



Budget Committee – June 28, 2011 2012-2014 Budget Forecast & Directions



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Agenda

- Opening Comments – City Manager
- Overview
- Service Area Reviews
 - Transit
 - Roads, Storm Drainage, & Watercourses
 - Fire
 - Recreation & Parks
 - Land Development
 - Facilities & Property Management
 - Library
 - Other Services
 - Financial Transactions
- Next Steps



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Priorities for 2011-2014 Business Plan

Delivering Existing Services

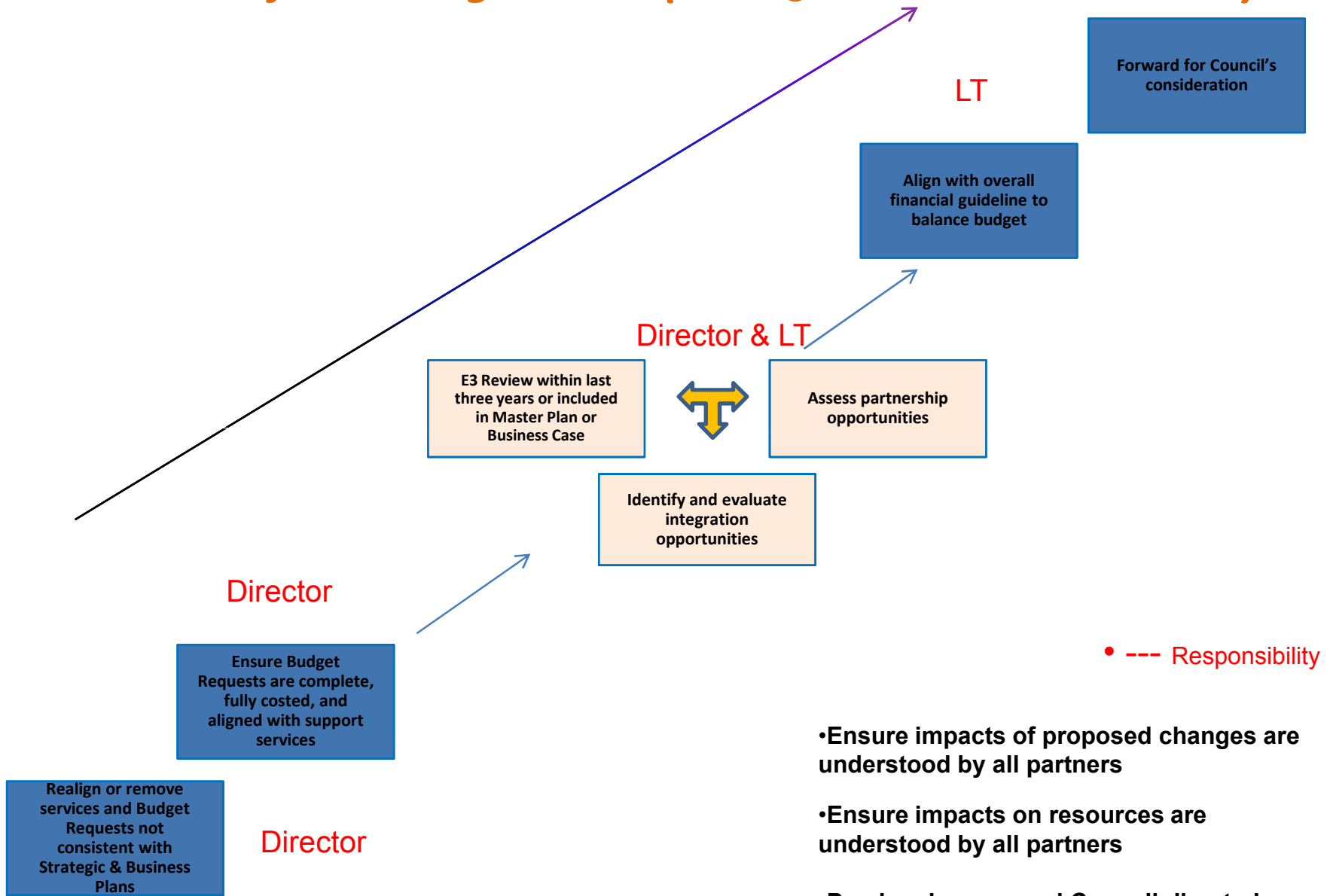
Implementing the Strategic Plan

Delivering Value for Money through Continuous Improvement

Maintaining our Infrastructure

Continuing to be an Employer of Choice

Framework for Making Choices (Existing & New Service Initiatives) Council



• --- Responsibility

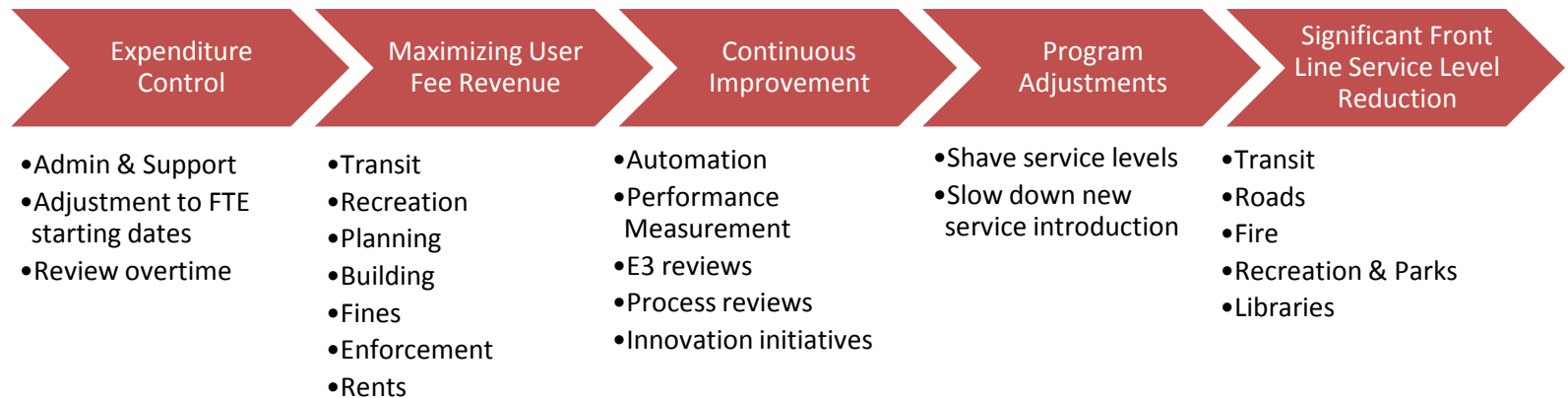
- Ensure impacts of proposed changes are understood by all partners
- Ensure impacts on resources are understood by all partners
- Previously approved Council directed initiatives will be included

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Approach to Balancing the Budget



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Achieving Our Goals

- New Official Plan
- Council Endorsed Downtown 21 Plan
- Cycling Master Plan
- Inspiration Lakeview
- Hurontario / Main Street Master Plan
- Etobicoke Creek Trail
- Celebration Square
- MiWay Launch
- BRT Under Construction

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

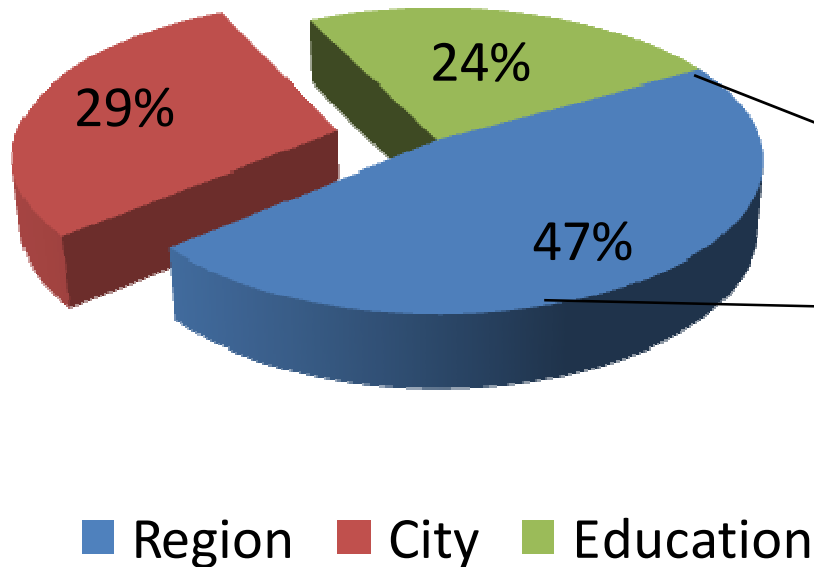


Making Tough Decisions

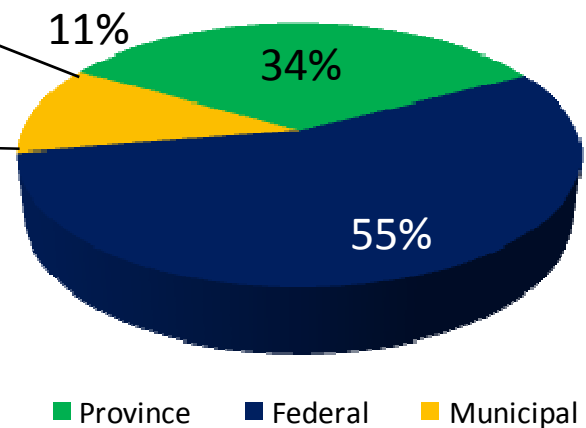
- This is designed to assist services in considering opportunities for greater efficiency of operations and to align changes in program delivery offered with strategic considerations as services balance their budgets;
- Use for all decisions that involve funding; and
- Use for all decisions that impact service delivery levels.

Municipalities Receive Small Share of Total Taxes

Components of Mississauga's Residential Tax Bill



Taxes Paid to each level of Government by Ontario Residents



Fraser Institute – 2011 Tax Simulator for Ontario

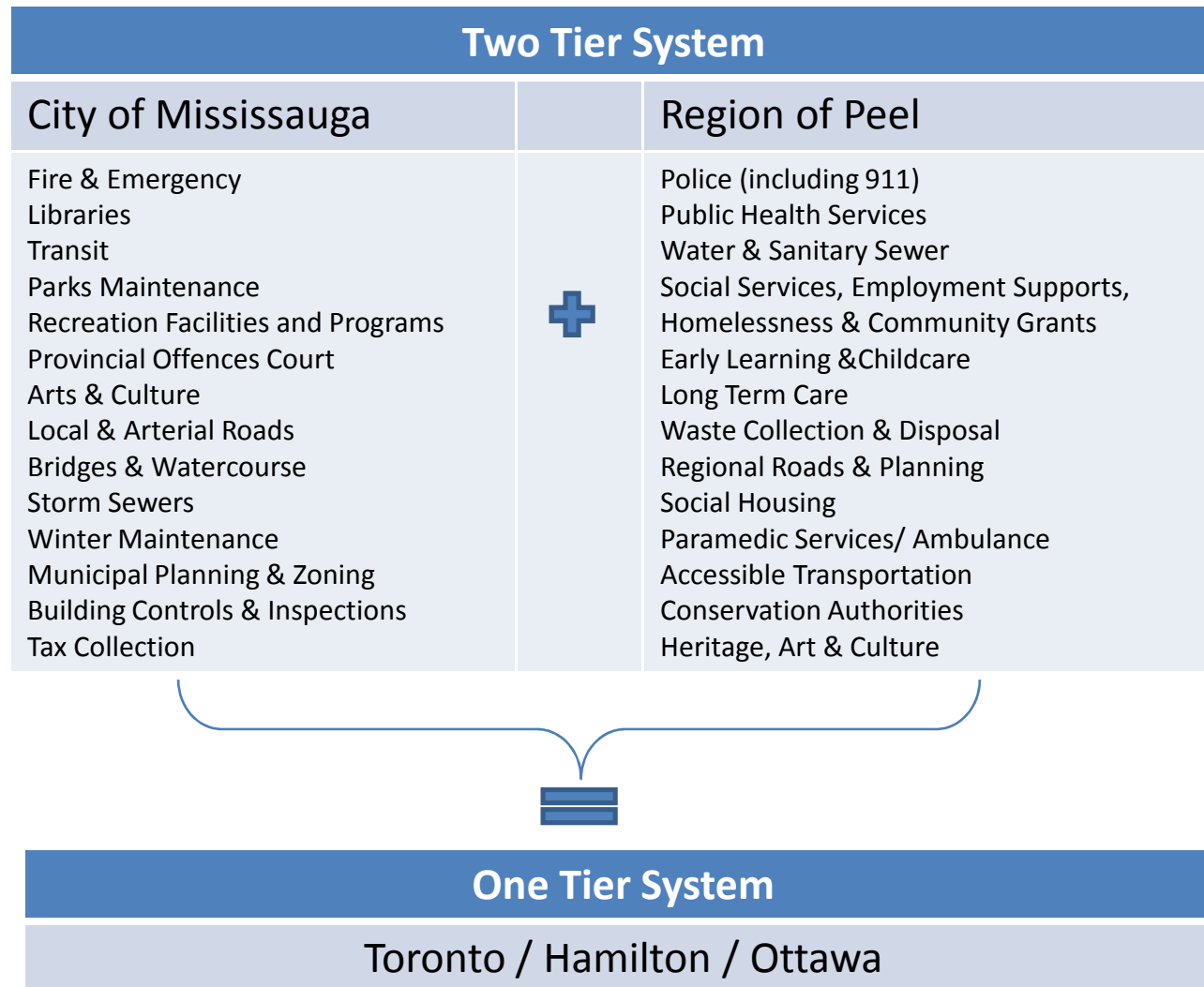
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



One vs Two Tier Municipalities



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



A Single Property Taxpayer

- Province has provided some property tax relief through:
 - Uploading of ODSP and OW from the Region of Peel to the Province
 - Freezing Education funding collected through taxes
- Region of Peel “Toronto Tax” and ODSP/OW uploading savings - \$23.8 million or a 3% saving in the Regional tax rate in 2010
- Transfer of social service costs to the Province allow for funds to be allocated to other municipal services
- Sharing of the provincial uploading in a 2 tier municipal government can be achieved by establishing a target for the total property tax bill increase

2012 - 2014

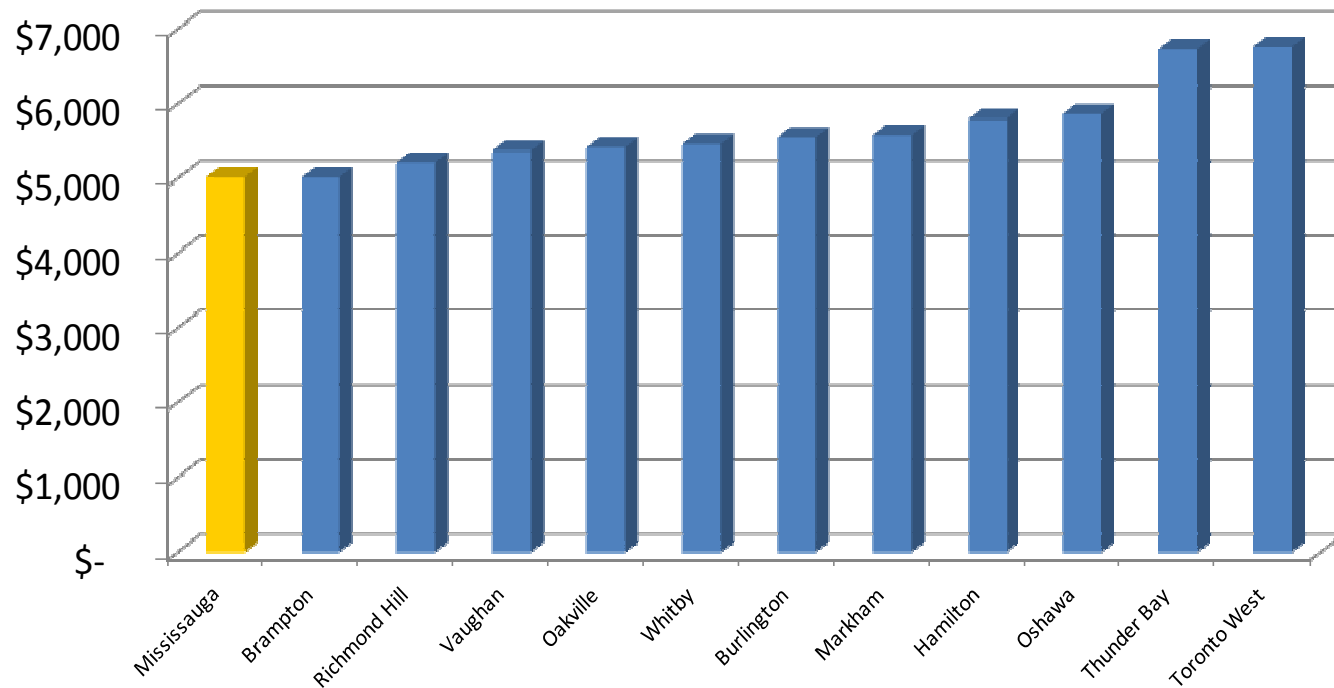
Business Plan & Budget

City of Mississauga, Ontario, Canada



City's Taxes Are Competitive

2010 Total Property Taxes* for a Four Bedroom Home



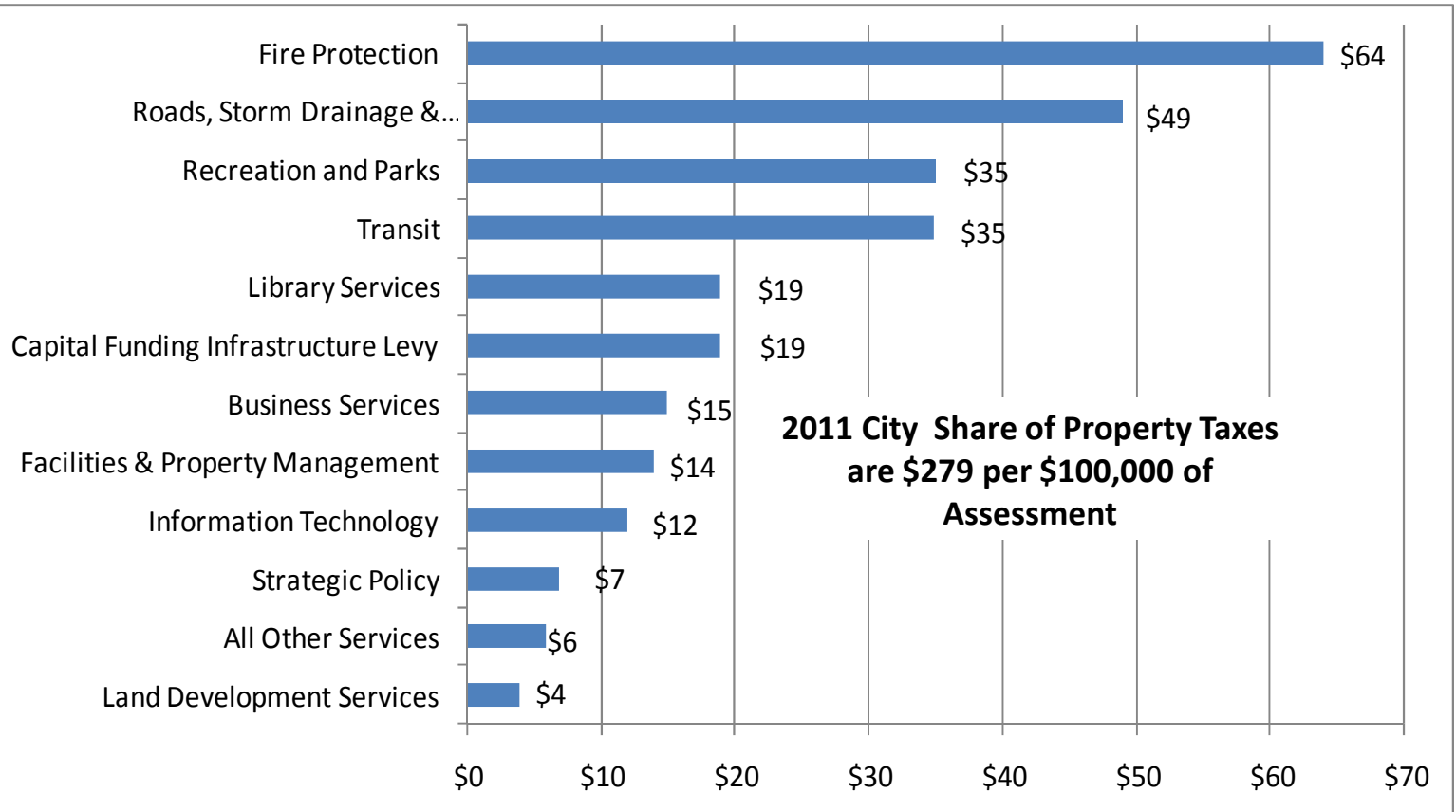
*Toronto/Ottawa/Hamilton are single tier, provide full range of municipal services. Mississauga is part of a two-tier government structure – services provided by both the City and Region. Therefore, accurate comparisons can only be made on total tax bill.

