

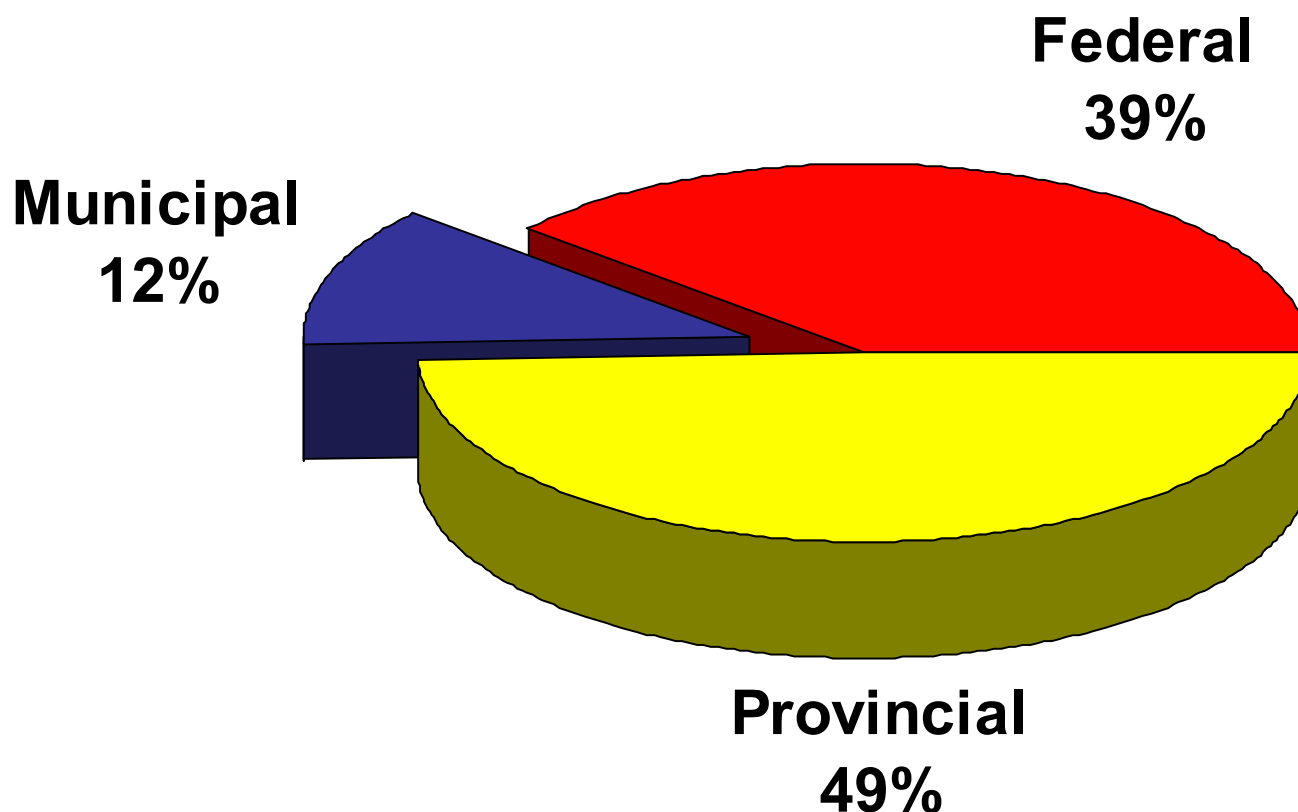
# 2010 Business Plan and Budget Update

Budget Committee  
December 7, 2009

# Overview

- Business Plan and Budget Update
- 2010 Operating Budget Overview
- Capital Budget Highlights and Financing Plan
- Tax Increase and Impacts
- Next Steps

# Municipalities Share of Total Canadian Taxes

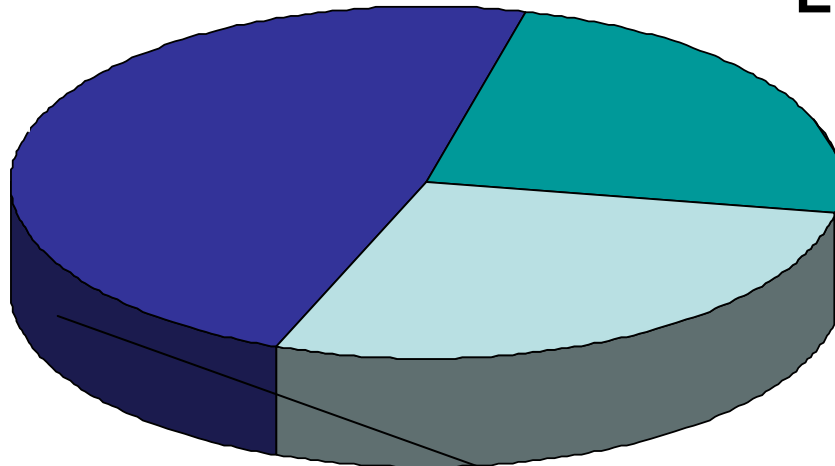


Source: Conference Board of Canada  
10 year average, 1995-2005, excluding transfers to  
other levels of government

# Municipalities Share of Total Canadian Taxes

Peel, 48%

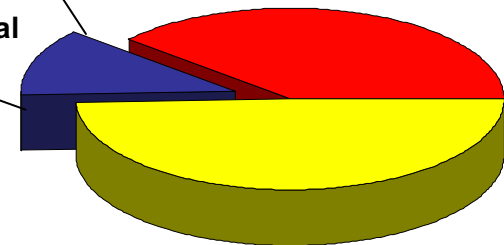
Education,  
24%



Mississauga,  
28%

Municipal  
12%

Federal  
39%



Provincial  
49%

# 2010 Budget Process

Date	Description
March	Recap of 2009 and 2010 Business Plan and Budget Process
June 9 <sup>th</sup> & 16 <sup>th</sup>	Preliminary overview of 2010 Updated Budget and Budget Reduction Options – Lots decided
July – Sept	Departments prepare detailed Budgets
Sept - Oct	Follow up on 2010 Operating Budget and reductions
November	Detailed Services presentations & capital program and financing plan
December	2010 Updated Business Plan and Budget Book distribution and Final Budget Deliberations
January	Final Budget Approval

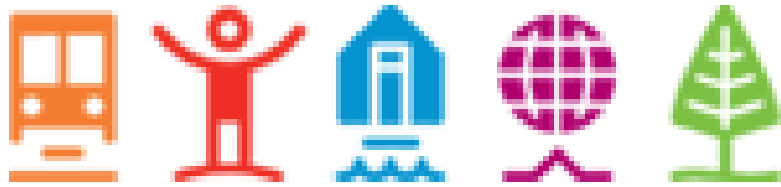
# Recap of City Tax Rate Increase Total 2.2%

	City Tax Rate Impact
Proposed as at Nov. 9 <sup>th</sup> Budget Committee	2.0%
Approved Pilot Windrow Snow Clearing Program	<u>0.2%</u>
<b>Total Increase</b>	<b>2.2%</b>

# 2010 Business Plan & Budget

- Delivers on Strategic Plan Priorities
- Implements Master Plans
- Maintains and enhances some services
- Fiscally responsible
- Economic Impacts buffered by reserve funding
  - short term measure

# Strategic Pillars for Change



Our Future  
Mississauga

Continuous Improvement  
and Tax Rate Management

State of  
Good Repair

move  
belong  
connect  
prosper  
green



# Business Plan Update – Achievements in 2009

- Strategic Plan, “Our Future Mississauga”
- Central Parkway Transit Campus
- Culture Master Plan
- Approval of \$104 million in Federal and Provincial ISF/RInC funding
- “Active Assist” fee assistance program
- Youth and Older Adult Recreation Plans
- New Development Charges By-law



# Business Plan Update – Highlights of Ongoing Initiatives

- Bus Rapid Transitway
- Hurontario and Dundas Corridor studies
- Garry W. Morden Fire Training Centre
- Implementation of Youth and Older Adults Recreation Plan
- “Future Directions” Recreation, Parks & Library Master Plan
- Port Credit Arena



# Business Plan Update – Highlights of New Initiatives

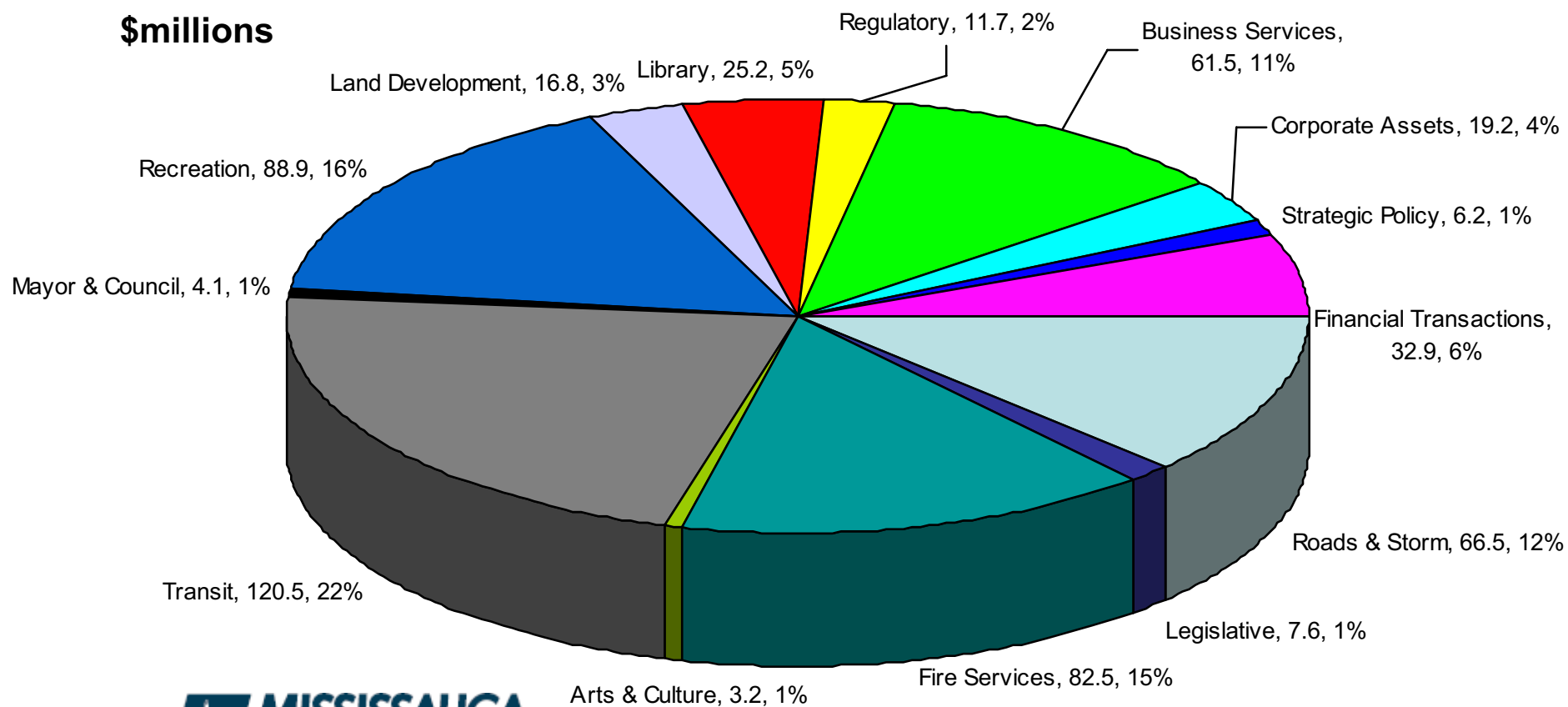
- Sheridan College downtown Mississauga campus
- Pilot windrow clearing program
  - seniors and people with disabilities
- Construction of 138 ISF and RInC funded projects



