AGENDA
9:00 a.m. – 3:00 p.m.
Alderlea, 40 Elizabeth Street South

Mayor Linda Jeffrey
City and Regional Councillors
Harry Schlange, Chief Administrative Officer
Corporate Leadership Team and required staff

Light breakfast and lunch to be provided at workshop.

Workshop Agenda:
2017-2019 Budget

9:00 a.m. Welcome and Opening Remarks
- Mayor Linda Jeffrey
- Councillor Grant Gibson, Budget Committee Chair

Presentation / Discussion – 2017-2019 Budget
- Harry Schlange, Chief Administrative Officer
- David Sutton, Interim Treasurer

2017-2019 Business Plan and Budget
- Review Budget Process and Guidelines
- Progress and Status Update
- Mitigation Efforts
- Communications and Engagement
- Next Steps - Budget Calendar

Corporate Asset Management Program
- Introduction
- Framework
- Next Steps

Final Observations and Wrap-up
Other agenda materials will be distributed at the workshop.

City Council Workshop Rules
Attire for the workshop is ‘business casual’
Section 20 of Procedure By-law 160-2004, as amended, applies:
- A workshop can include open session and closed session business, in accordance with the Procedure By-law and The Municipal Act, 2001.
- Workshop notice is to be made available to the public.
- After Workshop notice is provided, no new matters can be added to an agenda.
- Quorum of Council is not required for a Workshop.
- Members of the public attending a Workshop are permitted to observe the public session.
- No decisions or directions to staff can be made at the Workshop. Any matter requiring a Council decision must be reported back to Committee or Council for consideration and approval.
- The City Clerk’s Office will prepare “minutes” from the Workshop. Public session “minutes” are available for public review if a request is received.
Council Workshop

September 20, 2016
WHY BUDGETS ARE IMPORTANT

Budgets allocate financial resources to fulfill corporate priorities.
AGENDA

1. Review of Budget Guidelines
   • Municipal Service Delivery
   • Property Tax Distribution
   • Budget Approval Process
   • Operating Budget Targets
   • Capital Budget Approach

2. Progress and Recognition

3. Status Update
   • Priorities
   • Positive Budget Impacts
   • Funding Sources
   • Operating Budget
   • Mitigation Efforts
   • Capital Budget

4. Communications and Engagement

5. Next Steps

6. Questions
Municipal Services in Brampton are provided by two tiers of government. Common services provided by each level are outlined below:

- Arts and culture
- By-law enforcement
- Economic development
- Fire services
- Parks and recreation
- Provincial offences administration
- Planning new community developments and enhancing existing neighbourhoods
- Public transit
- Snow removal
- Tax collection
- Local roads

- Ambulance services
- Housing services
- Police services
- Public health
- Regional roads
- Social services
- Waste collection and recycling
- Water treatment and supply
- Waste water collection and treatment
Where did the 2016 tax dollars go?

- **17 cents** - School Boards (Province of Ontario)
- **37 cents** - Region of Peel
- **46 cents** - City of Brampton
• Adoption of three-year rolling budget during 2016 Budget cycle

• 2017-2018 Budgets approved in principle to be reviewed annually

• 2017 Budget to be prepared in detail and approved by Council in December

• 2018-2019 Budget to be estimated, based on known Council priorities and commitments, subject to mandatory annual review and approval:
  • “A municipality may prepare and adopt a budget covering a period of two to five years … For the second and each subsequent year to which a multi-year budget applies, the municipality shall … review the budget … make such changes as are required … readopt the budget for that year and for subsequent years to which the budget applies.” Municipal Act - S.291
1. 2% for base operating adjustments and growth impacts *
   • Based on Bank of Canada targeted core inflation rate
2. 2% additional annual infrastructure levy *
3. New or enhanced services, based on known major initiatives that would individually result in a tax rate impact of 0.5% or greater *

*As approved at July 8 Council meeting – Resolution C226-2015

Combined upper and lower tier tax rate impact not to exceed 3%
Based on feedback provided by Council during 2015 budget workshops
CAPITAL BUDGET APPROACH

Approach for 2017 - 2019

• Continue Capital Contract Budgeting – only approve capital budgets for contracts that can be executed within the approval year
• Projects outside the scope of plan will require individual Council reports
• Citywide prioritization of capital needs
PROGRESS and RECOGNITION

- Corporate Asset Management Plan
- Financial Master Plan

Recognition from Outside Agencies:

- Distinguished Budget Presentation Award
- Credit rating from AAA (negative outlook) to AAA (stable)
- C.D. Howe Institute improved Brampton’s rating from a “D” to “B-”
- Brampton 2nd in Canada on its transparency index for financial reporting
PRIORITIES

• Managing growth
• Investing in infrastructure and the future
• Providing excellent customer service
• Encouraging economic growth
• Helping to build strong communities

Leveraging federal and provincial funding (2017-18) to maximize the benefit of city dollars
POSITIVE BUDGET IMPACTS

• Grant funding
  • Received: Canada 150, CWWF - Clean Water and Wastewater Fund
  • Potential: PTIF - Public Transit Infrastructure Fund, Ontario 150

• Transformation will lead to innovation and continuous improvement

• Development Charge Reserve Funds are in a surplus position for first time in over a decade:
  • $239 million deficit at year end, 2013
  • $190 million deficit at year end, 2014
  • $38 million deficit at year end, 2015
  • $23 million surplus at June 30, 2016

• Hospital levy removed in 2019
FUNDING SOURCES

Operating
Operating budgets are for day-to-day expenses to keep the City’s operations running. They include expenditures and revenues such as salaries, maintenance contracts and office expenses.

