

MAYOR'S UPDATE

SPRING 2014



Mississauga has evolved to become a dynamic and vibrant community. Our City welcomes world culture and has a naturally

enriching environment – that's why people and businesses choose to live, work and visit Mississauga.

The 2014 Budget reflects the City's priorities of maintaining our infrastructure, enhancing reliable and convenient transportation choices, continuing to implement our Strategic Plan and delivering excellence through our programs and services. The City encourages the community to ask questions and provide feedback on the City Budget each year.

We are dealing with challenges such as a growing population, aging infrastructure, rising costs and no change in revenues. This will not be easy. We incurred debt in 2013 as a way to address these challenges.

This year, Mississauga residents will see a 2.7 per cent residential property tax increase. For residents, this equals an additional:

- \$121 in property taxes on an average home assessed at \$508,000 or
- \$24 per \$100,000 of assessment.

Residents and visitors alike enjoy our City parks, natural areas, trail systems, waterfront, community centres and libraries. It is important to understand

that costs to maintain and provide services like transit, roads, libraries and recreation centres keep rising. City Council is committed to making sure that our taxes stay among the lowest in the GTA and residents are getting good value for every dollar.

Your property tax dollars are put to work by funding initiatives that make Mississauga a world class city. For every dollar you pay in property tax, the City receives only 32 cents; 45 cents goes to the Region of Peel and 23 cents to the Province of Ontario for education. Those 32 cents plus the user fees we charge fund the programs and services you value. Property tax remains the City's primary source of funding for everything we need to keep our City running.

The City of Mississauga, like all other cities in Canada will struggle to maintain our infrastructure and services in the future unless a strong partnership with senior levels of government can be forged. Cities cannot sustain themselves on property tax alone.

My colleagues on City Council and I have always tried our best to collect only as much as we need and keep our tax rates low. Our citizens are active and engaged, our programs and services are consistently rated excellent and we will continue to build and improve on the City's already strong reputation.

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

2014 CITY BUDGET HIGHLIGHTS

The 2014 property tax increase will help the City pay for services that you depend on and enjoy. Key areas of focus:

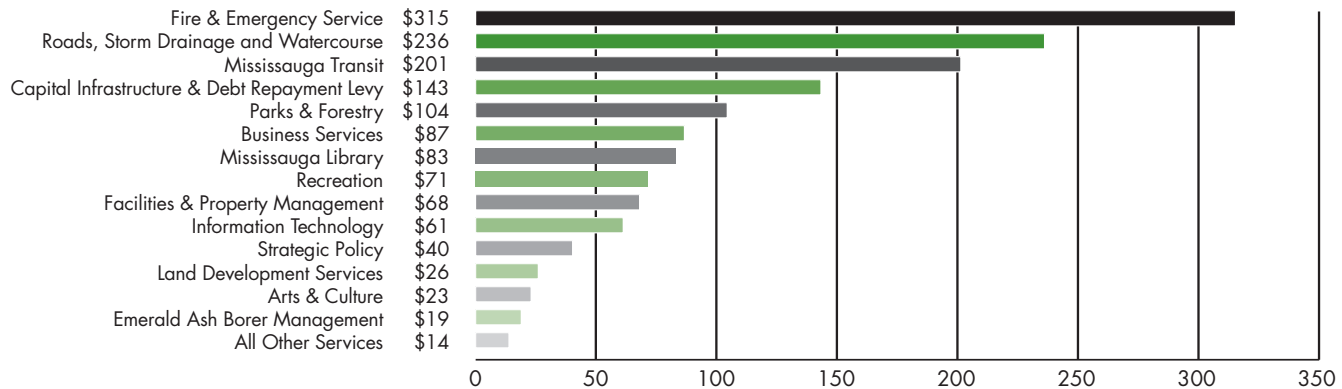
- increasing transit service
- managing the effects of the Emerald Ash Borer and maintaining City infrastructure
- The City will also contribute to the Institute of Management and Innovation Complex at the University of Toronto Mississauga.
- City staff found \$7.9 million in savings for 2014 through efficiencies. These savings ensure that costs for existing service levels remain below the rate of inflation.
- The City's Gross Operating Budget for 2014 is \$671.6 million. To deliver services such as: transit, parks, forestry, recreation, roads and stormwater management and fire and emergency services.
- The City's Capital Budget for 2014 is \$178 million. To support transportation projects like the new Transitway, road and bridge rehabilitation and other infrastructure projects like park facilities and storm drainage.
- A total of 41 per cent of the City's 2014 Budget is funded through user fees and other revenues. Property taxes fund 59 per cent of the budget.

Your Property Taxes in Perspective

In 2014, the average home in Mississauga was assessed at \$508,000 and homeowners paid \$4,615 in property taxes. Of that, the City received \$1,493.