# 2010 Operating Budget Overview

# 2010 Operating Budget Expenditures by Service

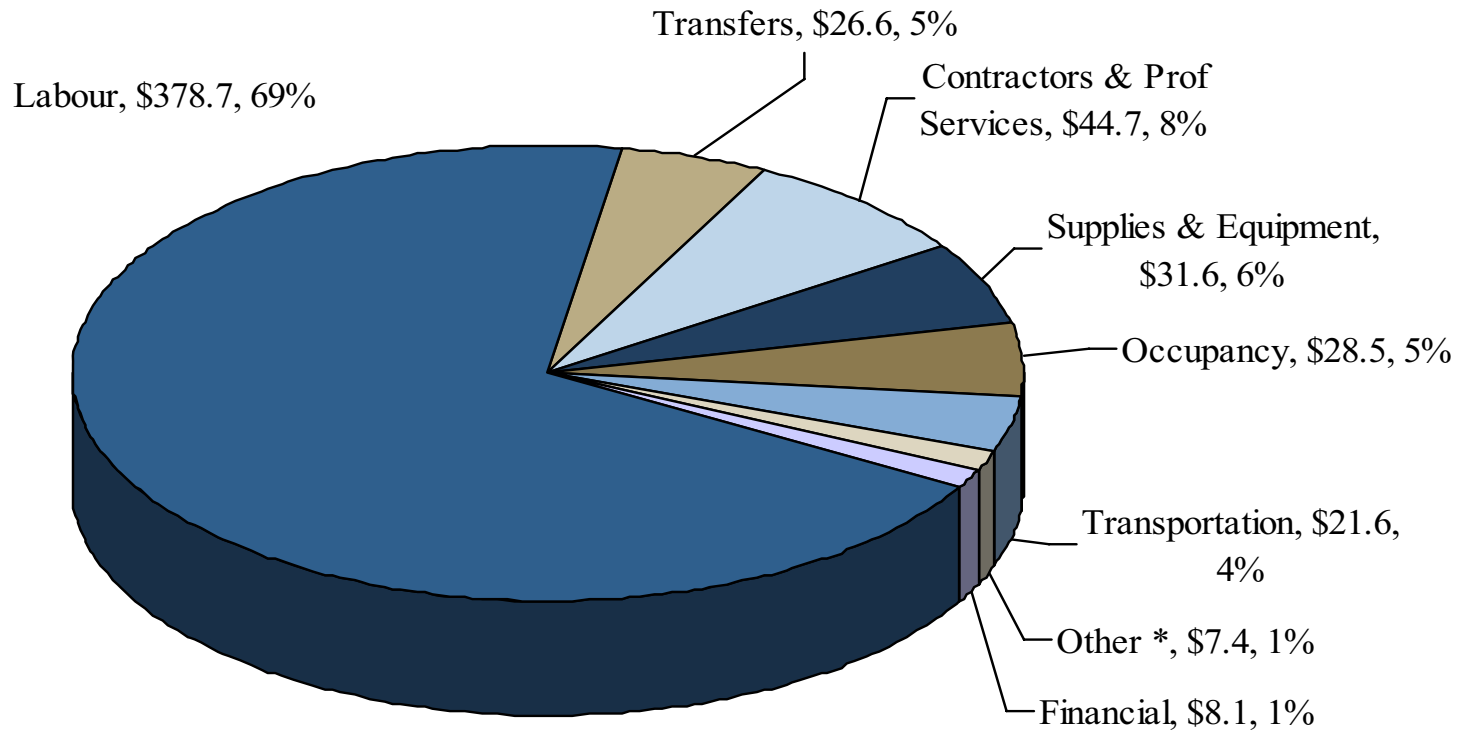
Total Expenditures \$546.9 million



# 2010 Operating Budget

## Expenditures by Type

Total Expenditures \$546.9 million

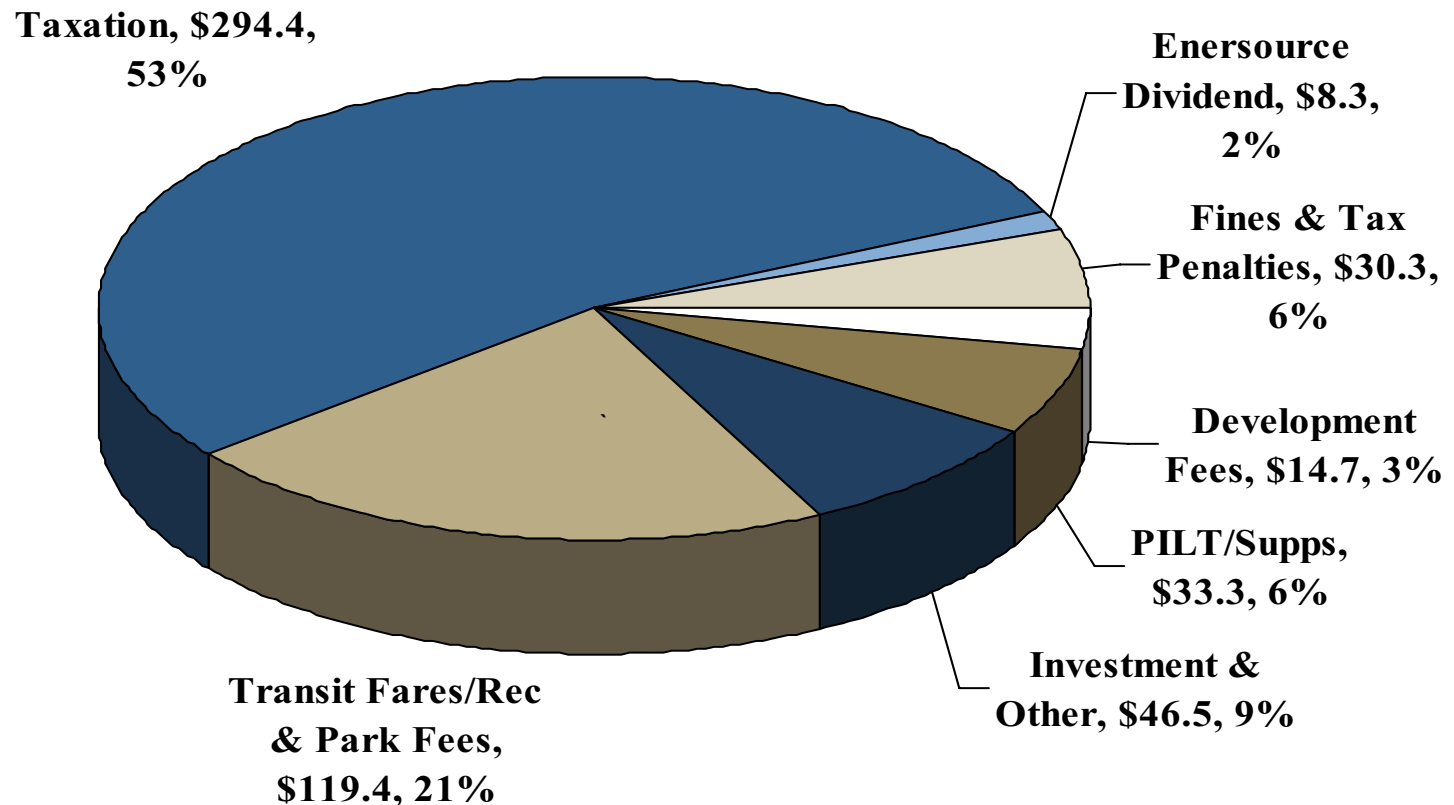


\*Other includes Staff Development, Communications, Advertising and Promotions

# 2010 Operating Budget

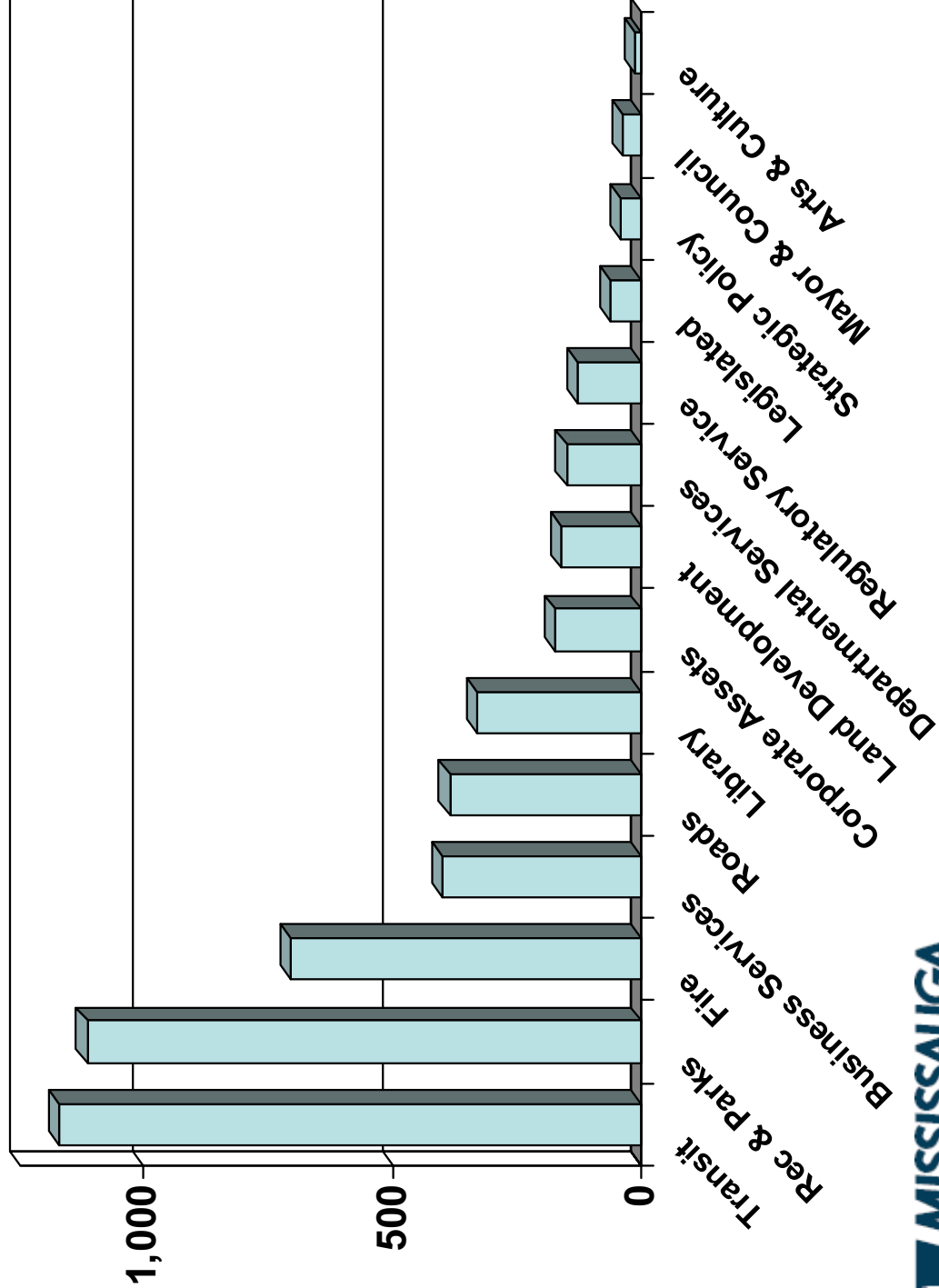
## Sources of Funding

Total Revenues \$546.9 million



# 2010 Full Time Equivalents (FTE's)

## Total 4,884





# On-going Economic Uncertainty....Budget not without Risks



Bank posts \$3.6 billion profit  
but loan losses remain high

Pension plan returns show  
improvement in third quarter

September retail sales  
fall less than expected

## Restraint looms for Ontario

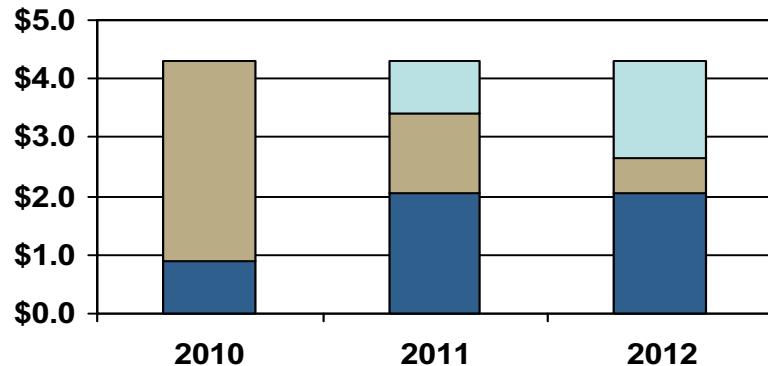
# Budget Challenges

- Revenue Shortfalls
- Cost Pressures for Ongoing Services
- Service Improvements
- Infrastructure Needs

