

2019 – 2021

Operating and Capital Budgets

Presented to Budget Committee
March 2019

 BRAMPTON



Our City



Ontario

Brampton

NINTH LARGEST
City in Canada

9

FOURTH LARGEST
City in Ontario

4

642,000
Total Population



113,385
Residents with a
University Degree



\$508,000
Average Assessed
House Value (MPAC)

Brampton's Economic Advantage



2ND FASTEST GROWING CITY IN CANADA
Approx. 14,000 new residents per year



CENTRALLY LOCATED
in the middle of Canada's Super Innovation Corridor

The largest supply of vacant land adjacent to Toronto Pearson International Airport



HOME TO CN
The largest Intermodal Railway terminal in Canada

LOWEST AVERAGE AGE IN CANADA



YOUNG, MULTICULTURAL WORKFORCE
234 different cultures, speaking 115 languages



AAA

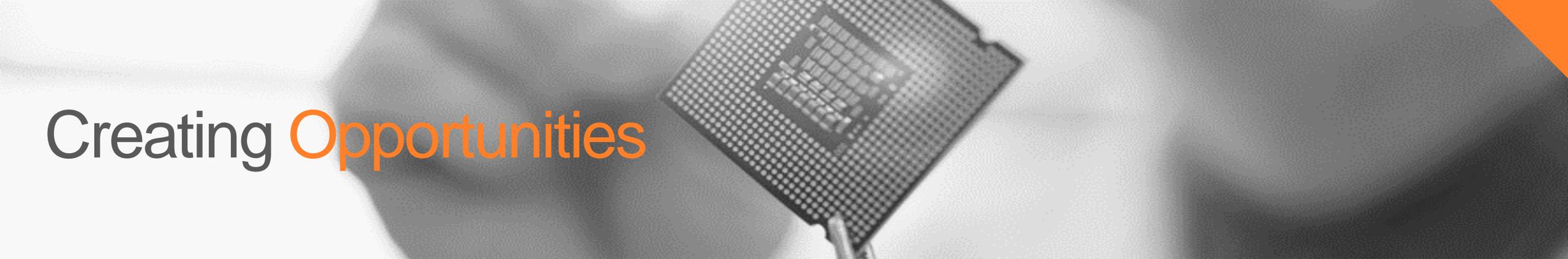
Credit Rating (Standard & Poor's)

RANKED TOP 10 OVERALL MID-SIZED CITY TOP 10 BEST BUSINESS FRIENDLINESS & CONNECTIVITY
FDI Magazine



Budget Focus

The 2019 – 2021 Budget is focused on **creating opportunities** that boost economic prospects now and into the future; providing superior programs and services that contribute to **quality of life**; and ensuring that Brampton continues to be a **well-run City**, with lean and efficient operations delivering the best for its community.



Creating Opportunities

- Marketing & Foreign Direct Investment Strategy
- 2040 Vision provides businesses with visibility of the City's long-term objectives
- Community Improvement Plan
- Environmental Assessment and Urban Design Master Plan of Riverwalk
- Centre for Innovation and Connected Learning
- Post Secondary Partnerships



Cybersecure Catalyst

Training and certification, research and development, and commercial innovation



Pilot Incubation/Innovation Space

Support entrepreneurship and innovation, led by Ryerson University



Chang School of Continuing Education

Computer Network Security and Security Architecture and Design

What We are **Moving** **Forward With**

We are thinking bigger...working in collaboration with **Ryerson** and **Sheridan** to bring in a significant educational and innovation opportunity that will **transform downtown Brampton**

Quality of Life



- Expanded and improved Transit to relieve some of the pressures of unprecedented ridership growth
- New Fire Station in Northwest Brampton
- Converting Riverstone Golf Club into an updated 34,000 square-foot Community Centre
- Revitalizing existing recreation facilities
- New cricket field
- Playground repairs and replacement
- Active Transportation Infrastructure Improvements
- Revitalizing Lester B. Pearson Theatre
- Brampton Library On the Go van for underserved neighborhoods
- Support and recognition of cultural and heritage celebrations

