



Staff spend the early part of the year to develop our business plans in each of our 18 service areas (including Stormwater & Financial Transactions). This establishes the priorities upon which the budget or our spending and revenue plan is based. Through the planning process, service levels are reviewed and adjusted based upon community needs and ability to fund.

Agenda

Funding the Plan

Budget Process

Budget Impact

The presentation will begin to address a question undoubtedly heard from residents and businesses, namely that taxes are increasing at too fast a pace in Mississauga. In particular it will speak about inflation since many taxpayers want to target tax increases to inflation. The presentation will also discuss service levels and what this means over a long period of time and finally Council and staff's desire to build a great City.

Funding the Plan

Inflation – What’s that?

- 2018 or projected 2019?
- Excluding or including energy?
- Consumer Price Index or Construction Price Index?

2.1% 1.8%
2.0% 1.8%
3.3%
2.2% 4.0%
2.4%

2019 budget
3
MISSISSAUGA

Inflation is the change in value of money over some period of time, generally a year. There are many measures of inflation. For example, Consumer Price Index – but for Canada? Ontario? The GTA? Or maybe the Construction Price index? 2018 numbers? Projections for 2019?

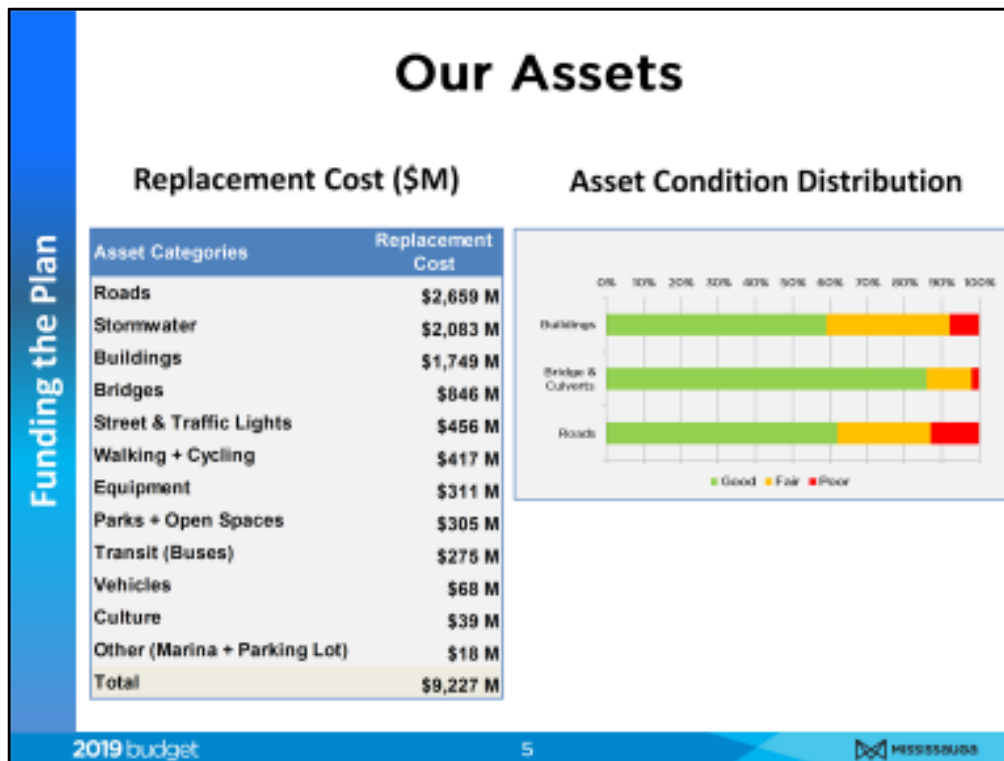
Costs can go up or down. Every one is familiar with gas prices going up or down, electronics going down and wages going up. Inflation measures are an average for a particular category or type of spending.

Funding the Plan	Tax Rate Impact Compared to CPIs			
	Description	2019 (\$M)	Tax Rate Impact	CPI
	Prior Year Budget	\$485.2		
	Normal Operations	\$6.8	0.8%	2.2%
	New Initiatives & New Revenues	\$9.9	2.0%	
	Capital Infrastructure Levy	\$9.7	2.0%	4.0%
	Proposed Budget	\$511.6	4.8%	

Normal operations means the operating cost of providing city services. Over 60% of the cost is comprised of labour. To maintain our existing level of service, we need to increase our budget by \$6.8 million or 1.4% which nets to 0.8% when adjusted for cost savings and assessment growth. This can reasonably be compared to the consumer price index which increased by 2.2% in the 12 months ending in September 2018.

New initiatives represents changes in service levels or the addition and sometimes reduction of new services. These are services requested by the public or services needed in a big City and not a bedroom community. These include better transit, more efficient roads, expanded parks and trails and excellent recreation facilities. New initiatives after adjusting for new or increased revenues increased by 2.0%. It is NOT compared to inflation because it is a new service and is not increasing from a base.

The last line on this chart – the Capital Infrastructure Levy – has a 2% tax rate impact. The 2% annual infrastructure levy continues to be proposed because this is what allows us to meet our capital infrastructure needs. “Capital infrastructure needs” is referring to the funding we need to maintain and replace our existing infrastructure (such as buses, park amenities and City buildings).



The City owns \$9.2B worth of infrastructure! This slide provides a very high-level summary of the replacement cost of our current infrastructure.

Currently replacement cost and the age of our assets are used as proxies for how much funding should be provided to replace City's aging infrastructure.

The condition of our assets is also considered when determining which ones need to be replaced in what priority.

Staff have begun work on developing robust asset management plans both as a best practice and to comply with new provincial legislation.

The first deliverable will be an asset management policy which must be approved by Council before July 1, 2019.

A progress report will be brought to Council in the new year.

The second deliverable will be asset management plans for our core assets, roads and storm water which is due before July 1, 2021.

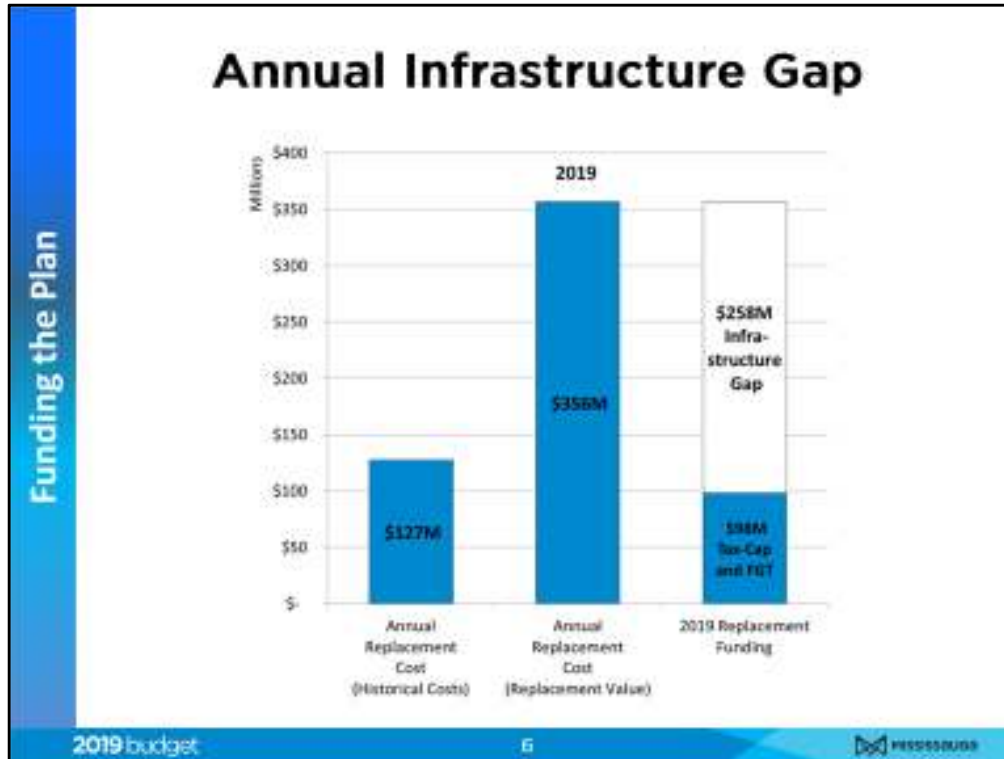
Comprehensive plans for all assets are required before July 1, 2023.

Asset management plans go beyond the simple question of how long will the asset last and what condition it is in today.

Additional considerations are:

- Is the asset financially sustainable?
- Are we maintaining the asset at a safe standard?
- What is the risk of it failing? And so on...

(\$ are 2017 dollars)

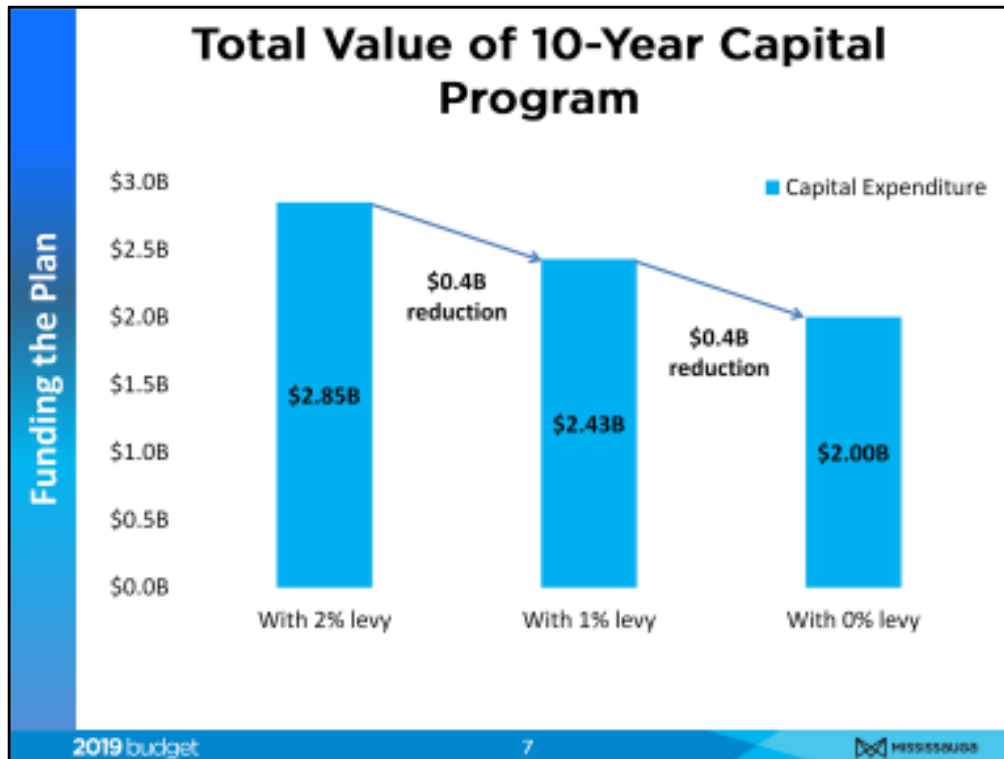


Infrastructure is the cost to rebuild or add new facilities or other infrastructure. Infrastructure gap is the difference between what should be provided in funding for capital infrastructure replacement, compared to what are actually provided in funding.

The budget book identifies a shortfall in funding of \$258 million in 2019. The 2% infrastructure levy is assisting in reducing the gap and in fact the gap has decreased by \$49 million per year since 2013.

However, City continue to require funding from the federal and provincial governments to close this gap.

This is for existing infrastructure – as we continue to grow this great city, such as adding a soccer stadium, infrastructure needs will grow.



The 2% infrastructure levy allows the City to fund an additional \$0.6 billion in maintaining or replacing current infrastructure (State of Good Repair) and \$0.2 billion in City-building projects (Improve projects) over the next 10 years.

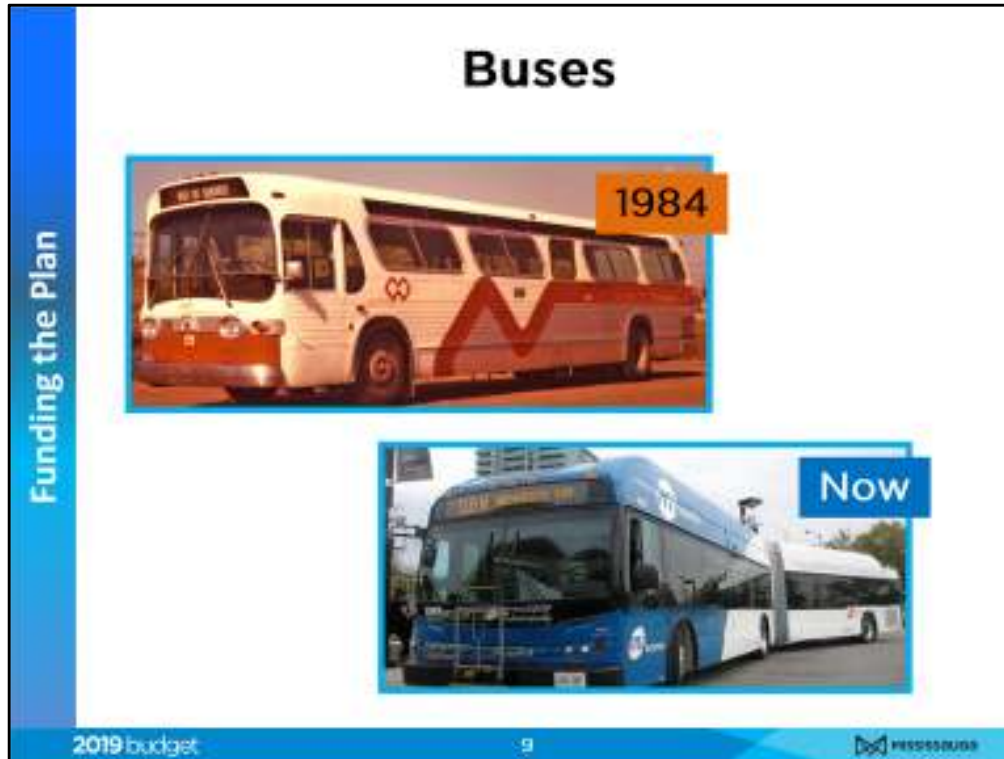
If the levy was reduced to 1%, \$400M in funding would be lost – and prudently most of this would come from Improve projects.

