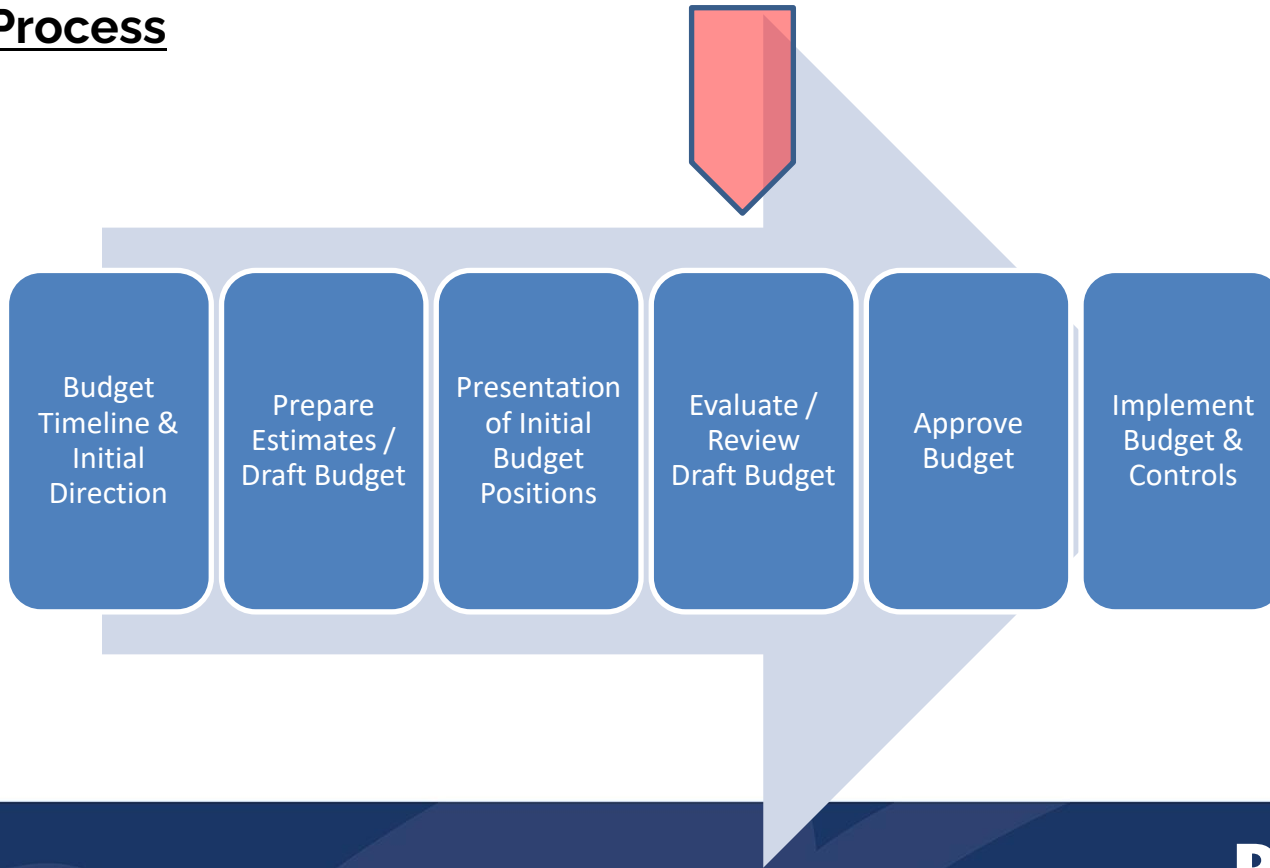




Draft 2023 Budget
February 2 Update

Budget Process



2023 Budget – February 2 Meeting

For the February 2 meeting (Budget Deliberations & Decision Packages), the Finance Team committed to bringing forward the following:

- Updated Operating Budget Overview & Highlight of Changes Made;
- Fully Funded Capital Budget Based on 0% Increase in Capital Investment;
- Detailed Decision Package on Capital Levy Options for \$1M or based on the Non-Residential Construction Price Index (15,6% / \$1,916,440 additional investment);
- Responses to questions raised / additional information requested at January Committee of the Whole Meetings;
- Results / Input received through public engagement;
- Several Staff Reports required as part of budget process;
- Incorporation / Decision Packages for other items referred to budget in January.