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Where Your 2011 City Tax Dollars Go



Residential Assessed Values	\$350,000	\$450,000	\$550,000	\$650,000
2011 City Taxes Payable	\$976	\$1,255	\$1,534	\$1,813
2011 Regional Taxes Payable	\$1,584	\$2,037	\$2,490	\$2,943
2011 Education	<u>\$809</u>	<u>\$1,040</u>	<u>\$1,270</u>	<u>\$1,501</u>
Total Taxes Payable	\$3,369	\$4,332	\$5,294	\$6,257



2012 - 2014

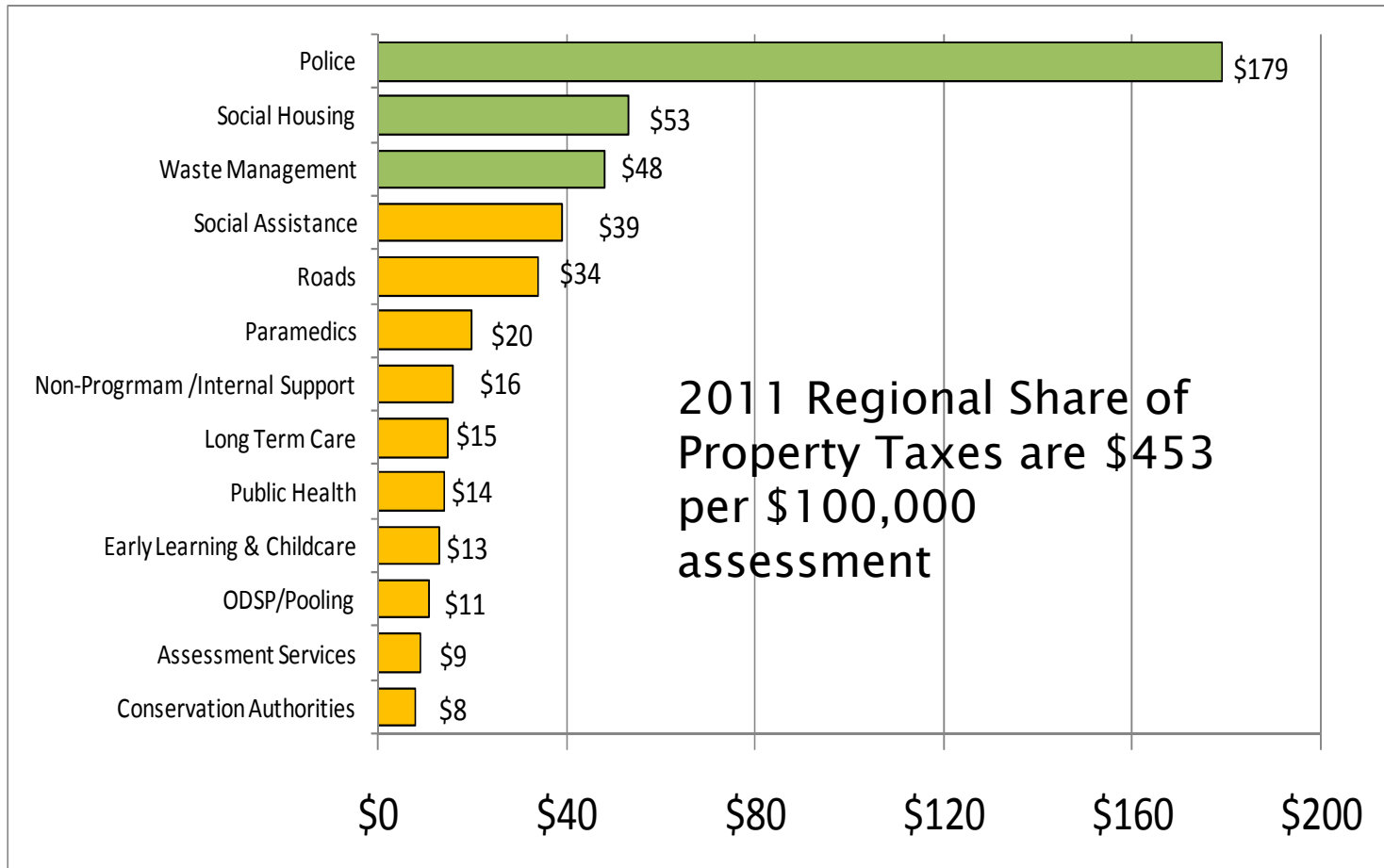
Business Plan & Budget

City of Mississauga, Ontario, Canada



Where Your 2011 Region of Peel Tax Dollars Go

(Based on \$100,000 of Residential Assessment)
Does Not Include Water and Sewer Charges



Numbers may not add due to rounding

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Municipal Budgets MUST Balance

- **We can NOT run operating deficits**
- Reduce expenditures, where possible
- Increase user fees and service charges
- Introduce new user fees and service charges
- Focus on reducing cost of delivering services through efficiencies
- Reduce services or services levels or standards
- Fund shortfalls through property taxes

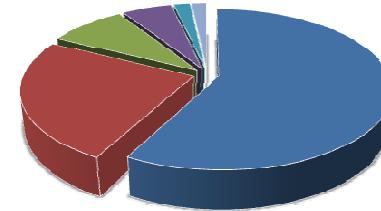
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



56% of 2011 City Budget Funded By Tax Levy



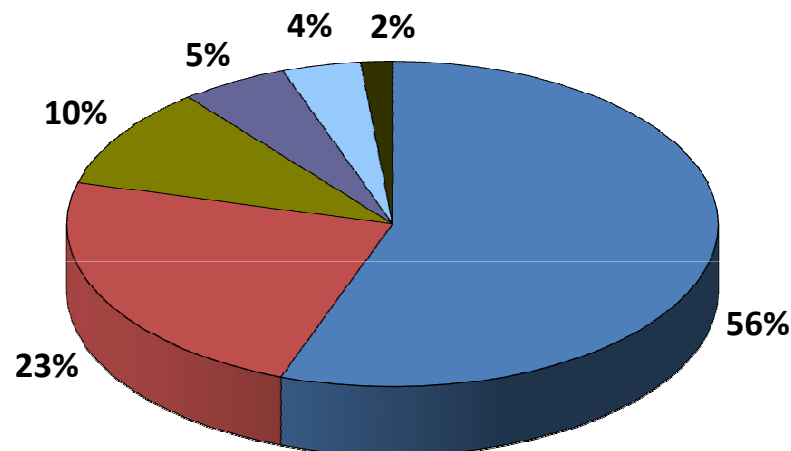
Net Tax Levy
\$318.6
56%

- Tax Levy = Net Budget after all other Revenue Sources
- Most Visible Source of Revenue
 - *Property taxes must be paid regardless of services used*
 - *Taxpayer cannot control amount payable by reducing usage of services*
- Tax Rate = Net Levy ÷ Weighted Assessment
 - *Different tax classes have different weights*
 - *Residential Tax Rate .962611%, Commercial 2.284471%*
- 68% Residential Property Taxes
- 32% Non-Residential Property Taxes



44% of City Revenues Non Tax Based

2011 Budget



- Taxation
- Transit Fares/Rec & Parks Fees/Development
- Investment Income/Other Revenue/ Surplus
- PILT's and Supp's
- Fines & Tax Penalties
- Hydro Interest & Dividend

Fees & Charges

- Transit Fares/Rec & Parks Fees/Development & Building Fees are 23% of Revenue
- Reduce reliance on tax base; favoured over tax increases
- Service/Program Specific
- Fees consider full cost of service
- ***If Fees increase at rate lower than cost increases, tax subsidy increases***

Tax Subsidy Increases If Fees Do Not Kept Pace With Expenditures

Fee Increase Equal To Cost Increase – User Pays

	2011	2012	% Increase
Expenses	\$100,000	\$105,000	5.0%
User Fees	\$40,000	\$42,000	5.0%
Tax Support	\$60,000	\$63,000	5.0%
Cost Recovery %	40%	40%	

Fee Increase Lower Than Cost Increase – Everyone Pays

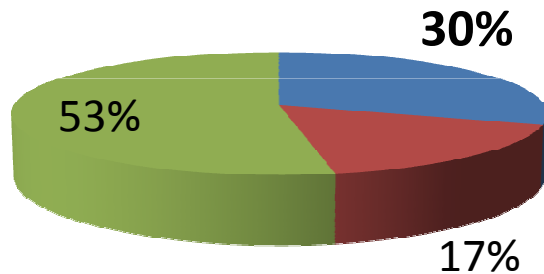
	2011	2012	% Increase
Expenses	\$100,000	\$105,000	5.0%
User Fees	\$40,000	\$41,000	2.5%
Tax Support	\$60,000	\$64,000	6.7%
Cost Recovery %	40%	39%	





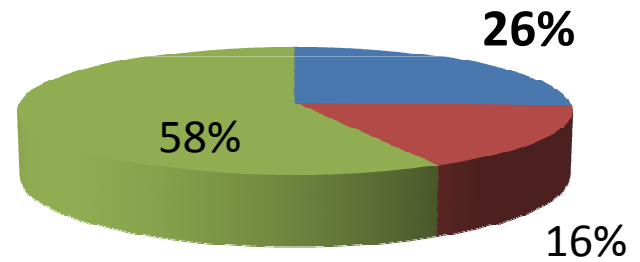
User Fees As % of Revenue Are Declining

- 2007 Actuals



- User Fee Revenue
- Other Revenue
- Tax Revenue

- 2012 Requested Budget



- User Fee Revenue
- Other Revenue
- Tax Revenue

2012 - 2014

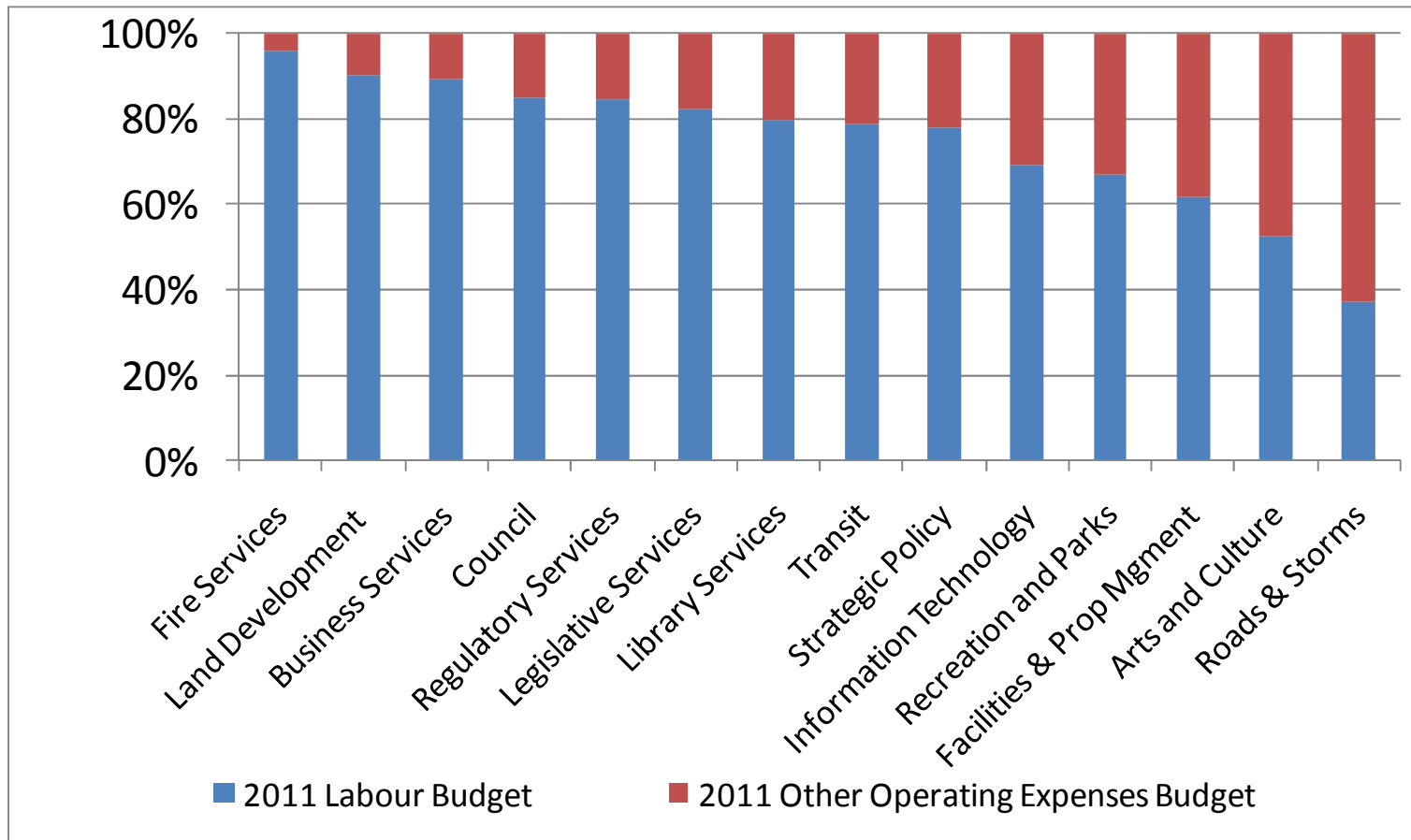
Business Plan & Budget

City of Mississauga, Ontario, Canada



Services Are Delivered by People

69% of Total Budget is Labour



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Economic Outlook

- 2011 forecast GDP growth has increased slightly (2.4% to 2.7%) due to early year strength. GDP growth is forecasted to reduce in 2012 and 2013 to 2.1%.
- Inflation, currently at 3.6% in Ontario, is expected to moderate by year's end (2.4%) and decline to 2% by 2014.
- Over the period, most forecasts have crude oil flat, or below, \$100/bbl. Natural gas may rise a cumulative 20%, from fuel switching (currently \$4.35 to \$5.25 USD/million BTU).
- Forecast DC Revenues: 2011 (\$25.0 m); 2012 (\$40.0 m).

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Economic Outlook

- Borrowing rate for 10 Year Debenture (via Region of Peel): 4.0% (2012 – 2013) ; 5.0% (2014 – 2021)
- Annual investment earnings for tax funded capital: 3.75% (2012 – 2013) ; 4.75 % (2014-2021)
- Ontario CPI forecast in the 2.0% – 2.3% range for 2012 to 2013
- 7.9% Ontario Unemployment rate (May 2011) falling to 6.5% by 2014

