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# Budget





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## 3 YEAR BUDGET AND FORECAST

	2009 Budget	2010 Budget	2011 Forecast	2012 Forecast
Labour Costs	1,663,000	(2,042,000)	(2,084,200)	(2,124,900)
Other Operating Expenses	35,372,100	35,040,600	36,405,600	36,480,600
<b>TOTAL COSTS</b>	37,035,100	32,998,600	34,321,400	34,355,700
<b>TOTAL REVENUES</b>	<b>(66,841,100)</b>	<b>(66,008,600)</b>	<b>(66,311,700)</b>	<b>(64,811,700)</b>
<b>NET COSTS</b>	<b>(29,806,000)</b>	<b>(33,010,000)</b>	<b>(31,990,300)</b>	<b>(30,456,000)</b>
Allocations	0	0	0	0
<b>NET of ALLOCATIONS</b>	<b>(29,806,000)</b>	<b>(33,010,000)</b>	<b>(31,990,300)</b>	<b>(30,456,000)</b>

Note: This table excludes any potential increases in contributions to Capital Reserves. Staff are recommending a minimum infrastructure levy of 1% which equates to an increase of \$2.85 million in 2010.

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## BUDGET OVERVIEW

### Financial Transactions

	2008 Actual	2009 Budget	2010 Base Budget	2010 Program Changes	2010 Request	2010 Change	
	\$	\$	\$	\$	\$	\$	%
<b>EXPENDITURES</b>							
<b>LABOUR COST</b>	3,616,428	1,663,000	(2,042,000)	0	(2,042,000)	(3,705,000)	-222.8%
Staff Development Costs	83,947	102,900	111,900	0	111,900	9,000	8.7%
Communications Costs	37,166	80,000	40,000	0	40,000	(40,000)	-50.0%
Occupancy & City Costs	690,316	680,000	680,000	0	680,000	0	0.0%
Equipment Costs & Maintenance Agreement	61	0	0	0	0	0	0.0%
Contractor & Professional Services	785,921	375,400	395,400	0	395,400	20,000	5.3%
Advertising & Promotions	118,249	81,300	81,300	0	81,300	0	0.0%
Materials, Supplies & Other Services	562,703	321,800	324,300	0	324,300	2,500	0.8%
Finance Other	9,661,949	8,707,300	9,142,300	0	9,142,300	435,000	5.0%
Transfers	68,158,050	25,023,400	25,097,400	(832,000)	24,265,400	(758,000)	-3.0%
<b>OTHER OPERATING EXPENSES</b>	<b>80,098,361</b>	<b>35,372,100</b>	<b>37,501,000</b>	<b>(832,000)</b>	<b>35,040,600</b>	<b>(331,500)</b>	<b>-0.9%</b>
<b>TOTAL EXPENDITURES</b>	<b>83,714,789</b>	<b>37,035,100</b>	<b>40,639,700</b>	<b>(832,000)</b>	<b>32,998,600</b>	<b>(4,036,500)</b>	<b>-10.9%</b>
<b>REVENUES</b>							
Supplementary Railway & Corridors	(7,620,793)	(5,923,600)	(5,238,300)	0	(5,463,600)	460,000	7.8%
Payments in Lieu	(22,971,278)	(23,533,000)	(23,201,600)	0	(24,000,500)	(467,500)	-2.0%
Grants	(44,645,817)	0	0	0	0	0	0.0%
Fees & Service Charges	(16,885)	(20,000)	(20,000)	0	(20,000)	0	0.0%
Rents, Concessions & Franchise	(32,311)	(41,300)	(41,300)	0	(41,300)	0	0.0%
Penalties & Interest on Taxes	(8,755,447)	(5,690,000)	(9,500,000)	0	(7,000,000)	(1,310,000)	-23.0%
Investment Income	(17,710,305)	(13,310,000)	(13,000,000)	0	(14,460,000)	(1,150,000)	-8.6%
Other Revenue	(10,711,461)	(10,950,000)	(13,371,100)	(50,000)	(8,800,000)	2,150,000	19.6%
Transfers	(4,966,046)	(7,373,200)	(7,533,200)	0	(6,223,200)	1,150,000	15.6%
<b>TOTAL REVENUES</b>	<b>(117,430,344)</b>	<b>(66,841,100)</b>	<b>(71,905,500)</b>	<b>(50,000)</b>	<b>(66,008,600)</b>	<b>832,500</b>	<b>1.2%</b>
<b>NET SERVICE IMPACT</b>	<b>(33,715,555)</b>	<b>(29,806,000)</b>	<b>(31,265,800)</b>	<b>(882,000)</b>	<b>(33,010,000)</b>	<b>(3,204,000)</b>	<b>-10.7%</b>
Allocations	0	0	0	0	0	0	0.0%
<b>NET of ALLOCATIONS</b>	<b>(33,715,555)</b>	<b>(29,806,000)</b>	<b>(31,265,800)</b>	<b>(882,000)</b>	<b>(33,010,000)</b>	<b>(3,204,000)</b>	<b>-10.7%</b>

