

Budget Open House - Public Question Period
October 1, 2013

1. Chris Mackie, Miranet

Q: You made reference several times to percentage increases as being well within the range of inflation, most noticeable of these was the 2.5% increase in the tax supported portion of the operating budget to maintain current service levels. What forecast do you have of the increase in the CPI for 2014?

A: Patti Elliott-Spencer, Director, Finance and Treasurer - (*On slide about economic assumptions*) The forecast is between 1 ¾ and over 2. This is based on research that our Investment and Cash Management staff do and is primarily based on the Bank of Canada forecast.

2. Chris Mackie, Miranet

Q: I appreciate this is not a staff driven initiative but that a decision will be made by our Council; I query the justification for taxpayers providing the \$10 million gift to University of Toronto Mississauga (UTM) at a time when the City is going to the debt markets, this year the City was expecting to float \$50 million in debt to meet the 10 year capital budget requirement? I am in favour of supporting universities but I think support should come from a progressive tax base, not from a regressive tax base. Universities are supported by the provincial government. Could you explain, without holding you responsible, why it is appropriate for tax payers to be funding UTM?

A: Janice Baker, City Manager & Chief Administrative Officer - As you know, they approached Council. Council asked staff to look at ways we could provide funding. You are right; we have pressures on the infrastructure side. Having examined the options, our recommendation for funding is a special levy that Patti Elliott-Spencer highlighted. There is precedent for it; we supported UTM in the early 2000s. At that time our contribution was about \$3.5 million for another initiative. At the end of the day, we suggest looking at the economic development impact. The budget request for Council is made part of EDO's budget. It is on the basis that investment in human capital in terms of job creation and supporting the many businesses and industries in Mississauga is really critical. It is important to have the right skill sets and a talented and job-ready workforce. This is not something that has been finalized or decided, it is there for Council's decision.

3. Twitter

Q: What long term plan is Council/City looking at to reduce the debt after investments are finished?

A: Patti Elliott-Spencer, Director, Finance and Treasurer - The City approved a debt policy in late 2011. Based on that policy, we have a recommendation for a 2% infrastructure levy - 1% to grow reserve funds, 1% to go to new debt service costs. The policy established minimum reserve balances to maintain our liquidity position and set maximum debt limits so that we could

only have up to 10% of our operating budget tied up for tax supported debt, and an additional 5% for rate supported debt. The plan does not envision us moving back to being debt free. It recognizes that debt is a useful source of funding, if used in a prudent manner.

4. Twitter

Q: \$1billion in unfunded capital projects + no downtown or waterfront funding. How can [#Mississauga](#) progress?

A: Janice Baker, City Manager & Chief Administrative Officer – It is sometimes a challenge to look at maintaining what we have in a state of good repair while at the same time being aspirational for the City. We have demonstrated over the last years that it is helpful to have aspirational projects in the hopper. That is how we were able to take advantage of the infrastructure stimulus fund program that came through. That is how we took advantage of funding for the Transitway and that is how we will take advantage of funding that we hope will come through for the LRT. We also know that the private sector has a role to play. Looking at Lakeview and Port Credit, some of the investment will come from development from the private sector. We have a dynamic Master Plan to guide this investment and ensure that we get the right things for the community. This will ensure that private investors looking to put money in will understand our expectations, know what the ground rules are and what the community is looking for. Over time, with the investments that we have made in transit – yes, we have increased taxes, but in a deliberate and transparent way. Every year, Council has declared openly the support they are providing – the additional routes, additional people. If we are transparent and open about our investment as a City, we can make some choices as we go through the budget. We will never be able to do everything. In some cases, we will have to wait for the right opportunity. That does not mean we should sit back and not be aspirational, not be strategic, not engage our community. We will keep working with the community and looking at what we need, even if we have not identified all of the dollars we need to make it happen. We need to be ready when the investment is ready to come into the community.

5. Twitter

Q: Tax increases and user fees are going towards holding the line. How do we implement the City's Strategic Plan?

A: Janice Baker, City Manager & Chief Administrative Officer - We are implementing the Strategic Plan. Because we have new tax revenues and new investments, particularly around transit. *This question is similar to the last – Janice does not repeat answer.*

6. Twitter

Q: What is the total cost of the Integrity Commissioner plus Governance Committee staff-time? Please consider scrapping.

A: Gary Kent, Commissioner, Corporate Services & Chief Financial Officer - Around \$100,000 is allocated in the budget.

