



**2011 -2014 Business Plan and Budget**  
**Budget Committee - Financial Overview**  
**December 13, 2010**



2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada

## Agenda

1. Introduction
2. Overview of Business Planning and Budget Process
3. Economic Pressures and Other Challenges
4. How the Business Plan and Budget have been built
5. Cost to Deliver Our Existing Services
  - Base Changes
  - Continuous Improvement
6. Infrastructure
7. Enhancing our Services/Delivering on our Strategic Plan
8. Total Budget By Service
9. Tax Impacts
10. Fiscal Sustainability Chart
11. Next Steps in the Process



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# Introduction

# Summary of Key Dates

Date	
December 13th	Financial Overview Presentation
January 7th	Delivery of 2011-2014 Business Plan and Budget documents
January 12th	Public Open House
January 17 <sup>th</sup> /18 <sup>th</sup> /24 <sup>th</sup>	Service Presentations
January 25th	Public deputations
January 31 <sup>st</sup>	Follow up
February 1st	Follow up and Final recommendations
February 9 <sup>th</sup>	Final budget approval by Council



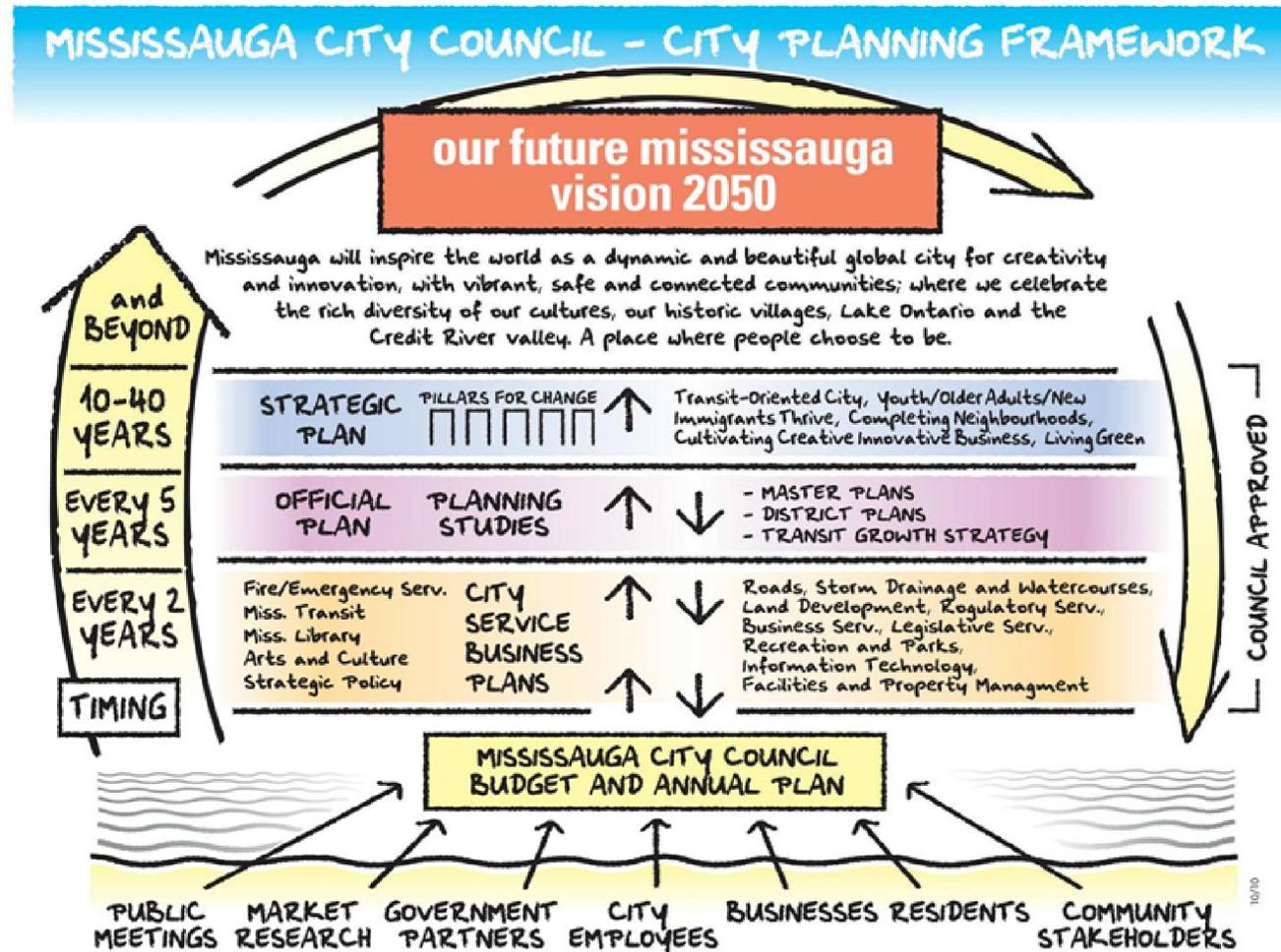
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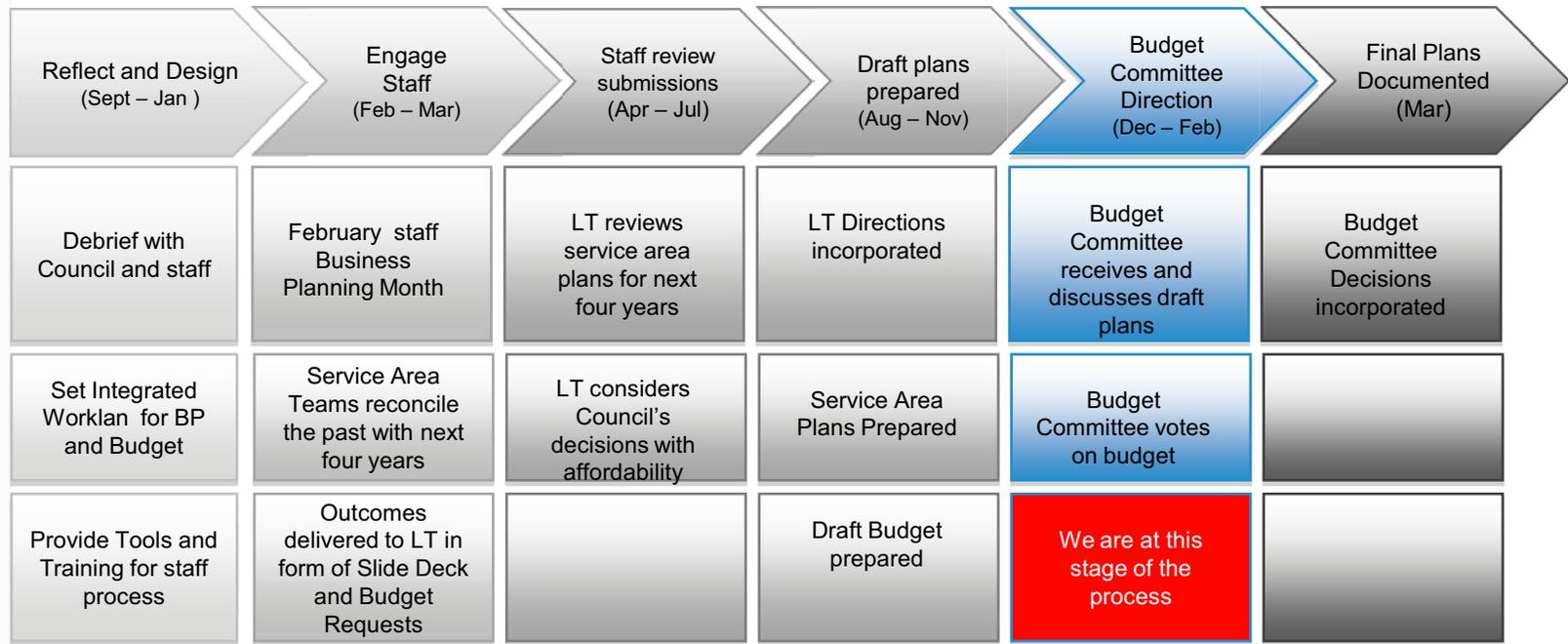
## Overview of City Planning Framework



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# Business Planning and Budget Process



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## Business Planning and Budget Process

- Four Year Plan
- Five Areas of Focus – delivery of existing services, delivery of Strategic Plan, maintaining our infrastructure, continuous improvement and continuing to be an employer of choice
- The Budget costs the Business Plans
- Formatted to help Council make choices
- Transparent, accountable, deals with real issues
- More efficient and robust staff process, resulting in improved information at Council
- Budget Request (BR) included in documents



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# Structure of Business Plans

## Existing Core Services

- 1.0 Vision and Mission  
*Why does this service exist?*
- 2.0 Service Delivery Model  
*Who provides this service?*
- 3.0 Past Achievements  
*What are we building on?*
- 4.0 Opportunities and Challenges  
*What do we have to have regard for as we move forward?*
- 5.0 Current Service Levels  
*What level of service do we currently provide?*
- 5.1 Maintaining our Infrastructure  
*What infrastructure do we maintain within the City of Mississauga?*
- 6.0 Goals for the next four years  
*What are our plans for the term of this plan?*
- 7.0 Engaging our customers  
*Who are our customers and how do we ensure we keep in touch with them?*

## Proposed Changes

- 8.0 Base Changes  
*What is changing that we cannot control?*
- 9.0 Continuous Improvements  
*How are we becoming better?*
- 10.0 Recommended proposed changes  
*What changes are being recommended in the provision of services?*

## Required Resources

- 11.0 Human Resources  
*What staff do we require for this plan and what development programs need to be in place?*
- 12.0 Technology  
*What technology is required for this plan and how are we leveraging within our services?*
- 13.0 Facilities  
*Where do we provide our services from?*
- 14.0 Budget  
*What will this cost?*

## Performance Measures

- 15.0 Balanced Scorecard  
*What are the key measures for our services that are tracked to monitor progress?*

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# Economy Slow to Recover

CANADA FALLS BEHIND U.S. IN GDP GROWTH, FP1

## REBOUND LOSES ITS BOUNCE

Economists warn of slow  
2011 as Canada's 1%  
growth in Q3 disappoints

**ECONOMY SLOWS**  
Canada's GDP growth  
retreated to a near  
recession level in the  
third quarter. B2

**Tackling Ontario's deficit: Miles to go  
before they sleep**

**Canada's  
economy  
flatlines**

**Jobless rate  
of 8% may  
persist: report**

**UPDATE 2-Ontario on track to balance  
budget by 2017-18**

\* Deficit targets for fiscal 2011-12, 2012-13  
unchanged

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## What is the Impact on the City of Mississauga?

- Reduced transit revenue
- Reduced building related fees such as building permits and processing fees
- Unpredictable assessment growth
- Reduced development charge revenue
- Reduced or declining recreational revenue
- Ongoing cost increases related to diesel, utilities, service contracts and materials
- Increase in vacancy rebates

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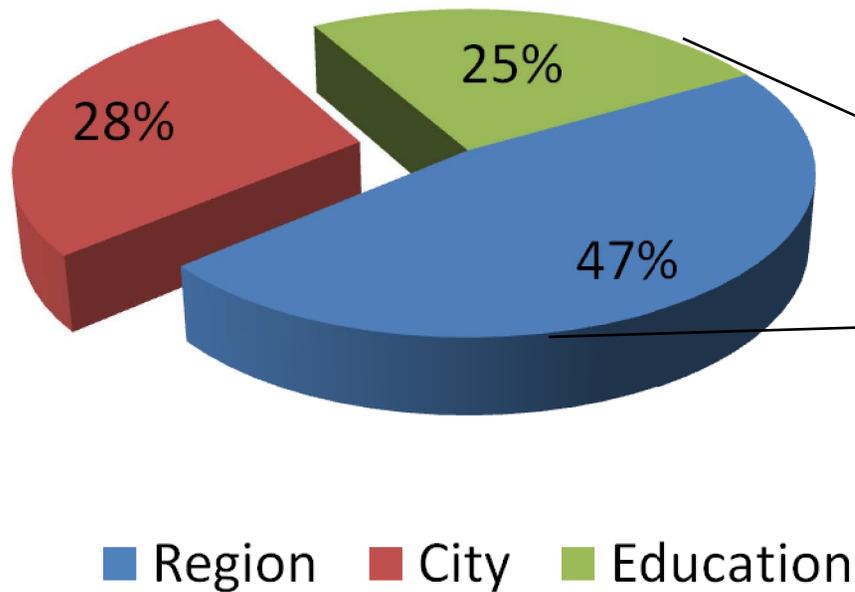


## Available Options

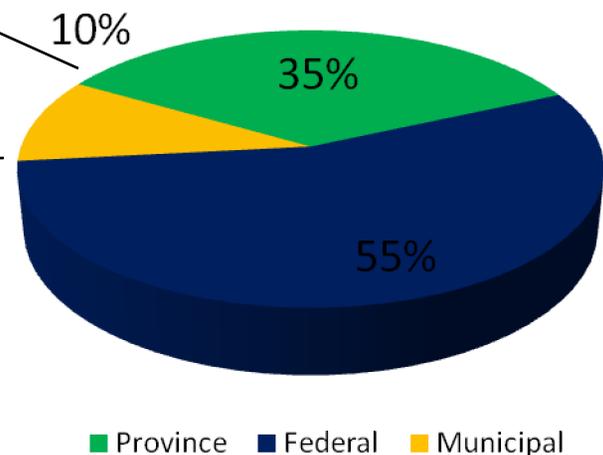
- **The City MUST balance our budget every year**
  - **We can NOT run operating deficits**
- Reduce expenditures, where ever possible
- Increase user fees and service charges
- Focus on reducing cost of delivering services through efficiencies
- Reduce services or services levels or standards
- Fund shortfalls through property taxes

# Municipalities Receive Small Share of Total Taxes

**Components of Mississauga's Residential Tax Bill**



**Taxes Paid to each level of Government by Ontario Residents**



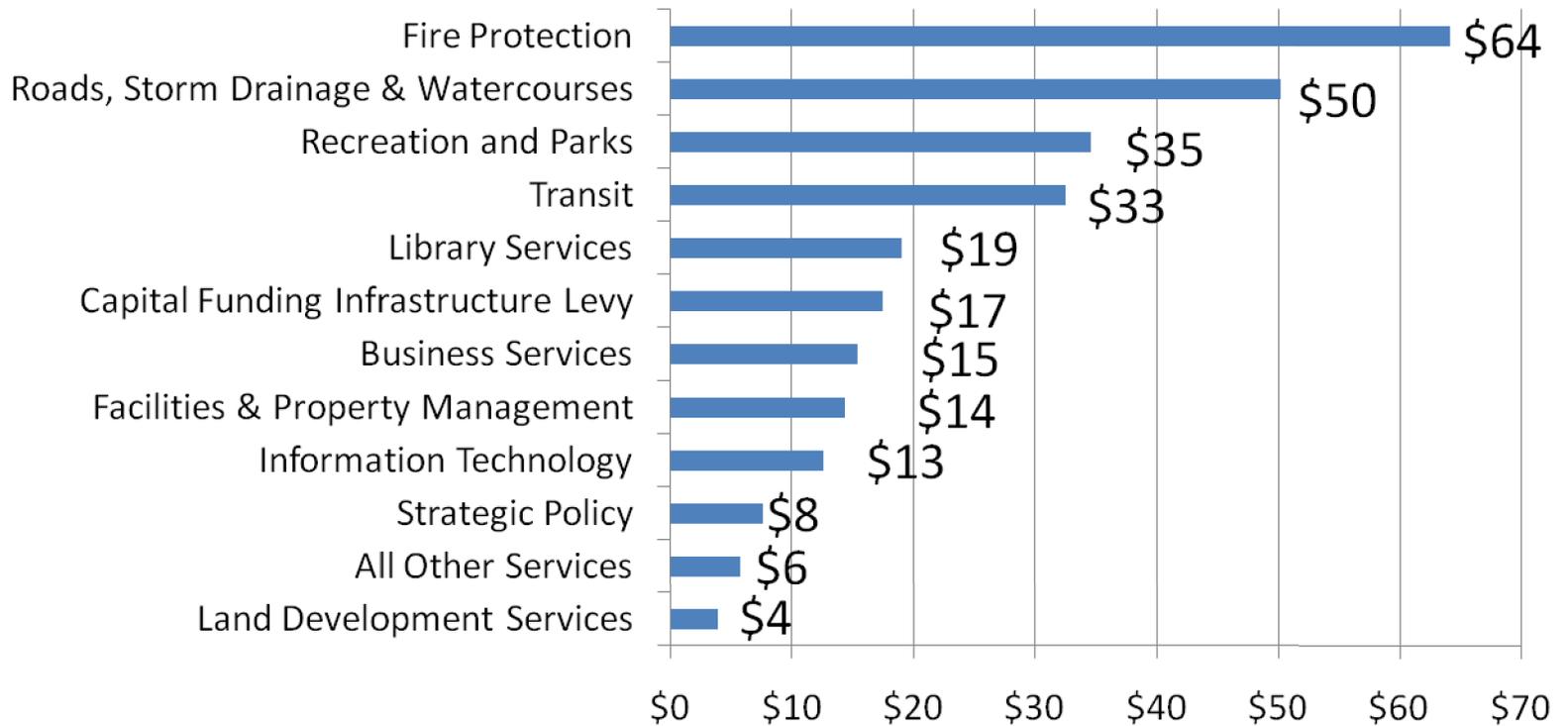


# A Single Property Taxpayer

- 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 were \$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