Note: This table excludes any potential increases in contributions to Capital Reserves. Staff are recommending a minimum infrastructure levy of 1% which equates to an increase of \$2.85 million in 2010.

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## 2010 NET BUDGET BY PROGRAM

	2008 Actual	2009 Budget	2010 Base Budget	2010 Program Changes	2010 Request	2010 Change	
	\$	\$	\$	\$	\$	\$	%
<b>PROGRAM EXPENDITURES</b>							
Bank & External Audit Charges	1,094,655	1,011,000	1,036,000	(50,000)	986,000	(25,000)	-2.5%
Benefits/Labour Package	(80,645)	2,541,000	1,356,000	0	1,356,000	(1,185,000)	-46.6%
Grants to Volunteer Groups	406,399	443,700	458,700	20,000	478,700	35,000	7.9%
Enersource Dividend Program	(8,082,000)	(8,000,000)	(8,300,000)	0	(8,300,000)	(300,000)	-3.8%
Insurance	7,895,528	3,783,000	3,783,000	0	3,783,000	0	0.0%
Investment Income	(17,710,305)	(14,310,000)	(14,460,000)	0	(14,460,000)	(150,000)	-1.0%
Payments in Lieu of Taxes	(22,366,221)	(23,433,000)	(23,900,500)	0	(23,900,500)	(467,500)	-2.0%
Miscellaneous Revenue/Expense	1,602,248	176,000	147,500	0	147,500	(28,500)	-16.2%
Prior Years Surplus & Labour Savings	(2,541,136)	(5,000,000)	(5,000,000)	0	(5,000,000)	0	0.0%
Taxation	(12,657,487)	(6,513,100)	(6,744,100)	(852,000)	(7,596,100)	(1,083,000)	-16.6%
Tourism	289,146	145,400	145,400	0	145,400	0	0.0%
Reserves Transfer To & From	2,253,150	450,000	450,000	0	450,000	0	0.0%
Transfer to WSIB Reserve	161,014	180,000	180,000	0	180,000	0	0.0%
Contribution to Capital Reserve	16,020,100	18,720,000	18,720,000	(902,000)	18,720,000	0	0.0%
<b>NET PROGRAM IMPACT</b>	<b>(33,715,555)</b>	<b>(29,806,000)</b>	<b>(32,128,000)</b>	<b>(1,784,000)</b>	<b>(33,010,000)</b>	<b>(3,204,000)</b>	<b>10.7%</b>

Note: This table excludes any potential increases in contributions to Capital Reserves. Staff are recommending a minimum infrastructure levy of 1% which equates to an increase of \$2.85 million in 2010.



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# Operating





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### Service Budget Highlights - Operating

The recommended 2010 net revenue budget of \$33 million represents a decrease of \$3.2 million or 10.7% from the 2009 budget. Highlights of the 2010 Budget are as follows:

- The 2010 Budget includes a net increase in the Payments-in-lieu of taxes (PILT) of \$467,500. The budget increase includes a 5% rise in passenger count at Pearson International Airport based on passenger growth in 2007 which translates into greater PILT revenue for the City.
- Revised labour estimates from the 2009 Budget, totalling a \$1.25 million decrease, have been incorporated in the 2010 labour budget of \$378,691,400.
- 2010 Gapping target remains unchanged at \$5.0 million.
- The net Taxation Program budget has been reduced by \$1.1 million from a net revenue Budget of \$6.5 million in 2009 to \$7.6 million in 2010. Budget savings are as follows:
  - Tax Interest and Penalty Revenue has been increased by \$1.3 million to reflect prior year actual results;
  - Transfers to the Reserve for Assessment Appeal have been reduced by \$852,000 as the Reserve has an adequate balance at this time. Offsetting this reduction is an increase of \$59,000 for repayment to the Reserve for Assessment Appeal of the \$1.2 million advanced from the reserve for payment of the Ninth Line Lands annexation. The 2010 Budget Transfer is \$309,000; and
  - Treasurer's write-offs have been reduced by \$100,000 reducing the 2010 Budget to \$200,000.

These budget reductions have been offset with increases as follows:

- Reduction in supplementary tax revenue of \$460,000, to eliminate the one-time increase in the 2009 Budget due to delays in Municipal Property Assessment Corporation (MPAC) updating assessment roles. The 2010 Budget revenue is \$3.7 million;
- Vacancy Rebates have been increased by \$250,000 - the 2010 Budget is \$750,000;
- Assessment appeal costs have been increased by \$200,000 – the 2010 Budget is \$2.0 million; and
- Tax appeal costs have increased by \$200,000 – the 2010 Budget is \$300,000.

## Service Budget Highlights - Operating

- As part of the Infrastructure Stimulus Funding (ISF) program, Council approved additional City resources to complete the 132 capital projects. The 2010 Budget includes additional staff costs of \$1.4 million or 18.75 FTE's to manage the additional workload. These costs are required on a short term basis only. As these positions are fully recovered from capital, there is no net cost to the City's 2010 Operating Budget nor is there any impact on the tax rate.
- The 2010 Budget for Investment Income is \$14.5 million. The City has changed its investment strategy by retaining funds longer in the Reserve Funds thereby maximizing total earnings. This strategy has allowed the City to maintain, its overall earnings despite historically low rates of return. Increased interest earning of \$150,000 are due to changes in the timing of tax payments to the Region of Peel until after receipt by the City.
- \$0.3 million increase in the Enersource dividend 2010 Budget of \$8.3 million.

### Other changes include:

- Increased costs of early retirement benefits by \$65,000 bringing the 2010 budget to \$0.9 million;
- Reduce city-wide communication costs by \$40,000 bringing the 2010 budget to \$40,000 to reflect spending in line with prior years actuals;
- New rebates earned from the use of credits cards are estimated at \$50,000; and
- Increased use of credit cards as a method of payment to the City for fees and charges results in higher banking charges of \$25,000 bringing the 2010 net Budget to \$0.9 million.

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## 2010 Explanation of Budget Changes

Program: Bank and External Audit Charges

### Description of Program

Provides for the Corporation's costs associated with all banking related services including: armoured car, night depository, satellite bank accounts, cheque reconciliation, direct payroll deposit, point of sale debit and credit card fees and preauthorized tax payments. Facilitates safe and convenient banking of monies for the Civic Centre and remote facilities. Provides for external audit fees.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
Contractor & Professional Services	111,000	111,000	0	0.0%	
Finance Other	900,000	925,000	25,000	2.8%	Increased bank charges due to increased use of credit cards.
<b>OTHER OPERATING EXPENSES</b>	<b>1,011,000</b>	<b>1,036,000</b>	<b>25,000</b>	<b>2.5%</b>	
<b>TOTAL EXPENDITURES</b>	<b>1,011,000</b>	<b>1,036,000</b>	<b>25,000</b>	<b>2.5%</b>	
Other Revenue	0	(50,000)	(50,000)	0.0%	Rebates as a result of increased usage of City procurement cards.
<b>TOTAL REVENUES</b>	<b>0</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>1,011,000</b>	<b>986,000</b>	<b>(25,000)</b>	<b>-2.5%</b>	

# Financial Transactions

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## 2010 Explanation of Budget Changes