Janice Baker, City Manager & Chief Administrative Officer – Scrapping the Integrity Commissioner would be a Council decision. They have taken a lot of time to implement a code of conduct, which is something that came out of the Mississauga inquiry. It is my opinion, that it is highly unlikely that we will scrap the Integrity Commissioner. In fact, if you look at municipalities across Canada and Ontario, this is becoming a standard. It is helpful to elected officials to get guidance in advance of issues. Integrity Commissioners are not just there to respond to issues, they have an important advisory role to officials. In today's world of open and transparent government, people want a place to go to that is independent and the Integrity Commissioner fulfills this role. Our Integrity Commissioner has not been very busy, so he does not cost as much as he might. We have not needed him a lot.

7. Simi Kapur, Rockwood Homeowners Association

Q: Fire Services collective bargaining has not been negotiated or ratified. Do you know when this will happen and which budget it will be included in?

A: Janice Baker, City Manager & Chief Administrative Officer – We were unable to reach an agreement with the International Association of Firefighters Local 1212. We are looking at collective bargaining going back to 2010. We have not had an agreement since December 31, 2010. We are quite far apart in terms of their ask versus what we were prepared to put on the table. We have been to arbitration and are simply waiting for a decision. When you go into an arbitration hearing, you have no idea when a decision will come down. Municipalities have had to wait as much as two years. We are hopeful it will not take that long. We are already several months past the arbitration hearing date with no indication of when we will receive a decision. Until we get the decision, we have made some provisions within the budget. Whether they are adequate is something we will not know until we get the decision; we hope that our estimates are close.

Simi Kapur – You don't think those provisions will be adequate?

Janice Baker, City Manager & Chief Administrative Officer – We have no way of knowing. We have looked at what other municipalities have been awarded but you do not know for sure until the decision comes down. I am hopeful that our estimates will be close, but I could be right and I could not be right.

8. Dorothy Tomiuk, Miranet

Q: There is talk of Brampton increasing representation on Peel regional council, also discussion of an elected chair on Peel regional council. From a budget point of view, what might be the financial impact of changes on Peel regional council and is there a better scenario for Mississauga than the current one within Peel Region with three cities?

A: Janice Baker, City Manager & Chief Administrative Officer – We did some analysis several years back that looked at different scenarios. We believe that a single tier level of government is more efficient, but the province has to make that decision. Back in 2005 or 2006, they did not. We have not done an exhaustive analysis but we do have a report coming to Council on October 9. If it is just strictly adding more councillors, it would be a regional cost - at the local

level there would be no impact. There is no big governance shift being proposed, so that would not impact us at the local level.

Mayor Hazel McCallion - Some regions have passed resolutions to elect a chair. We put a motion through in July to look at this in Peel. In my opinion, it is undemocratic for a council to elect their chair. We need a democratic way to elect a regional chair. As a result of the motion, Council set up a task force of the three mayors and four CAOs in the Region to look at the structure of regional council as well as election of the chair. We came up with a report: make no changes during this term, middle of the next term of regional council they should deal with the issue. Wednesday night (October 25, 2013), Brampton passed a resolution to add four councillors right away. We spent six hours debating it at regional council on Thursday (October 26, 2013) Mississauga agrees they should have more representation. A few years ago, we made a pitch to get out of regional government – as the sixth largest in Canada; we should be a city onto ourselves. That went to a judge and we lost badly. Brampton and Caledon united against us. A judge recommended that Brampton should have more representation – Caledon should remain the same. The judge recommended that Brampton representation increase, Caledon remain the same. [Breaks down representation across the Region – population and representation] My position is that we should not be adding any more councillors at the Region. I do not think the public supports more councillors at any level. Adding four more councillors in Brampton will cost the Region \$160,000 plus other expenses. If it is representation by population, Mississauga would have 12, Brampton would have nine or 10 and Caledon would have one. Staff at the City has been assigned to prepare a report with the history to go to Council on October 9. Then Council will decide how to bring it to the public for input. What is disappointing about regional government is that Mississauga and Brampton are not mentioned nearly as much in the papers as other cities, because we are in a Region. As a Region, we cannot compare to Toronto because we are not responsible for social services. Now the Mayor of Brampton is looking at getting rid of regional government – a little late.

9. Twitter

Q: What ward or wards generate the most revenue for the City? I would think it's Ward 5 because of the airport, right?

A: Janice Baker, City Manager & Chief Administrative Officer – This could prompt an analysis; we have not done an exhaustive report on revenue by ward. Some research that was recently done with respect to urban downtowns shows that urban downtowns punch above their weight in terms of tax assessment. This is research done by the Canadian Urban Institute.

