



# 2023 Budget Overview

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## **Economic Outlook**

The 2022 Budget Overview focused largely on the concept of 2022 as a year of “transition”, moving into the post COVID-19 economy, an era of higher demands for service and era of higher labour costs and a depleted labour pool. The strong economic recovery observed late 2021, has been somewhat tampered by global volatility, resulting in supply chain issues and higher than normal inflationary costs.

Canada's economy fared better than many other countries, ending 2022 with an estimated 3.5% growth in GDP, as a result of a strong job market, commodity prices, business investments and strong demand for services following COVID-19.

## Economic Outlook

Bank of Canada Economic Forecast projections for 2023 include:

- Nationally, Gross Domestic Product (GDP) growth is expected to modestly increase by 0.5%;
- Interest rates are anticipated to peak at 4.5%
- National wage growth in 2023 is estimated at 4%
- Inflation, measured by the Consumer Price Index, landed at 6.8% year-over-year in November, which was a decrease from its high of 8% in July. This Inflation is estimated to fall around 3% for 2023 and return to 2% in 2024

### **Economic Outlook – Employment Rates**

The Canada Unemployment Rate is 5.1% as of November, 2022, down from 6.1% in November, 2021, 8.7% in November, 2020 and 6.0% in November, 2019.

The Ontario Unemployment Rate is 5.5% as of November, 2022, down from 6.5% in November, 2021, 9.3% in November, 2020 and 5.6% in November, 2019.

The Brant-Brantford Unemployment Rate is 5.2% as of November, 2022, down from 7.8% in November, 2021, 8.7% in November, 2020 and up from 4% in November, 2019.

Currently, the Brant-Brantford local unemployment rates are relatively consistent with federal and provincial averages and an increase in the number of local jobs is relatively balanced by the increase in population.

### **Economic Outlook - Service Level Comparisons**

The County of Brant participates in the BMA Management Consulting Inc. Annual Municipal Study, which reviews and compares key social, economic and environmental factors to evaluate a municipality's overall financial position.

The following slides demonstrate several socio-economic comparisons. Comparators are based on those used for the job market analysis, who are also part of the BMA Study, including: Haldimand County, Norfolk County, City of Brantford, City of Cambridge, City of St. Thomas and City of Stratford.

## **BMA Municipal Study Results 2022**

### Percent Population Increase (5 – years – 2016 – 2021)

County of Brant – 10.8% increase

Rank: 1<sup>st</sup> highest of comparators

Average of Comparators: 7.5%

### Average Household Income

County of Brant - \$119,661

Rank: 1<sup>st</sup> highest of comparators

Average of Comparators: \$96,596

## **BMA Municipal Study Results 2022**

### Net Levy Per Capita

County of Brant – \$1462

Rank: 3<sup>rd</sup> lowest of comparators (mid-range)