## Where Your City Tax Dollars Go

### 2010 City Property Taxes are \$277 per \$100,000 of Assessment



Residential Assessed Values	\$350,000	\$450,000	\$550,000	\$650,000
2010 City Taxes Payable	\$971	\$1,248	\$1,526	\$1,803

# Delivering Our Strategic Plan



**miWAY**  
 The new Mississauga Transit

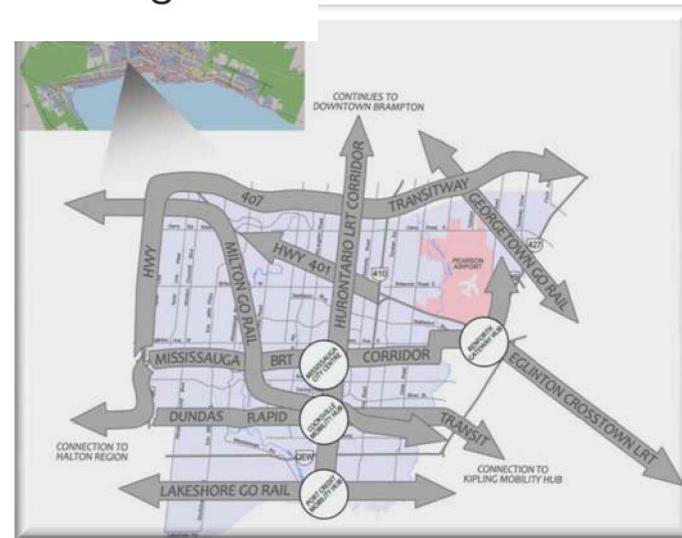
**citylink**  
 905-615-4BUS(4287)

Click n' Ride      Routes & Schedules

Coming Soon

iPhone App      Mobile Site

[miway.ca](http://miway.ca)      MISSISSAUGA  
 Leading today for tomorrow





# Fiscal Sustainability

- Predictable and stable taxation increases in current and future years
- Future taxpayers will not face declines in services or unreasonable tax increases to deal with items deferred by this generation
- Current taxpayers do not bear all the burden of funding items that will benefit future taxpayers
- Council's highest priority programs (both capital and operating) can be maintained

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## Building the 2011-2014 Business Plan and Budget



# Delivering on Our Existing Services

## Cost to Deliver on Our Existing Services

Base Changes	Base - Operating Impacts of Capital Projects	Continuous Improvements - Efficiencies	Continuous Improvements - Program Reductions
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### Infrastructure

- Cost to preserve existing services levels
- Annualization of past decisions – new services or facilities
- Continuous Improvement
- Tax rate management
- Provide for ongoing maintenance of our Infrastructure

# Delivering On Our Plans

Program Changes			
New Services/Increased Service Levels/ Initiatives	New Revenues	Growth	One-time Items – funded from Reserves

- Delivering the Strategic Plan
- Implementing approved Master Plans which support the Strategic Plan
- Costs associated with growth in population
- New facilities – not yet built



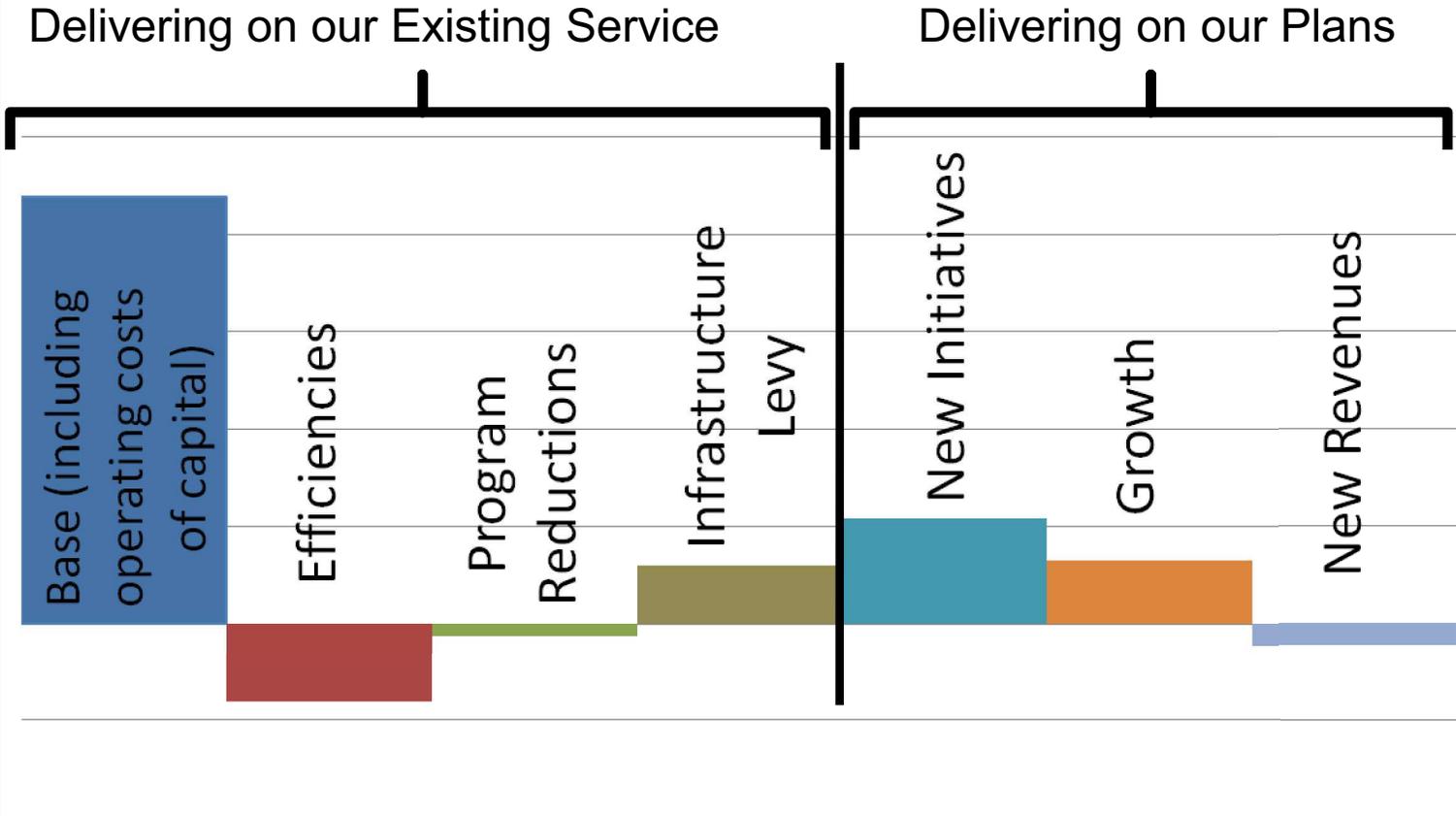
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## Facilitates Decisions



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## 2011 Operating Budget

# 2011 Cost to Deliver Existing Services

## Impact on total tax bill is 1.3% increase

Base Expenditures Only Increasing 2.8% But Revenues Are Declining

(\$ thousands) Summary of Operating Impacts	2010 Budget	Base Changes before Continuous Improvements	Change from 2010				Cost to Deliver Existing Services	Change from 2010		Impact on Total Tax Bill
			\$	%	Efficiencies	Program Reductions		\$	%	
Labour	379,183	394,538	15,354	4.0%	(945)	(349)	393,244	14,061	3.7%	1.3%
Other Operating	169,880	174,688	4,809	2.8%	(3,041)	(312)	171,336	1,457	0.9%	0.1%
<b>Total Expenditures</b>	<b>549,063</b>	<b>569,226</b>	<b>20,163</b>	<b>0</b>	<b>- 3,985</b>	<b>- 661</b>	<b>564,581</b>	<b>15,518</b>	<b>2.8%</b>	<b>0.8%</b>
Revenue	(251,832)	(250,095)	1,737	0.7%	(82)	-	(250,177)	1,655	0.7%	0.2%
<b>Net, before assessment growth</b>	<b>297,231</b>	<b>319,131</b>	<b>21,900</b>	<b>7.4%</b>	<b>(4,067)</b>	<b>(661)</b>	<b>314,403</b>	<b>17,173</b>	<b>5.8%</b>	<b>1.6%</b>
Less Assessment Growth				-1.3%					-1.30%	-0.4%
<b>Net Impact on Tax Rate*</b>				<b>6.1%</b>					<b>4.5%</b>	<b>1.3%</b>

- Costs of existing services are only increasing by 2.8%, slightly higher than the rate of inflation
- Revenues being reduced by 0.7%
- Impact on total tax bill is 1.3% increase

Numbers may not add due to rounding

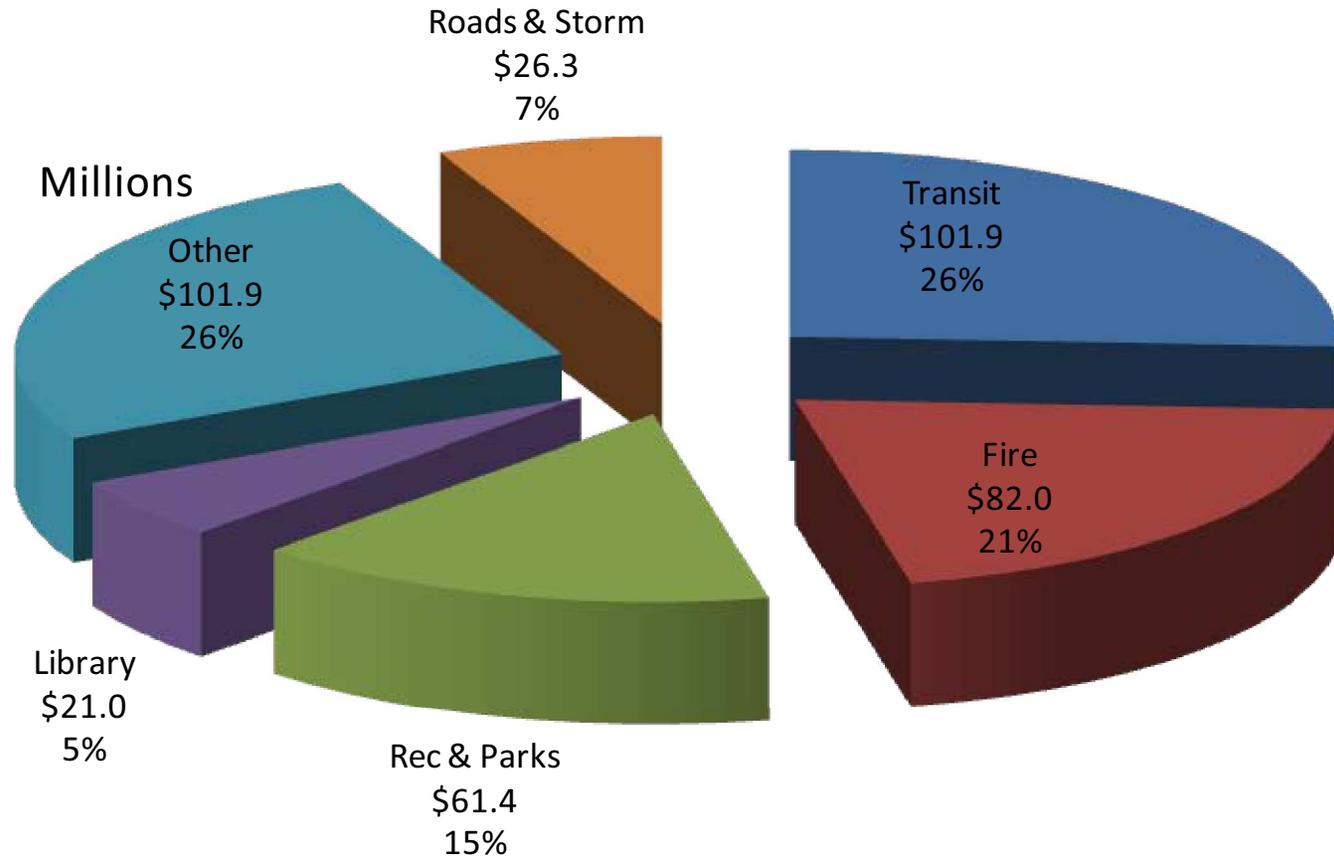
# Services are Delivered by People

- Labour is 69% of Budget
  - 1% increase in Labour adds 1.4% to the tax rate
  - 2011 Total Full Time Equivalent Staff (FTE's) 4,995
- Increases exceed CPI but in line with other public sector organizations
  - Some staff unionized and collective agreements establish annual increases
  - Benefit coverage negotiated in agreements
  - New programs and services add new staff





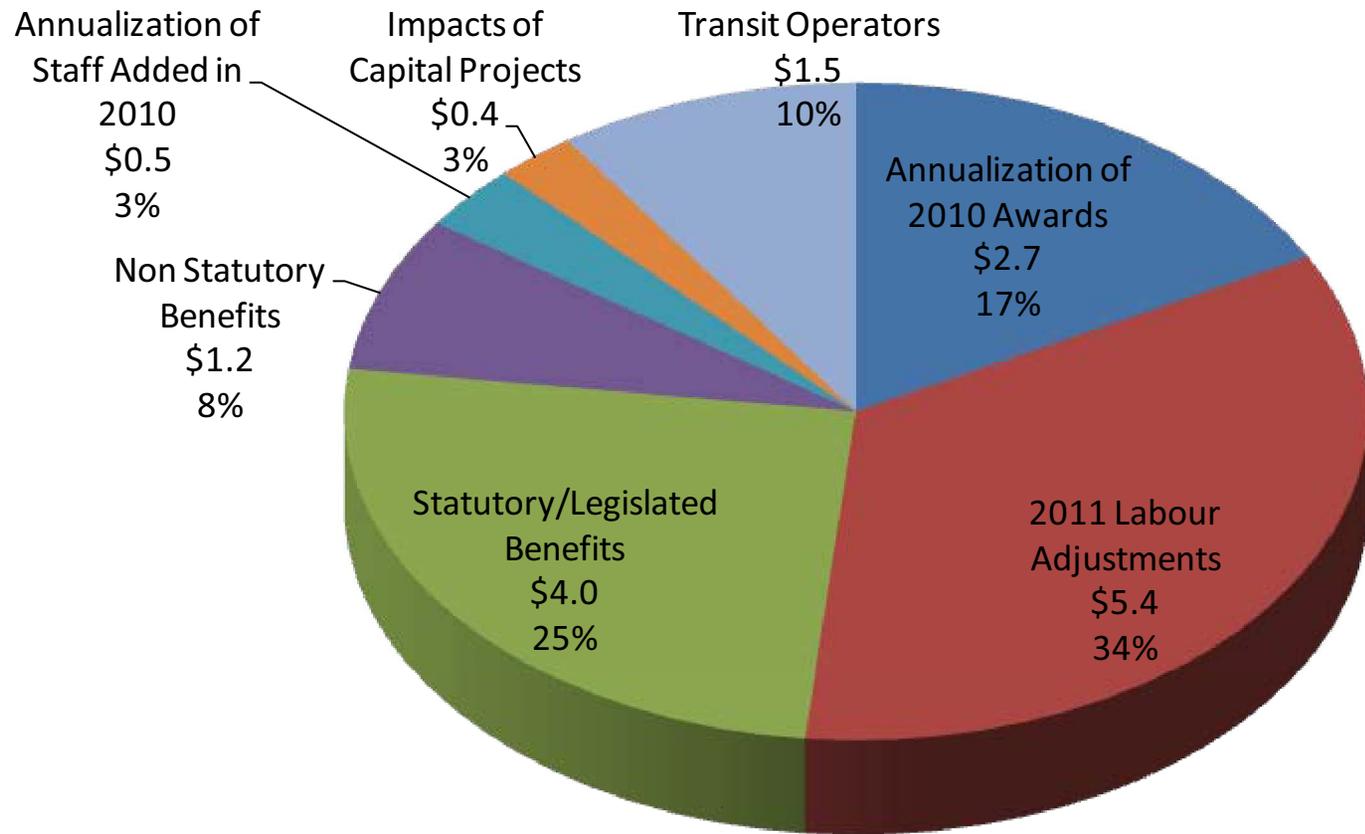
## 2011 Base Labour Budget Broken Down by Service (\$394.5 Million)



- Labour is 69% of total Budget
- Three services alone comprise almost two thirds of the total labour costs:
  - 26% for Transit
  - 21% for Fire & 96% of Fire Budget Is Labour
  - 16% for Recreation and Parks



