



**Cities
NOW!**

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Good Morning Mississauga

March 12, 2008

Living Arts Centre

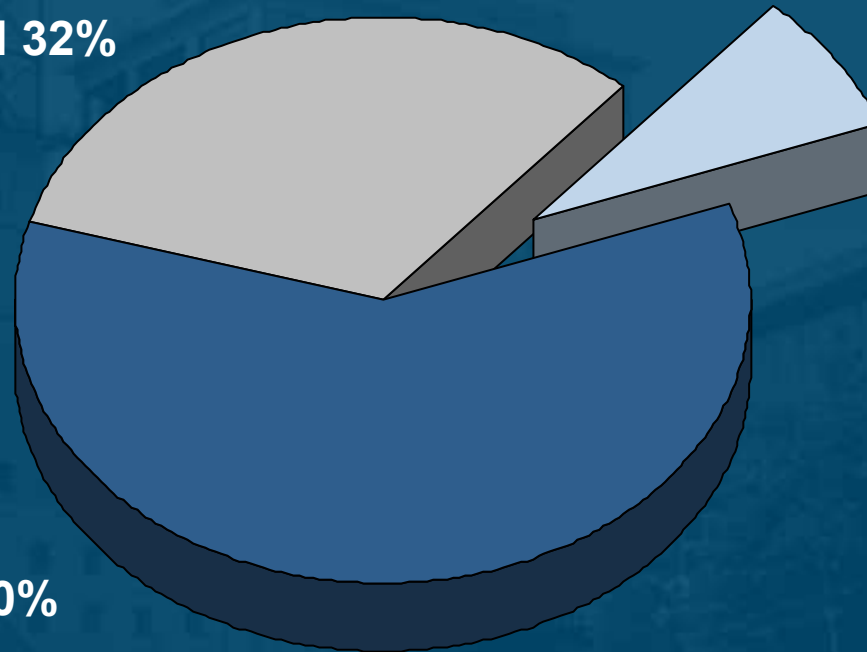
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Where does the tax dollar go?