### Program: Benefits and Labour Package

#### Description of Program

Provides for payments for employees who are no longer with the city as follows: Fire and CUPE employees who are eligible for accumulated sick leave credits to a maximum of six months' salary upon termination and various life insurance policies; under a sick leave benefit program, certain employees, for past service, may be entitled to a cash payment for unused sick leave credits; and fringe benefit costs for employees on long term disability. Provides for the administration of the City's Performance Management Process and any outstanding labour adjustments.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
<b>LABOUR COST</b>	<b>2,983,000</b>	<b>1,798,000</b>	<b>(1,185,000)</b>	<b>-39.7%</b>	Revised estimates of \$1.25 million previously included in 2009 Budget were incorporated into the 2010 Budget. These savings are partially offset by an increase of \$65K for early retirement benefits.
Transfers	78,000	78,000	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>78,000</b>	<b>78,000</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>3,061,000</b>	<b>1,876,000</b>	<b>(1,185,000)</b>	<b>-38.7%</b>	
<b>REVENUES</b>					
Transfers	(520,000)	(520,000)	0	0.0%	
<b>TOTAL REVENUES</b>	<b>(520,000)</b>	<b>(520,000)</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>2,541,000</b>	<b>1,356,000</b>	<b>(1,185,000)</b>	<b>-46.6%</b>	

## 2010 Explanation of Budget Changes

Program: Enersource Dividend

### Description of Program

Recognizes the dividend from Mississauga's investment in Enersource Mississauga.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>REVENUES</b>					
Other Revenue	(8,000,000)	(8,300,000)	(300,000)	-3.8%	Increase in Dividend based on increased Enersource earnings.
<b>TOTAL REVENUES</b>	<b>(8,000,000)</b>	<b>(8,300,000)</b>	<b>(300,000)</b>	<b>-3.8%</b>	
<b>NET PROGRAM IMPACT</b>	<b>(8,000,000)</b>	<b>(8,300,000)</b>	<b>(300,000)</b>	<b>-3.8%</b>	

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## 2010 Explanation of Budget Changes

Program: Grants to Volunteer Groups

### Description of Program

Provides a program whereby Council may make grants under the corporate grant program to assist community groups to deliver programs or services and to complete special projects, which, in the opinion of Council, is in the interest of the municipality. Provides for the rental revenue for affiliated groups renting space in municipal facilities. Administration of grants is the responsibility of the Recreation and Parks Division.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Transfers	485,000	520,000	35,000	7.2%	Increase in grants to community groups/volunteers.
<b>OTHER OPERATING EXPENSES</b>	<b>485,000</b>	<b>520,000</b>	<b>35,000</b>	<b>7.2%</b>	
<b>TOTAL EXPENDITURES</b>	<b>485,000</b>	<b>520,000</b>	<b>35,000</b>	<b>7.2%</b>	
<b>REVENUES</b>					
Rents, Concessions & Franchise	(41,300)	(41,300)	0	0.0%	
<b>TOTAL REVENUES</b>	<b>(41,300)</b>	<b>(41,300)</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>443,700</b>	<b>478,700</b>	<b>35,000</b>	<b>7.9%</b>	

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## 2010 Explanation of Budget Changes

Program: Insurance

### Description of Program

The Insurance program is made up of three distinct components. First, it provides funding to cover the City's insurance policy premiums. Second, claim costs within the City's self-insured retention limits (ie. the first \$1 million) are recovered through transfers from the Insurance Reserve Fund. Third, provides an allocation to the Reserve Fund to cover the costs of outstanding claims.

The program consists of four major work areas to minimize the City's exposure from liability claims and property losses:

- identification and assessment of risks and recommendations to reduce the frequency and size of potential losses;
- establishment and maintenance of a reserve fund to finance known and incurred losses and unreported losses within the City's self insured retention levels;
- purchasing insurance to fund catastrophic losses and losses above the City's retention levels; and
- managing all internal and external claims within the City's deductible levels and vendor services to handle those claims.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Contractor & Professional Services	65,000	65,000	0	0.0%	
Finance Other	4,683,800	4,683,800	0	0.0%	
Transfers	2,598,000	2,598,000	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>7,346,800</b>	<b>7,346,800</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>7,346,800</b>	<b>7,346,800</b>	<b>0</b>	<b>0.0%</b>	
<b>REVENUES</b>					
Transfers	(3,563,800)	(3,563,800)	0	0.0%	
<b>TOTAL REVENUES</b>	<b>(3,563,800)</b>	<b>(3,563,800)</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>3,783,000</b>	<b>3,783,000</b>	<b>0</b>	<b>0.0%</b>	