# 2011 Base\* Labour Increases of \$15.4 million



\* Includes Base Changes and Operating Impacts of Capital Projects

# Highlights of Changes to Base – Other Expenditures

## Highlights of Base Budget Changes

Description (\$ 000's)	2011	2012	2013	2014	Total Net Costs
Annual \$0.10 per litre increase in diesel fuel cost for Transit buses	1,520	1,520	1,520	1,520	6,080
Utilities rate and useage changes	809	625	469	479	2,382
Winter - increased contractor, salt and sand costs	749	778	785	816	3,128
Additional equipment and contractors costs associated with building maintenance	363	115			478
Information technology maintenance	305	81			386
Facility Leasing	297	4	4	(79)	226
Vehicle leasing	180	12			192
Maintenance of transit destination signs	179	10	10	10	209
Annualization of library Sunday openings	154	20			174
Increased contractor costs at Hershey	146				146
Annualization of Community Commons Park	60				60
<b>Total Base Budget Highlights</b>	<b>4,762</b>	<b>3,165</b>	<b>2,788</b>	<b>2,746</b>	<b>13,461</b>

Note: Numbers may not balance due to rounding



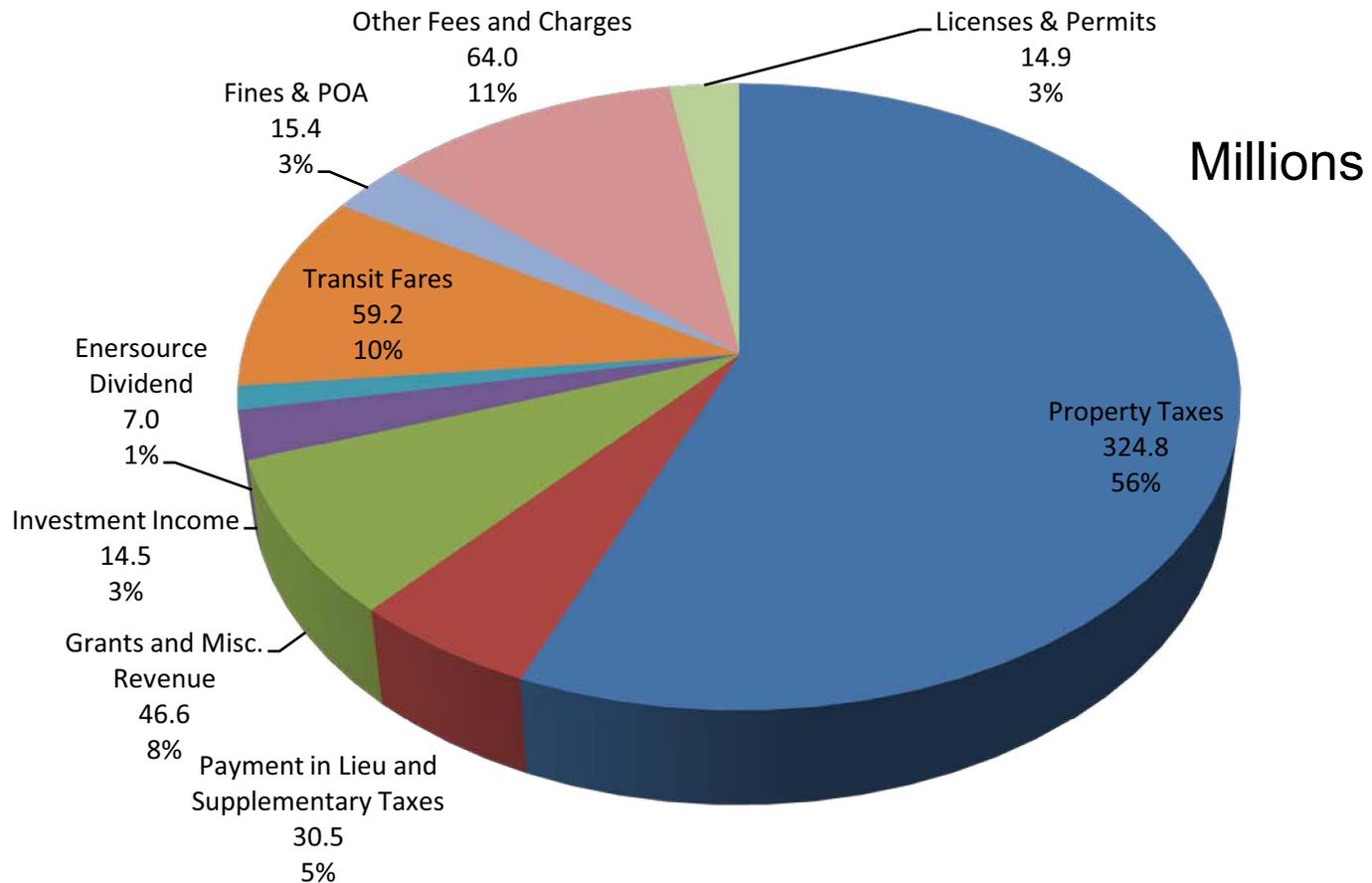
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## 44% of City Revenues Are Non Tax Based



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## **City's Non-Tax Revenues Have Declined By Almost 1%**

If Revenues from 2010 budget remained flat \$0

**...then base City tax increase would be 3.9%**

If Revenue growth kept pace with growth in  
expenses

**...then base City tax increase would be 1.6%**

Details on "impact by cost element " file

# Highlights of Changes to Base – Reduced Revenues

## Highlights of Revenue Reductions

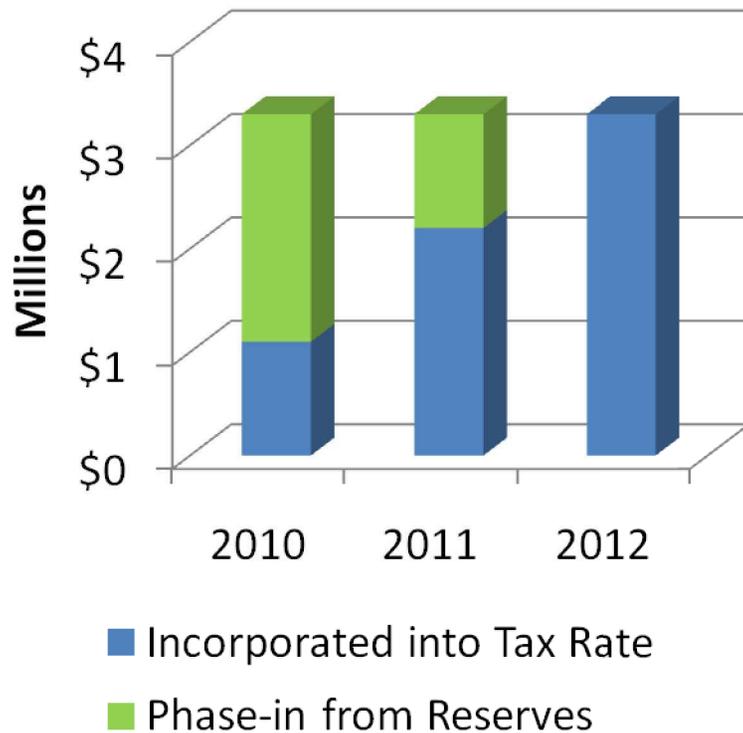
Description (\$ 000's)	2011	2012	2013	2014	Total Net Costs
Transit revenue shortfall phase-in	2,050	2,050	1,499	1,258	6,857
Phasing in building permit revenue shortfall from 2010 Budget	1,128	1,129			2,257
Shortfall in Regulatory revenues (i.e.business licensing)	500				500
Phase in Regulatory revenue shortfall from Reserves	(250)	250			0
City Centre on-street paid parking	500				500
Fire false alarms	185				185
Lakeview Golf Course	170				170
Library fine revenue	150	25			175
Community Centre Room Rentals	140				140
Reduction in development revenue	100	25	25	25	175
Iceland Concession	80				80
Cemetery	65				65
<b>Total Base Budget Highlights</b>	<b>4,818</b>	<b>3,479</b>	<b>1,524</b>	<b>1,283</b>	<b>11,104</b>

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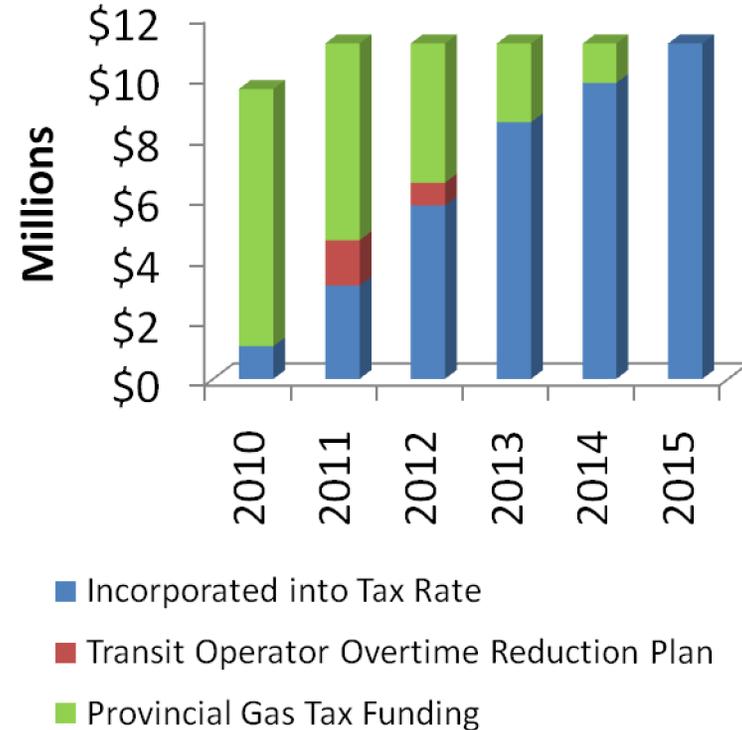


# PB Revenue and Transit Phase In

## Planning and Building Revenue Shortfall



## Transit Phase In



# Highlights of Changes to Base – Increased Revenues

## Highlights of Revenue Increases

Description (\$ 000's)	2011	2012	2013	2014	Total Net Costs
Highway Traffic Act - POA Provincial set fine increase	(1,237)	(100)			(1,337)
2% Transit ridership growth	(1,200)	(1,200)	(1,200)	(1,200)	(4,800)
Payments in Lieu of Taxes - GTAA	(1,000)	1,000			0
Building permit fee increase	(300)	(300)			(600)
Recreation program and rental fee increase averaging 2.5%	(315)	(320)	(325)	(329)	(1,289)
Transit shelter advertising revenue			(1,000)	(867)	(1,867)
<b>Total Base Budget Highlights</b>	<b>(4,052)</b>	<b>(920)</b>	<b>(2,525)</b>	<b>(2,396)</b>	<b>(9,893)</b>

Note: Numbers may not balance due to rounding





# Operating Impact of Capital Projects

Operating Impacts from Capital Projects (\$000's)

Service	BR #	Description	2011	2012	2013	2014	Total Net Costs
Roads, Storm Drainage & Watercourses	272	Update and Enhancement of the Rain Gauge Network	10	10	0	0	20
Fire & Emergency Services	61a	Garry W. Morden Centre	0	260	97	0	357
Mississauga Transit	104	BRT Operation and Maintenance	0	0	5,504	(706)	4,798
Recreation & Parks	312	Malton Community Centre Pool	(5)	(14)	(10)	(10)	(39)
Recreation & Parks	316	Mississauga Valley Community Centre Therapy Pool	0	(18)	0	0	(18)
Recreation & Parks	319	Clarkson Community Centre Pool	(8)	(29)	(20)	(10)	(67)
Recreation & Parks	415	Parkland Growth	116	80	198	406	800
Recreation & Parks	271	Mississauga Celebration Square Base Operating Impacts	512	354	0	0	866
<b>Total Operating Budget Impact</b>			<b>625</b>	<b>643</b>	<b>5,769</b>	<b>(320)</b>	<b>6,717</b>
<b>Tax Rate Impact</b>			<b>0.2%</b>	<b>0.2%</b>	<b>1.9%</b>	<b>-0.1%</b>	<b>2.3%</b>

Numbers may not add due to rounding



# Continuous Improvement

## Reducing the Cost to Deliver Existing Services

### Efficiencies - Summary (\$ 000's)

Service	2011	2012	2013	2014	Total Net Costs
Roads, Storm Drainage & Watercourses	(1,882)	0	50	(50)	(1,882)
Mississauga Transit	(167)	22	0	14	(131)
Recreation & Parks	(744)	(66)	(10)	0	(820)
Mississauga Library	(160)	(55)	3	0	(212)
Land Development & Services	(388)	(578)	0	0	(966)
Legislative Services	3	0	(5)	10	8
Regulatory Services	22	0	0	0	22
Facilities & Property Management	(180)	(70)	(3)	0	(253)
Strategic Policy	(109)	0	0	0	(109)
Information Technology	(427)	259	238	50	121
Business Services	(35)	0	155	300	420
<b>Total Operating Budget Impact</b>	<b>(4,067)</b>	<b>(488)</b>	<b>428</b>	<b>324</b>	<b>(3,803)</b>
<b>Tax Rate Impact</b>	<b>-1.4%</b>	<b>-0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>-1.3%</b>

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City of Mississauga, Ontario, Canada



## Continuous Improvement Value for Money

- Labour reductions in land development services to offset reduced development revenues
- Improved utility procurement strategy
- Pooling of voice minutes for cellular devices
- Replacement of multi-function devices
- Improved efficiency in street cleaning
- Improved efficiency in leaf collection
- Winter maintenance review
- Recreation and parks organizational review
- Implementation of self serve checkout in Library
- Reduction in administration positions
- Reduction in prosecution staff
- Library consolidated service delivery

# Continuous Improvement

## Reducing the Cost to Deliver Existing Services

Recommended Program Reductions (\$000's)

Service	BR #	Description	2011	2012	2013	2014	Total Net Costs
Roads, Storm Drainage & Watercourses	533	Reductions in Business Services Division - Transportation	-53	0	0	0	(53)
Recreation & Parks	227	Organizational Review	-303	-233	-23	-23	(582)
Mississauga Library	147	Self Serve Check-Out	0	58	-178	-316	(436)
Legislative Services	441	2011 Cost Control Options-Legislative Services	-88	-12	0	0	(100)
Arts & Culture	245	3% Budget Reduction	-67	0	0	0	(67)
Strategic Policy	378	Opportunities to reduce costs - EDO Professional Services	-29	0	0	0	(29)
Business Services & Corporate Assets	34	Reduce Size and Printing of 2011 to 2014 Business Plan	-4	0	0	0	(4)
Business Services & Corporate Assets	392	Printing Production Efficiency Initiative	-26	0	0	0	(26)
Business Services & Corporate Assets	503	Redesign Tax Bills	-2	0	0	0	(2)
Business Services & Corporate Assets	514	Reduce frequency of tax overdue notice mailings	-28	0	0	0	(28)
Business Services & Corporate Assets	561	Cost Reduction Options For Communications	-25	0	0	0	(25)
Business Services & Corporate Assets	589	Lower winter heating Temp. by 1 deg.C and raise summer	-36	-51	0	0	(87)
<b>Total Operating Budget Impact</b>			<b>(661)</b>	<b>(238)</b>	<b>(201)</b>	<b>(339)</b>	<b>(1,439)</b>
<b>Tax Rate Impact</b>			<b>-0.2%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.5%</b>