Well-run City

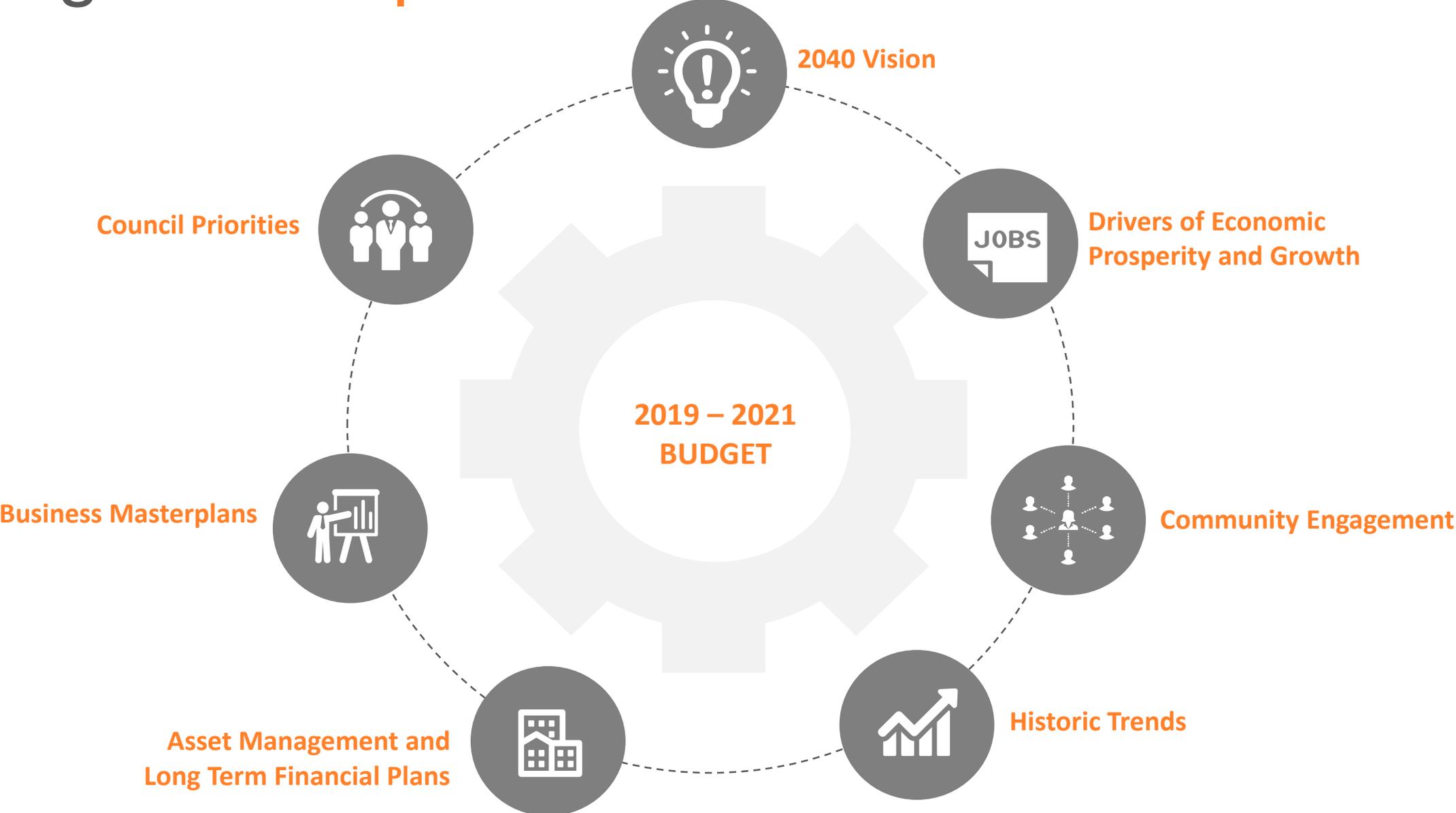
- Extraordinary revenue growth and restructuring efficiencies
- Committed to the annual 2% Infrastructure Levy
- Introducing a New 1% Transit Levy
- **Property tax increase of 0.3% on the City's portion is the lowest in almost 20 years**
- **Combined (City, Region, School Boards) property tax increase on taxpayers bills will be 1.4%**

