



**Hazel McCallion, C.M., LL.D.**

# Mayor's Update



**To Residents – Spring 2011**

Every year, Council and staff work hard to deliver a Business Plan and Budget that outlines how and where we will put our resources so that we can continue to provide the services you expect, as well as new services and service improvements that you told us you wanted.

The 2011 Business Plan and Budget includes some exciting new initiatives. In June, we will open Mississauga Celebration Square, an outdoor event venue that will host year-round community activities. We are expanding the collections at our 18 libraries to include multiple formats and languages, and adding therapy pools at recreation facilities for our residents to enjoy. We are adding 30,000 additional transit service hours to meet the growing demand for transit in our city and we have broken ground on our Bus Rapid Transit (BRT) corridor. We are relocating and expanding three fire stations that will allow for quicker response to emergency calls, and with the approval of our Cycling Master Plan, we expect to introduce approximately 30 kilometres of new cycling routes per year.

As well, this year we will see the completion of 138 projects funded through the Federal and Provincial Governments' Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RiNC) programs. As a result you will get to enjoy new pools, renovated libraries, replaced noise walls and improved pathway lighting for years to come.

This year, Council was forced to make some difficult decisions during budget deliberations. The cost to provide the services to which you are accustomed is increasing. At the same time we are

experiencing significant declines in revenue and we face a number of rising uncontrollable costs, like fuel, utilities and contractual services.

The reality is that outside of the property taxes we have limited funding options. Only 44 per cent of City revenues come from other sources such as development revenues, transit fares and recreation and parks fees and these revenues have declined due to the economic downturn. This puts additional stress on our budget.

This year in addition to Budget Committee meetings, we held our first Budget Open House and asked residents for feedback on our proposed budget. We heard you loud and clear. You want us to keep providing the programs and services you have come to rely on, while keeping tax rates low. We also heard that many of you are struggling financially and we were mindful of that.

Budget Committee identified more than \$8 million in efficiencies and reductions in relation to the final budget. We looked at each budget item to make sure that we were being fair and responsible. For the second year in a row, Council chose not to take an increase in wages, because it's the right thing to do.

It is important to know that not all your taxes pay for local services. Your tax bill is shared as follows\*:

- 28 per cent is paid to the City
- 47 per cent is paid to the Region of Peel
- 25 per cent is paid to the Province for education

Of every dollar a resident pays on their tax bill, the City of Mississauga receives approximately 28 cents.

The final budget, approved in March, includes a City tax increase of 1.6 per cent on the total property tax bill. Combined with the Region of Peel increase, Mississauga residents will see a 2.8 per cent increase on their total tax bill, before any changes in assessment. This means an increase of \$27.29 per \$100,000 assessment. Council approved a reasonable budget that allows us to continue to build a great City as well as provide the day-to-day municipal services that residents depend on.

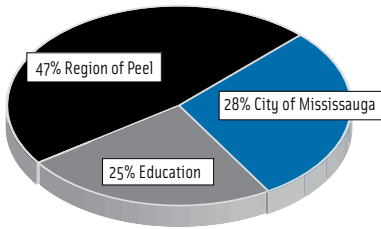
I want you to know that I am working hard to put pressure on the Federal and Provincial Governments to provide more financial support to municipalities. We need long-term sustainable funding to be able to maintain our roads, bridges, libraries, and community centres in order to provide the service levels you are used to going forward and keep tax rates low.

We are committed to providing good value for our taxpayers as we continue to build Mississauga into a vibrant city where people choose to be. I encourage you to attend one of my Budget Town Hall meetings to help you understand where your tax dollars go (visit the City's website for details). If you have any questions please do not hesitate to contact us by calling 3-1-1 (or 905-615-4311 outside city limits).

