



MINUTES

BUDGET COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**WEDNESDAY, OCTOBER 3, 2012 –
IMMEDIATELY FOLLOWING GENERAL COMMITTEE**

**COUNCIL CHAMBER
SECOND FLOOR, CIVIC CENTRE
300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO, L5B 3C1
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
Councillor Nando Iannicca	Ward 7
Councillor Katie Mahoney	Ward 8
Councillor Pat Saito	Ward 9
Councillor George Carlson	Ward 11

MEMBERS ABSENT: Councillor Sue McFadden Ward 10

STAFF PRESENT: Brenda Breault, Commissioner, Corporate Services and Treasurer
Paul Mitcham, Commissioner, Community Services
Martin Powell, Commissioner, Transportation and Works
Ed Sajecki, Commissioner, Planning and Building
Patti Elliott-Spencer, Director, Finance
Keshwer Patel, Manager, Financial Services
Diana Rusnov, Manager of Legislative Services and Deputy Clerk

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NOTE: The Committee changed the order of the Agenda during the meeting. These Minutes reflect the order of the meeting.

CALL TO ORDER – 12:08 p.m.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST – Nil

APPROVAL OF AGENDA

Approved (N. Iannicca)

The Chair advised that the public would be invited to ask questions at the end of the meeting. She complimented staff for the materials that were provided to the Committee.

Ms. Breault noted that the City's budget DVD entitled "Funding Mississauga," which is geared to residents, would be shown to the Committee to introduce budget discussions. She added that other communication channels would be used to communicate the impact of taxes on commercial/industrial properties. The Chair discussed the value of the budget DVD and suggested that Committee members share it with residents and stakeholders.

DEPUTATIONS

A. Patti Elliott-Spencer, Director, Finance, with respect to the Proposed Capital Budget based on the Capital Prioritization Exercise.

Committee members raised various issues including:

- The large number of projects not funded through priority ranking in 2014 as noted in Appendix 3 entitled "City-Wide Capital Budget 2014 – Prioritization & Ranking Impact Analysis by Category";
- The breakdown and importance of the 2 percent Infrastructure Levy;
- The City's rising debt levels in the next decade;
- Slide 30 of the PowerPoint presentation entitled "Debt Financed Capital Projects" and, specifically, the timing and overall process for issuing debentures;
- Slide 31 of the PowerPoint presentation entitled "Forecast of Total Debt Issued for Funded 2013-2022 Capital Forecast";
- Slide 33 of the PowerPoint presentation entitled "Outstanding Debt to Reserve and Reserve Fund Balances Based on Funded Capital Forecast"; and
- The difficulty of finding projects by ward in the appendices and clarification on the status of certain funded versus unfunded projects in Appendix 3.

Ms. Elliott-Spencer and Ms. Breault responded to the Committee's comments and questions and discussed the following:

- The large number of projects not funded through priority ranking in 2014 as noted in Appendix 3 and possible reasons for this trend;
- Staff are proposing a blended approach to the 2 percent Infrastructure Levy that would divide funds between infrastructure and debt financing costs;
- The City's debt levels are within established guidelines and comparable with other municipalities;
- The City has approved, but has not yet issued debt for the six debt financed capital projects on slide 30 and, as such, the City is still currently debt-free;
- The consequences of issuing and not issuing debt as indicated on slide 31;
- Slide 33 and its overall financial impact and funding sources; and
- The appendices were finalized prior to recent discussions about revising the timing for the Meadowvale and River Grove Community Centre redevelopments.

During discussion of this item, the Committee directed staff to provide the following:

- Include ward numbers, where appropriate, in Appendices 2 and 3 and future project charts to assist Committee members with identifying locations.

The Chair discussed Item 5 and the importance of proceeding with the Meadowvale and River Grove Community Centre redevelopments as quickly as possible. The Committee dealt with Item 5 at this time (see pages 3-4 for more discussion regarding Deputation A).

5. Meadowvale Community Centre and River Grove Community Centre Redevelopment, Wards 6 and 9

Corporate Report dated September 26, 2012 from the Commissioner of Community Services with respect to the Meadowvale Community Centre and River Grove Community Centre Redevelopment.