2019 -2021

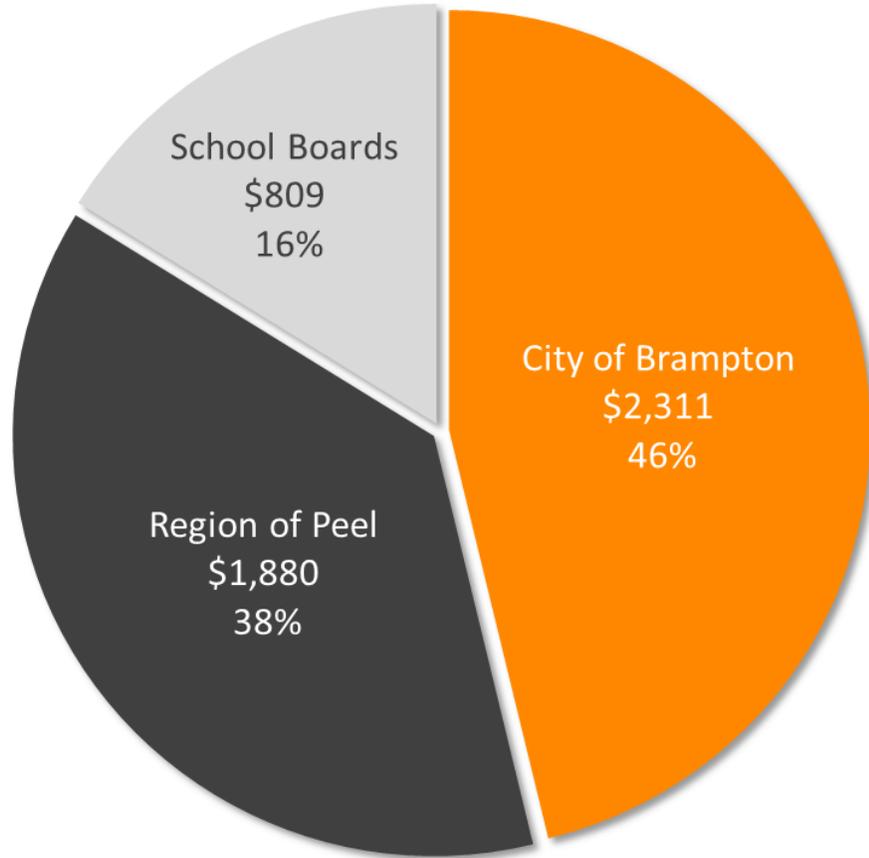
Budget Overview



Budget Development



Municipal Property Tax Bill



**Based on 2019 Average Home Assessment of \$508,000
Overall Total Increase = \$14 per \$100,000 assessed value*

Typical Residential Tax Bills (2019)

Average Residential (\$508,000) \$5,000

Single Family Detached (\$584,000) \$5,748

Semi Detached (\$423,000) \$4,163

Freehold Townhouse (\$410,000) \$4,035

Condominium (\$264,000) \$2,598

	PROPOSED		DRAFT			
	2019		2020		2021	
Total Tax Bill Impact (Weighted)	%	\$	%	\$	%	\$
City of Brampton	0.3%	\$17	2.3%	\$122	2.1%	\$117
Region of Peel	1.1%	\$53	1.7%	\$90	1.4%	\$80
Education	0.0%	-	0.0%	-	0.0%	-
Residential Tax Bill Increase	1.4%	\$70	4.0%	\$212	3.5%	\$197

2019 Budget **Operating and Capital**

Operating Budget = \$713 M

Capital Budget = \$384 M



Staff salaries, maintenance contracts, office expenses



Purchase, repair and major replacement of assets (roads, buildings, etc.)