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

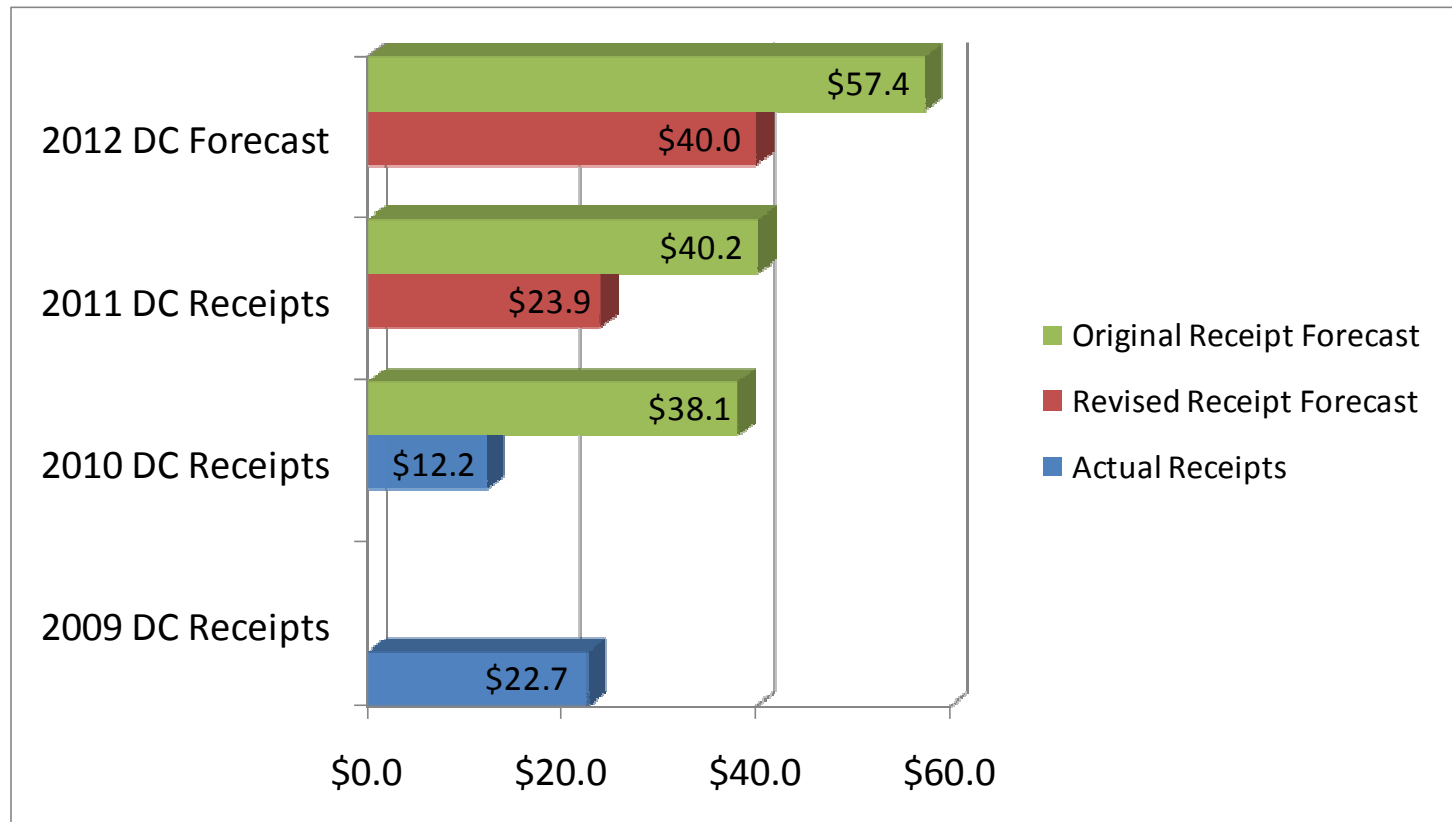


Capital Budget Impacts



Development Charge Receipts Have Declined

2011 & 2012 Based on Net Methodology



***\$11.6 million received in DC's as of April 2011**

2012 - 2014

millions

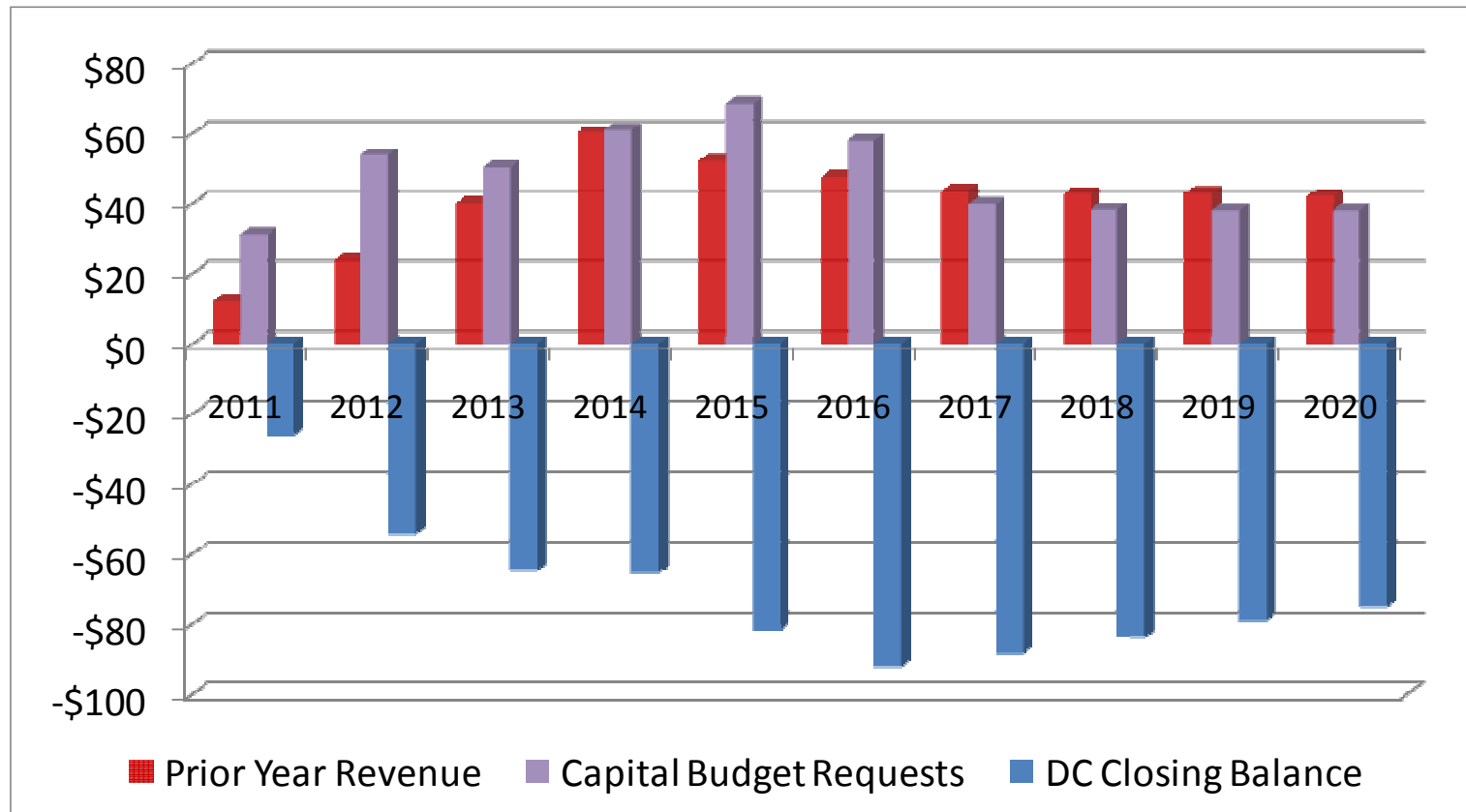
Business Plan & Budget

City of Mississauga, Ontario, Canada



2011-2020 Capital Outlook

Capital Projects Funded by DCs Exceed Revenues



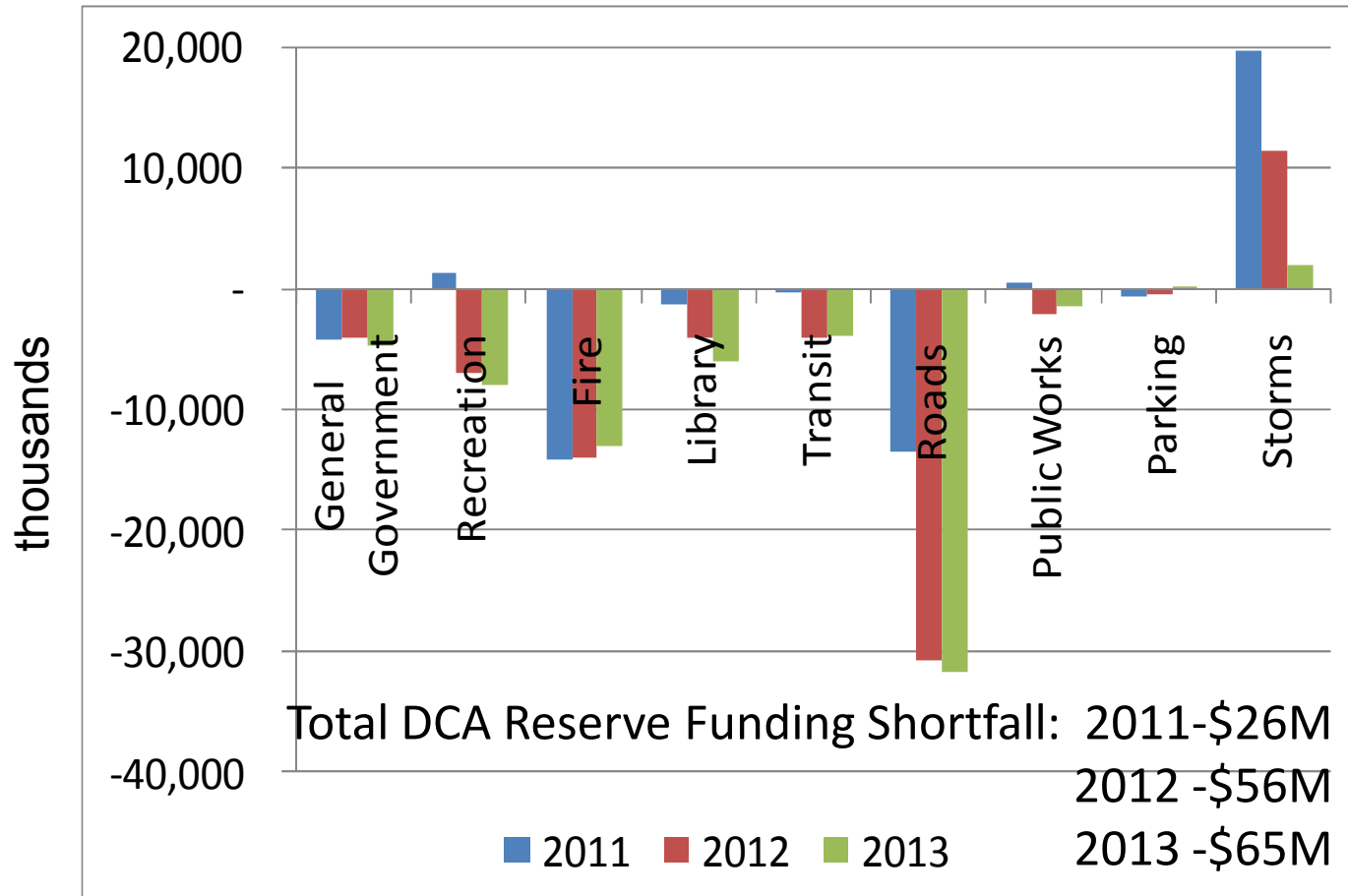
Revised Revenue Forecast

Capital Expenditures based on 2011 to 2020 Capital Forecast 24



DC Reserve Fund Closing Balances By Service (\$000's)

Capital Expenditures based on 2011 to 2020 Capital Forecast



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Options Available for DC's

- Critical review of projects funded
 - Reduce to match revised funding forecast
- Potential delays/deferrals of 2012 - 2016 projects
- Debt issuance similar to Region of Peel
 - Interest charges recoverable from DC's but not currently built into the DC Rates
 - Study will need to be updated
 - Staff to identify potential projects, appropriate policies and report back in Fall

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Other Capital Pressures

- Existing unfunded pressures total \$580 million over the next 10 years
- Unfunded capital pressures expected to increase by an additional \$200 million more over the next 10 years
- Infrastructure gap deficit increasing every year



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Operating Budget Overview

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



The Cost to Maintain Service Levels Is Increasing

- Pressures from:
 - Annualized cost of 2011 new initiatives
 - Operating costs from completed capital projects
 - Uncontrollable items
 - Diesel Fuel
 - Utilities
 - OMERS Contributions
 - Sun Life Benefits
 - Outstanding Labour negotiations
 - Economic Impacts on Revenue
- Cost Savings

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

2011 Decisions Impact 2012

- 1.0% Impact on City Tax Levy
- 0.3% on Total Property Tax Bill
- Annualized cost on new initiatives have a pressure of \$3,175 K on 2012
 - Transit Ridership Growth Strategy costs of \$2,306 K for 30K additional hours of service
 - Implementation of Arts & Culture Master Plan \$219K



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Operating Impacts from Completed Capital Projects

- 0.1% on City Tax Levy
- 0.03% on Total Property Tax Bill
- Pressure of \$405K
 - Garry W. Morden Centre scheduled completion in early 2012
 - Additional Parkland



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Uncontrollable Cost Increases

- 2.8% Impact on City Tax Levy
- 0.8% on Total Property Tax Bill
- Pressure of \$8.96 million
 - Diesel Fuel
 - 10 cents per litre above Budget - \$1.5 million
 - Hydro Rate Rebasing & Hydro Rate Increases and Gas and Water Increases
 - Impact on streetlight budget - \$1.8 million
 - Other utility increases - \$1.2 million
 - Negotiated Contractor Costs - \$2.0 million
 - Operating Materials related to growth and cost increases to deliver service area programs

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Revenues are Slow to Recover

- 2012 Non-Tax Projected Revenues are lower than 2011
- 0.7% Impact on City Tax Levy
- 0.2% on Total Property Tax Bill
 - Recreation & Parks – down \$434,000
 - Parking – down \$160,000
 - PILTS – down \$600,000
- In addition, reduced reserve transfers of \$3.1 million due to gradual phase in of Planning and Building and Transit Revenue shortfalls from previous years

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Approved Revenue Shortfall Phase In Due to Economic Downturn Phase In adds 1.0% to City Tax Levy (0.3% to Total Tax Bill)

- 2009 Shortfall of \$13 million in Transit and Building Permits revenues to be fully phased in by 2015
 - 2010 to 2012 annual impact on City tax levy of approx. 1% (.3% total tax bill)
 - 2013 to 2015 annual impact on City tax levy of approx. 0.6% (0.2% total tax bill)
 - Building Permit revenue phase in completed in 2012
 - Transit fare revenue phase in completed in 2015

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Cost Savings

- 0.5% reduction on City Tax Levy
- 0.15% on Total Property Tax Bill
- Cost Savings of (\$1,726)k
 - Operational efficiencies of \$534k due to changes in salting practices in the Winter Maintenance program and contractor cost savings on 2011 tender prices of \$225k.
 - Three Year Plan Operating reductions of \$578k in Land Development Services to address decreases in development related revenues.



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



User Fee or Tax Increase?

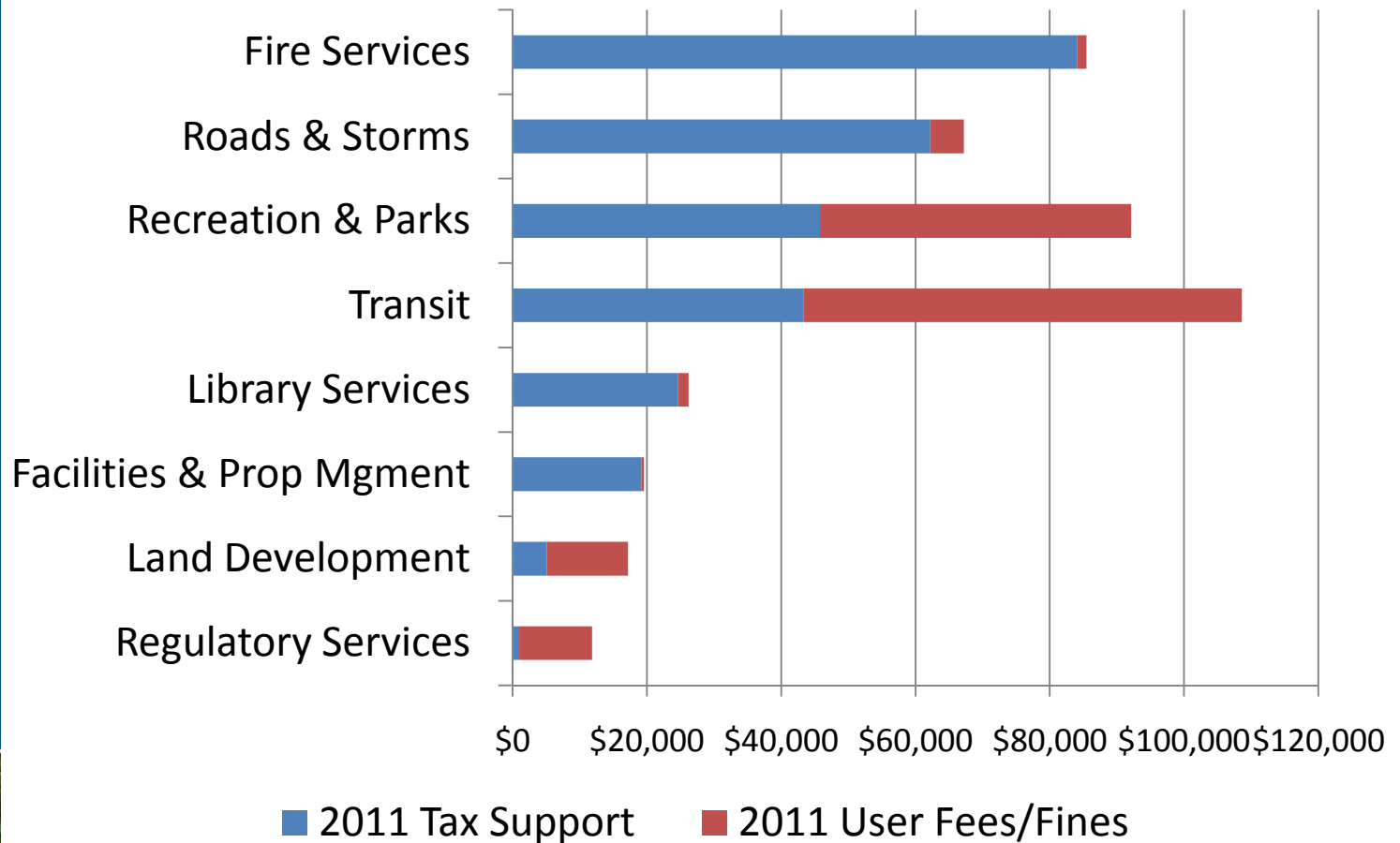
- Forecast Includes Modest Fee Increases
- Costs increasing by more than proposed increases in fees
- Result is increase in tax support
- All Taxpayers funding difference between cost increase and User Fee increase
- Higher Fee increases would reduce tax impact but may impact program service demand

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

2011 User Fee Cost Recovery by Selected Service Areas



2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada



2012 Forecast to Maintain Existing Service Levels

Service Area and Other	2011 Operating Base Budget (\$K)	Maintain Existing Service Levels (MESL) (\$K)	% Increase from 2011 Budget	2012 Operating Base Budget (\$K)
Mississauga Transit	\$46,481	\$6,933	14.9%	\$53,414
Roads, Storm Drainage and Watercourses	\$64,308	\$4,469	6.9%	\$68,777
Fire and Emergency Services	\$84,075	\$4,171	5.0%	\$88,246
Recreation and Parks	\$45,786	\$3,135	6.8%	\$48,921
Business Services	\$20,298	\$1,237	6.1%	\$21,535
Land Development Services	\$4,999	\$1,174	23.5%	\$6,172
Facilities and Property Management	\$18,707	\$776	4.2%	\$19,484
Information Technology	\$16,192	\$722	4.5%	\$16,914
Mississauga Library	\$24,631	\$650	2.6%	\$25,281
Regulatory Services	\$1,560	\$543	34.8%	\$2,103
Strategic Policy	\$9,757	\$414	4.2%	\$10,171
Arts and Culture	\$4,526	\$341	7.5%	\$4,867
Legislative Services	(\$2,467)	\$177	7.2%	(\$2,290)
Council	\$4,104	\$155	3.8%	\$4,259
Financial Transactions	(\$24,835)	\$3,040	12.2%	(\$21,795)
Total Cost Including New Initiatives	\$318,594	\$28,111	8.8%	\$346,704
Infrastructure Levy		\$3,186	1.0%	\$3,186
Total	\$318,594	\$31,297	9.8%	\$349,890
Assessment Growth			0.5%	
Increase in City Tax Levy			9.3%	
Impact on Tax Bill			2.7%	

67% of MESL increase for 4 services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

2012 Business Plan Budget Requests (Net Tax \$)

	2012 Operating (\$K)	% Increase from 2011 Budget	% Increase on Total Tax Bill (29% of Total Bill)
New Service Level / New Initiatives BRs	\$2,898	0.9%	0.3%
New Revenue BRs	-\$159	0.0%	0.0%
Growth Driven BRs	\$1,909	0.6%	0.2%
Reserve Fund Transfer BRs	\$0	0.0%	0.0%
2012 Budget Requests Total	\$4,648	1.5%	0.4%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



2012 Forecast Including New Initiatives

Service Area	2012 Operating Base Budget (\$K)	% Increase in City Tax Levy	New Initiatives (\$K)	2012 Total Budget Forecast (\$K)	Total % Increase from 2011 Budget
Mississauga Transit	\$53,414	2.2%	\$1,409	\$54,823	17.9%
Roads, Storm Drainage and Watercourses	\$68,777	1.4%	\$285	\$69,062	7.4%
Fire and Emergency Services	\$88,246	1.3%	\$350	\$88,596	5.4%
Recreation and Parks	\$48,921	1.0%	\$694	\$49,615	8.4%
Business Services	\$21,535	0.4%	\$403	\$21,938	8.1%
Land Development Services	\$6,172	0.4%	\$90	\$6,262	25.3%
Facilities and Property Management	\$19,484	0.2%	\$406	\$19,889	6.3%
Information Technology	\$16,914	0.2%	\$54	\$16,968	4.8%
Mississauga Library	\$25,281	0.2%	\$91	\$25,372	3.0%
Regulatory Services	\$2,103	0.2%	(\$38)	\$2,066	32.4%
Strategic Policy	\$10,171	0.1%	\$430	\$10,601	8.7%
Arts and Culture	\$4,867	0.1%	\$388	\$5,255	16.1%
Legislative Services	(\$2,290)	0.1%	\$0	(\$2,290)	7.2%
Council	\$4,259	0.0%	\$0	\$4,259	3.8%
Financial Transactions	(\$21,795)	1.0%	\$0	(\$21,795)	12.2%
Total Cost Including New Initiatives	\$346,704	8.8%	\$4,648	\$351,352	10.3%
Infrastructure Levy	\$3,186	1.0%	\$0	\$3,186	1.0%
Total	\$349,890	9.8%	\$4,648	\$354,538	11.3%
Assessment Growth		0.5%			0.5%
Increase in City Tax Levy		9.3%	1.5%		10.8%
Impact on Tax Bill					3.1%

2012 - 2014

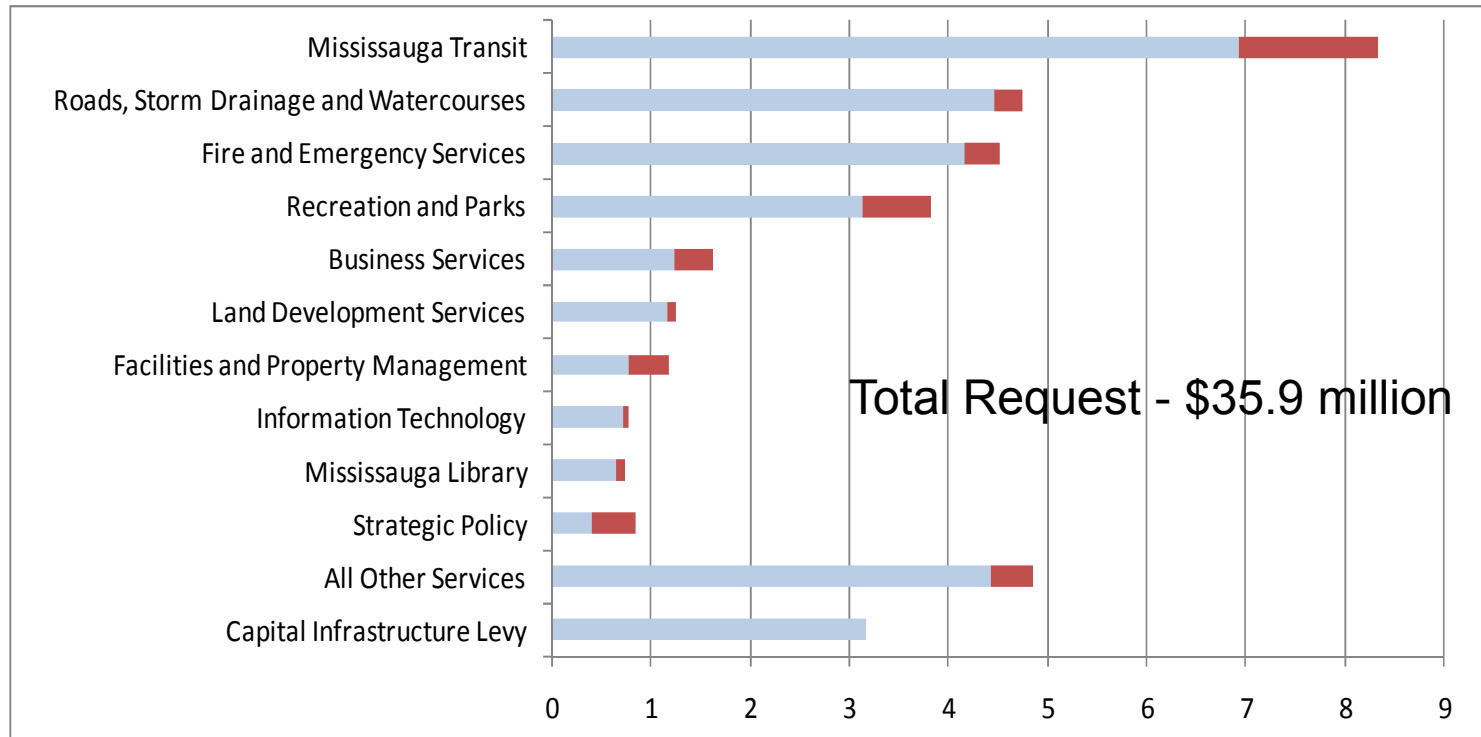
Business Plan & Budget

City of Mississauga, Ontario, Canada



2012 Budget Increase By Service

(\$ Millions)