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## 2010 Explanation of Budget Changes

Program: Investment Income

### Description of Program

Captures interest earned from the short-term investment of surplus revenue fund monies. Investments are restricted to securities noted in the Municipal Act and related Regulations, which could include securities:

- issued or guaranteed by the government/agency of Canada or the government/agency of a Canadian Province/territory;
- issued, guaranteed or endorsed by a Schedule I/Schedule II bank, trust/loan corporation or a credit union;
- issued or guaranteed by a municipality/school board in Canada, region in Ontario, Ontario conservation authority or the Municipal Finance Authority of British Columbia;
- One Fund money market; and
- Asset-backed securities, negotiable promissory notes or commercial paper.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>REVENUES</b>					
Investment Income	(13,310,000)	(14,460,000)	(1,150,000)	36.4%	Increase in investment income due to new investment strategy (\$1.0 million) combined with annualization resulting from changes in timing of tax payments to the Region of Peel (\$150k).
Transfers	(1,000,000)	0	1,000,000	-500.0%	Transfers from Reserves eliminated due to newly implemented investment strategy.
<b>TOTAL REVENUES</b>	<b>(14,310,000)</b>	<b>(14,460,000)</b>	<b>(150,000)</b>	<b>-1.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>(14,310,000)</b>	<b>(14,460,000)</b>	<b>(150,000)</b>	<b>-1.0%</b>	

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## 2010 Explanation of Budget Changes

Program: Miscellaneous Revenues and Expenses

### Description of Program

Provides for miscellaneous City income and expenditures not assigned to specific departments such as payment discounts earned, vendor rebates, Goods and Services Tax compensation, NSF recovery fees, other miscellaneous one-time Corporate receipts and expenditures including Infrastructure Stimulus Funding (ISF) ineligible staffing costs, executive search costs, Corporate memberships and maximum of \$200 per year to eligible residents under the Snow Removal Subsidy Program.

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## 2010 EXPLANATION OF BUDGET CHANGES

PROGRAM: Miscellaneous Revenue

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
<b>LABOUR COST</b>	<b>0</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>0.0%</b>	Includes an additional 18.75 Full Time Equivalent (FTE's) required to deliver 132 Infrastructure Stimulus Funding (ISF) projects which are fully offset by a recovery from capital.
Staff Development Costs	102,900	111,900	9,000	8.7%	Additional funds to be allocated for Talent Management program.
Communication Costs	80,000	40,000	(40,000)	-50.0%	Reduce budget for city-wide communication by 50%.
Contractor & Professional Services	59,400	79,400	20,000	33.7%	Outside legal assistance which may be required to deliver the Infrastructure Stimulus Funding (ISF) projects fully recovered from capital, reflected in the labour costs
Advertising & Promotions	81,300	81,300	0	0.0%	
Materials, Supplies & Other Services	281,800	284,300	2,500	0.9%	
Transfers	50,000	50,000	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>655,400</b>	<b>646,900</b>	<b>(8,500)</b>	<b>-1.3%</b>	
<b>TOTAL EXPENDITURES</b>	<b>655,400</b>	<b>626,900</b>	<b>(28,500)</b>	<b>-4.3%</b>	
<b>REVENUES</b>					
Fees & Service Charges	(20,000)	(20,000)	0	0.0%	
Other Revenue	(450,000)	(450,000)	0	0.0%	
Transfers	(9,400)	(9,400)	0	0.0%	
<b>TOTAL REVENUES</b>	<b>(479,400)</b>	<b>(479,400)</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>176,000</b>	<b>147,500</b>	<b>(28,500)</b>	<b>-16.2%</b>	

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## 2010 Explanation of Budget Changes

