

CITY OF BROCKVILLE

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OFFICE OF THE MAYOR

Presentation to the Standing Committee on Finance and Economic Affairs

Pre-Budget Consultation

Brockville, Ontario

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Chair Hardeman, Vice Chair Fife and Standing Committee Members:

As you travel around the province seeking input into the development of your own likely particularly challenging deliberations, I am sure there are many themes forming from your discussions. When you have spoken to other municipalities, I am sure you have heard the same underlying message: we are grappling with significant fiscal challenges at a time of rising costs and expanding expectations. My goal today is to highlight two significant fiscal challenges faced by the City in its responsibility to long-term care and adequate infrastructure and to present workable solutions for your consideration.

St. Lawrence Lodge is a 224-bed Long-Term Care facility jointly owned and operated by the City of Brockville, the Towns of Gananoque and Prescott and the United Counties of Leeds and Grenville. Its operations and governance structure represents a positive and commendatory partnership. The Lodge has a favourable reputation, and the team of dedicated staff work incredibly

hard to ensure residents experience the highest level of care and compassion.

Throughout its existence, even through a capital redevelopment, levy increases have been reasonable and as expected with a difference of only \$329,299 total over the past five years. This year, however, the Lodge's levy request of \$2.6 million made to the City, the largest contributor, is an alarming 63% over 2023. We believe the primary contributors to this financial strain are twofold. Firstly, the courts striking down Bill 124 has removed the constraints on negotiated wage increases, leading to elevated personnel costs already exacerbated by a healthcare system under increased pressure. The Lodge is currently in arbitration with CUPE which is likely to result in a considerable increase in wages in addition to the \$3/hour wage increase for Registered Nurses. Additional demands are expected next year when Direct Care legislation mandates are fully implemented. Secondly, recruitment in this sector remains a persistent challenge, and the City is struggling to meet the growing demands of an ageing population. As area long term care homes and our own local hospital are forced to make positions more and more appealing to effectively recruit qualified required staff. The 63% increase in the levy for St Lawrence Lodge is emblematic of the broader fiscal pressures faced by municipalities in sustaining quality long-term care services at a time of justified increased public scrutiny and provincial regulatory burdens because of the pandemic.

In light of these challenges, we urge you to consider recommending measures to assist the City of Brockville and our partners in mitigating the fiscal impact of the Bill 124 repeal. Avenues for support include targeted funding to alleviate wage-related pressures, incentives for recruitment and retention in the long-term care sector, and strategic investments in addressing the unique challenges faced by municipalities.

Another obstacle we face relates to a major capital infrastructure project within the city. The William Street overpass rehabilitation involves extensive repairs to the bridge deck and other concrete elements, necessary to extend its life which serves as the only crossing over a CN rail line. We are grateful to have received approval for funding for the project through the Investing in Canada Infrastructure Program (ICIP) for a total project cost estimated at the time of application to be just over \$1.7 million. The proposed timeline projected that the construction would take place over several months in 2024, which the City is on track to accomplish.

Since the time of approval, costs for this major project have doubled. The result of skyrocketing material prices, labour expenses and other inflationary pressures now burden municipal rate payers at a time when frozen assessment and increased demands outside of the traditional scope of municipal authority continue to strain the limited resources available. The completion of the project is now expected to cost more than \$3 million.

As you are aware, the ICIP program was intended to support infrastructure projects at 50% federal, 33.3% provincial and 16.7% municipal funding, and

this is certainly how the announcements were made back in 2019. However, without additional funding, the City's rate payers will be forced to cover almost 44% due to the unexpected and unprecedented cost increases. Municipalities faced with similar burdens are forced to consider deferral of these major and essential projects while the province requires increased attention to proper municipal asset management.

Our request to you for consideration is a one-time adjustment in the funding provided for the William Street project to reflect the intended cost sharing at the percentages incorporated in the original program. In meeting the desired intent of the program's funding formula, we feel an adjustment should be considered as the city remains within the timeline of the approved project.

We understand a similar request should be made to the Federal government as well, and with your support, we intend to raise this issue with them. We also respectfully request that similar infrastructure related programs such as OCIF be increased to at least reflect the current rate of inflation.

Thank you for the time you have taken to hear our concerns. If we can provide greater clarity or be of assistance in any way as you consider our requests, please do not hesitate to reach out.

Sincerely,



Mayor Matt Wren