



Reserves and Reserve Funds

2013-2016 Business Plan

City of Mississauga, Ontario, Canada

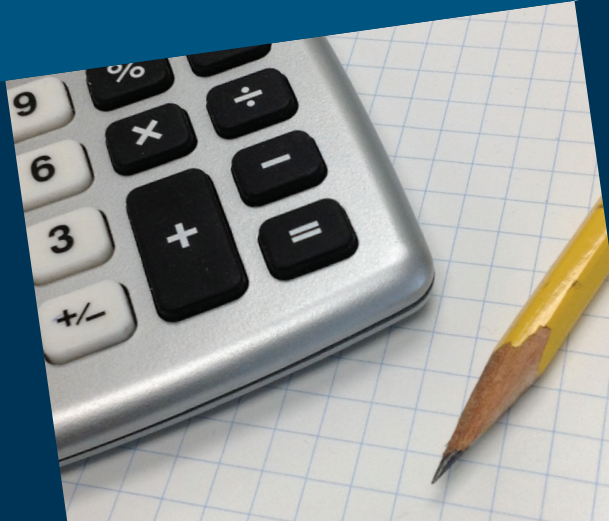


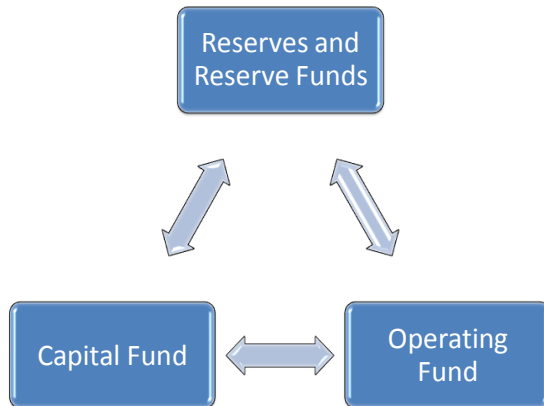
Table of Contents

Overview	3
Forecast Changes	5
Capital Reserve Funds	9
Reserve and Reserve Fund Descriptions	21
Appendix 1: Reserve and Reserve Fund Transfers.....	26

Overview

Reserves and Reserve Funds are established by Council to assist with long term financial stability and financial planning. These funds are set aside to help offset future capital needs, obligations, pressures and costs. They are drawn upon to finance specific purpose capital and operating expenditures as designated by Council, to minimize tax rate fluctuations due to unanticipated expenditures and revenue shortfalls, and to fund ongoing projects and programs (i.e. insurance and employee benefits).

The following chart shows the relationships between the different funds:



Reserves are different from reserve funds in that they are generally used in conjunction with the Operating Program and support or supplement activities which are normally funded from general revenues. Interest earned by reserves is reflected within Financial Transactions.

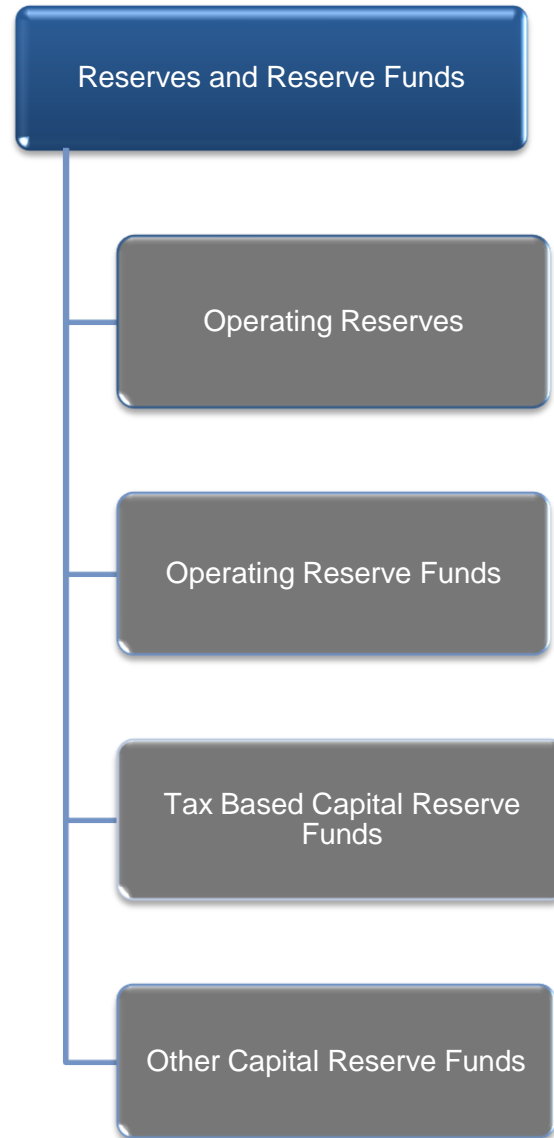
A reserve is generally used either to mitigate the impact of fluctuations in operating costs and revenue or to accumulate funds for future or contingent liabilities. Examples of reserves currently employed by the City to mitigate budgetary fluctuations include: Reserve for Winter Maintenance, Reserve for Commodities, Reserve for Assessment Appeals and the Reserve for Elections. Reserves established to fund future or contingent liabilities include: Reserve for Legal Settlements, Reserve for General Contingencies and Reserve for Vacation Pay.