### Program: Payments-in-Lieu of Taxes

#### Description of Program

Provides for the payments by Federal, Provincial and Municipal governments and /or their respective enterprises in lieu of property taxes as well as payments in respect of universities, colleges and hospitals. The payments-in-lieu are made by these government bodies as their properties are classed as exempt from realty taxes. The payment provisions are provided for under various federal and provincial statutes.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Finance Other	100,000	100,000	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>0.0%</b>	
<b>REVENUES</b>					
Payments in Lieu	(23,533,000)	(24,000,500)	(467,500)	-2.0%	Payment in Lieu of Taxes at Pearson International Airport (PIA) to reflect capped 5% increase in passenger growth in 2007.
<b>TOTAL REVENUES</b>	<b>(23,533,000)</b>	<b>(24,000,500)</b>	<b>(467,500)</b>	<b>-2.0%</b>	
Allocations	0	0	0	0.0%	
<b>NET PROGRAM IMPACT</b>	<b>(23,433,000)</b>	<b>(23,900,500)</b>	<b>(467,500)</b>	<b>-2.0%</b>	



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## 2010 Explanation of Budget Changes

Program: Prior Year's Surplus & Labour Savings

### Description of Program

Provides for the accumulated net revenue (ie. surplus) of the previous year to be carried forward as an offset to taxation, in accordance with the *Municipal Act*.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
<b>LABOUR COST</b>	(2,500,000)	(5,000,000)	(2,500,000)	-100.0%	
<b>TOTAL EXPENDITURES</b>	(2,500,000)	(5,000,000)	(2,500,000)	-100.0%	
<b>REVENUES</b>					
Other Revenue	(2,500,000)	0	2,500,000	100.0%	
<b>TOTAL REVENUES</b>	(2,500,000)	0	2,500,000	100.0%	
<b>NET PROGRAM IMPACT</b>	(5,000,000)	(5,000,000)	0	0.0%	

## 2010 Explanation of Budget Changes

### Program: Taxation

#### Description of Program

Revenues are generated from various sources as follows:

- supplementary tax revenues under the Assessment Act. The Act provides for the correction of any error, omission or misstatement of the tax roll and the subsequent levy and collection of applicable taxes. It also provides for addition to the tax roll of new buildings and the subsequent levy and collection of applicable taxes;
- revenue from the railway right of ways and Hydro corridor taxation revenues as per current legislation; and
- interest and penalties charged on unpaid taxes in accordance with the Municipal Act are added to the tax liability on the first day of default at a rate of 1.25% and on the first day of each calendar month thereafter in which default continues.

Rebates are available under various sections of the Municipal Act which the City offers as follows:

- vacancy rebates for owners of properties that have vacant portions if the property is in the commercial or industrial property tax class; and
- rebates to charitable organization occupying commercial and industrial properties. This legislation allows for rebates of 40% of taxes payable.

Associated with the Business Improvements Area (BIA's) and Local Area Improvements:

- collections of special assessment taxation to meet the requirements of the three established BIA's in Clarkson, Port Credit and Streetsville.

Reductions in tax bills via various sources including:

- tax adjustments resulting from reductions in assessed property values through the assessment appeal process, tax appeals and reconsideration processes;
- new construction capping adjustments;
- striking off of uncollectible taxes; and
- exemption, at Council's discretion, for a maximum of 10 years, from property taxes excluding local improvement charges, Business Improvement Area charges and school taxes, for any premises owned or rented and used occupied as a memorial home, clubhouse or athletic grounds by persons who served in Her Majesty's armed forces.

Expenses associated with taxes payable on City owned/leased properties and fees requirement for the tax sale process.