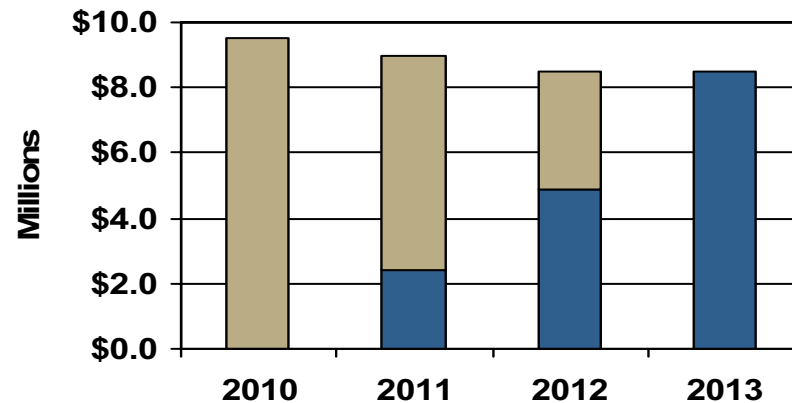
# Revenue Shortfalls

## Phase In of Tax Funding

**Land Development Service Revenues  
Phase In of Tax Funding**



**Transit Fare Revenue  
Phase In of Tax Funding**



Reserve funding of \$12.9 million required

= Funded from Reserves    
  = Incorporated into Tax rate    
  = Reduced expenses or increased revenues

# Highlights of Cost Pressures for Ongoing Services - Total \$11.4 million

	Millions
Labour pressures, based on \$367 million 2009 Budget	\$12.7
Reduced transit revenues	\$4.2
Contract Increases	\$1.4
Reduced Transit diesel fuel costs	(\$4.2)
Increased Payments in Lieu of Taxes – GTAA	(\$0.5)
Increased Enersource Dividends	(\$0.3)
Increased POA Revenues	(\$0.2)

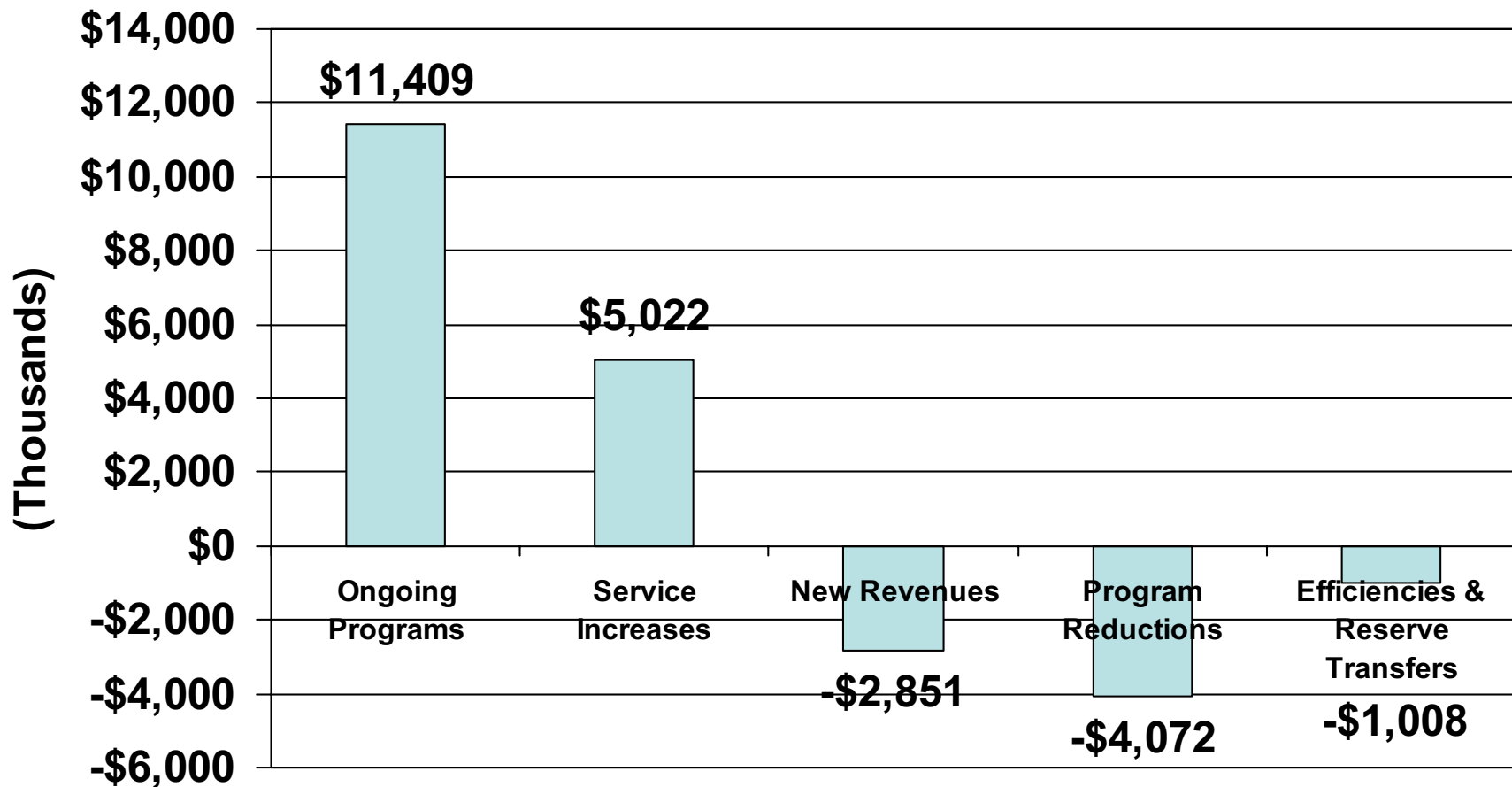
# Highlights of New/Enhanced Services

## Total \$5.0 million

	Millions	City Tax Rate Impact
2010 Growth Ridership Strategy (GRS)	\$2.1	0.0%*
Winter Maintenance - Transit priority routes	\$1.3	0.5%
Winter Maintenance - Windrow clearing for seniors and disabled people	\$0.5	0.2%
Parkland growth	\$0.4	0.1%

\* Funded by Provincial Gas Tax  
 1% tax increase = \$2.8 million

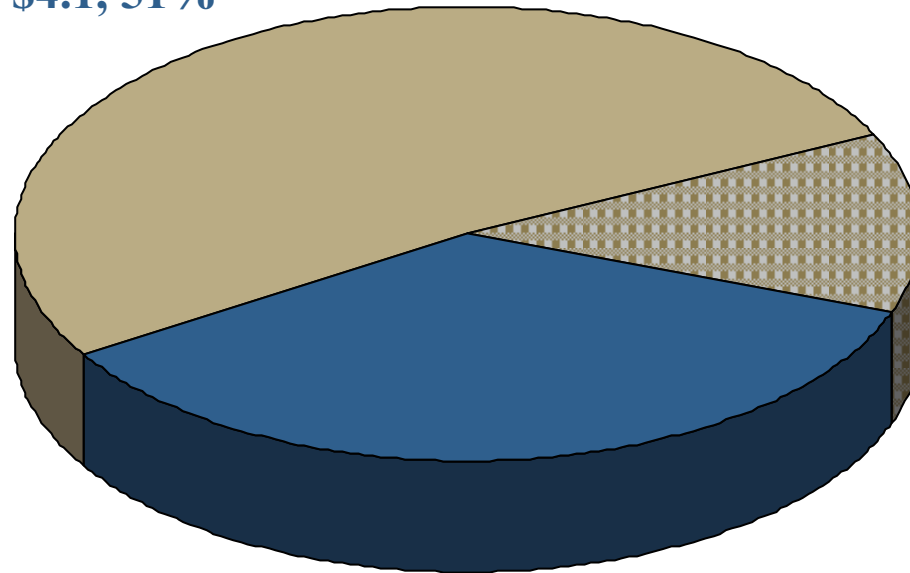
# Summary of 2010 Budget Changes



# 2010 Budget Reductions

## \$ 7.9 Million

**Program  
Reductions,  
\$4.1, 51%**



**Efficiencies,  
\$1.0, 13%**

**New  
Revenues,  
\$2.8, 36%**

# Highlights of Reductions

## \$7.9 million

	Millions	City Tax Rate Impact
Additional Provincial Gas Tax revenues	\$2.4	(0.86%)
15 various initiatives	\$1.3	(0.46%)
Additional parking revenues	\$0.7	(0.25%)
New mortgage administration fee	\$0.4	(0.14%)
Reduction in Professional Services	\$0.5	(0.18%)
Cut low performing transit routes	\$0.3	(0.11%)
Curtail Spring and Fall parks clean ups	\$0.2	(0.07%)

1% tax increase = \$2.8 million



# Program Changes by Service

## Summary by Service

Description	Program Additions	New Revenues	Program Reduction	Efficiencies	Total
Roads, Storm Drainage & Watercourses	2,075,000	(695,000)	(586,100)	(300)	793,600
Fire & Emergency Services	-	(101,500)	(10,900)	-	(112,400)
Transit	2,149,200	(1,442,100)	(1,289,100)	(6,100)	(588,100)
Recreation & Parks	654,100	-	(319,500)	(122,200)	212,400
Land Development Services	-	(74,700)	(866,800)	-	(941,500)
Legislative Services	-	(16,500)	(134,700)	(200)	(151,400)
Library Services	-	-	(1,600)	-	(1,600)
Arts & Culture	-	-	(6,000)	-	(6,000)
Regulatory	(5,900)	(24,000)	-	(7,200)	(37,100)
Strategic Policy	105,000	-	(171,300)	-	(66,300)
Business Services and Corporate Assets	25,000	(447,500)	(659,000)	(19,600)	(1,101,100)
Council	-	-	(27,300)	(300)	(27,600)
Financial Transactions	20,000	(50,000)	-	(852,000)	(882,000)
<b>Total - City-wide</b>	<b>5,022,400</b>	<b>(2,851,300)</b>	<b>(4,072,300)</b>	<b>(1,007,900)</b>	<b>(2,909,100)</b>