Provincial 32%

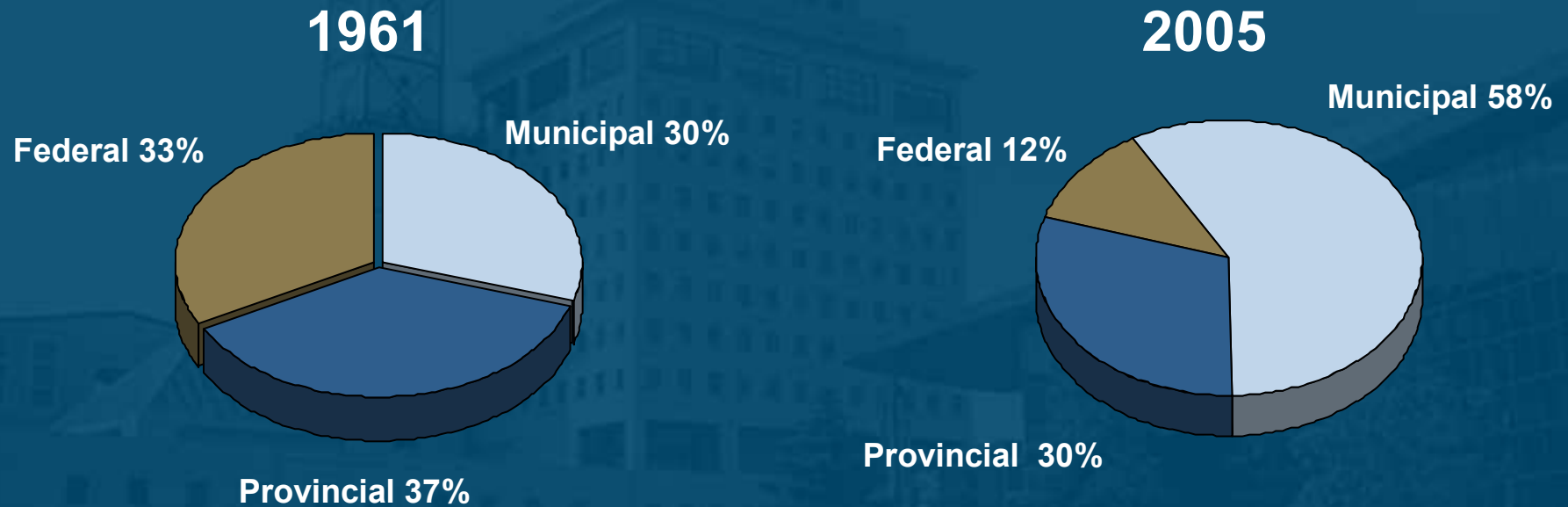
Municipal 8%

Federal 60%



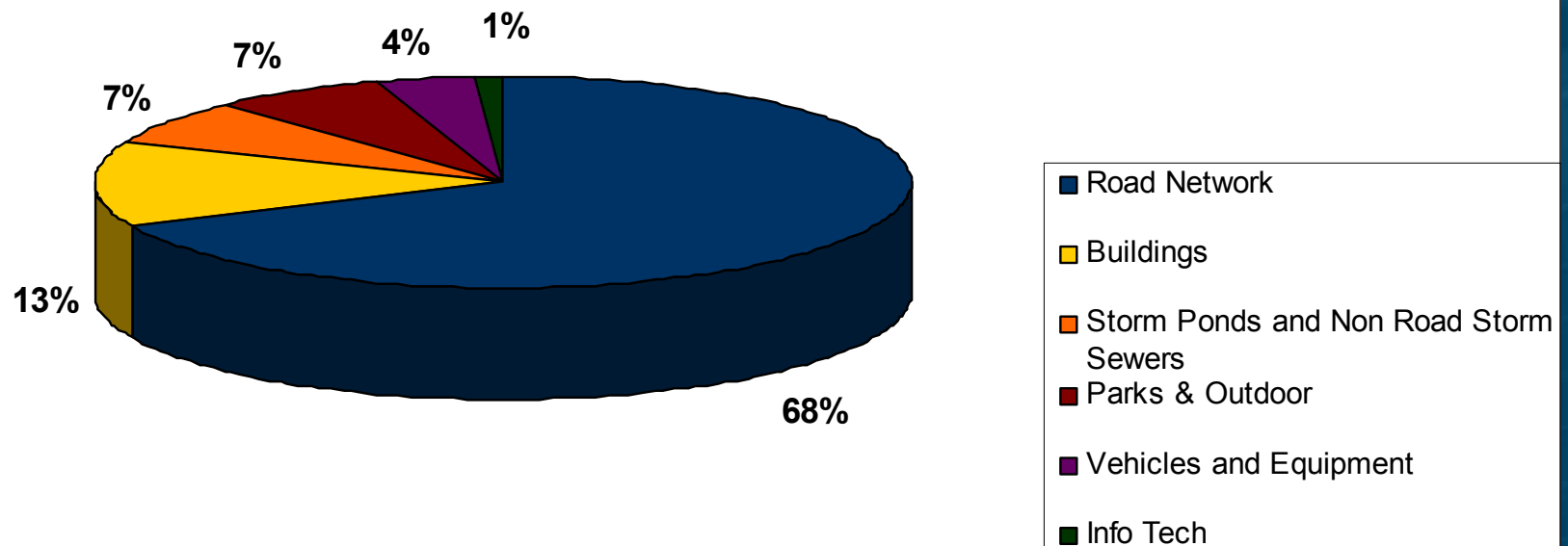
Source: The Fraser Institute Canadian Tax Simulator, 2003