10. Chris Mackie, Miranet

Q: Chart 23 (see presentation) shows the increase in the infrastructure gap based on historical costs from \$79 million in 2011 to \$97 million. Does this graph take into consideration the 2% (the 1% infrastructure levy + 1% debt retirement) – or is it based just on the 1%?

A: Patti Elliott-Spencer, Director, Finance and Treasurer – It is based on just the 1% because the 1% for debt goes to pay back debt. For the 2%, 1% goes as direct pay-as-you-go funding to

the capital program, the other 1% goes toward debt financing to pay the debt. It is a process of using debt to help us get more capital done while trying to grow our contribution. This “chart” is comparing our annual depreciation expense against the amount of money that we are actually raising. This does not represent our actual capital spending in each year. It is the amount we should be setting aside based on historical costs for funding our infrastructure compared to what we are raising. In terms of funding the capital budget, we use monies from the contribution. We will be issuing about \$380 million over the next 10 years in debt. This “chart” is trying to explain the gap between the amount of money we should be raising and what we are actually raising.

Chris – Is the gap increasing? Are we falling behind with funding our infrastructure renewal program?

That is exactly what we are saying. Even with the infrastructure levy, because we are improving existing infrastructure and adding new infrastructure, the amount of our depreciation expense grows faster than the amount of money we are growing our levy by. We are making steps, but we need help from higher levels of government or we need a higher infrastructure levy.

11. Twitter

Q: What is the cost impact of the July flooding? How much will it cost to repair and prevent more? Any help for homeowners?

A: Martin Powell, Commissioner, Transportation & Works - In the capital budget, in a report that went to Council we did talk about advancing projects that relate to Cooksville Creek. There is a cost to repair infrastructure. We are in the multi-million dollar range to do repairs caused by erosion and damage to our infrastructure along our water courses. In regards to help for homeowners, we are working with region on subsidy programs for disconnection of downspouts and sump pumps. This would be something that would have to be considered for future capital budgets.

12. Simi Kapur, Rockwood Homeowners Association

Q: Why the short notice of the budget open house? I know you want to get the budget in before Christmas. Is there a chance to hold another session with a few weeks’ notice so that we can get our community’s input?

A: Janice Baker, City Manager & Chief Administrative Officer – Back in June, we posted information at least at the Council meeting about the fact that we were having it. I am not sure when the notice went out. If the notice was insufficient, we can look at whether it is possible to have another meeting. There are many ways residents can engage – we have had a number of questions online. In this day and age, you do not have to be physically anywhere to engage in a public process.

Mayor McCallion (*later in the meeting*) – If we need another session, we will have it.

13. Twitter

Q: Would the Mayor support increasing debt now to kick start Downtown21 and waterfront development?

A: Mayor Hazel McCallion – I would increase debt to provide the infrastructure that is required. Our key infrastructure is transportation. We have to invest in infrastructure. Transit is priority number one, Downtown21 and the waterfront would be second and third.

14. Audience

Q: We get \$22.5 million out of our investments. What are we invested in?

A: Janice Baker, City Manager & Chief Administrative Officer - We invest very conservatively – Government of Canada, provincial, Grade A corporate bonds. We do not invest in equities or anything risky. We meet requirements of regulations under the Municipal Act.

Patti Elliott-Spencer, Director, Finance and Treasurer - We also have an investment policy endorsed by Council. We can only invest so much in certain investments.

Janice Baker, City Manager & Chief Administrative Officer - We do an annual report to Council highlighting the investments. Internal auditors review it annually and certify to Council that it has met the standards.

15. Audience

Comment: LED Streetlights are really insufficient and do not provide enough light spread for safety. Corners are very dark; I have almost been hit many times in my neighbourhood.

A: Martin Powell, Commissioner, Transportation & Works – We design our streetlights to the American Electrical Association standard for street lighting. If you have an issue, let us know what street you are on and we can look at it specifically.

16. Dorothy Tomiuk, Miranet

Q: Given that Ontario has a new cycling strategy, do you think it is worth aggressively going after provincial funding for cycling infrastructure?

A: Janice Baker, City Manager & Chief Administrative Officer – Any provincial or federal funding that is available and matches up with our projects, our staff will take a look at.

Mayor Hazel McCallion – Council is behind cycling, but our priority is transit funding. We cannot go after the province for everything. The province is in financial trouble as I understand. If they have money to give out, we want it for transit in order to be able to get people to and from jobs. I get a lot of complaints from people who cannot get to and from work on the weekends because we do not have adequate transit. Transit is our challenge. My priority as Mayor and the priority of Council is transit. If the province comes up with funding for cycling, our staff will put in an application as fast as they can get it in, but we cannot push them for cycling specifically.