Value for Citizens

External Funding/Grants

Province committed to doubling Gas Tax funding distributed to municipalities which is recognized in the 2019 – 2021 Budget

Base Operating Budget

Doing more with less, delivering value for money. Extraordinary revenue growth and transformational efficiencies recognized

Financing

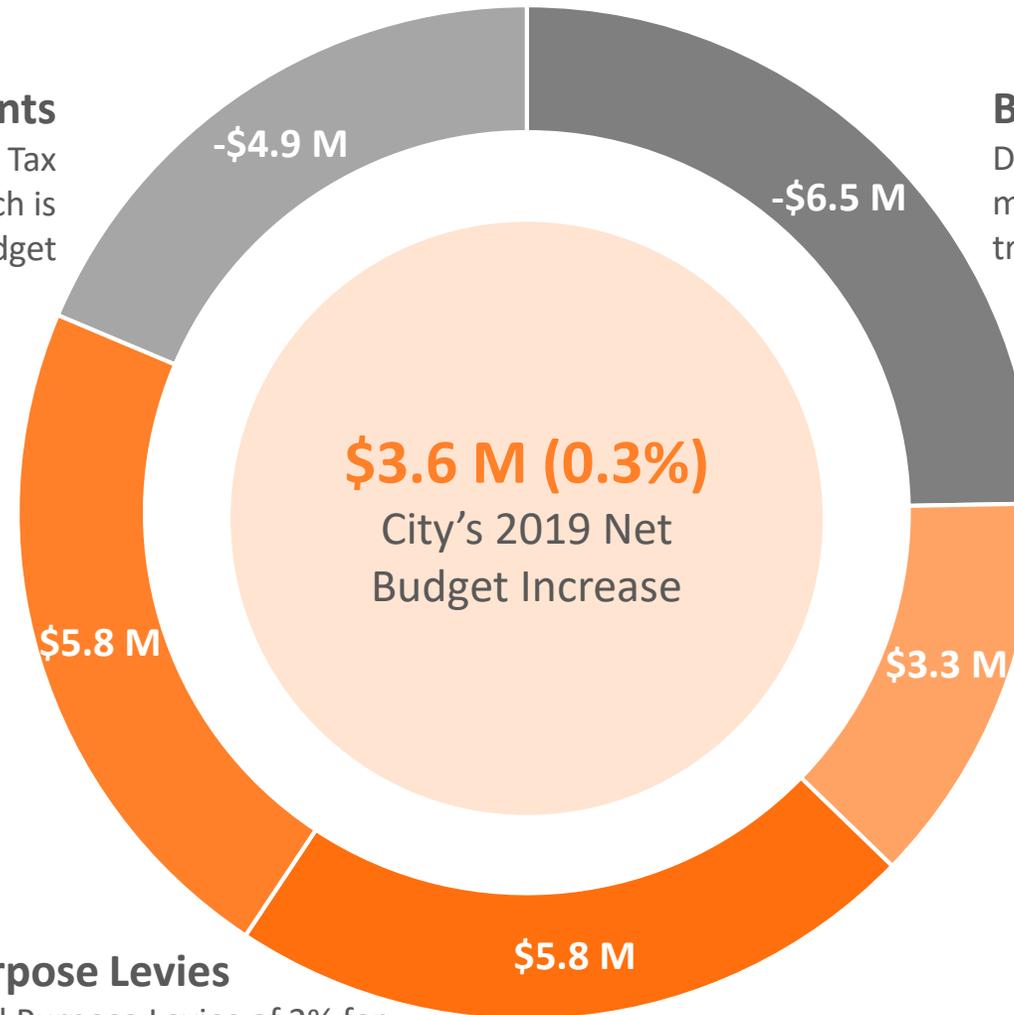
Centre for Innovation and Connected Learning included in the 2019 Budget and is being financed at an annual repayment of \$5.8 M

Special Purpose Levies

Annual Special Purpose Levies of 2% for Infrastructure and 1% in support of Transit services. The Hospital Levy commitment has been fulfilled and removed from the 2019 tax levy

New or Enhanced Services

Investment in Fire Services, key Economic Development opportunities and increased support of the Arts and Community-Recognized Events

