

Executive Summary

Introduction

“Planning today for tomorrow” was the theme for the 2009-2010 Business Plan and Budget. The 2010 Business Plan and Budget is year two of an integrated Business Plan and Budget, and continues the implementation of the major initiatives identified in 2009, as well as identifying some new initiatives. The 2010 Business plan provides the service plans and major initiatives for 13 service areas. The 2010 Budget balances priorities to meet the needs of taxpayers today and in the future, while recognizing the current economic conditions. This updated Budget and



Business plan continues to provide strong strategic direction for moving Mississauga toward a sustainable future.

Mississauga is Canada’s 6th largest city. Incorporated in 1974, the city has grown from a number of small communities surrounded by rural farmland to a large urban centre made up of distinct residential, commercial, and industrial neighbourhoods. With a growing population of more than 700,000 and a thriving business sector of over 53,500 businesses, Mississauga has positioned itself as an attractive, vibrant and desired urban centre. Mississauga has well established infrastructure, state-of-the-art facilities and high quality municipal programs and services.

Mississauga has a legacy of strong leadership, excellence in financial planning and fiscal prudence. This legacy provides a firm foundation for the City as it, like other Canadian cities, faces serious budget constraints. Revenue streams have been impacted by the recession. Planning and building fees have declined, transit ridership is down and investment returns are reduced due to record low interest rates.

City Council and staff are committed to listening to residents and ensuring their priorities are delivered including improving transit, the environment, relieving congestion and keeping infrastructure in a good state of repair. Residents have also come to expect the City to maintain service levels with the lowest possible annual tax increase. Current economic challenges require careful planning to deliver these initiatives and maintain reasonable tax rate increases. Therefore, implementation of initiatives may be slower than originally planned. Alternatives to manage tax rate increases are being pursued. In preparing the 2010 Business Plan and Budget Update, City Council and staff have worked hard to examine every option and opportunity for cost savings to ensure taxpayers receive the best value for their tax dollars. They have looked for efficiencies and opportunities to decrease costs while building a City for the 21st century.



The City has high quality infrastructure that was largely built by the development community under Mississauga's policy that "growth pays for itself". This highlights Mississauga's history of prudent financial management. While this principle remains for new growth, with aging infrastructure and declining development related revenues, the City needs sustainable long term funding from non development sources. Council has continued to lobby senior levels of government for a greater investment in public infrastructure. Sustainable long term sources of funding such as the Provincial and Federal gas tax are required for the City to adequately fund its infrastructure renewal. The City was fortunate to receive one-time funding through the Infrastructure Stimulus Fund (ISF) and received approval for 132 projects with a total cost of \$141 million. The provincial and federal governments will provide \$92 million or two-thirds of the funding for these projects with the City contributing \$49 million. In addition, under Recreational Infrastructure Canada (RInC), the City received approval for \$24 million for the renovation of six outdoor pools. The provincial and federal governments and City will contribute \$12 million in funding towards these projects. This funding was welcome news and means that major infrastructure projects can now be completed earlier than planned.

However, serious infrastructure challenges remain. The City is facing some very difficult decisions for the future and strategies to deal with these pressures are limited to increases in property taxes, user fees, reducing services or service levels, cost containment or some combination of these measures. Although senior levels of government have a role to play by



contributing to the City's infrastructure, both the federal and provincial governments are forecasting large deficits. Increased funding support from them is unlikely and the City will strongly lobby for the maintenance of existing funding sources. Therefore, Mississauga needs to further develop its long term financial plan to provide for steady and predictable tax increases that deliver the priorities of our residents and businesses

and maintain our infrastructure. Planned incremental contributions to capital are key to building a sustainable funding base.

The City of Mississauga's Business Plan and Budget includes the 2010 operating expenditures of \$546.9 million and capital expenditures of \$318.9 million delivered via 4,884 Full Time Equivalent (FTE) staff positions. This is being achieved with a tax rate increase of 2.2%, close to the rate of inflation, a significant achievement considering the pressures faced. This does not include a possible 1% infrastructure levy.

