



## Mississauga Residents' Associations Network (MIRANET)

### Statement

*Issued by the*

MIRANET Municipal Finance Subcommittee

**February 13, 2012**

### 2012 OPERATING & CAPITAL BUDGETS: CITY OF MISSISSAUGA

#### **No service cuts but big salary increases**

Council did the right thing in response to MIRANET's deputation on February 8, and reversed the decision of Budget Committee to raise its salaries for 2012 by 2.0%. Several Councillors expressed surprise that we would "waste their time and ours" on such a trivial amount - \$20,688 by our calculation.

But completely ignored were the detailed suggestions made by MIRANET in its previous deputation to Budget Committee on January 25; a meeting where Councillors voted on an unanticipated motion to raise their own salaries. This occurred after hearing MIRANET's concerns about the burgeoning staff costs which comprise 69% of the 2012 gross operating budget. On February 8, Councillors did acknowledge that increasing staff costs are unsustainable, but no action was taken.

However Mayor McCallion clearly appreciated the significance of foregoing any Council salary increase in the present economic climate. In a recorded vote, all Councillors and the Mayor voted against any increase. Councillors Mullin and Tovey were absent.

Apart from this symbolic change, the tax-supported operating budget of \$345.55 million (an increase of **7.4%** over 2011) was approved with only two minor reductions. The Living Green Master Plan was reduced from \$285,000 to \$200,000, but includes the mid-year hiring of a new director at an annual cost of \$168,000. MIRANET questions why a director is required to supervise only three other staff (had been four, before the reduction). The budgeted overtime in the Fire Department was reduced by \$50,000. Concern was expressed by Councillors at the difference between budgeted and actual overtime during the past 5 years.

It is disappointing to see that our Council is unwilling to challenge staff to reduce costs further. Most department heads were warmly congratulated by Budget Committee for their performance, but were never questioned as to how they planned to provide service in the coming year at lower cost. MIRANET had suggested that a 1% across the board cost savings be found.

While an economic salary increase of 2.0% was approved for all staff (whereas MIRANET had advocated for a staff salary freeze), the upper limit of the salary range for directors was **raised** by \$9,100 (from \$149,727 to \$158,831), a 6.0% increase. MIRANET had noted that in 2010, fifteen of the twenty-four directors received pay and bonuses that already exceeded the upper limit of the salary range.

Merit increases are reinstated this year for eligible staff. MIRANET had never advocated for removal of the merit increase, which we view as an essential tool to encourage greater productivity by staff.

The uploading of social program costs from the Region of Peel to the Province moderated the overall property tax increase to 2.8% for Mississauga residential properties. Nonetheless, those social programs will continue to be funded by provincial taxpayers, and MIRANET does not believe that this creates "tax room" for additional City spending, as was stated in Finance staff presentations. Once the provincial uploading is complete, we can expect to see larger property tax increases if City costs are not controlled.

The 2012 City budget review and approval underscores that senior management has little incentive to control costs at City Hall. With a projected increase of **9.7%** for next year's tax-supported budget, MIRANET expects to promote *more* cost control measures, including reducing staff levels and contracting out some services. We believe more can be done for less cost without reducing services. However it remains to be seen whether Council is prepared to make the tough decisions.

**MIRANET Municipal Finance Subcommittee**

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