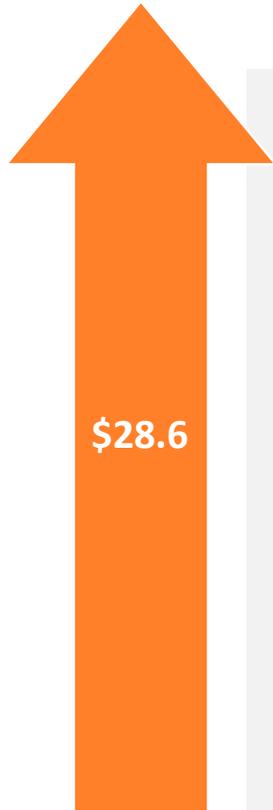


Operating Overview

Category	Budget Variances (\$000s)		
	2019	2020	2021
Base Operating & Growth	(6,455)	9,311	9,729
New or Enhanced Services	3,310	539	1,989
Financing	5,780	3,000	2,027
External Funding / Grants	(4,865)	(3,353)	(5,800)
Special Purpose Levies	5,821	14,717	15,732
Property Tax Levy Increase	\$3,590	\$24,214	\$23,677

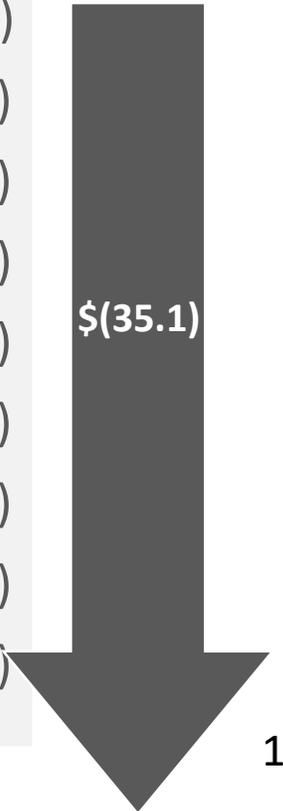
2019 Base Operating & Growth Highlights

\$(6.5) M Reduction in Base Operating Expenditures



Base Operating Growth offset by operational efficiencies and extraordinary revenue growth

	<u>\$ M</u>		<u>\$ M</u>
Transit Service Increase	9.0	Assessment Growth	(12.8)
Compensation Adjustments	8.8	Transit Fare & Ridership Revenue	(4.8)
Staff Requests	4.2	Operating Efficiencies	(4.7)
Operating Adjustments	2.7	Courthouse Revenues	(2.8)
2018 Compression Impact	2.4	Supplemental Taxes	(2.7)
Riverstone Community Centre	1.5	Internal Loans Maturing	(2.2)
		Insurance Adjustments	(2.1)
		User Fees	(1.7)
		Rideshare Revenues	(1.3)



2019 New and Enhanced Services

Economic Development & Culture Enhancements \$1.3 M

- New Pilot Incubator
- Arts Council Support
- Community Recognition Events
- Community Improvement Plan Fund

Fire Service Enhancements of \$2.0 M

- 21 New Firefighters enhancing service response times
- Wellness and Inclusion Initiatives
- Community Safety Advisor



Centre for Innovation and Connected Learning

External Tax Supported Debt of \$80 M
resulting in annual repayments of \$5.8 M
on a 30 year term
(\$20 M approved in 2018 Budget)

An anchor for **local innovation** and
global competitiveness

Foster creativity, collaboration and
entrepreneurial initiatives

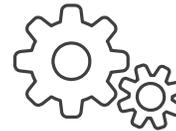
Attract diverse **knowledge** between
academia, businesses and community

Strengthen regional innovation corridor



NEW CITY LIBRARY

- Inspire connections
- Re-invent collaborative spaces



INNOVATION HUB

- Venture incubation
- Innovation support
- Research partnerships
- Talent & skills development



CYBERSECURE

- Education and Training
- Experiential Learning
- Research and Development
- Innovation start-ups
- Public Awareness

