



March 9, 2023

Mayor Brown & Members of Council  
City of Brampton  
2 Wellington Street  
Brampton, ON  
L6Y 1M8

Dear Mayor and Council:

Congratulations on work completed to date on the 2023 municipal budget. This is an important annual process that sets both strategic and operational direction for the city and sends signals to current and future Brampton businesses about growth enabling policies. The Brampton Board of Trade is pleased to have once again closely followed the municipal budget process, including through the efforts of our Policy & Government Relations Committee as well as a sub-committee of business volunteers with background and expertise in municipal budgeting.

We welcome efforts by the city to more robustly engage the business community, including the business town hall held earlier in the process where the Mayor, members of council and senior finance staff were available to field questions and receive feedback. We look forward to future municipal budgets that build upon our feedback from the 2023 budget from both a substantive and process-oriented point of view. In particular, Brampton's business community draws attention to the following areas:

1. **Property Tax Rates:** While 4 years of 0% or 1% increases provided important stability to businesses during the worst of the COVID-19 pandemic, for many years the Board of Trade raised concerns about the sustainability of this trajectory for Canada's fastest growing major city.

In 2023, the City-controlled increase in property tax is proposed to be 7.3% (Budget Summary Page 7). This is much higher than inflation (5.9%), higher than Peel Region's increase (6.7%) and is a significant burden to many small businesses in our community. Bottom line is that on average residents will see a 5.7% increase in what they paid compared to 2022 when combining City, Region and School taxes.

As cost pressures will continue to grow in future years, it is critical that future budgets answer the Board of Trade's call for transparent and honest communication of city-controlled property tax increases and realistic projections of property tax rates over the next several years to offer predictability to businesses in their hiring and investment decision-making.

2. **Capital Project Expenditures:** The amount of approved but unspent capital continues to grow annually, sometimes as much as by \$200-300 million, with the total sum now over \$1 billion. This has the dual effect of prematurely taxing residents for money that is not spent in a timely manner and setting false expectations contrary to what would normally be understood and expected in a progressive municipality. As well, it delays critical infrastructure and other capital projects that are needed to keep pace with the rate of growth in our city. Going forward, it remains a priority to propose future capital budgets in a manner that is realistic about the city's capacity to deliver them.
3. **Signature Projects (Main Street LRT Extension & CFI):** Brampton Board of Trade members are aligned on the importance of the Main Street LRT Extension and the timely construction of the Centre For Innovation. These two projects are anchors of the future success of downtown and must proceed without delay.

At the onset of the municipal budget process, we learned from information presented to a council workshop that some cost forecast ranges from the LRT have nearly doubled, with the surface alignment coming in just under \$1 billion and the tunnel option around \$2.8 billion. This project should not be further delayed due to the escalating cost. The city must be prepared for the event that a municipal contribution is required to get shovels into the ground.

While this year's commitment of \$72 million for the Centre For Innovation is welcome, Board of Trade analysis notes that it is only for building construction and does not include funds for inside finishings and other items that will be needed to make the facility operational. Getting planning (and construction) to the point where an anchor tenant can be secured must remain a high priority.

4. **Budget Forecasting:** Businesses need predictability. While multi-year capital forecasts are welcome in the 2023 budget, more effort is required to build business confidence. Neighbouring jurisdictions, including Mississauga and the Region of Peel, offer operating budget forecasts 2-3 years out, beyond a single budget year, and these municipalities also provide capital spending forecasts for a total of ten years rather than Brampton's three.

Operating budget forecasts that are comparable in duration to neighbouring jurisdictions would allow for better planning and predictability with respect to the trajectory of property tax rates. Capital budget forecasts that align in duration to those of neighbouring jurisdictions would offer a

competitive advantage when the City is positioning for funding partnerships from senior orders of government on priority projects.

Arriving at this analysis was made easier by the timely release of information, including various corporate reports at Committee of Council meetings that pre-dated the budget process. We welcome this year-over-year process improvement and encourage that it remain a best practice moving ahead into future years to ensure that stakeholders such as the Board of Trade can engage in the budget process with the benefit of complete information.

Sincerely,



Todd Letts, MBA, CCE  
Chief Executive Officer



Daniel Lewis  
Chair, Brampton Board of Trade