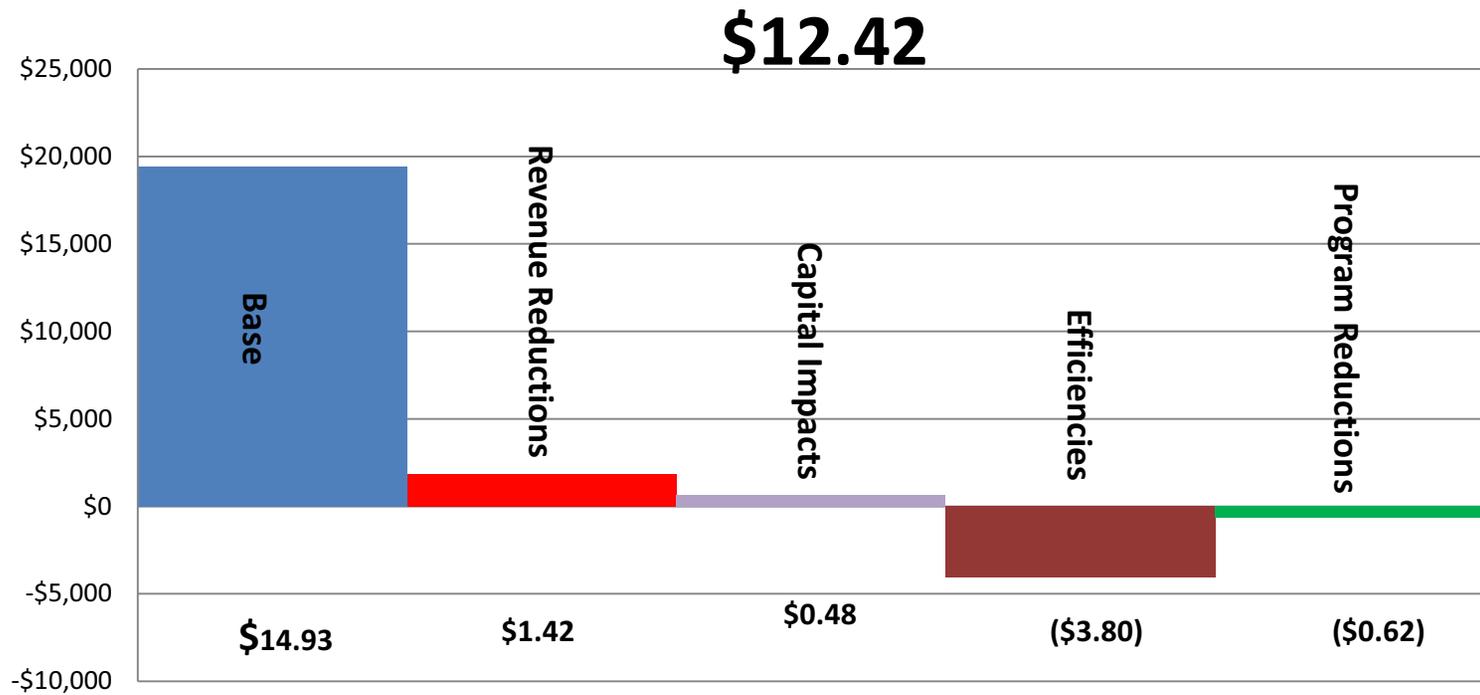
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# Summary of 2011 Base Changes

1.3% on Total Tax Bill

(\$12 Increase on \$100,000 of assessment)



Numbers may not add due to rounding

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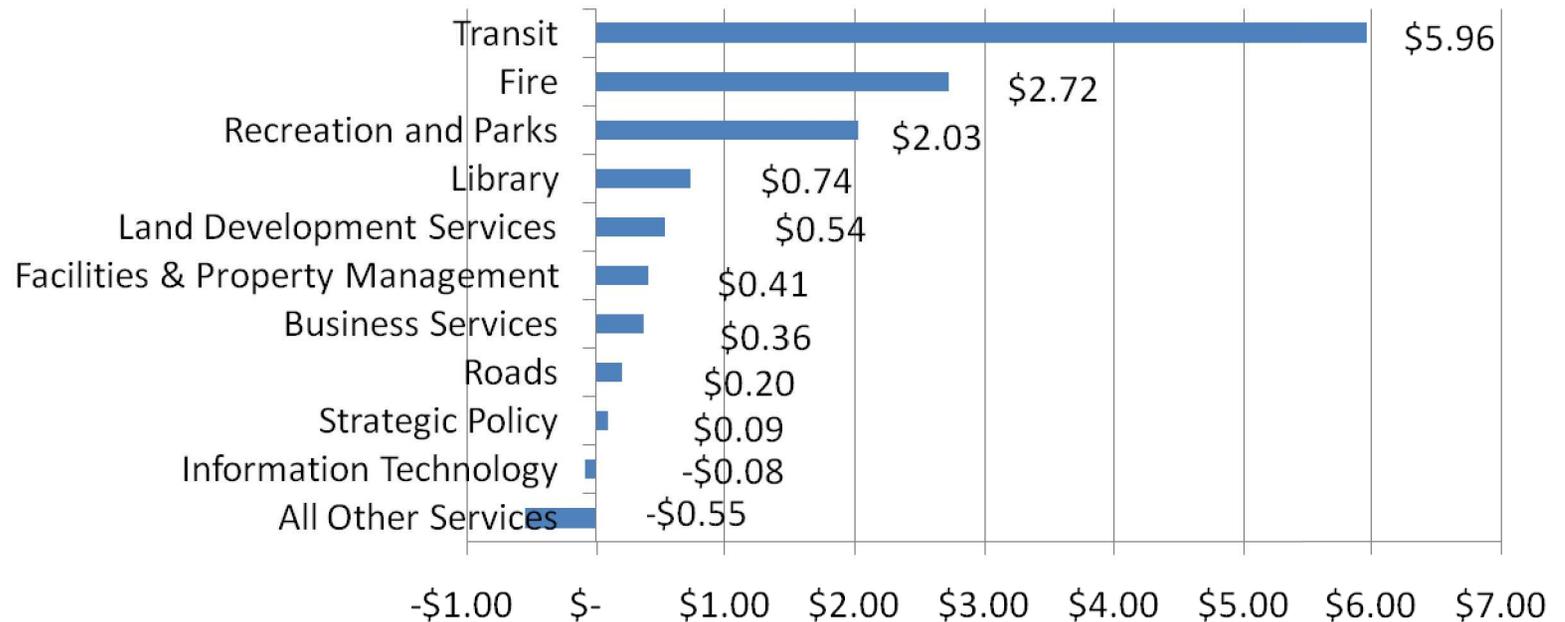
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## What Does It Cost to Preserve City Services, per \$100,000 of Residential Assessment?

Excludes Infrastructure Levy

Total Increase \$12.42 per \$100,000



Numbers may not add due to rounding

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City of Mississauga, Ontario, Canada



## Why An Infrastructure Levy?

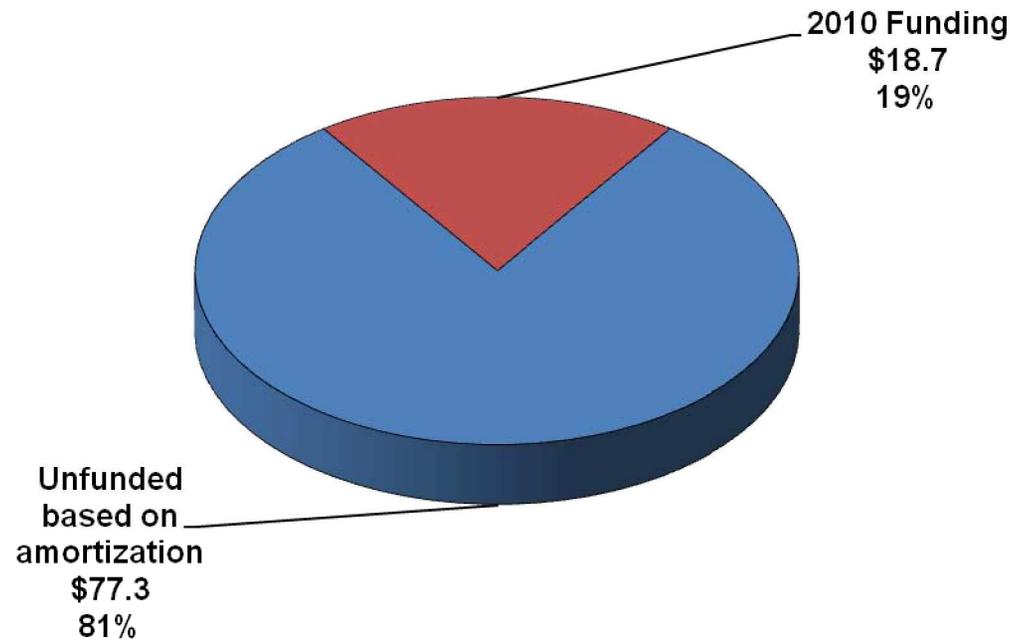
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## The Infrastructure Gap Based on \$96 million in Annual Capital Depreciation



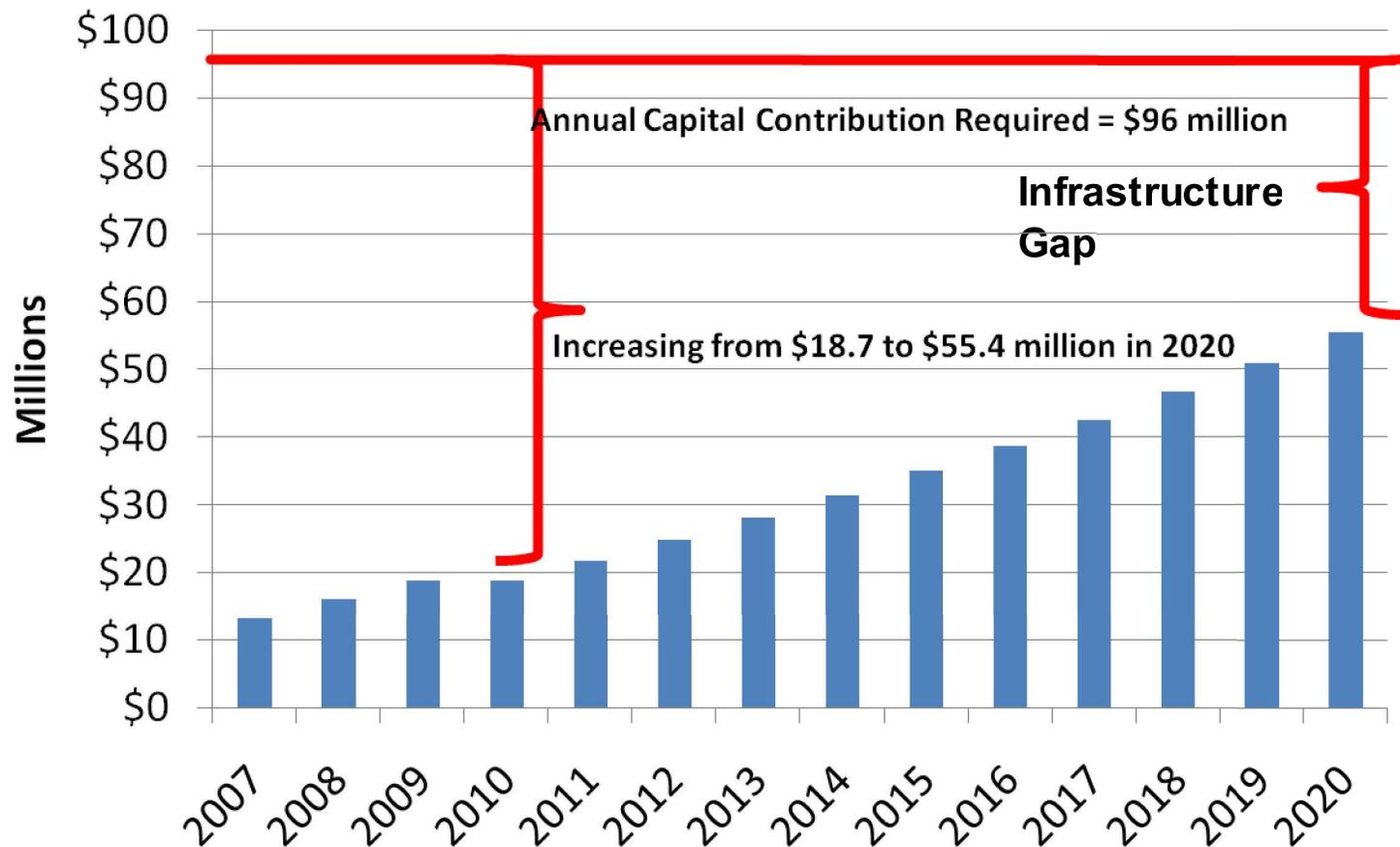
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City of Mississauga, Ontario, Canada



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



# How do we compare to neighbouring municipalities

Municipality (\$ Millions)	2009 Amortization*/**	2010 Budget Provision**	Proposed Future Years
Mississauga	\$96	\$18.7	1% per year increase
Peel	\$58.8	\$67.1	1% per year increase
Brampton	\$58	\$25.7	To be determined
Hamilton**	\$125.6	\$32.7	1% per year increase
Toronto***	\$156.4	\$165.0	2011 - \$15.0 million
Oakville	\$36	\$25	2011 - 2% increase including 1% sharing of GTA Pooling savings
Burlington	\$23.7	\$13.4	2011 -1.3% increase, including 0.8% from sharing of GTA Pooling
York**	\$129.8	\$34.4	1% per year increase

\*Amortization costs based on historical cost of tax-supported assets only

\*\* Excludes rate supported infrastructure amortization and budget provisions

\*\*\* Budget provision excludes parking authority

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City of Mississauga, Ontario, Canada



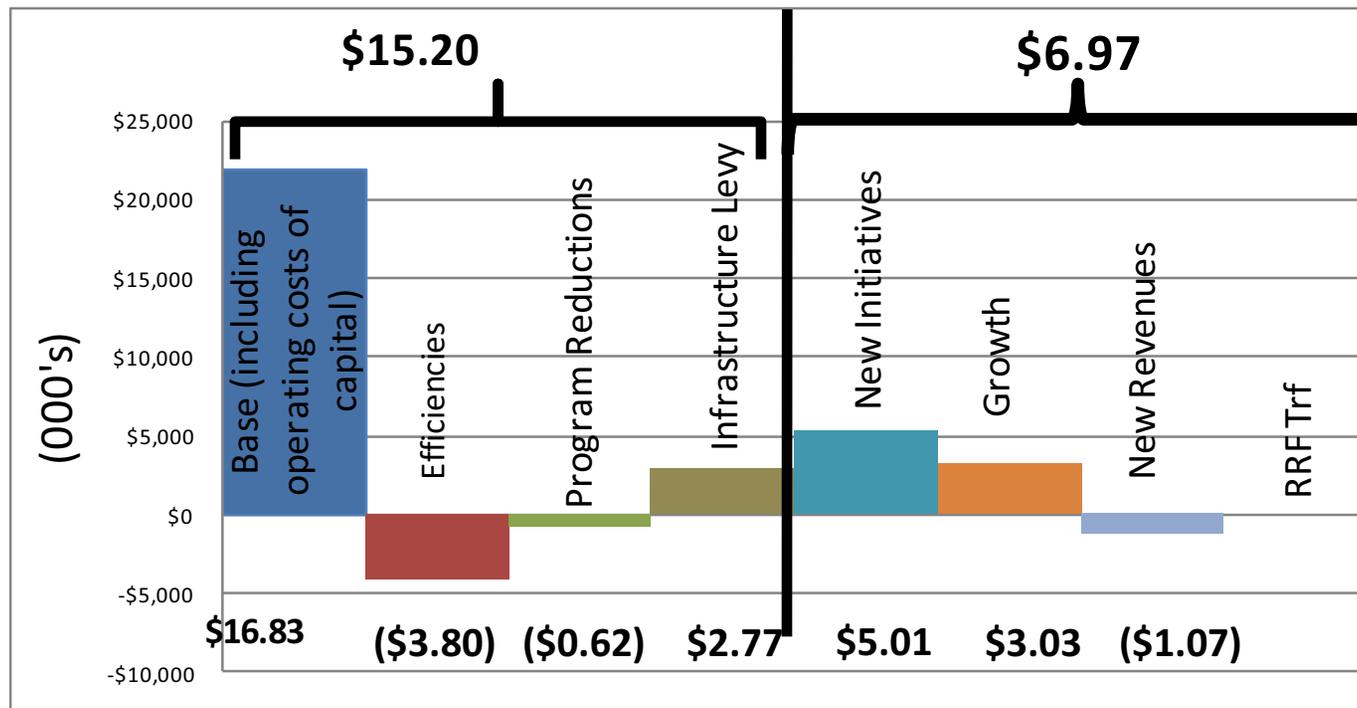
## Implementing Our Strategic Plan





# Summary of 2011 Changes

(Base, Infrastructure Plus Program Changes)  
 (\$22.17 Increase on \$100,000 of assessment)



Numbers may not add due to rounding



# Summary of New Initiatives/ Services

Increased Service Levels/New Initiatives - Summary (\$ 000's)

Service	2011	2012	2013	2014	Total Net Costs
Roads, Storm Drainage & Watercourses	1,329	792	985	704	3,810
Fire & Emergency Services	12	96	0	0	108
Mississauga Transit	1,821	464	(32)	(131)	2,122
Recreation & Parks	844	389	9	(61)	1,181
Mississauga Library	0	95	190	(334)	(49)
Land Development & Services	246	(95)	(50)	0	101
Legislative Services	73	43	45	65	226
Arts & Culture	251	297	288	147	983
Regulatory Services	70	0	0	0	70
Facilities & Property Management	88	364	142	(49)	545
Strategic Policy	442	226	499	18	1,185
Information Technology	108	164	338	190	800
Business Services & Corporate Assets	85	477	56	(30)	588
<b>Total Operating Budget Impact</b>	<b>5,369</b>	<b>3,312</b>	<b>2,470</b>	<b>519</b>	<b>11,670</b>
<b>Tax Rate Impact</b>	<b>1.8%</b>	<b>1.1%</b>	<b>0.8%</b>	<b>0.2%</b>	<b>3.9%</b>

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# Business Plan & Budget

City of Mississauga, Ontario, Canada



## Highlights of New Initiatives

- PRESTO
- Cycling Master Plan
- Economic Development Master Plan
- Bus Rapid Transit System
- Additional Transit Service
- Youth Plan
- Older Adult Plan
- Culture Plan
- Opening of Mississauga Celebration Square
- Waterfront Mississauga Revitalization
- Living Green Master Plan Completion
- Mississauga Community Greenhouse Gas Inventory Update
- Ninth Line Corridor Review
- Attracting further post-secondary institutions study