Committee members raised various issues including:

- The importance and complexities of redeveloping the Community Centres and the need to stagger these redevelopments as much as possible;
- The possibility of revising the proposed design and construction timelines to proceed with the Community Centre redevelopments more quickly;
- The current utilization pressures in both Community Centres;
- The various delays for redeveloping the Meadowvale Community Centre and the importance of providing residents with a renovated facility in the near future;
- The funding for the Community Centre redevelopments;
- The funding approved last year for the Meadowvale Community Centre's design and the funding proposed in 2013 for the Community Centre redevelopments on slide 20 of the PowerPoint presentation entitled "2013 Capital Funded Projects";
- Whether there would be any cost savings by proceeding with the Community Centre redevelopments more quickly than what is currently proposed;
- The closures of both Community Centres at the same time and anticipated impacts

- on residents and staff; and
- Anticipated cost overruns or delays for the Community Centre redevelopments.

Mr. Mitcham responded to the Committee's comments and questions and discussed the following:

- Design and construction funding for the Community Centre redevelopments. The Meadowvale Community Centre's design funding has already been approved, but the River Grove Community Centre's design funding has not yet been approved;
- The feasibility of revising the proposed design and construction timelines for the Community Centre redevelopments;
- The appendices were finalized prior to recent discussions about revising the timing for the Community Centre redevelopments;
- The current operational pressures and challenges at both Community Centres;
- Both Community Centres will be closed at the same time for approximately 2.5 months in 2014 during the break between winter and spring programs, at which point the City's programming demands decrease. A detailed staff plan will be developed, but it is expected that full-time staff affected by the closures will be reassigned in the City, while part-time staff will have their hours reduced; and
- Cost overruns and/or delays for the Community Centre redevelopments are not anticipated at this time.

During discussion of this item, the Committee directed staff to provide the following:

- An updated spreadsheet with the design and construction costs and timelines for the Community Centre redevelopments.

The Chair thanked Councillor Saito for her work on this matter and noted that residents have expressed concern for years about the lack of capacity at both Community Centres.

Received/Direction (P. Saito)
Recommendation BC-0018-2012

DEPUTATIONS

- A. Patti Elliott-Spencer, Director, Finance, with respect to the Proposed Capital Budget based on the Capital Prioritization Exercise.

Committee members raised various issues including:

- Slide 13 of the PowerPoint presentation entitled "2013-2022 Submitted Capital Forecast (Funded and Unfunded)" and the percentage of the \$723 million in other funding sources that is funded from the gas tax;
- The percentage of mandatory and critical projects in the capital forecast that are federally and/or provincially legislated (e.g., stormwater management);

- The Meadowvale and River Grove Community Centre redevelopments vis-à-vis rehabilitation needs, growth pressures, and development charge revenues;
- The Artifact Preservation and Storage Facility and its unfunded status, possible partners, history, interim options, and the need to update the Museums of Mississauga Advisory Committee and its Subcommittee about any developments;
- The possibility of funding two unfunded projects (specifically, the Westacres Outdoor Pool and the Streetsville Main Street Square Design and Construction) in the 2013 capital budget by reallocating funds earmarked for the Arsenal Park;
- The importance of renovating the Westacres Outdoor Pool for Ward 1 residents;
- The need to balance funding infrastructure versus resident-centred projects; and
- The allocation process for development charge revenues.

Ms. Elliott-Spencer, Mr. Mitcham, and Ms. Patel responded to the Committee's comments and questions and discussed the following:

- The breakdown of the \$723 million in other funding sources that is funded from the gas tax on page 4 of Appendix 1 entitled "Capital Prioritization Summary, Table 1.3 – 2013-2022 Funded from Other Sources Not Prioritized (\$000's)";
- The projects identified as mandatory in Appendices 2 and 3 are federally and/or provincially legislated;
- The Community Centre redevelopments will be funded largely from taxes and cash in lieu. However, some development charge revenues will fund the library;
- Development charge revenues in 2014 and beyond;
- Arsenal Park funds are from development charge revenues that must be spent on growth-related projects and, as such, cannot be redirected to fund the Westacres Outdoor Pool and the Streetsville Main Street Square Design and Construction;
- The collection and allocation process for development charge revenues; and
- The impact of slide 33 of the PowerPoint presentation entitled "Outstanding Debt to Reserve and Reserve Fund Balances Based on Funded Capital Forecast" has been included in the operating budget and Infrastructure Levy.