Outcomes of January 31 Council Meeting

Several decisions were made at the January 31 Council meeting that impact the 2023 Proposed Budget:

- Funding Requests from St. Joseph's Lifecare Centre and Stedman Community Hospice referred to budget as decision packages (See handed out decision packages #25 & 26)
- Firefighter Remuneration Schedule Update approved – incorporated into updated Operating Budget and Budget Overview Slides

2023 Budget – Updated Operating Budget

2023 Proposed Budget - Operating

County of Brant

	2023 Budget
NET LEVY - Presented to Committee of the Whole January 12th	\$68,811,729
<i>Correction to Mayor & Council salary & benefits</i>	48,819
<i>Correction to Major Community Grants carryforward</i>	(336,667)
<i>Decrease in Interest on Debt (new issue)</i>	(17,885)
<i>Increase in Development revenue</i>	(13,398)
<i>Increase to Economic Development for OSUM conference (missed)</i>	5,500
<i>Increase in Fire Fighter Remuneration</i>	155,299
<i>Move Social Services Capital to Capital Budget and fund from Financing Reserve Fund</i>	(672,000)
NET LEVY	\$67,981,397
2023 Budget impact on a median home assessed at \$373,000.	
\$ Tax Increase	\$ 168.48
% Tax Increase	5.3%

2023 Proposed Budget - Operating

County of Brant

	Reorganized 2022 Budget	Adjustments & Inflation	One Time	Growth	2023 Proposed Budget	\$ Change	% Change
REVENUES							
Federal/Provincial Grants	10,895,848	(11,919)			10,883,929	(11,919)	(0.1%)
Fees & Service Charges	22,026,814	2,322,403			24,349,217	2,322,403	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	(564,459)			2,490,958	(564,459)	(18.5%)
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%
TOTAL REVENUES	54,306,748	4,037,790	15,000		58,359,538	4,052,790	7.5%

EXPENDITURES

Salaries, Wages & Benefits	43,755,617	4,206,690			47,962,307	4,206,690	9.6%
Materials & Supplies	12,383,806	588,616	441,400	5,000	13,418,822	1,035,016	8.4%
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	963,893			10,292,538	963,893	10.3%
Principal & Interest on Long Term Debt	5,886,457	(101,128)			5,785,329	(101,128)	(1.7%)
Transfer to Capital	12,781,493	(5,000)			12,776,493	(5,000)	(0.0%)
Transfer to Reserves	5,773,354	2,175,559	(460,000)		7,488,913	1,715,559	29.7%
TOTAL EXPENDITURES	116,411,991	9,772,944	139,000	17,000	126,340,935	9,928,944	8.5%

NET LEVY	\$62,105,243	\$5,735,154	\$124,000	\$17,000	\$67,981,397	\$5,876,154	9.5%
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2023 Median Home assessed at \$373,000	\$3,191.22				\$3,359.70	\$168.48	5.3%
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Draft 2023 Operating Budget – Updated Starting Point

Net Levy Increase = 9.5%

Tax Levy Increase = 5.3%

2022 Median Residential Home

Assessed at \$373,000

Taxes \$3,191.22

2023 Median Residential Home

Assessed at \$373,000

Taxes \$3,359.70

(increase of \$168.48)

2023 Budget – Capital – Clarification on Past Council Direction

- Previous budget years, Council direction was sought mid-year to present a proposed five-year capital budget:
 - To fund maintenance and/or replacement of existing assets / infrastructure with a capital tax levy of the previous years' capital tax levy, plus an inflationary adjustment based on the first quarter year-over-year non-residential building construction price index.
- In 2022, additional funding sources became available to offset capital costs and a decision was made to maintain the tax levy portion of the capital budget at \$12,284,871 with no inflationary adjustment.
- Factoring in all capital funding sources, a total of \$96,489,207 has been identified as the 2023 County of Brant Capital Program.