Hazel McCallion, C.M., LL.D.  
Mayor

*\*Based on 2010 assessment roll.*

## Residential Tax Bill Breakdown\*



\* based on 2010 assessment roll

## Good Value for Your Property Taxes

### Taxes in Perspective: Did you know that...

Every time you:	You pay:
Buy a \$25,000 car	\$3,250 in taxes
Buy \$50 in gas	\$15.63 in taxes
Earn \$96,746	\$13,500 in taxes
Pay Annual CPP	\$2,218
Pay Annual EI	\$787
Pay Annual Natural Gas for an average home	\$1,094
Pay Annual House insurance (on a \$400,000 home)	\$800-\$900
<b>Pay City Property Tax (on a home assessed at \$429,000)</b>	<b>\$1,197</b>

## 2011 Tax Rates

Property Class	City	Region	Education	Total
Residential	0.278907%	0.452704%	0.231000%	0.962611%
Farm	0.069727%	0.113176%	0.057750%	0.240653%

## Impact on Your 2011 Tax Bill

	\$200,000 Home	\$300,000 Home	\$400,000 Home	\$500,000 Home
Region	\$23.99 1.2%	\$35.99 1.2%	\$47.98 1.2%	\$59.98 1.2%
Education	\$0 0%	\$0 0%	\$0 0%	\$0 0%
City-Operating	\$25.31 1.3%	\$37.96 1.3%	\$50.61 1.3%	\$63.27 1.3%
City-Infrastructure	\$5.27 .30%	\$7.91 .30%	\$10.54 .30%	\$13.18 .30%
<b>Total</b>	<b>\$54.57 2.8%</b>	<b>\$81.86 2.8%</b>	<b>\$109.13 2.8%</b>	<b>\$136.43 2.8%</b>

Your 2011 residential tax bill consists of 3 separate components which we calculated individually. The City portion increased by 5.8 per cent, the Region's portion increased by 2.7 per cent and there was no change in the education portion. If you compare your 2010 tax bill to your 2011 tax bill you will see that your total residential tax bill has increased overall by 2.8 per cent, ignoring any changes in market value reassessments.

## Facts About Infrastructure Funding

The City of Mississauga's infrastructure has been built largely through development charges. However, much of our infrastructure, valued at \$3.8 billion, was built 15 to 20 years ago and will soon need to be repaired or replaced.

The projected cost to replace this infrastructure is \$6.9 billion. Over the long term, the estimated cost representing wear and tear on items such as roads, buildings and bridges, is predicted to be \$96 million per year. In 2011 the City of Mississauga will raise \$21.7 million through property taxes for infrastructure renewal, leaving a gap of \$74.3 million.

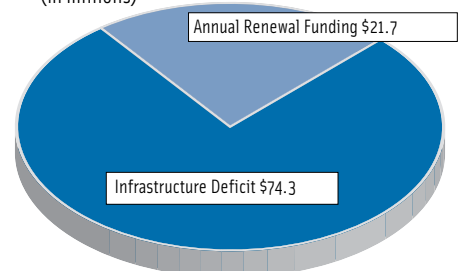
The City's reserves have been allocated. Infrastructure renewal will require funding from other sources, such as external debt.

Sustainable long-term funding is needed. Without a permanent source of provincial and federal funds, Mississauga is limited to raising funds through property taxes and user fees or through service reductions. Long-term provincial and federal gas tax revenue has funded some infrastructure renewal projects as well as some one-time funding programs such as the Federal and Provincial Governments' ISF and RInC programs. Large future provincial and federal deficits are being forecasted and so it is unlikely that the City can depend on other levels of government for adequate financial assistance to replace our infrastructure.

The City is developing a long-term financial plan to provide for predictable tax increases that would ensure that the City's assets are properly maintained.

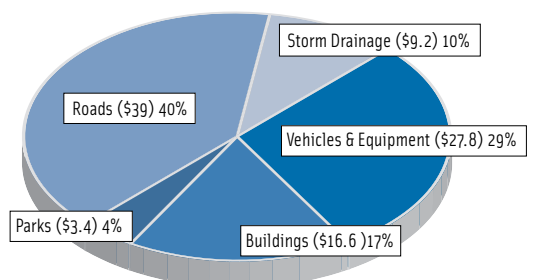
## 2011 Infrastructure Deficit

(in millions)