The 2010 Business Plan and Budget focuses around the Strategic Pillars for Change: Developing a Transit Oriented City; Ensuring Youth, Older Adults and New Immigrants Thrive; Completing our Neighbourhoods; Cultivating Creative and Innovative Businesses; Living Green; as well as the State of Good Repair for Infrastructure; and Continuous Improvement and Tax Rate Management.

During 2009, the City worked towards achieving the strategic goals through the completion of several initiatives. Highlights are as follows:

- Central Parkway Transit Facility;
- Youth and Older Adult Recreation Plans;
- Fee Assistance Program;
- Downtown 21 Master and Implementation Plan;
- Culture Master Plan; and
- Development Charge By-law and Background Study.

The 2010 Business Plan and Budget Update builds on last year's plan which spanned two years – 2009 and 2010. Through the 2010 Business Plan and Budget Update, the City will continue to complete a variety of initiatives to advance our strategic vision. Highlights of initiatives contributing to each strategic priority over the next year and continuing in the future include:

- **Developing a Transit Oriented City:**

- Implementing the Bus Rapid Transit (BRT) system covering 18 kilometres connecting Winston Churchill to Renforth Drive – at over \$326 million, the largest multi-year project ever undertaken by Mississauga
- Increasing Mississauga's transit system and transit infrastructure with over \$170 million in capital spending planned in 2010 plus an additional \$2.1 million in ongoing service improvements with 8 new buses being added



- Investing \$3.6 million in a rapid transit feasibility and environmental assessment studies along the Hurontario corridor and a mobility hubs study.
- **Ensuring Youth, Older Adults and New Immigrants Thrive:**
 - Implementation of the Youth and Older Adult Recreation Plans
 - Developing Recreation and Parks and Library Master Plans
 - Partnering with Sheridan College to locate a campus in downtown Mississauga.
- **Completing Our Neighbourhoods:**
 - Redevelopment of the Woodlands Library branch to address major lifecycle components ensuring the facility meets community needs related to accessibility
 - Park pathway and sport field lighting program
 - In addition to any new or renovated facility, the City will invest \$0.4 million in 2010 and an additional \$4.5 million over the next 10 years to ensure that our existing facilities are accessible to persons with disabilities.
- **Cultivating Creative and Innovative Businesses**
 - A comprehensive review of the City's Economic Development Strategy will ensure that Mississauga remains at the forefront of employment and business opportunities
- **Living Green**
 - Expanding the tree canopy by investing \$10.1 million over the next 10 years in forestry with \$1.2 million being spent in 2010
 - Development of an environmental master plan
 - Energy management initiatives



- Adding 104 new acres of parkland as well as Community Commons Park and Riverwood
- Replacing 15, 40 foot buses with hybrids in 2010

- **State of Good Repair for Infrastructure**

- Continuing to invest in the repair, upgrade and maintenance of existing roads, bridges and infrastructure (\$84.5 million in 2010 and \$614.0 million between 2010- 2019)

- Construction of the 60,000 square foot Garry W. Morden Centre (Fire Training and Mechanical Centre) including external training props and 5 new mechanical bays with a total gross cost of \$38.9 million including recoveries from the Department of National Defence and Region of Peel



- Community centre renovations at 3 locations costing \$40.0 million over the next 4 years with construction of the Port Credit Arena and design of the Meadowvale Community Centre in 2010



- Ensuring that the City's buildings are adequately maintained, the City is investing \$9.0 million in 2010 with an additional \$71.8 million forecast in the next nine years

- **Continuous Improvement and Tax Rate Management**

- Incorporating almost \$7.9 million in budget savings and reduction measures in 2010 alone, to lower the impact on City property taxes
- Continuing to place emphasis on excellent service delivery by undertaking E3 – Economy, Efficiency & Effectiveness reviews
- Continuing and improving internal programs that harness employee ideas regarding business streamlining and service delivery efficiencies
- Continuing internal audits on financial controls