Reserve Funds are segregated and restricted to meet a specific purpose. Money set aside for reserve funds must be deposited into a separate bank account and the interest earned on those investments must be added to the reserve funds. Examples of reserve funds used to fund capital projects are Development Charges and Cash-in-Lieu of Parkland Dedication. Although some reserve funds, such as Insurance, are used in conjunction with the Operating Program, reserve funds are most commonly associated with the Capital Program. Funds are accumulated within a reserve fund to provide funding for future capital spending and the funds are invested until required. Once Council approves the capital works, funds are transferred to the appropriate capital projects.

Reserve funds used in the Capital Program are financed either as part of the annual transfer of tax funding from the Operating Program, or are collected as a charge upon development. Some Reserve Funds are established to

meet the requirement of receiving funding from the Federal and Provincial Governments, such as Gas Tax funding. Tax based reserve funds are used to accumulate the funding necessary for the maintenance and eventual replacement of the City's extensive infrastructure. A number of capital reserve funds have been established to assist with long term financial planning. These include Transit Vehicles and Equipment Replacement, Fire Vehicles and Equipment Replacement and Roadway Infrastructure Maintenance Reserve Funds.

Development based reserve funds are used to finance capital projects to meet growth. Most of the funding is collected under the authority of the City's Development Charges By-law, as permitted by the *Development Charges Act, 1997* or other development related fees under the *Planning Act*. Services receiving funding from development charges include: fire, libraries, recreation, roads, transit, parking, public works, storm water management, and general government. A summary of the City's reserves and reserve funds along with their purpose can be found at the end of this section.



Forecast Changes

The following chart provides a summary of the projected 2012 Reserves and Reserve Funds as compared to 2013.

Operating and Capital Reserves & Reserve Funds Summary

	Projected Balance 2012 (\$000's)	Projected Balance 2013 (\$000's)	Change (\$000's)	%
Operating	111,729	105,738	(5,991)	(5.4%)
Capital	210,916	198,739	(12,177)	(5.8%)
Development Deferred Revenues	88,942	100,432	11,490	12.9%
Total	411,587	404,909	(6,678)	(1.6%)

Note: Numbers may not add due to rounding

The 2013 balances in the Operating and Capital Reserves and Reserve Funds are estimated to decline by \$6.7 million or 1.6% percent from 2012.

The projected decrease in the Operating Reserves and Reserve Funds is mainly due to the Insurance Reserve Fund for increased insurance costs as a result of an increased number of claims and claim costs, increased use of the Planning Process Updates Reserve and increased Sick Leave Reserve Fund payments.

The projected reduction in the Capital Reserve Funds reflects the planned decline of the City's tax based reserve funds to fund its capital program. The City will maintain an estimated minimum cash balance of 10% of the forecasted 10 year capital budget in the capital tax based reserve funds on a cash flowed basis.

Development deferred revenues are projected to increase due to many development related projects being unbudgeted in the forecast. Emphasis within the capital prioritization focused on mandatory projects and critical projects to maintain the City's infrastructure. Growth and development related projects will be evaluated and budgeted in future years to ensure an appropriate balance of maintaining existing infrastructure and growth.