Base - \$31.3 million

New Initiatives - \$4.6 million

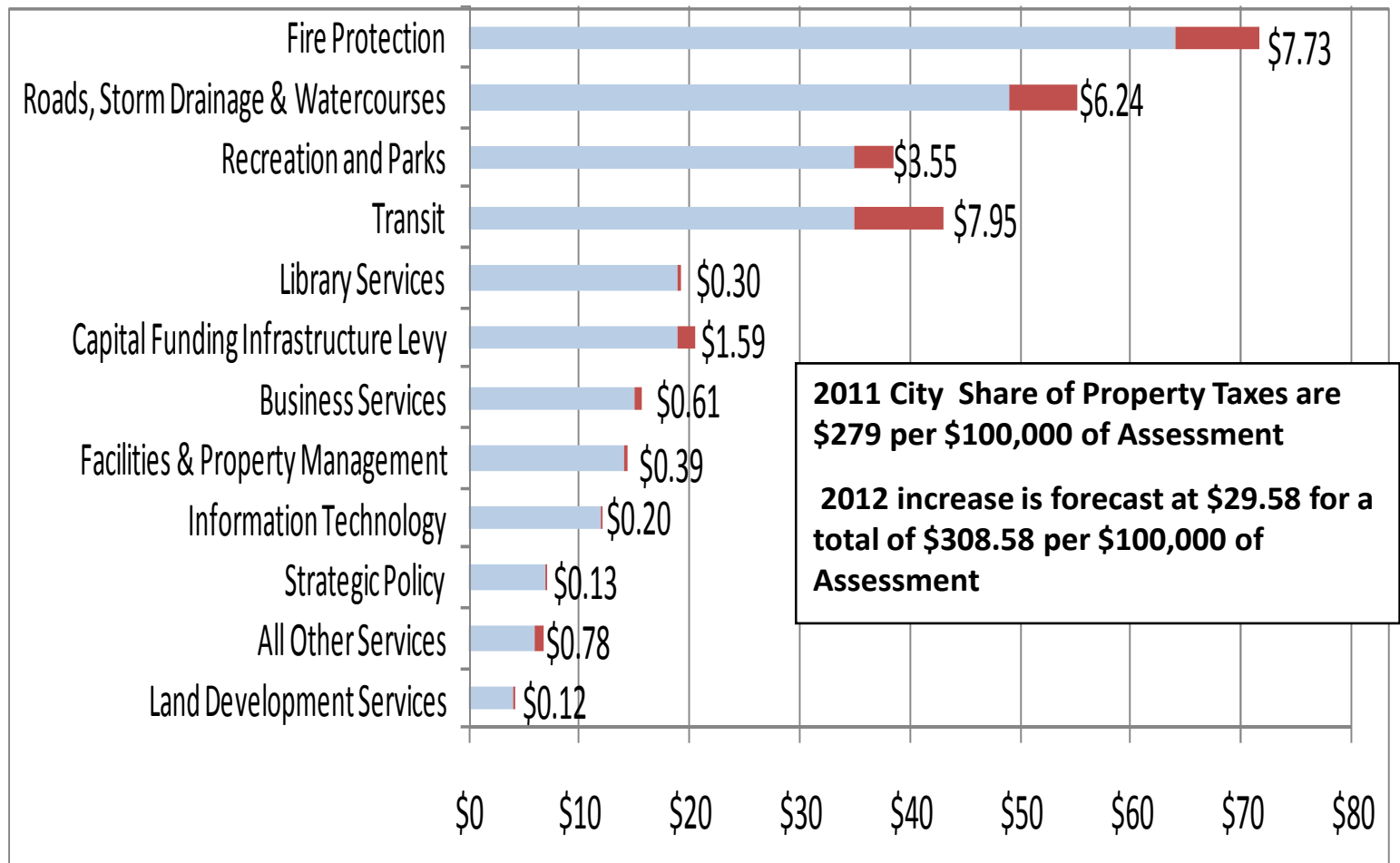
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Where Your 2012 City Tax \$ Will Go



2011 Budget
2012 Forecast

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Region of Peel Forecast

- External Agencies 2.2%
- Regionally Controlled Programs 2.1%
- Provincial Upload (1.6%)
- Infrastructure Levy 1.0%
- Assessment Growth (1.8%)
- Increase in Peel Tax Levy 3.7%
- Impact on Total Property Tax Bill 1.7%
- Total City & Region Property Tax Impact 4.8%

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Options to Reduce 2012 Forecast

- Defer 2012 new initiatives
- Increase Non-Tax Revenues
- Cut existing service levels and /or services



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Area Review

- By Major Service Area
- Service Level Trends
- 2012-2014 Budget Forecast
- Options to Reduce Forecast
 - Revenue Opportunities
 - Cost Containment
 - Potential Service Reductions
 - Council Direction Required

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Mississauga Transit



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Delivery Model





Current Service Levels

Mississauga Transit provides fixed route transit delivered by the following family of services:

- Mi Express | limited stops, express service
- Mi Local | all stops, local service
- GO shuttles | peak hour service connecting to GO rail
- School routes | peak hour service for secondary schools

The network operates 88 routes within a service area of 178 sq km with over 3,700 stops.

Service Type	2010 Actual		2011 Plan	
	Hours	%	Hours	%
Weekdays	1,093,390	86.5	1,117,100	86.1
Saturdays	105,210	8.2	109,500	8.4
Sundays and Holidays	69,880	5.3	71,100	5.5
Total	1,268,480	100.0	1,297,700	100.0
Numbers may not balance due to rounding				

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Mississauga Transit Service Level Trends

- 2010 – added 30,000 hours of transit service
 - Total annual service hours – 1,268,500
- 2011 – approval to add 29,500 hours of transit service (2.3% growth)
- 2010/2011 introductions
 - Smart bus technology
(next stop announcements/cameras)
 - Presto
 - BRT Express blue buses
 - Hybrid technology
 - MiWay brand

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Mississauga Transit Service Level Trends

- MiWay Success
 - Ridership growth of 6%, or an additional 1 million more customers since its introduction in fall/2010
 - Daily weekday revenue ridership 108,350; boardings 165,350
- 2011 Ridership Growth to Date (vs. 2010) +7%
 - Matches budgeted increase in farebox revenues
- 2011-2014 – Business Plan
 - Adds a modest 2% service hours growth per year to address congestion and ridership growth in preparation for the BRT opening in 2013
 - Fare increase proposed for April 2012

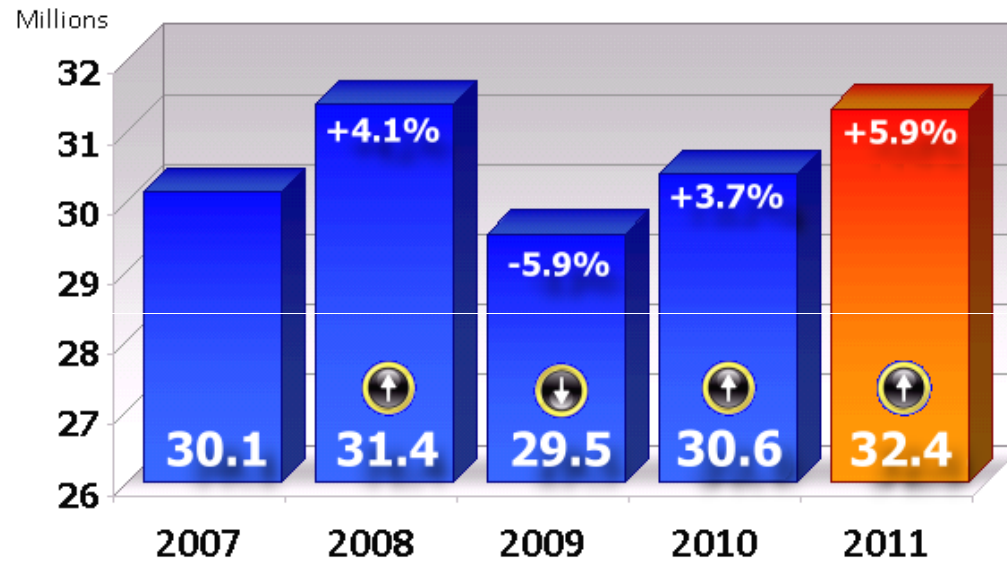
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Ridership

Annual Revenue Ridership



Note: Ridership is returning but on different routes and at different times

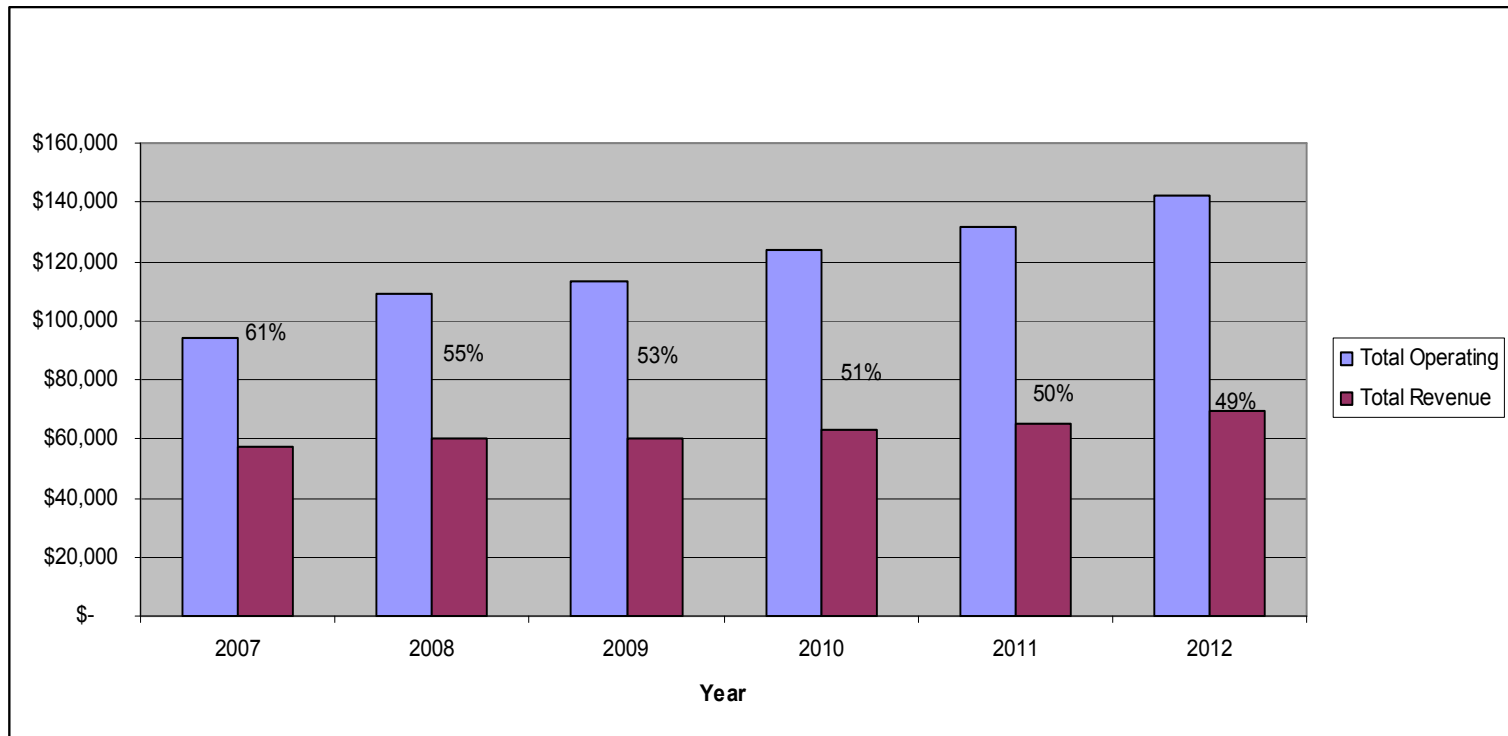


2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Transit User Fee Cost Recovery Ratio % Trends



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



2012 Budget Pressures

- Increase in cost of diesel fuel - \$1.5 million
- Hydro - \$0.3 million
- Annualization of 2011 decisions - \$2.3 million
- Planned reduction in transfers from reserves - \$2 million
- Capital – reduced Development Charge revenue

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

2012 Fare Increase (Overview)

Category	Increase
Cash	\$3.00 to \$3.25 (+\$.25)
Student/Children	fares frozen at 2009 levels
Adult Tickets	\$2.50 to \$2.60 (+\$0.10)
Adult Weekly Pass	\$28 to \$29 (+\$1)
Adult Monthly Pass	\$116 to \$120 (+\$4)
Senior Tickets	\$1.70 to \$1.75 (+0.05)
Senior Monthly Pass	\$44 to \$47 (+\$3)
Senior Annual Pass	\$444 to \$474 (+\$30)



2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada



Cost To Maintain Service Levels

Transit	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	123,143	137,321	147,345	160,459
Maintain Existing Services - Cost Pressures				
Labour	3,992	4,478	4,621	4,090
Annualization	2,642	2,306	0	0
Capital Impacts	0	0	5,504	-706
Inflation & Uncontrollables	5,324	1,831	842	1,672
Cost Savings	(242)	0	0	0
Total Cost to Maintain Existing Services	134,858	145,936	158,313	165,515
Base Revenues*	(65,261)	(68,231)	(69,913)	(70,414)
Existing Revenue Changes	0	(1,682)	(501)	(1,786)
Provincial Gas Tax Allocation	(23,116)	(22,609)	(19,640)	(17,709)
Tax Supported - Maintain Existing	46,481	53,414	68,259	75,606
% Service Area Increase		14.9%	27.8%	10.8%
% Impact on Tax Rate		2.1%	4.4%	2.1%
Cost Recovery Ratios (excludes Provincial Gas Tax)	48.4%	47.9%	44.5%	43.6%
*Note: Includes annual fare increase (2012-2014)				

2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada

New Initiatives

Transit	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing	46,481	53,414	68,259	75,606
New Initiatives and Service Levels	676	108	26	-281
Growth	1,787	1,301	2,120	1,859
New Revenues*	(2,970)	0	0	0
Total Tax Supported Service	45,974	54,823	70,405	77,184
% Service Area Increase		19.2%	28.4%	9.6%
% Impact on Tax Rate		2.7%	4.5%	1.9%
Cost Recovery Ratios (excludes Provincial Gas Tax)	49.7%	47.4%	43.9%	43.2%
*Note: Annual fare increase included in base revenues for 2012-2014				



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Revenue Opportunity and Potential Service Reductions

- Advance fare increase to January 2012
Impact: Second fare increase in 9 months; increase in customer complaints
Risk: Loss of customers
- Reduce hours of operation in call centre or ticket sales kiosks
Impact: Longer customer wait times
- Reduce staffing levels in call centre
Impact: Longer customer wait times

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Potential Service Reductions

- Service Rationalization – eliminate poorest performing transit routes (reductions to geographic coverage and/or days/hours of service)
Risk: Loss of customers
- Service Cancellation – weekend or off-peak service cancellations, peak service frequency reductions etc.
Impact: Overcrowding
Risk: Loss of customers

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Potential Service Reductions

- Reduce on-street staffing levels – Transit Enforcement

Impact: Longer response times

Risk: Increased driver/customer security concerns

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Transit Next Steps

- 14.9% Increase from 2011 Budget to Maintain Existing Service Levels
- 17.9% Increase from 2011 Budget including new Budget Requests
- 2.2% and 2.6% Increase on City Tax Levy
- 0.6% and 0.8% Total Property Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Roads, Storm Drainage and Watercourses



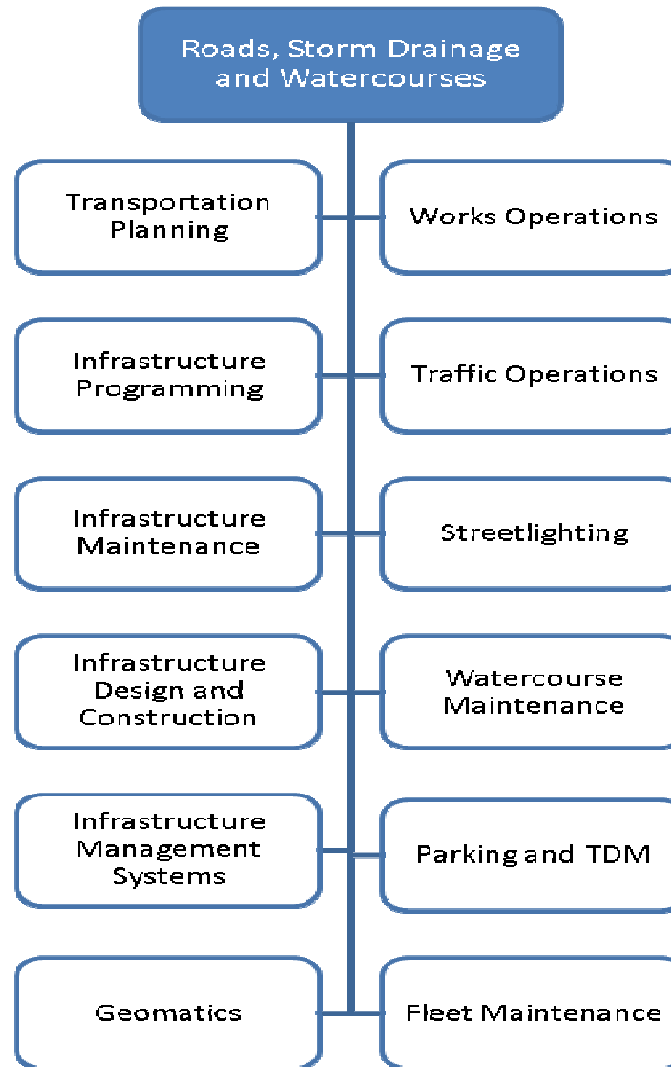
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Delivery Model



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Service Level Trends

- Becoming a mature, urbanized city
- Growth in municipalities north and west
- Aging infrastructure
- Increasing demand for multi-modal transportation
- Pursuit of higher order transit
- Climate change and environmental accountability
- Legislative compliance
- Uncontrollable cost pressures (i.e. hydro and fuel)

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Service Level Trends

Growth Pressures

- Cycling (Operating & DC-Capital)
- Parking (Revenue, Operating & Capital)
- Traffic congestion & management (Operating & Capital)
- Watercourse management (Operating & Capital)
- Bridge management (Operating & Capital)
- Noise barrier replacement (Capital)
- Legislated maintenance for infrastructure (Operating)
- Maintenance to support growth, transit and accessibility requirements (Operating)
- Sidewalks to support transit accessibility (DC Capital)

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Service Level Trends

Revenue Pressures

- Fees related to subdivision development

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



2012 Budget Pressures

- Winter Contractor and material growth and cost increases - \$1.7 million
- Street lighting hydro cost increases - \$1.8 million
- Reduced parking revenues due to free evening and weekend parking in the City Centre- \$160,000

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Cost To Maintain Service Levels

Roads, Storm Drainage and Watercourses	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	69,386	72,221	77,174	80,969
Maintain Existing Services - Cost Pressures				
Labour	396	1,039	1,072	917
Annualization	0	10	0	0
Capital Impacts	10	10	0	0
Inflation & Uncontrollables	1,292	4,367	1,805	1,899
Cost Savings	(1,942)	(758)	0	0
Allocations	2,106			
Total Cost to Maintain Existing Services	71,248	76,889	80,051	83,785
Base Revenues	(7,913)	(7,913)	(8,113)	(8,113)
Existing Revenue Changes	0	(200)	0	0
Tax Supported - Maintain Existing Service Levels	63,335	68,776	71,938	75,672
% Service Area Increase		8.6%	4.6%	5.2%
% Impact on Tax Rate		1.7%	1.0%	1.1%
Cost Recovery Ratios	11.1%	10.6%	10.1%	9.7%

2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada

Roads, Storm Drainage, & Watercourses New Initiatives

Roads, Storm Drainage and Watercourses	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing Service Levels	63,335	68,776	71,938	75,672
New Initiatives and Service Levels	849	285	918	653
Growth	124	0	0	0
New Revenues	0	0	0	0
Total Tax Supported of Service	64,308	69,061	72,856	76,325
% Service Area Increase		7.4%	5.5%	4.8%
% Impact on Tax Rate		1.5%	1.2%	1.0%
Cost Recovery Ratios	11.0%	10.5%	10.0%	9.6%





RSDW Cost Recovery Trends

Roads	2007	2008	2009	2010	2011	2012
Gross Labour	25,486	27,022	25,126	26,265	25,992	27,214
Gross Other Operating	34,837	41,684	39,062	41,482	44,123	47,901
Total Gross Operating	60,323	68,706	64,188	67,747	70,115	75,115
User Fee Revenue	(5,379)	(5,262)	(7,291)	(6,814)	(5,029)	(5,366)
Other Revenue	(5,157)	(7,641)	(2,311)	(1,664)	(2,884)	(2,794)
Total Revenue	(10,536)	(12,903)	(9,602)	(8,478)	(7,913)	(8,160)
Total Tax Support	49,787	55,803	54,586	59,269	62,202	66,955
User Fee Cost Recovery Ratio	9%	8%	11%	10%	7%	7%

* Numbers do not include cross service area allocations and differ from previous slide.