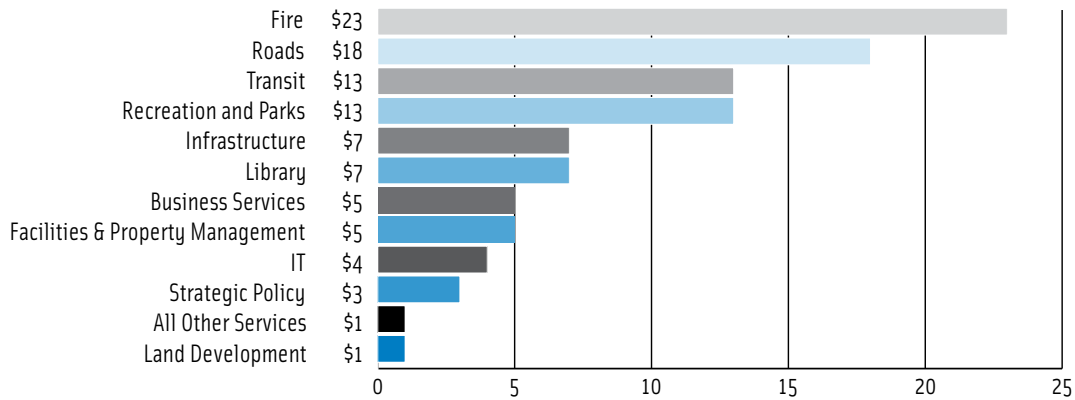


## Infrastructure Renewal Needs

(in millions)



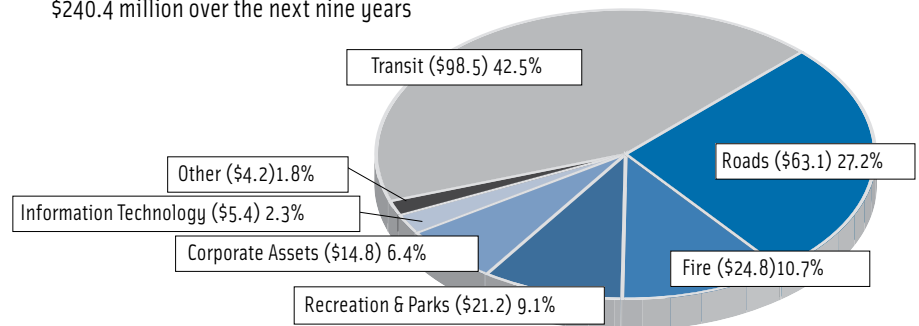
## What Your Tax Dollar Buys You



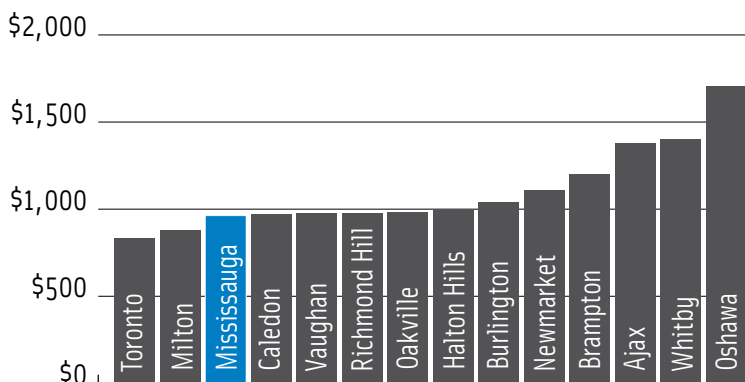
## The City's 2011-2020 Business Plan & Capital Budget Includes:

- \$264 million for the BRT project, representing the largest investment in public transit in Mississauga's history
- \$1.7 million in 2011 for 29,500 additional transit service hours with 106,000 more hours from 2012 to 2014
- \$44 million for the construction of the Garry W. Morden Fire Training and Mechanical Centre facility
- \$37.7 million for the implementation of the Cycling Master Plan which supports the development of an integrated cycling network, including \$250,000 for the Cycling Office in 2011
- \$950,000 for Mississauga Celebration Square
- \$32.6 million for the development of the Waterfront
- \$27 million to relieve traffic congestion on City roads including Goreway Drive and Drew Road
- 44 recommendations in the Cultural Master Plan to be implemented over next 4 years including \$235,000 in increased grants to community groups as well as \$15.5 million for the construction of the new Art Gallery of Mississauga, an Artefact Preservation and Storage Facility and the Meadowvale Theatre renovation
- \$27.4 million on the continued investment in the repair and upgrade of existing roads and bridges in 2011 and \$240.4 million over the next nine years
- \$61.8 million park and parkland redevelopment over next 10 years
- \$19.1 million over the next 10 years to expand the tree canopy and manage our forest assets.

