



Report
Staff Report
The Corporation of the City of Brampton
5/14/2025

Date: 2025-03-18

Subject: **2024 Year-End Operating Budget Report**

Contact: Mark Medeiros, Chief Budget Officer, Corporate Budget Office

Report number: Corporate Support Services-2025-338

RECOMMENDATIONS:

1. That the report from Mark Medeiros, Chief Budget Officer, Corporate Budget Office to the Council Meeting of May 14, 2025, re: **2024 Year-End Operating Budget Report**, be received;
2. That a draw from the General Rate Stabilization reserve be approved in the amount of \$7.9 million to fund the 2024 year-end operating budget deficit.

OVERVIEW:

- The 2024 Operating Budget resulted in a net operating deficit of \$7.9 million. This variance represents 0.9% of total budgeted expenditure of \$913 million.
- The \$7.9 million deficit is attributed to \$22.6 million in additional revenue offset by \$5.7 million of labour and \$24.8 million of operational deficits.
- The \$7.9 million represents 0.9% of the total budgeted expenditures of \$913 million and will be funded through a draw from the General Rate Stabilization reserve, as per Budget Policy FIN-140.
- Subject to council approval of this report, the General Rate Stabilization (GRS) reserve balance as of December 31, 2024, will be \$81.0 million net of commitments which is 89% of the Council approved target of \$91.2 million.

BACKGROUND:

The City’s financial management policies require staff to provide Council with periodic status updates related to the City’s finances. This report is focused on updating Council on the status of the City’s 2024 year-end Operating Budget.

CURRENT SITUATION:

2024 Operating Budget

The 2024 Operating Budget resulted in a net deficit of \$7.9 million. This variance represents 0.9% of total budgeted expenditures of \$913 million.

The \$7.9 million deficit is attributed to \$22.6 million in additional revenue offset by \$5.7 million of labour costs and \$24.8 million of operational deficits.

CORPORATE-WIDE VARIANCE	2024 Q4 YE FORECAST (\$000s)
Revenue Surplus	22,563
Labour Deficit	(5,664)
Other Expenditures Deficit	(24,778)
FORECASTED YEAR-END DEFICIT	(7,879)

Subject to council approval of this report, the General Rate Stabilization reserve (GRS) balance as of December 31, 2024, will be \$81.0 million net of commitments which is 89% of the Council approved target of \$91.2 million.

The following tables provide departmental variance breakdown of the 2024 Operating Budget actual year-end results.

TABLE 1: 2024 DEPARTMENTAL VARIANCE SUMMARY

Q4 2024 YEAR-END ACTUALS				
DEPARTMENTAL VARIANCE	Annual Net Budget	Q4 YE Actuals (Adjusted)	Variance Favourable/(Unfavourable)	
Departments	(\$000s)			%
Brampton Public Library	21,473	21,473	-	0%
Community Services	181,897	188,439	(6,542)	-4%
Corporate Support Services	74,949	75,303	(354)	0%
Legislative Services	12,589	15,571	(2,982)	-24%
Mayor & Members Of Council	5,793	5,424	369	6%
Office of the CAO	18,719	17,463	1,255	7%
Planning, Building & Growth Management	975	(1,278)	2,253	231%
Public Works & Engineering	91,058	94,087	(3,029)	-3%
Transit	91,801	84,023	7,778	8%
Gapping	(18,640)	-	(18,640)	100%
DEPARTMENTAL VARIANCE : DEFICIT			(19,892)	
GENERAL GOVERNMENT VARIANCE: SURPLUS			12,012	
ACTUAL YEAR-END DEFICIT			(7,879)	

TABLE 2: DEPARTMENT HIGHLIGHTS

This section provides further breakdown of year-end forecast variance by account category.

Departments	Labour Expenditures	Other Expenditures	Revenues	Variance Favourable/(Unfavourable)
Departments	(\$000s)			
Community Services	(4,369)	(7,383)	5,210	(6,542)
Corporate Support Services	380	(8,806)	8,072	(354)
Legislative Services	3,196	(6,129)	(49)	(2,982)
Mayor & Members Of Council	(127)	494	2	369
Office of the CAO	(611)	572	1,295	1,255
Planning, Building & Growth Management	5,639	(307)	(3,079)	2,253
Public Works & Engineering	1,016	(4,131)	86	(3,029)
Transit	8,294	667	(1,183)	7,778
General Government	(442)	245	12,209	12,012
Gapping	(18,640)	0	0	(18,640)
ACTUAL YEAR-END (DEFICIT)/SURPLUS	(5,664)	(24,778)	22,563	(7,879)

Community Services

Community Services has an overall deficit of \$6.5 million mainly in the Recreation, Fire & Emergency Services and Parks divisions.