With the Business Plan & Budget Update, the City of Mississauga is delivering excellent value to the taxpayers of Mississauga. In 2010, we are recommending a minimal City tax increase of 2.2%. This translates into a 0.62% increase on the resident portion of the total tax bill – an increase of \$6.30 per \$100,000 of assessment or about \$25 per average household living in a home assessed at \$400,000. Council Budget Committee is considering a 1% additional levy increase of \$2.8 million or 0.28% on the total residential tax increase for infrastructure to ensure it remains in good repair – about \$2.86 per \$100,000 of assessment. The City of Mississauga has an estimated \$6.5 billion of capital infrastructure (excluding land) and to provide for its future replacement, each year a specific amount is set aside in the City’s reserve. For 2010, the City will be allocating a minimum of \$18.7 million to its reserve funds. If the additional 1% infrastructure levy were approved, the total tax impact per \$100,000 of assessment would be \$9, or for a home assessed at \$400,000 a total impact of \$36.64.

As the City of Mississauga grows and matures, the City’s Business Plan & Budget will ensure Mississauga is well positioned to meet the challenges that lie ahead. A strong commitment to invest in making Mississauga a vibrant, sustainable, world-class city of the 21st century combined with a continuing commitment to maintain current infrastructure, programs and services will help ensure Mississauga achieves its strategic vision for the future.

Recommendations are as follows:

1. That Council Budget Committee approve:
 - a. Appendix 1 – 2010 Operating Program Summary;
 - b. Appendix 2 – 2010 Summary of Program Changes;
 - c. Appendix 3 – 2010 Summary of Staffing Complement;
 - d. Appendix 4 – 2010 Capital Budget Summary;
 - e. Appendix 5 – 2010-2019 Capital Forecast Summary; and
 - f. Appendix 6 – Summary of Reserves and Reserve Funds.
2. That Budget Committee consider an additional infrastructure levy of a minimum \$2.8 million which equates to a 1% increase on the City’s tax rate increase or a 0.28% increase on the total residential tax bill.
3. That the following projects with multi-year funding which have or will commence prior to full funding being allocated, be approved to a maximum cost as follows:
 - a. Central Parkway Transit Facility Expansion at \$86.5 million funded from 2006 to 2010 (an increase of \$2.5 million);
 - b. Fire Training and Mechanical Centre at \$38.984 million funded in 2008 and 2011 (representing a \$3.5 increase in gross costs);
 - c. Greater Toronto Farecard Project at \$12.23 million funded in 2007 to 2010;

- d. Bus Rapid Transit construction cost from 2008-2012 at \$230.31 million. The BRT has a construction shortfall of \$52.5 million (gross) of which a portion is offset by interest earned on project funds of \$14.7 million with a request for the remaining shortfall to come from our Federal and Provincial partners;
 - e. Transit CAD/AVL/automated stop announcements previously known as Smart Bus Technologies at \$15.0 million funded from 2008 to 2011;
 - f. Structure widening at Hurontario Street and Highway 401 at \$5.5 million funded in 2008 to 2010 (an increase of \$1.5 million);
 - g. Burnhamthorpe Road East – Arista Way to Dixie Road at \$6.85 million funded in 2009 and 2010 (an increase of \$310,000);
 - h. Port Credit Arena at \$12.85 million funded in 2008 to 2011 for design and construction;
 - i. Meadowvale Community Centre and Library design only at \$3.6 million funded in 2009 and 2010 (an increase of \$0.2 million over last year);
 - j. Woodlands Library at \$4.0 million funded in 2009 and 2010 increasing \$2.2 million from prior approved gross costs and funded through the 2009 Special Tax Reserve Funding;
 - k. Business Continuity and Disaster Readiness at \$4.1 million funded in 2008 and 2010;
 - l. Replacement Fire vehicles at a \$1.275 million funded in 2010 and 2011;
 - m. Lions Park at \$949,000 funded over 2010 and 2011;
 - n. Library RFID project tagging and design at \$1.501 million over 2010 and 2011; and
 - o. Torbram Road grade separation construction at \$37.43 million funded in 2008 to 2010.
4. That all necessary by-laws be enacted.



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