

MUNICIPAL FINANCE SUB-COMMITTEE
Report to MIRANET Annual General Meeting, 2010

Introduction

In 2009 the Municipal Finance Committee was represented at nine meetings of the City Budget Committee. Based on the information we received during this process we made a joint presentation to the Budget Committee at its meeting on January 13th, 2010, prior to the finalization of the 2010 Operating Budget.

Budget Summary

The preliminary Operating Budget presented by staff in June 2009 included a tax increase of 6.7%, based on maintaining 2009 service levels in 2010, excluding any infrastructure levy. Over the summer and through the fall staff identified and proposed a series of cost reductions which, combined, brought the tax rate increase down to 2.2%. Some discretionary additions, made at the January 13th meeting, brought the final increase to 2.3 %. The Budget Committee decided not to add a 1% infrastructure levy this year, in light of the poor economic outlook for Peel Region.

The Budget Committee also adopted a Capital Budget of \$319 million for the year, including some Strategic Plan projects.

MIRANET Recommendations

At the January 13th meeting of the Budget Committee we made recommendations regarding ways that the budget process might be improved and streamlined. Six items were addressed as follows:

The budget process itself; the setting of a long-term target for the annual tax increase; the long term need for additional sources of municipal funding; wage and salary increases for 2010; the infrastructure levy; and the Strategic Plan and Capital Budget. Members of the Budget Committee expressed their appreciation for the presentation.

Follow Up

A meeting is being arranged with the City's Finance Director, Ms. Elliott-Spencer to discuss MIRANET's recommendations and we hope this will initiate an ongoing dialogue with the Finance Department.

We recognize that about 48% of the Mississauga property tax bill is allocated to the Region of Peel, compared to 28% for the City's portion. The balance is made-up by the education tax. It would seem appropriate that for 2011 we also focus on the Region's budget setting process as well as the City's. This is a matter for MIRANET to consider further.

Peter Walton & Chris Mackie
February 3, 2010