If the levy was reduced to 0%, \$800M in funding would be lost – 28% of total capital program. The City's ability to maintain existing assets would be compromised, and infrastructure gap would grow in the coming years.

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	Capital Infrastructure Levy	\$9.7	2.0%	4.0%
	Proposed Budget	\$511.6	4.8%	
	Impact on Residential Tax Bill		1.7%	
	Impact on Commercial Tax Bill		1.0%	

As mentioned, 2% is chosen as an affordable increase to maintain our infrastructure and provide some new infrastructure. This 2% increase can be compared to the 4.0% increase in the non-residential building construction price index which is a good measure of inflation for this service since the majority of this category's costs relate to construction and building things. To keep up with inflation we really should be proposing more than 2%.

The budget as noted is proposed to increase by 4.8% or 1.7% on the overall tax bill. This compares to a 2.2% CPI increase. Some taxpayers are critical that we use the 1.8% number rather than the 4.8% figure when we describe the tax increase. We used to describe the 4.8% as the increase in the City portion of the budget. This means nothing to the average taxpayer who only seek to compare their tax bill year over year. The 1.8% figure while less sensational actually means something to people and can be easily verified by the average taxpayer. A word of caution though- assessment change do affect a property's taxation and this needs to be accounted for when doing this type of calculation. Each final tax bill breaks out the impact of reassessment in a separate table.



Let's talk a little about service levels. Most people recognize service level changes like frequency of buses on a route or number and type of recreation programs. But service levels change incrementally over long periods of time in ways that people don't really think about.

For example, this slide shows two different buses, one from 1984 and one from today. Other than the new bus is articulated, contains a bike rack and can hold more passengers, on the surface they look similar. But they really are quite different.

Today's buses have low floors and kneel to assist passengers entering and are therefore accessible. They can be electric or run on other fuels or biodiesel, are air conditioned, contain GPS so that both passengers and transit control know where they are, contain cameras and other security systems, announce stops and provide for payment using presto cards and count the number of passengers who use the bus.

This is a totally different level of service from what existed years ago and it costs money. But you could not return to what was because that is no longer seen as an acceptable level of service.



While our community centres still function as meeting places, they are physically much different. They are larger, with lots of windows and lighting, more of them have pools, both regular and therapeutic too.

Swimming Pools

Funding the Plan



Single



Multi -Use

2019 budget

11

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Old and New Meadowvale Pool




Green and White Roof

We are concerned about climate change and reducing greenhouse emissions. We now build green roofs and have heat dissipating windows. We have converted our streetlights to LED and have changed facility equipment like heating, air conditioning and lighting to reduce energy consumption. We are actively working to build out our bicycle lanes and trails to reduce the need for cars and improve safety. Many of our streets are becoming more pedestrian friendly as well.

Meadowvale Green and White Roof

Washrooms / Amenities

Funding the Plan



2019 budget 13

Parks are different too. Under Council's direction we are installing shade structures and washrooms in some of our parks.

Community Common Park Washroom

Fallbrook Community Park Washroom

Traffic Control

Funding the Plan



2019 budget

14

PROSSER

Even the lowly road has changed. We now have a control centre to monitor traffic conditions, there are cameras installed at intersections to help out, traffic lights are computerized, computers turn on the street lights and this is all done through the City's own fibre optic cable, not wires controlled by Bell or Rogers.



We are taking steps to improve traffic flow without resorting to road widening which in many cases is not possible because there is a limit to how wide you want your roads to be.

Burnhamthorpe Road looking west toward Hurontario at Golden Orchard Drive

Artist conception of Hurontario at Eglinton Ave looking North

Funding the Plan

Fire Services



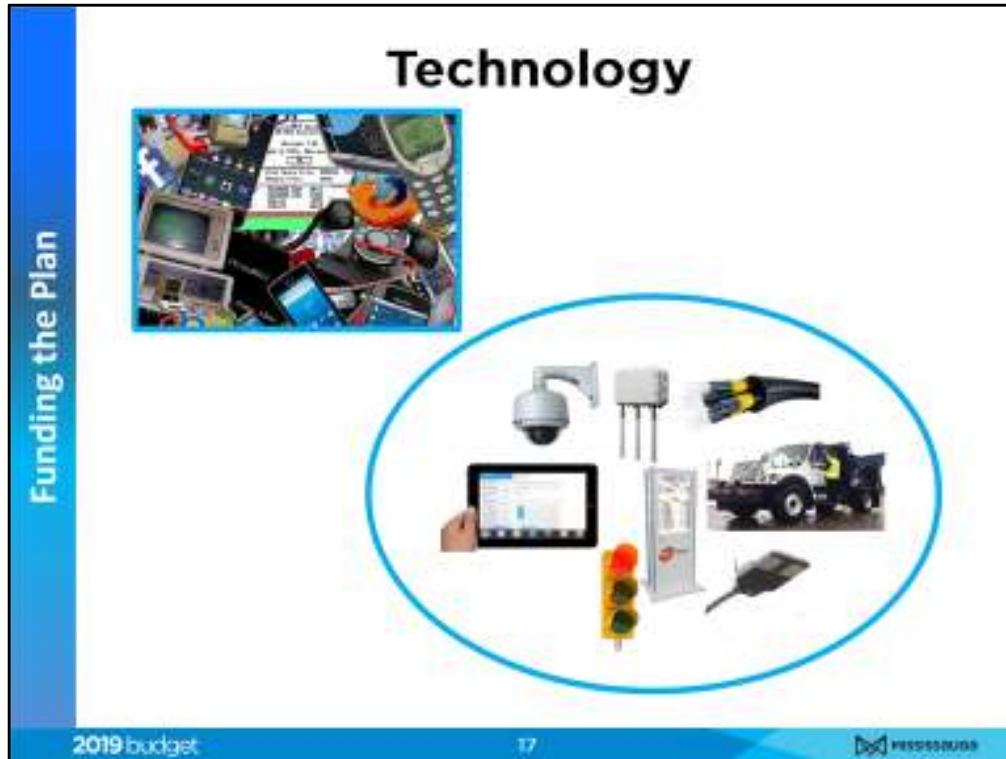
The image shows two fire trucks. The top truck is red and parked in front of a brick building. The bottom truck is white with red accents and is parked in front of a white building. Both trucks are equipped with various firefighting equipment.

2019 budget

15

 PRESS RELEASE

Our services continue to change and evolve. Fire is moving towards proactive education and inspection to maintain service levels in addition to building new stations.



The City is relying more and more on technology to improve service delivery.
Examples :

- 1100 WIFI Access Points
- 850km of city-owned fiber connecting 100+ city buildings
- 836 network connected traffic and security cameras
- 780 network connected traffic lights
- 3600 connected mobile workers
- 200+ network-connected electronic signs
- 700+ connected works vehicles
- 50,000 + connected LED streetlights
- 60+ connected fire vehicles
- 500+ connected buses

Funding the Plan

Preparing For Future

- 3 Transit Project Assessment Process (TPAP) Projects planned, starting 2019
 - Lakeshore HOT TPAP
 - Dundas BRT TPAP
 - Downtown Transitway Connection and Terminal TPAP
- Will position City to apply for provincial and federal funding

2019 budget18MISSISSAUGA

We are being proactive in our planning for the future of Mississauga. This budget provides funding to plan for three future transit projects, Lakeshore, Dundas and the Downtown Transitway connection. These planning projects are necessary to ensure that we are able to maximize future Provincial and Federal funding opportunities and reduce the impact of these necessary transit services on the Mississauga taxpayer.

Funding the Plan

Increasing Standards and Requirements

- Federal Grant applications now require applicants to undertake hazard risk assessments (e.g. PIEVC) to address climate change considerations
- Additional considerations will involve greenhouse gas (GHG) assessments
- Road and Fire standards

2019 budget19MISSISSAUGA

We need to keep up with Federal and Provincial requirements.

All of these things are important and cost money. You can't compare what your taxes paid for in previous generations with what our needs and the public's expectations are today.



It would be very easy for Council to forego spending to maintain our assets or to cut services and give the illusion that the City was holding tax increases to inflation or below.

But this would jeopardize the viability of our City and would pass the costs to future generations.

You can get by for a while doing this, but eventually you get increased costs or even worse, a catastrophic failure.

Credits: Toronto Star

Funding the Plan

Our Vision for the Future

Mississauga will inspire the world as a dynamic and beautiful global city for creativity and innovation, with vibrant, safe and connected communities; where we celebrate the rich diversity of our cultures, our historic villages, Lake Ontario and the Credit River Valley.

A place where people choose to be.



ourfuturemississauga.ca

2019 budget 21 MISSISSAUGA

In Mississauga, both the public and our Council want to build a great City.

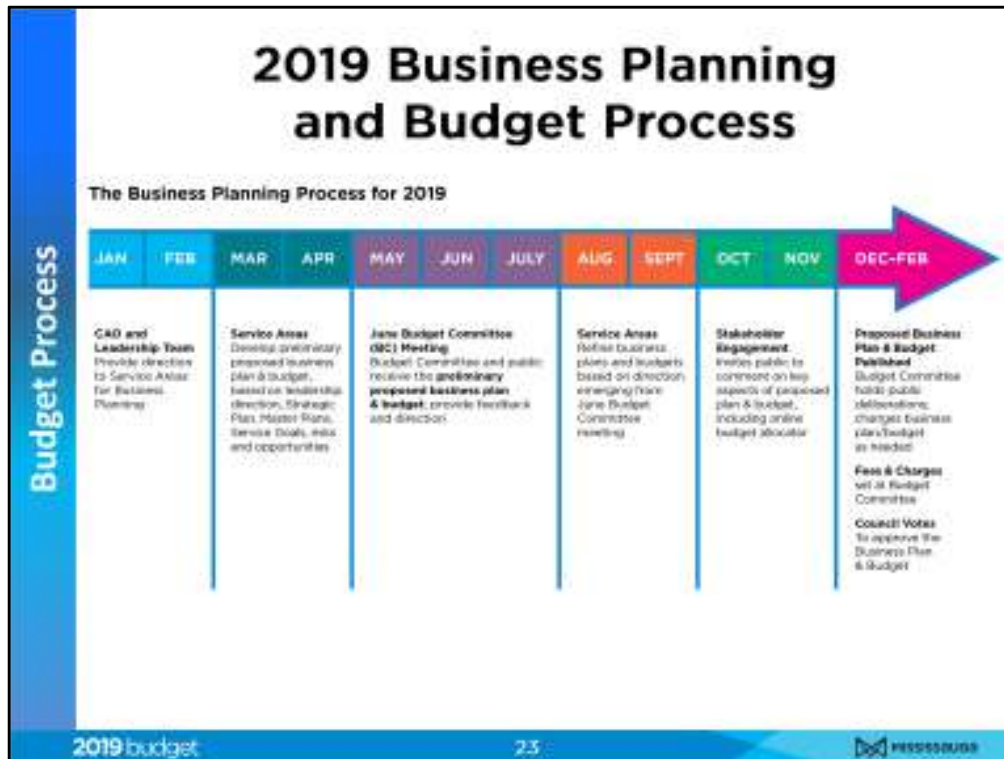
The needs of the new generation are much more refined and sophisticated and they truly do want to live in a global cosmopolitan City.



The 2019 business plan and budget really does balance tax affordability with the need to maintain and expand services and infrastructure to build that great City.

The BMA presentation clearly shows that Mississauga's property taxes are reasonable and not excessive. They also show that the City's financial position is improving. More importantly, 89% of Mississauga residents rate quality of life as either good or excellent.

Our 10 year capital forecast continues to build out the City and ensure that service needs are met. These include improved MiWay service, fire response times and enhanced security within our transit system and buildings.



A lot of work goes into developing the budget and business plan.

It is a nine month process that culminates in the next few days as budget committee reviews the plans.