# 2010 Tax Rate Increase by Service Area

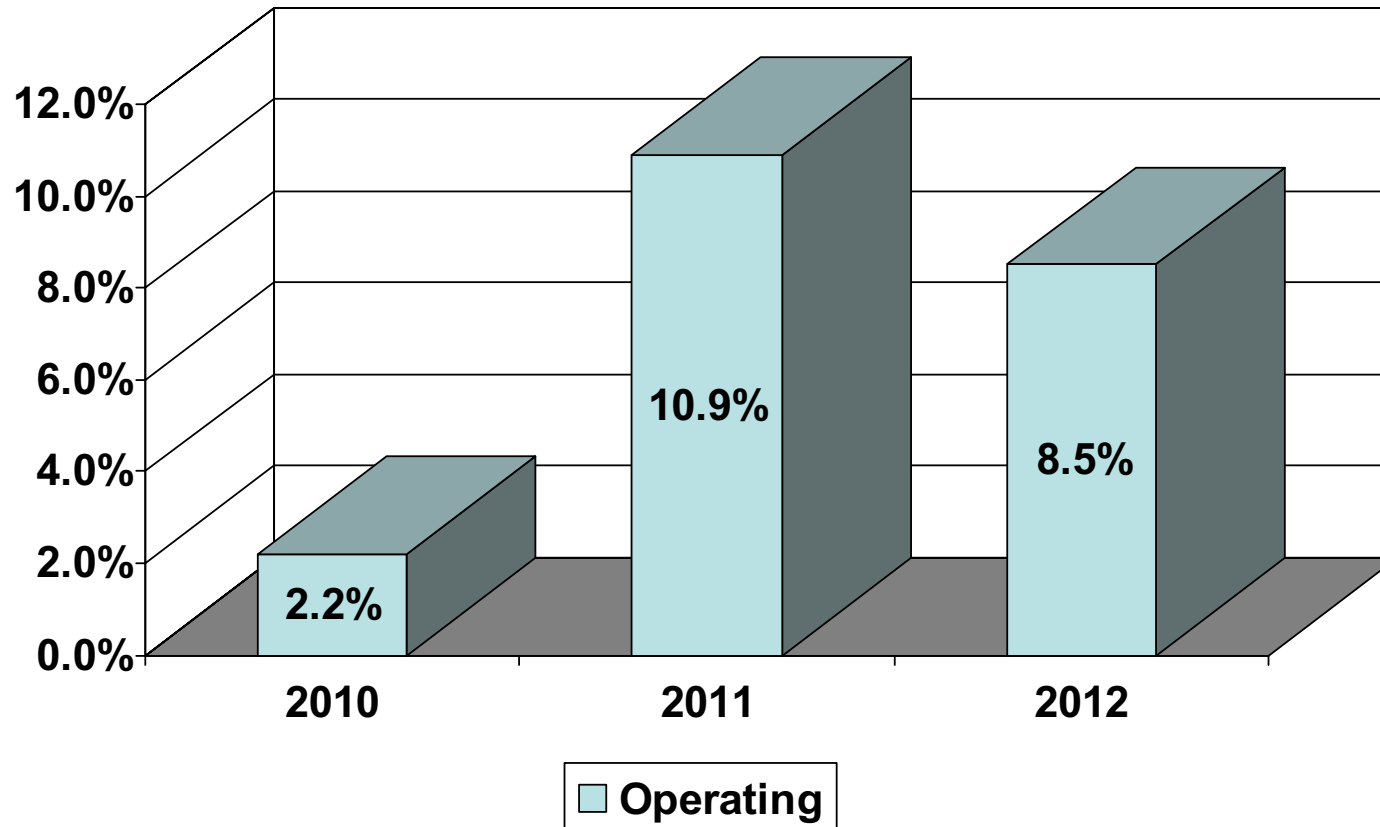
Service Area	2009 Net Budget (\$ 000's)	2010 Net Budget (\$ 000's)	2010 Increase (\$ 000's)	2010 City Tax Rate Increase	Impact on Total 2010 Tax Bill
Roads, Storm Drainage & Watercourses	58,188	60,787	2,599	0.7%	0.2%
Fire	78,692	81,706	3,014	1.1%	0.3%
Transit	38,297	39,128	831	0.3%	0.1%
Recreation & Parks	42,928	44,404	1,476	0.5%	0.1%
Corporate Assets	17,838	18,337	500	0.2%	0.0%
Business Services	42,085	43,520	1,435	0.5%	0.1%
Land Development	4,088	4,783	694	0.2%	0.1%
Legislated	-1,450	-1,696	-245	-0.1%	0.0%
Library	23,482	24,129	647	0.2%	0.1%
Arts & Culture	2,630	2,684	55	0.0%	0.0%
Mayor & Council	3,955	4,068	114	0.0%	0.0%
Regulatory	479	836	357	0.1%	0.0%
Departmental Support Services	-128	0	128	0.0%	0.0%
Strategic Policy	4,660	4,755	95	0.0%	0.0%
Financial Transactions	-29,806	-33,010	-3,204	-1.1%	-0.3%
<b>Subtotal</b>	<b>285,937</b>	<b>294,431</b>	<b>8,494</b>	<b>2.8%</b>	<b>0.8%</b>
Less: Assessment Growth				-0.8%	-0.2%
<b>Tax Rate Increase (excluding Windrow Service)</b>				<b>2.0%</b>	<b>0.56%</b>
<b>New Windrow Snow Clearing Pilot Project</b>				<b>0.2%</b>	<b>0.06%</b>
<b>Total Tax Bill Impacts - (Residential)</b>				<b>0.62%</b>	

# Options Under Consideration

Not included in the 2010 Budget

	\$	City Tax Rate Impact
Tax Rebate Program for low income Senior and Disabled People	\$364,000	0.13%
Library Sunday Closures	Up to \$279,400	Up to 0.10%
Forestry Maintenance Backlog	Up to \$780,000	Up to 0.28%

# City Tax Rate Increase 2011-2012 Forecast



# 2010-2019 Capital Overview

# What Is 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 from this generation
- Current taxpayers do not bear all the burden of funding items that will benefit future taxpayers – debt is reasonable
- Council's highest priority programs (both capital and operating) can be maintained

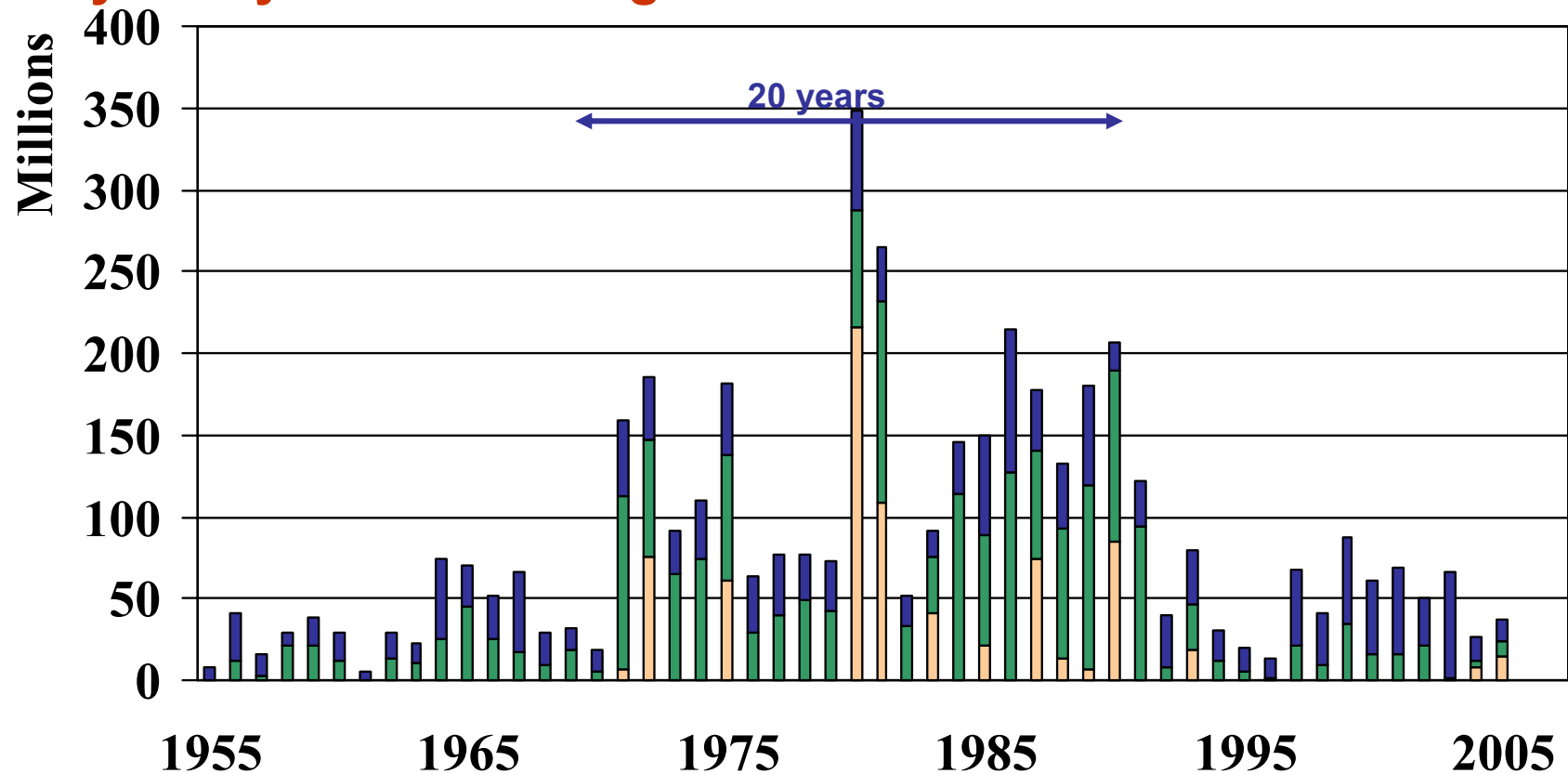
# Our Reputation



**Assets not sustainable at these standards given current funding levels...**

# Estimated replacement cost by year of roads built from 1955-2005

30 year cycle means high re-investments in 2010 to 2030

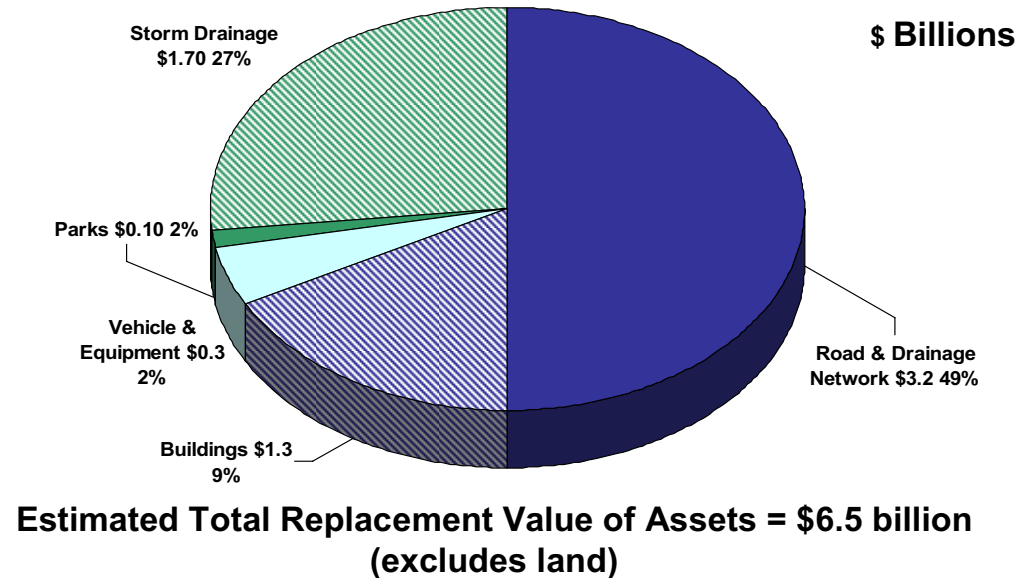




# Mississauga's Infrastructure Investment

- Inventory of assets shows historical value of \$2.2 billion\*
- Replacement est. \$6.5 billion \*
- Preliminary Annual Depreciation expense from PSAB - \$86 Million
  - based on historical value
  - true lifecycle costing much higher

Where is Mississauga's Infrastructure Today?