Change in Municipal Infrastructure Ownership



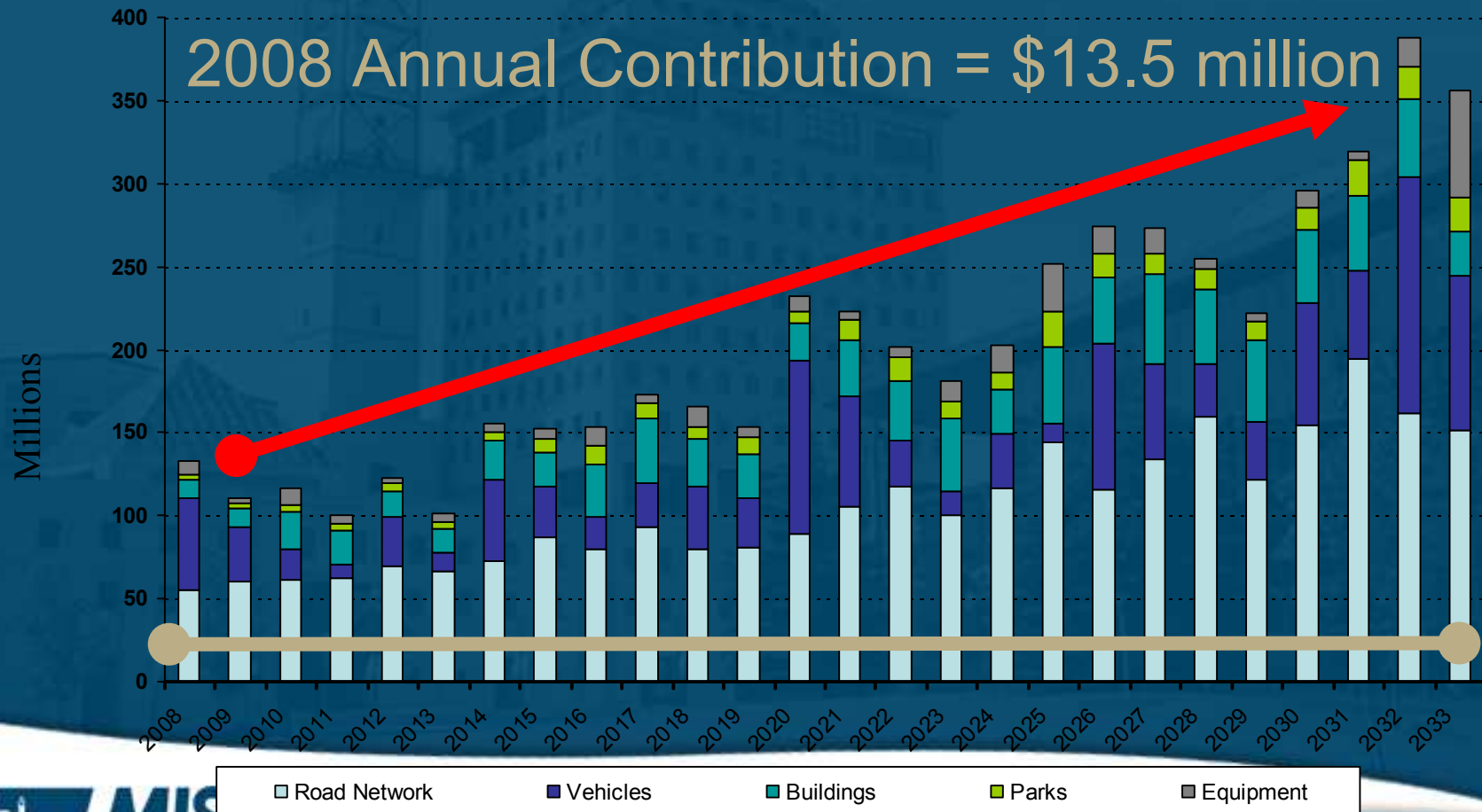
Source: Municipal Finance Officers Association, October 2007

Mississauga's Infrastructure



Total City Assets \$7.7 billion (estimated 2008)

Aging Infrastructure: Tax Funded Capital Needs (Adjusted for Inflation)