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage, & Watercourses Capital

- Reduction of growth related programs due to reduced Development Charge revenue

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Parking Revenue Opportunities

- On-street paid parking permits (residential and industrial)

IMPACT: Increase in public complaints

RISK: Initial revenue opportunities low due to high administrative start-up costs

- Off-street paid parking (surface lots outside of City Centre)

IMPACT: Increase in public complaints

- Increase in parking fees along with hours (adjust rates to \$2/hr and implement paid evenings and weekends)

IMPACT: Increase in complaints and impact on user groups (Living Arts Centre, Celebration Square and Library)

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Cost Containment Plans

- Streetlighting LED conversion plan

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Potential Service Reductions

- Cycling - slow down implementation (operating and DC capital)
- Noise barriers - slow down replacement program (capital-tax)
- Road resurfacing - reduction in service levels for residential roads (capital-tax)
- Litter pick up - reduction in collection resources and frequency
- Winter maintenance service level reduction - clearing time, windrow subsidy elimination

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Roads, Storm Drainage and Watercourses Next Steps

- 6.9% Increase from 2011 Budget to Maintain Existing Service Levels
- 7.4% Increase from 2011 Budget including new Budget Requests
- 1.4% and 1.5% Increase on the City tax levy
- 0.4% and 0.5% on Total Property Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

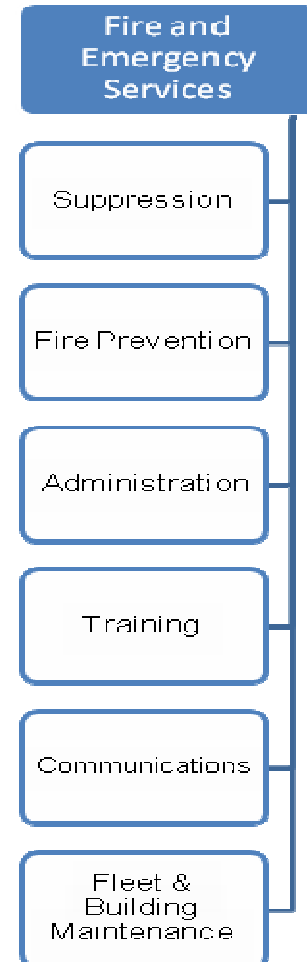
Fire & Emergency Services





Service Delivery Model

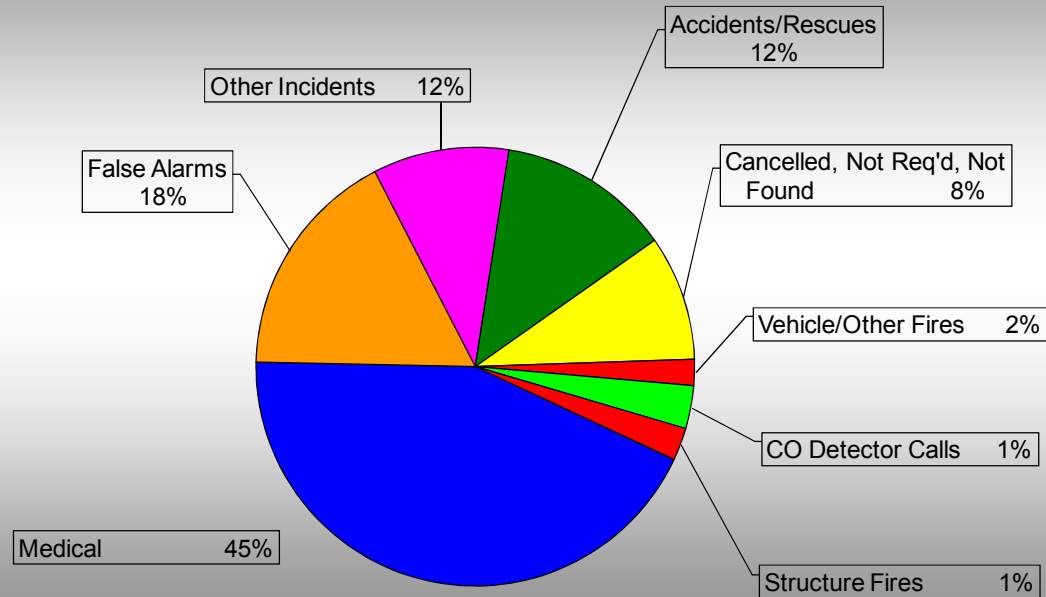
- Multi faceted, all risk emergency response service
- 616 suppression staff operating on 4 shifts
- 30 front line suppression vehicles, 9 reserve vehicles and 7 specialty vehicles
- Staff are divided up between 20 stations, communications dispatch centre, city hall and the training centre
- Administration is located at Station 101 (headquarters)



Fire and Emergency Services Service Level Trends

Total Number of Incidents = 25,384

**Mississauga Fire and Emergency Services
2010 Service Delivery Breakdown by Incident Type**



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Fire and Emergency Services Service Level Trends

- Tracking and reporting response time based on “total response time”
- Travel time continues to increase as a result of traffic congestion
- Total number of incidents has decreased
- Number of structure fires has increased
- False alarm revenue continues to decrease
- Fire Master Plan requires investment

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Budget Pressures

- Ongoing labour negotiations
- Operating costs for new Garry W. Morden Centre
- Fuel and Utility price increases
- Capital – reduced Development Charge revenue may impact capital program



2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada

Fire & Emergency Services

Cost To Maintain Service Levels

Fire and Emergency Services	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	83,331	85,638	89,929	95,477
Maintain Existing Services - Cost Pressures				
Labour	2,122	3,078	3,177	2,716
Annualization	12	0	97	
Capital Impacts	0	343		
Inflation & Uncontrollables	187	520	47	37
Cost Savings	(14)	0		
Total Cost to Maintain Existing Services	85,638	89,579	93,250	98,231
Base Revenues	(1,749)	(1,564)	(1,334)	(1,334)
Existing Revenue Changes	185	230		
Tax Supported - Maintain Existing Service Levels	84,075	88,246	91,917	96,897
% Service Area Increase		5.0%	4.2%	5.4%
% Impact on Tax Rate		1.3%	1.1%	1.5%
Cost Recovery Ratios	1.8%	1.5%	1.4%	1.4%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Fire & Emergency Services New Initiatives

Fire and Emergency Services	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing Service Levels	84,075	88,246	91,917	96,897
New Initiatives and Service Levels		48	48	
Growth		302	2,179	115
New Revenues				
Total Tax Supported of Service	84,075	88,596	94,144	97,012
% Service Area Increase		5.4%	6.3%	3.0%
% Impact on Tax Rate		1.4%	1.7%	0.9%
Cost Recovery Ratios	1.8%	1.5%	1.4%	1.4%



Fire and Emergency Services Potential Service Reductions

- 96% of MFES operating budget is labour



- In order to make a substantial budget reduction, front line services would have to be reduced.

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Fire and Emergency Services Next Steps

- 5.0% Increase from 2011 Budget to Maintain Existing Service Levels
- 5.4% Increase from 2011 Budget including new Budget Requests
- 1.3% and 1.4% Increase on the City tax levy
- 0.4% on Total Property Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Recreation and Parks





Recreation and Parks Service Delivery Model

Parks Planning & Development	<ul style="list-style-type: none"> • Co-ordination of master plans, feasibility studies and special projects; • Acquisition and planning of open space and parkland; • Business case support of infrastructure development; • Redevelopment of parks
Protect & Enhance Green Spaces	<ul style="list-style-type: none"> • Horticulture, parkland and sport field maintenance; urban forestry; • Naturalization and management of natural areas; • Trails and pathways; cemeteries; • Winter maintenance; boulevard maintenance.
Environment	<ul style="list-style-type: none"> • Identify opportunities and establish environmental sustainability efforts; • Establish the Environmental Network team across City Departments • Initiate the Environmental Master Plan to provide strategies, policy, goals, targets and processes for environmental sustainability efforts



Recreation and Parks Service Delivery Model

Community Recreation	<ul style="list-style-type: none"> • Drop-in recreation, aquatic, fitness/ active living and arena programs; • Direct registration for aquatics, sport programs, sport leagues, camps and general programs; • Facility rentals including sport fields, ice/floors, pools, meeting rooms, boat slips
Community Development	<ul style="list-style-type: none"> • Community partnerships; • Provide support for sport, cultural, event and service organizations through financial assistance, affiliation and community group status programs; • My Mississauga Celebration Square programs
Facility Operations	<ul style="list-style-type: none"> • Delivery of day to day Customer Service; • Compliance with legislative requirements; • Provision of clean, well maintained facilities; • Operations maintenance (arenas, indoor/outdoor pools, spa & spray pads, concessions, marinas, golf)

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Current Service Levels

Parks

- 3.81 hectares of open space per 1000 persons
- Parkland grass cutting on 10 work day cycle
- Destination Parks grass cutting every 7 working days; daily litter pick-up
- Garbage and recycling disposal every 7 days
- Winter maintenance on designated park pathways
- Street tree replacements within 12 months
- Response for Level 1 Emergency Forestry calls 24 hours
- Tree Pruning Cycle is 15 years



Current Service Levels

Facility to population

Indoor Facilities		Outdoor Facilities	
Indoor Arenas	1 per 29,000 25 ice pads	Soccer Fields	1 per 3,200 226.5 fields
Gymnasiums	1 per 46,900 15.5 gymnasiums	Baseball Fields	1 per 4,900 150 fields
Indoor Pools	1 per 66,100 11 indoor pools	Cricket Pitches	1 per 100,000 6 pitches
Fitness Centres	1 per 104,000 7 Fitness Centres	Parks and Open Spaces	3.81 hectares of parks per 1000 2754 hectares

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Recreation & Parks Service Level Trends

- Actual Net operating performance has moved from an unfavourable position in 2008 to a favourable position in 2009 and 2010;
- Recreation programming and hours have been stable since the fall 2007 opening of Sport Complex;
- Gross revenue growth of 2.5% in 2010 was aligned to approved fee increase



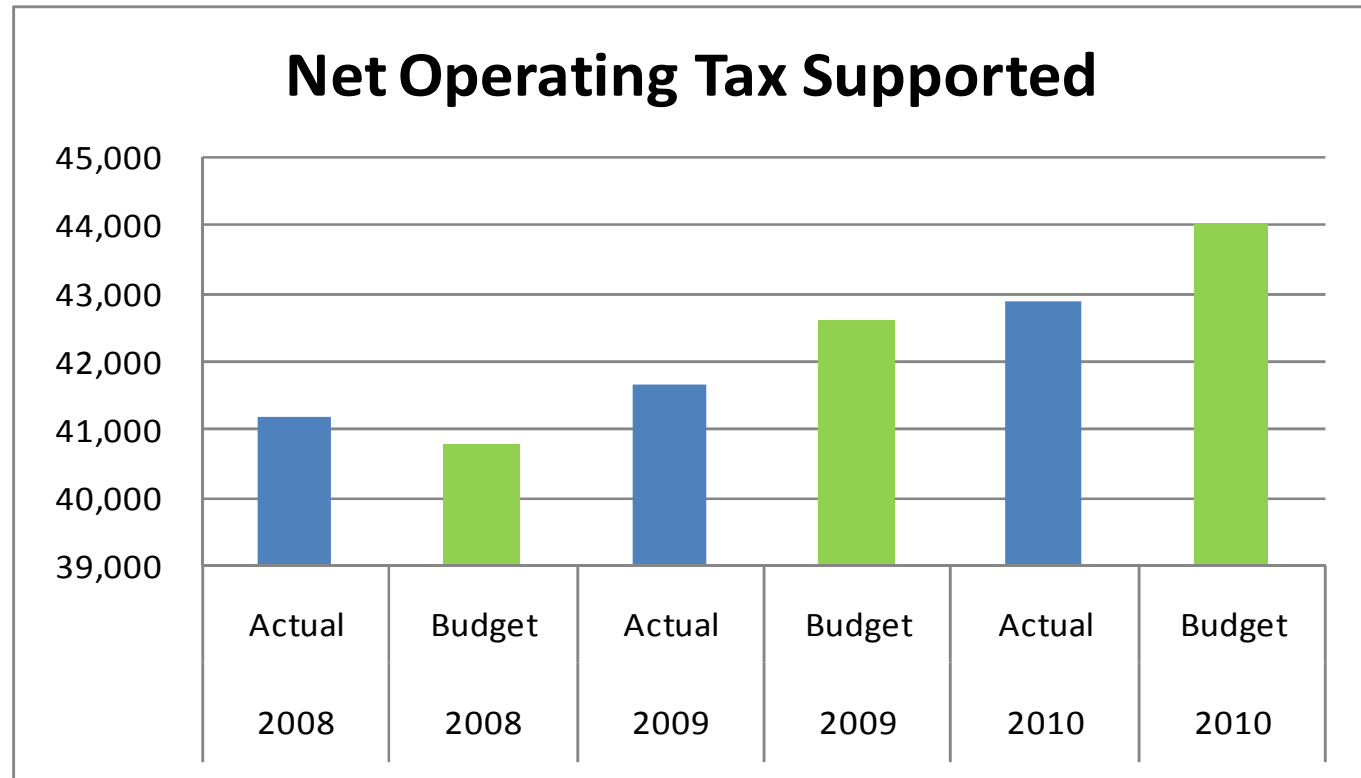
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Recreation and Parks Net Operating Tax Supported



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Recreation and Parks Service Level Trends

- Additional resources required to support park land growth;
- Programs resource requirements have increased due to capital investment in Celebration Square and the move to year round program delivery;
- Division will continue to monitor fitness/ active living participation with weaker economy and introduction of HST in July 2010.

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



2012 Budget Pressures

- Annualization of 2011 decisions – Celebration Square
- Operating Impacts of completed capital projects – new parkland
- Fuel and utility increases
- Revenue pressures require budget adjustment
- Reduced cost recovery ratio on fee programs - 2.5% proposed fee increase below increase in costs

2012 - 2014

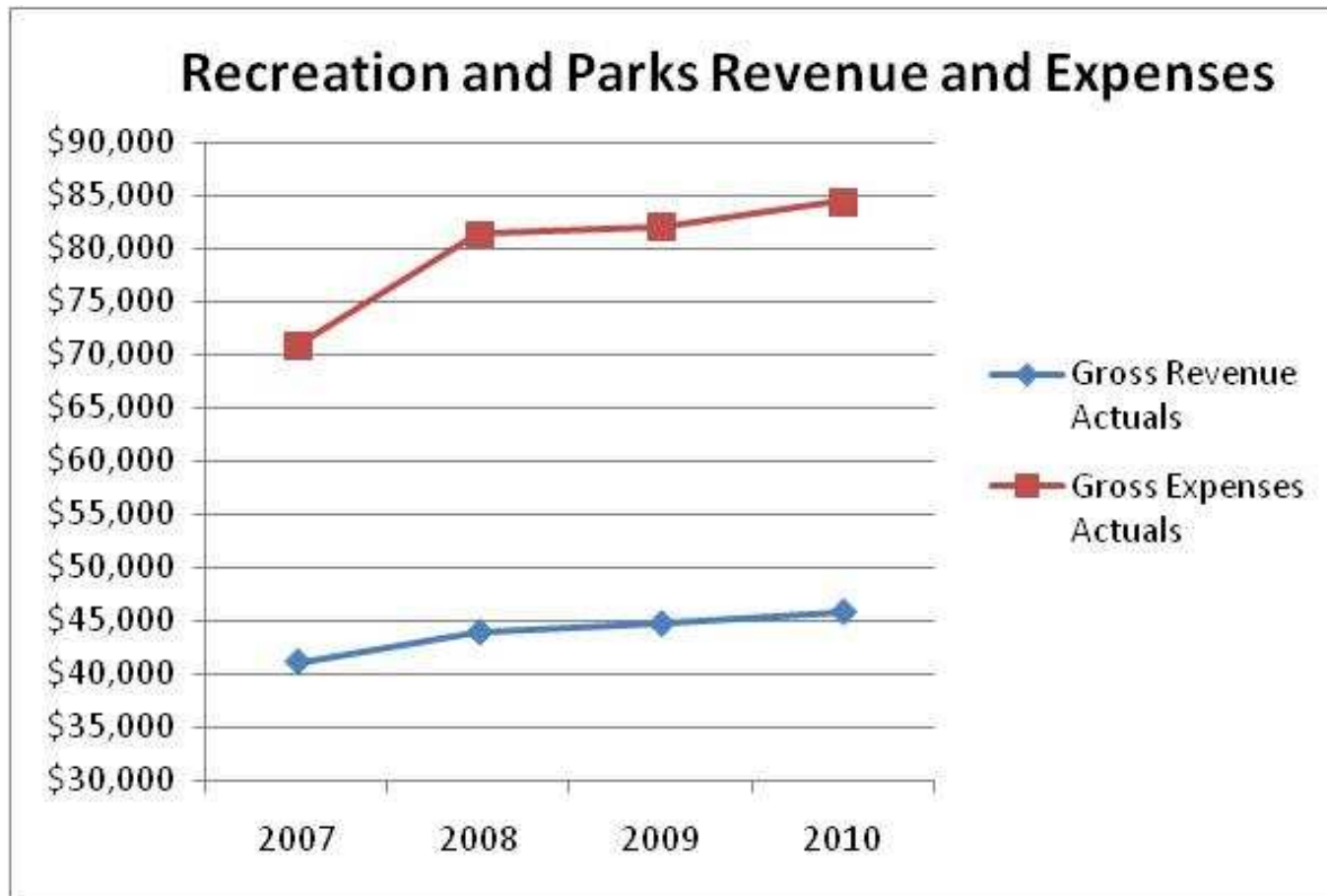
Business Plan & Budget

City of Mississauga, Ontario, Canada



Revenue vs. Expenses

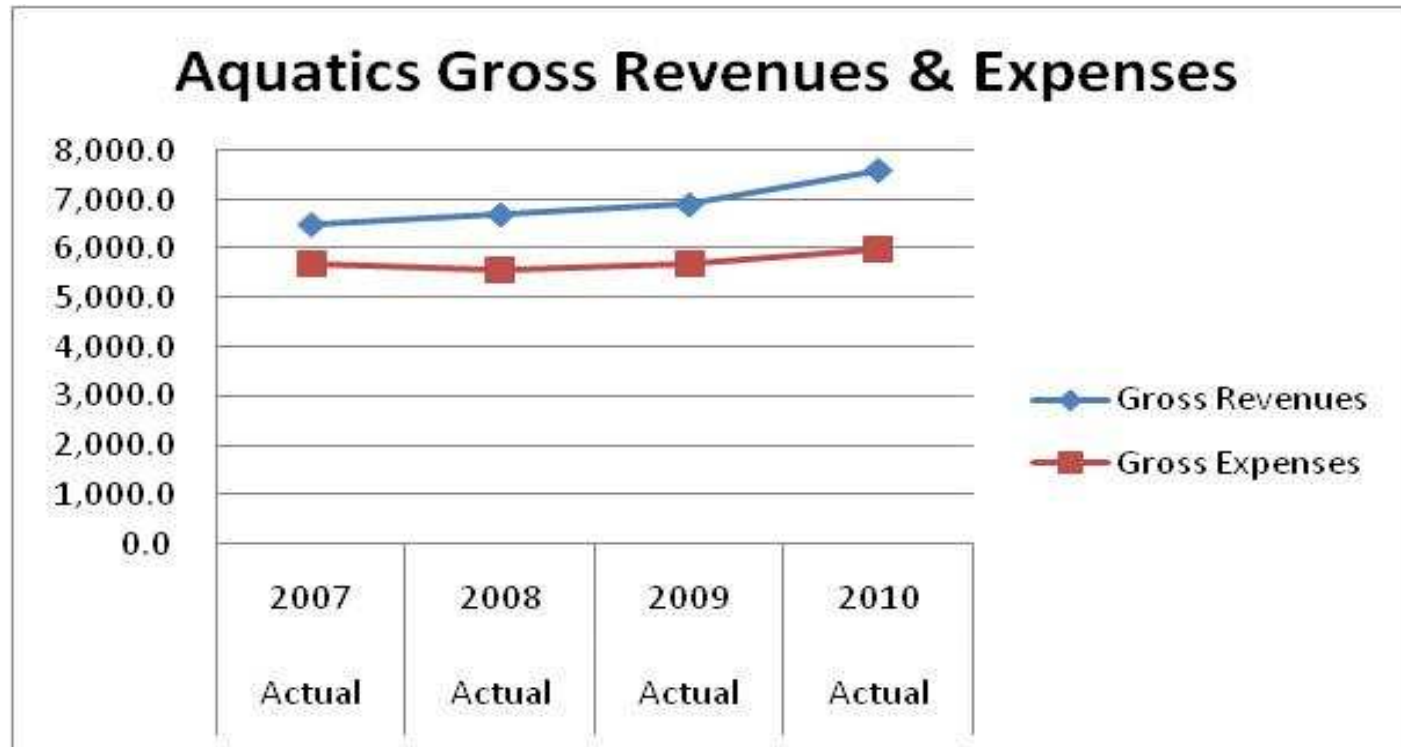
(\$000)





Line of Business Revenue Trends

(\$000)

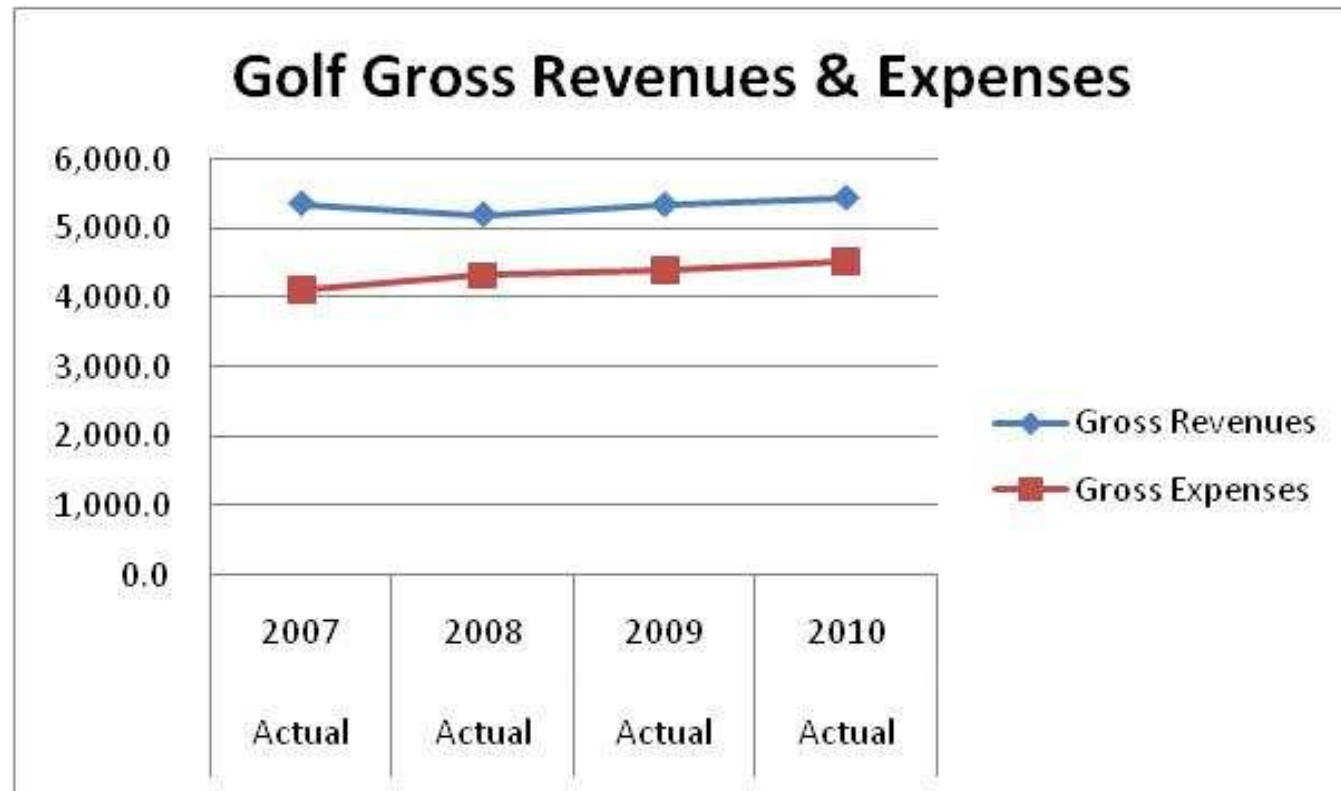


Aquatics programming continues to improve



Line of Business Revenue Trends

(\$000)