Where Your Tax Dollars Go

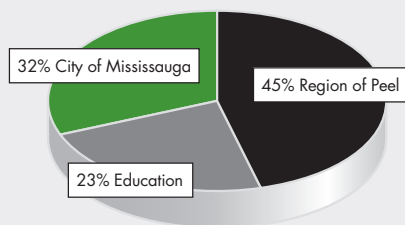
The money the City receives from an average homeowner is distributed as follows:



Understanding Your Property Tax Bill

Your 2014 residential tax bill consists of three separate components

- the City's portion
- the Region of Peel portion; and
- the Province of Ontario's education amount (set by the Province of Ontario)



If you compare your 2013 tax bill to your 2014 tax bill, there has been an average increase of 2.7% on the total tax bill. In the City portion this includes 0.8% for operating costs, 0.6% for infrastructure repair, 0.3% for the emerald ash borer management plan and 0.1% for the University of Toronto Innovation Complex. The Region of Peel impact is an additional 0.9%.

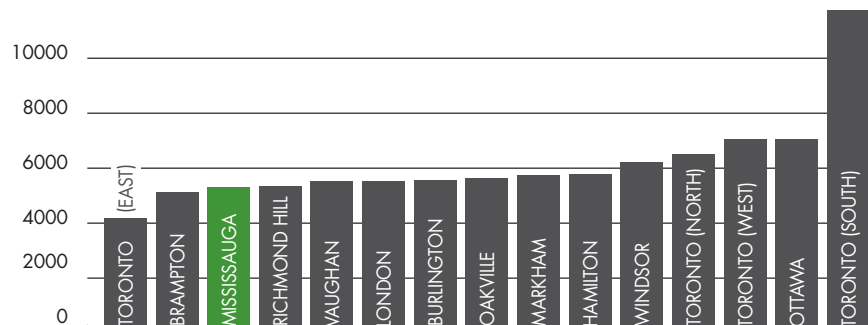
Property Taxes Compared to Other Household Expenses

The list below compares the amount an average homeowner pays to the City versus other annual costs.

2014 City portion of Property Taxes On a home assessed at \$508,000	Average Annual Cost \$1,493
House Insurance per \$508,000 home	\$850–\$1,000
Electricity for average home	\$1,500
Average Basic Cable/Internet Bill	\$1,000
Natural Gas for average house	\$1,200
Gas for an average auto driver for 1 year	\$2,200
Taxes paid on a car worth \$20,000	\$2,600
Income Taxes on \$98,600 of household earnings	\$25,990

Comparing Property Taxes in the GTA

The following chart provides a comparison of 2013 taxes for an average four bedroom home in various municipalities, primarily from the GTA. Mississauga's taxes are among the lowest.



Source: BMA study 2013

Infrastructure: the physical structures and facilities needed in a community

Mississauga owns over \$8 billion in infrastructure, including:

- 5,210 km of roads
- 6,700 acres of parks
- 11 community centres
- 25 ice rinks
- 18 pools
- 18 libraries, 1.4 million library items, 446 public use computers
- 258 playgrounds
- 530 sports fields
- 2 marinas
- 49,234 street lights & 511 traffic lights
- 225 km of trails
- 20 fire stations, 47 fire vehicles
- 458 buses
- 129 pedestrian bridges
- 1 million trees
- 244 km of bicycle lanes and multi-use trails

The Infrastructure Story

Many of the services the City provides depend on safe reliable infrastructure. As well, our future success depends on Mississauga remaining competitive with other major urban cities by maintaining our infrastructure, ensuring it is modern and that it meets the needs of our diverse and changing city.

Over the years, much of the City's infrastructure was paid for by funds generated through development fees. Today, many of those buildings, roads, sidewalks and vehicles are aging and need to be repaired or replaced. As

development funding slows, much of that work will need to be funded primarily by property taxes.

Delivering on the City's commitment to manage residents tax dollars responsibly and our priority to deliver services in the most efficient manner, we know it is much more cost effective to conduct regularly scheduled maintenance and renovations than to let our assets deteriorate. If we let those assets deteriorate, we will be faced with more maintenance service calls and possible interruptions to our programs and services. It is a balance. If we allow our infrastructure to deteriorate too much we will face even higher costs to replace them.

We have prioritized all our infrastructure maintenance needs and it is a part of our 4-year Business Plan. This year, the City will raise an additional \$7.4 million through

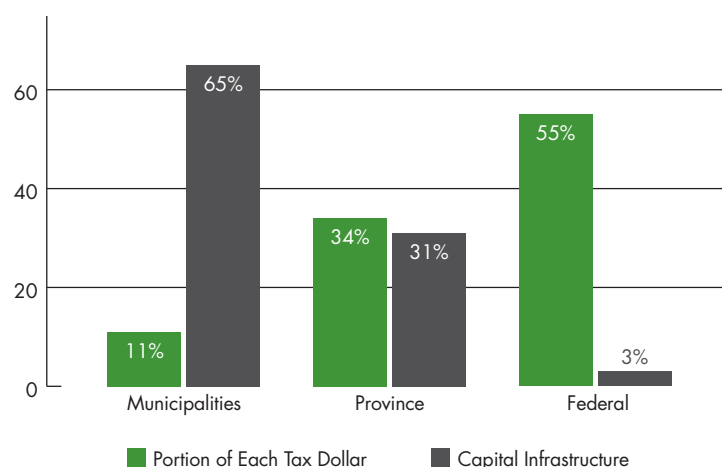
property taxes in an effort to reduce the \$91 million infrastructure gap. There is a shortfall –the infrastructure gap can only be narrowed by increasing tax based funding raised through an infrastructure levy or by issuing debt. Alternatively, the City can reduce service levels by maintaining infrastructure at a lower level.