# Summary of Growth Initiatives By Service

## Growth Driven Service Costs - Summary (\$000's)

Service	2011	2012	2013	2014	Total Net Costs
Roads, Storm Drainage & Watercourses	192	47	22	22	283
Fire & Emergency Services	137	525	1,902	115	2,679
Mississauga Transit	1,983	2,317	2,153	1,845	8,298
Recreation & Parks	64	141	85	0	290
Mississauga Library	0	42	57	309	408
Arts & Culture	305	303	0	0	608
Regulatory Services	66	0	90	0	156
Facilities & Property Management	105	132	91	42	370
Strategic Policy	38	99	0	0	137
Information Technology	0	0	50	15	65
Business Services	362	326	4	0	692
<b>Total Operating Budget Impact</b>	<b>3,252</b>	<b>3,932</b>	<b>4,454</b>	<b>2,348</b>	<b>13,986</b>
<b>Tax Rate Impact</b>	<b>1.1%</b>	<b>1.3%</b>	<b>1.5%</b>	<b>0.8%</b>	<b>4.7%</b>

Numbers may not add due to rounding



# New Revenues

## New Revenues (\$000's)

Service	BR #	Description	2011	2012	2013	2014	Total Net Costs
Mississauga Transit	390	Transit Fare Strategy	(970)	(2,040)	(1,320)	(1,650)	(5,980)
Recreation & Parks	230	User Fee Rationalization	0	(70)	(70)	(70)	(210)
Recreation & Parks	276	Cellular Towers on Community Services lands	0	(15)	(30)	(15)	(60)
Recreation & Parks	491	Mississauga Celebration Square Gateway Sign	(74)	(74)	0	0	(148)
Mississauga Library	298	Burnhamthorpe Branch Library - Dixie Bloor	(104)	(103)	0	0	(207)
Land Development Services	258	Fees and Charges Review	0	0	0	(250)	(250)
<b>Total Operating Budget Impact</b>			<b>(1,148)</b>	<b>(2,302)</b>	<b>(1,420)</b>	<b>(1,985)</b>	<b>(6,855)</b>
<b>Tax Rate Impact</b>			<b>-0.4%</b>	<b>-0.8%</b>	<b>-0.5%</b>	<b>-0.7%</b>	<b>-2.3%</b>

Numbers may not add due to rounding

# 2011 Budget by Service

Service	2010 Budget (\$ 000's)	Total Base** (\$ 000's)	*** % Change (\$ 000's)	New Service (\$ 000's)	Growth (\$ 000's)	New Rev (\$ 000's)	Total (\$ 000's)	Total % Change**	Impact on Total Tax Bill
Roads, Storm Drainage & Watercourses	63,768	64,158	0.6%	1,249.0	192	0	65,599	2.9%	
Fire & Emergency Services	81,582	84,714	3.8%	12.0	137	0	84,863	4.0%	
Mississauga Transit	41,338	47,769	15.6%	1,828.0	1,787	(970)	50,414	22.0%	
Recreation & Parks	44,029	46,308	5.2%	842.8	64	(74)	47,141	7.1%	
Mississauga Library	24,134	24,991	3.6%	0.0	0	(104)	24,887	3.1%	
Land Development & Services	4,841	5,425	12.1%	246.2	0	0	5,671	17.2%	
Legislative Services	(1,587)	(2,900)	82.7%	73.0	0	0	(2,827)	78.1%	
Arts & Culture	4,038	4,087	1.2%	251.0	305	0	4,643	15.0%	
Regulatory Services	806	1,666	106.7%	70.0	66	0	1,802	123.6%	
Facilities & Property Management	18,182	18,675	2.7%	87.8	105	0	18,867	3.8%	
Strategic Policy	9,641	9,759	1.2%	192.0	38	0	9,989	3.6%	
Information Technology	16,034	15,993	-0.3%	108.0	0	0	16,101	0.4%	
Business Services	19,593	19,774	0.9%	160.0	558	0	20,492	4.6%	
Council	4,068	4,165	2.4%	0.0	0	0	4,165	2.4%	
Financial Transactions	(33,236)	(27,210)	-18.1%	250.0	0	0	(26,960)	-18.9%	
<b>Total Operating Budget Impact</b>	<b>297,231</b>	<b>317,373</b>	<b>6.8%</b>	<b>5,370</b>	<b>3,252</b>	<b>(1,148)</b>	<b>324,847</b>	<b>9.3%</b>	<b>2.6%</b>
<b>After 1.3% Assessment</b>			<b>5.5%</b>					<b>8.0%</b>	<b>2.2%</b>
<b>Without Infrastructure Levy</b>			<b>4.5%</b>					<b>7.0%</b>	<b>2.0%</b>

(number may not round due to rounding)

\* Includes operating impacts from capital projects

\*\* before assessment growth

\*\*\* includes infrastructure levy of 1%





# 2011-2014 Cost Drivers

## Drivers of Tax Levy Increase

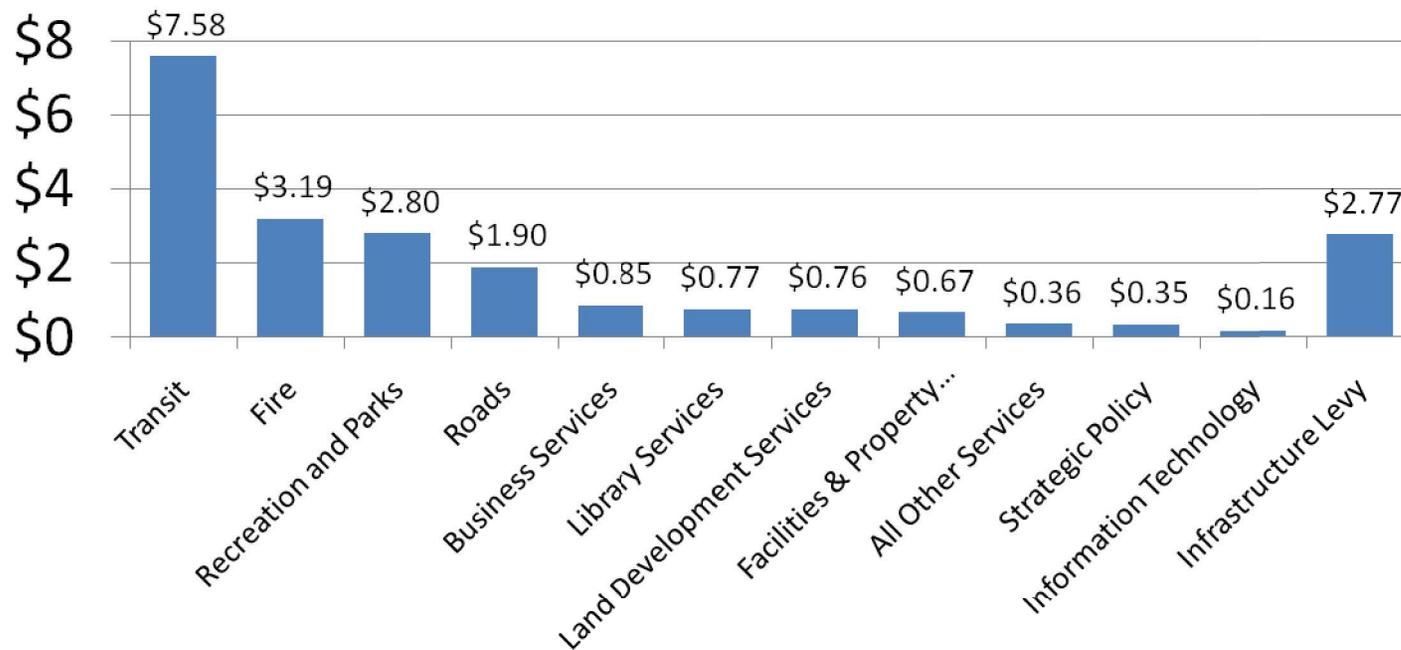
Description	2011 (\$000's)	2012 (\$000's)	2013 (\$000's)	2014 (\$000's)
Prior Year Budget	297,231	324,847	357,720	394,085
<b>Base Changes</b>				
Labour	14,921	18,387	18,552	14,246
Other	4,505	6,527	3,114	1,757
Reduction in Revenues	1,850			
Impact of New Capital Projects	625	643	5,769	(320)
<b>Continuous Improvements</b>				
Efficiencies	(4,067)	(488)	428	324
Budget Reductions	(661)	(238)	(201)	(339)
<b>Total - Cost to Deliver Existing Service</b>	<b>17,173</b>	<b>24,831</b>	<b>27,662</b>	<b>15,668</b>
<b>Increase to Deliver Existing Service (after Assessment Growth)</b>	<b>4.5%</b>	<b>6.9%</b>	<b>7.2%</b>	<b>3.5%</b>
<b>Infrastructure Levy</b>	<b>2,970</b>	<b>3,100</b>	<b>3,200</b>	<b>3,300</b>
<b>Total Deliver Existing Service Including Infrastructure Levy</b>	<b>20,143</b>	<b>27,931</b>	<b>30,862</b>	<b>18,968</b>
<b>Proposed Changes</b>				
Growth Driven Initiatives	3,252	3,932	4,453	2,348
New Service Level/New Initiatives - Funded from Tax or Reserves	5,370	3,312	2,471	520
New Revenues	(1,148)	(2,302)	(1,420)	(1,985)
<b>Total Operating Increase</b>	<b>27,616</b>	<b>32,872</b>	<b>36,366</b>	<b>19,850</b>
<b>Increase in City Budget (after Assessment Growth)</b>	<b>8.0%</b>	<b>9.6%</b>	<b>9.9%</b>	<b>4.5%</b>
<b>Impact on Total Tax Bill</b>	<b>2.2%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>1.3%</b>
<b>\$ per 100,000 of Assessment*</b>	<b>\$22.17</b>	<b>\$24.30</b>	<b>\$26.70</b>	<b>\$27.91</b>

\* 2012 to 2014 estimated based on percentage increase as future years assessment information not available

Numbers may not add due to rounding



# 2011 Increase of \$22.17 per \$100,000 of Residential Assessment broken down by Service



82% of tax increase or \$18.24 of \$22.17 increase relates to Transit, Fire, Recreation & Parks, Roads and Infrastructure levy

Numbers may not add due to rounding

2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada

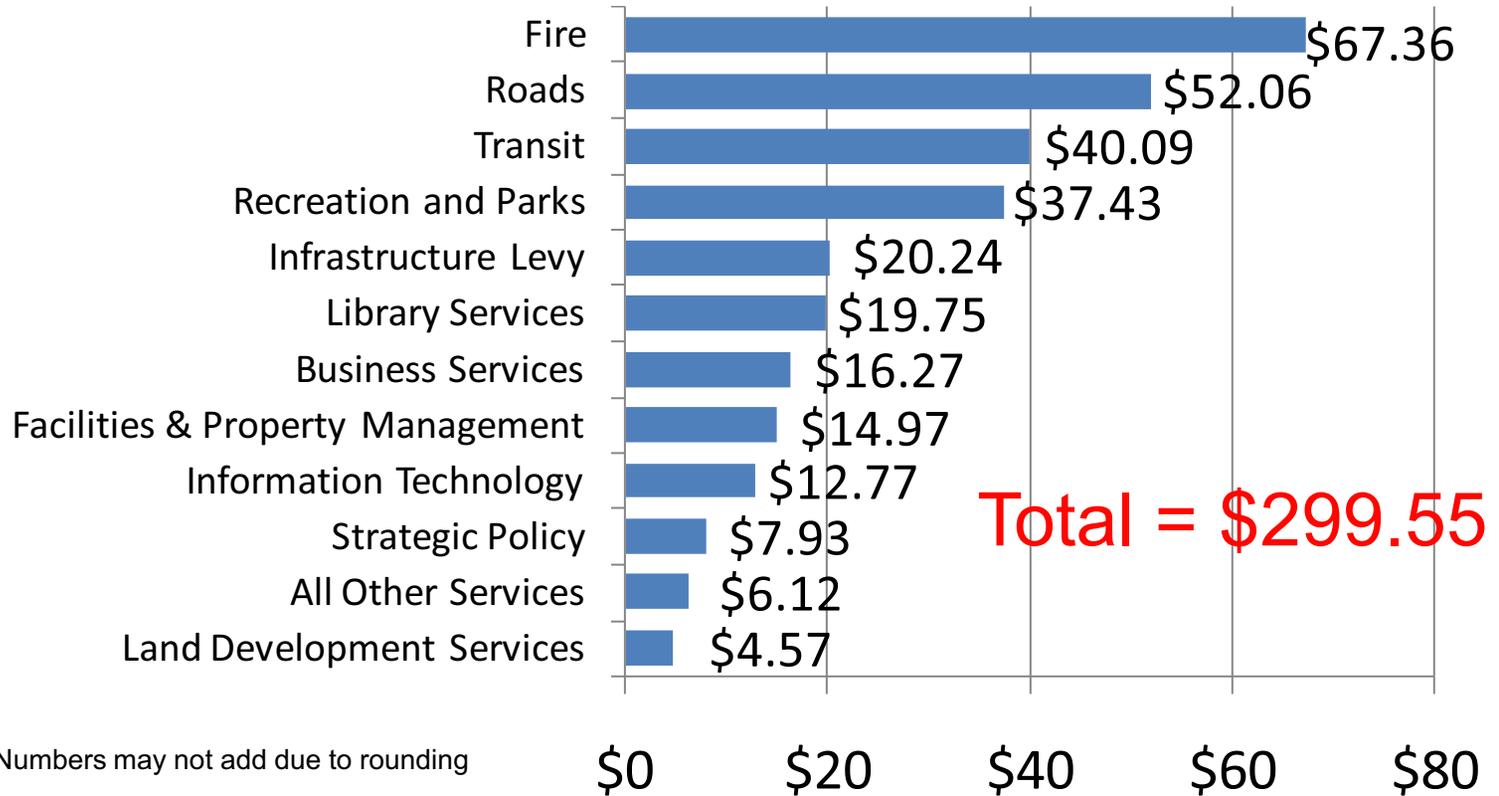


## Impact on 2011 Total Residential Tax Bill

- Region of Peel is not finalized until 2011
- Impacts if Region at 2.5% and 3.5%

	If Region @ 2.5% with infrastructure	If Region @ 3.5% with Infrastructure
City Impact On Total Tax Bill	2.24%	2.24%
Region Impact on Total Tax Bill	1.18%	1.65%
Education	0.00%	0.00%
<b>Total Tax Bill Increase</b>	<b>3.42%</b>	<b>3.88%</b>

# Where Your 2011 Tax Dollars Will Be Spent, based on \$100,000 of residential Assessment

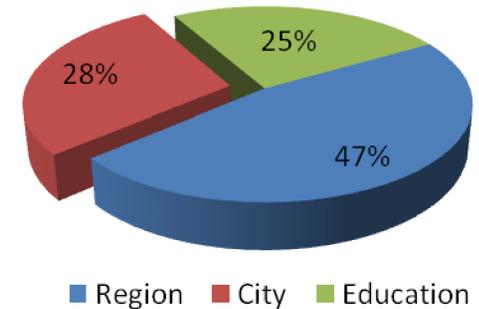


Residential Assessed Values	\$350,000	\$450,000	\$550,000	\$650,000
2011 City Taxes Payable	\$1,048	\$1,348	\$1,648	\$1,947



## 2011 Total Increase in Residential Tax Bill (assumes a 2.5% Region of Peel Increase)

		Impact on Total Tax Bill
City - Operating	6.99%	1.96%
City Infrastructure	1.00%	<u>0.28%</u>
<b>City Total</b>		<b>2.24%</b>
Regional Increase	2.50%	1.18%
Education Increase	0.00%	<u>0.00%</u>
<b>Total</b>		<b>3.42%</b>



Assessment	\$100,000	\$350,000	\$450,000	\$550,000	\$650,000
<b>2011 Impact on Tax Bill</b>					
City - Operating	19.40	67.86	87.25	106.64	126.03
City – Infrastructure	<u>2.77</u>	<u>9.71</u>	<u>12.48</u>	<u>15.26</u>	<u>18.03</u>
<b>Total City Increase</b>	<b>\$ 22.17</b>	<b>\$77.57</b>	<b>\$99.73</b>	<b>\$121.90</b>	<b>\$144.06</b>
Region	<u>11.59</u>	<u>40.58</u>	<u>52.17</u>	<u>63.76</u>	<u>75.36</u>
<b>Total Base Impact on Tax Bill</b>	<b>\$33.76</b>	<b>\$ 118.15</b>	<b>\$151.90</b>	<b>\$185.66</b>	<b>\$219.42</b>

# How Does This Compare?

	Amount paid annually
2011 City Property Taxes on a home assessed at \$450,000 in 2010	\$1,348
Income Taxes on \$96,746 of household earnings	\$13,500
Canada Pension Plan	\$2,163
Natural Gas for average house	\$1,094
House Insurance per \$400,000 home	\$800 - \$900
Electricity for average house	\$788
Employment Insurance Payments	\$747