Average of Comparators: \$1580

### Municipal Burden as a Percentage of Income

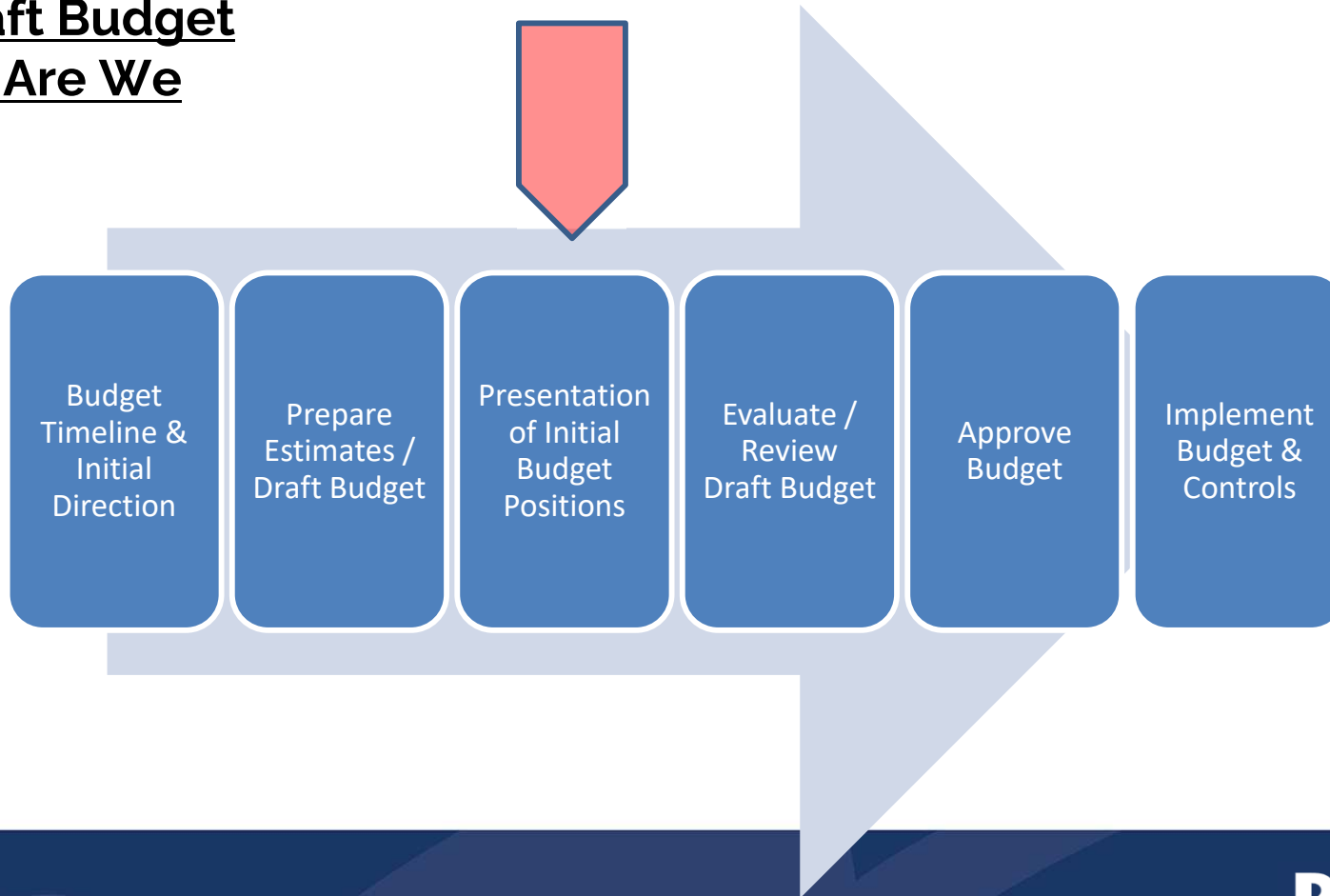
County of Brant – 4.5%

Rank: Tied for 1<sup>st</sup> lowest of comparators

Average of Comparators: 5.18%



## 2023 Draft Budget - Where Are We



## **Public Engagement**

All 2023 Draft Budget materials are available on the County of Brant Website through the following link:

[www.brant.ca/2023budget](http://www.brant.ca/2023budget)

A one-page summary report has been prepared for hard-copy distribution to members of the public and will be available at all County Offices, Libraries and Facilities.

The County's 'Engage Brant' Public Engagement platform has been utilized to provide additional opportunities for the public to comment on / provide input into the 2023 budget.

## **Public Engagement...continued**

All public comments, questions and answers and input will be compiled and reported to the Committee of the Whole at their February 2, 2023 Decision Packages and Budget Deliberation meeting.

## **Format of Budget Binder / Website**

All 2023 Draft Budget Materials presented to Council, whether in hard copy or electronically on the County website, have been structured with the following format:

- Presentations
- Section 1 – Budget Overview Summary
- Section 2 – Mayor and Council
- Section 3 – Office of the Chief Administrative Officer
- Section 4 – Corporate Services / Taxation & Corporate Finances
- Section 5 – Development Services
- Section 6 – Strategic Initiatives
- Section 7 – Operations
- Section 8 – Community & Protective Services
- Section 9 – Paramedic Services
- Section 10 – Library
- Section 11 – External Agencies
- Section 12 – Decision Packages
- Section 13 – Proposed Capital