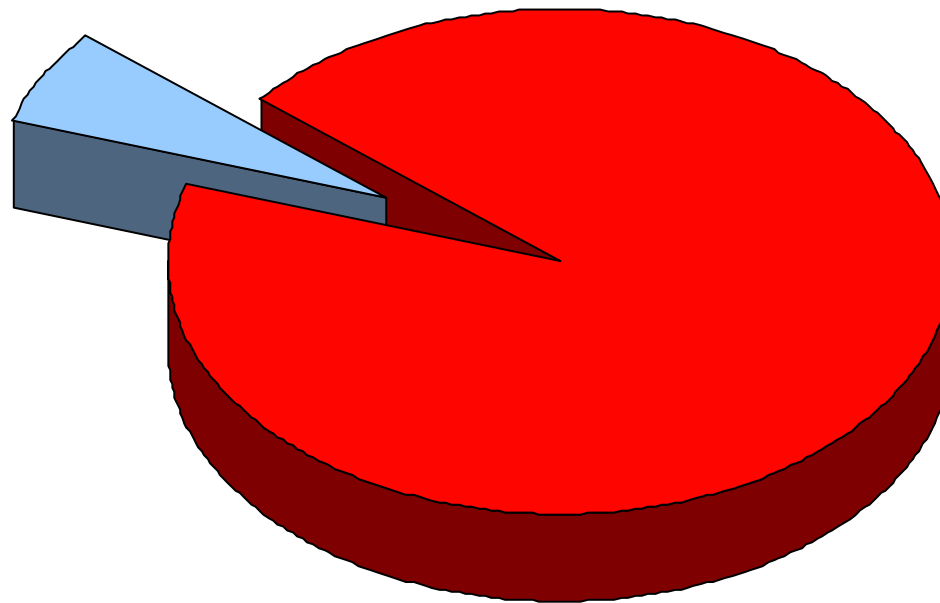


\* excluding land

# Infrastructure Deficit Remaining After 1% City Infrastructure Levy (20 year Average Annual Gap)

Cumulative Infrastructure  
Levy \$5.2 million

\$86 million  
Annual  
Infrastructure  
Deficit



Remaining  
Infrastructure  
Deficit  
\$80.8 million

# Transfer to Capital

## Preliminary Information

City	Capital Transfer (millions)	Future Levy	Pop. (000)	Transfer per Capita
Toronto**	\$213.4**	%0.8 per year	2,810	\$75.94
Hamilton**	\$34.9	0% - 0.5% in 2010	508	\$69.8
Peel**	\$73	1% per year	1,199	\$60.88
Mississauga	\$18.7	1% per year plus debt	700	\$26.70
Brampton	\$26.75	Add'l \$1m in 2010	487	\$54.93
Oakville	\$21	2% per year (includes debt charges)	173	\$121.40
Burlington	\$12.3	1.4% to 2.9% for 2010 to 2013	165	\$74.55
Markham**	\$22.4	3 <sup>rd</sup> year of 10 year increase	262	\$85.50

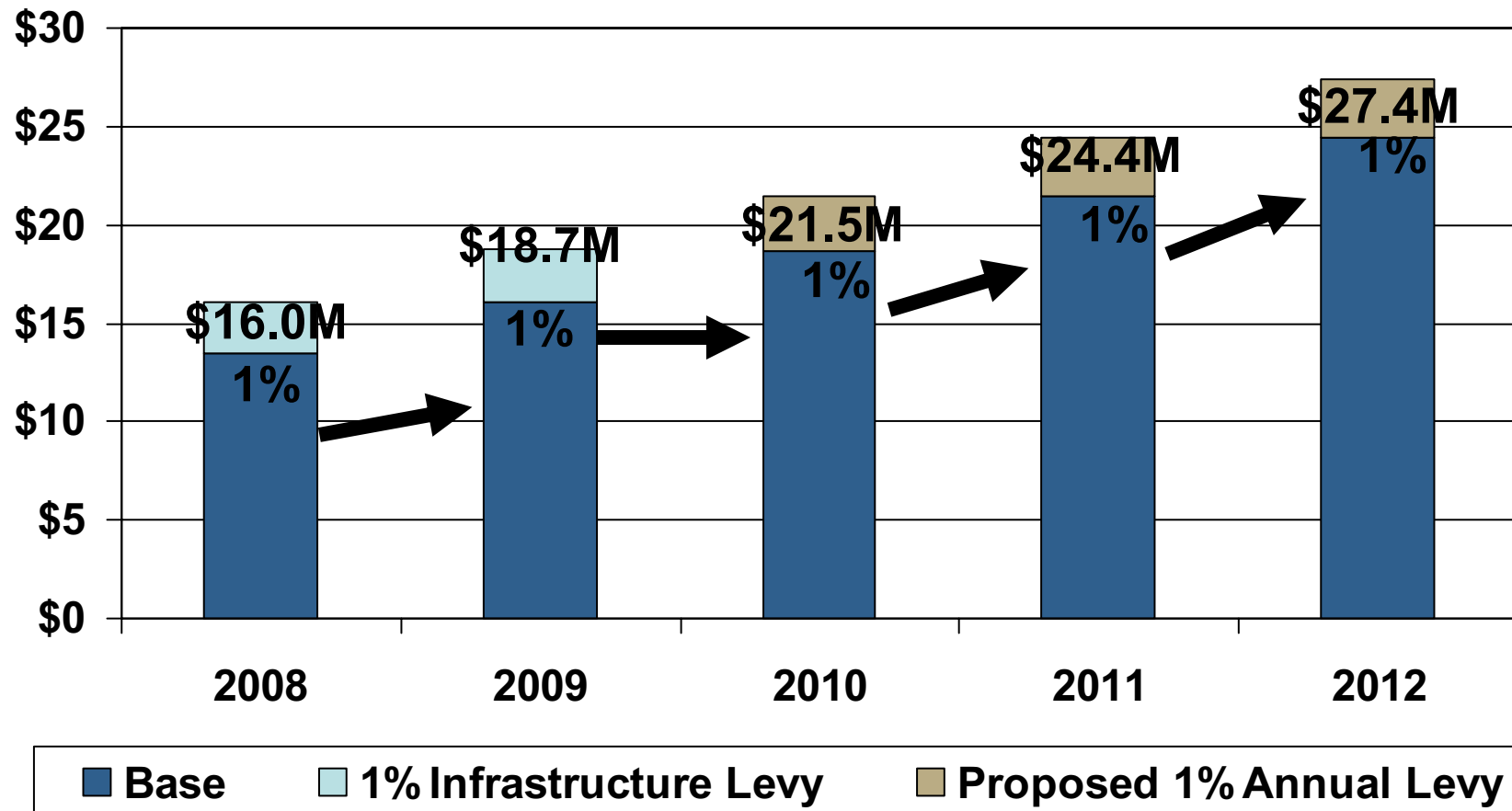
**Combined with Peel**

→ **\$87.58**

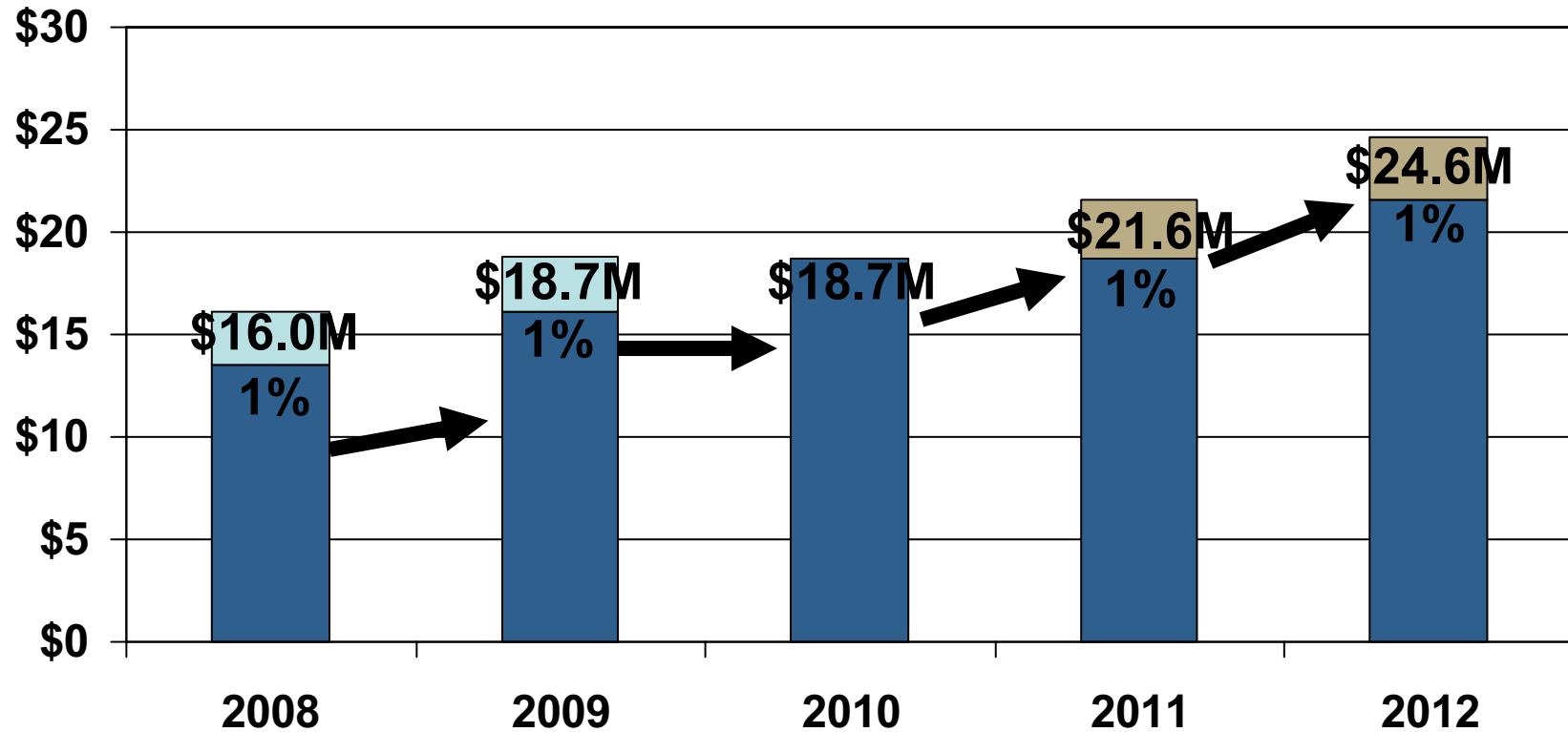
→ **\$115.81**

\*\* excludes water and waste water

# Impact of Proposed Annual Infrastructure Levy Increases 2008 - 2012



# Impact of Proposed Annual Infrastructure Levy Increases 2008 - 2012



■ Base    ■ 1% Infrastructure Levy    ■ Proposed 1% Annual Levy

# Infrastructure Levy Option

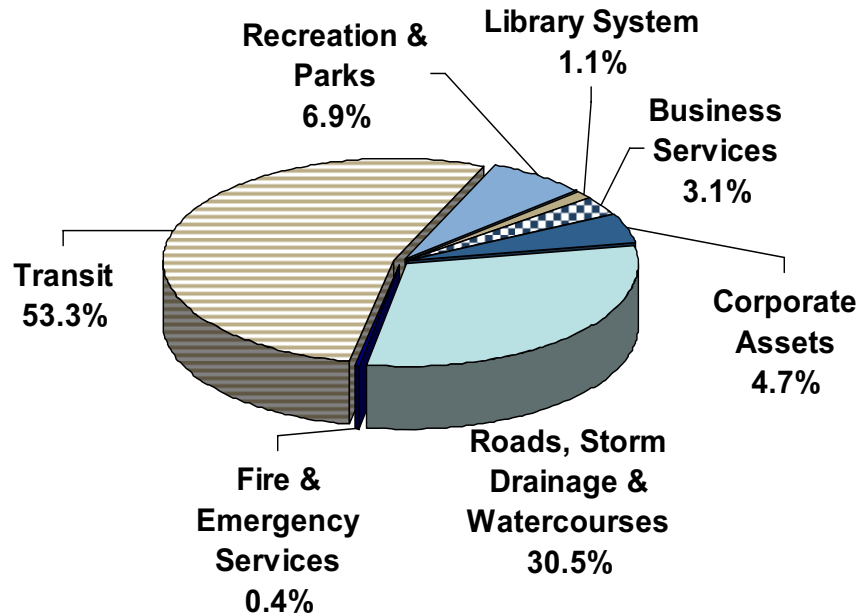
(not in tax rate)