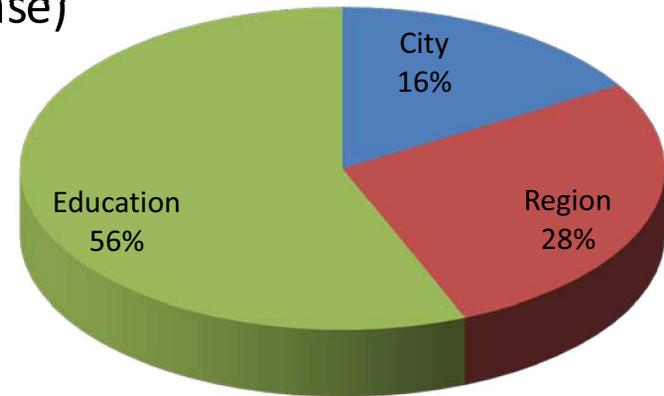




# 2011 Total Increase in Commercial/ Industrial Tax Bill

(assumes a 2.5% Region of Peel Increase)

**Commercial/Industrial Tax Bill**



		Impact on Total Tax Bill
City - Operating	6.99%	1.12%
City Infrastructure	<u>1.00%</u>	<u>0.16%</u>
<b>Subtotal</b>	<b>7.99%</b>	<b>1.28%</b>
Regional Increase	2.50%	0.70%
Education Increase	0.00%	<u>0.00%</u>
<b>Total</b>		<b>1.98%</b>



## 2011 Total Increase in Commercial Tax Bill (assumes a 2.5% Region of Peel Increase)

2011 Impact on Tax Bill by Assessment	\$100,000	\$500,000	\$1,500,000	\$10,000,000
City - Operating	27.34	136.68	410.03	2,733.54
City - Infrastructure	<u>3.91</u>	<u>19.55</u>	<u>58.66</u>	<u>391.07</u>
City Total	<b>31.25</b>	<b>156.23</b>	<b>468.69</b>	<b>3,124.61</b>
Region	<u>16.34</u>	<u>81.72</u>	<u>245.16</u>	<u>1,634.43</u>
Total Base Impact on Tax Bill	<b>47.59</b>	<b>237.95</b>	<b>713.86</b>	<b>4,759.04</b>

## 2011 Total Increase in Industrial Tax Bill (assumes a 2.5% Region of Peel Increase)

2011 Impact on Tax Bill by Assessment	\$100,000	\$500,000	\$1,500,000	\$10,000,000
City - Operating	30.46	152.28	456.84	3,045.61
City - Infrastructure	<u>4.36</u>	<u>21.79</u>	<u>65.36</u>	<u>435.71</u>
City Total	<b>34.81</b>	<b>174.07</b>	<b>522.20</b>	<b>3,481.31</b>
Region	<u>18.21</u>	<u>91.05</u>	<u>273.15</u>	<u>1,821.02</u>
Total Base Impact on Tax Bill	<b>53.02</b>	<b>265.12</b>	<b>795.35</b>	<b>5,302.33</b>

2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada



“The City also has room to increase residential property taxes, which we believe are relatively low due to a 11 year tax freeze that ended in 2002”

Quote from Standard and Poors 2010 Credit Rating

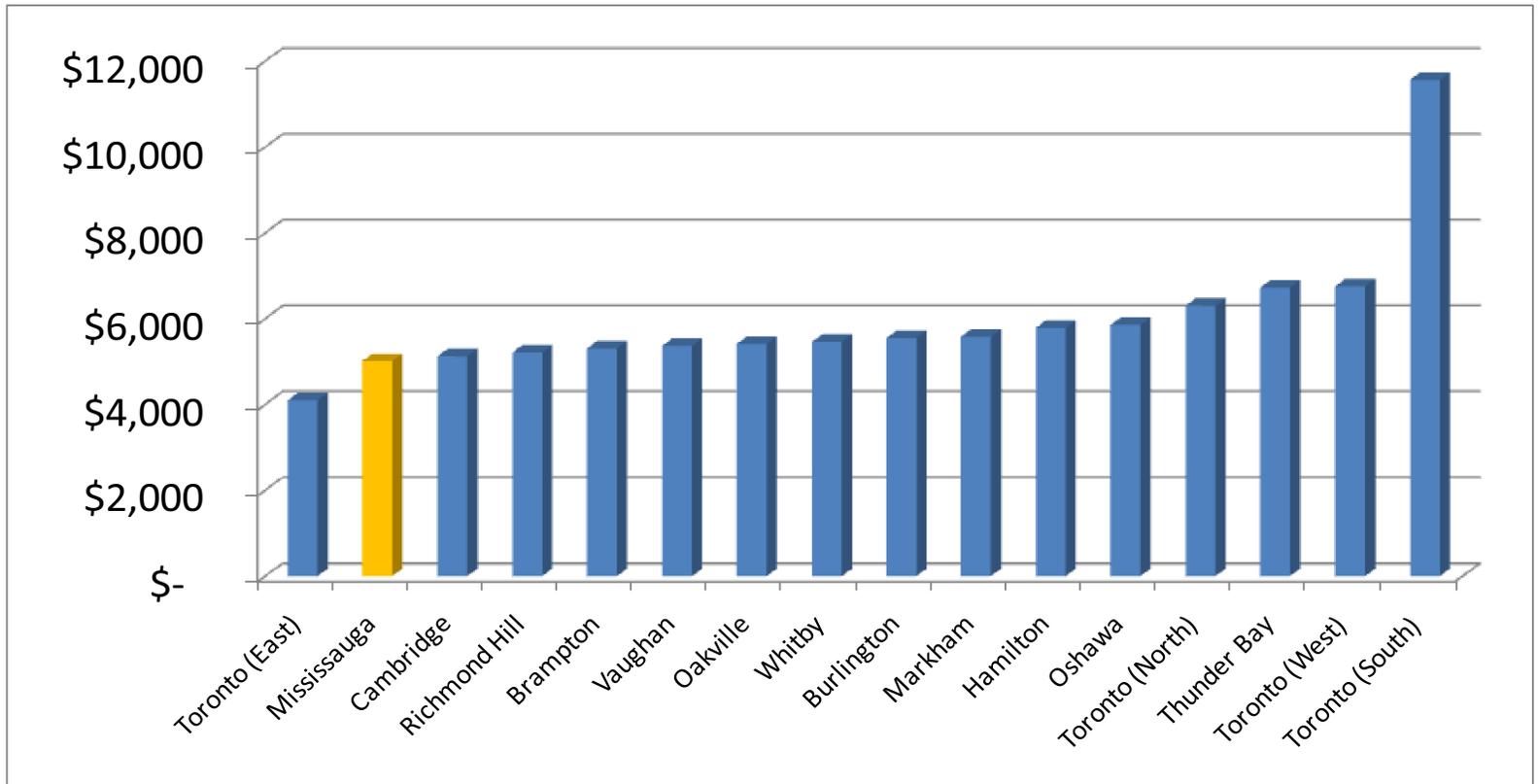
2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada

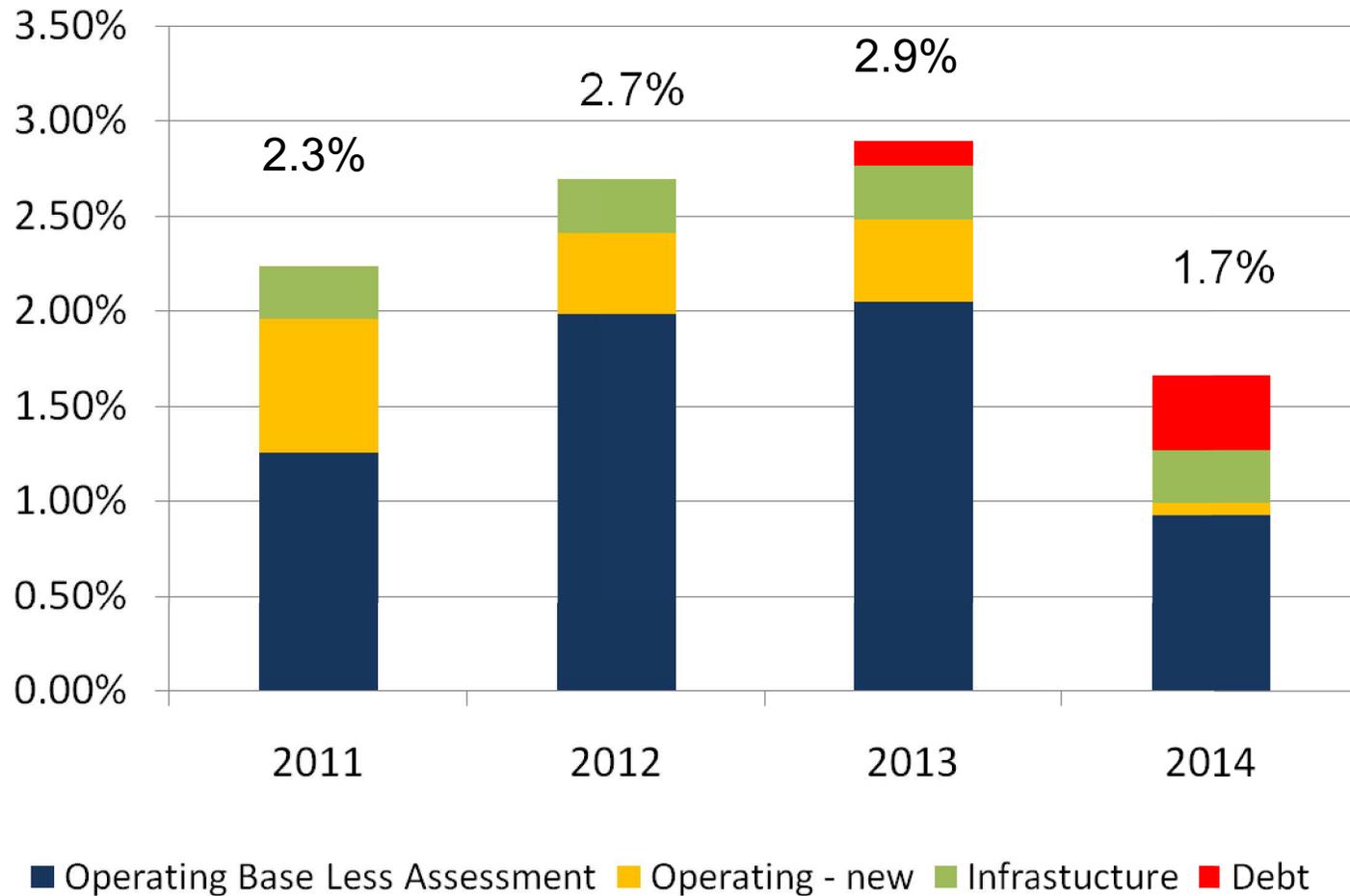


## 2010 Total Taxes Payable (on a 4 bedroom home)





# City Impact on Total Residential Tax Bill - 2011 to 2014



2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada



## Capital Budget and Forecast

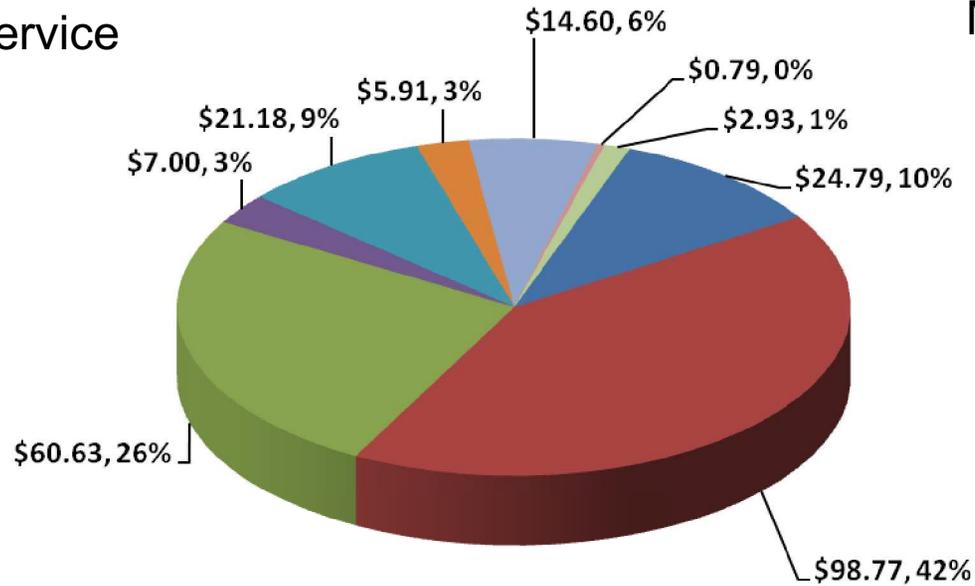


# 2011 Capital Budget

Total 2011 - \$236.6 Million

By Service

Millions



- Fire
- Transit
- Roadway
- Storm
- Recreation
- Information Technology
- Facilities & Property Mgmt
- Arts & Culture
- Other\*\*

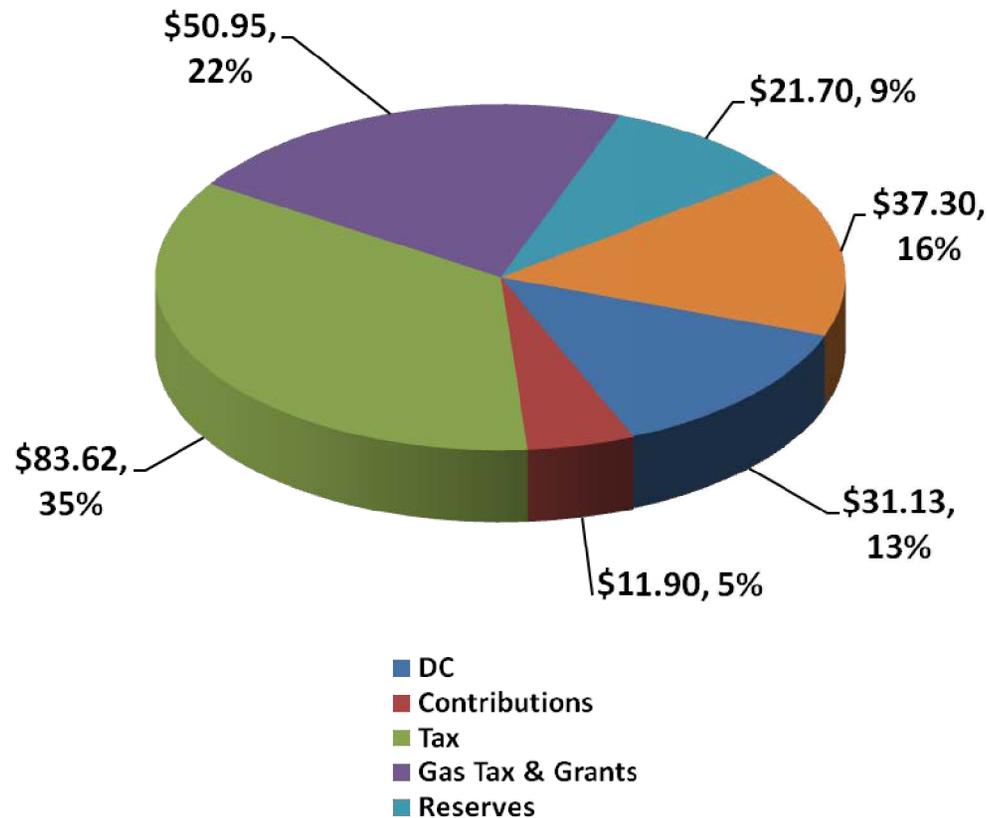


# 2011 Capital Budget

Total 2011 - \$236.6 Million

By Funding Source

Millions

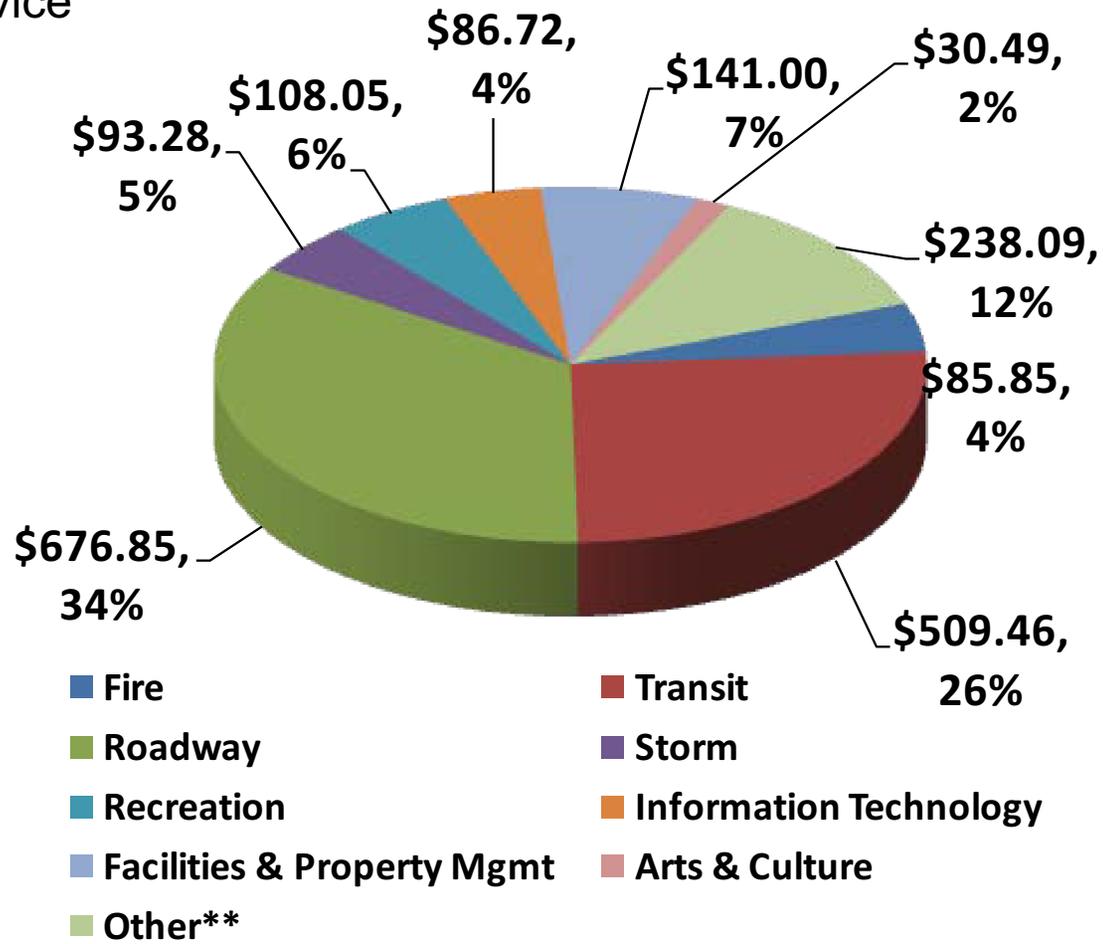




# 2011 to 2020 Capital Budget

(Total \$1.9 Billion)