During discussion of this item, the Committee directed staff to provide the following:

- The percentage of mandatory projects in the capital forecast that are federally and/or provincially legislated (e.g., stormwater funding).

Received (R. Starr)
Recommendation BC-0019-2012

MATTERS CONSIDERED

1. Municipal Land Transfer Tax

Corporate Report dated September 19, 2012 from the City Manager and Chief Administrative Officer with respect to the municipal land transfer tax.

The Chair said that the large urban Mayors support the municipal land transfer tax and that the City would receive a lot of support regarding this matter.

Councillor Crombie stated that the City of Toronto was requesting one percent of the Harmonized Sales Tax (HST). The Chair noted that the large urban Mayors support sustainable funding for municipalities and that the municipal land transfer tax is generally accepted and used in other municipalities. She suggested that Council delay requesting other taxes from the federal and provincial governments until the province provides more information regarding congestion, as there will be taxes involved with the latter.

Approved (K. Mahoney)
Recommendation BC-0020-2012

2. Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) Program Summary Report

Corporate Report dated September 24, 2012 from the City Manager and Chief Administrative Officer with respect to Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) Program summary report.

Approved (N. Iannicca)
Recommendation BC-0021-2012

3. 2012 Year End Financial Forecast as of June 30, 2012 2nd Quarter

Corporate Report dated September 20, 2012 from the Commissioner of Corporate Services and Treasurer with respect to the 2012 year end financial forecast as of June 30, 2012 2nd quarter.

Received/Approved (R. Starr)
Recommendation BC-0022-2012

4. Capital Works in Progress Status Review, as at May 31, 2012 and Adjustments

Corporate Report dated September 18, 2012 from the Commissioner of Corporate Services and Treasurer with respect to capital works in progress status review, as at May 31, 2012 and adjustments.

Approved (K. Mahoney)
Recommendation BC-0023-2012

DEPUTATIONS

- B. Chris Mackie, MIRANET Municipal Finance Committee, with respect to the Budget Committee Agenda for October 3, 2012.

Mr. Mackie raised various issues including:

- The Infrastructure Levy and clarification on whether a reserve account was established for the one percent debt servicing component;
- Different approaches and options for financing the capital budget;
- Forecasted gas tax revenues for next 10 years and, specifically, in 2016 and 2017 on page 4 of Appendix 1 entitled “Capital Prioritization Summary, Table 1.3 – 2013-2022 Funded from Other Sources Not Prioritized (\$000’s)”;
- The lack of 2013 operating budget information for the public thus far;
- The schedule of upcoming Budget Committee meetings and the possibility of revising the meeting dates and adopting the 2013 budget at a later date;
- The difficulties of MIRANET making a deputation regarding the 2013 budget on or before the adoption of the budget on December 12, 2012;
- The possibility of MIRANET obtaining a budget book from Finance staff; and
- The possibility of Enersource having a public town hall meeting to promote more disclosure and transparency regarding their cost structure and administration.

Ms. Breault, Ms. Elliott-Spencer, the Chair, and Councillor Mullin responded to Mr. Mackie’s comments and questions and discussed the following:

- Debt financing processes and policies;
- The means by which staff forecast gas tax revenues for the next 10 years;
- The gas tax figures in Appendix 1, Table 1.3;
- It is a best practice for the operating budget to be approved before the beginning of the year so that the City’s expenditure requirements are known;
- The budget book will be available online after November 19, 2012 and the operating budget will be considered in depth during the Committee’s meetings on November 26 and 27 and December 3, 4, and 5. In addition, a public budget open house meeting is being scheduled in late November 2012;
- Finance staff will provide MIRANET with the budget book once available;
- The importance of the City’s previous public budget open house meetings with the Region of Peel to residents and the overall budget process; and
- The possibility of Enersource organizing a separate public town hall meeting regarding their cost structure, administration, and overall operation.

