

April 4, 2022

Hospital Levy – Additional Information

TO: MAYOR AND MEMBERS OF COUNCIL
COPY TO: SENIOR LEADERSHIP TEAM

SUBJECT:

Additional Information to support Council's consideration of a hospital levy.

BACKGROUND:

At the March 30th, 2022, Committee of Council meeting, staff presented Agenda Item 12.2.7: *"William Osler Health System Request – Additional Funding Options and Reserve Balance Confirmation"*. The meeting also included Agenda Item 12.3.1: *"Discussion Item at the request of Regional Councillor Fortini re: New City of Brampton Hospital Levy"*. Consideration of these items resulted in Committee of Council approving a motion to amend the 2022 budget to include a 1% special tax levy, dedicated to Healthcare.

It has been reported in the media that on March 31st, the Provincial government passed a motion to officially approved the Cancer Care Centre portion of William Osler's Project.

On April 3rd, the Premier of Ontario, Doug Ford, held a press conference to announce \$21 million in additional funding for William Osler, with a breakdown of \$18 million for an Emergency Room at Peel Memorial and \$3 million for a Cancer Care Centre.

This briefing memo has been prepared to provide additional information requested by Members of Council as follows:

- Implications of the recent Provincial announcements and approvals on the 10% local share portion of the Cancer Care Centre and Peel Memorial Hospital Expansion, as requested by William Osler Health System.
- 2021 Year-End Operating Budget Status update, including the opportunity to utilize potential surplus funding to subsidize the 2022 portion of the 1% Hospital Levy.
- Provide additional examples, regarding the property tax impact of the 1% Hospital Levy on different property classes.

CURRENT SITUATION

Provincial Funding for the Cancer Care Center and Peel Memorial Expansion

William Osler Health System provided the city with the following project costs estimates, related to Peel Memorial Expansion and a Cancer Care Centre. The estimates include a municipal funding request in the amount of 50% of the local share component or \$125 million.

	Current Estimated Project Cost	Estimated Local Share Required	Municipal Funding Requested	% of Local Share	% of Project Costs
Peel Memorial Hospital	\$700M	\$175M	\$87.5M	50%	12.5%
Cancer Care Centre	\$365M	\$75M	\$37.5M	50%	10.3%
Total	~\$1.1B	\$250M	\$125M	50%	11.3%
City of Brampton commitment			\$62.5M		

Given the recent announcements, approvals and press conferences from the Provincial Premier Doug Ford, Government Relations staff from the city reached out to William Osler to confirm if any of the recent approvals or announcements would have an impact on the local share and by extension the municipal funding request.

On April 4th, staff from William Osler confirmed that the recent announcements and approvals advances the projects, but has no impact on the local share requirements.

Therefore, the municipal funding request from William Osler remains at \$125 million and is not reduced by the recent provincial announcements.

2021 Year-End Operating Budget Status Update

Staff are currently preparing the 2021 Year-End Operating Budget and Reserve Status report for presentation at the April 13th Committee of Council meeting. A preliminary analysis of the year-end position indicates the potential for a year-end surplus.

Council approved Budget Policy directs staff to manage any given annual year-end operating surplus, as follows:

- That a minimum of 25% of any year-end surplus be allocated to the Energy Efficiencies Reserve
- Annual operating surpluses shall be directed to the GRS Reserve, up to the target balance of the GRS Reserve. Any excess surplus shall be directed to the Asset Repair and Replacement Reserve Fund.

Upon final staff review and validation, staff through the 2021 Year-End Operating Budget and Reserve Status report may be able to confirm sufficient surplus to contribute 25% of the surplus to the Energy Efficiencies Reserve, top-up the GRS to the

target balance, and confirm enough surplus remains for Council to direct to other uses including contribution towards the 1% Hospital Special Levy for the 2022 fiscal year if so desired.

Should Council wish to consider this option, staff would recommend that Council votes to postpone ratifying the decision to amend the 2022 Budget to include the 1% Hospital Levy till the April 20th Council meeting following the Committee of Council meeting of April 13th at which the 2021 Year-End Operating Budget and Reserve Status report will be made available.

Property Classes Impact Examples

The properties listed below are the most typical in the City. The chart estimates the average 2022 property taxes on the city portion and the resulting hospital levy amount. Also shown is the percentage that particular property type comprises of the overall hospital levy (\$4,944,200).

Please note, the March 30th Hospital Levy report to Council stated an estimated impact of \$53.20 on the average residential tax bill for a 1% tax levy increase. The actual increase should reflect only the City portion (44%) of the overall tax bill which comes out to approximately \$23.24.

Description	2022 Average Assessment	2022 City Taxes	2022 Hospital Levy	Percentage of Overall Hosp Levy
Single family detached	623,639	\$2,721	\$27	53.88%
Semi-detached residential	452,326	\$1,974	\$20	10.53%
Freehold Townhouse/Rowhouse	440,637	\$1,923	\$19	5.37%
Residential Condominium	277,630	\$1,211	\$12	4.07%
Warehouse	10,373,243	\$66,537	\$659	3.45%
Standard industrial properties	5,033,295	\$32,285	\$320	2.92%
Multi-residential (Apartment)	15,197,889	\$113,068	\$1,119	2.24%
Industrial mall	8,614,078	\$55,253	\$547	1.42%
Neighbourhood shopping centre generally less	6,696,953	\$37,904	\$375	1.12%
Large office building (over 7,500 s.f.)	16,545,240	\$93,644	\$927	0.94%
Industrial condominium	308,488	\$1,979	\$20	0.74%
Commercial condominium	233,166	\$1,320	\$13	0.72%
Big box shopping/power centre greater than 10	94,224,000	\$533,295	\$5,280	0.53%
Automotive fuel station	2,636,845	\$14,924	\$148	0.17%
Small Office building (under 7,500 s.f.)	1,292,947	\$7,318	\$72	0.03%
Restaurant - fast food	1,650,500	\$9,342	\$92	0.01%

INFORMATION CONTACTS

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