Operating Reserves and Reserve Funds

The total reserve and reserve funds are expected to decrease by \$6.0 million or 5.4%. Compared to 2012, the balance in the Operating Reserves are anticipated to decline by \$2.6 million or a 5.5%. The decline is primarily due to use of reserves to fund one-time expenses for studies based on the strategic plan with the intention of growing services that are important to the taxpayers of Mississauga. Total Reserve Funds are expected to decrease by \$3.4 million or 5.3% mainly due to the Insurance Reserve as a result of increased claims settlements and increased premium costs and sick leave liability increases.

Total Operating Reserve and Reserve Funds Balance	2012 Estimated Balance (\$000's)	2013 Projected Balance (\$000's)	Change in 2013 Projected Balance to 2012 Estimated Balance	
			(\$000's)	%
Total Reserves	46,387	43,829	(2,558)	(5.5%)
Total Reserve Funds	65,342	61,910	(3,433)	(5.3%)
Total Reserve and Reserve Funds	111,729	105,738	(5,991)	(5.4%)

Transfers to Operating Reserves and Reserve Funds

	2013 Requested Budget
Transfer to Reserves	\$842
Transfer to Reserve Funds	\$3,794
Transfer to Reserve and Reserve Funds	\$4,636
Interest Income	\$1,657
Total Transfers to Reserves and Reserve Funds	\$6,293

The 2013 Operating Program recommends transfers to Operating Reserves and Reserve Funds totalling \$4,636,400 as follows:

- \$2,516,400 to the Insurance Reserve Fund to fund future insurance claims
- \$1,200,000 to the Workers' Compensation Reserve Fund;
- \$500,000 to the Reserve for Elections to fund future municipal elections;
- \$309,000 in transfers to the Reserve for Assessment Appeals. It is designed for changes in taxes generated through changes in the assessed values of property, to mitigate revenue losses through ongoing assessment appeals, and annual repayment of \$59,000 for the 21 year repayment plan to pay for the annexation of the Ninth Line lands of \$1.2 million;
- \$78,000 to fund group benefit costs for retired employees; and
- \$33,000 to fund the employee survey that is conducted every 3 years.

Transfers from Operating Reserves and Reserve Funds

	2013 Requested Budget
Transfer from Reserves	\$3,400
Transfer from Reserve Funds	\$8,884
TOTAL TRANSFER FROM RESERVES AND RESERVE FUNDS	\$12,284

The 2013 Operating Program recommends transfers from Reserves and Reserve Funds totalling \$12,283,888 as follows:

- \$5,580,000 from the Insurance Reserve Fund to cover the payments of estimated claims;
- \$3,250,000 from the Workers' Compensation, Sick Leave and Group Benefits Reserve Funds to offset estimated costs;
- \$1,365,000 from the Planning Process Update to fund 9 capital projects for Land Development Services;
- \$967,000 from the Reserve for Contingency to fund various one-time studies;
- \$442,300 from the Operating Reserve for various commitments in 2012 that are to be completed in 2013;
- \$296,088 from the Reserve for Election for election related costs;
- \$195,000 from the Reserve for the Arts to fund one-time studies;
- \$135,000 from the Reserve for Labour Settlement for Transit Operators and Strategic Total Rewards; and
- \$53,500 for Economic Development initiatives.

Capital Reserve Funds

Capital Reserve Funds are monies set aside for the repair and major maintenance costs of capital infrastructure and for large capital expenditures such as the renovation of a community centre or road reconstruction. It is forecasted that the projected balance in 2013 will be slightly less than the 2012 estimated balance.

The Continuity Schedule of Capital Reserve Funds can be found at the end of this section along with projected balances to December 31, 2012 as well as a 10 year forecast for various capital based reserve funds.

