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Date December 4, 2024 **Report No.** 2024-706
To Chair and Members
Estimates Committee
From Joelle Daniels
Commissioner of Corporate Services/City Treasurer

1.0 Type of Report

Consent Item
Item For Consideration

2.0 Topic **Year 2 Budget Confirmation – Local Boards [Financial Impact – 2025 - \$73,359,283 Operating and \$3,058,809 Capital]**

3.0 Recommendation

- A. THAT Report 2024-706 Year 2 Budget Confirmation – Local Boards, BE RECEIVED; and
- B. THAT the City of Brantford APPROVES the request from the Brantford Police Services Board to assume administration of the Adult School Crossing Guard Program and ACCEPTS the transfer of funds associated with the program totaling \$744,189 to the City effective January 1, 2025; and
- C. THAT the Brantford Police Services Board BE REQUESTED to continue management of the Adult School Crossing Guard Program until the end of the 2024-2025 school year, with all expenses covered by the City; and
- D. THAT Option #___ BE SELECTED to address the funding shortfall in the Brantford Police Capital budget outlined in Section 9.4 of this report; and
- E. THAT the budget for the Summer Park Patrol Program that has been removed from the 2025 Police budget in the amount of \$96,755 BE INCLUDED in the City's 2025 Operating Budget.

4.0 Executive Summary

Included in the annual municipal budget is the City's contributions to the following Local Boards and agencies, in addition to services provided by the County of Brant, for services that are not under the direct control of City Council:

- Brantford Police
- Brantford Public Library
- John Noble Home
- Downtown Brantford Business Improvement Area
- Brant County Health Unit
- Paramedic and 911 Services

The combined net 2025 operating budget increase approved by the appropriate bodies for the provision of these services results in a 6.92% increase after a proportionate share of assessment growth. This increase results in an average annual residential tax impact of \$87.53.

Furthermore, the Brantford Police capital budget has a funding shortfall of \$1,206,203. Should Council recommend increasing the levy to fund the shortfall, the local board and external agency portion of the budget would increase to 8.68%, or a \$109.80 average annual residential tax impact.

5.0 Purpose and Overview

The purpose of this report is to present the 2025 operating and capital budgets for the City's local boards and agencies, inclusive of all departments.

6.0 Background

All local boards, except the BIA provided an initial 2024-2027 multi-year budget during last year's Estimates process in accordance with By-law 79-2023. With the exception of the Brant County Health Unit, the 2025 operating budgets approved by these boards and external agencies are largely in line with those endorsed by each board last year.

7.0 Corporate Policy Context

Finance Policy 017 – Multi-Year Budget Policy establishes guidelines and the approach for the planning and approval of multi-year budgets to ensure greater certainty for future expenditures and revenue increases.

8.0 Input From Other Sources

Staff from all local boards were responsible for the development of their 2025 budgets. Approval from each governing body has been obtained and those board approved budgets are available as part of today's agenda.

9.0 Analysis

9.1 Business Improvement Area (BIA)

Any increase for the BIA budget is borne solely by their member businesses and does not impact on the City's general levy. The 2025 budget for the BIA includes a levy increase of \$77,262 and represents a 27.35% increase over 2024.

Details on the 2025 BIA budget can be found under item 4.1.1 of this agenda.

9.2 Brantford Public Library

The 2025 budget for the Brantford Public Library includes an increase of \$259,200 and represents a 4.8% increase over 2024. This is in line with what was forecasted for Year 2 of their multi-year budget. There is one capital project submitted that is fully funded from Library reserves.

Details on the 2025 Brantford Public Library budget can be found under item 4.1.2 of this agenda.

9.3 John Noble Home

The 2025 budget for the John Noble Home includes an increase of \$21,731 and represents a 1.01% increase over 2024. This is in line with what was forecasted for Year 2 of their multi-year budget. The capital budget includes six projects for which the City's share is fully funded from John Noble Home reserve held by the City.

Details on the 2025 John Noble Home budget can be found under item 4.1.3 of this agenda.

9.4 Brantford Police

The 2025 Board approved budget for Brantford Police includes an increase of \$3,724,093 and represents a 7.52% increase over 2024.

The 2025 Police budget, however, has removed funding associated with the provision of the Adult School Crossing Guard Program and the Summer Park Patrol Program. The 2025 budget for these services is \$744,189 and \$96,755 respectively. The Board has formally requested to transfer the Adult School Crossing Guard Program to the City, while the Summer Park Patrol Program can no longer legislatively be provided by Brantford Police.

To reflect a more accurate year over year increase for Police, the cost of these services should have been included in the Police budget for 2025 and then subsequently transferred to the City after budget approval. Adding those services back to the 2025 Police budget results in a 9.22% increase for 2025, which is more reflective of the costs for providing a similar basket of services year over year. Assuming City Council approves the recommendations in this report to assume both services, these costs will shift to the City Services budget in 2025.