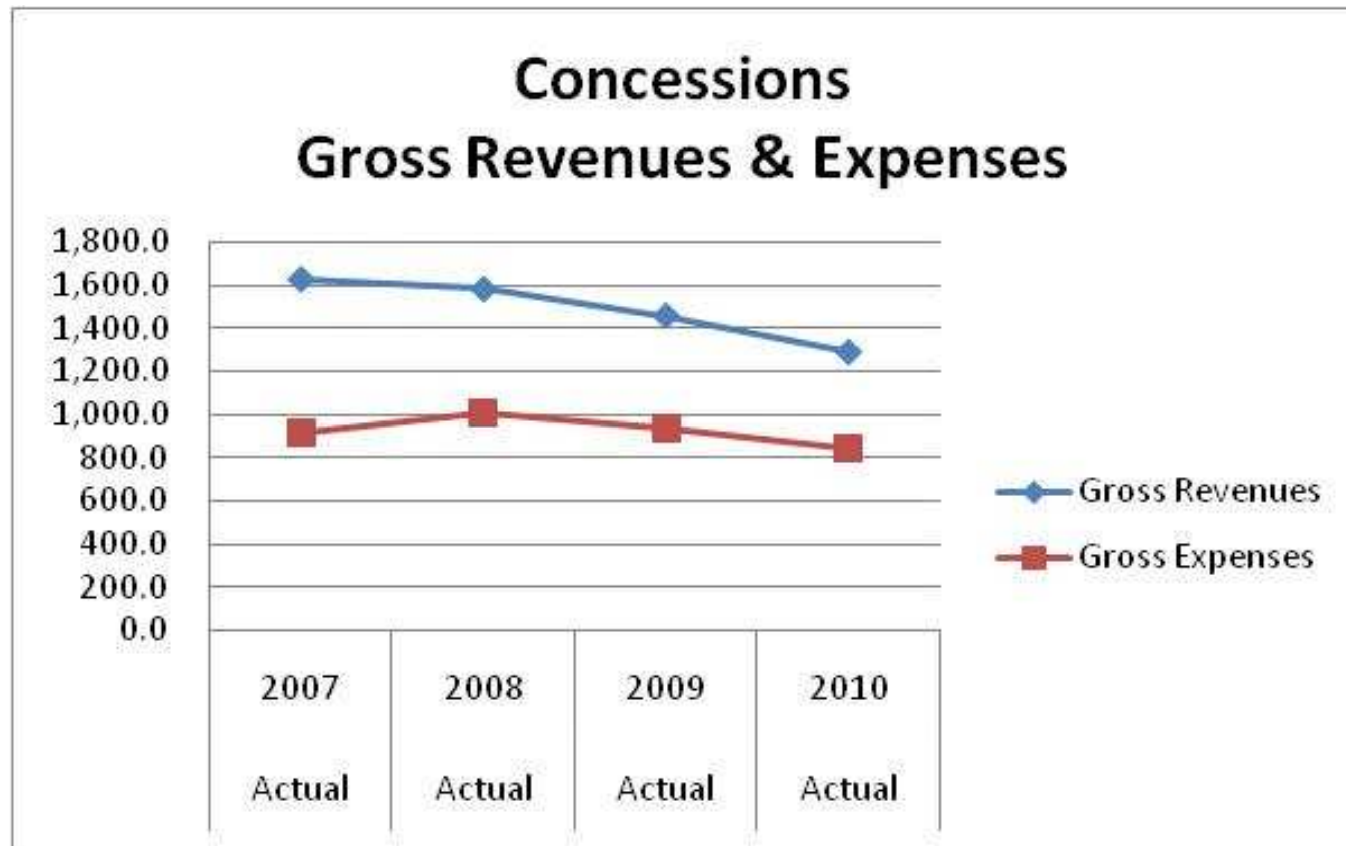


2011 revenue adjustment at Lakeview allows for normalization of revenue compared to budget.



Line of Business Revenue Trends

(\$000)

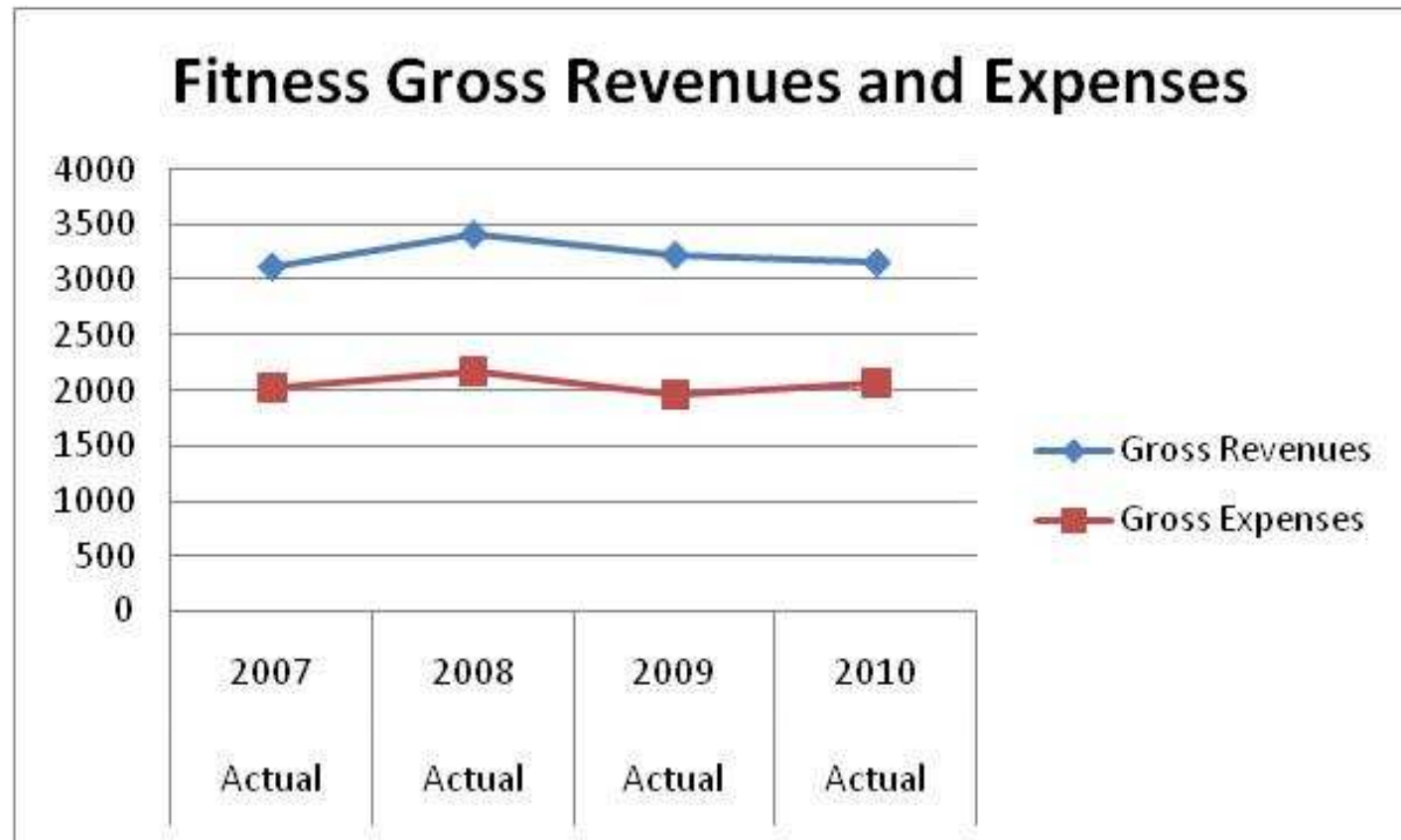


Contributing to the shortfalls in Concessions and vending revenue is the overall participation decline experienced by the MHL.



Line of Business Revenue Trends

(\$000)

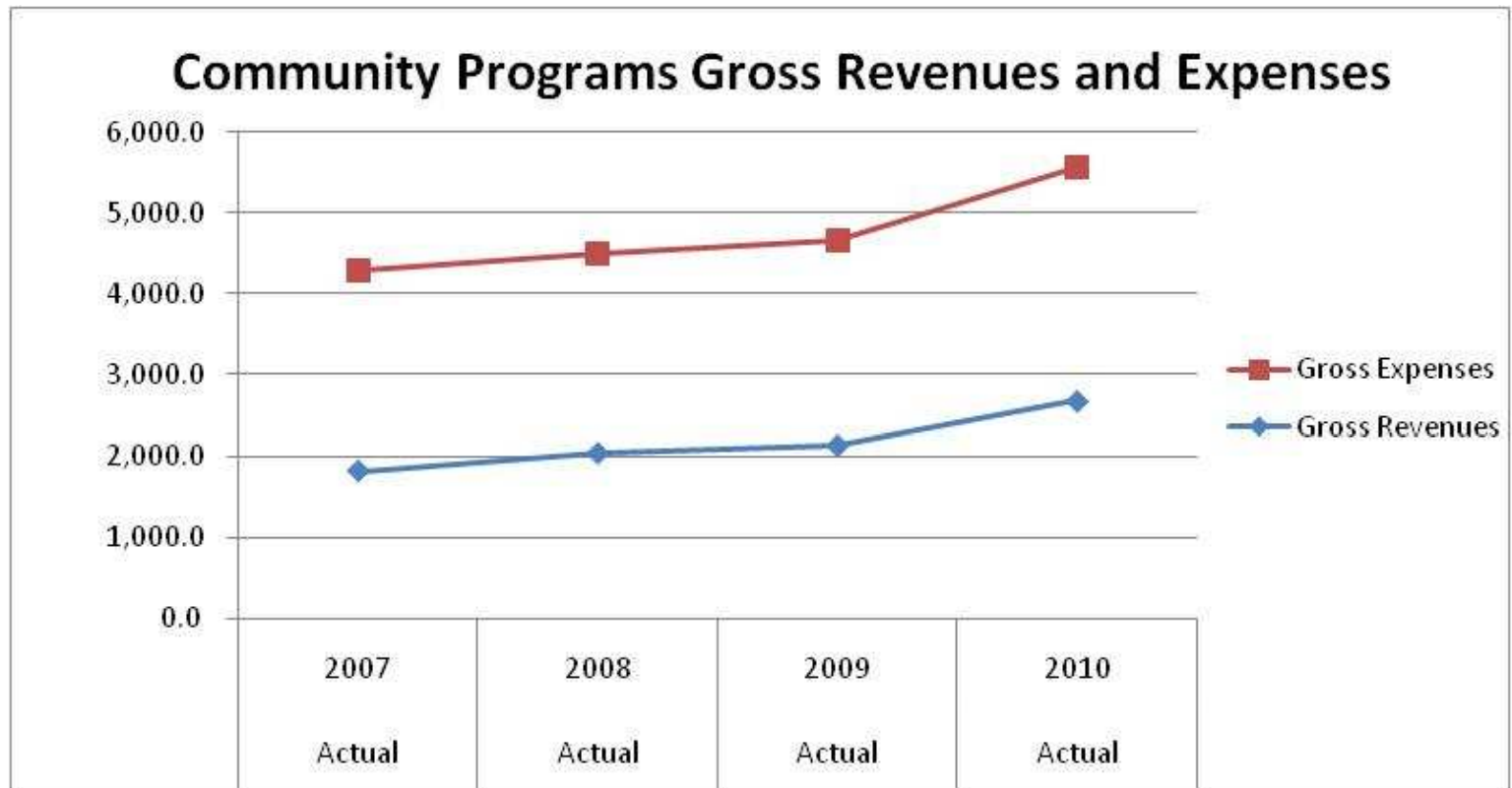


Fitness operations are realizing the effects of the overall general economic conditions and competition from private providers.



Line of Business Revenue Trends

(\$000)

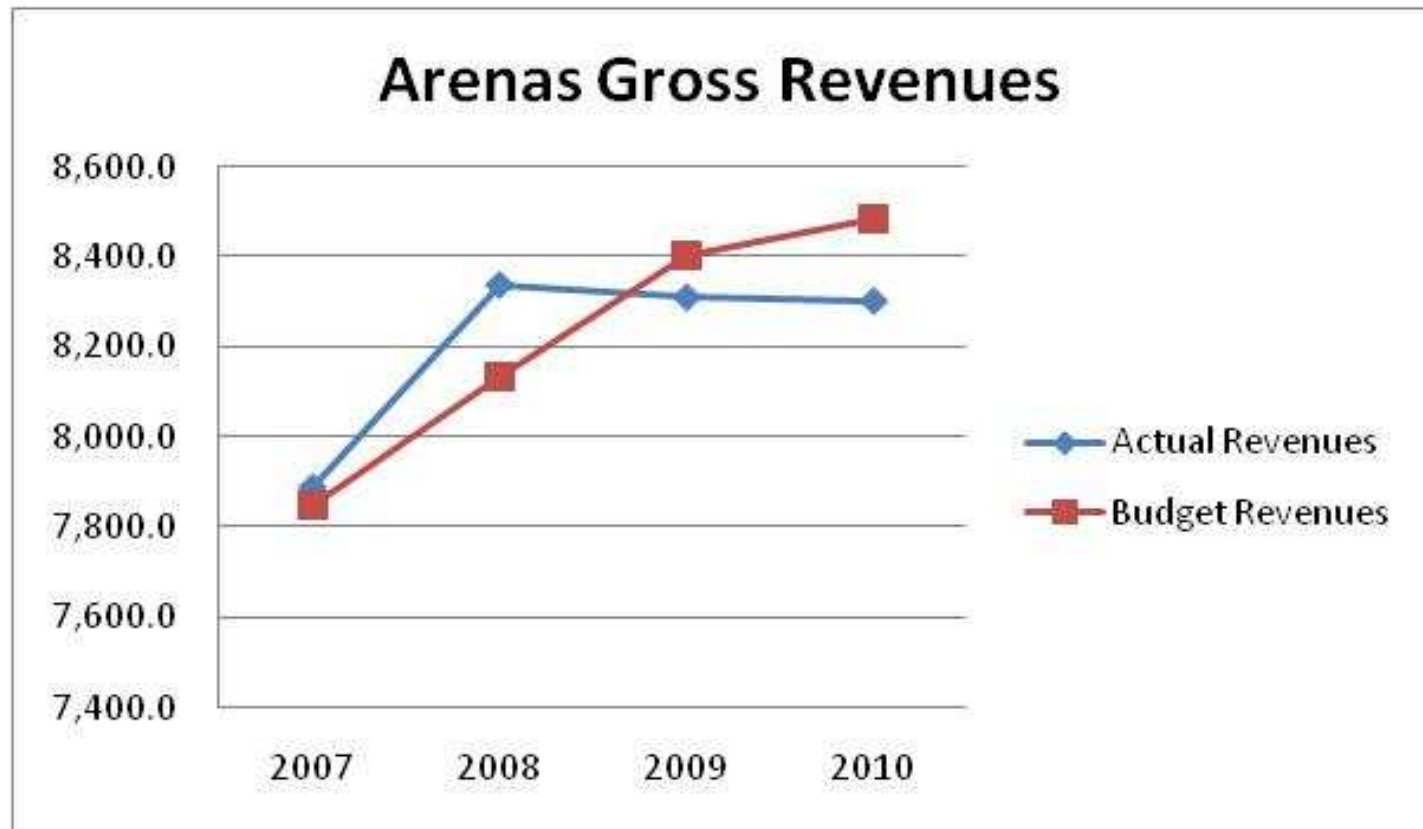


The fill rate for registered programs continue to trend at 63% (aligning to minimum Program Standards) while the budget is set at 75%-80% resulting in a shortfall in registration revenue



Line of Business Revenue Trends

(\$000)



Ice rental activity will continue to experience a slight revenue decline due to MHL's shift in playoff format and a decrease in boy's hockey teams compared to previous year's.

2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada



Recreation and Parks

Cost To Maintain Service Levels

Recreation and Parks	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	91,749	93,999	97,674	99,605
Maintain Existing Services - Cost Pressures				
Labour	1,176	1,969	1,123	1,434
Annualization	102	146		
Capital Impacts	555	44		
Inflation & Uncontrollables	308	842	385	386
Cost Savings	(744)	(299)		
Total Cost to Maintain Existing Services	93,146	96,701	99,181	101,425
Base Revenues	(47,719)	(48,213)	(48,058)	(47,718)
Existing Revenue Changes	36	434	540	(122)
Tax Supported - Maintain Existing Service Levels	45,463	48,923	51,664	53,586
% Service Area Increase		7.6%	5.6%	3.7%
% Impact on Tax Rate		1.1%	0.8%	0.6%
Cost Recovery Ratios	51.2%	49.4%	47.9%	47.2%

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Recreation and Parks New Initiatives

Recreation and Parks	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing Service Levels	45,463	48,923	51,664	53,586
New Initiatives and Service Levels	334	793	179	(70)
Growth	64	60	145	0
New Revenues	(74)	(159)	(100)	(85)
Total Tax Supported of Service	45,787	49,616	51,888	53,431
% Service Area Increase		8.4%	4.6%	3.0%
% Impact on Tax Rate		1.2%	0.7%	0.5%
Cost Recovery Ratios	51.1%	49.1%	47.9%	47.3%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Recreation and Parks Service Reductions/Changes Options

- Implement paid parking in parks - \$77k
- Defer Program Events funding for Celebration Square to 2013 - \$118k
- Defer “Million Trees over 10 Years” initiative to 2013 - \$87k
- Defer Street Tree Block Pruning to 2013 - \$464k
- Increase cost recovery through user fees. Each 1% increase in user fees adds \$175K in revenue.

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Recreation and Parks Next Steps

- 6.8% Increase from 2011 Budget to Maintain Existing Service Levels
- 8.4% Increase from 2011 Budget including new Budget Requests
- 1.0% and 1.2% Increase on the City tax levy
- 0.3% on Total Property Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Land Development Services



Responsible for the receipt, circulation and processing of development applications submitted by homeowners, developers, builders, and others.

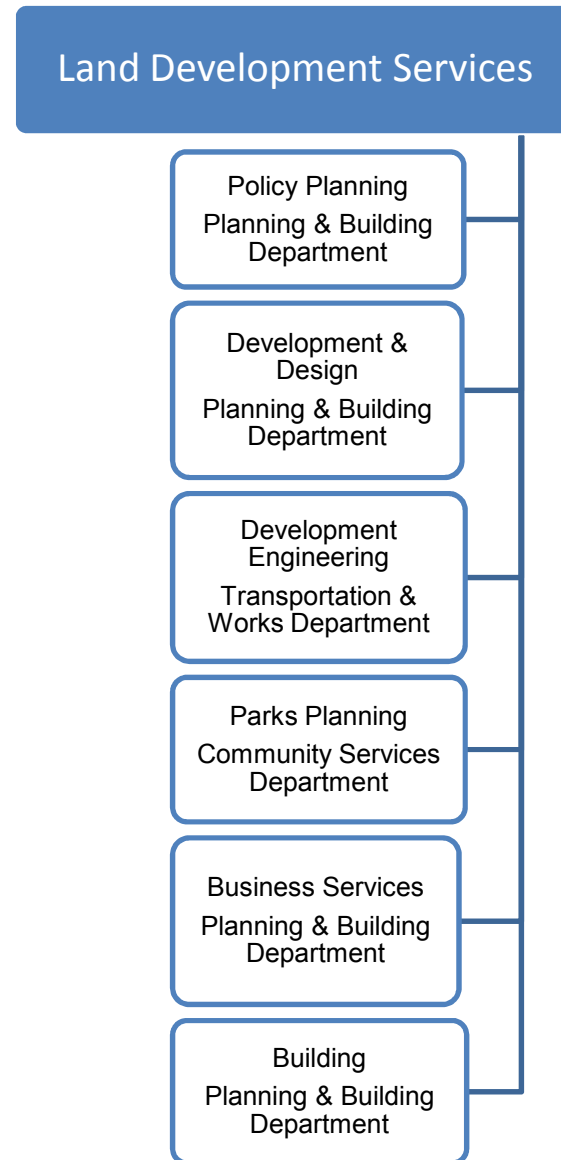
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Delivery Model



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Current Service Levels

- Building Permit applications processed within legislated time frames (10 to 30 days)
- Development application milestones ranging from 1 day to 5 days
- Portable Signs approvals on road allowances -same day (eSigns)
- Building Permit Inspections - 1 day
- Investigation of Complaint - *Building Code Act* infraction - 3 days



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Land Development Service Service Level Trends

- “Stable” service area with no major growth or contraction.
- Development related application volumes remained constant over the last two years
- Provincial legislative review times for Building Permit applications are within the timelines
- Successful consolidation of service delivery through the Planning and Building Customer Services Centre
- Online service delivery expansion continues with the successful launch of eSigns

2012 - 2014

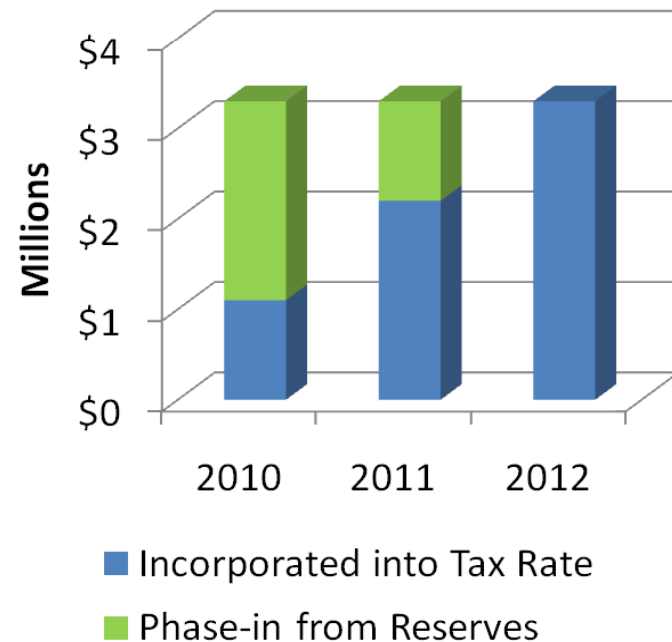
Business Plan & Budget

City of Mississauga, Ontario, Canada



Budget Pressures

- Revenue drop of \$3.4 million in 2009 was being phased in to the tax rate by use of reserve transfers.
- Reserve transfers reduced by \$0.9 million in 2012.