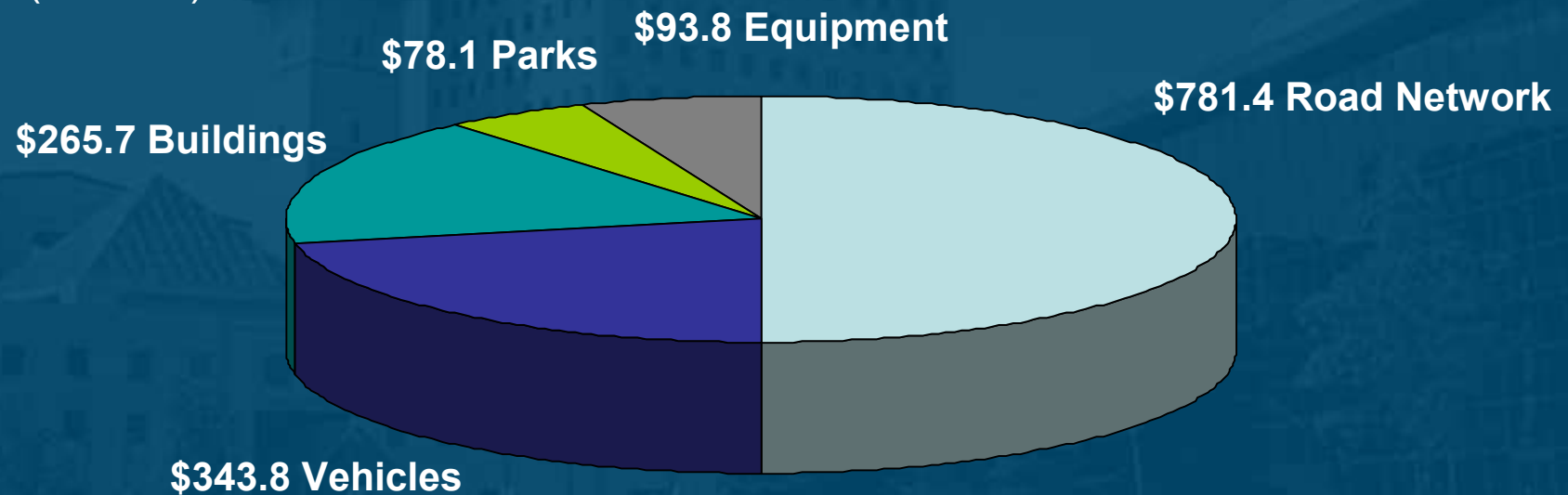


Infrastructure Deficit In Mississauga

- Mississauga's infrastructure deficit is estimated at \$1.5 billion over next 20 years
- Need an additional \$75 million more per year to eliminate the infrastructure deficit

City of Mississauga \$1.5 Billion Infrastructure Deficit 2008-2027

\$(millions)



2007 Federal Economic Statement

- FCM: Cities are economic engine of country -across Canada municipalities face an Infrastructure Deficit:
 - \$123 billion & growing
- Missed opportunity:
 - \$65 billion in Underlying Budget Surpluses between 2006-2013
- Cuts taxes and pays down financial debt
- No new funding for capital investments
- Ignores infrastructure deficit

Federal Tax Savings

Federal Economic Statement Savings 2008	
Residential -Mississauga ¹	\$ 602
Small Business ²	\$ 1,000
Corporate Business ³	\$ 10,000

1-Mississauga average annual household income \$90,600

2-Net income \$100,000

3-Net income \$1 million

Cities NOW! Campaign Goals

- To influence the Federal Government and other key stakeholders towards long-term, sustainable funding of municipal infrastructure
- To inform our taxpayers about the Federal Government's decision not to share a portion of their surpluses in municipal infrastructure
- To outline the proposed special infrastructure levy on property taxes which is an option to partially fund Mississauga's public infrastructure in a state of good repair and maintain the quality of life of our citizens.

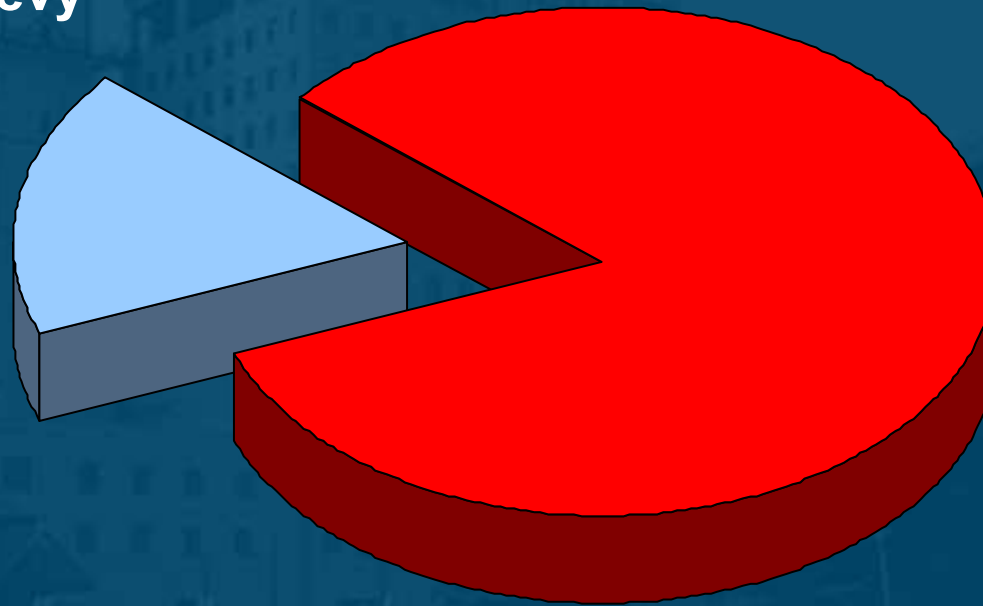
Special Infrastructure Levy: Tax Impacts