In the past, the City has received funding from other levels of government in the form of programs such as the Infrastructure Stimulus Fund and Recreation Infrastructure Canada Program. While these funding programs have been helpful, they are only one-time funding opportunities. We do receive and are grateful for, Gas Tax from both the Provincial and Federal Governments, however, municipalities need more sustainable funding to ensure our infrastructure remains in a state of good repair well into the future.

Did you know?

Municipalities own the majority of public infrastructure but receive the smallest share of tax dollars

Ontario municipalities receive only 11 cents of every tax dollar raised in Ontario, but own 65 per cent of the capital infrastructure – The Provincial and Federal governments receive 34 cents and 55 cents and own 31 per cent and 3.4 per cent of the capital infrastructure, respectively.





Special Purpose Levies

Levies provide dedicated funds to deal with specific issues. The total impact of the levies on the total tax bill is 1.0%.

- The Emerald Ash Borer (EAB) an invasive insect is threatening to destroy the City's 116,000 Ash trees. The EAB levy will deal with this problem. It accounts for an increase of 0.3% on the total residential tax bill.
- Infrastructure is aging and needs repair and ongoing maintenance. An Infrastructure and Debt Levy will help to address the work required. It accounts for an increase of 0.6% on the total tax bill.
- University of Toronto Mississauga levy of \$1 million per year for the next 10 years – \$10 million in total – will assist in funding a new Innovation Complex. This levy adds 0.1% to the total tax bill.

Elections

Municipal Election day is October 27th. Elections are paid for with funds set aside every year. You will be able to vote for mayor, your ward councillor and school board member.

To vote in the upcoming municipal election, you must be:

- at least 18 years old and
- a Canadian citizen and
- live in the City or
- be an owner or tenant of land in the City or the spouse of such an owner or tenant.

Are you on the Voters' List?

Potential electors can visit voterlookup.ca to confirm and update their information in a few easy steps. Updating this information will help to ensure the Voters' List is accurate before municipal and school board elections.

The Municipal Property Assessment Corporation (MPAC) maintains a list of property owners and tenants. The City uses MPAC's list to prepare its Voters' List for Election Day. The list is also used to send Voter Notification Cards and other election information. Voter Notification Cards provide information about where and when you can vote.

It is important that you ensure that you are on the Voters' List. The person who is elected as mayor and those who are members of council are the ones who decide how your tax dollars are spent. Vote! You decide what the future of your City and your schools look like.

Frequently Asked Questions

What is the City doing to minimize tax increases?

The City is focussed on providing good value to our citizens. The 2014 Budget is built around maintaining services. There are very few changes to services. We are working to improve and find new innovative solutions. This is an integral part of planning for the future. As part of the 2014 Budget process, each service area identified operating cost reductions and efficiencies equal to one per cent of their 2013 Budget; this resulted in \$7.9 million in savings.

How does the recent Property Assessment Notice I received from the Municipal Property Assessment Corporation (MPAC) affect my property taxes?

An increase in assessed value does not always mean an increase in property taxes. The average rate of assessment

increase for Mississauga will be listed on your notice. If the increase in assessed value of your property is the same percentage or less than the average increase in the municipality, there will be no increase in your taxes because of reassessment. The City of Mississauga does not benefit financially from reassessment. The City adjusts tax rates to offset reassessment changes. This ensures the City does not receive a windfall gain because of an increase in assessment. The City collects the same amount of tax, after the reassessment as it did before the reassessment.

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

A \$400 tax rebate is available for those 65 years of age and over who are 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 in person at the Tax office. The

application deadline is December 31 of the year the tax rebate is claimed. Call 3-1-1 if you have any questions about the program.

How do I update my mailing address, get a tax statement for income tax reporting or register for the pre-authorized tax payment program?

The Tax Self Service Centre at mississauga.ca/tax provides quick and convenient online access to a variety of tax services, 24 hours a day, 7 days a week. Services available include:

- Review tax account details
- Change your mailing address, name, mortgage company or agent information
- Advise that you are moving
- Purchase a tax certificate
- Enrol in the Pre-authorized Tax Payment Plan (PTP)
- Manage your PTP banking information
- Manage your tax PIN
- Purchase a tax receipt

