



MINUTES

BUDGET COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**WEDNESDAY, JUNE 26, 2013 –
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 Sue McFadden	Ward 10
Councillor George Carlson	Ward 11

MEMBERS ABSENT:

Councillor Pat Saito	Ward 9 (Other Municipal Business)
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STAFF PRESENT:

Janice Baker, City Manager and Chief Administrative Officer
Mary Ellen Bench, City Solicitor
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
Crystal Greer, Director, Legislative Services and City Clerk
Diana Rusnov, Manager, Legislative Services and Deputy Clerk

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

CALL TO ORDER – 1 p.m.DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST

Councillor Dale declared an interest regarding compensation, stating that his wife and son are part-time City of Mississauga employees.

In response to the Chair, Ms. Baker introduced Ms. Elliott-Spencer's deputation and the goals of today's meeting. She added that staff will be working on the 2014 Budget and 2014-2016 Business Plan during the summer and that the Committee's feedback and direction was being sought on the work done thus far (e.g., tax rates, service adjustments, etc.) prior to the 2014 Budget being brought to the Committee in the fall of 2013.

APPROVAL OF AGENDADEPUTATIONS

- A. Patti Elliott-Spencer, Director, Finance, with respect to the 2014-2016 Business Plan & Budget Outlook.

Ms. Baker discussed Ms. Elliott-Spencer's deputation, the LRT project and its funding, and the reduction in the stormwater tax levy vis-à-vis the stormwater rate funded program. She said that some details and figures may be revised somewhat, that there is no significant adjustment in service levels, and that new strategic initiatives (e.g., transit, the BRT project, Emerald Ash Borer funding, infrastructure funding, etc.) were incorporated. Ms. Baker said that the City needs to catch up on infrastructure funding vis-à-vis other municipalities that have adopted a "pay-as-you-go" approach to infrastructure repair and maintenance. She requested the Committee's feedback and direction on the deputation.

Committee members raised various issues including:

- Slide 16 of the PowerPoint presentation titled "\$7.4 Million in Efficiencies and Cost Reductions Identified" and whether the \$7.4 million includes current and/or anticipated surpluses for 2013;
- Slide 5 of the PowerPoint presentation titled "Challenges and Opportunities" and the issues associated with growth-related fire services such as capital, operating, and overall costs for new and existing fire stations;
- Slide 24 of the PowerPoint presentation titled "2014 Full Time Equivalent Labour Changes" and the full time equivalent (FTE) and part time equivalent increases and decreases, the City's overall staff-related budgetary challenges, and the possibility of managing labour costs differently to decrease and/or control costs;
- Slide 11 of the PowerPoint presentation titled "Components of 2014 Preliminary Increase – Total \$26.3 Million" and the cost to maintain the current service level,

- the challenge of funding new initiatives, and the transfer to stormwater rate;
- Slide 20 of the PowerPoint presentation titled “Emerald Ash Borer” and the overall cost of the associated Active Management Plan;
- The University of Toronto Mississauga’s (UTM) capital funding request of \$10 million to help fund their new Innovation Complex and funding provided by the City to UTM and Sheridan College’s Mississauga Campus in the past (in particular, the City previously contributed \$3.5 million to UTM);
- The 2013 Cost-of-Living Adjustment (COLA) and Performance Management Program (PMP) bonus and associated financial impacts;
- The BRT project and associated costs, funding, and overall logistics;
- Staff overtime costs, particularly in Fire and Emergency Services;
- Slide 28 of the PowerPoint presentation titled “Forecasted 2014-2016 Tax Levy Increase (%)” and the transfer to stormwater rate vis-à-vis the stormwater rate funded program;
- Slide 23 of the PowerPoint presentation titled “Infrastructure Gap Based on Historical Costs are Growing” and whether the current 2 percent capital infrastructure levy is sufficient to deal with the City’s growing infrastructure gap;
- Slide 22 of the PowerPoint presentation titled “Almost \$1 Billion Unfunded Capital” and whether funding should be allocated in the reserves for unfunded future projects (e.g., the Lakeview redevelopment, the Downtown21 Master Plan, etc.), the 2013 gross capital request and the \$57 million in other funding sources vis-à-vis the 2013-2022 gross capital request and the \$746 million in other funding sources and the \$1.6 million in LRT other funding sources;
- The possibility of establishing a waterfront commission or corporation to deal with the Lakeview redevelopment and Port Credit’s waterfront lands;
- Slide 27 of the PowerPoint presentation titled “LRT in 2016” and the \$50 million for non-recoverable capital costs related to the LRT;
- The possibility of contracting out sign-related services that are currently provided by Transportation and Works Department staff to local sign companies; and
- The City’s revenues from filming and their importance as a revenue source and the importance of promoting filming-related opportunities in the City.

Ms. Elliott-Spencer, Ms. Baker, Ms. Breault, and Mr. Powell responded to the Committee’s above-noted comments and questions.

