



# 2020 Municipal Budget

**Recommendations by  
Brampton Board of Trade**

February 19, 2020

# Business Questions



- **Why are my taxes so high?**
- **Comparative Property Tax Burden:**  
property tax burden of Brampton residents, as a percentage of income, is highest among neighbouring jurisdictions.
- **Why is Council taking more in 2020?**
- **Total Burden on Taxpayer:**  
Proposed Tax increase and Stormwater user fee increase tax burden by 5.8%
- **How do I plan?**
- **Transparency:** will what is being raised, be used for intended purpose?; multi-year planning

# Comparison

## Residential

	Brampton	Mississauga	Oakville	Burlington	Vaughan
<b>2018 Average Tax Burden</b>	\$4,906	\$4,417	\$5,636	\$4,134	\$5,357
<b>Average Household Income</b>	\$102,663	\$109,999	\$179,132	\$125,873	\$139,474
<b>Burden as % of Income</b>	4.8%	4.0%	3.1%	3.3%	3.8%
<b>Rank out of 108 Municipalities (highest)</b>	4	42	94	85	51

Brampton ranks 4<sup>th</sup> as the least affordable community when it comes to property taxes. We must do better.

# Comparison

## Business

	Brampton	Mississauga	Oakville	Burlington	Vaughan
Office Buildings (\$/ft <sup>2</sup> )	\$3.72	\$3.67	\$3.90	\$3.15	\$3.47
Standard Industrial (\$/ft <sup>2</sup> )	\$2.42	\$2.16	\$2.97	\$2.54	\$1.97

For businesses, the burden is comparatively high as well, which influences business investment decisions.



# Recommendations

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The Brampton Board of Trade recommends that Council direct staff to employ three strategies to mitigate property taxes:

**Strategy 1:** Stop Over-taxing: Leverage Brampton's Financial Strength

**Strategy 2:** Optimize Service Levels and Revenue Sources

**Strategy 3:** Establish a Strategic Economic Development Infrastructure Fund To Attract New Business

# Strategy 1:

## Stop Over-taxing: Leverage Brampton's Financial Strength

### **Operating Surplus: consider reducing taxes for full term of Council**

Projected Operating Surplus of \$15.8 million

### **Duplication of Reserves: combine reserves and benchmark at 10% of operating**

Debt Repayment Reserve of \$8.8 million

Interest Rate Stabilization Reserve of \$8.4 million

### **Reserve Strength: stop collecting taxes for low interest investments; let taxpayers keep it**

Asset Replacement Reserve/State of Local Infrastructure

Legacy Fund/Community Investment Fund

Uncommitted Capital Projects increased to \$360 million (projected)

# Strategy 2:

## Optimize Service Levels and Sources

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### Service Level Reviews/Value for Money Audits

- When will third-party service level reviews result in tangible property tax reduction?
- Are we also measuring time? Will review recommendations be implemented so that:
  - development approval times are the shortest in the GTA?
  - Brampton develops a time-based competitive advantage?
  - Brampton facilitates job-creation faster than any other municipality in the GTA?

# Strategy 3:

## Establish a Strategic Economic Development Infrastructure Fund To Attract New Business

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- Infrastructure attracts business and Brampton is at a cross-roads.
- Several major infrastructure projects are uncertain both in terms of cost and timing.
- This uncertainty limits Brampton's ability to attract new commercial and industrial enterprises.
- For many of these projects, provincial and federal funding may be available, however, Brampton will also need to contribute, yet the amounts are uncertain.

We recommend the following:

1. Establish a Strategic Economic Development Infrastructure Fund
2. Establish 10 Year Capital Forecasts



# Summary

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For the 2020 to 2022 budget cycle, the overall increase in the City's portion of the tax levy be set at **no more than 0.9%, including any increased Stormwater Fees.**

The components of the increase:

- Base adjustment increase: +1.9%
- Infrastructure levy increase: +1.0%
- Service efficiencies: decrease -1.0%
- Financial strength: decrease -1.0%



# THANK YOU!

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