

MIRANET Challenges Mississauga's Proposed 8% Tax Increase

January 17, 2011

This morning, MIRANET's Municipal Finance Subcommittee (MFS) made a Deputation to the City's Budget Committee, in advance of three scheduled days of Departmental presentations.

MIRANET re-iterated proposed structural changes to the Budget process, including:

- adoption of an explicit target tax increase based on the forecast CPI
- emphasis on securing new revenue and investment to supplement municipal taxes
- alignment of Budget items with the City's Strategic Plan priorities
- establishment of a Budget Review Panel including citizens and business representatives
- greater control of increases in wages and benefits which comprise 69% of the Budget

The MFS reviewed the consensus forecast of the Ontario economy by five major Canadian banks, which predicts inflation at 2.2% and unemployment at 8.3% for 2011. Growth of the Province's economy is expected to be weak.

In this economic environment the City of Mississauga is contemplating a 'Business as Usual' Operating Budget which will result in property taxes increasing by an incredible **8%**. This increase is required to fund the projected costs of delivering existing services (offset by a 1.3% growth in new assessments), a 1% infrastructure levy, and a range of new initiatives. The increase is the first installment of a forecast three-year increase which will raise the City's residential tax bill by 30.1% from 2010 levels.

MIRANET challenges this Budget at a time when unemployment in Peel Region is over 11%. MIRANET further challenges the forecast three-year compounded tax increase of 30.1%. We believe that these increases are unaffordable for many Mississauga households.

MIRANET has proposed a number of revisions to the 2011 Operating Budget including:

- A freeze on new hiring in 2011
- Salary economic adjustment for non-unionized staff limited to 1.0%
- Reduced employee headcount by 1.0% through attrition
- Freeze on senior management salaries unless a proposed maximum tax increase target of 3.7% is achieved
- Non-labour departmental costs frozen at 2010 levels
- Amortization of the costs of the Judicial Inquiry over the 2011-2014 business cycle

Costs associated with City growth-related projects and the 1% Infrastructure Levy are not reduced in MIRANET's proposals. MIRANET's proposed changes would reduce the 2011 tax increase to a more sustainable target rate of **3.7%**.

MIRANET's MFS will make a Deputation concerning the Capital Budget on January 25, 2011.

MIRANET presentations are posted after delivery at: www.miranet.ca

Contact: Dorothy Tomiuk, MIRANET Spokesperson
E-mail: MIRANET@miranet.ca

Mississauga Residents' Associations Network (MIRANET)