

Interim Brampton Financial Master Plan Update (Bridge Plan)

Presentation of Results



CITY OF BRAMPTON



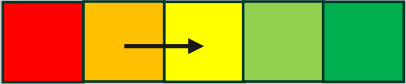
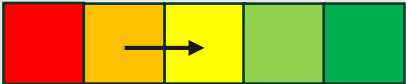





Wednesday, November 29th, 2023



Background and Study Context

- Hemson was engaged in 2022 to assist the City of Brampton in updating the Long-Term Financial Master Plan (LTFMP)
- A fiscal sustainability policy review was undertaken and presented to council in July
- LTFMP model helps understand City's current conditions
 - Does not consider any impacts associated *Bill 112 – Hazel McCallion Act*
 - No immediate financial implications associated with the reported findings

Tracking Performance Since 2017

Key Policy Directions	2017 Actions	Qualitative Status
Make Decisions on capital investments based on strategic priorities and financial impacts	<ul style="list-style-type: none"> Develop 10-year capital forecast; improved capital reporting capabilities; capital project prioritization metrics 	
Promote Economic Growth	<ul style="list-style-type: none"> Increase non-residential assessment share 	
Review Approach to User Fees	<ul style="list-style-type: none"> Update user fee policy to grow revenues 	
Work to Maintain Grant Revenues	<ul style="list-style-type: none"> Work with AMO and other agencies to maximize opportunities 	
Use DCs to full extent	<ul style="list-style-type: none"> Changes to the then legislation permitted increased use of DC funding for growth 	
Maintain City's Infrastructure Assets	<ul style="list-style-type: none"> Long-term funding strategy to address current and future requirements 	
Explore Opportunities for Alternative Revenue Tools	<ul style="list-style-type: none"> secure permissions for additional revenue tools, similar to those granted to Toronto under the City of Toronto Act. 	
Streamline Service Delivery	<ul style="list-style-type: none"> Review operating costs to streamline service delivery 	
Debt for Major Strategic Projects	<ul style="list-style-type: none"> Expand the use of debt in a financially sustainable manner 	