During the first part of the year, service areas develop their business plans. These are then costed and funding decisions made. In June staff meet with Council to ensure that the plans are moving in the right direction. Over the summer staff develop the capital spending plans. In the fall staff pull it all together in the budget book which was distributed to the Council a couple of weeks ago and publicly posted.



City's priorities continue to align to the foundation of our vision which was set out several years ago.

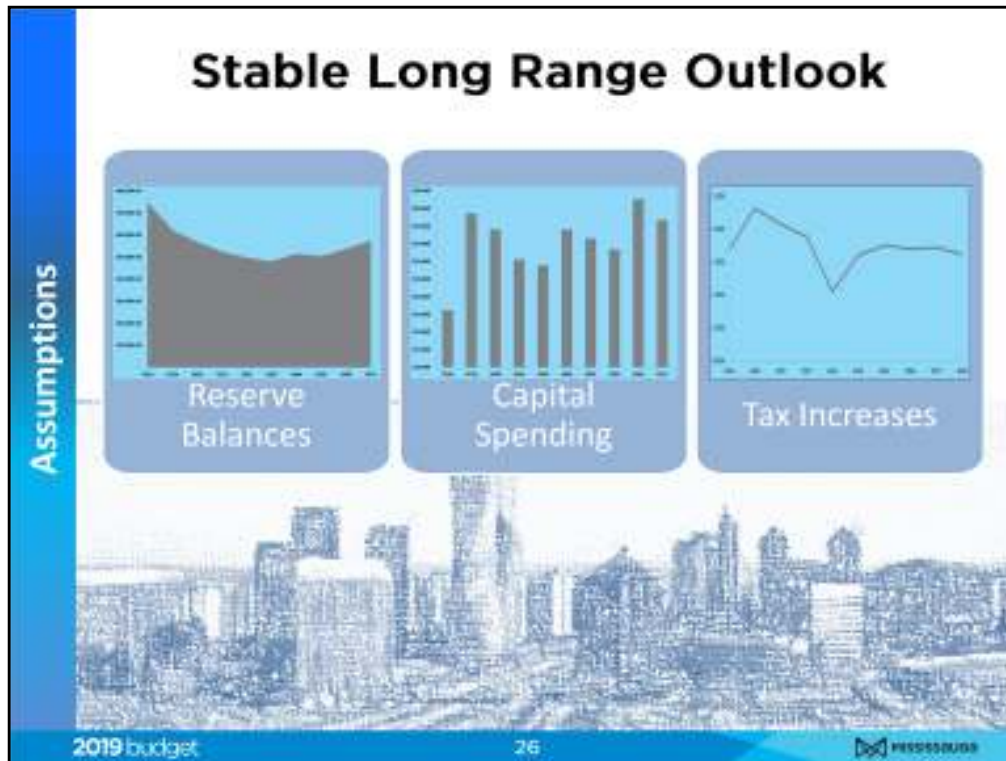


Staff have implemented a range of robust communications tactics that encourage public engagement.

- On October 31, online budget allocator was posted on the City's engagement site.
- Staff have targeted social media campaign to both include both younger and older adult audiences.
- Staff are conducting a print and online advertising program that includes Insauga and Mississauga News, plus a variety of multicultural publications in conjunction with the Diverse Communities program.

Still to come:

- On January 16 Mayor Crombie will host a City-wide telephone budget session where residents can ask budget related questions.
- Staff also consider hosting ward- specific sessions pending Council's interest in participating.
- Also still to take place, Finance staff will attend ward meetings when invited as well as public requests to attend meetings to discuss the budget. On January 11 Commissioner Gary Kent and Finance Director Jeff Jackson will be briefing the Mississauga Board of Trade Policy Committee.
- The budget sessions will be advertised through social media, posters scattered throughout City facilities and on the screens in Celebration Square.
- Council will be provided with a Corporate Report on the budget engagement results for the January 14 Budget Committee meeting, including all allocator comments.



Council approved the City's Long Range Financial plan in June 2016. The key goals of the long range planning are to:

- Ensure current levels of service can be maintained
- Identify the City's capacity to grow
- Ensure the City maintains a strong cash position in Reserves and Reserve Funds to sustain funding during unforeseen or unusual circumstances

The Long Range model is updated annually and its outputs are reviewed. Staff modeling confirms the City's financial position is strong and that we can sustain our service levels and maintain our assets over the next ten year.

Assumptions

Credit Rating Impacts

3 key factors affect credit rating

After-Capital deficit


A quicker pace of external borrowing, coupled with growing draw on reserves

Debt-to-revenue ratio

Outstanding debt as a percentage of consolidated revenues above 30%

Sudden change in financial management approach



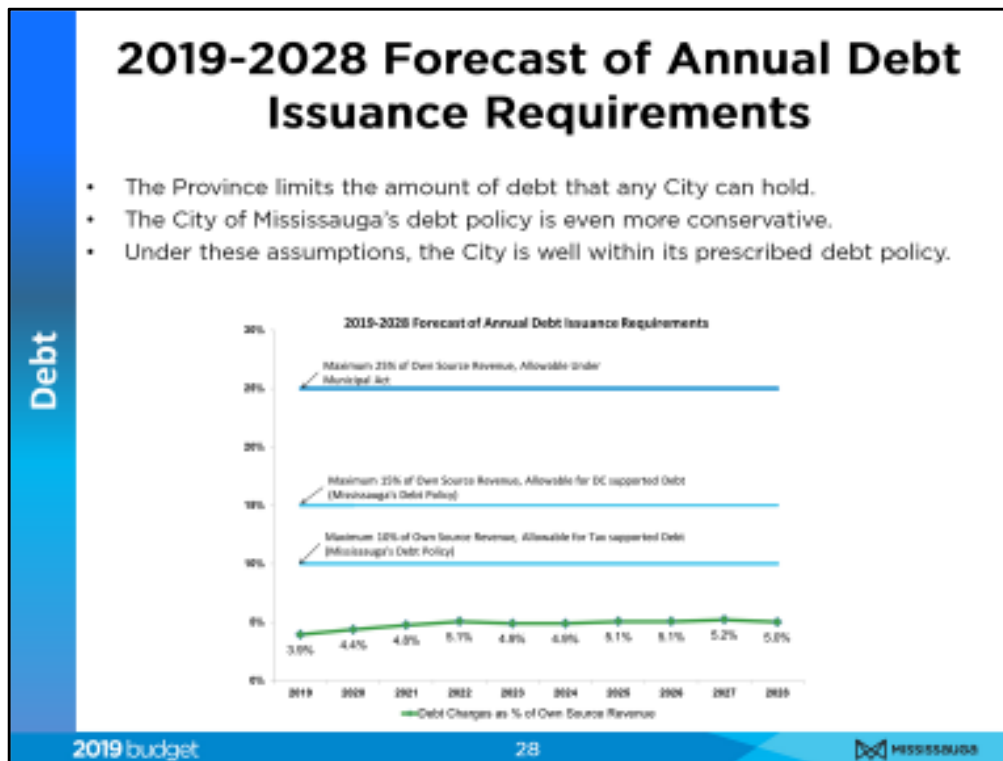
2019 budget
27


Municipalities are not allowed to use debt to finance our operations. Debt can only be used to purchase long-lived assets. Debt provides increased cash flow to finance asset renewal and to spread large costs over multiple budget years.

Reasonable debt levels allow the City to maintain its triple A credit rating – this in turn reduces financing costs.

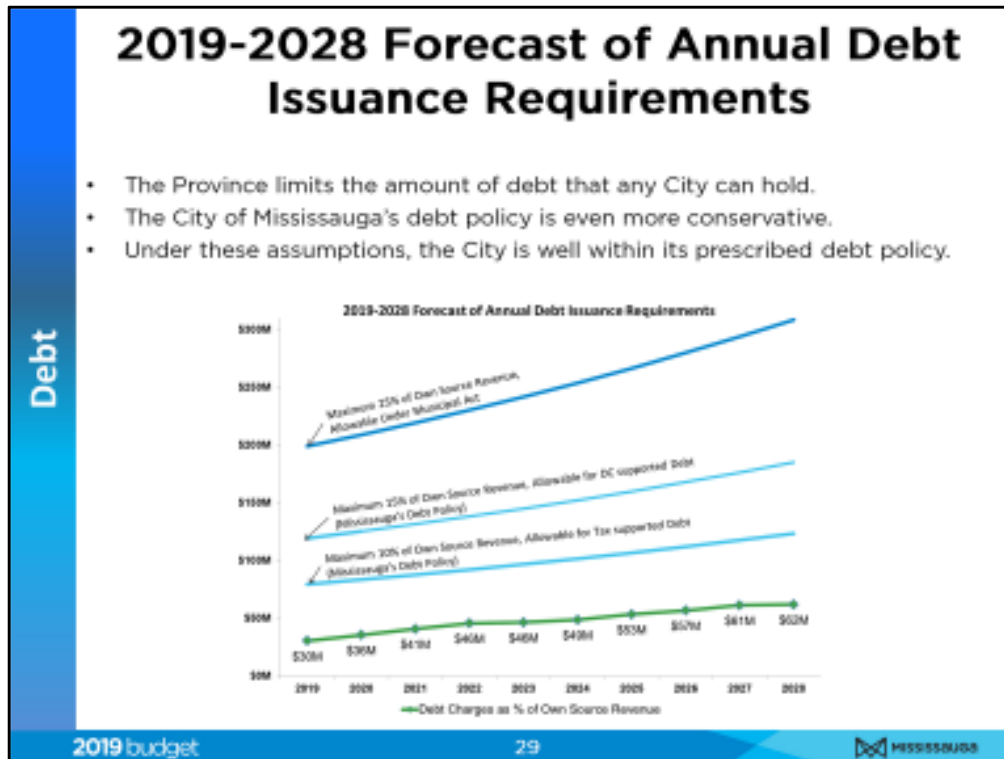
Reasonable debt levels (as opposed to excessive debt levels) maintain a strong balance sheet and ensure financial resiliency. Lower debt levels provide the City with financial resilience in dealing with future challenges, and rapidly rising debt levels could impact credit rating.

This budget makes reasonable use of debt to finance infrastructure. Staff take a pay-as-you-go approach – about 1% of the 2% infrastructure levy is used to ensure City can pay the interest on, and repay the capital of, the debt issuing in 2019, over the next 10 years. City has followed this practice each year with the levy, so we KNOW we have sufficient funds set aside for any debt taken on to date.



This chart shows City debt levels as a percentage of own source revenues or revenue under our control like taxes and fees. Staff anticipate increasing from 3.9% in 2019 to around 5% in the latter half of the 10 year forecast period.

Provincial legislation limits municipalities to 25% of own source revenues so City is well below that. Our own current policy provides for 10% for tax funded debt and a further 5% for development charges funded debt.



This is the same chart expressed in dollars.

As taxes increase, our borrowing room increases, hence the upward slope in the lines.

The budget proposes the borrowing of debt in the amount of \$48 million in 2019 resulting in debt charges of \$30 million in 2019.

Assumptions

Recognized for Strong Financial Management

Government Finance Officers Association Awards

- ✓ Distinguished Budget Presentation Award
- ✓ Certificate of Achievement for Excellence in Financial Reporting
- ✓ Outstanding Achievement in Popular Annual Financial Reporting

Standard & Poor's

- ✓ AAA rating received for 15th Consecutive Year








2019 budget
30
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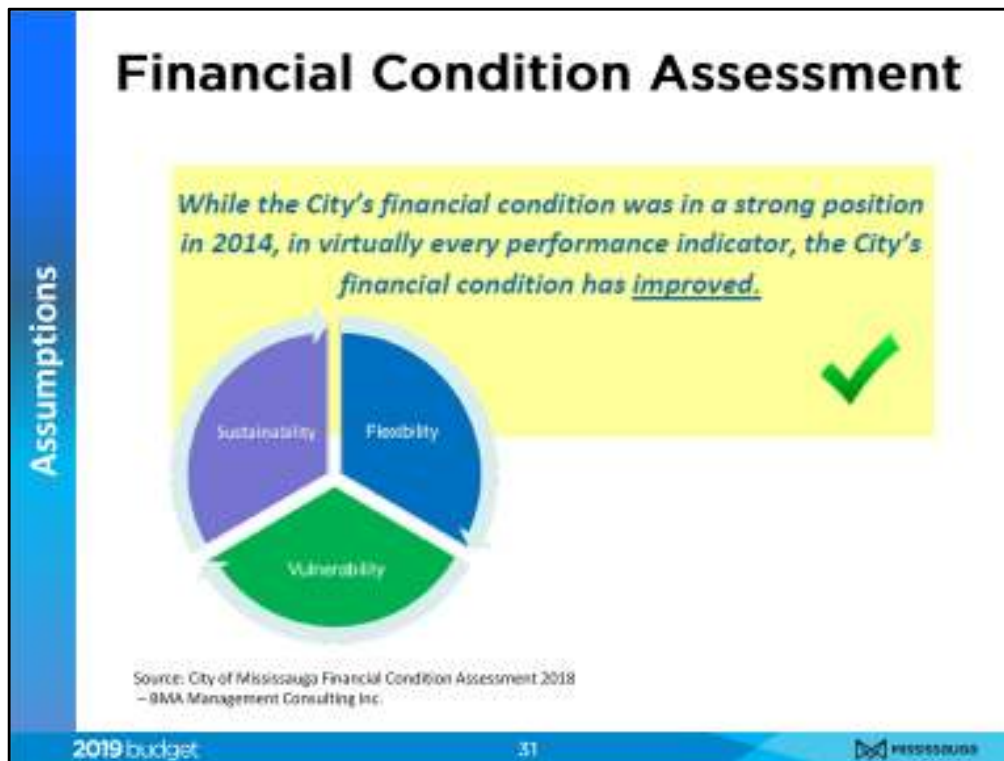
The City continues to be respected for its financial planning and budget preparation and its strong balance sheet.

