

**Date:** 2023-05-31

**Subject:** **2024 Budget Process**

**Contact:** Nash Damer, Treasurer, Finance

**Report Number:** Corporate Support Services-2023-497

**Recommendations:**

1. That the report from Nash Damer, Treasurer, Finance to the Committee of Council meeting of June 21, 2023 re: **2024 Budget Process**, be received.

**Overview:**

- **Municipalities are required to prepare and adopt a balanced budget on an annual basis, as per the *Municipal Act, 2001*, section 290. This report describes the budget process plan and timelines necessary to meet legislative requirements.**
- **The established objectives of the annual budget process consist of developing sustainable resource plans that deliver on the strategic priorities of Council, continue to invest in a growing community, maintain existing assets and service levels, while protecting the affordability of households and businesses through tax increases that are at or below the rate of inflation.**
- **Given the major widespread impact inflation has on budgets, staff are continuously monitoring leading indicators and guidance to ensure the 2024 budget is based on the most recent information available.**
- **As of April 2023, the inflationary environment has improved year-over-year, with rates steadily declining to 4.4% from the peak of 8.1% in June 2022. In addition, the Bank of Canada recently forecasted further declines in inflation rates over the coming months with an expected rate of 3% by the summer of this year.**

- The 2024 Budget will continue its established process of managing uncertainty through evidence-based budgets that are supported via multi-year analysis, Council approved decisions and prudent escalation assumptions, while targeting recommendations to Council that are at or below the rate of inflation.
- Impacts to the municipality of the recent Provincial announcement regarding the dissolution of the Region of Peel and Bill 23 – More Homes Built Faster Act, are unknown at this time. Staff will continue to work through these legislative and governance changes throughout the development of the 2024 budget and include any likely or necessary impacts, as they become apparent.
- Budget Committee deliberations are tentatively scheduled to take place late November, with final budget approval occurring in early December, as per the established practice in non-election years. Specific dates and times will be confirmed with Budget Committee and Council in the Fall.
- The proposed 2024 Budget binder will be scheduled for distribution to Council and the Public 3 weeks prior to the commencement of Budget Committee Deliberations. Staff will schedule meetings with Council members, in early November, to review the budget document and solicit feedback.

### **Background:**

Municipalities are required to prepare and adopt a balanced budget on an annual basis, as per the *Municipal Act, 2001*, section 290. The budget process report provides Council and the Public with the processes and timelines necessary to meet legislative requirements and achieve the strategic objectives of the organization.

### **Current Situation:**

The established objectives of the annual budget process consist of developing sustainable resource plans that deliver on the strategic priorities of Council, continue to invest in a growing community, maintain existing assets and service levels, while protecting the affordability of households and businesses through tax increases that are at or below the rate of inflation.

Given the recent volatility in inflation and the widespread effect this has on forward-looking budget expectations, staff are continuously monitoring leading indicators and guidance to ensure the 2024 budget is based on the most recent information available.

As of April 2023, the inflationary environment has improved year-over-year, with rates steadily declining to 4.4% from the peak of 8.1% in June 2022. In addition, the Bank of Canada recently forecasted further declines in inflation rates over the coming months with an expected rate of 3% by the summer of this year.

The 2024 Budget will continue its established process of managing uncertainty through evidence-based budgets that are supported via multi-year analysis, Council approved decisions and prudent growth and escalation assumptions, while targeting recommendations to Council that are at or below the rate of inflation.

Impacts to the municipality of the recent Provincial announcement regarding the dissolution of the Region of Peel and Bill 23 – More Homes Built Faster Act, are unknown at this time. Staff will continue to work through these legislative and governance changes throughout the development of the 2024 budget and include any likely or necessary impacts, as they become apparent.

In addition to the considerations noted above, the City has hired Hemson Consulting Services to provide an updated Long Term Financial Master Plan (LTFMP), which is scheduled for presentation to Council prior to 2024 Budget Committee deliberations. This timing will provide Council with line of sight to longer-term cost drivers, pressures and recommendations, thus ensuring informed decision that maintain the future sustainability of the City's finances.

### 2024 Budget Timelines

Budget Committee deliberations are tentatively scheduled to take place late November, with final budget approval occurring in early December, which is the established practice in non-election years. Specific dates and times will be confirmed with Budget Committee and Council in the Fall.

The proposed 2024 Budget binder will be scheduled for distribution to Council and the Public 3 weeks prior to the commencement of Budget Committee Deliberations. Staff will schedule meetings with each Council member, in early November, to review the budget document and solicit feedback.

Subsequent to distribution of the proposed budget, staff will facilitate meetings with Members of Council to discuss the budget document, provide any necessary clarifications and receive advanced questions ahead of Council deliberations. These meetings will take place in early November to allow staff to capture any feedback and incorporate into Budget Committee deliberations which will occur late November.

The following table illustrates the 2024 Budget schedule:

Deliverable	Action	Tentative Schedule
Proposed 2024 Budget Binder	Distribution of the proposed 2024 Budget Binder to Council and Public	Early November
Individual Councillor Questions and Feedback	Staff meetings with members of Council to solicit questions and feedback on Budget documents, prior to deliberations	Early November
Budget Committee Deliberations	Budget Committee to deliberate budget proposal and provide recommendations to Council	Late November
Budget Approval	Special Council meeting to approve 2024 budget	Early December

### Community Engagement

Public education and awareness of proposed priorities are central to Brampton’s Budget community engagement process. Mainstream and digital web and social media tools are used to educate the public on how the City is strategically investing in enhancing their quality of life. Information on the proposed priorities will be publicly available, along with options for the public to comment or ask questions. The City will continue to utilize City-wide Tele Town Halls to engage residents on investment priorities and reviewing the proposed budget once released.

### **Term of Council Priorities**

This report fulfils the Council Priority of a Well-Run City through strict adherence to effective financial management policies and ensuring sustainable financial operations.

### **Conclusion:**

The City’s budget process focuses on developing and providing prudent staff recommendations that balance the expectations of Council and the Community with several pressures the City faces in the current economic and legislative environment.

The 2024 Budget will continue it’s established process of managing uncertainty through evidence-based budgets that are supported via multi-year analysis, Council approved decisions and prudent growth and escalation assumptions, while targeting recommendations to Council that are at or below the rate of inflation.

Budget Committee deliberations are tentatively scheduled to take place late November, with final budget approval occurring in early December, which is the

established practice in non-election years. Specific dates and times will be confirmed with Budget Committee and Council in the Fall.

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