- Option for Budget Committee to consider
- 1% levy in 2010 will generate additional \$28 million over ten years
- 0.28% increase on total tax bill

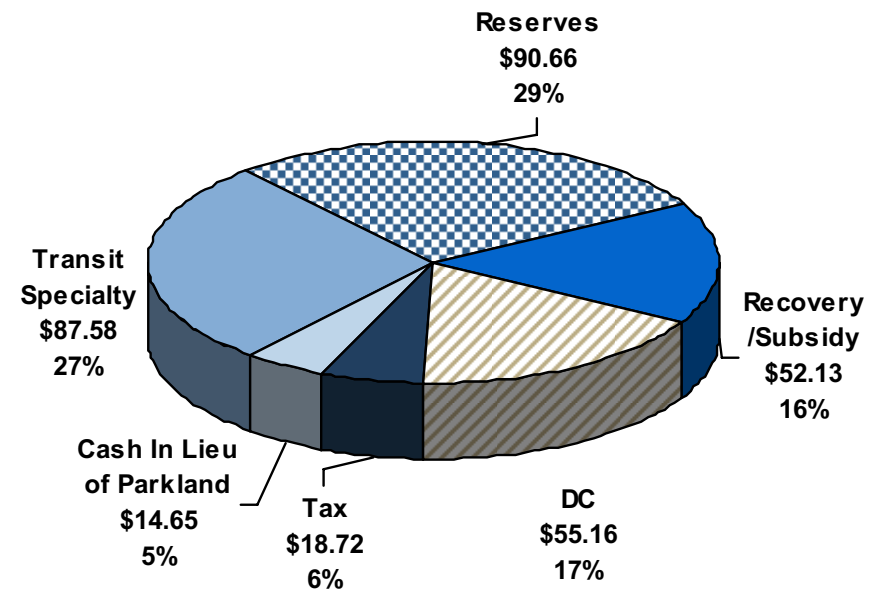
# 2010 Gross Capital Expenditures and Funding Sources

## Total \$319 Million

### Expenditures by Service



### Revenues



### Funding Source

# 2010 Capital Highlights

## Total \$319 million

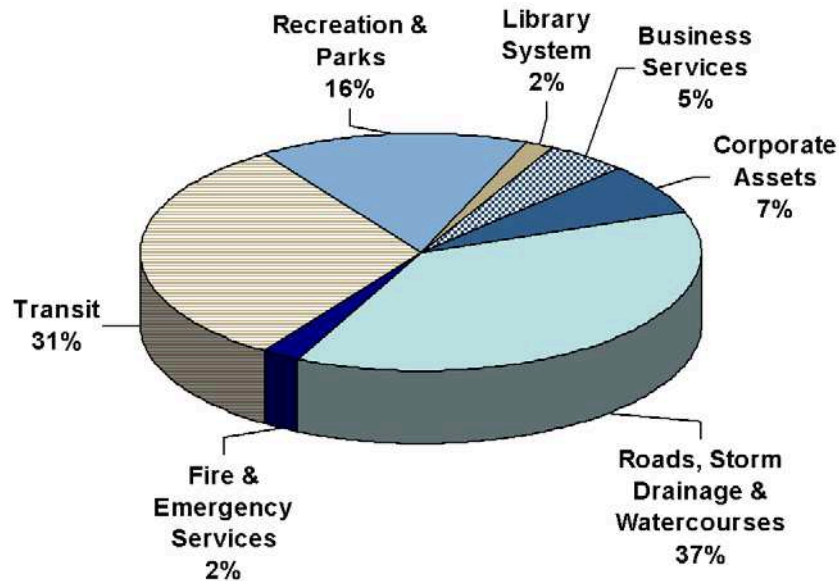
	<u>Millions</u>
Bus Rapid Transit (BRT)	\$105.4
Major roads and bridge related work	\$37.3
Road rehabilitation	\$21.5
Storm drainage	\$12.9
Port Credit Arena rehabilitation	\$10.0
Various City Facilities	\$9.0



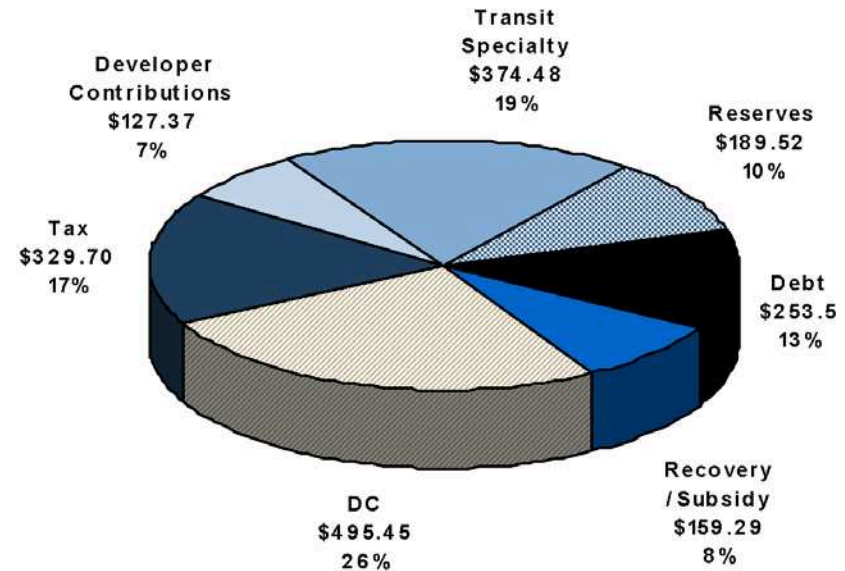
# 2010 to 2019 Gross Capital Expenditures and Funding Sources

## Total \$1.9 Billion

### Expenditures by Service



### Funding Source



uninflated

# 2010 - 2019 Capital Highlights

## Total \$1.9 billion

Millions

Road rehabilitation	\$212.4
New and replacement buses	\$211.6
Bus Rapid Transit (BRT)	\$180.0
Parkland Acquisition and Development	\$123.8
Storm Drainage	\$112.5
Renovation of major Community Centres and Facilities	\$52.2
Grade Separations	\$42.3