# Financial Transactions

2010 business plan & budget update

## 2010 EXPLANATION OF BUDGET CHANGES

PROGRAM: Taxation

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Occupancy & City Costs	680,000	680,000	0	0.0%	
Taxes Forgiven	3,500	3,500			
Vacancy Rebates	500,000	750,000	250,000	50.0%	Increase reflects downturn in the economy.
Charity Rebates	70,000	80,000	10,000	14.3%	
Treasurers Tax Write Off	300,000	200,000	(100,000)	-33.3%	In line with prior year's actuals.
New Construction Adjustment	250,000	100,000	(150,000)	-60.0%	Phasing out of program offset by reduced transfer from reserve.
Assessment Appeals	1,800,000	2,000,000	200,000	11.1%	In line with prior year's actuals.
Tax Appeals	100,000	300,000	200,000	200.0%	Increase reflects downturn in the economy.
Transfers	1,547,000	754,000	(793,000)	-51.3%	Due to transfer reduction in for the Reserve for Assessment Appeals as there are adequate funds for contingencies, offset by a \$59k increase for a repayment to reserve for funds advanced to finance the annexation of the Ninth Line Lands.
<b>OTHER OPERATING EXPENSES</b>	<b>5,250,500</b>	<b>4,867,500</b>	<b>(383,000)</b>	<b>-7.3%</b>	
<b>TOTAL EXPENDITURES</b>	<b>5,250,500</b>	<b>4,867,500</b>	<b>(383,000)</b>	<b>-7.3%</b>	
<b>REVENUES</b>					
Supplementary Railway & Corridors	(5,923,600)	(5,463,600)	460,000	7.8%	Elimination of higher supplementary tax increase in 2009 due to assessment role update delays in 2008.
Penalties & Interest on Taxes	(5,690,000)	(7,000,000)	(1,310,000)	-23.0%	Increase budget to reflect actual revenues.
Transfers	(150,000)	0	150,000	100.0%	Reductions in transfers from the reserves related to the reduction in New Construction Adjustment.
<b>TOTAL REVENUES</b>	<b>(11,763,600)</b>	<b>(12,463,600)</b>	<b>(700,000)</b>	<b>-6.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>(6,513,100)</b>	<b>(7,596,100)</b>	<b>(1,083,000)</b>	<b>-16.6%</b>	



# Financial Transactions

2010 **business plan & budget update**

## 2010 Explanation of Budget Changes

Program: **Tourism**

### Description of Program

The City of Mississauga's investment in Mississauga Tourism supports the implementation of significant initiatives that continue to profile Mississauga as a visitor destination in Canada and internationally.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Transfers	145,400	145,400	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>145,400</b>	<b>145,400</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>145,400</b>	<b>145,400</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>145,400</b>	<b>145,400</b>	<b>0</b>	<b>0.0%</b>	



# Financial Transactions

2010 **business plan & budget update**

## 2010 Explanation of Budget Changes

Program: **Transfers To and From Reserves**

### Description of Program

Provides for the cost of holding municipal elections by making annual contributions to the Reserve for Elections from the operating program and recognizes any transfer to and from various Reserves and Reserve Funds, as required.

	2009	2010	Change in 2010		Explanation
	Restated Budget	Requested Budget	Requested Budget To 2009 Restated Budget		
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Transfers	450,000	450,000	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>450,000</b>	<b>450,000</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>450,000</b>	<b>450,000</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>450,000</b>	<b>450,000</b>	<b>0</b>	<b>0.0%</b>	



# Financial Transactions

2010businessplan&budgetupdate

## 2010 Explanation of Budget Changes

Program: Transfers To Capital

### Description of Program

Provides funds from the operating program to finance capital projects. The funds are transferred to the Capital Reserve Fund and are allocated from the reserve fund to projects approved in the Capital Program.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
Transfers	18,720,000	18,720,000	0	0.0%	Council has the option of including a 1% infrastructure levy which would increase the transfer by \$2.8 million. This increase would add 0.28% to the total tax bill.
<b>OTHER OPERATING EXPENSES</b>	<b>18,720,000</b>	<b>18,720,000</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>18,720,000</b>	<b>18,720,000</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>18,720,000</b>	<b>18,720,000</b>	<b>0</b>	<b>0.0%</b>	

# Financial Transactions

2010 business plan & budget update

## 2010 Explanation of Budget Changes

Program: Workers' Compensation and Rehabilitation

### Description of Program

In 1978, the City transferred from a Schedule 1 to Schedule 2 employer status with the Workers' Compensation Board. As such, payment of compensation and expenses is made via the Workers' Compensation Reserve Fund rather than the Workers' Compensation Board. The program provides a clearing account for transactions affecting the Workers' Compensation Reserve Fund and the Employee Rehabilitation Program. It also provides for medical examinations and the City's medical doctor's fees.