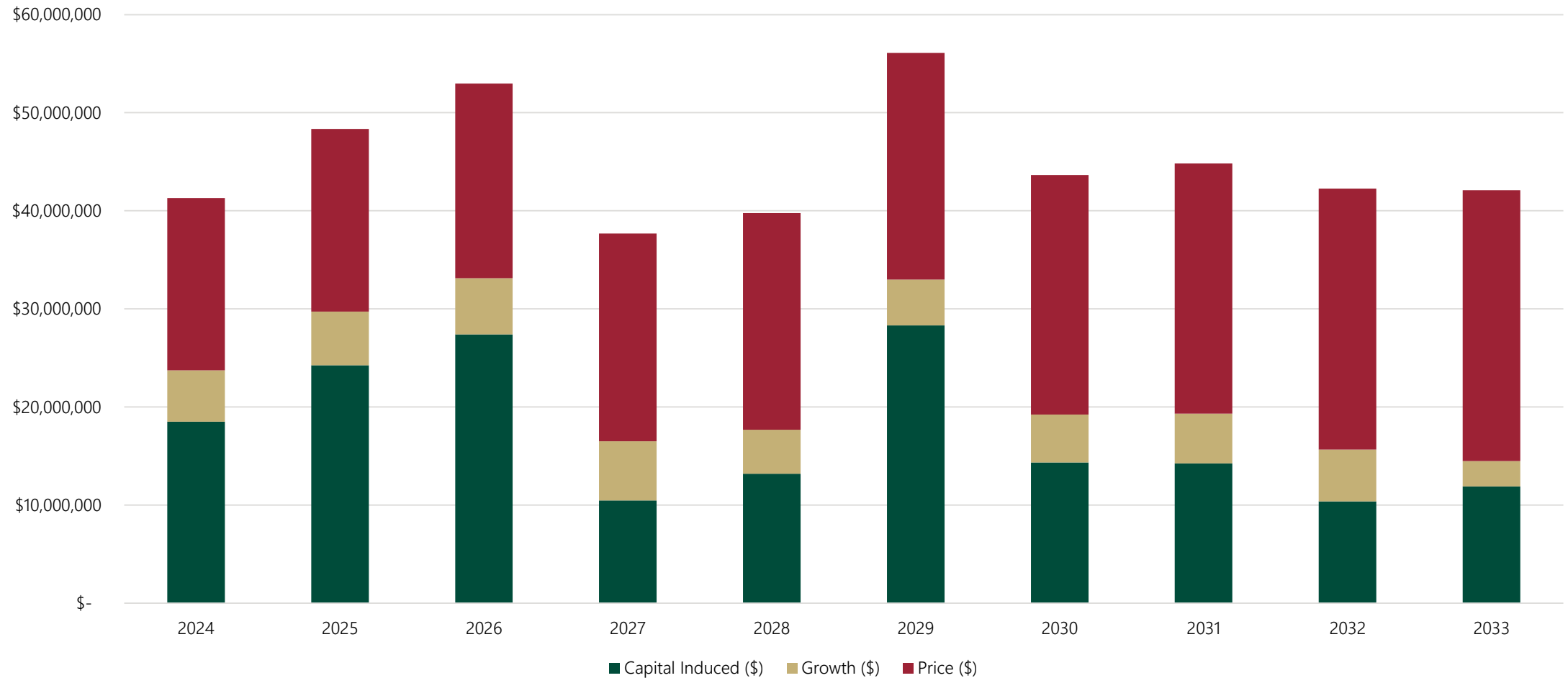
Benchmarking Summary

- ✓ Residential Property Tax Bills: Slightly Below Average
- ✓ Transit User Fee Revenue: Above Average
- ✓ Non-Transit User Fee Revenue: Below Average
- ✓ Debt Level: Among the Lowest
- ✓ Asset Management Contributions Per Capita – Above Average

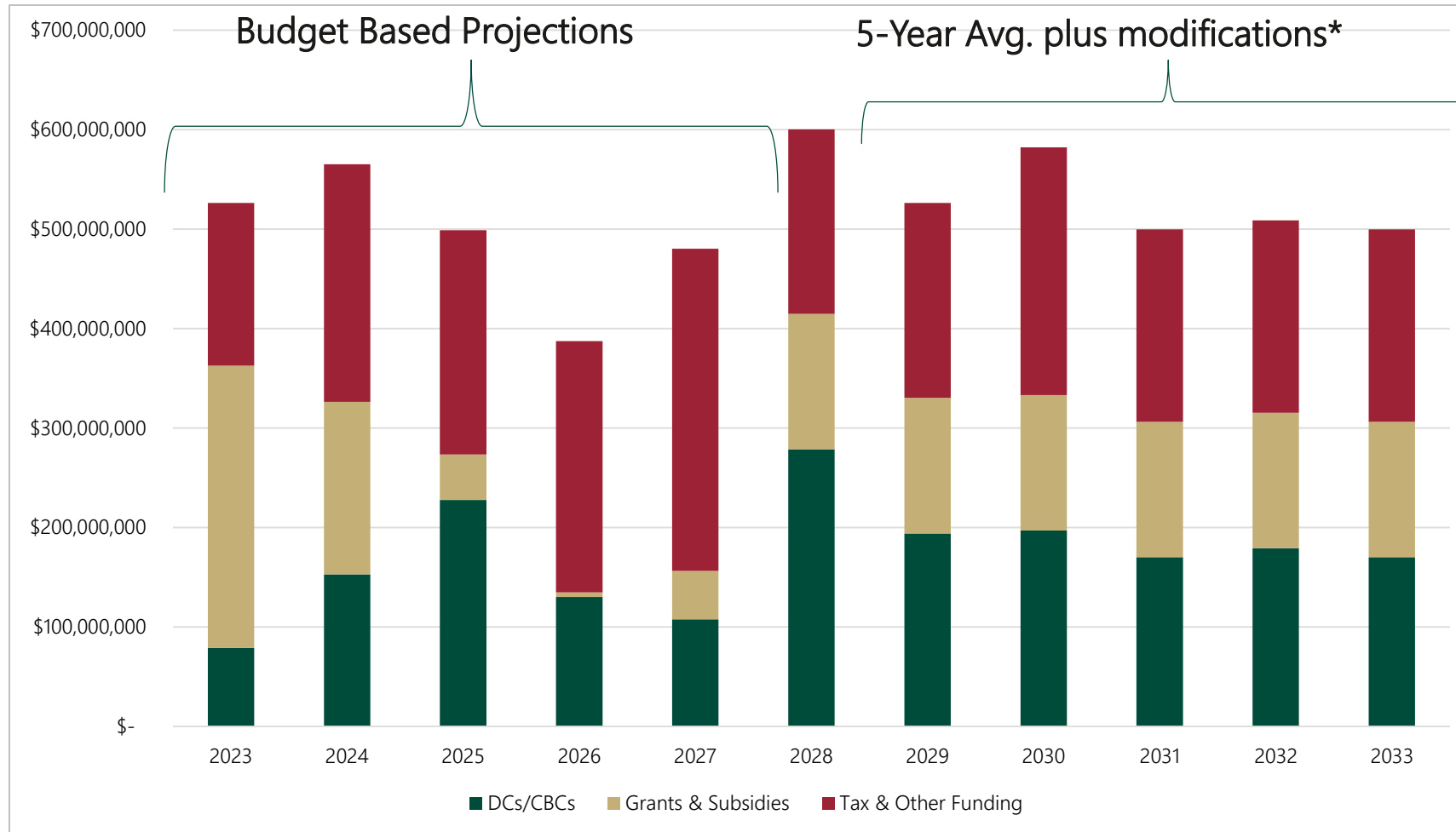
Key Assumptions

- Model is based on review of existing plans, budgets and other financial information. Discussions with staff to support
- Includes various Strategic Initiatives that are largely assumed to be “revenue neutral” in the analysis (e.g. LRT)
 - The inclusion of capital and operating impacts will place further upward pressure on taxation
- Bill 112 – *Hazel McCallion Act* and Bill 23 – *More Homes Built Faster Act* are anticipated to have significant implications for the City of Brampton.
 - Given the early stages of the transition and implementation of these bills, the financial impacts are generally unknown at this time and have been largely excluded from consideration in the FMP