# 2010 -2019 Unfunded Highlights

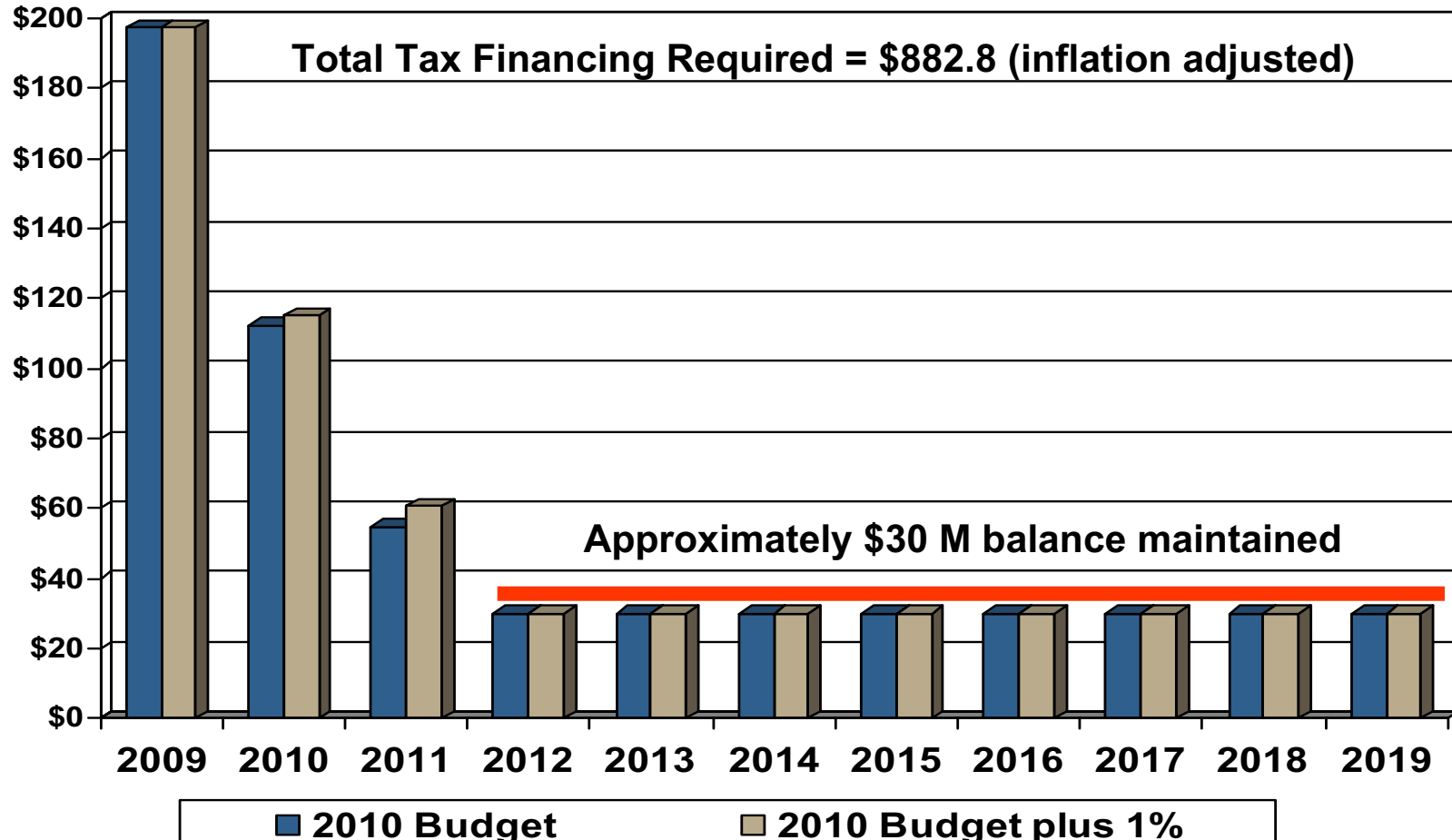
## – Total \$308 million

### Tax Unfunded

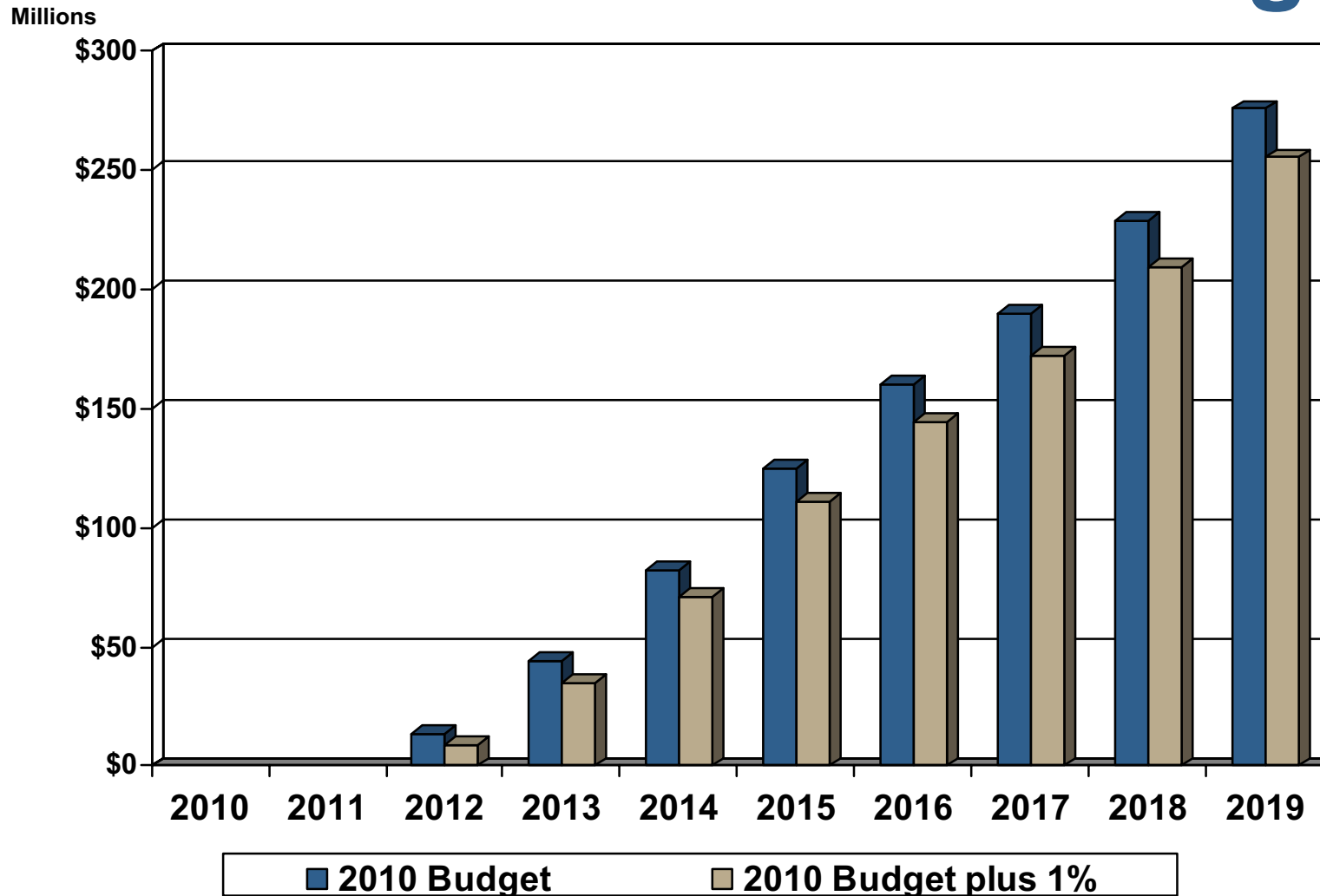
- F&PM Asset Replacement - \$61.6m
- BRT Cost Increase - \$52.5m
- Bridge Maintenance - \$23.6m
- Road Rehabilitation - \$43.5m
- Parks/ Sports Field Maintenance - \$30.0m
- Parkland Redevelopment - \$22.9m
- Recreation Facilities Renovations - \$24m
  - Malton Arena, Indoor and Outdoor Pools, Museum Collection Facility
- Fire Station Renovations - \$7.9m
- Noise Walls Rehabilitation - \$5.1m

# Taxed Based Capital Reserve Fund Balances

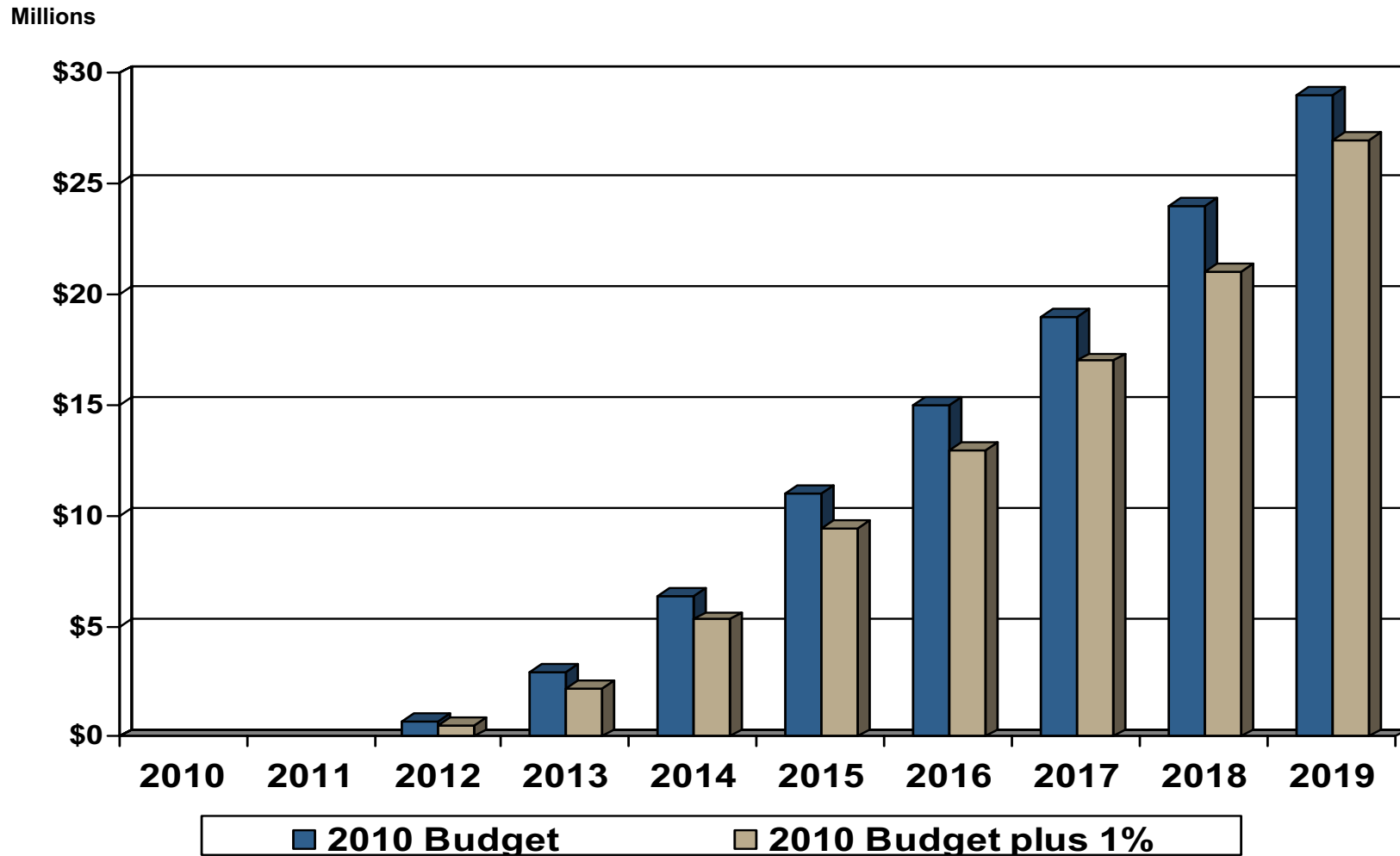
Millions



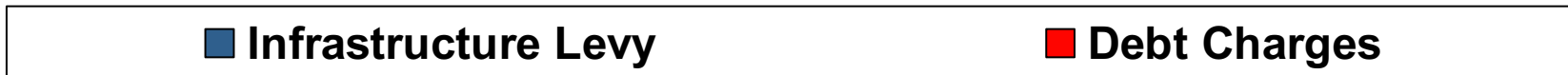
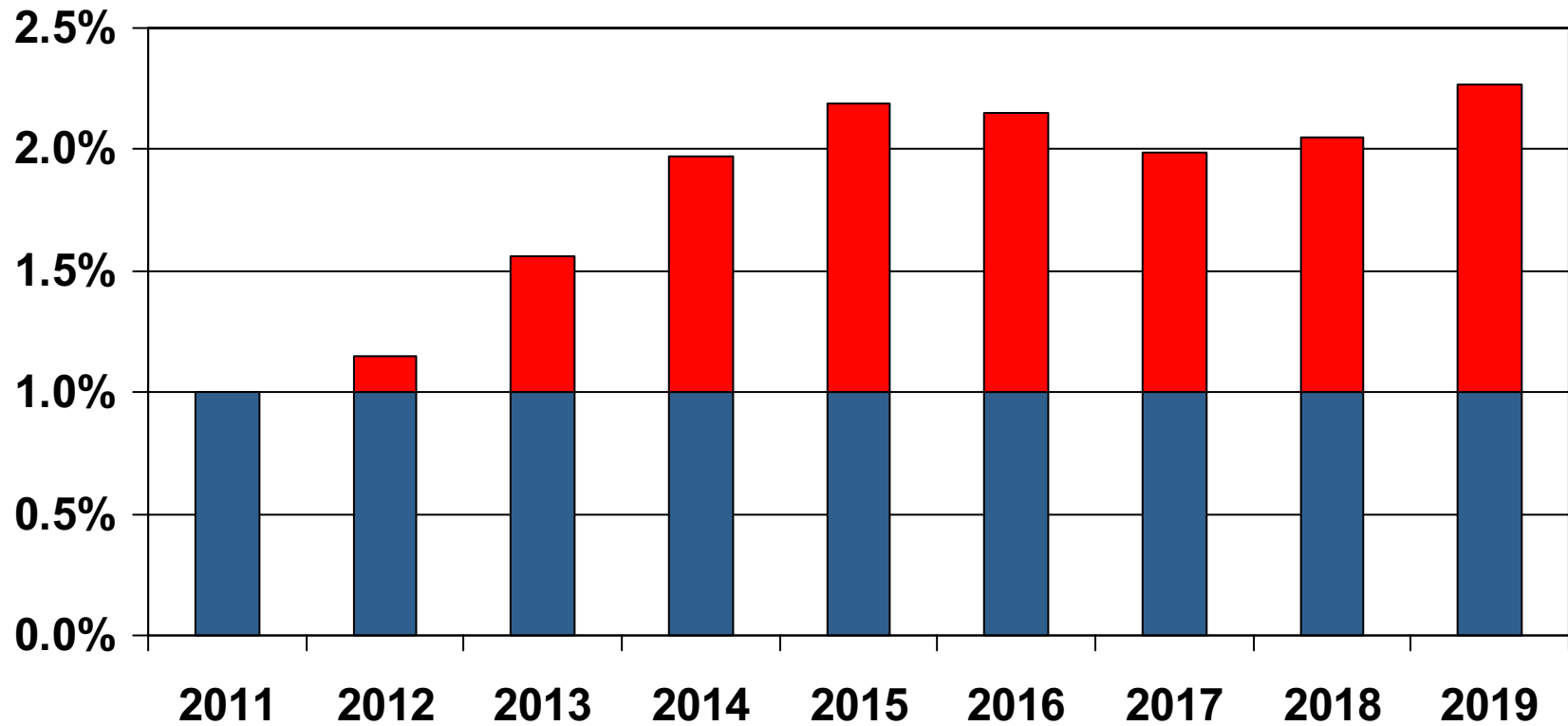
# Total Debt Outstanding



# Cumulative Annual Debt Charges



# Forecast Tax Rate Increase Required for Capital 2011 to 2019



# Increase in Tax Rate

	City Tax Increase	Impact on Total Tax Bill		
		Residential	Commercial	Industrial
Proposed as at Nov. 9 <sup>th</sup> Budget Committee	2.0%	0.56%	0.32%	0.31%
Approved pilot windrow Snow clearing program	<u>0.2%</u>	<u>0.06%</u>	<u>0.03%</u>	<u>0.03%</u>
<b>Total Tax Rate Increase</b>	<b>2.2%</b>	<b>0.62%</b>	<b>0.35%</b>	<b>0.34%</b>



# Options Under Consideration

Not included in the 2010 Budget

	\$	City Tax Rate Impact
Tax Rebate Program for low income Senior and Disabled People	\$364,000	0.13%
1% Infrastructure Levy	\$2,800,000	1.0%
Library Sunday Closures	Up to \$279,400	Up to 0.10%
Forestry Maintenance Backlog	Up to \$780,000	Up to 0.28%