The Recreation division has experienced a net deficit of \$2.9 million due to higher labour cost of \$3.5 million primarily due to increased recreation program demand, and other expenditure increase of \$5.4 million which is partially offset by \$6.0 million of revenue surplus. The program driven revenue growth is directly correlated with increased part time staffing cost while also contributing to increased expenditure in maintenance, material, and utilities. Unanticipated emergency repairs at various facilities and higher than expected contracted services further added to the recreation cost pressures.

The addition of the CAA centre has resulted in increased expenditures offset by revenues from the centre, resulting in net surplus of \$0.1 million.

Fire & Emergency Services has a net deficit of \$2.3 million primarily due to a significant increase in WSIB costs and a reduction in false alarm revenue.

Parks Maintenance and Forestry has an unfavourable variance of \$0.9 million primarily due to weather-driven park and outdoor maintenance costs, encampment cleanups and park equipment replacements.

Corporate Support Services

Corporate Support Services was effectively on target with a minor deficit of \$0.4 million due to higher expenditures to run key events, which were partially offset by labour savings due to vacancies.

Legislative Services

Legislative Services has an overall deficit of \$3.0 million. The primary drivers of the \$3.0 million deficit are \$1.4 million of revenue shortfall mainly due to lower parking violations revenues, \$3.4 million of higher expenditures mainly driven by unanticipated insurance and legal costs, which were partially offset by \$1.8 million labour savings primarily in Legal Services and Enforcement divisions due to vacancies.

There was an unbudgeted expenditure of \$1.4 million and a \$2.4 million revenue deficit for the ASE Camera Processing Centre, which is fully offset by a \$3.8 million contribution from the City's Legacy Fund resulting in no net impact to the City.

Office of the CAO

The Office of the CAO's has an overall surplus of \$1.3 million due to \$0.6 million of other expenditure savings and \$1.3 million of revenue surplus driven by successful advocacy of external government funding and higher than expected advertising revenues, partially offset by \$0.6 million of labour deficit.

Planning, Building & Growth Management

Planning, Building & Growth Management has an overall surplus of \$2.2 million, due to \$5.6 million of labour savings driven by vacancies, partially offset by lower building revenue.

The Building division has experienced a \$4.6 million revenue shortfall due to lower than anticipated permit revenues. This revenue shortfall resulted in an increased draw from the Building Stabilization Reserve of \$3.0 million. Subsequent to this draw there is an impact of \$0.8 million to the operating budget.

Public Works & Engineering

Public Works & Engineering experienced an increased overall variance of \$3.0 million due to overages in other expenditure of \$4.1 million, offset by \$1.0 million in labour savings due to vacancies.

The \$4.1 million deficit in other expenditures is mainly driven by \$2.3 million in outside service maintenance and \$2.0 million in demand maintenance resulting from incremental security costs for encampments, road maintenance and higher maintenance costs for aging fleet.

Transit

Brampton Transit has a net surplus of \$7.8 million driven by \$8.3 million in labour savings and \$0.7 million in other expenditures savings, partially offset by \$1.2 million of revenue deficit due to CUPE 831 labour disruption.

The overall labour savings is \$19.1 million mainly due to reduced resource availability which is partially offset by higher overtime utilization of \$6.4 million to support transit services and an increase in WSIB costs of \$4.4 million.

Other expenditure savings of \$0.7 million are mainly driven by fuel cost savings of \$2.6 million partially offset by higher repair and maintenance costs of \$1.9 million.

General Government

General Government has an overall surplus of \$12.0 million. The interest earned on outstanding taxes has a favorable variance of \$8.4 million due to an increase in year-end taxes receivable along with higher than anticipated payment in lieu and supplementary taxes of \$1.7 million, in addition to \$1.5 million in investment income.

Gapping

Gapping is a corporate provision in General Government to offset the impact of vacancies savings throughout the Corporation, thereby aligning property tax collections with business requirements. The overall budgeted gapping provision for 2024 is \$18.6 million, which is offset by a favorable variance in labour expenditures of \$13.0 million resulting in \$5.6 million in labour deficit which is majorly due to significant increases in WSIB costs for the Corporation, along with lower than expected vacancy savings.

CORPORATE IMPLICATIONS:

N/A

STRATEGIC FOCUS AREA:

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

CONCLUSION:

The 2024 Operating Budget resulted in a deficit of \$7.9 million which represents 0.9% of the total budgeted expenditures of \$913 million and will be funded through a draw from the General Rate Stabilization reserve, as per Budget Policy FIN-140.

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Attachments:

- Attachment 1 – Departmental Year-End Forecast Variances