### 2011 Capital Budget \$232 Million (Gross)



## 2010 Total Municipal Taxes Paid per \$100,000 of Assessment



### Mississauga Budget

The 2011 City budget includes a gross operating budget of **\$574 million** and a gross capital budget of **\$232 million**.

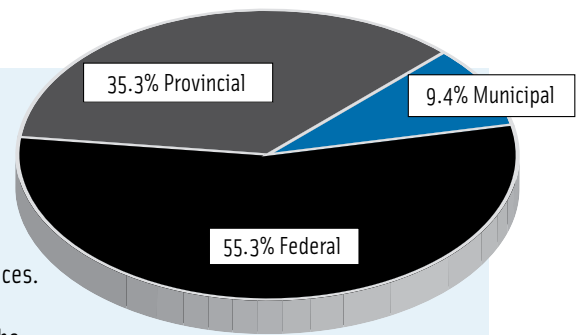
Highlights of the 2011 budget are available at

[www.mississauga.ca/finance](http://www.mississauga.ca/finance)

# Canadian Tax Distribution

## Approximately 9.4 Cents of Every Dollar Goes to Cities

Approximately 9.4 cents of every dollar that you pay goes to support municipal services. The largest recipient of your tax dollars is the Federal Government, followed by the Provincial Government. If you consider the scope of services that you receive from the City and the Region of Peel, it becomes increasingly clear that municipalities are required to fund an extensive list of programs with a very small portion of the overall tax dollar. These are the same services that touch you closest to home and affect your quality of life on a daily basis.



## 2010 Breakdown of Average Family's Tax Bill

Source: The Fraser Institute's Canadian Tax Simulator, 2010 for Ontario

# 2011 Budget Frequently Asked Questions

## Can Mississauga run a deficit?

In the Canadian government context, a deficit usually refers to operating expenses which exceed revenues. Senior levels of governments issue debt to cover the shortfall. Ontario municipalities are restricted from running operating deficits as they must balance their budgets by increasing other sources of revenue or property taxes.

## How does the provincial uploading of social assistance services affect me in Mississauga?

Social assistance services such as GTA Pooling known as "Toronto Tax" and Ontario Works are provided by the Region of Peel. As the province begins to assist in funding these services, Regional taxes are reduced. This contributed to a 3.3% reduction in the Region's 2011 Budget and resulted in a Region-wide average tax increase of 2.5%.

## What is the City doing to minimize tax increases?

The City is focused on providing good value to our citizens. The City conducts a systematic review of all city services for economy, efficiency and effectiveness under its e3 program.

The City's 2011-2014 Business Plan and Budget includes new revenues and savings from efficiencies totalling over \$14 million

over the next four years – \$8.9 million of this relates to new revenues which are primarily focused on transit fare increases. Improved efficiencies in winter maintenance, street cleaning and leaf collection are examples of over \$4 million in cost savings included in the 2011 Budget.

## What are some of the cost pressures facing the City?

The City's 2011-2014 Budget and Business Plan strives to preserve existing services while minimizing tax rate increases. This has become more challenging in recent economic times. Similar to your own household budget, uncontrollable increases in vehicle fuel prices, contractor costs, and utility rates puts pressure on the City's Budget. New initiatives to implement the Strategic Plan total almost \$11 million. 106,000 new transit service hours, 166 new acres of parkland and the implementation of the Culture Master Plan are examples of initiatives to improve our quality of life included in the 4 year Business Plan.

## Who qualifies and how do you apply for the property tax rebate program?

This program is available for those 65 years of age and over receiving a Guaranteed Income Supplement or for disabled persons receiving income support under the Ontario Disability Support

Program Act. Applications are available on-line, by mail or can be picked up in person at the Tax office. The application deadline is December 31st of the year in which the tax rebate is claimed. Call 3-1-1 (or 905-615-4311 outside city limits) if you have any questions about the program.

## How will Current Value Assessment be phased in?

The Government of Ontario has made a number of changes to the property assessment system that went into effect in the 2009 property tax year. These changes include the introduction of a assessment value update every 4 years and a phase in of assessment increases based on a January 1, 2008 valuation date over a 4 year period. The next assessment is in 2012 for taxation years 2013-2016. This provides an additional level of property tax stability and predictability. Market-related assessment increases are phased in over the four year period with one quarter of the assessment change being applied in each of the four years.