Capital
Capital budgets are long-term, and reflect an investment in the future of the city. They include the costs of purchase, construction, major repair, replacement and renewal of assets such as roads, bridges, buildings, equipment and technology.
Previously established goal to have an overall tax rate impact not to exceed 3%

2017-2019 submissions received are on target with the forecast and being reviewed for potential savings

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MAJOR OPERATING PRESSURES

- Salary and wage provisions (e.g. Collective Bargaining Agreements)
- Transit service growth (Züm and conventional)
- Additional firefighters
- Inflation and growth on contracted services
- Infrastructure Levy
MITIGATION EFFORTS

- Restructuring has resulted in savings of $2 million per year beginning 2017
- Positions and programs submitted as part of 2017-2019 budgets are being reviewed
- Interest on Reserve Funds
Approved

- 2016 budget $112.5 million

Approved in Principle

- 2017 budget $144.2 million
- 2018 budget $161.5 million

Envelope established

- 2019 budget $180.0 million
CONSIDERATIONS FOR FUTURE BORROWING

• Tax supported limit, before risk to AAA credit rating: $71 million

• DC supported limit, per Brampton’s policy: $209 million

• Tax supported limit, per Brampton’s policy: $369 million

• Provincial limit: $2.2 billion
KEY CAPITAL PROJECTS

- Submissions focus on growth and maintaining assets in a state of good repair:
  - Buses (Züm and conventional)
  - Facilities (building, design, maintenance)
  - Fire Equipment
  - Road Network (widenings, repairs, maintenance, traffic, bridges)
INFORMATION FOR RESIDENTS

Advertising similar to Budget 2016

• Paid: newspapers (Brampton Guardian and ethnic media), malls, transit
• Unpaid: releases, newsletters, eBlasts, City facilities, website and social media

New for Budget 2017

• Bus shelter advertising with targeted translation based on neighbourhood-level demographic data
Review of all relevant data from residents

- Feedback from budget 2016 engagements, 2015 community services survey, all other engagements completed within past 12 months

Online survey

- Opportunity for residents to have their say

Support for Councillors who wish to host ward-based information sessions

- Staff presentation being prepared for any Councillors who wish to hold ward-based sessions

Future focus: year round engagement provides data for budget decisions
## NEXT STEPS

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<th>Purpose</th>
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<td>November 28</td>
<td>9am – 5pm; 7-10pm</td>
<td>Budget Committee – Deliberations (Day 1)</td>
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<td>November 29</td>
<td>9am – 5pm; 7-10pm</td>
<td>Budget Committee – Deliberations (Day 2)</td>
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<td>November 30</td>
<td>9am – 5pm; 7-10pm</td>
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<td>December 1</td>
<td>3-5pm; 7-10pm</td>
<td>Budget Committee – Deliberations (Day 4, if required)</td>
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<td>December 14</td>
<td>7-10pm</td>
<td>Special Council Meeting – Budget Approval</td>
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Questions?
Corporate Asset Management
Council Workshop
September 20, 2016
Introduction

• State of Local Infrastructure
• Positioning Brampton to be Leaders in Asset Management
• Future Ready Brampton
• Established Corporate Asset Management (CAM) Office
Corporate Asset Management Focuses on: **Strategy, Assets, People and Processes**

Coordinated activity of an organization to realize value from its assets

Source: ISO 55000

Asset Management Ensures the Right Balance of:
- Strategy, Assets (Physical & Technology), People and Business Processes to Deliver Established Levels of Service through an optimized risk based decision making approach.

Source: Sustainable Asset Management, R. Lutchman, 2006
Vision

At the core, the CAM program focuses everyone in our organization on fundamental goals such as:

- Providing sustainable service to our customers,
- Minimizing asset lifecycle costs,
- Balancing risks with levels of service

The CAM program is the method by which the City will ensure sound stewardship of public assets and meet its customer service commitments to present and future citizens in the most effective and efficient manner.
CAM Plan- State of Local Infrastructure (SOLI)
Developing the Optimum Capital Program

Figure 1: Capital Prioritization Ranking of Alternatives by Total Benefit Value (Through top 50 projects)

- Risk Reduction for Existing Assets
- Regulatory Compliance
- Capacity
- Health, Safety & Quality of Life
- Community/Customer Service
- Environmental Stewardship/Sustainability
- Financial Impact/Corporate Stewardship

Total Benefits per Project

Cost-Benefit Ratio

Best Value: Capital Program

Total Benefits per $ spent
Comprehensive Asset Management can minimize cost of ownership & avert financial crises.

Balanced Approach = Levels of Service & Risk Prioritization

- Major Financial Crisis Point
- Minor Financial Crisis Points

Time - years

Capital Needs - $
ISO 55000 – New Global Standard for Asset Management

• Value
  – Does not focus on the asset itself but on the value that the asset can provide to the organization

• Alignment
  – Asset management decisions (technical, financial and operational) collectively enable the achievement of organizational objectives

• Leadership
  – Leadership and commitment from all managerial levels is essential for successfully establishing, operating and improving asset management within the organization

• Assurance
  – Assurance that assets will fulfill their required purpose via effective governance
State of Asset Management Reporting - ISO55000

Current Situation

Vision for the Future

Learning → Applying → Embedding → Optimizing and Integrating → Continuous Improvement

Awareness → Development → Competence → Excellence

Maturity Level 1 → Maturity Level 2 → Maturity Level 3 → Maturity Level 4 → Maturity Level 5
Regulatory Drivers

• Federal Gas Tax Funding Requirements – CAMP (Deadline December 2016)
Leadership

CAM Means Change…

and people generally resist change…

…until the vision is so compelling that people want to go to the “new place,” or until the pain of staying the same exceeds the pain of change.