2023 Budget – Capital – Clarification on Past Council Direction

- In 2022, the first quarter year-over-year non-residential building construction price index was 17.3%. At the time the budget direction report was prepared, it was agreed that an appropriate inflationary adjustment would be revisited later in the year, to be reviewed by the new Term of Council.
- Given the pressures of the 2023 Draft Operating and Capital Budget starting point, staff has prepared a funded capital levy with no increase (no adjustment for inflation – maintain 2021 funding level), and a Decision Package with details provided on the following two (2) scenarios:
 - Capital Levy with \$1M adjustment for inflation;
 - Capital Levy with \$1,916,440 adjustment for inflation (15.6% increase representing the 3rd quarter year-over-year increase in the non-residential construction price index)
- At its meeting on January 24, the Paris Lawn Bowling Club project was referred to budget deliberations at a cost of \$1,600,000 to be considered.

2023 Budget – Updated Capital Budget - No Increase in Levy

- Revised Budget Binder Sheets are attached to the agenda and will be provided for each budget binder at the meeting. These revised sheets reflect a fully funded Capital Levy, based on no inflationary increase. This was achieved through the following actions:
 - New Capital Line Item – Bill 23 Costs - three (3) studies scheduled for 2023 to be funded by Development Charges are no longer eligible for DC funding – proposed to be funded by the Contingency Reserve in 2023. If Provincial or other source funding for these studies comes forward in 2023, the contingency would not be drawn upon or would be repaid;
 - Updated funding sources to make most efficient use of Development Charges and other Reserves;
 - Highlighted projects reallocated to future years' budgets; and
 - Does not include Paris Lawn Bowling Club project.

2023 Budget – Updated Capital Budget – \$1,000,000 Levy Increase

After review by staff from applicable departments, the following projects have been earmarked as proposed to be included in the Capital Levy, should the levy be increased by \$1M:

Decision Package #4 - Capital Levy Increase		
Option #1 - Increase of \$1,000,000		
Project ID	Project Name	Amount
Roads		
RDS264	Asphalt Patching & Skim Coats	200,000
RDS280	20 Curtis Ave N Reconstruction	100,000
Total Roads		300,000
Storm Water Management		
SWM052	23 Curtis Ave. N., Paris	50,000
Total Storm Water Management		50,000
Recreational Facilities		
RFC052	22 SDCC Bleacher Replacement	200,000
Total Recreational Facilities		200,000
Fire Services		
FRE097	24 Replace Tanker - Paris	450,000
Total Fire Services		450,000
Total Additional Projects with Option #1		1,000,000

2023 Budget – Updated Capital Budget – 15.6% Levy Increase (\$1,916,440)

After review by staff from applicable departments, the following projects have been earmarked as proposed to be included in the Capital Levy, should the levy be increased by \$1,916,440M:

Decision Package #4 - Capital Levy Increase

Option #2 - Increase of \$1,916,440
(using the Non-Residential Construction Price Index at 15.6%)

Project ID	Project Name	Amount
Roads		
RDS264	Asphalt Patching & Skim Coats	336,440
RDS280	20 Curtis Ave N Reconstruction	300,000
RDS354	23 Broadway St W - West River to Emily	25,000
Total Roads		661,440
Storm Water Management		
SWM039	21 Broadway St Reconst-Storm-Market to W River	225,000
SWM052	23 Curtis Ave. N., Paris	250,000
Total Storm Water Management		475,000
Recreational Facilities		
RFC052	22 SDCC Bleacher Replacement	200,000
Total Recreational Facilities		200,000
Fire Services		
FRE095	23 Replace Fire Admin Vehicle	50,000
FRE097	24 Replace Tanker - Paris	450,000
FRE111	23 Burford Generator	80,000
Total Fire Services		580,000
Total Additional Projects with Option #2		1,916,440