## 2023 Proposed Budget - Operating County of Brant

	Reorganized 2022 Budget	Adjustments & Inflation	One Time	Growth	2023 Proposed Budget	\$ Change	% Change
<b>REVENUES</b>							
Federal/Provincial Grants	10,895,848	(11,919)			10,883,929	(11,919)	(0.1%)
Fees & Service Charges	22,026,814	2,302,407			24,329,221	2,302,407	10.5%
Other Revenues	10,481,693	1,059,681	15,000		11,556,374	1,074,681	10.3%
Other Tax Revenues	2,186,175	462,027			2,648,202	462,027	21.1%
Cost Sharing - City of Brantford	5,399,532	795,491			6,195,023	795,491	14.7%
Contribution from Reserve & Reserve Fund	3,055,417	(559,966)			2,495,451	(559,966)	(18.3%)
Contribution from Capital	223,269	(27,434)			195,835	(27,434)	(12.3%)
Contribution from Trust Fund	38,000	2,000			40,000	2,000	5.3%
<b>TOTAL REVENUES</b>	<b>54,306,748</b>	<b>4,022,287</b>	<b>15,000</b>		<b>58,344,035</b>	<b>4,037,287</b>	<b>7.4%</b>
<b>EXPENDITURES</b>							
Salaries, Wages & Benefits	43,755,617	4,002,572			47,758,189	4,002,572	9.1%
Materials & Supplies	12,383,806	588,616	435,900	5,000	13,413,322	1,029,516	8.3%
Insurance	1,801,275	218,020			2,019,295	218,020	12.1%
Contracted Services	17,668,427	919,610	142,600	12,000	18,742,637	1,074,210	6.1%
Rent & Financial Expenses	871,585	(68,835)			802,750	(68,835)	(7.9%)
Interfunctional Charges	6,161,332	875,519	15,000		7,051,851	890,519	14.5%
External Transfers	9,328,645	1,972,560			11,301,205	1,972,560	21.1%
Principal & Interest on Long Term Debt	5,886,457	(77,205)			5,809,252	(77,205)	(1.3%)
Transfer to Capital	12,781,493	(5,000)			12,776,493	(5,000)	(0.0%)
Transfer to Reserves	5,773,354	2,167,416	(460,000)		7,480,770	1,707,416	29.6%
<b>TOTAL EXPENDITURES</b>	<b>116,411,991</b>	<b>10,593,273</b>	<b>133,500</b>	<b>17,000</b>	<b>127,155,764</b>	<b>10,743,773</b>	<b>9.2%</b>
<b>NET LEVY</b>	<b>\$62,105,243</b>	<b>\$6,570,986</b>	<b>\$118,500</b>	<b>\$17,000</b>	<b>\$68,811,729</b>	<b>\$6,706,486</b>	<b>10.8%</b>
2023 Median Home assessed at \$373,000	\$3,191.22				\$3,400.73	\$209.51	6.6%

## Draft 2023 Budget – Starting Point

Net Levy Increase = 10.8%

Tax Levy Increase = 6.6%

### 2022 Median Residential Home

Assessed at \$373,000

Taxes \$3,191.22

### 2023 Median Residential Home

Assessed at \$373,000

Taxes \$3,400.73

(increase of \$209.51)

## Draft 2023 Budget – Key Tax Levy Budget Drivers

Budget Drivers					
			% Levy Increase	% Tax Increase on Median Home	\$ Tax Increase on Median Home
<b>Revenues</b>					
Property tax supplementaries - increase to \$1.9mil	(425,000)		-0.68%	-0.66%	\$ (21.00)
Surplus carry forward removed	400,000		0.64%	0.62%	\$ 19.77
Contribution from Reserve removed	350,000		0.56%	0.54%	\$ 17.30
OMPF decrease	232,300		0.37%	0.36%	\$ 11.48
Boundary Compensation	170,593		0.27%	0.26%	\$ 8.43
Parking Permit revenue removed until program approved & implemented	213,772		0.34%	0.33%	\$ 10.56
Emergency Mgmt - remove COVID funding	100,286		0.16%	0.16%	\$ 4.96

## Budget Drivers

			% Levy Increase	%Tax Increase on Median Home	\$ Tax Increase on Median Home
<b>Expenses</b>					
Staffing Costs		2,461,363	3.96%	3.81%	\$ 121.64
Salary and Benefits Adjustments		971,932			
Position Changes Approved by Council since 2022 Budget (including Development Services in December)		1,015,458			
Annualization of Positions approved in the 2022 Budget for mid-year start		504,313			
Insurance		170,000			
Improved Communication - inflationary costs & request for increase in print/mail communications		50,000	0.08%	0.08%	\$ 2.47
Parks/Forestry - additional parks		70,000	0.11%	0.11%	\$ 3.46
Lane Marking - inflation & increase kilometres		260,000	0.42%	0.40%	\$ 12.85
Inflation					
supplies		400,000	0.64%	0.62%	\$ 19.77
contracts		450,000	0.72%	0.70%	\$ 22.24
fuel		320,000	0.52%	0.50%	\$ 15.81