2013 Capital Program Reserve Funds	2012 Estimated Balance (\$000's)	2013 Projected Balance (\$000's)	Change (\$000's)	% Change
Capital Program - Tax Funded	94,350	80,636	(13,713)	(14.5%)
Capital Program - Development Deferred Revenues	88,942	100,432	11,490	12.9%
Capital Program - Other	116,566	118,103	1,537	1.3%
Total Capital Reserve Funds	299,858	299,171	(687)	(0.2%)

Transfers to Capital Reserve Funds

	2013 Requested Budget (\$000's)
Total Transfers to Capital Reserve Funds	127,645

Included in the 2013 Budget are recommendations that \$127,644,870 be transferred to various Capital Reserve Funds (both tax-based and growth related) as follows:

- \$53,029,165 in sharing of gas tax revenue from the Federal and Provincial Governments;
- \$31,158,618 majority of which is a transfer from General Revenue to the Capital Reserve Fund for capital infrastructure;
- \$26,309,587 in estimated development charge revenues;
- \$7,300,000 transfer from the Capital Reserve Fund to the Facility Repair and Renovation Reserve Fund;
- \$4,010,000 in estimated parkland dedication contributions;
- \$2,900,000 transfer from the Community Facility Redevelopment Reserve Fund to the Main Fleet Vehicle and Equipment Reserve Fund;
- 1,600,000 transfer from the Capital Reserve Fund to the Fire Vehicles and Equipment Reserve Fund;
- \$1,000,000 transfer from the Community Facility Redevelopment Reserve Fund to the Roadway Infrastructure Reserve Fund;
- \$186,500 to the City Center Off Street Parking Reserve Fund (\$156,500) and estimated sponsorship for Riverwood (\$30,000);
- \$90,600 in estimated cost sharing initiative for the Courtneypark Artificial Turf; and
- \$60,400 in estimated profit sharing from the BraeBen Golf Course and the Region of Peel (originally named the Britannia Hills Golf Course).

Transfers from Capital Reserves Funds

	2013 Requested Budget (\$000's)
Total Transfers from Capital Reserve Funds	135,598

The 2013 Budget recommends transfers from tax-based and growth-related Capital Reserve Funds of \$135,598,424 million to activities and projects as follows:

- \$49,715,500 for various transit related initiatives including funding of transit expansion costs contained in the Operating Budget and various transportation initiatives for bridges and roadways;
- \$43,185,900 from Capital Reserve Funds to finance non-growth tax-based projects in the 2013 Capital Budget , to transfer to the Facility Repair and Renovation and Main Fleet Reserve Funds as well as to fund the Project Management Support Office;
- \$10,805,324 from Development Charges to fund growth based projects as well as various Development Charge transactions;
- \$9,971,400 from Parkland Dedication Reserve Fund to fund land acquisitions and certain capital project;
- \$9,726,000 in projects from the Facility Repair and Renovation;
- \$3,900,000 from the Community Facility Reserve Fund to the Main Fleet Vehicle and Equipment and Roadway Infrastructure Reserve Funds;
- \$3,555,000 in projects from the Main Fleet Vehicle and Equipment Reserve Fund;
- \$1,818,000 in projects from the Fire Vehicles and Equipment Reserve Fund;
- \$1,351,000 from developers' contributions to fund growth based projects;
- \$555,300 in projects from the 2009 Special Projects Reserve Fund;
- \$555,000 in projects from the Roadway Infrastructure Reserve Fund; and
- \$460,000 in various Cash in Lieu of Parking projects.

Continuity Schedule of Operating Reserves and Reserve Funds (\$000's)

