



2021 City Budget

Recommendations by Brampton Board of Trade

November 26, 2020

Thank you I am Vanessa White, Chair of the Board and CHRO with Maple Lodge Farms. With me today is Glenn Williams of Williams Financial and our Policy and Government Relations Committee

Economic Context: We are in the middle of the second lock-down this year and that has put many businesses in a precarious position. Revenues streams have been compromised. City staff have recommended a property tax increase. That will be difficult to accommodate for many. At the same time, our community continues to grow in population. Together with the private sector, our economic and municipal tax base challenge is to attract more business investment (industrial and commercial) so that we can retain and grow the number of jobs. Our recommendations today are two-fold: Build Brampton's Competitive Advantage and Reduce the proposed Property Tax Increase

Recommendations

The Brampton Board of Trade recommends that Council direct staff to:

1: Build Brampton's Advantage:

- Transit
- Approval Times
- Incubate and Invest / Be ready

2: Reduce forecast tax increase:

- Leverage Brampton's Financial Strength
- Optimize Service Levels and Sources
- Stop less-relevant expenditures

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Each year, the Brampton Board of Trade brings business leaders together to create and update the Prosperity Agenda – a workplan to support key economic drivers including Talent, Trade, Transit, Transportation, Taxation, Innovation, Civic Leadership and Investment Attraction. Member businesses employ more than 45,000 in Brampton – or provide about 1 in every 3 jobs.

These business owners and corporate representatives also meet each month, at our Policy and Government Relations committee and governing Board to review progress on that agenda. Each quarter we host vibrant network meetings to ensure that business needs and investment intentions are up to date. These networks focus on important economic topics such as Goods Movement, Innovation, Trade, Talent and Economic Development initiatives.

Our business volunteers have reviewed the budget documents and submitted a dozen or so preliminary questions. We thank Mark Medeiros for his response. I will ask Glenn to now take us through our two recommendations and associated comments and questions.

1 Build Brampton's Advantage

For Brampton to succeed in the competition for jobs, investment and talent, a number of factors must align. Convenient and reliable transit, fast building permit and development approvals, incubation of innovative ideas and investment in infrastructure that add to the health, safety and quality of life of its residents are just a few.

With respect to the budget, for Transit, we notice the 2021 revenue assumption is \$87M, even though 2020's actual revenue was only \$45M. In checking with staff, it seems that the assumption is that COVID won't impact transit revenue in 2021. Does this seem reasonable to you? Further, we notice that this same assumption is made across all other departments. In effect, it defeats the purpose of budgeting if management doesn't make realistic revenue projections. Imagine you are a manager in transit. Your boss assumes revenue that we reasonably can estimate won't be there. Without realistic parameters, how can performance be managed? and aren't municipal employees at risk of spending more tax dollars than they have, requiring a much larger draw on reserves than is necessary. A more prudent approach would be require staff to make more realistic revenue projections and to live within our means. This would preserve reserve funds for important investments to make in roads, hospitals, transit and property tax rate stabilization.

Moving at the speed of business is an important competitive advantage. With respect to permit and development approval times, we applaud Council for investments in staffing and technology to accelerate permit review and development applications. We ask Council to direct staff to publish KPI's – key performance indicators online monthly and that quarterly benchmark reports, with appropriate analysis be brought to Council.

We applaud Council for its support of incubators, accelerators and other business supports scheduled for the downtown innovation district. We encourage Council to also invest in important infrastructure and to ensure adequate reserve levels. We need to be ready with budget allocations made in advance so that we are ready for federal and provincial announcements. Last year we suggested that you multi-year capital forecast to include some of the game-changing projects such as Riverwalk, HuLRT extension to the Brampton GO Station etc. Budgets shouldn't be amended or re-written everytime a senior level government makes a funding announcement....and remember, some of these announcements require funding to already be currently allocated in budgets. It would be a shame if Brampton missed out on senior level funding because its budget wasn't properly formatted.

2 Reduce forecast tax increase

Context:

- **Comparatively high taxes:** 2018 Municipal Benchmarking Study from BMA Management Consulting demonstrates, Brampton's property tax level continues to be too high relative to its peer municipalities
Ability to pay: Pandemic operating restrictions over many months have put small businesses in a precarious position. This is not the year to increase property taxes.

The property tax burden of Brampton residents, as a percentage of income, is highest among neighbouring jurisdictions.

Recommendation:

- **Real belt-tightening is required:** This is not the year for a 2.3% property tax increase. Infrastructure, investment attraction, business incubation are worthy expenditures. In order to reduce forecast property tax increases though, real belt-tightening will be required, Just like businesses have had to reduce staff and overhead to accommodate the pandemic economic reality, they expect the same tough decision to be made by their city government. As we mentioned earlier, staff should be directed to produce realistic revenue and expense estimates and not rely on simple delaying internal payments or putting preventative maintenance as a capital instead of operating cost. This amounts to simple moving money from left pocket to right pocket.



THANK YOU!

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