## Draft 2023 Budget – Key Tax Levy Budget Drivers

Budget Drivers					
			% Levy Increase	% Tax Increase on Median Home	\$ Tax Increase on Median Home
<b>Committee / Council approved Budgets</b>					
Paramedic Decision Package Approved - 2 12 hour shifts	182,000		0.29%	0.28%	\$ 8.99
Social Services					
Operating	1,124,239		1.81%	1.74%	\$ 55.56
Capital - CSSD accommodations	672,000		1.08%	1.04%	\$ 33.21

Note: Key Tax Levy Budget Drivers do not include rate-supported increases

## **Key Budget Drivers – Surplus Carry-Over**

As reported in the 3<sup>rd</sup> Quarter Variance Report, Finance Staff does not anticipate a year-end surplus for 2022. As such, the carry-over is no longer a revenue source, as it was for 2022 (from the 2021 surplus).

## **Key Budget Drivers – Contribution from Reserves**

In 2022, Council approved a \$350,000 contribution from reserves to help smooth out the 2022 budget increase. This contribution has been removed as a revenue source for the base 2023 budget, but can be considered as a one-time contribution at Council's discretion.

## **Key Budget Drivers – OMPF Reduction**

The Ontario Municipal Partnership Fund (OMPF) is the Province's main general assistance grant to municipalities, with objectives to support areas with limited assessment, northern and rural municipalities and areas transitioning to the redesigned funding program. As the County's fiscal circumstances and rural / urban landscape change, its OMPF contribution is reduced accordingly.

## **Key Budget Drivers - 2017 Boundary Adjustment**

Effective January, 2017, the County of Brant and the City of Brantford entered into a boundary adjustment agreement that saw 2,720 hectares of land transferred into the City of Brantford. The Financial agreement included payments of \$1,163,350 annually to the County, with the last payment January 1, 2027, plus a payment to offset the municipal portion of taxes levied in 2016, declining lineally with the last payment January 1, 2028.

As a result, the County will receive a total of \$2,016,315 as revenue from this agreement in 2023, being a \$170,594 reduction in revenue from 2022.

## **Key Budget Drivers – Parking Permit Revenue**

In the 2022 Budget, \$213,772 was included as anticipated revenue from a paid Parking Permit system. This system has not yet been implemented and it is difficult to estimate when and if this system will be on board in time for revenue to be generated in 2023. As such, this revenue source has been removed from the draft 2023 Budget.

## **Key Budget Drivers – Emergency Management**

The County's Emergency Management Program was budgeted in 2022 to be funded from COVID-19 funding received from the Province. There is no Provincial funding source for 2023 and as such this essential program will need to be funded from the tax levy.

## **Key Budget Drivers – Staffing Costs**

Staffing costs increases for 2023 include a proposed 2% cost-of-living increase for non-union staff, collective agreement increases pertaining to tax-levy supported union positions, increased benefits cost, grid-step changes for staff not currently at full job rate, new positions that have been approved by Council but were not part of the 2022 budget, including new positions approved at the December Council meeting, job evaluation adjustments and the annualization of costs for positions approved for a May 1 start date in the 2022 budget.

## Other Key Budget Drivers

The following drivers are more straight-forward and are directly attributable to growth, new assets and Council-directed priorities:

- Insurance
- Communication
- Parks / Forestry
- Lane Marking

## Key Budget Drivers – Inflation

Inflationary cost increases attributable to supplies, contracts (services) and fuel have been isolated and identified for Council's information. These reflect the impacts of increasing costs, which have been reported to Council on various projects / reports throughout the year, supply chain issues which have yet to fully resolve and general cost of living increases.



## **Key Budget Drivers - Shared Services Agreements**

The County of Brant and the City of Brantford are jointly responsible for a number of shared services, including Paramedic Services, Social Services and the John Noble Home. Contributions for each of these services are on a population-based split, which for 2023 has been calculated to be:

- City of Brantford – 72%
- County of Brant – 28%

In accordance with the agreement, the Draft 2023 Paramedic Services Budget was approved by City of Brantford Council in December and is now presented for County Council's consideration. Ratification is required by February 1, 2023 under the agreement.

## **Key Budget Drivers - Shared Services Agreements**

The 2023 Draft Social Services Budget was approved by County of Brant Council at its meeting on December 20, 2022, and reflects increases to operating and capital. One key budget driver is the phase-in of the new municipal contribution calculation based on population rather than case numbers. City of Brantford Council will have final approval of this budget, to be forwarded to the County by February 1, 2023.



## 2023 Budget Team

- Heather Mifflin,  
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