Reserves and Reserve Funds	Balance January 2012 (\$)	Projected 2012 Contributions (\$)	Projected 2012 Interest (\$)	Projected 2012 Expenditures (\$)	Projected Balance December 31, 2012 (\$)	2013 Projected Contributions (\$)	2013 Projected Interest (\$)	2013 Projected Expenditures (\$)	Projected Balance December 31, 2013 (\$)
Operating Program - Reserves									
Reserve for the Arts	1,715	0	0	0	1,715	0	0	(195)	1,520
Reserve for Assessment Appeals	5,947	309	0	0	6,256	309	0	0	6,565
Reserve for Commodities	5,028	0	0	0	5,028	0	0	0	5,028
Reserve for Current Budget	461	442	0	(461)	442	0	0	(442)	0
Reserve for Building Permits Revenue Stabilization	49	0	0	0	49	0	0	0	49
Reserve for Development Stabilization	2,730	0	0	(204)	2,527	0	0	0	2,527
Reserve for Early Retirement	500	0	0	0	500	0	0	0	500
Reserve for Elections	1,679	500	0	(141)	2,038	500	0	(296)	2,242
Reserve for General Contingencies	4,361	11	0	(726)	3,646	33	0	(967)	2,712
Reserve for Labour Settlements	6,620	0	0	(360)	6,260	0	0	(135)	6,125
Reserve for Legal Settlements	1,836	0	0	0	1,836	0	0	0	1,836
Reserve for Planning Process Updates	2,227	0	0	(270)	1,957	0	0	(1,365)	592
Reserve for Vacation Pay	5,820	0	0	0	5,820	0	0	0	5,820
Reserve for Winter Maintenance	8,313	0	0	0	8,313	0	0	0	8,313
Total Operating Reserves	47,286	1,262	0	(2,162)	46,387	842	0	(3,400)	43,829
Group Benefits Reserve Fund	4,589	78	128	(20)	4,775	78	133	(20)	4,966
Insurance Reserve Fund	33,626	2,598	898	(3,563)	33,559	2,516	839	(5,580)	31,334
Other Reserve Fund	65	0	2	0	66	0	0	(54)	13
Sick Leave Reserve Fund	9,753	0	254	(500)	9,507	0	234	(1,000)	8,741
Workers' Compensation Reserve Fund	18,048	1,050	467	(2,130)	17,435	1,200	451	(2,230)	16,856
Total Operating Reserve Funds	66,081	3,726	1,749	(6,213)	65,342	3,794	1,657	(8,884)	61,910
Total Operating Reserves and Reserve Funds	113,367	4,988	1,749	(8,375)	111,729	4,636	1,657	(12,284)	105,738

Note: Numbers may not add due to rounding.

Continuity Schedule of Capital Reserves and Reserve Funds (\$000's)

Reserves and Reserve Funds	Balance January 2012 (\$)	Projected 2012 Contributions (\$)	Projected 2012 Interest (\$)	Projected 2012 Expenditures (\$)	Projected Balance December 31, 2012 (\$)	2013 Projected Contributions (\$)	2013 Projected Interest (\$)	2013 Projected Expenditures (\$)	Projected Balance December 31, 2013 (\$)
Capital Program - Tax Funded									
2009 Special Projects Capital Reserve Fund	7,051	0	182	(446)	6,786	0	171	(555)	6,402
Britannia Hills Golf Course	27	147	4	(20)	159	60	6		225
Capital Reserve Fund	69,788	29,628	801	(70,273)	29,944	31,159	493	(43,186)	18,410
Community Facility Redevelopment Reserve Fund	3,965	0	109	0	4,074	0	5	(3,900)	179
Courtneypark Artificial Turf Reserve Fund	692	91	22	0	805	91	25	0	920
Facility Repair & Renovations Reserve Fund	1,270	16,100	70	(14,819)	2,621	7,300	5	(9,726)	201
Federal & Provincial Contributions	34,501	60,820	1,233	(50,475)	46,079	53,029	1,358	(49,716)	50,751
Fire Vehicles & Equipment Reserve Fund	820	2,129	9	(2,617)	341	1,600	3	(1,818)	126
Main Fleet Vehicle & Equip. Reserve Fund	1,640	2,072	20	(2,976)	756	2,900	3	(3,555)	104
Roadway Infrastructure Reserve Fund	2,031	13,560	13	(15,120)	485	1,000	26	(555)	955
Transit Vehicles & Equipment Reserve Fund	2,398	175	62	(335)	2,300	0	63	0	2,363
Total Tax Funded	124,184	124,721	2,525	(157,080)	94,350	97,139	2,158	(113,011)	80,636
Capital Program - Development Deferred Funding									
Development Charges Reserve Fund	11,897	25,851	435	(2,922)	35,262	26,310	635	(10,805)	51,401
Parkland Dedication Reserve Fund	48,705	10,449	1,437	(6,910)	53,680	4,010	1,312	(9,971)	49,031
Total Deferred Funded	60,602	36,300	1,872	(9,832)	88,942	30,320	1,947	(20,776)	100,433
Capital Program - Other									
Developer Contributions Reserve Fund	52,044	1,992	1,401	(3,088)	52,348	0	1,402	(1,351)	52,400
General Mun. Dev. Reserve Fund-Lot Levy	56,152	(263)	1,529	(289)	57,130	0	1,571	0	58,701
General Mun. Dev. Reserve Fund-Other	7,387	468	190	(956)	7,088	187	187	(460)	7,002
Total Other Funded	115,584	2,197	3,120	(4,334)	116,566	187	3,161	(1,811)	118,103
Total Capital Program Reserve Funds	300,369	163,218	7,517	(171,245)	299,858	127,645	7,266	(135,598)	299,172
Grand Total	413,736	168,206	9,266	(179,620)	411,587	132,281	8,923	(147,881)	404,910