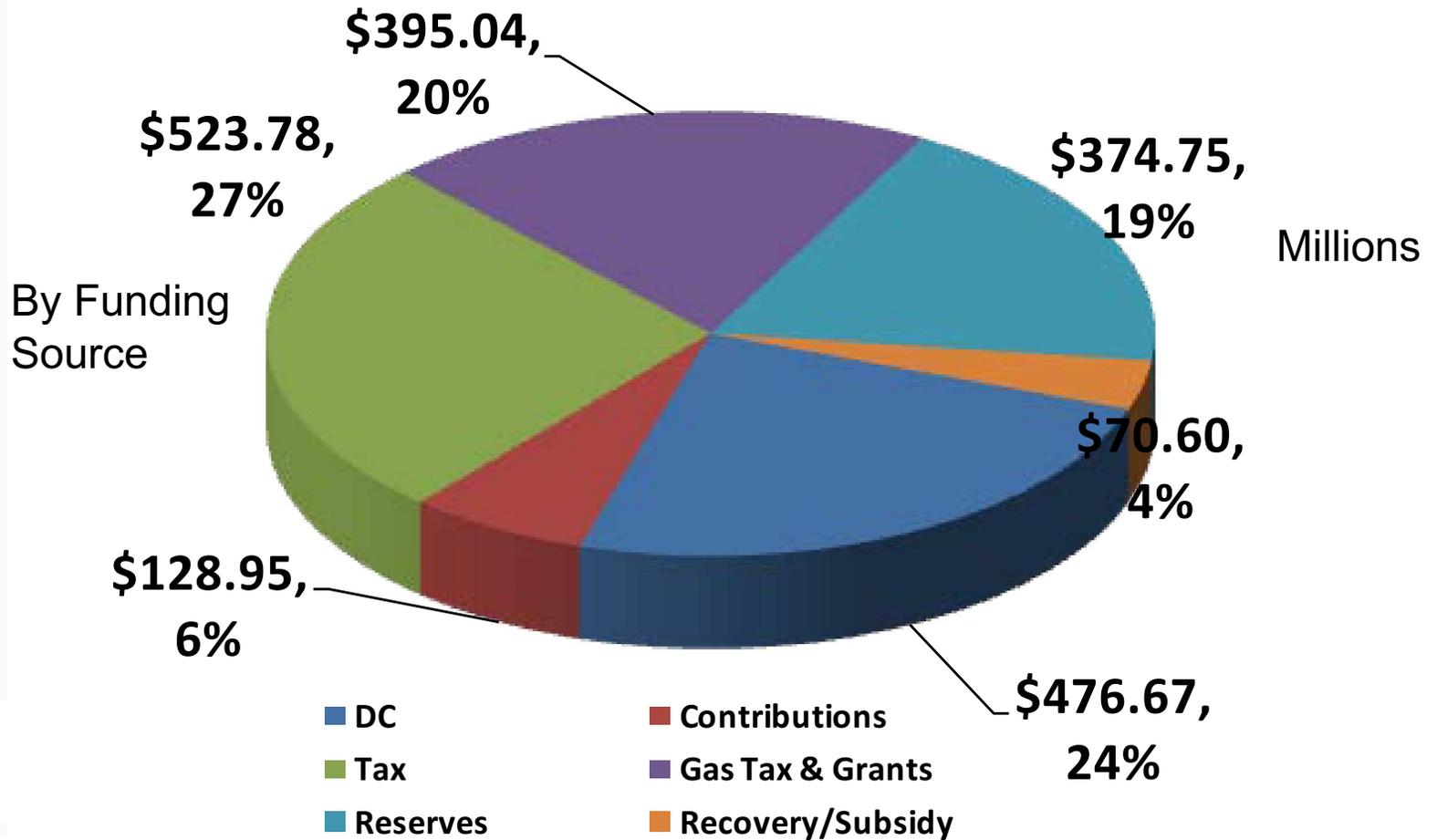
By Service Millions





# 2011 to 2020 Capital Budget

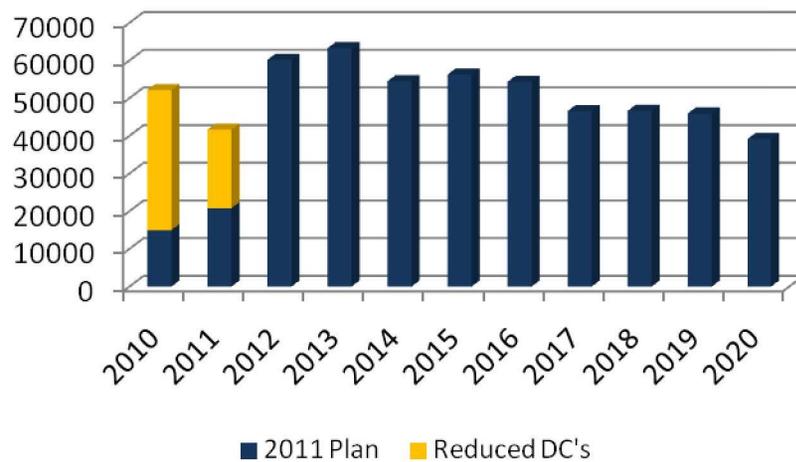
(Total \$1.9 Billion)



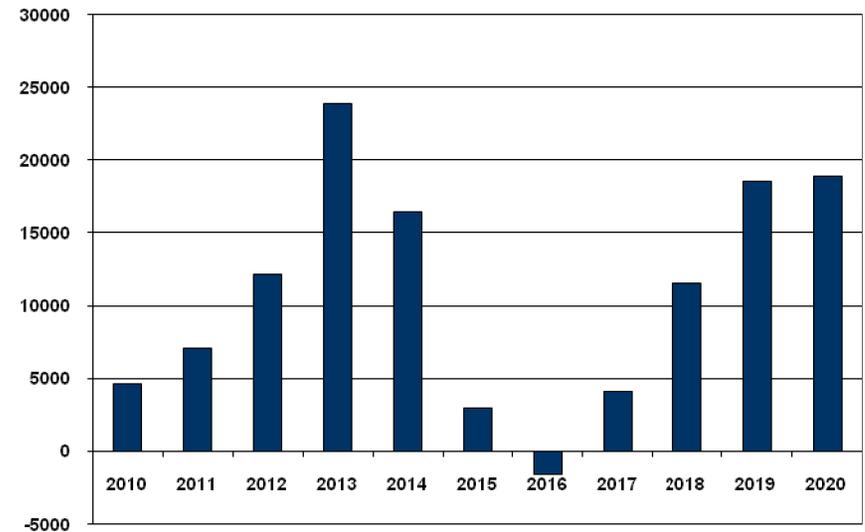
# Development Charges

(\$'000's)

## DC Receipts



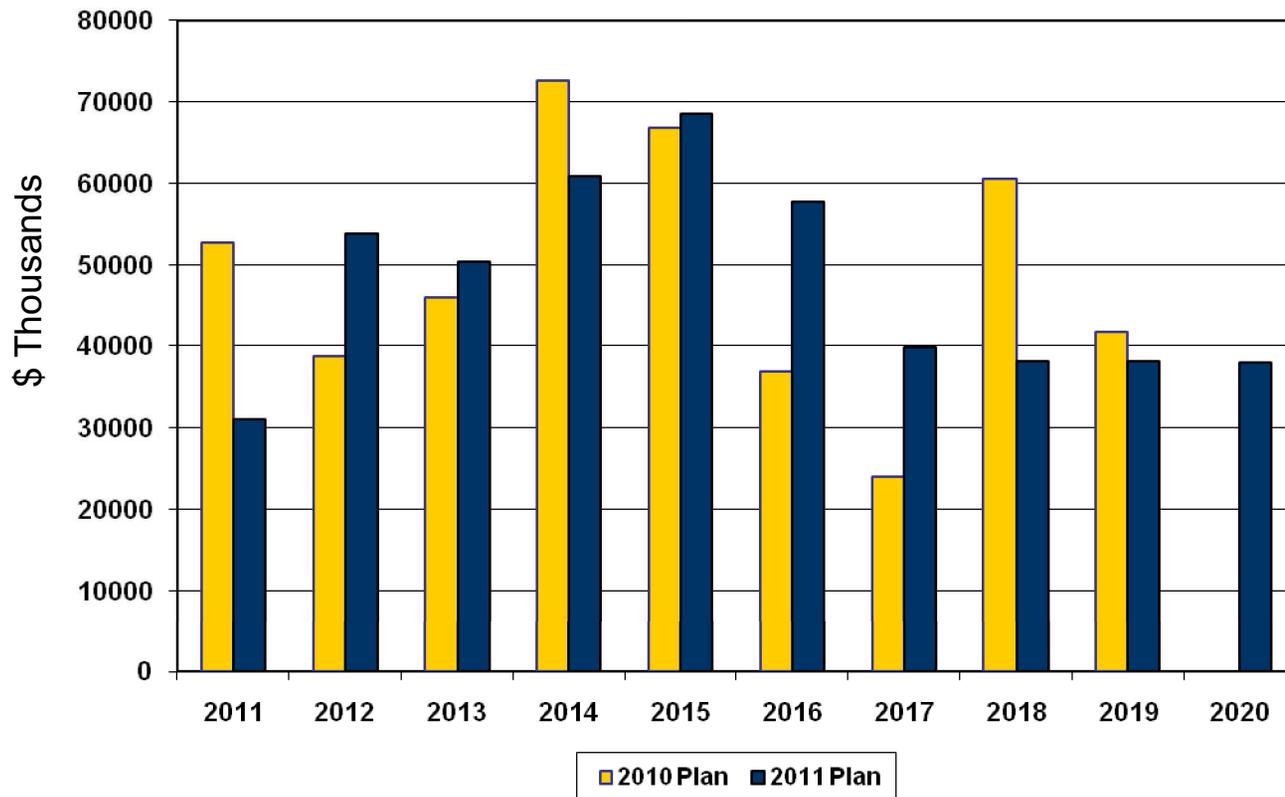
## DC Balances



- Deferral of projects were required
- Will be re-assessed and updated each year



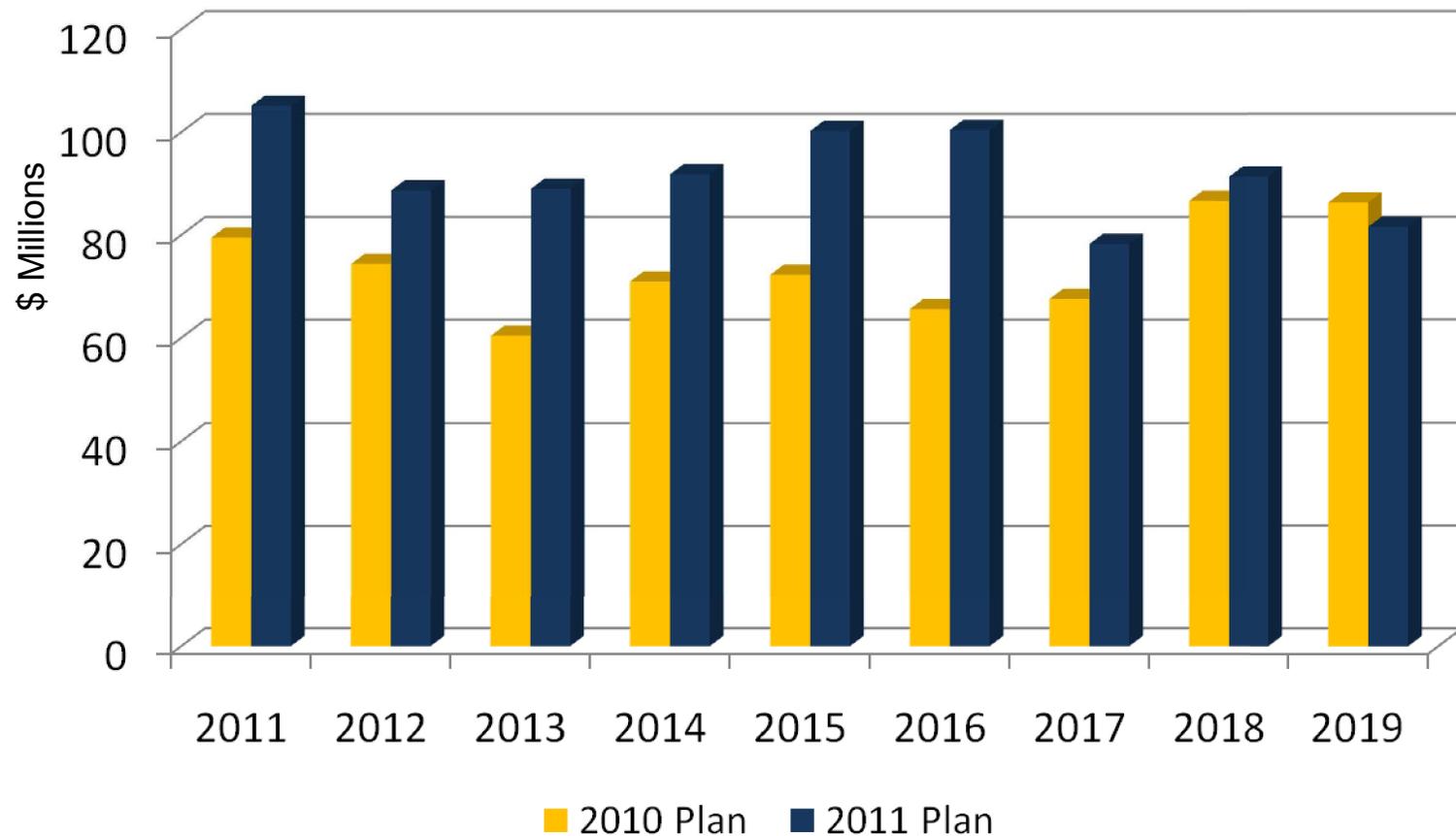
# Summary of DC Funded Projects 2011 - 2020





# 2010 Tax-Based Capital Plan as compared to the 2011 Budget

Tax funded Capital budget has increased by \$163 million when compared to 2010



2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada



## Assumptions for Funding Tax-Based Capital Budget

- City has refined its debt model to incorporate project cash flowing
  - Allows City to maintains its debt issuance date at 2013
- Minimum Reserves have been increased from \$30 to \$60 million
- Assumes a 1% infrastructure levy increase per year in each of the next 10 years