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Land Development Services Cost To Maintain Service Levels

Land Development Services	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	19,619	19,204	19,449	20,183
Maintain Existing Services - Cost Pressures				
Labour	208	631	857	493
Annualization				
Capital Impacts				
Inflation & Uncontrollables	(481)	102	(73)	50
Cost Savings	(388)	(578)		
Total Cost to Maintain Existing Services	18,958	19,359	20,233	20,726
Base Revenues	(14,786)	(14,125)	(13,187)	(13,187)
Existing Revenue Changes	661	938		
Tax Supported - Maintain Existing Service Levels	4,833	6,172	7,046	7,539
% Service Area Increase		27.7%	14.2%	7.0%
% Impact on Tax Rate		0.4%	0.3%	0.2%
Cost Recovery Ratios	74.5%	68.1%	65.2%	63.6%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Land Development Services New Initiatives

Land Development Services	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing Service Levels	4,833	6,172	7,046	7,539
New Initiatives and Service Levels	246	90	(50)	
Growth				
New Revenues				(250)
Total Tax Supported of Service	5,079	6,262	6,996	7,289
% Service Area Increase		23.3%	11.7%	4.2%
% Impact on Tax Rate		0.4%	0.2%	0.1%
Cost Recovery Ratios	73.6%	67.8%	65.3%	64.8%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Land Development Services Service Reductions Options

- The previously endorsed Three Year Plan includes revenue reductions through labour savings and fee changes
- Consider additional fee increases to maximize cost recovery

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Land Development Services Next Steps

- 23.5% Increase from 2011 Budget to Maintain Existing Service Levels
- 25.3% Increase from 2011 Budget including new Budget Requests
- 0.4% and 0.4% Increase on the City tax levy
- 0.1% on Total Property Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

Facilities & Property Management



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Delivery Model



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Levels

On an annual basis:

- Carries out 9700 preventative maintenance inspections on City buildings
- Responds to over 9200 security incidents
- Responds to over 500 service calls on park pathway and sport field lighting
- Manages 1300 active realty and lease administration files on behalf of city

In 2010 FPM:

- Relocated over 400 staff in offices
- Secured \$395,000 in grants for energy conservation projects
- Managed 83 construction projects funded under ISF

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Facilities & Property Management Service Level Trends

- Growth in facilities and facility components and increasing complexity of equipment has taxed the ability of existing resources to meet service level expectations
- Increased demand for security coverage – Transit, Celebration Square, community parks
- Increased recycling program requirements within facilities
- Increased demand for energy efficiency and environmental impact reduction

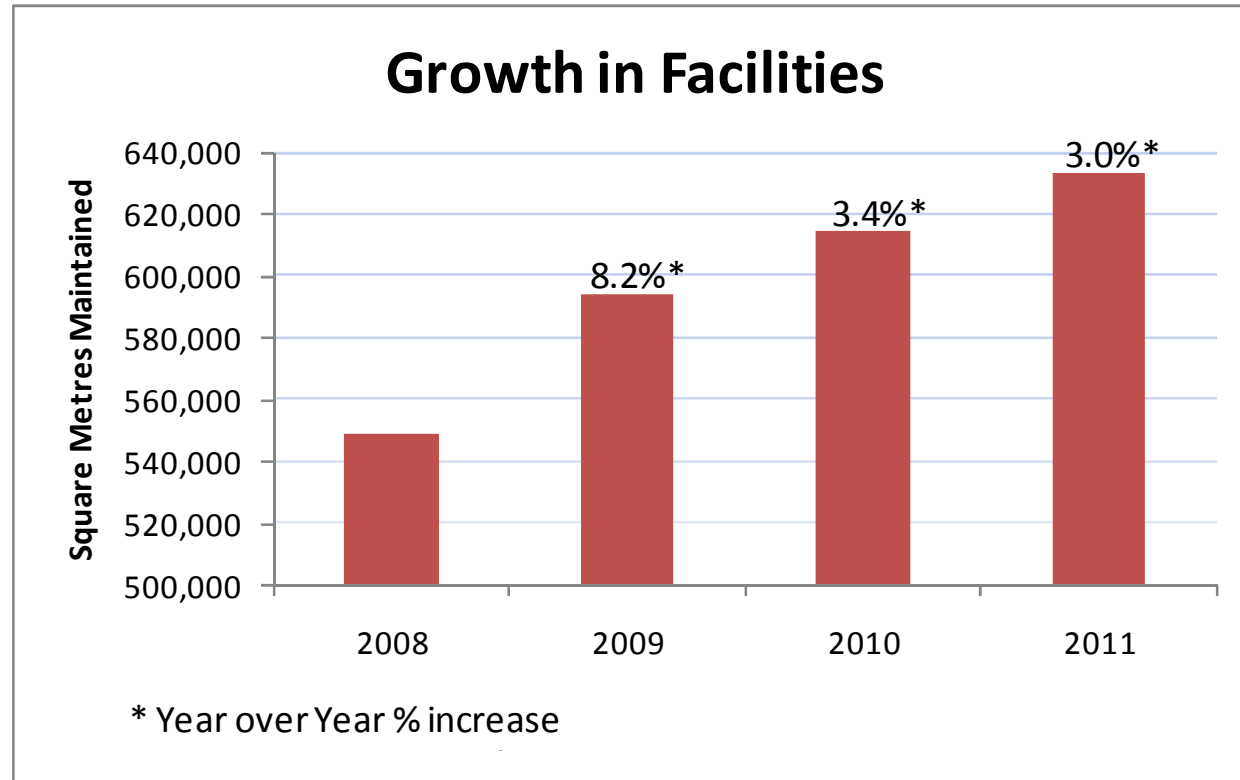
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Facilities & Property Management Service Level Trends



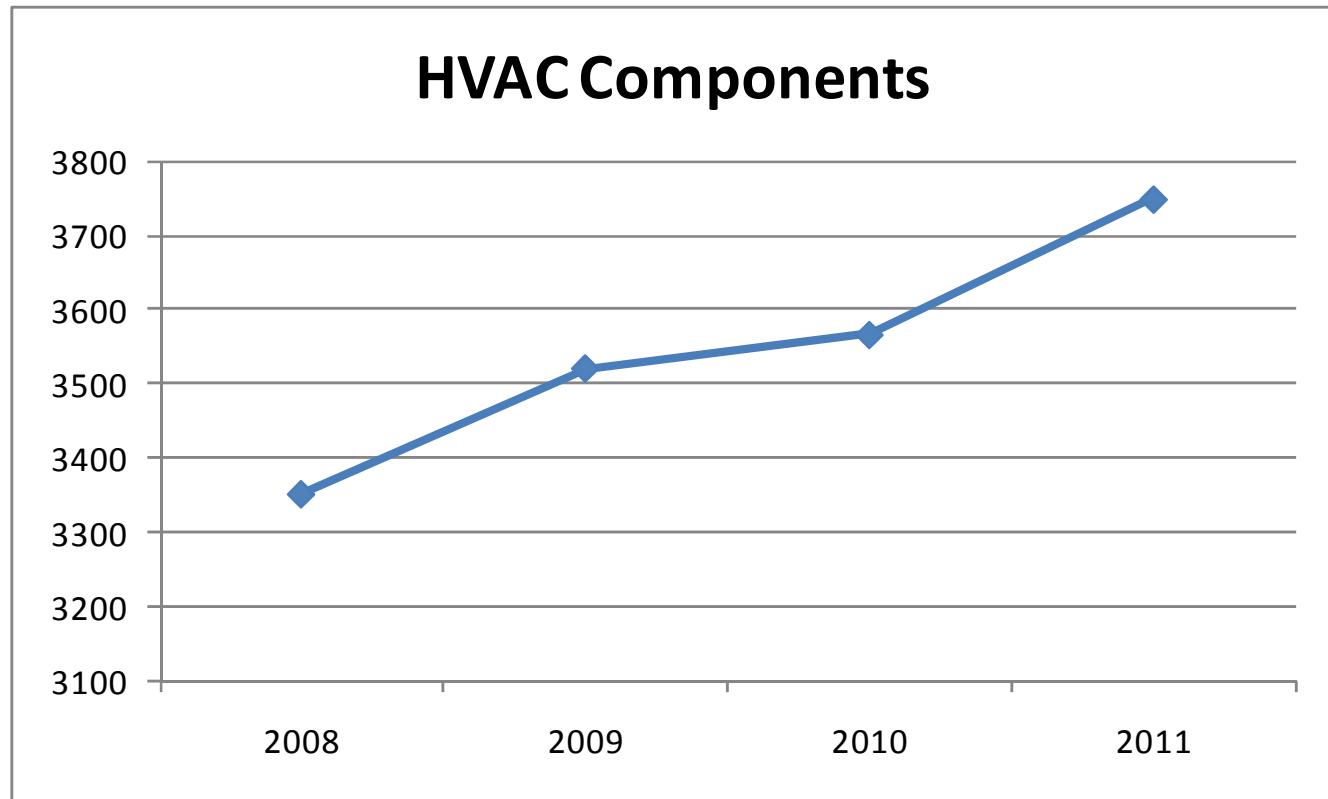
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Facilities & Property Management Service Level Trends



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

2012 Budget Pressures

- Fuel and Utility cost increase - \$117K
- Building Maintenance cost increases due to increased inventories and aging equipment - \$115K
- Growing annual capital lifecycle maintenance requirements as facilities age
- Pressures partially offset by utility procurement and energy savings - \$121K



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Facilities & Property Management Potential Service Reductions

- Reduce contracted facility cleaning standards (e.g. Window washing, pest control, etc)
- Eliminate expanded recycling program in facilities
- Reduce Facility Custodial services in Civic Precinct

2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada



Facilities & Property Management Cost To Maintain Service Levels

Facilities and Property Management	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	18,214	19,185	20,402	21,308
Maintain Existing Services - Cost Pressures				
Labour	378	589	608	520
Annualization	0	84	239	84
Capital Impacts	0	0		
Inflation & Uncontrollables	568	260	61	63
Cost Savings	(16)	(121)	(93)	(91)
Total Cost to Maintain Existing Services	19,143	19,997	21,217	21,884
Base Revenues	(478)	(478)	(513)	(513)
Existing Revenue Changes		(35)		
Tax Supported - Maintain Existing Service Levels	18,665	19,484	20,704	21,371
% Service Area Increase		4.4%	6.3%	3.2%
% Impact on Tax Rate		0.3%	0.4%	0.2%
Cost Recovery Ratios	2.5%	2.6%	2.4%	2.3%

2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada

Facilities & Property Management New Initiatives

Facilities and Property Management	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing Service Levels	18,665	19,484	20,704	21,371
New Initiatives and Service Levels		314		
Growth	42	92	91	
New Revenues				
Total Tax Supported of Service	18,707	19,889	20,795	21,371
% Service Area Increase		6.3%	4.6%	2.8%
% Impact on Tax Rate		0.4%	0.3%	0.2%
Cost Recovery Ratios	2.5%	2.5%	2.4%	2.3%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Facilities and Property Management Next Steps

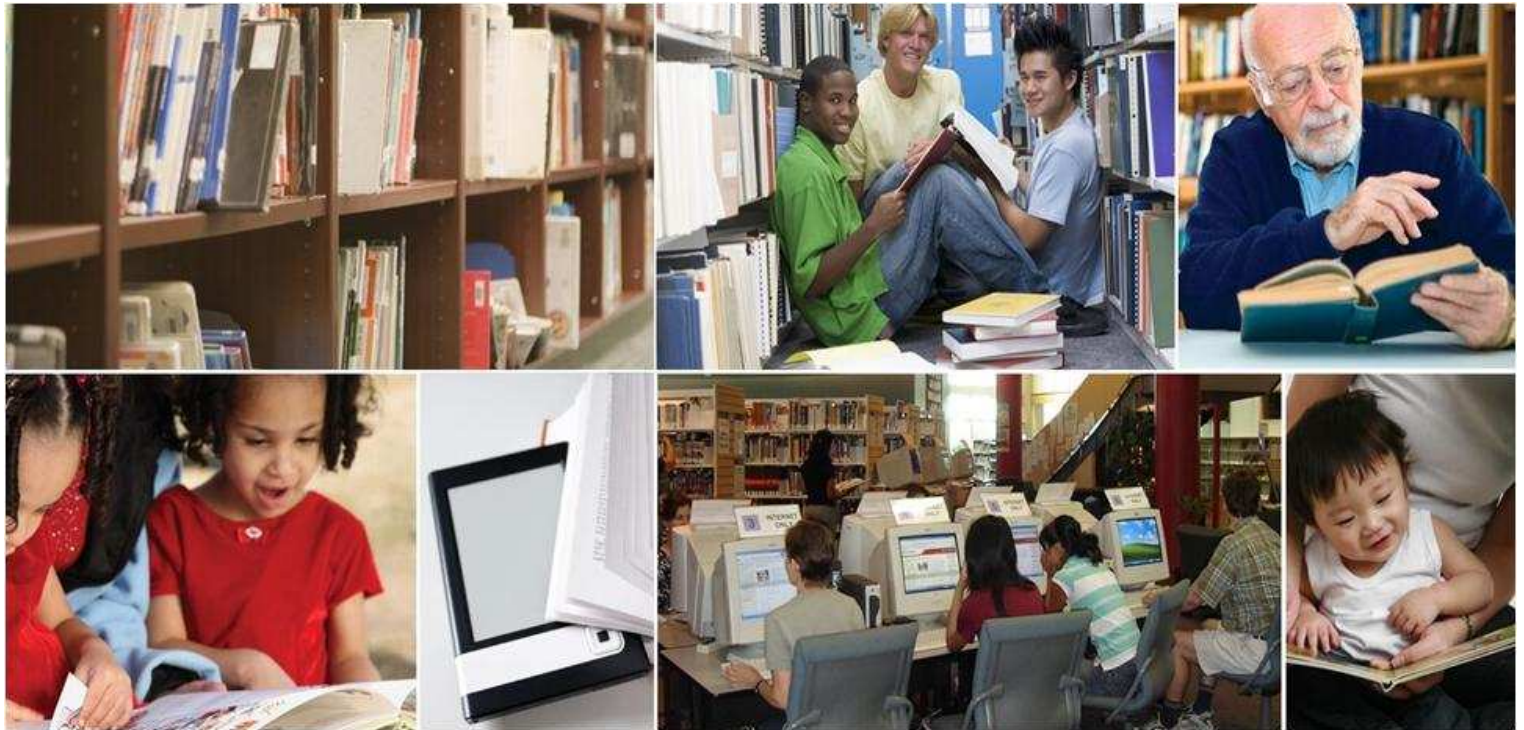
- 4.2% Increase from 2011 Budget to Maintain Existing Service Levels
- 6.3% Increase from 2011 Budget including new Budget Requests
- 0.2% and 0.4% Increase on the City tax levy
- 0.1% on Total Property Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Library Services



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Delivery Model

- Mississauga Public Library Board oversees strategic direction of the Library
- Library Services include collections , information assistance, programs, and community outreach
- Provided by the Central Library and 17 branch locations
- All locations are well used
- Extensive online library services and resources

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Service Level Changes

- Library usage relatively stable
- Still experiencing some growth
- Recent service expansion with the opening of all locations Sundays from October to May
- Four oldest locations renovated in 2011
- Relocation of two locations initiated
- Continuing service shift to e-based library services



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Service Level Trends

- Participation in terms of membership, circulation, visits, e-use growing
- Expanded programming to support strategic plans for target markets
- Improvement of Library operating system and public interface underway
- Self-service implementation ready to begin

2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada

Library Services

Cost To Maintain Service Levels

Library Services	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Gross Expenditures	26,028	26,945	27,764	28,857
Maintain Existing Services - Cost Pressures				
Labour	817	666	687	588
Annualization	151	(55)	0	0
Capital Impacts	0	0	0	0
Inflation & Uncontrollables	109	117	52	42
Cost Savings	(160)	0	61	(178)
Total Cost to Maintain Existing Services	26,945	27,673	28,564	29,308
Base Revenues	(2,360)	(2,314)	(2,392)	(2,392)
Existing Revenue Changes	150	(78)	0	0
Tax Supported - Maintain Existing Service Levels	24,735	25,281	26,172	26,916
% Service Area Increase		2.2%	3.5%	2.8%
% Impact on Tax Rate		0.2%	0.3%	0.2%
Cost Recovery Ratios	8.2%	8.6%	8.4%	8.2%



2012 - 2014

Business Plan & Budget
City of Mississauga, Ontario, Canada

Library Services New Initiatives

Library Services	2011 Budget ('000's)	2012 Forecast ('000's)	2013 Forecast ('000's)	2014 Forecast ('000's)
Tax Supported - Maintain Existing Service Levels	24,735	25,281	26,172	26,916
New Initiatives and Service Levels	0	49	236	0
Growth	0	42	57	309
New Revenues	(104)	0	0	0
Total Tax Supported of Service	24,631	25,372	26,465	27,225
% Service Area Increase		3.0%	4.3%	2.9%
% Impact on Tax Rate		0.2%	0.3%	0.2%
Cost Recovery Ratios	8.6%	8.6%	8.3%	8.1%



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Service Reductions Options

- Sunday closings at some locations
- Open later/close earlier each day
- Close a branch location



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Library Next Steps

- 2.6% Increase from 2011 Budget to Maintain Existing Service Levels
- 3.0% Increase from 2011 Budget including new Budget Requests
- 0.2% Increase on the City tax levy
- 0.06% on Total Tax Bill
- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Other Services

- Arts & Culture
- Information Technology
- Business Services
- Legislative Services
- Strategic Policy
- Regulatory Services
- Financial Transactions

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

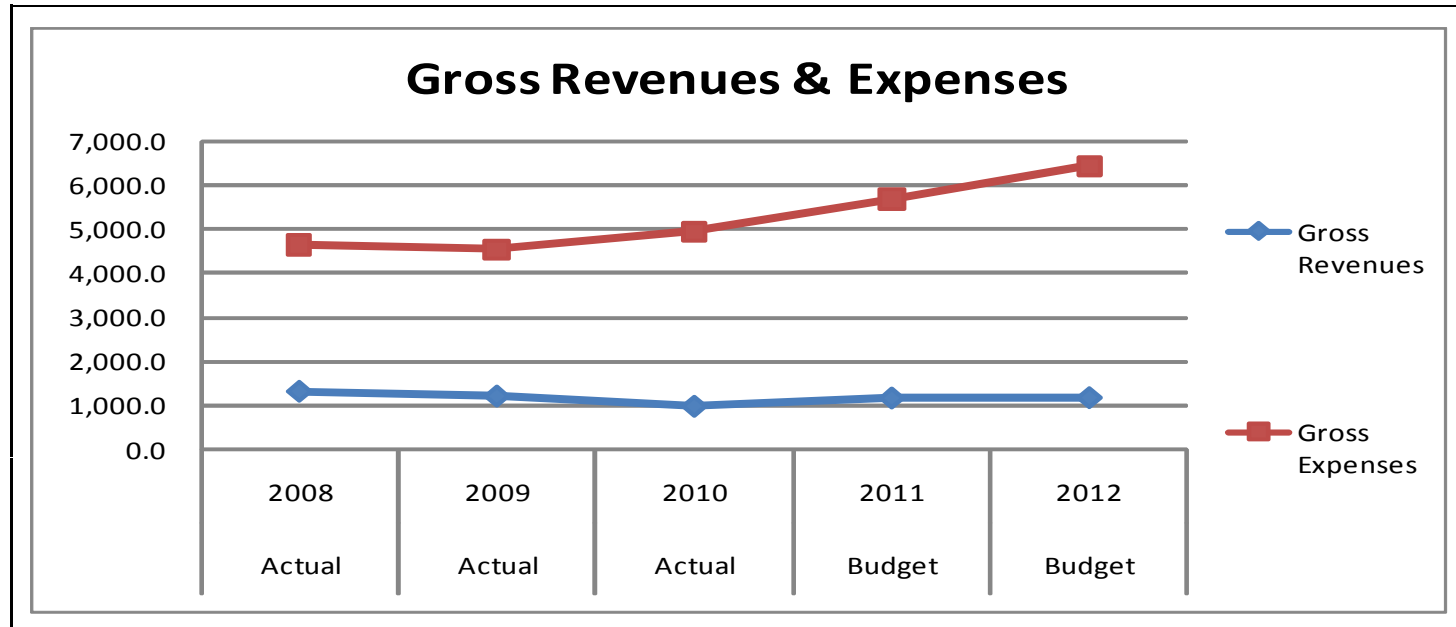
2012 Forecast Including New Initiatives

Service Area	2011 Operating Base Budget (\$K)	Maintain Existing Service Levels (MESL) (\$K)	% Increase from 2011 Budget	2012 Operating Base Budget (\$K)	% Increase in City Tax Levy	New Initiatives (\$K)	2012 Total Budget Forecast (\$K)	Total % Increase from 2011 Budget
Arts and Culture	\$4,526	\$341	7.5%	\$4,867	0.1%	\$388	\$5,255	16.1%
Information Technology	\$16,192	\$722	4.5%	\$16,914	0.2%	\$54	\$16,968	4.8%
Business Services	\$20,298	\$1,237	6.1%	\$21,535	0.4%	\$403	\$21,938	8.1%
Legislative Services	(\$2,467)	\$177	7.2%	(\$2,290)	0.1%	\$0	(\$2,290)	7.2%
Strategic Policy	\$9,757	\$414	4.2%	\$10,171	0.1%	\$430	\$10,601	8.7%
Regulatory Services	\$1,560	\$543	34.8%	\$2,103	0.2%	(\$38)	\$2,066	32.4%
Total	\$49,866	\$3,434	6.9%	\$53,300	1.1%	\$1,237	\$54,537	9.4%
					MESL % Increase	New Initiatives % Increase		Total % Increase
Increase in City Tax Levy					1.1%	0.4%		1.5%
Impact on Tax Bill					0.3%	0.1%		0.4%





Arts and Culture Service



- Service level increases include increased grants and transfer of heritage planning to service area as per Culture Master Plan.
- Service level options:
 - 1) Phase in 4th instalment of grant increase over 2 years
 - 2) Defer implementation of cultural facilities and spaces policy program

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Information Technology

Increase in Service Level Trends due to:

- Increasing demand and reliance on technology to support the delivery of front line services
- Increasing demand for social media and multimedia content – video streaming of meetings, video production about City services, Twitter and Facebook
- A growing need for IT to support a mobile workforce through secure mobile devices and applications as well as increasing demand for public self service through mobile devices and web based portals

Service Reduction Options:

- Reduce software and hardware maintenance on lower risk business applications.