Cost of Maintaining Assets

\$5.8 B
Asset Replacement Value

Infrastructure Levy Contribution



2% Infrastructure Levy critical to close the infrastructure gap

Depreciation of Assets



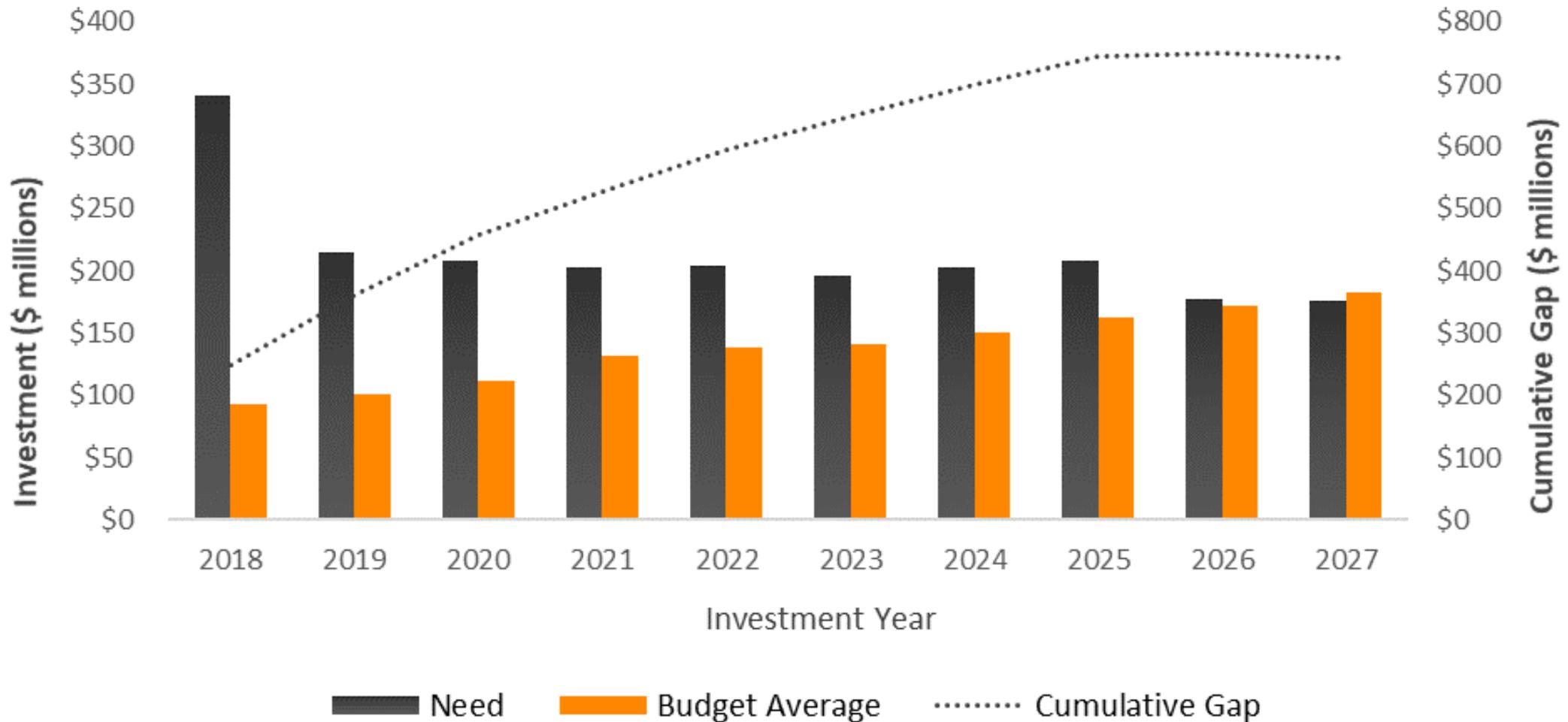
Aging infrastructure – based on historical cost of existing infrastructure

Average Annual Asset Replacement Need



Replacement need of assets in today's dollars

Infrastructure Gap



Transit Growth Management

- Brampton's public transit is one of the fastest growing in Canada
- Ridership grew by 18% in 2017 and 14% in 2018. (Higher than national average of 1.5%)
- Development Charge funding has been exhausted by Transit Capital Growth
- Tax based capital funding is needed for repair and replacement to maintain existing assets
- The City of Brampton has proposed the introduction of an annual **1% Transit Levy** starting with the 2019-2021 Budget (subject to annual review)
- Provide a dedicated, stable source of funding for future Transit needs