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

- The current and/or anticipated surpluses for 2013;
- A breakdown of the FTE increase on slide 24 aside from the 41 FTEs in transit;
- Additional information regarding the financial impacts of the 2013 COLA and PMP bonus for staff;
- A breakdown of the \$57 million in other funding sources in the 2013 gross capital request and the \$746 million in other funding sources in the 2013-2022 gross capital request on slide 22;
- Information regarding the possibility of contracting out sign-related services that

- are currently provided by Transportation and Works Department staff; and
- Information regarding the City's revenues from filming and the promotion of filming-related opportunities in the City.

In response to the Chair, Chris Mackie, MIRANET Municipal Finance Committee, discussed and requested clarification regarding the following:

- The City's year-end operating surplus for 2012 vis-à-vis the number of unfilled staff vacancies, whether these vacancies still need to be filled given that many have been unfilled for long periods of time, unfilled vacancies vis-à-vis the 2014 FTE increase, and provisions in the 2014 Budget for unfilled vacancies;
- The 2013 capital budget shortfall of \$40 million on slide 22 vis-à-vis the 2014 capital budget process and associated projects; and
- The funding of the LRT project on slide 22 and the ten-year capital budget vis-à-vis the LRT project's various auxiliary costs (e.g., additional cycling trails, road widenings, bridges for pedestrians, etc.).

Ms. Baker, Ms. Breault, and the Chair responded to Mr. Mackie's above-noted comments and questions.

Received (P. Mullin)
Recommendation BC-0001-2013

MATTERS CONSIDERED

1. University of Toronto Mississauga (UTM) Capital Funding Request

Corporate Report dated June 17, 2013 from the Commissioner of Corporate Services and Treasurer with respect to the University of Toronto Mississauga (UTM) capital funding request.

Councillor Iannicca discussed the Corporate Report and the five possible funding options on page 3 and funding option 4 (namely, special tax levy increase of \$1 million per year for 10 years). He suggested that this matter be put aside until the Committee receives more information from staff in the fall of 2013 regarding the City's total funding picture. Councillor Crombie expressed support for funding option 4 and discussed Appendix 1 of the Corporate Report entitled "Municipal Contributions to Post Secondary Institutions" and the funding tools used by Ontario municipalities to fund post secondary institutions.

The Chair emphasized that the Committee's recommendation regarding funding option 4 does not commit the City to providing funding to UTM, as more information is required from staff regarding the overall 2014 Budget before the Committee can make a decision.

Ms. Baker requested clarification from Committee members regarding their preferred funding option and, in response to Councillor Crombie, discussed Appendix 1 and the

different funding tools used by Ontario municipalities to fund post secondary institutions. She said that staff will include funding option 4 for UTM's funding request in the draft 2014 Budget and that this matter will be further discussed at a future Committee meeting.

Received/Direction (N. Iannicca)
Recommendation BC-0002-2013

2. Business Proposal – \$116,000 Annual Savings, Conversion of External Service to Full Time Employee

Corporate Report dated June 6, 2013 from the City Solicitor with respect to a business proposal – \$116,000 annual savings, conversion of external service to full time employee.

Ms. Baker said that staff decided to bring this matter to the Committee now, rather than as part of the 2014 Budget, so that the cost savings could be incurred immediately.

Received/Approved (K. Mahoney)
Recommendation BC-0003-2013

CLOSED SESSION – Nil

ADJOURNMENT – 2:23 p.m. (B. Crombie)

REPORT 1-2013

TO: MAYOR AND MEMBERS OF COUNCIL

The Budget Committee presents its first report for 2013 and recommends:

BC-0001-2013

That the PowerPoint presentation, dated June 26, 2013, by Patti Elliott-Spencer, Director, Finance, entitled "2014-2016 Business Plan & Budget Outlook" and presented to the Budget Committee at its meeting on June 26, 2013, be received.

BC-0002-2013

That the Corporate Report dated June 17, 2013 from the Commissioner of Corporate Services and Treasurer, entitled "University of Toronto Mississauga (UTM) Capital Funding Request," be received and that funding option 4 (namely, special tax levy increase of \$1 million per year for 10 years) outlined on pages 3 and 4 of the Corporate Report be placed in the proposed budget and returned to a Budget Committee meeting in the fall of 2013 for further discussion.

Ward 8

BC-0003-2013

1. That the Corporate Report dated June 6, 2013 from the City Solicitor, entitled "Business Proposal - \$116,000 Annual Savings - Conversion of External Service to Full Time Employee," be received; and
2. That approval be granted to generate an annual \$116,000 savings in operating costs by adding one permanent full time Claim Co-ordinator position commencing in June 2013 and that the sum of \$60,000 be transferred to Risk Management & Insurance (Account 21665) from Insurance Claims Expense (Account 28582) to fund a new position of Claims Co-ordinator (1 FTE) commencing in September 2013.