The City received the Government Finance Officer Association (GFOA) **Distinguished Budget Award** for the **2018 Business Plan and Budget**, the 29th consecutive year the City has received this award.

Canadian Award for Financial Reporting from the GFOA, one of the highest honours for municipal financial reporting, for the 20th consecutive year, for the 2017 annual financial report

The City of Mississauga has once again earned top marks for financial management, maintaining its 'AAA' Credit Rating from Standard and Poor's Rating Services (S&P) **for 15 straight years**.

Staff expect that this budget will be similarly recognized.



BMA Management Consulting Inc. (BMA) was engaged by the City of Mississauga to undertake an update to the Financial Condition Assessment..

The Financial Condition Assessment was evaluated using the CICA guidelines which recommend consideration of Sustainability, Flexibility and Vulnerability

Their report was very positive and complementary to the City.

Business Plan Priorities

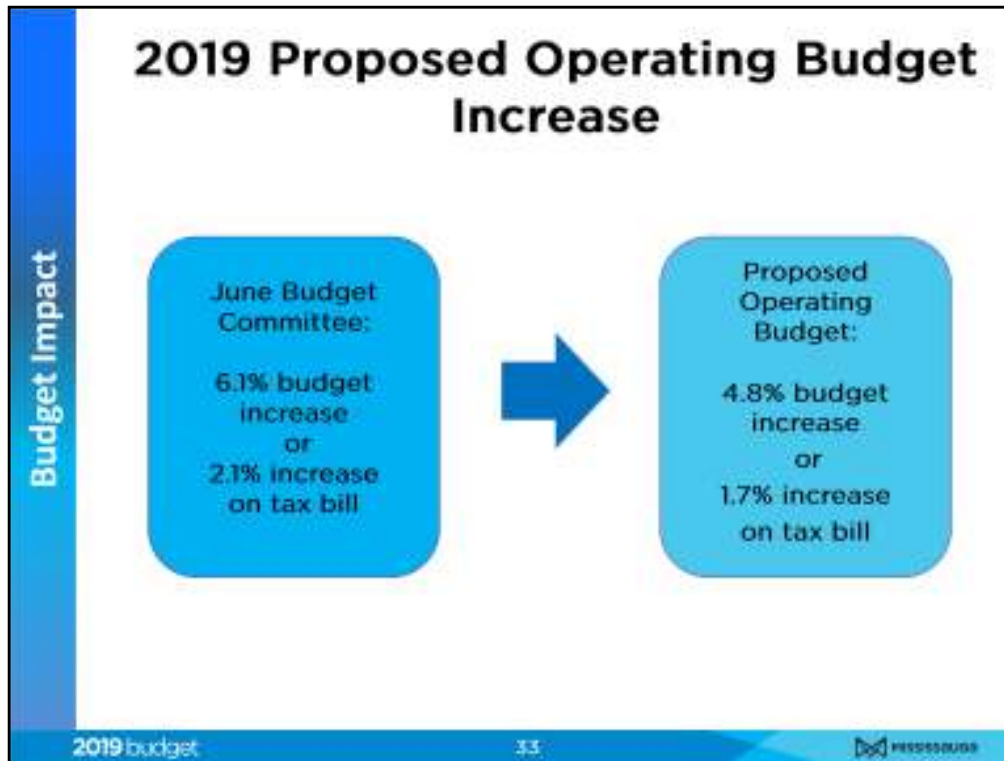
Assumptions

-  Deliver the Right Services
-  Implement Cost Containment Strategies
-  Maintain our Infrastructure
-  Advance on our Strategic Vision

2019 budget 32

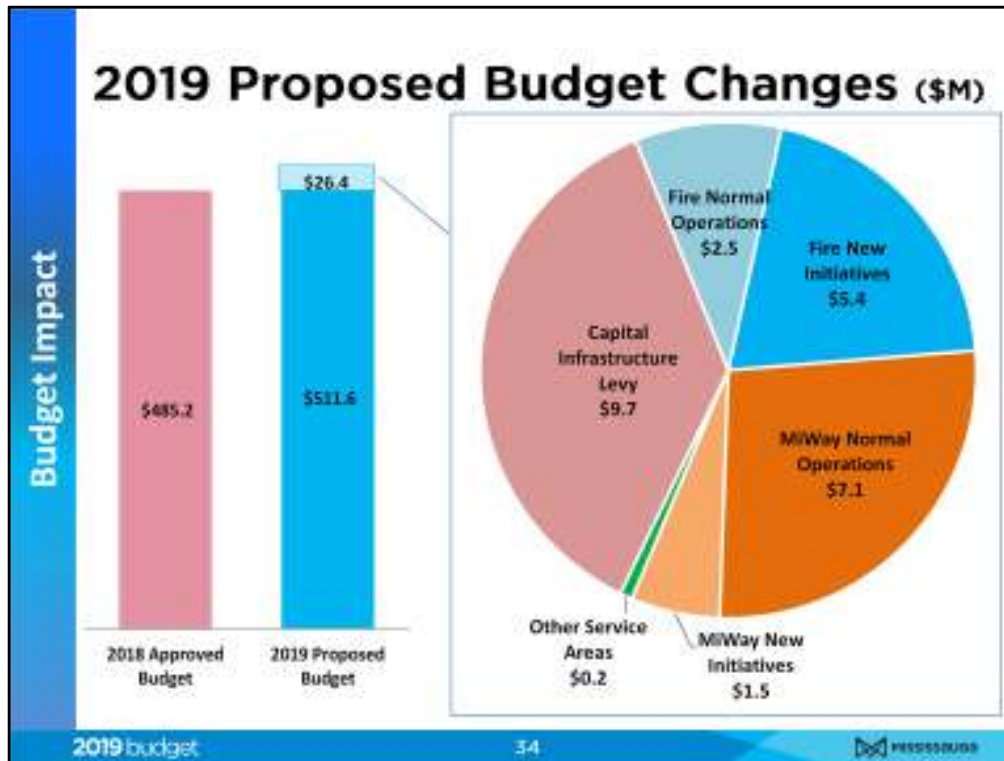
Our business plan priorities are consistent with prior years

- Deliver the right services
- Implement cost containment strategies
- Maintain our infrastructure
- Move forward on our strategic plan



At the June budget committee meeting, the preliminary estimate for the budget showed a 6.1% budget increase or 2.1% on the tax bill.

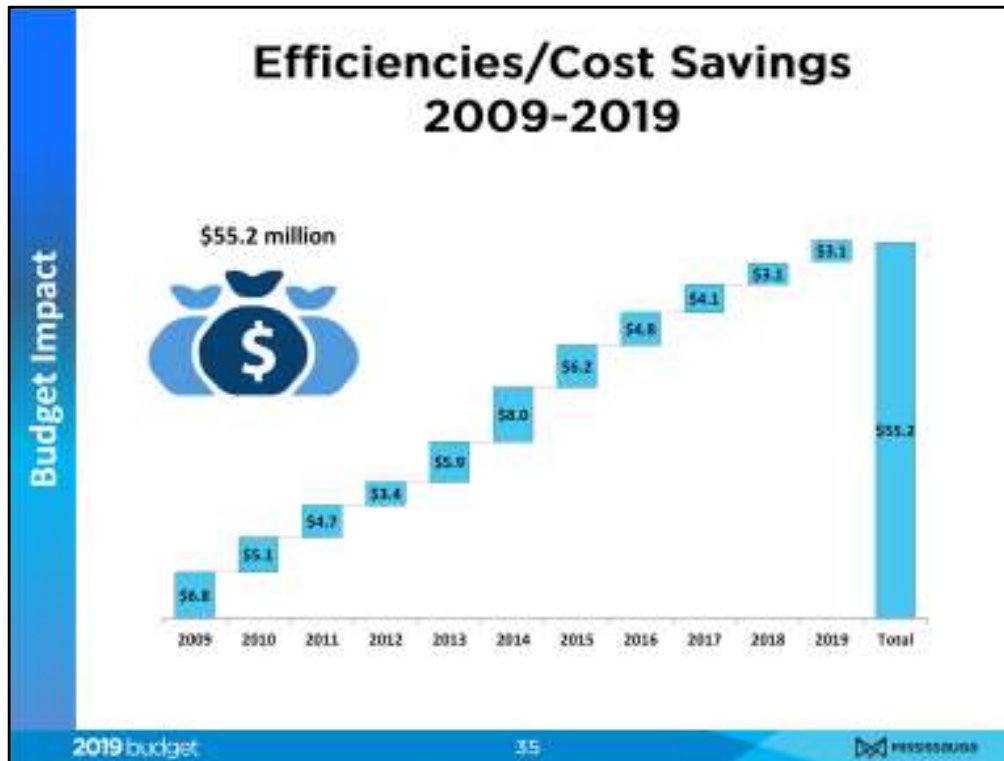
Over the summer staff refined the budget and reduced the impact on the taxpayer to 4.8% or 1.7% on the total tax bill.



The total increase of the 2019 proposed budget from the 2018 approved budget is \$26.4M.

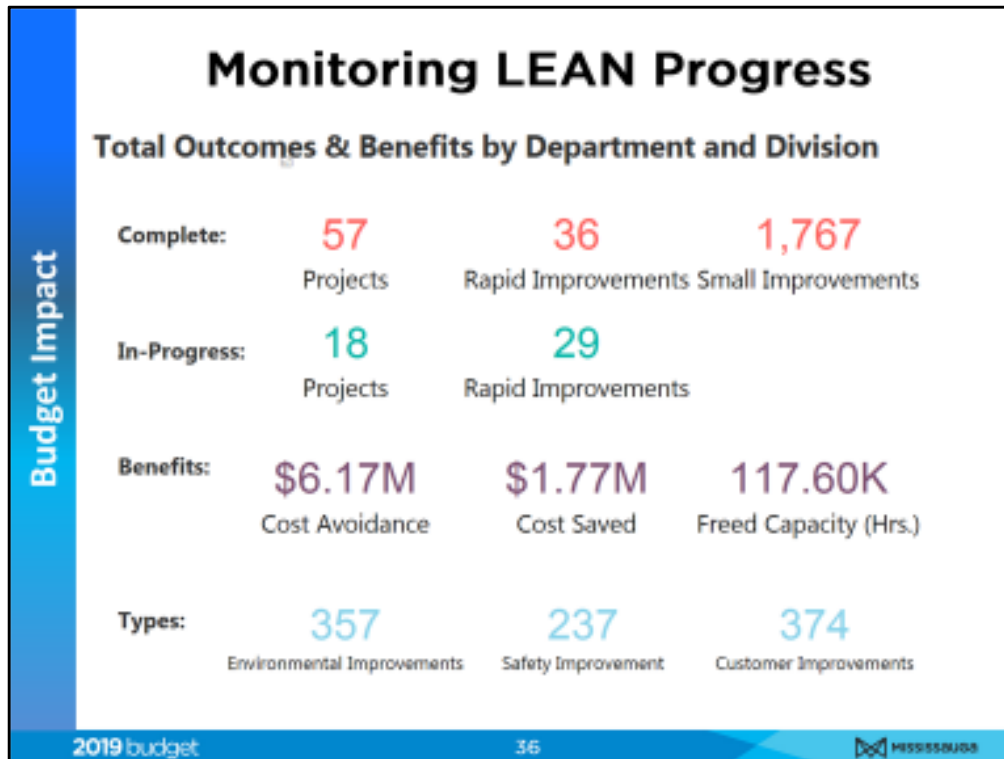
This slide breaks down the increase into categories of Maintain current Service Levels, New Initiatives, and Infrastructure levy.

Almost 2/3 of the increase is due to Fire Services and MiWay. That small green sliver is the increase required to fund all of the other departments.