Budget Year (\$ millions)	2019	2020	2021
2019 Proposed Transit Levy (1%)	4.8	4.8	4.8
2020 Proposed Transit Levy (1%)		4.9	4.9
2021 Proposed Transit Levy (1%)			5.2
Transit Levy Contribution	\$ 4.8	\$ 9.7	\$ 14.9



Transit Growth Management

- Prudent growth and maintenance of Brampton’s transportation network to facilitate effective movement of goods and people
- The 2019 to 2021 Transit Capital Budget assumes that Brampton will receive it’s share of the **Public Transit Stream Funding** signed by the Federal Government and Province of Ontario in March 2018
- Over the next three years the City is depending on this external funding to support **71%** of Transit’s capital program



	\$ M			
Transit Funding Sources *	2019	2020	2021	Total
Federal Subsidy	25.4	83.6	26.4	135.4
Provincial Subsidy	20.8	69.0	21.1	110.9
Tax Base Capital Contribution	4.7	1.6	1.1	7.4
Federal Gas Tax	2.7	7.3	0.0	10.0
Dedicated Transit Fund	4.8	9.7	14.9	29.4
External Tax Supported Debt	16.0	36.0	0.0	52.0
Total	\$ 74.3	\$ 207.2	\$ 63.6	\$ 345.0

*Chart includes projects within Community Services for land acquisition, design and construction of the new Transit Facility

Capital Budget by Department

Department	Budget (\$000s)			
	2019	2020	2021	TOTAL
Community Services*	178,593	199,947	111,480	490,020
Public Works & Engineering	127,178	140,568	162,023	429,769
Transit	47,299	72,184	63,558	183,041
Corporate Services	18,495	13,087	11,263	42,845
Fire & Emergency Services	7,895	2,021	4,686	14,602
Planning & Development Services	1,800	862	1,512	4,174
Other	2,571	2,854	2,576	8,001
Total	\$ 383,831	\$ 431,523	\$ 357,098	\$1,172,452

**Construction for the Centre for Innovation and Connected Learning and Transit Facility is included in Community Services Capital Budget*

2019 Capital Budget by Funding Source

Funding Source	2019 Budget	
	(\$000s)	%
Development Charge Reserve Funds	108,698	28.3%
Debt - Tax Supported	96,000	25.0%
Tax Base Capital Contribution	85,394	22.2%
Federal / Provincial Grants	46,173	12.0%
Federal Gas Tax	30,617	8.0%
Other Funding i.e. Legacy, CIL Parkland, Other Reserves	6,380	1.7%
10% Non-Development Charge Requirement	4,796	1.2%
Dedicated Transit Fund	4,773	1.2%
External Recoveries e.g. Region of Peel, Developers	1,000	0.3%
Total	\$ 383,831	100.0%

Infrastructure Repair & Replacement

- 2019 capital program includes \$115 M in repair and replacement projects
- Existing infrastructure backlog of \$246 M, projected to grow to \$743 M by 2027*
- City advises a proactive approach to maintaining assets to avoid crisis' endangering safety and expensive reactive solutions

**as stated in State of Local Infrastructure Report 2018*



*Mount Pleasant Bridge Underpass,
Brampton*



Gardiner Expressway aged infrastructure



Coronation Circle, Brampton



Water main break leads to Gerrard sinkholes

15 Highest Valued Projects of 2019

Project Description	\$ M
	2019 BUDGET
Centre for Innovation and Connected Learning - Construction	80.0
Cottrelle Blvd	31.5
Chris Gibson Recreation Centre - Construction	18.0
New Transit Facility - Design	15.0
Low-Floor Bus Purchases (60' Articulated)	14.6
Road Resurfacing Program - PRE APPROVED	14.0
Land Acquisition for New Transit Facility	12.0
Fare Collection Equipment	10.0
McLaughlin Road Widening	9.3
Balmoral Recreation Centre - Construction	9.0
Land Acquisitions	8.0
Low-Floor Bus Purchases (40' Conventional)	7.1
Loafer's Lake Recreation Centre - Change Room Facility and Renovations	6.0
Design & Construction - Outdoor Facilities Phase 1 - Gore Meadows	5.5
Fire Station 214 - Construction	5.4
Top 15 Highest Valued Projects	245.3

