



# MINUTES

---

## BUDGET COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**MONDAY, DECEMBER 12, 2011 – 9 A.M.**

### COUNCIL CHAMBERS

### SECOND FLOOR, CIVIC CENTRE

300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO, L5B 3C1

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

MEMBERS PRESENT:

Mayor Hazel McCallion	(CHAIR)
Councillor Jim Tovey	Ward 1
Councillor Pat Mullin	Ward 2
Councillor Chris Fonseca	Ward 3
Councillor Frank Dale	Ward 4
Councillor Bonnie Crombie	Ward 5
Councillor Ron Starr	Ward 6 (departure at 12:37 p.m.)
Councillor Nando Iannicca	Ward 7 (departure at 12:15 p.m.)
Councillor Katie Mahoney	Ward 8
Councillor Pat Saito	Ward 9
Councillor Sue McFadden	Ward 10
Councillor George Carlson	Ward 11

STAFF PRESENT:

Janice Baker, City Manager and Chief Administrative Officer  
Brenda Breault, Commissioner, Corporate Services and Treasurer  
Patti Elliott-Spencer, Director, Finance  
Crystal Greer, Director of Legislative Services and City Clerk  
Paul Mitcham, Commissioner, Community Services  
Martin Powell, Commissioner, Transportation and Works  
Ed Sajecki, Commissioner, Planning and Building

CONTACT PERSON: Julie Lavertu, Legislative Coordinator  
Office of the City Clerk, Telephone: 905-615-3200, ext. 5471; Fax: 905-615-4181  
[Julie.Lavertu@mississauga.ca](mailto:Julie.Lavertu@mississauga.ca)

CALL TO ORDER – 9:13 a.m.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST

Councillor Dale declared an interest with respect to the salary portion of the budget, advising that his wife and son are part-time City of Mississauga employees.

APPROVAL OF AGENDA

Councillor Tovey requested that Item 1 dealing with the Don McLean Westacres Outdoor Pool be deferred, as staff was obtaining additional information and required more time.

Approved as Amended (S. McFadden)

The Chair welcomed residents to the Committee meeting and stated that they would have an opportunity to share their feedback with the Committee at the end of the meeting.

DEPUTATIONS

A. City Overview of the 2012-2014 Budget Plan and 2012 Budget.

- Opening Remarks (Janice Baker, City Manager)
- Overview (Patti Elliott-Spencer, Director, Finance)

The Chair noted that the 2013 budget would be adopted before January 1, 2013, but that various factors made these timelines impossible for the 2012 budget.

Committee members discussed the deputation and raised various issues including:

- The City's limited funding sources and petitioning the federal and provincial governments to amend the *Municipal Act* to provide for more taxation powers;
- The advantages and disadvantages of acquiring debt for infrastructure costs;
- The City's debt administration and long-term debt forecast;
- The City's financial record, history, reserves, and development charges;
- The City's financial relationship with the Region of Peel;
- The importance of maintaining services and infrastructure for residents;
- The financial pressures facing municipalities in Ontario and the City of Toronto;
- The federal government's Infrastructure Stimulus Fund (ISF) program;
- Implementing storm sewage charges for the City;
- The City's user fees and various ways to increase cost recovery on user fees;
- Property value assessment and its impact on the City's property taxes and budget;
- Implementing internal efficiencies that will not impact service levels;
- Revising payments in lieu of taxes during future *Municipal Act* amendments;

- The possibility of grants and subsidies in the future due to the acquisition of debt;
- Additional revenue options for the City to reduce the need to acquire debt;
- Funding challenges with the construction of the BRT and LRT in the future;
- New budget requests in the overall context of the 2012 budget;
- The cost of living across Ontario and Canada;
- Approved operating and capital budget items that could be deferred in 2012; and
- Slides 18, 33, 39, 48, and 59.

Ms. Elliott-Spencer, Ms. Baker, and Ms. Breault responded to questions from the Committee and the information provided is listed below:

- The purpose of incurring debt to pay for infrastructure costs, the cost of debt, the challenges of funding infrastructure, and the rationale for the infrastructure levy;
- The financial challenges facing the City and municipalities in general due to their limited sources of funding;
- The advantages and disadvantages of additional taxation powers;
- The cost of debt and the City's capital program;
- The property tax impacts if the City did not acquire debt for infrastructure;
- The City's capital and financial benefits from the ISF program;
- The status of the implementation of storm sewage charges;
- The 2012 operating budget tax rate reduction options on slide 33 and the 2012 labour and benefits increases on slide 18; and
- The City's financial contributions to the Region's budget.

During discussion of Ms. Baker and Ms. Elliott-Spencer's PowerPoint presentation, the Committee directed staff to provide them with the following information in early 2012:

- Options to avoid or to postpone going into debt, including public-private partnerships, higher infrastructure levies, and higher user fees;
- The debts of major cities, associated ratios, and what these cities are paying on their tax bills for their debts;
- The amount that a property has to be assessed at in order to carry itself in regard to services provided by the City;
- How much revenue could be generated from implementing a land transfer tax and the procedure for approaching the provincial government to amend the *Municipal Act* so that the City could have the same taxation structure as the City of Toronto;
- A Corporate Report to Council about implementing a \$200,000 traffic calming pilot project program that has been endorsed by four Committees of Council;
- A document for the public detailing the City's budget shortfall, on an annual basis, if debt was not acquired in the short- and long-term and what other avenues could be considered to achieve the City's budget; and
- Opportunities to raise revenues to reduce the City's need to acquire debt.