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Business Services

Increasing service level trends due to :

- Impact of growth in City services and new/expanded services requiring increased support from Business Services' staff
- Increase in demands associated with large, citizen engagement initiatives (e.g. Strategic Plan, Living Green, Mississauga Celebration Square, ISF, BRT, LRT)
- Budget process demands, E3 reviews, audits and added financial and business planning integration requirements. Required policy development and review are continually deferred due to lack of resources

Service Reduction Options:

- Close Ground Floor Information Desk
- Eliminate Long Service Recognition Lunch

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Legislative Services

Increasing service level trend due to :

- Increased Election Activities
- Increasing demand for Citizen Involvement
- Increase in Provincial Offences Activities



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Strategic Policy

Service Level Trends:

- Stable and established service area;
- Increase focus on partnership and collaboration with external agencies;
- Commitment to various plans i.e. Living Green Master Plan, Strategic Plan and Economic Development Strategy take resources to meet expectations; and
- Emerging , unexpected issues require immediate attention.

Service Reduction Options:

- Fewer or slower services such as audit, legal , continuous improvement initiatives with increased risk exposure; and
- Less or slower action on Living Green Master Plan, Economic Development Strategy and Strategic Plan.

Regulatory Services

SERVICE AREA TRENDS

Demand for service in Animal Services and Mobile Licensing remains constant while demand for service within Compliance and Licensing and Parking Enforcement is increasing.

NEW REVENUE OPTIONS

- Animal Services - E3 has identified potential revenues of between \$1.4 to \$2.2 million annually by 2015
- Compliance & Licensing Enforcement – review licence fees and additional licence types

RISK - negative impact on businesses with higher or new fees





Regulatory Services

NEW REVENUE OPTIONS con't

- Mobile Licensing – charge a re-inspection fee for vehicle inspections
- Mobile Licensing - charge for each English language test conducted
IMPACT - industry complaints
- Mobile Licensing - develop and implement a Tow Truck Driver Training program
IMPACT - industry complaints
- Parking Enforcement - review existing fine structure amounts and the Traffic By-law for new fines
RISK - increase in trials and non-payment of fines
- Parking Enforcement – nominal fee charge for short term Considerations (temporary on street Parking Permits)
IMPACT - increase in public complaints

Regulatory Services

SERVICE AREA REDUCTIONS

- Compliance & Licensing Enforcement - 5% reduction in service level with elimination of one FTE
 - IMPACT** - longer response times
 - RISK** - may leave City at risk if it is a public safety issue
- Mobile Licensing - 10% reduction in service level with elimination of one FTE
 - IMPACT** - will increase response times for complaints and reduce field inspections



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Next Steps

- Budget Committee Direction to:
 - Defer 2012 new initiatives
 - Increase Non-Tax Revenues
 - Cut existing service levels and / or services



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Financial Transactions

- Budget Pressure of \$3 million or 1% on City Tax Levy
- 0.3% on Total Property Tax Bill
 - Increased bank credit card fees
 - Increased armoured car fees
 - Reduction in PILT
 - Provision for implementation of Judicial inquiry recommendations
 - Inflationary provisions for insurance premiums

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Infrastructure Levy

- Required to support capital program
- Municipal finance best practice
- Elimination will increase debt and long term tax impacts or will require further deferral of necessary infrastructure renewal

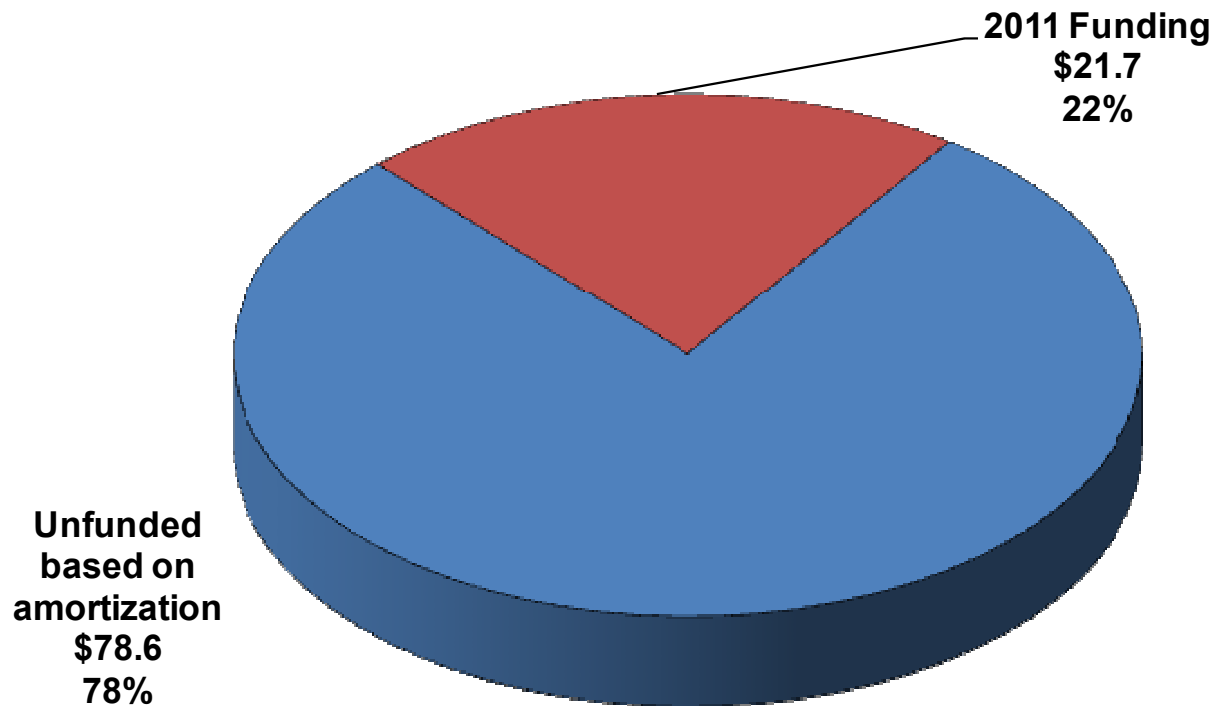
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



The Infrastructure Gap Based on \$100.3 million in Annual Capital Depreciation as of 2011



2011 Depreciation increased by \$4.3 million
2011 Funding increased by \$3.1 million (1% Infrastructure
Levy)

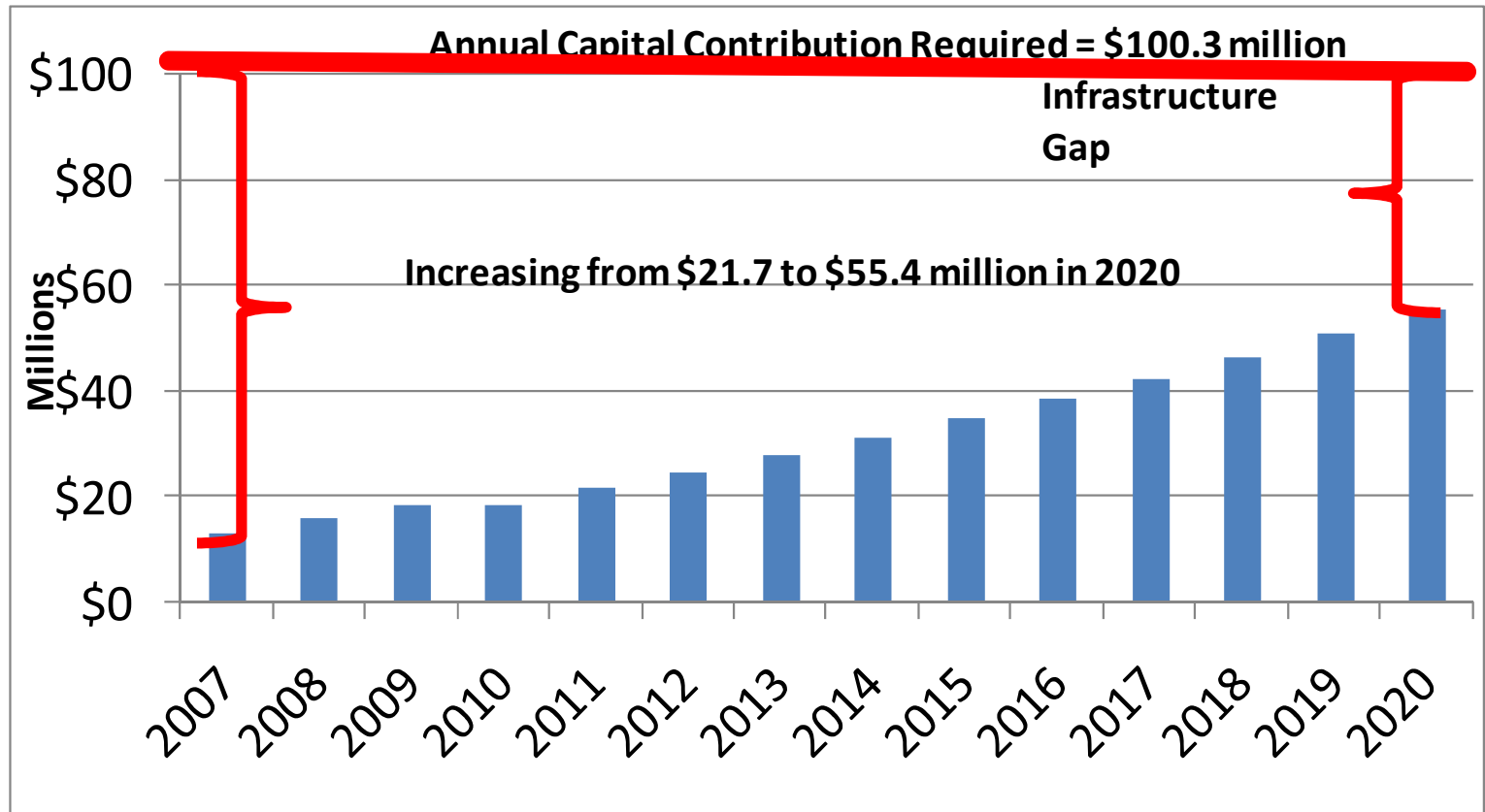
2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Narrowing the Infrastructure Gap by Increasing Capital Transfers from Operating by 1% per year



2012 - 2014

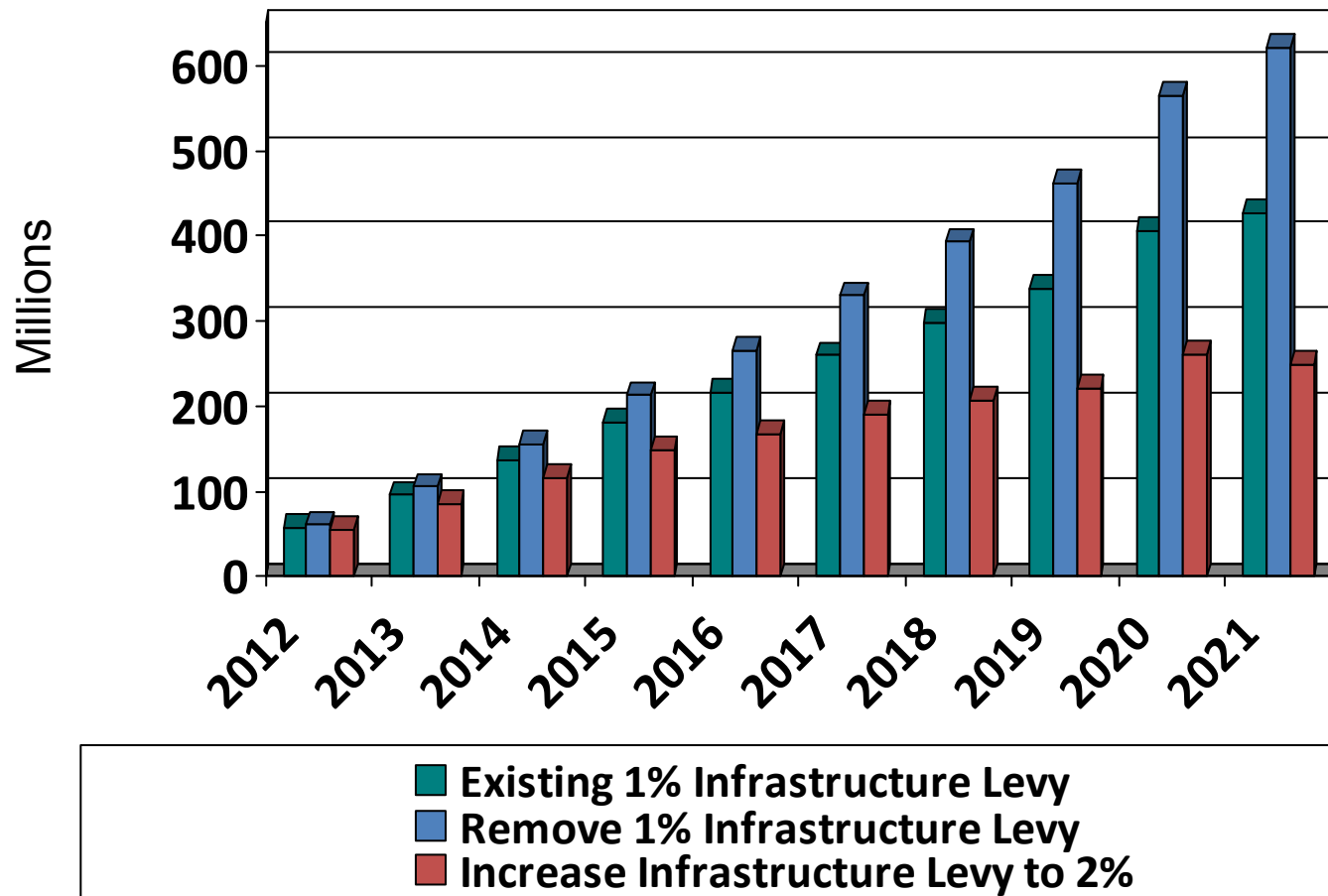
Business Plan & Budget

City of Mississauga, Ontario, Canada



Impact of the Infrastructure Levy on Unfunded Needs

Existing plan includes debt financing and the 1% Levy



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



One Year Elimination of Infrastructure Levy Adds \$30 Million in Debt over Ten Years

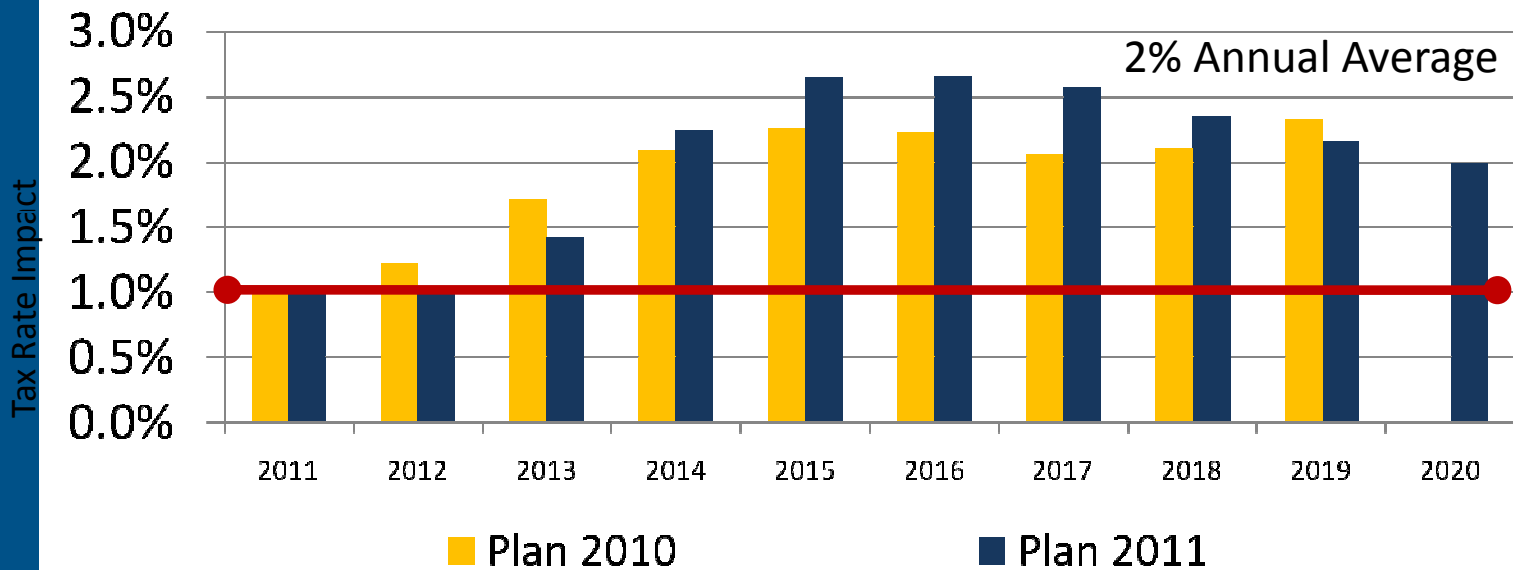
- Each dollar of debt costs \$1.45 to repay
 - (15 year debt @ 5%)
- An additional \$30 million in debt costs future taxpayers **\$13.5 million in interest charges**
- **Debt Charges are fixed costs – reduces flexibility**

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Comparison of Tax Rate Increase, Required to Fund Debt and Annual Infrastructure Levy



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Total Tax Bill Impact

2012 Preliminary Forecast

Impact on Total Tax Bill

City Tax Levy (after Assessment growth)	2.4%
*Region Tax Levy (after Provincial Upload Assessment growth)	1.3%
Education Tax Levy	0.0%
City Infrastructure Levy	0.3%
Region Infrastructure Levy	0.5%
City New Initiatives	0.4%
Increase in Property Tax Bill	4.8%

2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada

Next Steps

- Staff preparation of 2012 Budget and 2013-2014 Forecast – July to October
- LT Review and Recommendations – Oct – November
- Budget Committee Review of Fees and Charges – October - December
- Budget Overview Presentation to Budget Committee – December 6 and 12, 2011
- Budget Document distributed to Council – December 16, 2011
- Public Open House – week of January 9th, 2012
- Budget Committee Deliberations – January 16th, 17th, 25th, 30th 31st.
- Budget Approval – February 8, 2012



2012 - 2014

Business Plan & Budget

City of Mississauga, Ontario, Canada



Recommendations

- Staff be directed to prepare the 2012 Budget based on existing service levels
- Staff be directed to identify service options in areas directed by Budget Committee
- User fee proposals maintain cost recovery ratios; and where not recommended, rationale be provided
- Staff identify in priority order Budget requests deemed necessary in 2012