In addition to the base operating budget, the Police Board has approved a Capital Budget totaling \$2,504,900 which is beyond the capacity currently available in Police reserves; leading to a \$1,206,203 funding shortfall for 2025. Reserve balances have historically not been sufficient to fund their capital program, and increased transfers to reserves have continually been removed from the Police operating budget. In the last five years (2020-2024) the City's Capital Funding Envelope reserve has provided \$4,085,000 to Police capital projects.

Given the severe pressures currently on the City's capital reserves, which have already led to a significant deferral of its state of good repair projects, staff has identified two potential options moving forward with respect to the 2025 capital budget for Police.

- **Option #1** – Request that the Brantford Police Services Board consider reductions to the Police Capital Budget for 2025 that can be accommodated within existing reserve balances

- **Option #2** – Recommend increasing the police portion of the levy to fund the shortfall. This option would increase the Police budget to 11.66%.

The option that the Committee wishes to proceed with can be made by way of an amendment to Recommendation D of this report.

Details on the 2025 Brantford Police Service budget can be found under item 4.1.4 of this agenda.

9.5 Brant County Health Unit

The 2025 budget for the Brant County Health Unit includes an increase of \$468,205 and represents a 14.75% increase over 2024. This is compared to the 8.59% increase forecasted for Year 2 of their multi-year budget.

Details on the 2025 Brant County Health Unit budget can be found under item 4.1.5 of this agenda.

10.0 Financial Implications

The 2025 budget for the local board and external agency portion of the budget under Option #1 is \$73,214,883 which represents a 6.92% budget increase after proportionate assessment growth over the 2024 operating budget as shown in Table-1.

Table 1 - Net Operating Budget Summary

	2024 Budget	2025 Proposed Budget	\$ Variance	% Variance
BIA	-	-	-	-
Brantford Public Library	5,397,100	5,656,300	259,200	4.80%
John Noble Home	2,143,417	2,165,148	21,731	1.01%
Brantford Police Service	49,491,606	53,215,699	3,724,093	9.22%
Police Budget to be Transferred to City	-	840,944	840,944	

	2024 Budget	2025 Proposed Budget	\$ Variance	% Variance
Brant County Health Unit	3,174,796	3,643,001	468,205	14.75%
<i>Paramedic Service (County of Brant)</i>	<i>6,534,689</i>	<i>7,634,009</i>	<i>1,099,320</i>	<i>16.82%</i>
<i>911 (County of Brant)</i>	<i>56,935</i>	<i>59,782</i>	<i>2,847</i>	<i>5.00%</i>
Total Board and External Agency Budgets	66,798,543	73,214,883	6,416,340	9.61%
Net Impact after proportionate share of assessment growth (\$1.677m)				6.92% \$87.53 avg annual residential impact

Should the Committee select to proceed with Option #2, resulting in a Police budget increase for 2025 of 11.66% to fund their capital budget shortfall, the overall board and agency impact would increase as detailed in Table 2 below.

Table 2 - Net Operating Budget Option #2

	2024 Budget	2025 Proposed Budget	\$ Variance	% Variance
Current Board and External Agency Budgets	66,798,543	73,214,883	6,416,340	9.61%
Police Capital Budget Shortfall	-	1,206,203	1,206,203	
Total Board and External Agency Budgets	66,798,543	74,421,086	7,622,543	11.41%
Net Impact after proportionate share of assessment growth (\$1.677m)				8.68% \$109.80 avg annual res impact

The 2025 proposed capital budget for the local boards and external agencies totals \$3,058,809. Table-3 below outlines the capital budget requests.

Table 3 - 2025 Capital Budget

Service	2025 Capital Budget	
Brantford Public Library	75,000	No change from prior year
John Noble Home	478,909	No change from prior year
Brantford Police (funded portion)	1,298,697	Increase of \$275,440 from prior year
Brantford Police (unfunded portion)	1,206,203	
Total 2025 Capital Budget	\$3,058,809	

11.0 Climate and Environmental Implications

There are no quantifiable climate or environmental implications associated with this report.

12.0 Conclusion

The 2025 combined operating budget submissions for the City's local boards and external agencies results in a 6.92% increase in their share of the budget after applying proportionate assessment growth. This results in an average annual residential tax impact of \$87.53. Should the budget be increased to fund the Police 2025 capital funding shortfall, this would change the increase to this portion of the budget to 8.68%, or an average annual residential tax impact of \$109.80.



Joelle Daniels
Commissioner of Corporate Services/City Treasurer

Attachments (if applicable)

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In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required yes no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk yes no

Is the necessary by-law or agreement being sent concurrently to Council? yes no