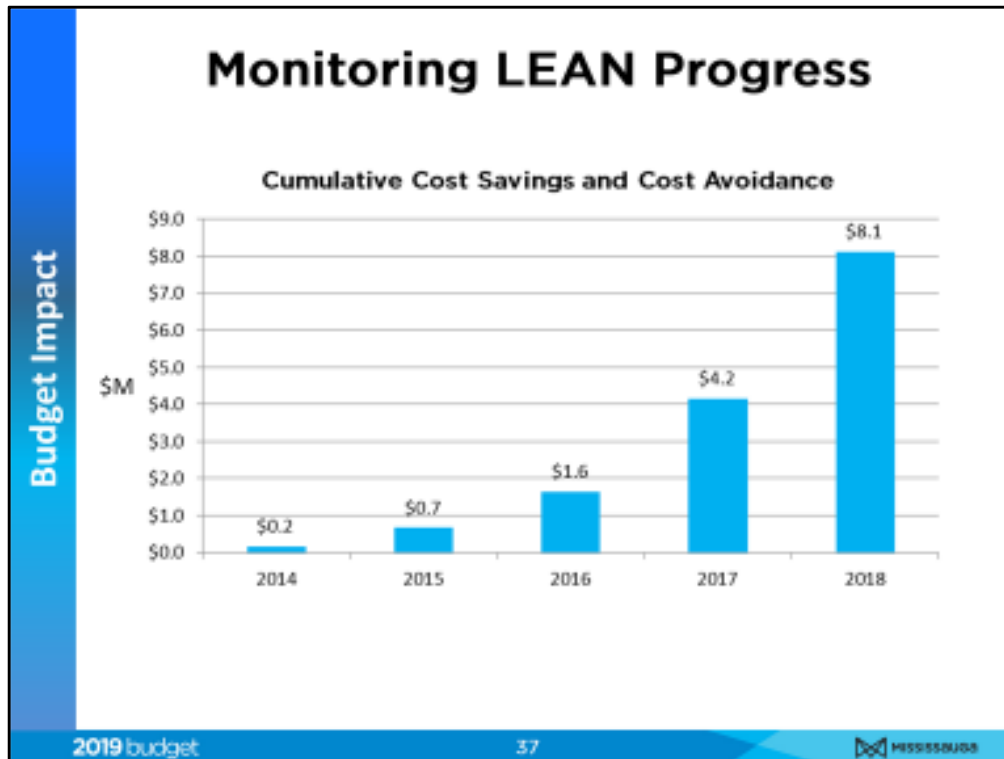


The city continues to deliver value for money through fiscal responsibility. We examine our processes and improve efficiencies.

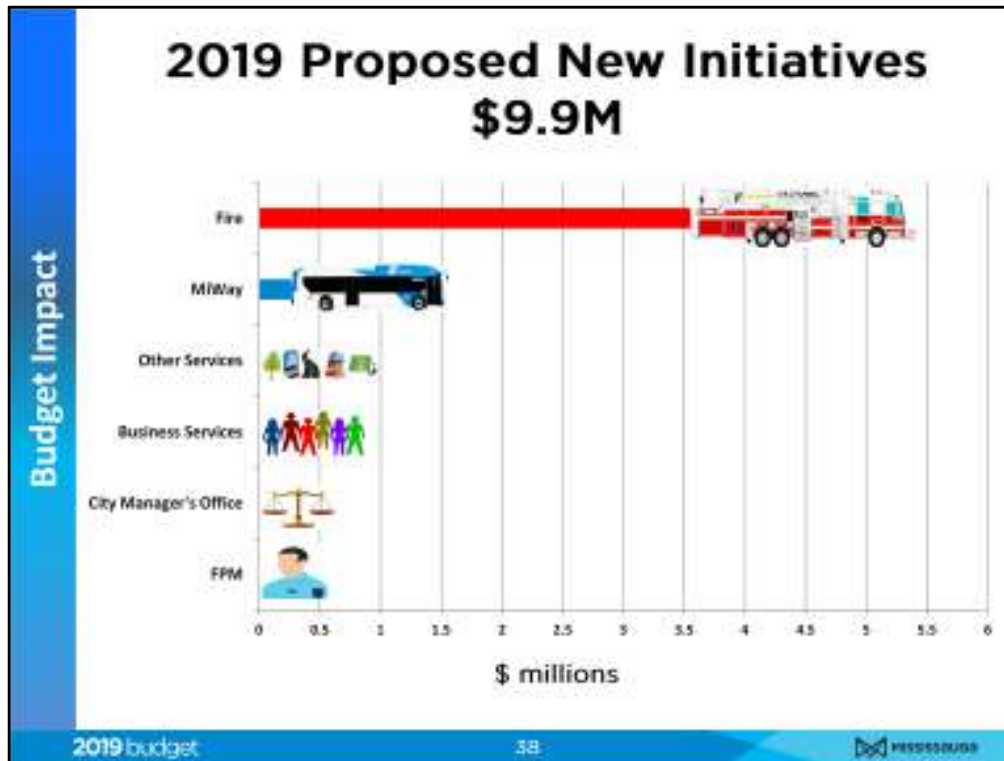
The City has saved over 55 million since 2009 by innovating and improving processes
For 2019 staff has identified an additional \$3.1 million in efficiencies and cost savings.



Lean program is an essential part of our drive to greater efficiency and cost reduction. This is a screen shot of the metrics that staff monitor on a regular basis; including cost benefits...



Staff have avoided, saved and freed up capacity totalling over eight million dollars through Lean program over the last five years. * Since the publication of this presentation, the updated total is 9.5 million dollars.



This is another representation showing the relative impact of new initiatives upon the 2019 budget.

Budget Impact

Fire & Emergency Services Operating Budget Impact

- \$7.9 million or 7% increase over 2018
- 33 new staff
- Fire station 120 in service
- Public Safety Fire Program Reserve Fund
1% levy per year 2019-2022



2019 budget
39
 MISSISSAUGA

This budget provides a significant increase in spending on fire and emergency services to maintain and improve service levels which have been falling as the population has increased and road congestion has become worse.

This budget increases spending for:

- Enhanced fire public education
- Expanded fire inspection including high rise buildings
- The opening of Fire Station 120 at Eglinton and Hurontario
- The building, staffing, and equipment of an additional 6 fire stations over the next 12 years
- Certifying all fire fighters to updated National Fire Protection Association standards
- Improvements in fleet and equipment maintenance
- Enhanced community preparedness training and education



\$215 million over a 12 year period is needed to fund this Fire initiative.


On this chart, the bars show the various costs. Through a 1% per year tax increase in each of 2019, 20, 21 and 22 and the establishment of a special reserve fund for this purpose, this new program can be funded.

The green dotted line shows the balance in the reserve fund. Funds accumulate and are spent. The reserve fund balance peaks in 2028 and then declines until buildout of the six stations by 2032.

Budget Impact

MiWay Service Growth Operating Budget Impact

- 31,000 new service hours - 2% service growth
- 21 new transit operators
- Modified Maintenance Apprentice Program
- \$2.7 Million Revenue Increase



2019 budget
41
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MiWay continues to grow and expand its services.

This budget provides a continuing planned increase for MiWay

- 2% service growth which includes a 1.4% growth increase plus an additional 0.6% increase to maintain service levels in major construction zones such as Burnhamthorpe or Hurontario
- Increase of 10cents in diesel fuel costs of which a portion is funded through drawdown from reserves
- New mechanic apprentice program
- Offset by increased ridership and higher fare.

Budget Impact

Enhanced Security Services Operating Budget Impact

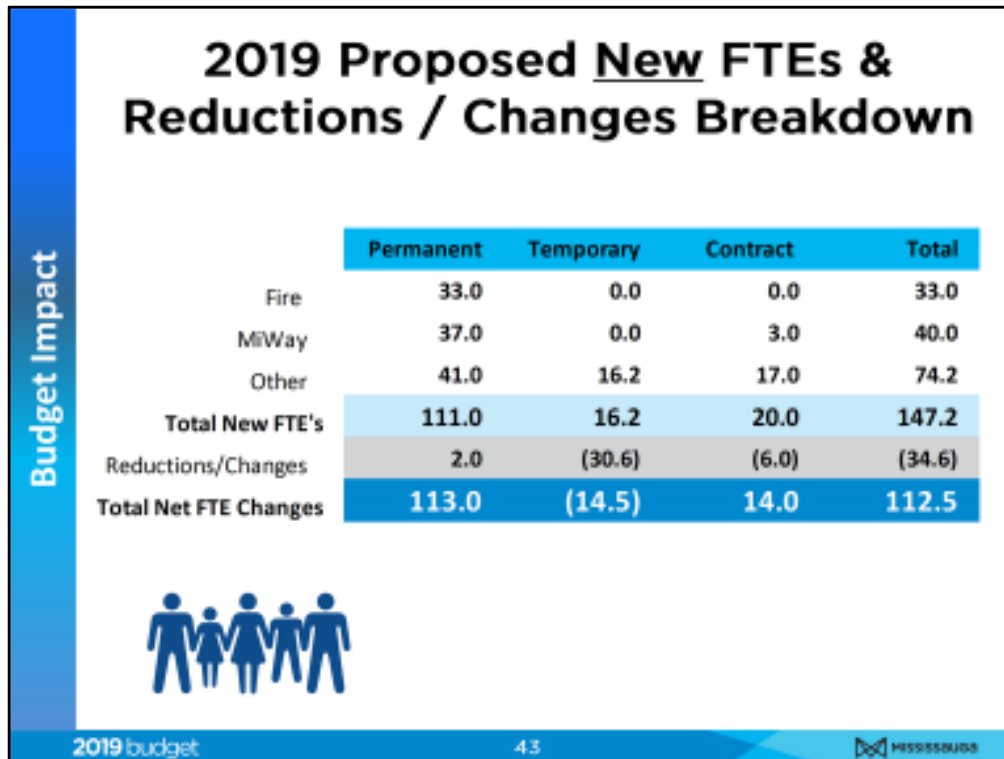
- 5 Transit enforcement staff
- 8.9 Security officers to deliver 2 additional 24-hour mobile patrols
- Enhanced security services city-wide



2019 budget 42 MISSISSAUGA

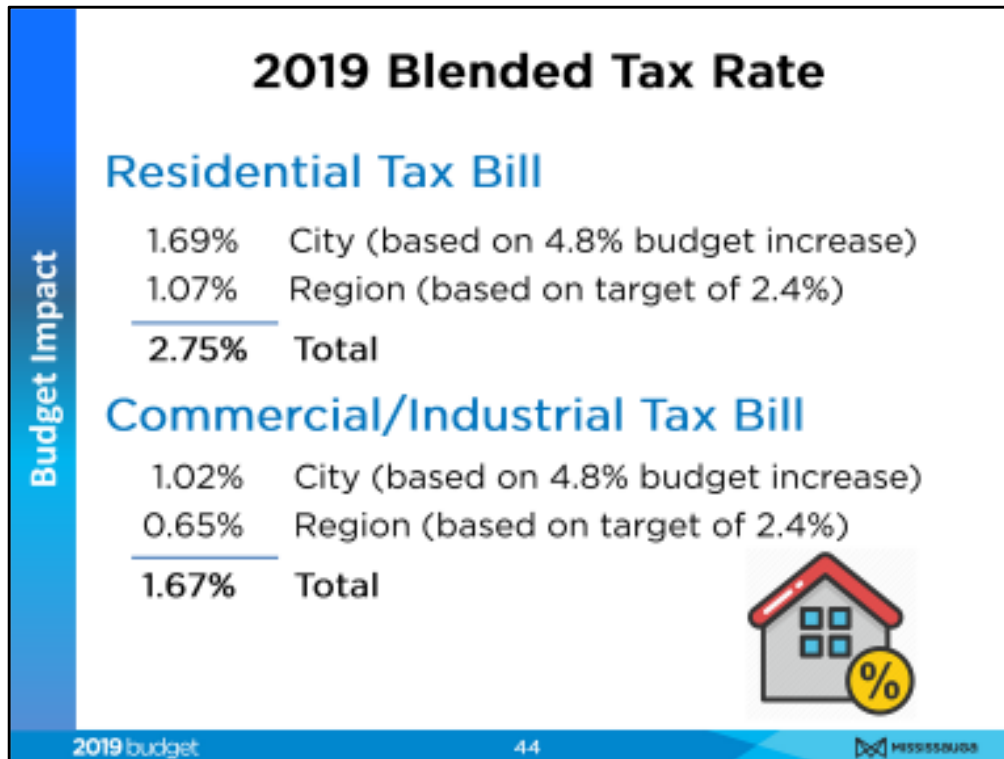
Included in the MiWay service budget request is an additional four Transit Enforcement Officers and one Transit Enforcement Analyst to accommodate growth in both MiWay services and the supporting services provided by the Transit Enforcement Unit managed by Facilities and Property Management.

Additionally, FPM is requesting 8.9 full time equivalents for security officers to allow for two additional mobile patrols during high activity periods to deliver enhanced security services City-wide for staff, public, programs and services.