CLOSED SESSION – Nil

ADJOURNMENT – 1:49 p.m.

REPORT 4-2012

TO: MAYOR AND MEMBERS OF COUNCIL

The Budget Committee presents its fourth report for 2012 and recommends:

BC-0018-2012

1. That the Corporate Report dated September 26, 2012 from the Commissioner of Community Services entitled "Meadowvale Community Centre and River Grove Community Centre Redevelopment" be received.
2. That the timing of the redevelopment of the River Grove Community Centre be amended, as follows, with the design starting in November 2012 and finishing by June 2013, and with construction commencing in July 2013 and finishing by July 2014.
3. That the timing of the redevelopment of the Meadowvale Community Centre be amended, as follows, with the design starting in January 2013 and finishing by March 2014, and with construction commencing in April 2014 and finishing by July 2016.
4. That the River Grove CC Renovation – Design project (PN #12431) be established, in advance of Council approval of the 2013-2022 capital budget and forecast, and with a gross and net budget of \$1,500,000.
5. That funding of \$1,500,000 be transferred from the Cash-in Lieu of Parkland Reserve Fund (#32121) to the PN #12431.
6. That all necessary by-laws be enacted.

Wards 6 and 9

BC-0019-2012

That the PowerPoint presentation, dated October 3, 2012, by Patti Elliott-Spencer, Director, Finance, entitled "Proposed Capital Budget based on the Capital Prioritization Exercise" and presented to the Budget Committee at its meeting on October 3, 2012, be received.

BC-0020-2012

1. That the City of Mississauga requests that the Province of Ontario amend the *Municipal Act, 2001* to give municipalities the statutory authority to access tax tools similar to the City of Toronto, including the Municipal Land Transfer Tax, as outlined in the Corporate Report dated September 19, 2012 from the City Manager and Chief Administrative Officer entitled "Municipal Land Transfer Tax";
2. That the Corporate Report dated September 19, 2012 from the City Manager and Chief Administrative Officer entitled "Municipal Land Transfer Tax" be circulated to local MPs and MPPs, the Premier of Ontario, the Minister of Municipal Affairs and Housing, the Minister of Infrastructure, the Minister of Finance, the Association of Municipalities of Ontario, and the Federation of Canadian Municipalities; and
3. That the recommendation in the Corporate Report dated September 19, 2012 from the City Manager and Chief Administrative Officer entitled "Municipal Land Transfer Tax" be sent to all Ontario municipalities with a request for endorsement.

BC-0021-2012

That the Corporate Report dated September 24, 2012 from the City Manager and Chief Administrative Officer entitled "Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) Program Summary Report," including Appendix 1 attached to the Corporate Report, be approved and that all necessary by-laws be enacted.

BC-0022-2012

1. That the 2012 Year End Operating Forecast and Adjustments as of June 30, 2012, as outlined in the Corporate Report dated September 20, 2012 from the Commissioner of Corporate Services and Treasurer entitled "2012 Year End Financial Forecast as of June 30, 2012 2nd Quarter" be received.
2. That the budget adjustments as listed in Appendix 3 attached to the Corporate Report dated September 20, 2012 from the Commissioner of Corporate Services and Treasurer entitled "2012 Year End Financial Forecast as of June 30, 2012 2nd Quarter" be approved.

BC-0023-2012

1. That the status of the Capital Works in Progress and required adjustments, as outlined in the Corporate Report dated September 18, 2012 from the Commissioner of Corporate Services and Treasurer entitled "Capital Works in Progress Status Review, as at May 31, 2012 and Adjustments," including Appendices 1 to 4 attached to the Corporate Report, be approved.
2. That the necessary by-laws be enacted, as outlined in the Corporate Report dated September 18, 2012 from the Commissioner of Corporate Services and Treasurer entitled "Capital Works in Progress Status Review, as at May 31, 2012 and Adjustments."