- B. Chris Mackie, Municipal Finance Committee, MIRANET, with respect to City Overview of the 2012-2014 Budget Plan and 2012 Budget.

Mr. Mackie thanked the Leadership Team for their work on the budget, said that MIRANET would discuss and analyze the budget during their upcoming meeting in January 2012, and made the following questions and comments:

- 2012 salary increases associated with slide 18;
- Status of the transit union's contract and the associated percentage increase;
- The status of the capital reserve fund;
- The debt policy and its minimum balance, the possibility of delaying the policy by 12 months, and why the debt financing policy has moved forward so quickly;
- Long-term costs of maintaining a triple-A credit rating versus a lower rating;
- The City's two proposed additional levies on slide 17;
- Establishing a separate account for debt financing to meet debt servicing costs;
- 2012 capital budget highlights and the inclusion of consultant fees in the capital budget for the Hurontario LRT Corridor Study on slide 42;
- Inappropriate comparisons to property taxes on slide 63; and
- The possibility of the City receiving a share of the provincial sales tax.

Councillor Iannicca departed at 12:15 p.m.

Ms. Baker, Ms. Elliott-Spencer, Ms. Breault, the Chair, and Mr. Powell responded to Mr. Mackie's comments and questions and the information is listed below:

- The estimate for staff salary increases is 2 percent which was benchmarked against other municipalities in the Greater Toronto Area and Southern Ontario;
- The transit union's contract is currently in the bargaining stages;
- The capital reserve fund's forecasted balance at the end of 2011 is \$132 million;
- Finance staff has been working on the debt policy during many months and this matter was scheduled to come before the Committee in 2012. The debt policy was driven by discussions with Standard & Poor's regarding the City's credit rating;
- The rationale for retaining a triple-A credit rating is due to access to lower rates;
- The City's borrowing and timing is done through the Region of Peel;
- The 2 percent levy in 2012 would be used for capital reserves and debt payment;
- Staff is preparing a Corporate Report about the use of consultants which will be considered by the Committee in early 2012; and
- Under the *Municipal Act*, the province can give taxation powers to municipalities and this would be preferable to sharing taxes with the provincial level.

The Chair asked MIRANET to consider specific taxation powers that could be imposed by the City and to share their feedback with the Committee on this matter in 2012.

Councillor Starr departed at 12:37 p.m.

Councillor Saito noted that Mr. Mackie proposed various methods of taxation last year, asked if MIRANET had lobbied local MPs and MPPs about this issue, and encouraged MIRANET to engage in such efforts. Mr. Mackie indicated that MIRANET wrote to the Finance Minister after the tabling of the provincial budget to express dismay about the provincial government excluding municipalities from the public sector salary freeze. He said that the Mayor would have more success reaching the government than MIRANET.

Councillor Saito discussed expanding taxation powers, 2012 budget expenditures, total tax increases for the City and Region, and setting up an account for debt finance reserves. Ms. Baker discussed debentures, debt administration with the Region, and reserves.

The Chair asked if staff had provided MIRANET with the key issues recently discussed with local MPs and MPPs. Ms. Baker responded that she would check to see whether this information was provided to ratepayers' groups like MIRANET.

The Chair discussed slide 57 and stated that some comparisons were misleading, as some of the municipalities were single-tiered. Ms. Elliott-Spencer responded that the figure for the City was comparable, as it included the regional and education shares.

Received

Recommendation BC-0044-2011

MATTERS TO BE CONSIDERED

2. Market Research Program

Corporate Report dated November 24, 2011 from the Commissioner of Corporate Services and Treasurer with respect to the market research program.

The Chair and Councillor Mahoney requested clarification on the Corporate Report. Ms. Baker provided an overview and indicated that the Program was included under new initiatives. Ms. Breault indicated that the Program had not been funded since 2010.

Deferred

Recommendation BC-0045-2011

CLOSED SESSION – Nil

ADJOURNMENT – 12:47 p.m.

REPORT 8-2011

TO: MAYOR AND MEMBERS OF COUNCIL

The Budget Committee presents its eighth report for 2011 and recommends:

BC-0044-2011

That the following PowerPoint presentation, introduced at the Budget Committee meeting on December 12, 2011, be received:

- A. City Overview of the 2012-2014 Budget Plan and 2012 Budget
- Opening Remarks (Janice Baker, City Manager)
  - Overview (Patti Elliott-Spencer, Director, Finance)

BC-0045-2011

That the Corporate Report dated November 24, 2011 from the Commissioner of Corporate Services and Treasurer entitled "Market Research Program" be deferred to the detailed service area budget reviews scheduled for January 2012.