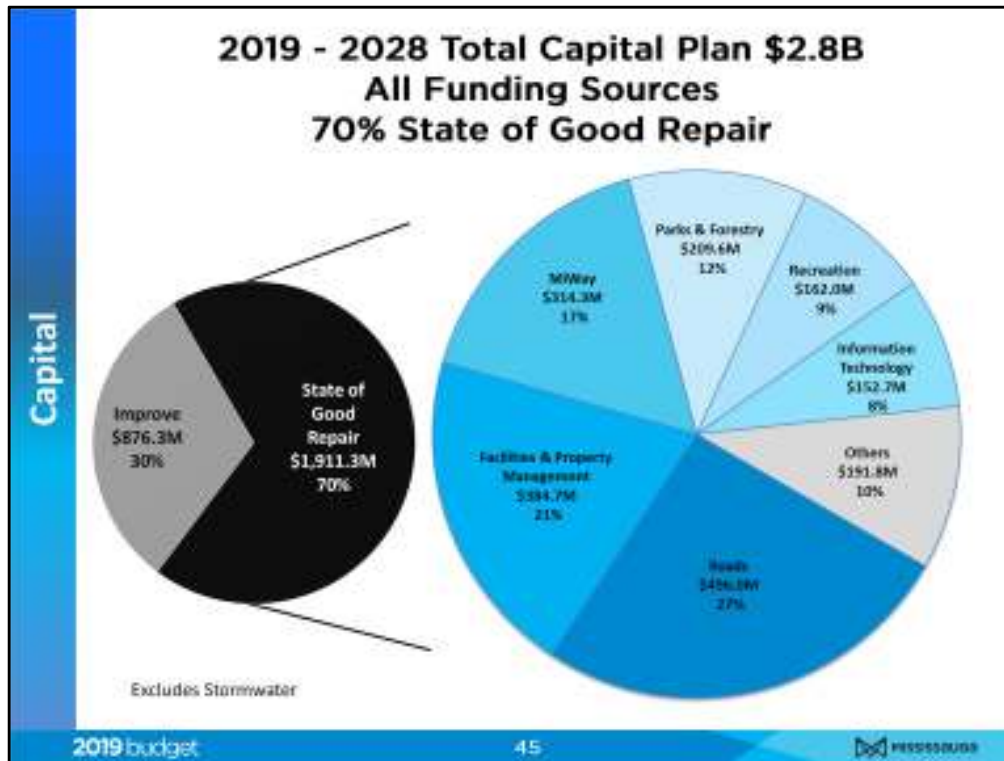


As is the case in every year, we propose staffing adjustments based upon new initiatives, major capital project contracts ending or efficiencies found. This budget proposes the addition of 112 new staff EXCLUDING Stormwater (a reduction of 0.9 FTE).

Details by service area can be found on page B78 of the budget book.

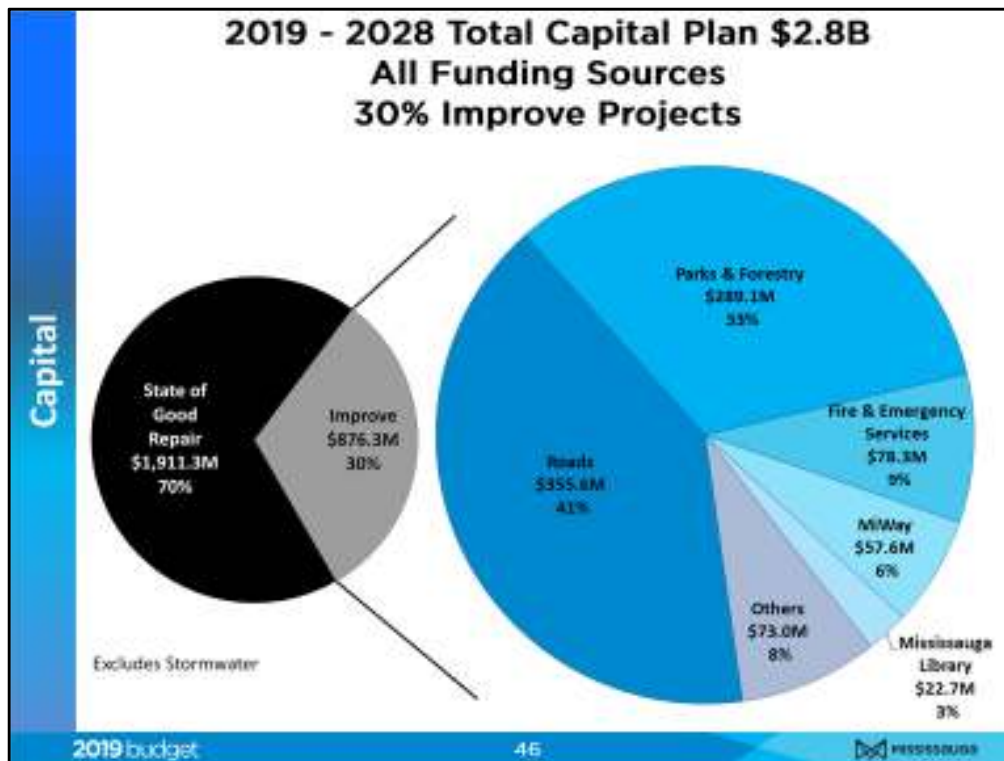


In summary , the 2019 proposed operating budget will see a 4.8% budget increase over 2018, which translates to a 1.69% impact on the tax bill. Combined with the Region's portion at 1.07% (2.4% budget target), we are forecasting 2.75% on the Total residential tax Bill.

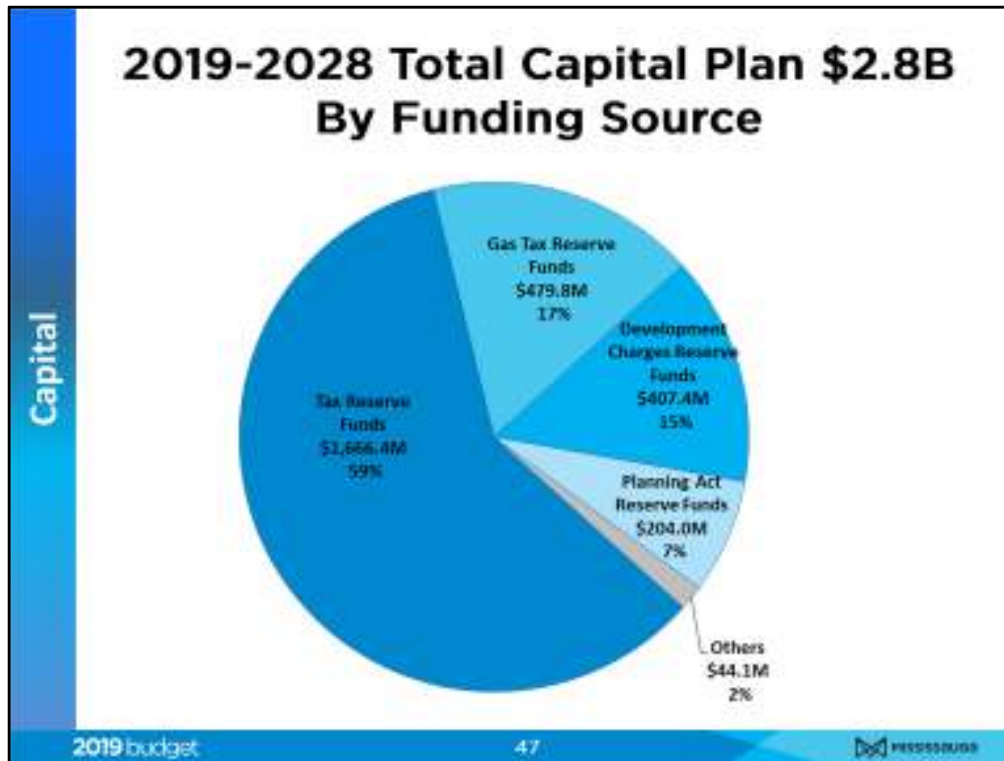


Over the next 10 years this budget proposes to spend \$2.8 billion on capital projects and infrastructure. Maintaining what we currently own is our priority so 70% of these funds support state of good repair.

On the right chart is the breakdown of where the funds are being spent for state of good repair.



This slide shows where the 30% being spent on improve projects is going.



The major source of funding continues to be cap-tax with significant use of Federal Gas Tax and Development Charges.



Over the next 10 years we will spend:

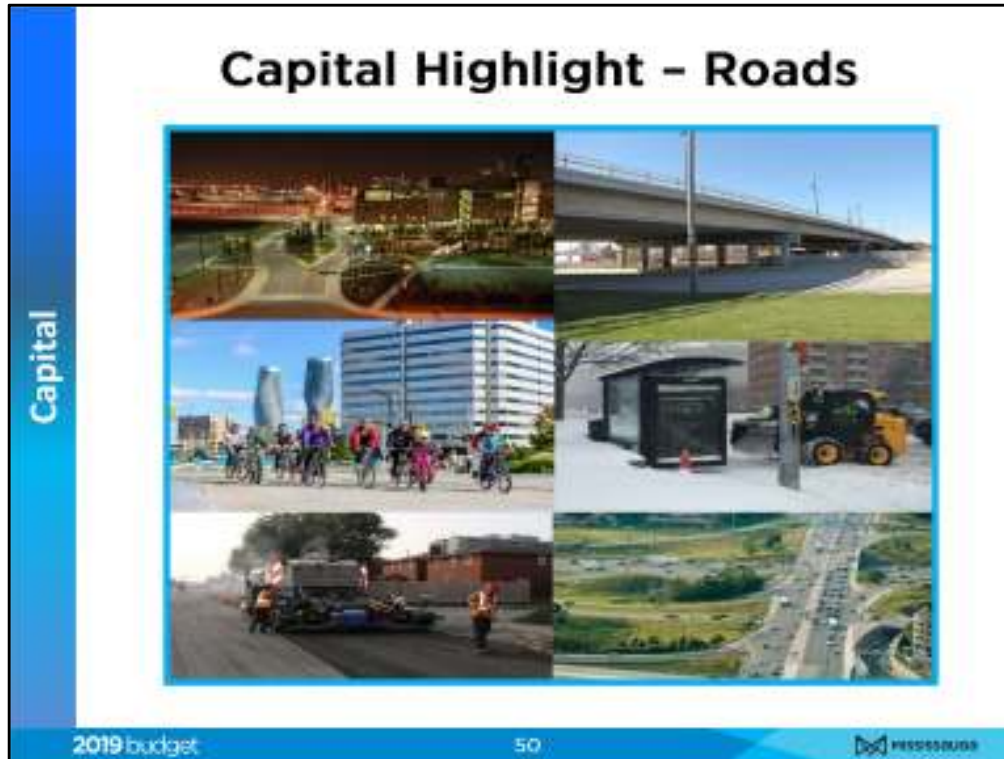
- \$235.9M funded for bus replacement in 2019-2028
- \$63.5M funded for bus maintenance
- \$19.8M funded for fleet expansion



The capital construction of the LRT is being funded by the Province through Metrolinx. But there is some peripheral work around the LRT corridor that the City is funding – these are Mississauga-specific improvements and are therefore not in the standard LRT specs. Council has previously approved these expenditures - \$26.6M – and Metrolinx has committed a further \$10.6M for these types of improvements.

But we are also reprioritizing some of our existing projects to ensure we are efficient – for instance, we are replacing and upgrading municipal storm sewers while the roads are dug up for the LRT.

There are also some Transit LRT service management projects in the 2019-2028 budget.



The 10-Year Capital Forecast includes \$851 Million for roads projects.

These include:

- Burnhamthorpe Road West Widening – between Ninth Line and Loyalist Drive
- Creditview Road Widening – between Bancroft Drive and Old Creditview Road
- The Goreway Drive Grade Separation
- Courtney Park Drive – between Kennedy Road and Tomken Road (Includes 403 Interchange)
- Stavebank and The Credit River Active Transportation Bridges
- QEW / Credit River Active Transportation Bridges
- Cycling Network Development
- Loreland Yard - Works Operations and Maintenance (WOM) and Parks & Forestry

Capital

Capital Highlight – Recreation





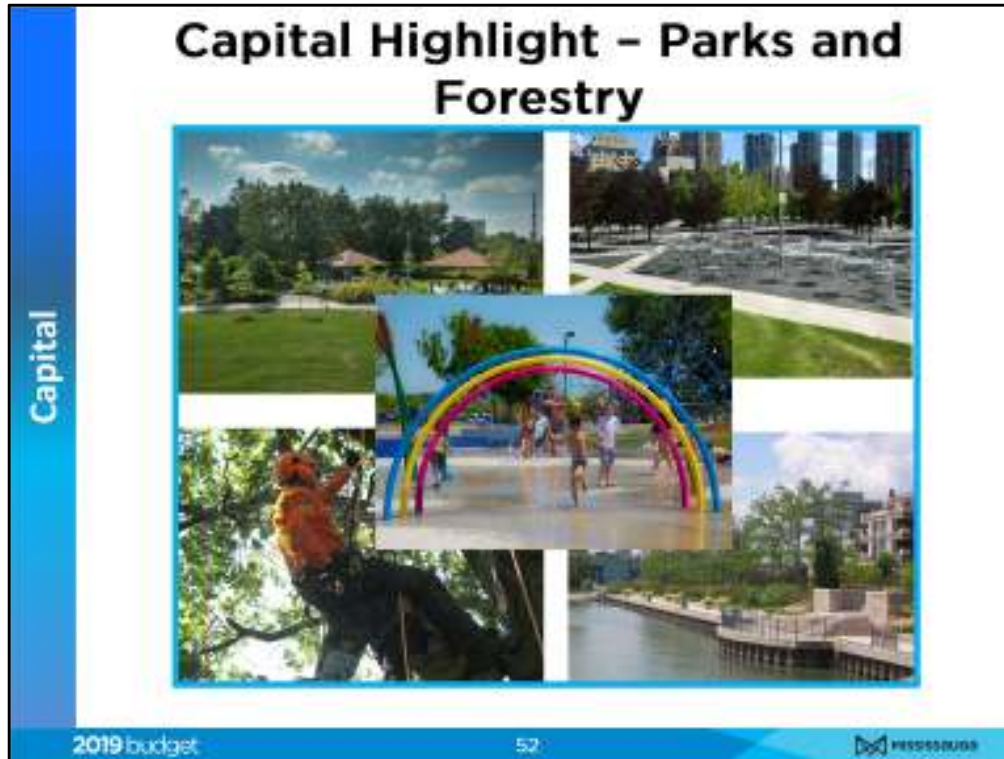


2019 budget
51
MISSISSAUGA

Construction of the new community centre in Churchill Meadows is underway

Major facility Infrastructure projects over the next 10 years include:

- Burnhamthorpe Community Centre Indoor Pool
- Malton Community Hub at Lincoln Alexander Secondary School
- Carmen Corbasson Community Centre Indoor Pool
- South Common Community Centre
- Huron Park Community Centre Renovation
- Mississauga Valley Community Centre Renovation



Major new projects over the next 10 years include:

- Waterfront Parks Design and Development
- Downtown Parks Design and Development
- Churchill Meadows Community Centre (P-459)
- Park Developments/Construction:
 - Former Harris lands (P-505)
 - Former Pheasant Run Public School (P-163)
 - Former Willow Glen Public School (F-410)
- 44 park trail connections
- Shade Structure Program
- Washroom criteria for future portable and permanent facilities
- Signage at 375 parks and 94 green land spaces
- 2,500 new waste receptacles



Central Library Project: 2021- 2023

- Expand 4th floor to include additional library space (2021-2022)
- Repurpose Ancillary Spaces
- Redevelop north and south atriums
- Ensure technology is imbedded in the footprint of the library
- Create a digital hub for physical and digital learning
- Redevelop pavilion and breezeway with an express library
- Modernize and convert Noel Ryan Auditorium into a desirable multi-purpose space

Other projects:

- Customer Facing Library Technology Modernization
- Public Use Equipment Replacement
- Library Renovations and Repair



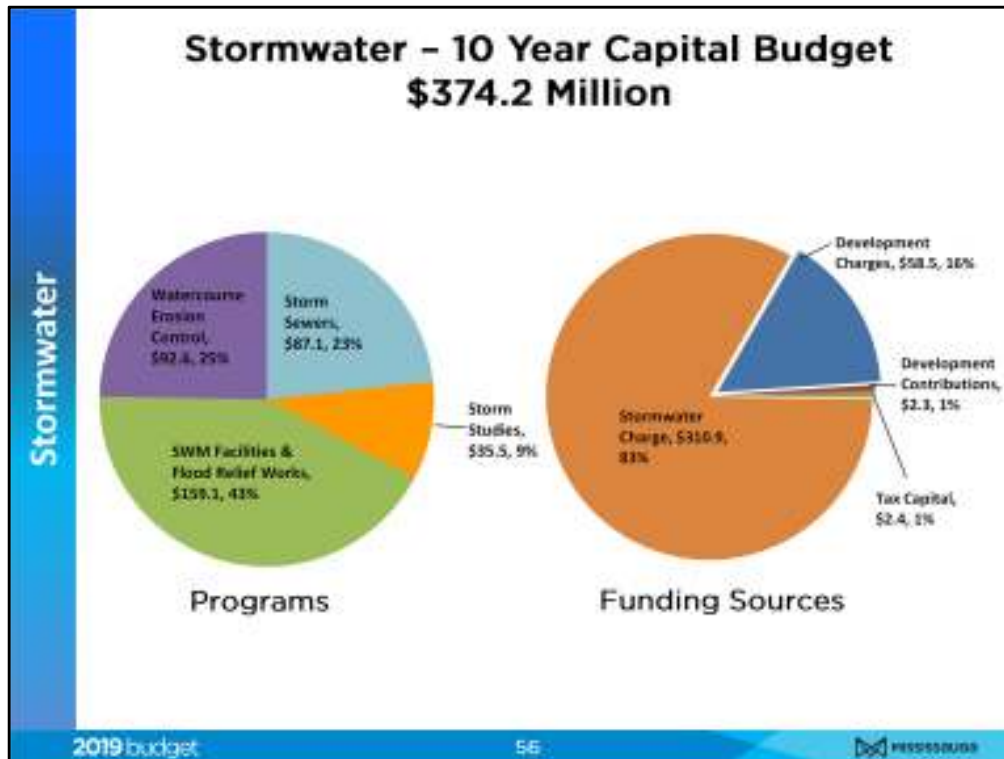
Some achievements from 2018 include:

- Top left picture: Completion of the construction of the Eastgate Park Stormwater Management Facility. This facility will support flood mitigation and improve capacity in the downstream system within the Cooksville Creek watershed
- Right side picture : Completion of culvert replacements and the installation of an Enhanced Grass Swale as a Low Impact Development along Burnhamthorpe Road East
- In addition, the Matheson Boulevard Stormwater Pond project was completed. This facility provides stormwater quality and quantity control for approximately 20 percent of the Cooksville Creek watershed area and reduces the 100-year storm flow by approximately 80 per cent, meaning it makes a significant contribution towards minimizing flood risk within this watershed

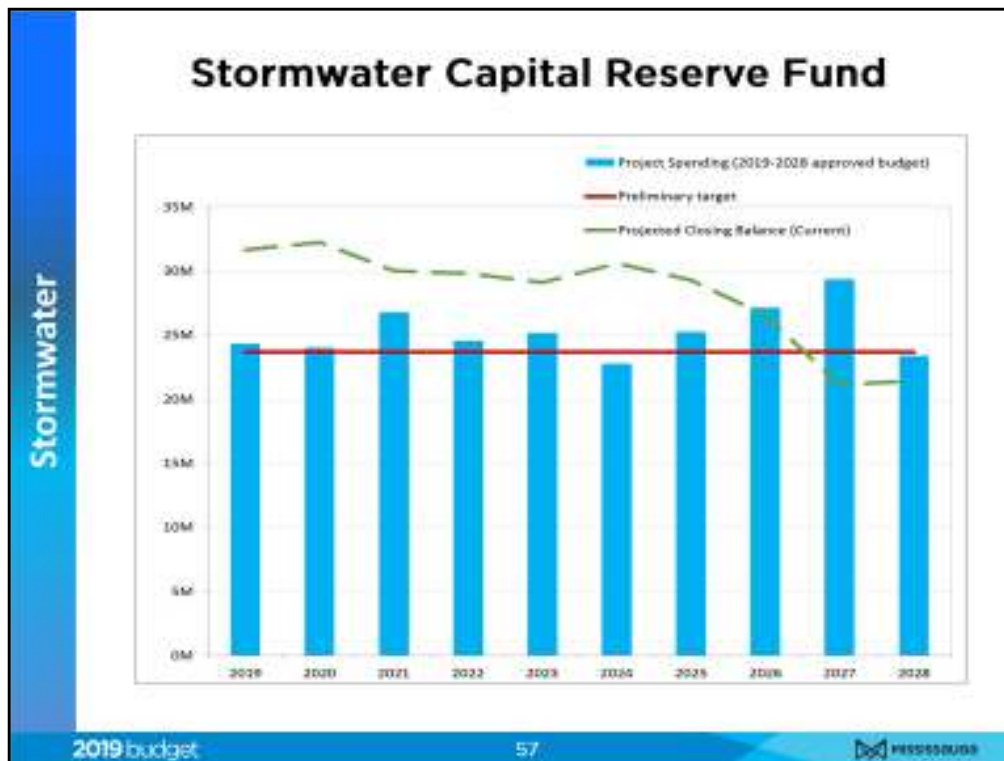


For the 10 year Capital Plan, major Stormwater projects include:

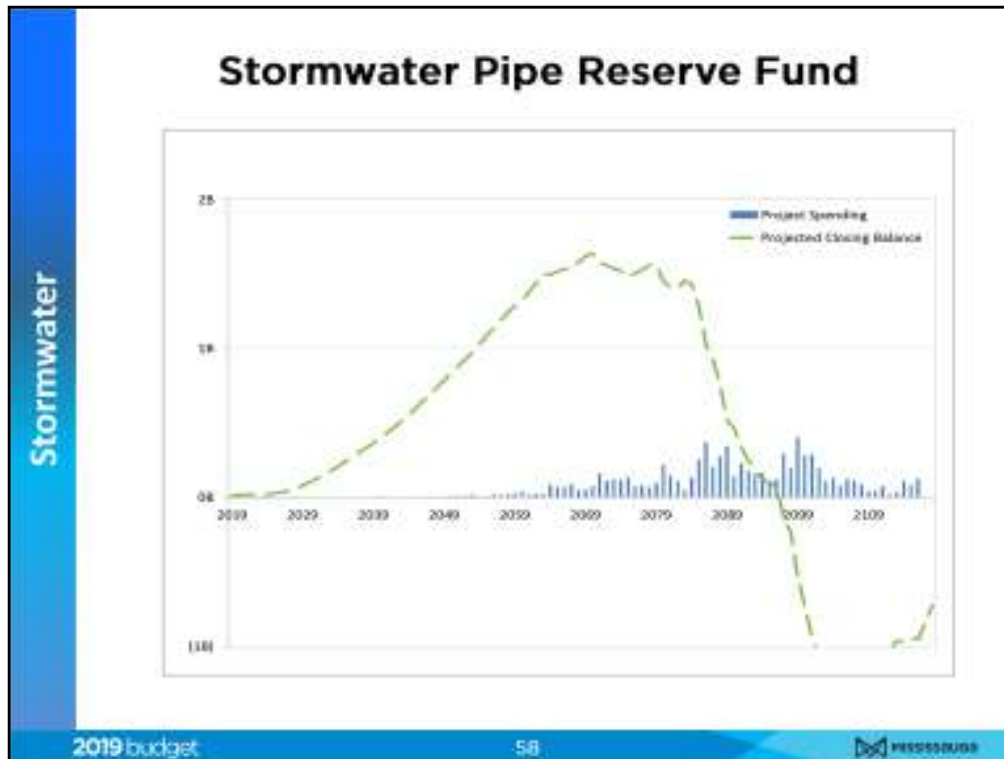
- Cooksville Creek Erosion Control, Meadows to Rathburn
- Mississauga LRT Storm Sewer Improvements
- Mississauga Stormwater Management Master Plan
- Storm Pond Rehabilitation and Dredging
- Sheridan Creek Erosion Control, Lushes Ave. to Fletchers Valley Cres
- Applewood Creek Erosion Control
- Mary Fix Flood Evaluation Study



- 83% of the ten year capital plan is funded through the Stormwater Charge (\$310.9M)
- 15.6% of the ten year capital plan is funded through the Development Charges (\$58.5M)
- 0.6% of the ten year capital plan is funded through the Development Contributions (\$2.3M)
- 0.7% of the ten year capital plan is funded through Tax (\$2.4M)



The blue bars identify annual spending from the capital reserve fund over the 10 year forecast period. The red line is the target for this reserve, which is to maintain one year's worth of spending in the reserve. The dotted green line shows the projected balance relative to the target and shows that we can maintain the target over the forecast period.



The stormwater pipe reserve is a 100 year reserve fund designed to replace storm pipes when they reach the end of their life. As a result, this fund will be carrying large balances until major replacements are needed in 60 years or so.

2% increase in fee will result in significant balance but this will be required for future pipe replacement – long term future but otherwise will be unaffordable.