2023 Budget – Updated Capital Budget – Impact of Deferrals

- All projects that are proposed for deferral were put forward by the respective departments
- The deferred projects were reviewed, and the highest priority were included in the two Capital Levy Decision package options.
- Factors considered in deferrals include
 - Asset condition and impact of waiting a year
 - Likelihood of completion this construction season
 - Pending completion of the Asset Management Plan as a planning tool

2023 Budget – Updated Capital Budget – Use of Reserves

	Estimated Available Balance at Dec 31/22	2023 Contribution to Reserves	2023 Transfer to Operating Budget	2023 Transfer to Capital Budget	Available Balance at Dec31/23	2023 Decision Packages	Balance after Decision Packages
Discretionary Reserves & Reserve Funds	49,826,532	3,342,472	(1,167,931)	(16,258,783)	35,742,290	(165,000)	35,577,290
Obligatory Reserve Funds	19,311,947	22,901,633	(1,836,644)	(28,606,732)	11,770,203	(40,000)	11,730,203
Total of All Reserves & Reserve Funds	69,138,479	26,244,105	(3,004,575)	(44,865,516)	47,512,493	(205,000)	47,307,493

- A full forecast of Reserves and Reserve Funds will be included in the upcoming Long Term Financial Plan

2023 Budget – Updated Capital Budget – DCs & DCs paid by Debt

- Development Charge legislation restricts Development Charge Reserve Funds from being overdrawn
- Hard infrastructure (water, wastewater, roads, storm) construction is usually required before development occurs and development charges are collected.
- If the construction of growth related projects would overdraw the Development Charge Reserve Fund, the project is funded by Debt to be repaid by Development Charges

2023 Budget – Paris Lawn Bowling Club Project

- Estimated Budget of \$1,600,000
- Project approved by Administration and Operations Committee (awaiting Council ratification) – funding referred to 2023 budget deliberations
- Proposed Funding Sources:
 - Capital tax levy - \$150,000
 - Debt financing - \$1,000,000
 - Donations - \$150,000 campaign goal
 - Reserves - \$300,000 (Parkland inlieu)
- Any additional funding sources that may arise (i.e. grants, cost savings, revenues, etc.) will be applied to reduce the debt financing component.
- The Capital tax levy component would result in an increase to the 2023 Capital levy of \$150,000.

2023 Budget – Paris Lawn Bowling Club Project

- At the January 24 Administration & Operations Committee meeting, staff was asked to provide an updated Operating Plan for this facility. This was provided to Council via memo on Friday, January 27 and is summarized as follows:

	2023 Budget	2024 Proposed Operating	
01001 Fees - Rental Revenue			
Paris Lawn Bowling Club Greens	\$2,000	\$1,675	Comparator adult athletic field rates
PLBC Community Centre Use		\$1,260	2 hours per week
Paris Seniors	\$0	\$0	No rental charge as this is a core service level. Savings on current rent shown below in expenses.
Weekday Hourly Rentals \$35/hr X 50	\$0	\$1,750	
Weekend Rentals \$125 x 25		\$3,125	
Total Revenue	\$2,000	\$7,810	
Expenses			
10001 Salaries	\$10,778	\$14,000	
10101 Employee Benefits - FT	\$3,195	\$3,910	
11028 Materials and Supplies	\$0	\$300	
13201 Equipment Maintenance	\$3,300	\$1,200	
13202 Building Maintenance	\$950	\$950	
13208 Grounds Maintenance	\$3,700	\$4,500	
14104 Rental County Vehicles	\$0	\$800	
20104 Telephone line security system	\$500	\$500	
21021 Contracted Services	\$0	\$1,800	
22001 Utility - Hydro	\$1,000	\$0	
22002 Utility - Natural Gas	\$1,108	\$0	
22006 Utility - Water	\$1,000	\$1,250	
22010 Utility - Waste Water	\$500	\$750	
23001 Insurance Premiums	\$322	\$1,000	
Senior Programs			
14108 Facility Rental - Paris Seniors	\$4,800	\$0	
Total Expenses	\$31,153	\$30,960	
Net Operating Cost	\$29,153	\$23,150	\$6,003 savings