Note: Numbers may not add due to rounding

10 Year Forecast Schedule

The following chart summarizes the capital and subsidiary reserve funds opening balance, contributions, withdrawals, allocation to projects and closing balance. It is based on committed funds in 2013 dollars for the 2013 to 2022 capital forecast. The City budgets are based on cashflow and ensure that each year's closing balance has a value equal to 10% of the future 10 year capital forecasted spending.

Capital and Subsidiary Reserve Funds (based on committed funds)

	2013 (\$000's)	2014 (\$000's)	2015 (\$000's)	2016 (\$000's)	2017 (\$000's)	2018 (\$000's)	2019 (\$000's)	2020 (\$000's)	2021 (\$000's)	2022 (\$000's)	2013-2022 Total (\$000's)
Opening Balance	48,271	29,885	37,391	39,521	42,831	51,436	62,527	76,921	91,354	113,851	43,154
Capital Infrastructure Levy	31,168	33,366	36,461	39,870	44,182	48,437	53,383	59,450	66,128	74,279	486,726
Debt Financing*	29,449	52,746	44,336	41,766	42,195	40,220	38,192	31,778	32,561	21,943	375,186
Interest Income	800	1,001	1,058	1,146	1,377	1,673	2,059	2,445	3,047	3,598	19,495
Transfers/ Loans	(248)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	1,418
Total Available Balance	109,441	116,758	119,006	122,064	130,345	141,527	155,921	170,354	192,851	213,431	1,519,968
Allocation to Projects	79,555	79,367	79,485	79,233	78,909	79,000	79,000	79,000	79,000	79,000	791,549
Closing Balance	29,885	37,391	39,521	42,831	51,436	62,527	76,921	91,354	113,851	134,431	134,431

*Debt financing in 2013 excludes \$21 million in funding for 2012 approved projects

Capital and Subsidiary Reserve Funds (based on cashflow balances)

	2013 (\$000's)	2014 (\$000's)	2015 (\$000's)	2016 (\$000's)	2017 (\$000's)	2018 (\$000's)	2019 (\$000's)	2020 (\$000's)	2021 (\$000's)	2022 (\$000's)
Opening Balance	143,405	89,611	88,000	90,000	93,000	96,000	99,000	102,000	106,000	110,000
Capital Infrastructure Levy*	34,728	33,357	36,452	39,861	44,172	48,428	53,373	59,440	66,119	74,270
Debt Financing**	50,449	52,746	44,336	41,766	42,195	40,220	38,192	31,778	32,561	21,943
Interest Income	1,332	846	1,111	1,199	1,320	1,516	1,701	1,894	1,977	2,216
Total Available Balance	229,914	176,560	169,898	172,826	180,687	186,164	192,266	195,112	206,657	208,428
Allocation to Projects	140,303	88,560	79,898	79,826	84,687	87,164	90,266	89,112	96,657	95,428
Total Available Balance	89,611	88,000	90,000	93,000	96,000	99,000	102,000	106,000	110,000	113,000
Closing Balance	89,611	88,000	90,000	93,000	96,000	99,000	102,000	106,000	110,000	113,000

* Capital Infrastructure Levy includes earnings from repayment of Living Arts debt as well as surplus from 2012 Works in Progress

** Debt Financing for 2013 includes 2012 approved projects

Federal and Provincial Contribution Reserve Funds

These Reserve Funds include receipts from Federal and Provincial governments primarily related to Gas Tax and funding for transit initiatives.