Key Output – Projected Annual Increases in Operating Budgets

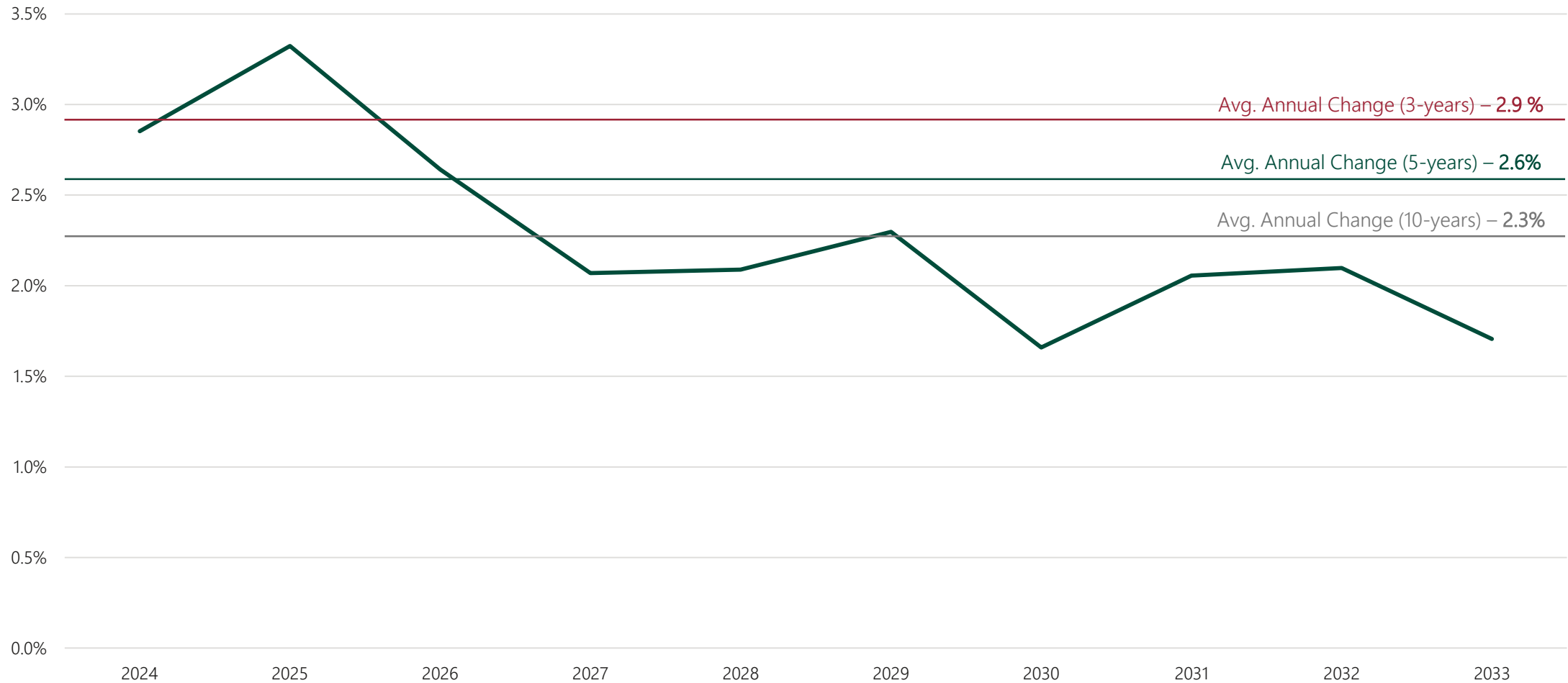


Key Output - 10-Year Capital Plan



- Program excludes key strategic initiatives/ projects (i.e. LRT)
- Total 10-Year Program = 5.2B
- Grants and Subsidies represents 24% of total capital plan

Key Output - Projected Tax Increase (%) 2024 to 2033 (City's Portion relative to the Total)



Closing Remarks

- City of Brampton maintains a strong overall financial position
- Able to fund operating and capital obligations, with a 10-year average annual tax increase forecasted at 2.3%
 - In addition to the legislative changes: growth, timing of development, strategic initiatives, external funding, non-tax revenues can impact results
- Many of the recommendations from 2017 Financial Master Plan remain relevant and should continue to be monitored and implemented
- The fiscal impact model used to develop this FMP is available to be utilized as a tool to conduct high-level sensitivity testing
- New LTFMP should be undertaken within a few years to capture these significant legislative changes