**\$245 M (64%)
of \$384 M
2019 Capital
Program**

15 Highest Valued Projects of 2020

Project Description	\$ M
	2020 BUDGET
New Transit Facility - Construction	135.0
Williams Parkway Widening	58.0
Low-Floor Bus Purchases (60' Articulated)	36.7
Howden Recreation Centre - Construction	22.0
Low-Floor Bus Purchases (40' Conventional)	21.6
Chinguacousy Road Widening	9.3
Land Acquisitions	8.0
Embelton Recreation Centre - Design	8.0
Road Resurfacing Program	7.3
Williams Parkway Works Yard Phase 3 - Construction	6.9
Fire Station 201 - Construction	6.4
Low-Floor Bus Purchases (40' Conventional Replacements)	5.5
Design & Construction - Outdoor Facilities Phase 2 - Gore Meadows	5.5
Bus Refurbishment (Body/Major)	4.5
Land Acquisition for Fire Station 216	4.2
Top 15 Highest Valued Projects	338.8

**\$339 M (79%)
of \$431 M
2020 Capital
Program**

15 Highest Valued Projects of 2021

Project Description	\$ M
	2021 BUDGET
Embelton Recreation Centre - Construction	62.0
Torbram Road Widening	40.0
Low-Floor Bus Purchases (60' Articulated)	24.1
Goreway Drive Widening	23.0
Low-Floor Bus Purchases (40' Conventional Replacements)	17.3
Road Resurfacing Program	15.0
Environmental Assessment	11.0
Low-Floor Bus Purchases (40' Conventional)	10.6
Intermodal Drive Widening	8.0
Land Acquisitions	8.0
Bus Refurbishment (Body/Major)	6.5
Project Design - Various Locations	5.0
Miscellaneous Roads and Pedestrians Bridge Repairs	5.0
Construction - Outdoor Facilities Phase 2 - Gore Meadows	5.0
Replacement of Vehicles and Equipment	4.5
Top 15 Highest Valued Projects	245.0

**\$245 M (67%)
of \$357 M
2021 Capital
Program**

2019 Property Tax Impact

City of Brampton

Net Budget Increase = 0.8%



Tax Bill Impact = 0.3%



\$17
on average home

Region of Peel

Net Budget Increase = 2.9%



Tax Bill Impact = 1.1%



\$53
on average home

School Boards

Net Budget Increase = 0.0%



Tax Bill Impact = 0.0%



\$0
on average home

Overall Property Tax



Tax Bill Impact
1.4%



\$70
on average home

**Based on 2019 Average Home Assessment of \$508,000*

2019 Property Tax Impact



BRAMPTON
Brampton Taxes
2 Wellington Street West
Brampton ON L6Y 4R2
www.brampton.ca
Tel.: 905-874-2200
Fax: 905-874-2296

Final

Billing Date: 0000-00-00
Customer No: 00000000

Tax Roll No: 00-00-0-000-00000-0000
Location: 1200 Anywhere Street
Legal Dscr: PL F00 LT000
Agent: Agent No:
Mortgage No:

John Doe
1200 Anywhere Street
Brampton

Assessment		City Levy		Region Levy		Education Levy	
Tax Class	Assessment	Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount
RT	508,000	0.4854085	2,311.30	0.3949364	1,880.00	% 0.1700000	809.00
Total	\$508,000	City	\$2,311.30	Region	\$1,880.00	Education	\$809.00

Account Summary (As of June 02, 2019)	
Future Due	2,539.26
Account Balance	2,539.26

Accounts with insufficient funds will be charged a fee.
Penalty / Interest is applied to overdue taxes at a rate of 1.25% on the day after the due date and on the first day of each month until paid.

Consider one of our convenient Pre-Authorized Payment plans with several withdrawal options available. Please contact our office for further information.

**for illustrative purposes only*

Summary	Amount
Final Levies	\$5,000.00
Final Taxes	\$5,000.00
Less Interim Billing	2,460.74
Total Amount Due	\$2,539.26
Instalment Due Dates	
First Installment	848.11
Second Installment	845.57
Third Installment	845.57

1.4%

Overall Tax Impact
City, Region
School Boards