# Impact on Total Tax Bill

	Tax Increase	Impact on Total Tax Bill		
		Residential	Commercial	Industrial
City – Operating	2.2%	0.62%	0.35%	0.34%
Region Estimate	3.5%	1.65%	0.94%	0.91%
Education Estimate	0.0%	0.00%	0.00%	0.00%
<b>Total Tax Rate Increase</b>		<b>2.27%</b>	<b>1.29%</b>	<b>1.25%</b>

# Impact of City Tax Rate Increase on Total Tax Bill

Assessment Values	Per \$100,000 of Residential assessment	Per \$100,000 of Commercial assessment	Per \$100,000 of Industrial assessment
Tax Rate Increase	2.27%	1.29%	1.25%
2009 Taxes	\$1,017.59	\$2,518.51	\$2,883.85
2010 City - Operating Increase	\$6.30	\$8.88	\$9.89
2010 Estimated Region Increase	\$16.78	\$23.66	\$26.36
2010 Estimated Education Increase	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<b>Total Increase Before Items Under Consideration</b>	<b>\$1,040.67</b>	<b>\$2,551.05</b>	<b>\$2,920.10</b>

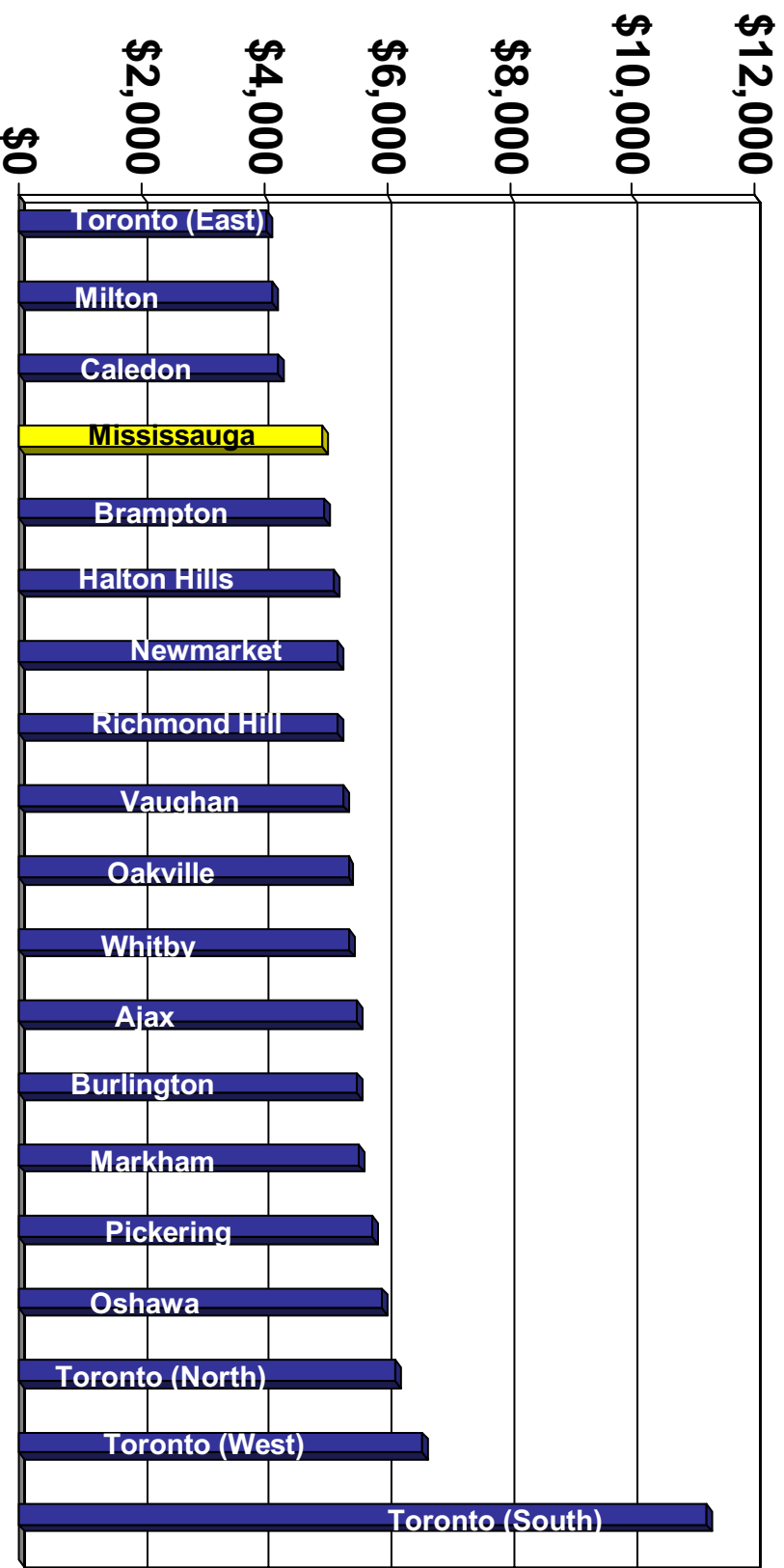
1% City tax rate increase = \$2.86 per \$100,000 of residential assessment

# Residential – Total Tax Impacts Combined City/Region/Education

Assessment Values	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
2009 Taxes	<b>\$2,544</b>	<b>\$3,053</b>	<b>\$3,562</b>	<b>\$4,071</b>	<b>\$4,579</b>	<b>\$5,088</b>
2010 Additional City - Operating - 0.62%	<b>\$16</b>	<b>\$19</b>	<b>\$22</b>	<b>\$25</b>	<b>\$28</b>	<b>\$32</b>
2010 Additional Region - 1.65%	<b>\$42</b>	<b>\$50</b>	<b>\$58</b>	<b>\$67</b>	<b>\$76</b>	<b>\$84</b>
2010 Additional Education	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Total Increase Before Items Under Consideration	<b>\$2,602</b>	<b>\$3,122</b>	<b>\$3,642</b>	<b>\$4,163</b>	<b>\$4,683</b>	<b>\$5,204</b>

•1% City tax rate increase = \$2.86 per \$100,000 of residential assessment

# 2009 Total Taxes Paid on Senior Executive Home



# Commercial – Total Tax Impacts

## Combined City/Region/Education

Assessment Values	\$500,000	\$1,500,000	\$9,500,000
2009 Taxes	\$12,593	\$37,777	\$239,258
2010 Additional City - Operating - 0.35%	\$44	\$133	\$842
2010 Additional Region - 0.94%	\$118	\$355	\$2,247
2010 Additional Education	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Increase Before Items Under Consideration	\$12,755	\$38,265	\$242,347

•1% City tax rate increase = \$4 per \$100,000 of commercial assessment

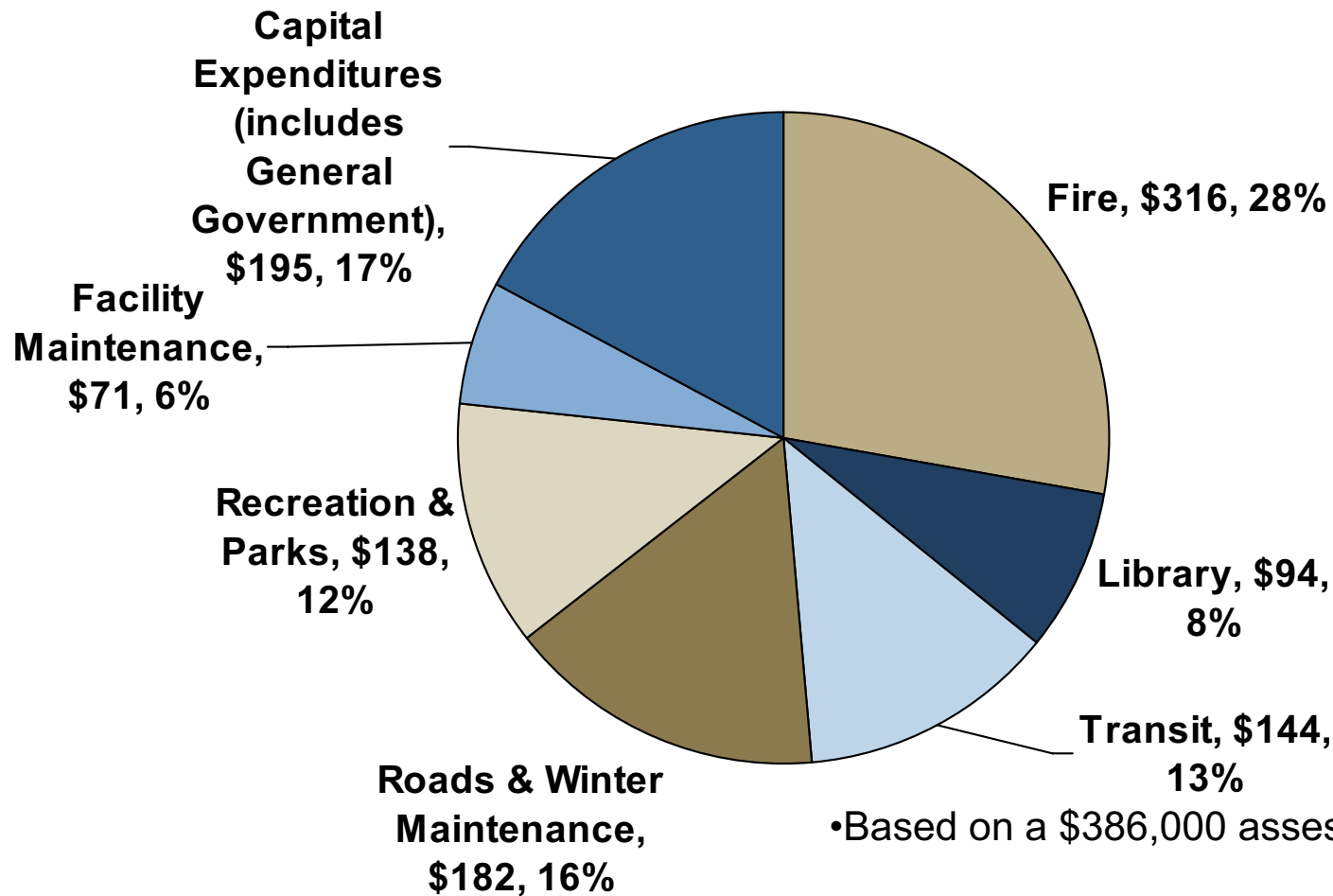
# Industrial – Total Tax Impacts

## Combined City/Region/Education

Assessment Values	\$500,000	\$1,500,000	\$9,500,000
2009 Taxes	\$14,419	\$43,258	\$273,966
2010 Additional City - Operating - 0.34%	\$49	\$147	\$929
2010 Additional Region - 0.91%	\$132	\$395	\$2,504
2010 Additional Education	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Increase Before 2010 Infrastructure Levy	\$14,600	\$43,800	\$277,399

•1% City tax rate increase = \$4.45 per \$100,000 of commercial assessment

# What \$1,140 of City Taxes Buy You? Only 28% of Total Tax Bill



•Based on a \$386,000 assessed home

•Does not include additional items under consideration



# Measures of Financial Condition

- Competitive Tax Rates
- Stable and Adequate Reserve Balances
  - Stabilization Reserves
  - Equipment/Building Replacement Reserves
  - Capital Reserves
- Reasonable and stable debt levels
- Predictable and reasonable tax and user fee increases
- Maintenance of Service Levels
- Resource allocations achieve desired outcomes
  - Strategic and Business Plans

# Summary

- Strategic Priorities
- Implements Master Plans
- Maintains service levels
- Fiscally responsible
  - enhance long term planning to become fiscally sustainable

# Next Steps

## December 7<sup>th</sup> and 8<sup>th</sup>:

- Fees & Charges
- Corporate Reports/Outstanding Issues:
  - Tax Rebate for low income seniors and disabled people
  - Additional Infrastructure Levy
  - Library Sunday Closures
  - Urban Forestry Maintenance Backlog
- Service Area Budget Reviews

- **December 14<sup>th</sup>**
  - Follow up, if required

# Questions