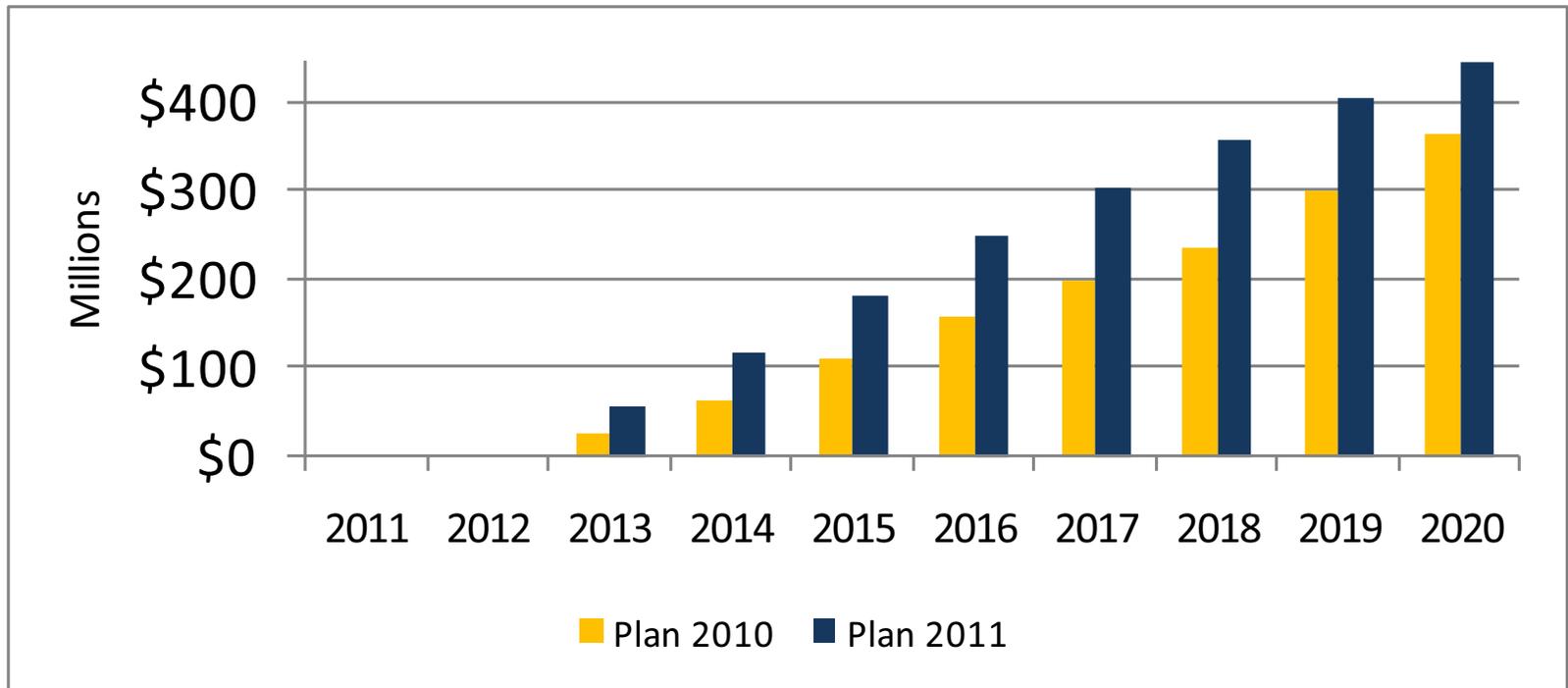
2011-2014

# Business Plan & Budget

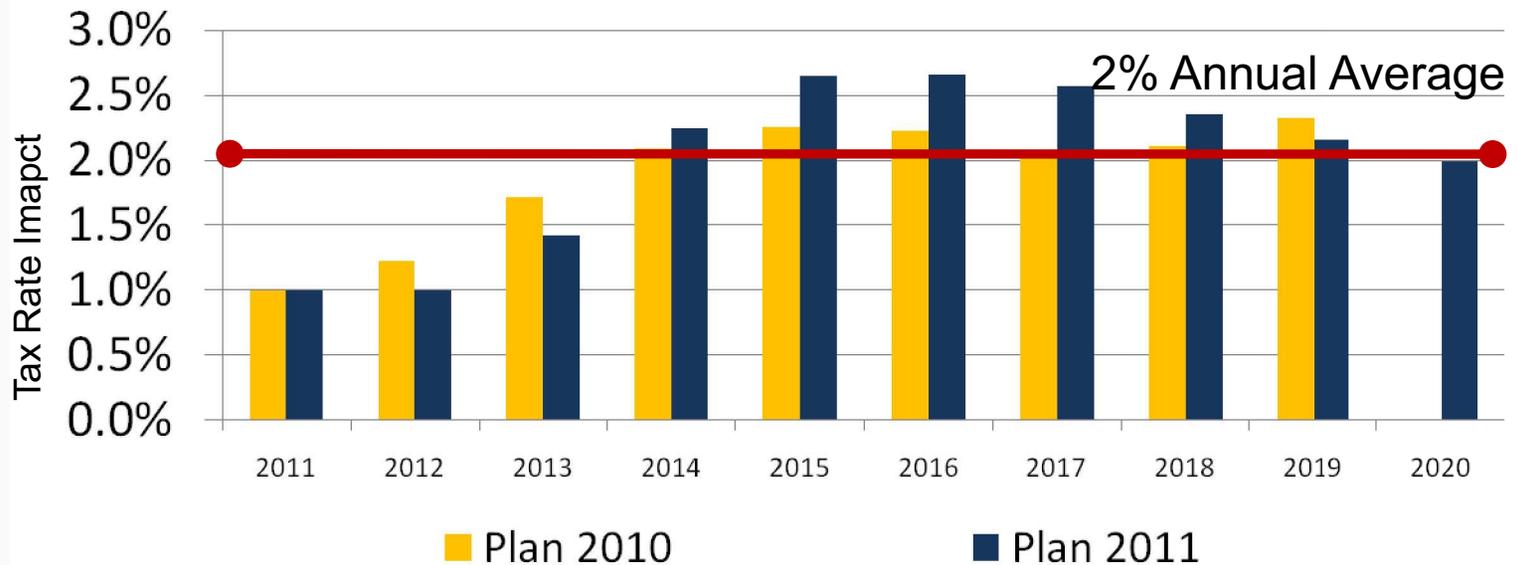
City of Mississauga, Ontario, Canada



## Summary of Debt Issuance Required to Support Capital Program (2011 to 2020)

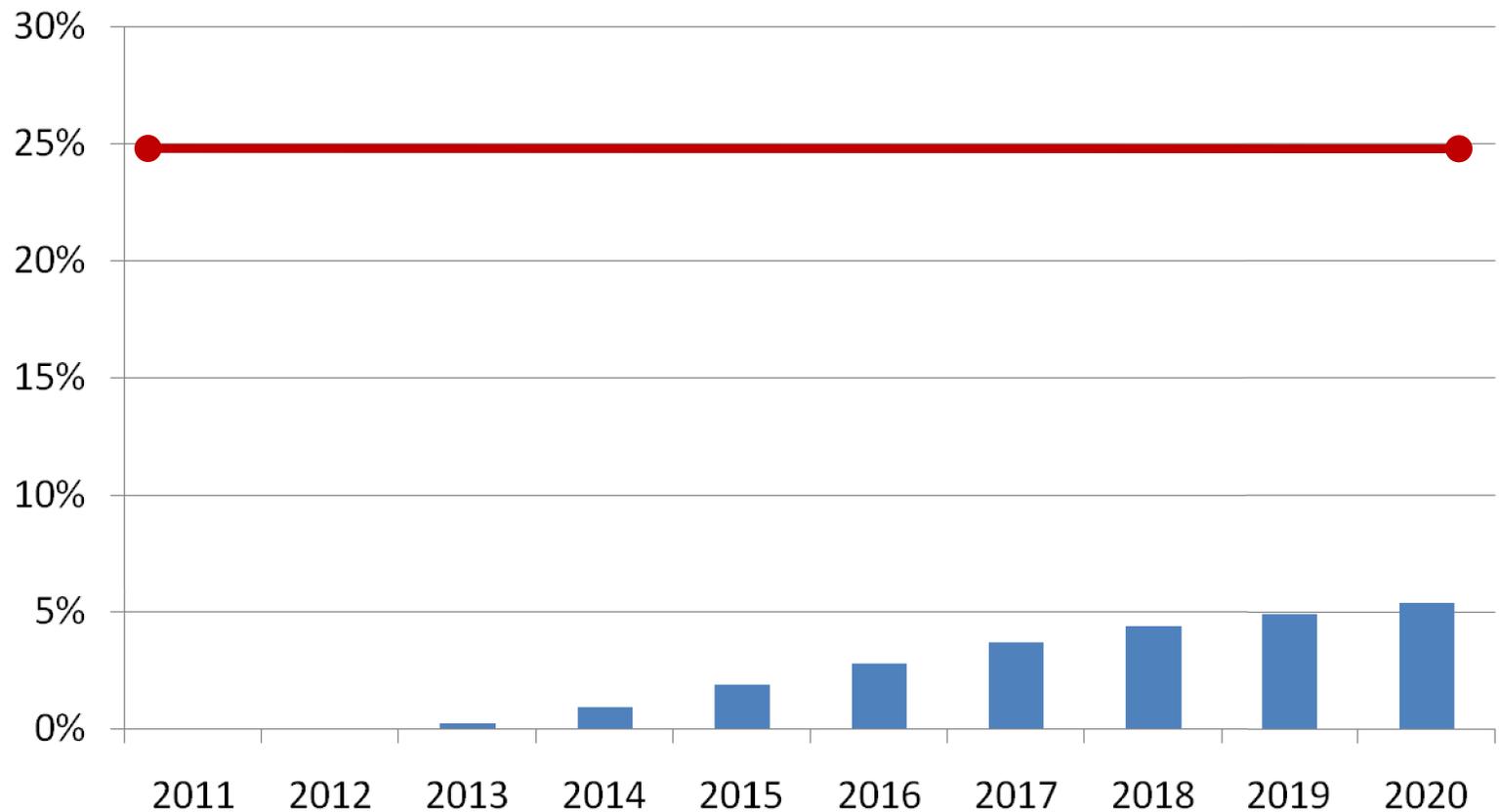


## Comparison of Tax Rate Increase, Required to Fund Debt and Annual Infrastructure Levy





## Measuring Provincial Debt Repayment Limit of 25% of Net Revenue Fund Revenues\*



\*Forecast of Net Revenues Fund revenues based on 2009 inflated at 4% per year

2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada



## Unfunded Capital Totalling \$432 million

	\$ Millions
• Growth related projects	\$180
– Insufficient DC's	
• Estimated Lifecycle Replacement	\$252

2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada



## Budget Summary

- Balance between delivering existing services & adding new ones
- Business Plan and Budget designed to allow Council to delete, add, speed up or defer individual initiatives

2011-2014

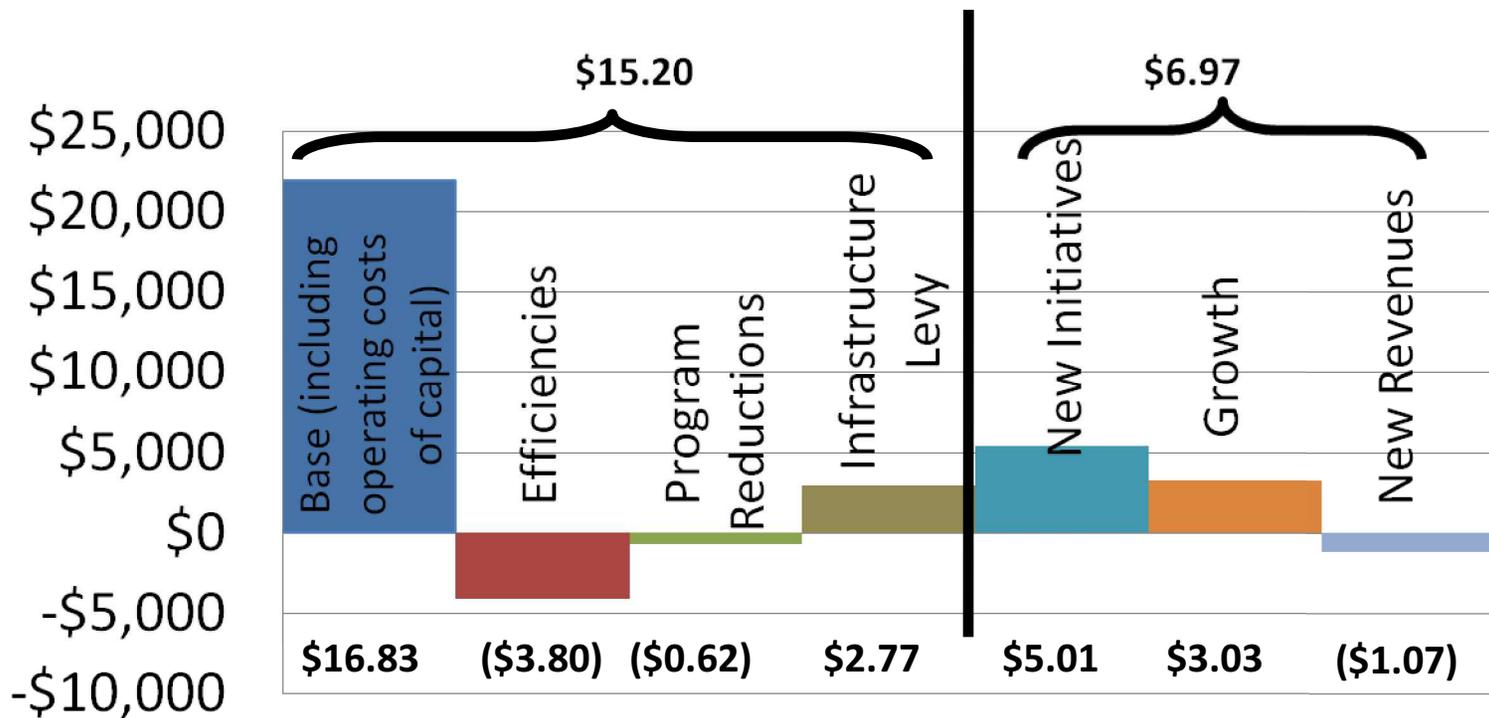
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City of Mississauga, Ontario, Canada



## Summary of 2011 Change Increase on Total Tax Bill 2.24%\*

(\$22.17 Increase on \$100,000 of Residential Assessment)

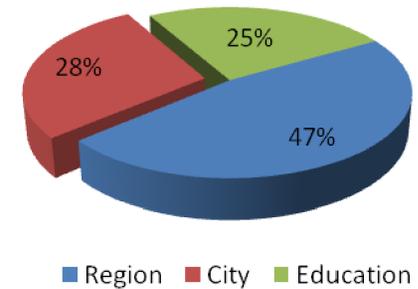


Numbers may not add due to rounding  
\*8.0% City Tax Increase



## 2011 Total Increase in Residential Tax Bill (assumes a 2.5% Region of Peel Increase)

		Impact on Total Tax Bill
City - Operating	6.99%	1.96%
City Infrastructure	1.00%	<u>0.28%</u>
<b>City Total</b>		<b>2.24%</b>
Regional Increase	2.50%	1.18%
Education Increase	0.00%	<u>0.00%</u>
<b>Total</b>		<b>3.42%</b>



2011 Impact on Tax Bill by Assessment	\$100,000	\$350,000	\$450,000	\$550,000	\$650,000
City - Operating	19.40	67.86	87.25	106.64	126.03
City - Infrastructure	<u>2.77</u>	<u>9.71</u>	<u>12.48</u>	<u>15.26</u>	<u>18.03</u>
<b>Total City Increase</b>	<b>\$ 22.17</b>	<b>\$77.57</b>	<b>\$99.73</b>	<b>\$121.90</b>	<b>\$144.06</b>
Region	<u>11.59</u>	<u>40.58</u>	<u>52.17</u>	<u>63.76</u>	<u>75.36</u>
<b>Total Base Impact on Tax Bill</b>	<b>\$33.76</b>	<b>\$ 118.15</b>	<b>\$151.90</b>	<b>\$185.66</b>	<b>\$219.42</b>

# Changes to 2011 to 2014 Business Plan and Budget Book

	Contents:
Volume 1	<ul style="list-style-type: none"> <li>•City-wide and service business plans</li> <li>•Budget Overview</li> <li>•Reserve and Reserve Funds</li> <li>•City Policies and Statistics</li> </ul>
Volume 2	Detailed appendices related to: <ul style="list-style-type: none"> <li>•Operating</li> <li>•Details for program change forms – split by service</li> <li>•Full Time Equivalents 2010 to 2014, by service</li> <li>•Capital details – 2011 and 10 years</li> <li>•Unfunded capital</li> <li>•Reserve and Reserve Fund Transfers</li> </ul>



# Next Steps

Date	
December 13th	Financial Overview Presentation
January 7th	Delivery of 2011
January 12th	Public Open House
January 17 <sup>th</sup> /18 <sup>th</sup> /24 <sup>th</sup>	Service Presentations
January 25th	Public deputations
January 31 <sup>st</sup>	Follow up
February 1st	Follow and Final recommendations
February 9 <sup>th</sup>	Final budget approval by Council



2011-2014

# Business Plan & Budget

City of Mississauga, Ontario, Canada

## Questions