2023 Budget – Public Engagement Results

- One request came in for clarification on the 2023 Budget Meeting Schedule and was responded to with next meeting information and links.
- No other questions / comments have been received on social media, in person, over the phone or through comments on the articles in local newspapers on the 2023 budget.
- Any additional comments / questions received will be compiled into updated Presentation Slides for February 2.

2023 Budget – Questions & Answers

Reserve Balances:

- Cannabis Legalization Implementation Fund Reserve – balance & allocation status - \$44,537 – Funds allocated specifically for policy, legal, equipment and training related to enforcement activities – approximately \$8,000 spent / year. No new funds earmarked to go into this fund.
- Affordable Housing Reserve - \$931,000 – earmarked and allocated in capital forecast for affordable housing projects (i.e. Trillium Way).
- Social Housing Development Charges Reserve - \$604,000 – earmarked and allocated in capital forecast for affordable housing projects (Trillium Way).

2023 Budget – Questions & Answers

2022 BMA Comparator – Fire Service:

Fire Services is someone difficult to measure as a comparable – each municipality's results are influenced by factors including the nature and extent of fire risks, geography, fire prevention and education efforts, collective agreements, staffing models (full-time vs volunteer vs composite).

For our identified comparator group:

Fire Service Total Cost Per Capita

County of Brant – \$76

Rank: 1st lowest of comparators

Average of Comparators: \$155.60

2023 Budget – Questions & Answers

Subsidization Levels

A comparison of the percentage of subsidization for various Recreation and Community Development Programs, facilities and Brant Transit has been provided as additional pages 1-22 to 1-26 handed out for your budget binders this morning.

- Recreation Programs vary widely in their levels of subsidization (from for-profit to heavily subsidized);
- The Recreation Facilities include all activities on the site (indoor and outdoor where applicable) and staff assigned to that facility, which may provide some maintenance / support to other sites. For the County-run facilities, these average a 61% subsidization;
- Brant Transit is currently subsidized around 48.6%
- Water, wastewater, building and development engineering services are fully self-funded;
- Development Services and related fee structures are pending a more comprehensive process review.

2023 Budget – Questions & Answers

Service Level Changes:

- At the previous meeting, staff were asked to consider preparing “Decision Packages” based on potential reductions in service levels to provide tax levy relief.
- At this time, staff has focused on finding efficiencies, maximizing available funding sources and some deferral of projects to provide the best possible base budget without a negative impact on service to the community.
- With the County of Brant being a growth municipality with increasing demands for new and improved services, staff would be seeking some direction from Council on any areas that Council may feel warrant a more thorough service level review for possible reductions in budget allocations.
- No service level reductions are proposed as part of the draft budget presented today.

2023 Budget – Questions & Answers

Population Increase Broken Down by Wards (5 – years – 2016 – 2021)

As reported in the 2023 Budget Overview, the BMA Municipal Study noted a 10.8% increase in the County of Brant population from 2016 to 2021.