Special Infrastructure Levy:	1%	5%
Residential -Mississauga ¹	\$ 10	\$ 50
Small Business ²	\$ 19	\$ 97
Corporate Business ³	\$ 194	\$ 974
Special Capital Infrastructure Levy equates to: (millions)	\$ 2.55	\$ 12.75
1-Mississauga average assessment of \$365,000		
2-Property assessment of \$500,000		
3-Property assessment of \$5 million		

Infrastructure Deficit Remaining After 5% City Infrastructure Levy (20 year 2008-2027 average annual)

Infrastructure Levy
\$12.75 million

\$75 million
Annual
Infrastructure
Deficit

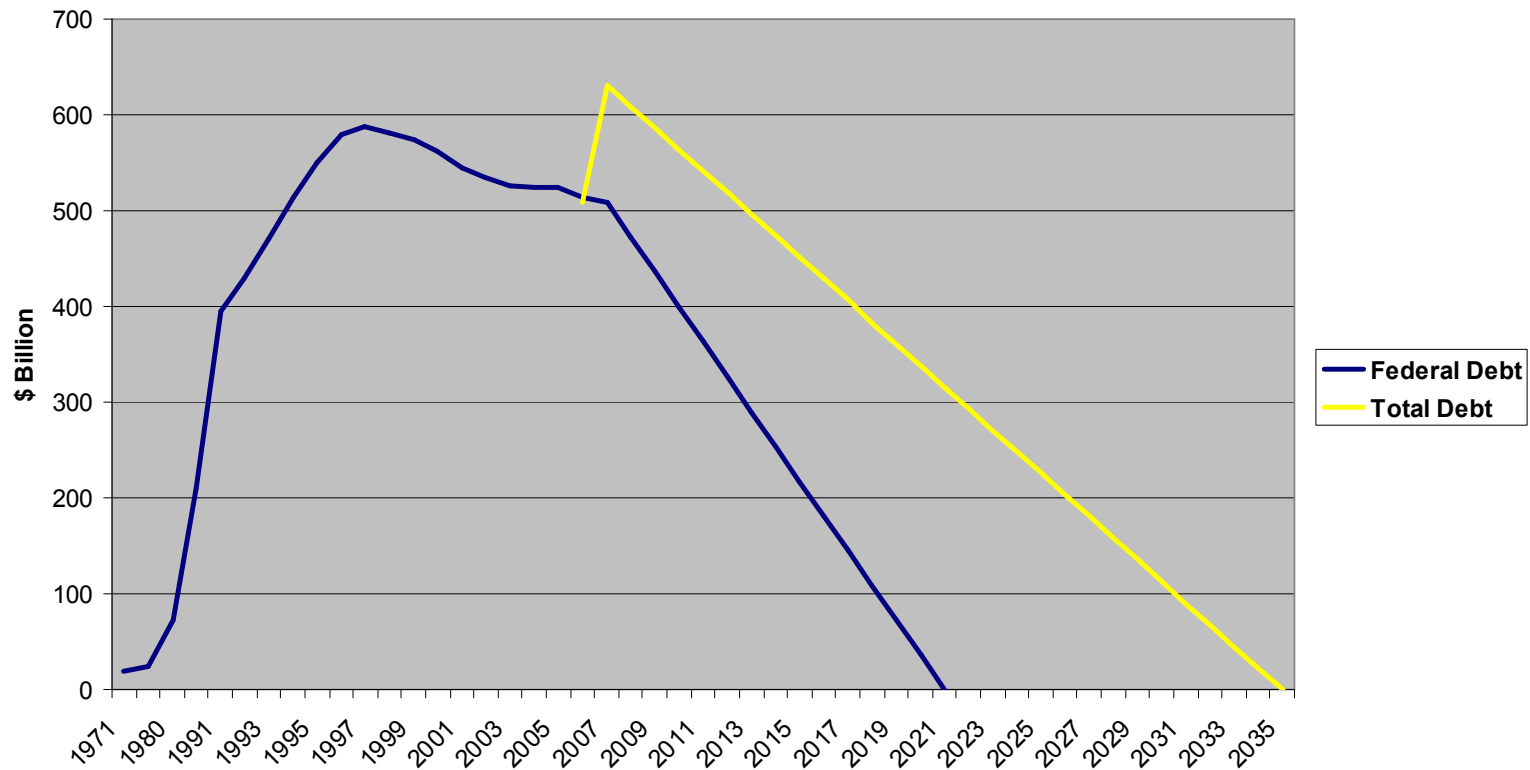


Remaining
Infrastructure
Deficit
\$62.3 million

Why the Federal Government?

