



## The Corporation of the Town of LaSalle

<b>Date:</b>	January 3, 2018	<b>Report No:</b>	FIN-03-2018
<b>Directed To:</b>	Members of Council	<b>Attachments:</b>	
<b>Department:</b>	Finance		
<b>Prepared By:</b>	Joe Milicia, CPA ,CA Director of Finance & Treasurer  Dale Langlois, CPA, CA Manager of Finance & Deputy Treasurer	<b>Policy References:</b>	None
<b>Subject:</b>	Post Budget Deliberations Report		

### **Recommendation:**

Based on the direction from Council given during the 2018 Budget deliberations, it is recommended that Council accept the following proposal with respect to the 2018 Budget to arrive at a Municipal tax rate increase of 1.0%.

### **Report:**

As part of the 2018 budget process, public budget deliberation sessions were held on December 13<sup>th</sup>, 2017 to review the 2018 proposed budget, which was released in mid November 2017. At the conclusion of the sessions, Council passed the following resolution:

*That the 2018 Operating Budget municipal tax rate increase BE ESTABLISHED at 1% and Administration BE DIRECTED to bring back the 2018 budget with the necessary reductions to achieve this amount; and further that Administration BE DIRECTED to meet with the Rowing Club to determine what financial contribution the Rowing Club could commit to over a period of time.*

As Council is aware, over the past two decades, increases in taxation levels (net of growth) have been less than inflation and as a result, department managers have had to rationalize services in order to meet budgetary requirements. During this period, there has also been unprecedented growth in services and investment in capital, in particular in the past 15 years. In some cases operational efficiencies have been found while in other cases expenditures have been deferred / delayed. As a result, municipal departmental budgets have become very lean and there is now little or no room where reductions can be found without

affecting existing service levels. The existing proposed 2018 base budget has been reviewed in detail and there have been minimal areas identified where reductions can be found without reducing existing service levels.

The tangible objectives, which Council has identified as part of the Strategic Plan Committee and/or Council discussions (as part of budget and regular meetings) are generally beyond the existing budget provisions. As a result, in order to achieve these objectives there will need to be either a reallocation of existing funding from one area to another or an expansion in funding. As a result, Council can expect difficult decisions in the coming years in balancing financial restraint and achieving objectives beyond those currently in place.

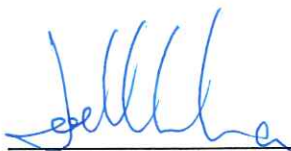
#### Proposed Reductions

The reductions that have been developed are based on reducing the original proposed Municipal tax rate increase from 1.75% to the Council directed 1.00% increase. In order to achieve this reduction, the original proposed budget must be reduced by \$225,000. The following is a detail of the proposed reductions.

PROPOSED BUDGET REDUCTIONS	Area of Budget Reduction	Proposed Budget	Budget Reduction	Revised Budget
Decrease in fire master plan funding build-up (phase 1 of 7)	Proposed Service Level Increase	300,000	200,000	100,000
Decrease in parks master plan funding build-up (phase 1 of 15)	Proposed Service Level Increase	75,000	25,000	50,000
<b>Total</b>		<b>375,000</b>	<b>225,000</b>	<b>150,000</b>

These proposed reductions include reductions of proposed service level increases that were included in the 2018 proposed operating budget. Reducing these proposed increases will delay the time it takes to fully fund these initiatives into future years.

Yours truly,

  
 Joe Milicia, CPA, CA  
 Director of Finance & Treasurer

  
 Dale Langlois, CPA, CA  
 Manager of Finance & Deputy Treasurer

Reviewed by:						
CAO	Finance	Council Services	Public Works	Development & Strategic Initiatives	Culture & Recreation	Fire Services