2021 Population: 39,474

*Estimated Distribution:

Ward 1 – 8,248 (6% increase)

Ward 2 – 7,669 (17% increase)

Ward 3 – 7,579 (27% increase)

Ward 4 – 7,530 (3% increase)

Ward 5 – 8,448 (7% increase)

total population estimate based on BMA Municipal Study figures, with by ward percentages extrapolated from 2022 MPAC data

2023 Budget – Questions & Answers

Materials & Supplies Break-Down – Property Taxes

- Certain items in the 'Materials and Supplies' line of the departmental budgets, which may not be traditionally thought of as either a 'material' or a 'supply' (i.e. utilities, taxes), are included as such to be consistent with Provincial requirements for the County's Financial Information Return.
- A question was raised regarding property taxes assessed to Russell Heights – as the facility is self-sustaining through lease/rent and not for municipal purpose, it is classified as a taxable property according to legislation.

2023 Budget – Decision Packages

- Decision Packages are outlined in Section 12 of Budget Binder
- Change display to Excel Spreadsheet for Calculations

2023 Budget – Staff Reports

Excluded Expenses Report

- Staff Report RPT-0043-23 included in agenda package for Committee's consideration.

2023 Budget – Staff Reports

Tax Ratios

- Staff Report RPT-0044-23 is attached to the agenda under 'Staff Reports' for Committee's consideration.
- Tax Ratio / Tax Rate Comparisons are contained in this report

2023 Budget – Staff Reports

Tax Ratio Comparisons

Class	Provincial Target Range	Brant	Brantford	Norfolk	Haldimand	St. Thomas	Stratford	Cambridge	Blanford Blenheim
Residential	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Multi-Residential	1.1000	1.7000	1.8628	1.6929	2.0000	2.0367	2.0000	1.9500	2.0000
Farmland	0.2500	0.2400	0.2500	0.2500	0.2500	0.2689	0.2500	0.2500	0.2176
Managed Forest	0.2500	0.2500	0.2500	0.2500	0.2500	0.2689	n/a	0.2500	0.2500
Commercial	0.6 – 1.1	1.9000	1.7457	1.6929	1.6929	1.7926	1.9759	1.9500	1.9018
Industrial	0.6 – 1.1	2.5500	2.2482	1.6929	2.3274	2.2546	2.5396	1.9500	2.6300
Pipelines	0.6 – 1.1	1.7750	1.7404	1.4893	1.4894	1.2270	1.5090	1.1613	1.2593
Landfill	1 – 1.1	1.1000	1.5000	n/a	1.6929	n/a	1.9650	1.5400	n/a

2023 Budget – Staff Reports

Tax Rate Comparisons

Municipality	2022 Residential Tax Rate	2022 Taxes on Residential Property Assessed at \$350,000 (incl. school board)
Brant	0.0085556	\$3,530.62
Brantford	0.01204725	\$4,752.04
Norfolk	0.01189850	\$4,699.98
Haldimand	0.01224587	\$4,207.24
Cambridge	0.0107958	\$4,314.03
Blanford Blenheim	0.00855748	\$3,992.02

2023 Budget – Next Steps

- If Committee is satisfied with moving forward with budget recommendations at the end of the February 2 meeting, staff will request a five (5) minute recess to prepare these for consideration.
- If Committee is not satisfied with moving forward with budget recommendations at the end of the February 2 meeting, staff will request any further questions / suggestions / requests / direction and schedule an additional budget meeting session.

2023 Budget – Recommendations

(To be updated before approval):

That the 2023 Operating Budget for the County of Brant, totaling \$67,981,397 be approved;

That the 2023 Capital Budget for the County of Brant, totaling expenditures of \$98,489,207 be approved, with a capital tax levy of \$12,284,871, funding from reserves of \$28,180,677 and funding from debt / debentures of \$35,112,850;

That \$279,845 in capital expenditures, related to studies no longer eligible for funding from Development Charges as a result of Bill 23, be funded from the Contingency Reserve, to be repaid if an alternative funding source becomes available.



2023 Budget Team

- Heather Mifflin,
Director of Finance,
Treasurer
- Heather Bailey,
Manager of Accounting
& Budgets
- Vanessa Graves,
Senior Accountant
- Dustin van Engen,
Senior Accountant