Stormwater

Proposed 2019 Stormwater Rate

◆ **Stormwater Rate**
 = Amount of money per billing unit charged over a one-year period

	2016	2017	2018	2019
Stormwater Rate (per billing unit)	\$100.00	\$102.00	\$104.00	106.10*

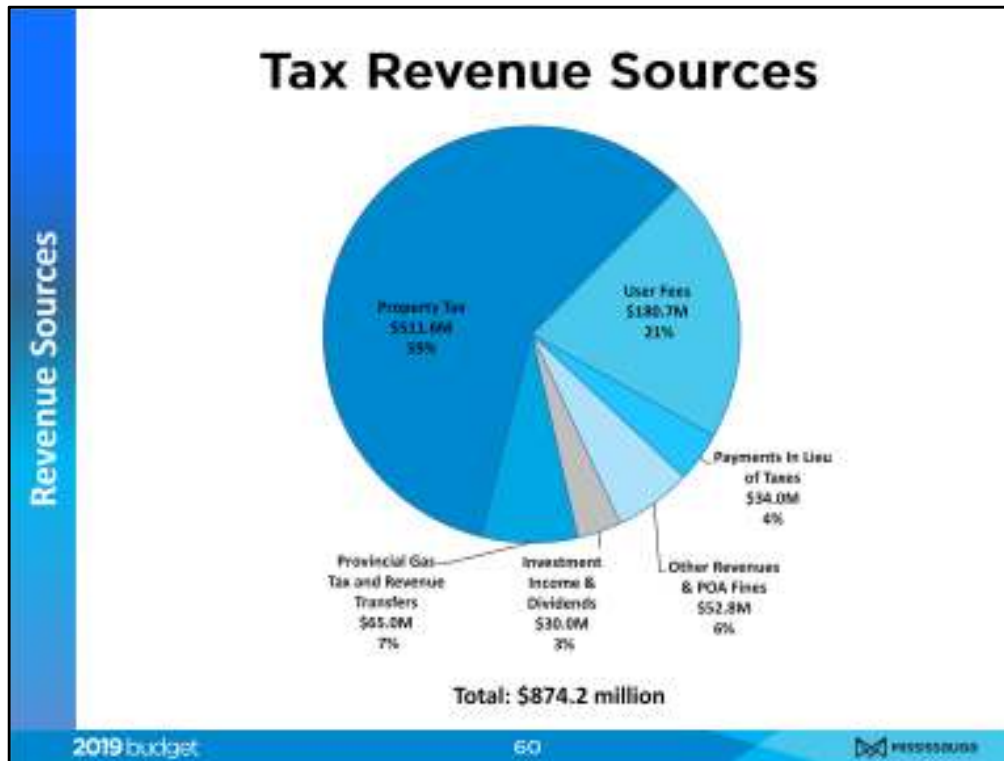
*Implementation date: April 1, 2019

2019 budget
59
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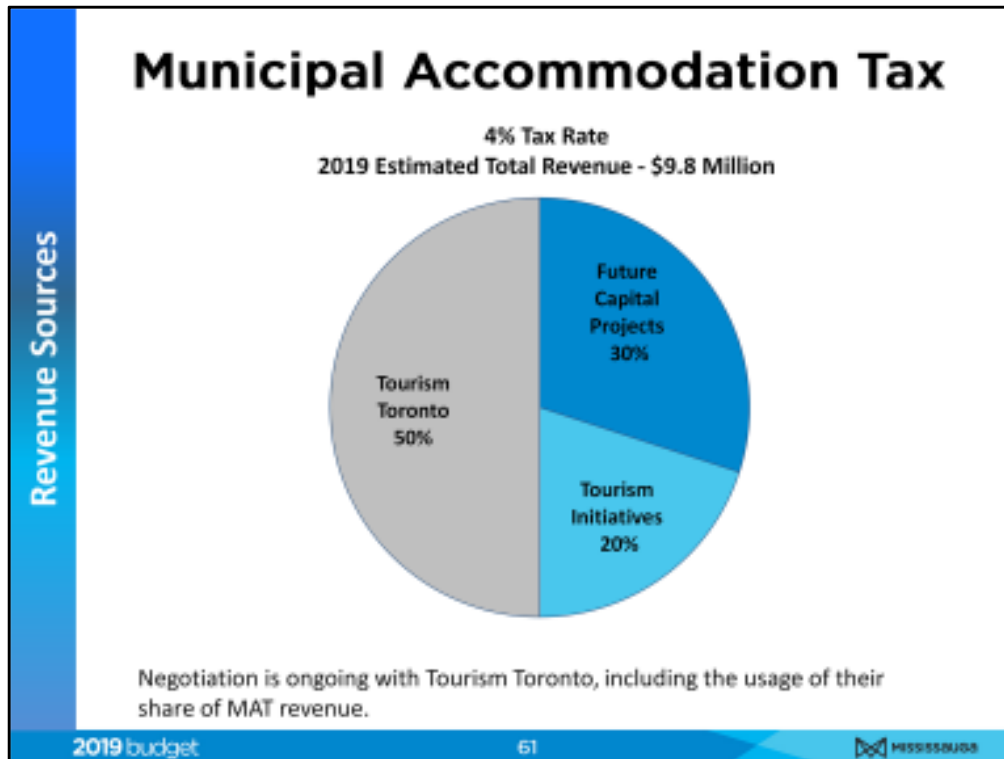
The stormwater charge is a dedicated charge used to fund stormwater collection, retention and water quality. Prior to 2016 it was funded through property taxes. The charge is used to fund only the stormwater program and matches the cost of this charge against properties which contribute to stormwater runoff – those with large areas of pavement. Credits of up to 50% are provided to properties which are able to reduce their runoff.

Past plans have assumed an annual increase in the storm water rate of 2%. The plan moves the City from interim funding which funds operating costs plus makes a contribution towards the capital reserve fund and the pipe replacement fund towards a sustainable plan which makes larger contributions to the two reserve funds. As we implement our asset management planning in the next two years, we will have a greater level of certainty towards the full amount needed to fund these reserves.

This year we are changing the effective date of the increase to April 1, 2019 to better align with the Region of Peel's implementation date for water and sewer charge increases. Peel water bills include the stormwater charge. There is a one time loss of revenue of \$220K resulting from this change.



The City uses a combination of tax funds, user fees, investment charges/levies and other revenue to pay for the array of services it provides. Property tax revenue covers 59% of total gross budget of \$874.2 million, while User fees covers 21%.



The Municipal Accommodation Tax or MAT was implemented in 2018 and is charged to hotel occupants with stays of 30 days or less . Tax collected is remitted by each hotel monthly to the City.

The rate was established at 4% of the room rate and no change is proposed to the rate.

Negotiations continue with Tourism Toronto but it is expected that most of the \$4.9 million they receive will fund Mississauga projects. Council will receive a more detailed update in a future report.

Revenue Sources

Other Funding Sources - Gas Taxes

- Benefitting from federal and provincial gas taxes
 - Federal 2018 Funding: \$41.6M
 - Provincial 2018 Funding: \$18.1M
- Provincial gas tax expected to double over next 5 years
 - Not yet confirmed
 - To be phased in - ~\$16M annual benefit by 5 years

2019 budget62MISSISSAUGA

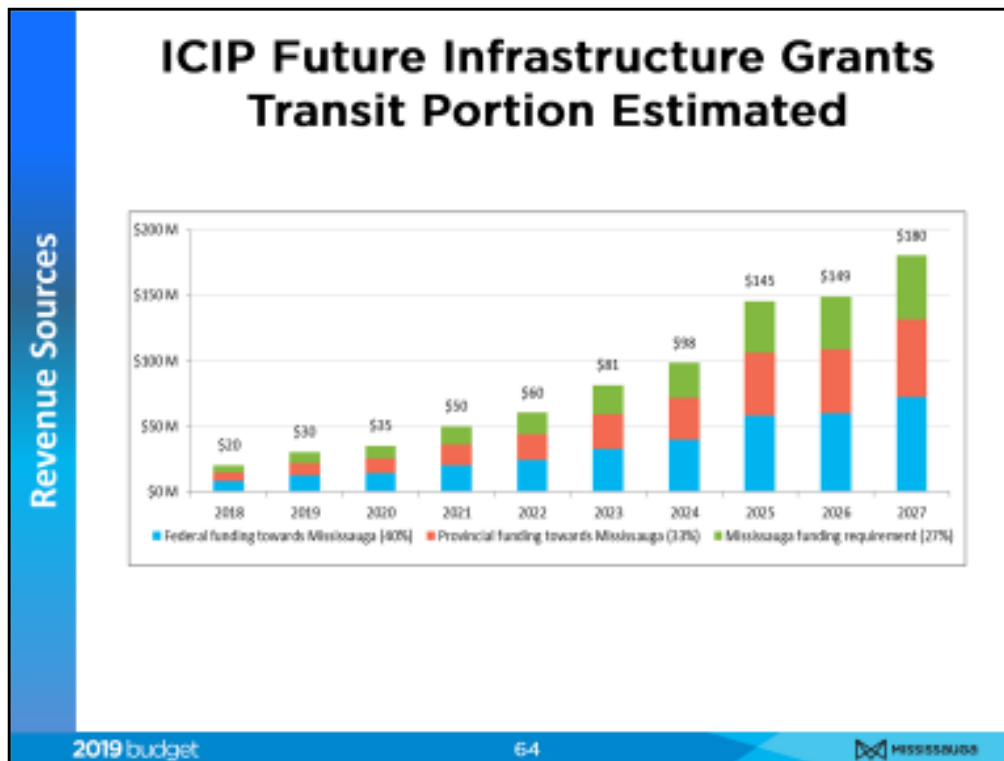
Both the federal and provincial governments provide a share of the gas tax that they collect to the City for infrastructure projects.

The City spends the federal contribution on transit and roads capital projects.

The City spends the provincial contribution to fund transit operating costs.

The rules around the programs and how money can be spent differs.

The last provincial government announced that they would double their gas tax payments to municipalities. The current government indicated during the election that they would support this increase, but we have received no official confirmation of this. As a result, these revenues are not included in the budget and forecast projections.



The transit piece of the ICIP was shown in the 2018 federal budget documents. We have estimated that Mississauga's allocation will be in the range of **\$847 million** including both the federal and provincial shares. As mentioned, the eligibility requirements and timing for this funding have not been announced. As a result, this future funding has not been included in the budget.

Revenue Sources

Fees and Charges

- New program fees introduced for Tournaments & Special Ice Events
- New Environmental Compliance Fees and Road Occupancy Permit Fees introduced.
- The sale of MiWay paper tickets eliminated at the City Centre Transit Terminal and any remaining ticket agent locations, effective May 1, 2019.
- MiWay Presto e-purse and monthly passes fares increased effective May 1, 2019, while cash fare remain unchanged.
- Additional \$2.3 Million revenue incorporated into 2019 proposed budget.

2019 budget65MISSISSAUGA

Fees and charges make a significant contribution in budget funding. Council has always had a philosophy of charging fees for programs and services where the benefitting customer can easily be identified.

As a result, the City has a range of fees for transit, recreation programs and for property development. In some cases though, legislation limits the amount that can be charged.

Property Tax Changes					
Description	2019 (\$M)	Tax Rate Impact	2020 (\$M)	2021 (\$M)	2022 (\$M)
Prior Year Budget	\$485.2		\$511.6	\$548.4	\$582.5
Fire & Emergency Services	\$2.5	0.5%	\$2.5	\$2.0	\$0.9
MiWay	\$7.1	1.5%	\$5.8	\$3.9	\$2.6
Other Service Areas	(\$2.8)	(0.6%)	\$7.0	\$10.0	\$9.6
Assessment Growth		(0.6%)			
Normal Operations	\$6.8	0.8%	\$15.4	\$15.9	\$13.1
New Initiatives & New Revenues - Fire & Emergency Services	\$5.4	1.1%	\$5.3	\$5.7	\$5.9
New Initiatives & New Revenues - MiWay	\$1.5	0.3%	\$1.2	\$1.3	\$1.3
New Initiatives & New Revenues - Other Service Areas	\$3.0	0.6%	\$4.7	\$0.3	\$0.8
Proposed Budget excluding Capital Infrastructure Levy	\$591.9	2.8%	\$538.1	\$571.5	\$603.6
Capital Infrastructure and Debt Repayment Levy	\$9.7	2.0%	\$10.2	\$11.0	\$11.7
Proposed Budget	\$611.6	4.8%	\$548.4	\$582.5	\$619.3
Proposed Budget and Year Over Year % Change	\$611.6	4.8%	6.7%	6.8%	6.4%
Impact on Total Residential Tax Bill		1.7%	2.3%	2.1%	1.8%
Impact on Total Commercial Tax Bill		1.0%	1.4%	1.3%	1.1%

* Assumes assessment growth of 0.6% in 2019, 0.5% in 2020, and 0.25% in years 2021-2022

This breaks out the budget increases in more detail. Overall the budget is increasing by \$26.4 million or 4.8%.

Most of the increase in normal operations can be attributed back to fire and emergency services and MiWay. In the case of MiWay a portion of it's increase is from annualization of last year's service increases.

Similarly, the majority of new initiative costs relate to fire and emergency services and MiWay.

The capital infrastructure and debt repayment levy adds a further 2% to the 4.8% increase. This represents a 1.7% increase on the total residential tax bill or 1.0% on the total commercial tax bill.

Future years are currently forecast to have higher tax increases. As always we will work to reduce these increases.



Just a reminder that the city portion of the tax bill represents only 35% of the total tax bill. Most of the property tax bill goes to fund the region and education.



This slide give some sense of where the City spends its budget dollars.

On \$100,000 of assessed value of a property, approximately \$61 pays for fire and emergency services and \$4.15 of that represents the current increase. Similarly, approximately \$47 pays for MiWay service of which the increase is \$4.53. The contribution toward the capital infrastructure levy is around \$47 as well with an increase of \$5.10 included



This slide shows the 2017 average total residential property taxes based upon seven residential property types.

Mississauga taxes continue to be reasonable compared to our benchmarked municipalities.

This chart also includes region and education taxes.

Property Tax Summary	Mississauga Property Tax Compared to Other Payments	
	Description	Amount Paid Annually
	2018 City Property Taxes Paid on a Home Assessed at \$645,000	\$1,850
	Average Home Insurance for property valued between \$300K and \$700K	Around \$1,000
	Gas for a sub-compact car	\$1,600
	Average Natural Gas Bill (Enbridge)	\$1000
	Average Hydro Bill in Ontario (950 KWH/month)	\$1,600
	Taxes Paid on a \$25,000 car	\$3,250
	Taxes on personal income of \$75,000	\$15,600
2019 budget		
70		
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This slide compares the City taxes of \$1,850 paid on an average single family detached house assessed at \$645,000 to some other common household costs like insurance, gas and hydro.

City taxes provide value for the services you receive.

