.30%	0.00%	CPI	85,737
Transfer to Reserves	40,535,311	27.46%	11.10%	3.05%	Various (Stats Can Quarterly Construction Price Index, CPI)	45,033,672
Purchased Goods and Services	29,276,249	19.83%	2.30%	0.46%	CPI	29,949,603
Financial Expenditures	2,039,018	1.38%	0.66%	0.01%	Forecasted Tax Rate Change, Other	2,052,518
TOTAL EXPENSES	147,614,332	100.00%		5.11%		\$155,163,709
User Fees and Service Charges	(28,146,677)		5.11%		MPI (excluding Revenue Impacts)	(29,586,171)
Regional Recovery and Chargebacks	(7,055,602)		2.30%		CPI	(7,217,881)
Contribution from Capital	(6,000,080)		2.96%		Index of Non Union Salaries and Benefits	(6,177,889)
Investment and Interest Income	(6,850,317)		0.00%			(6,850,317)
Taxation and Payments in Lieu	(4,344,759)		5.50%			(4,583,721)
Grants, Other Recoveries and Donatio	(2,249,104)		0.00%			(2,249,104)
Contributions from Reserves and	(4,955,474)		0.00%			(4,955,474)
TOTAL REVENUES	(59,602,013)					(61,620,556)
Tax Levy	88,012,319					\$93,543,153
2024 MPI						6.28%

As at April 2023, projections from the Bank of Canada's Monetary Policy Report forecast the Statistics Canada Consumer Price Index (CPI) increasing by 2.3% in 2024. 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 \$36.6 million lower than the approved 2023 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.