- Federal investment in Canada's infrastructure will lead to:
 - economic benefits (employment, economic activity, positive impact on businesses)
 - return on investment to government (increase in income taxes, decrease in unemployment insurance)
- There is more of a benefit to the federal government to invest in infrastructure than for municipalities:
 - the economy becomes more competitive and productive
 - helps reverse “economic slowdown”
 - sensible time to make an investment now
 - keeps economic activity domestic
 - revenue options (municipalities limited to property tax and user fees)

Accumulated and Infrastructure Deficit Elimination by 2035



Budget 2007 Funding – \$33B Plan

The Building Canada Plan:	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Base Funding	1,515	1,750	2,790	2,830	2,875	2,915	2,960	17,635
<i>Gas Tax</i>	<i>800</i>	<i>1,000</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	<i>2,000</i>	<i>11,800</i>
<i>GST Rebate</i>	<i>715</i>	<i>750</i>	<i>790</i>	<i>830</i>	<i>875</i>	<i>915</i>	<i>960</i>	<i>5,835</i>
Equal per jurisdiction funding	325	325	325	325	325	325	325	2,275
Building Canada Fund	572	926	1,186	1,410	1,427	1,636	1,655	8,801
Gateways and Borders Fund	137	221	283	335	341	391	396	2,105
PPP Fund	82	132	169	200	204	234	236	1,257
Asia-Pacific Gateway	108	158	118	144	172	170	108	977
<i>Existing</i>	<i>81</i>	<i>115</i>	<i>63</i>	<i>79</i>	<i>105</i>	<i>94</i>	<i>31</i>	<i>567</i>
<i>New</i>	<i>27</i>	<i>43</i>	<i>55</i>	<i>65</i>	<i>67</i>	<i>76</i>	<i>77</i>	<i>410</i>
Total Plan	2,738	3,512	4,871	5,235	5,343	5,671	5,680	33,050

Total infrastructure funding over period is \$37B, including \$4B of sunseting expenditures from CSIF, BIF, MRIF, and Public Transit Capital Trust –
this includes Budget 2006 funding

The Building Canada Plan and the Building Canada Fund

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	
Building Canada Fund	572	926	1,186	1,410	1,427	1,636	1,655	\$8,801 B
-Major Infrastructure Component	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$3.1 B
-Communities Component	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0

Support for Cities NOW!

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- Mississauga Board of Trade
- Ontario Real Estate Association
- Ontario Home Builders' Association
- Canadian Construction Association
- Ontario Road Builders' Association
- Ontario Municipal Water Association
- Road Builders and Heavy Construction Association of Saskatchewan
- Ontario Recreation Facilities Association
- Canadian Union of Public Employees
- City of Waterloo
- Hon. Omar Alghabra (Mississauga-Erindale, Lib.)
- Hon. Navdeep Bains, P.C., M.P. (Mississauga – Brampton South)
- Hon. Albina Guarnieri (Mississauga East – Cooksville, Lib)
- Dufferin-Peel Catholic District School Board
- BCMC: Vancouver, Surrey, Calgary, Edmonton, Regina, Saskatoon, Winnipeg, Brampton, Hamilton, Kitchener, London, Ottawa, Windsor, Toronto, Gatineau, Montreal, Laval, Quebec City, Longueuil, Halifax and St. John's

Benefits to Date:

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- Over 50 million media exposures (events and news releases)
- Federal Gas Tax is now Permanent
- BRT agreement now signed with Feds
- Stephane Dion has committed all surpluses (over \$3 Billion) to infrastructure
- New City transit and transportation programs funded by Province: \$11.5 million in 2008

Ideas to date

- smaller levy carried over 3 or 4 years
- 1% Provincial infrastructure levy
- levy less than 5%
- Provincial sales tax exemption (City of Waterloo proposal)
- do nothing to property taxes
- referendum

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For more information please visit our
website at www.citiesnow.ca



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