	2009 Restated Budget	2010 Requested Budget	Change in 2010 Requested Budget To 2009 Restated Budget		Explanation
	\$	\$	\$	%	
<b>EXPENDITURES</b>					
<b>LABOUR COST</b>	<b>1,180,000</b>	<b>1,180,000</b>	<b>0</b>	<b>0.0%</b>	
Contractor & Professional Services	140,000	140,000	0	0.0%	
Materials, Supplies & Other Services	40,000	40,000	0	0.0%	
Transfers	950,000	950,000	0	0.0%	
<b>OTHER OPERATING EXPENSES</b>	<b>1,130,000</b>	<b>1,130,000</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>2,310,000</b>	<b>2,310,000</b>	<b>0</b>	<b>0.0%</b>	
<b>REVENUES</b>					
Transfers	(2,130,000)	(2,130,000)	0	0.0%	
<b>TOTAL REVENUES</b>	<b>(2,130,000)</b>	<b>(2,130,000)</b>	<b>0</b>	<b>0.0%</b>	
<b>NET PROGRAM IMPACT</b>	<b>180,000</b>	<b>180,000</b>	<b>0</b>	<b>0.0%</b>	

## 2010 Summary of Program Directions

### Program Additions / New Staff (+)

Description	FTE	Expenditure	Revenue	Net	Start Date	Briefing Note or Budget Book Page Reference
Youth Plan Grant		20,000		20,000	January 1, 2010	T-28
<b>Total Division/Service Base Budget Impacts</b>	<b>0</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>		

### New Revenues (-)

Description	FTE	Expenditure	Revenue	Net	Start Date	Briefing Note or Budget Book Page Reference
Purchase Card rebate program			(50,000)	(50,000)	January 1, 2010	T-29
<b>Total Division/Service Base Budget Impacts</b>	<b>0</b>	<b>-</b>	<b>(50,000)</b>	<b>(50,000)</b>		

### Efficiencies / Reserve Transfers (+) or (-)

Description	FTE	Expenditure	Revenue	Net	Start Date	Briefing Note or Budget Book Page Reference
Reduction in the transfers to Reserve for Assessment Appeals			(852,000)	(852,000)	January 1, 2010	T-30
<b>Total Division/Service Base Budget Impacts</b>	<b>0</b>	<b>-</b>	<b>(852,000)</b>	<b>(852,000)</b>		

# Financial Transactions

2010 business plan & budget update

## 2010 Service Change Grants to Volunteer Groups

**Service:** Financial Transactions    **Strategic Pillar:** Ensuring Youth, Older Adults & New Immigrants Thrive

**Type of Change:** Program Additions or New Staff    **Division:** Financial Transactions    **Effective Date:** January 1, 2010

Financial Impact	2009	2010	2011
Labour			
Operating Expenses	485,000	20,000	
Revenue			
Net Cost	\$485,000	\$20,000	\$0
FTE			

FTE:

Permanent

Temporary

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#

### Details of Service Change

Moving Forward Document identifies the need for a Youth Plan; and this increases grants for the Youth Plan.

### Service Impact

Implementation of Youth Plan will extend over the next five years and will identify initiatives that will reach all youth sectors and population demographics

## 2010 Service Change

### Purchase Card Rebate Program

**Service:** Financial Transactions    **Strategic Pillar:** Cultivating Creative & Innovative Businesses

**Type of Change:** New Revenues    **Division:** Financial Transactions    **Effective Date:** January 1, 2010

Financial Impact	2009 Budget	2010 Change	2011 Change
Labour			
Operating Expenses			
Revenue		(50,000)	
Net Cost	\$0	(\$50,000)	\$0
FTE			

FTE:

Permanent  
Temporary

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#### Details of Service Change

With the introduction and participation in the Purchase Card Rebate Program and efficiencies gained through the program, the City is expected to receive purchase card rebates in the amount of \$50,000.

#### Service Impact

# Financial Transactions

2010 business plan & budget update

## 2010 Service Change Assessment Appeals

**Service:** Financial Transactions      **Strategic Pillar:** Cultivating Creative & Innovative Businesses

**Type of Change:** Efficiencies / Reserve Transfers      **Division:** Financial Transactions      **Effective Date:** January 1, 2010

Financial Impact	2009	2010	2011
Labour			
Operating Expenses	1,102,000	(852,000)	
Revenue			
Net Cost	\$1,102,000	(\$852,000)	\$0
FTE			

**FTE:**

Permanent

Temporary

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### Details of Service Change

As there are adequate funds for contingencies, a reduction in the transfer for the Reserve for Assessment Appeals is recommended; 2010 budget is \$309k.

### Service Impact