	2013 (\$000's)	2014 (\$000's)	2015 (\$000's)	2016 (\$000's)	2017 (\$000's)	2018 (\$000's)	2019 (\$000's)	2020 (\$000's)	2021 (\$000's)	2022 (\$000's)	2013-2022 Total (\$000's)
Opening Balance	46,079	50,751	52,552	55,393	54,855	68,609	69,753	42,385	34,807	30,609	541,450
Gas Tax Receipts	53,029	53,129	53,129	53,129	53,129	53,129	53,129	53,129	53,129	53,129	553,811
Interest Income	1,358	1,406	1,483	1,468	1,836	1,867	1,134	932	819	879	14,416
Transfers/ Loans	(18,200)	(16,700)	(15,600)	(15,600)	(15,600)	(15,600)	(15,600)	(15,600)	(15,600)	(15,600)	(173,130)
Total Available Balance	82,267	88,587	91,563	94,391	94,220	108,006	108,417	80,845	73,156	69,017	936,547
Allocation to Projects	31,516	36,035	36,170	39,536	25,611	38,253	66,032	46,038	42,547	36,187	397,924
Closing Balance	50,751	52,552	55,393	54,855	68,609	69,753	42,385	34,807	30,609	32,830	32,830

Details of the Gas Tax Receipts are below:

	2013 (\$000's)	2014 (\$000's)	2015 (\$000's)	2016 (\$000's)	2017- 2022 (\$000's)	Total (\$000's)
Provincial Gas Tax	15,500	15,600	15,600	15,600	93,600	155,900
Federal Gas Tax (City Portion)	20,507	20,507	20,507	20,507	123,042	205,070
Federal Gas Tax (City Portion)	17,021	17,021	17,021	17,021	102,126	170,210
Subtotal	53,028	53,128	53,128	53,128	318,768	531,180
Provincial BRT Funding						65,000
Federal BRT Funding						58,000
Total						654,180

Provincial Gas Tax

The use of Provincial gas tax funding to support Transit growth has allowed the expansion of Transit service with a reduced tax impact. Future Transit expansion will be funded through property taxes and transit revenues. The share of the Provincial Gas Tax is affected by ridership levels and may fluctuate in future years.

Federal and Regional Portion of Federal Gas Tax Reserves

The Federal Gas Tax funding can be used for up to two of the following capital programs: transit, road infrastructure, and storm drainage or energy conservation. To be eligible for funding, municipalities cannot reduce their existing/historical spending on capital projects. Similar to Provincial gas tax revenues, Federal gas taxes cannot be used to reduce property taxes.

In order to help address the City's growing gridlock problems, Mississauga plans to invest Federal gas tax revenues to expand transit infrastructure, improve transit services, to help finance bus replacements and for road infrastructure including roadways and bridges. Municipalities across Canada continue to ask for an escalation to the Gas Tax to ensure its value increases at the rate of growth for these services.

City portion receipts in 2012 were \$20.5 million with a total of \$205.1 million being received over the next ten year period. Also, the Region of Peel, since 2006 has flowed through any Federal gas tax receipts to the lower tier municipalities after accounting for TransHelp requirements. The City's capital forecast assumes this will continue and includes receipts totalling \$17 million or \$170 million over the next 10 years.

Other Transit Based Reserve

The provincial and federal governments have provided a one-time support of public transit with \$65 million and \$58 million, respectively, to fund Mississauga's Bus Rapid Transit (BRT) project. This project provides a separated roadway connecting the Mississauga/Oakville border to Renforth Drive via Highway 403 and Eglinton Avenue.

Development Charges Reserve Funds – All Services

The following chart summarizes the opening balance, contributions, withdrawals, allocation to projects and closing balance for the Development Charges Reserve Funds as a result of this year's capital budget and forecast to 2022. The closing balances are increasing substantially over the years. This is not a true reflection of the future as the City has not fully prioritized all capital projects beyond 2013. The 10% prioritized tax capital funding required for some Development Charge projects are in the improve and lowest prioritized category of capital. In each budget year, these projects are assessed in greater detail and viewed through a variety of filters to ensure that there are a balance of lifecycle projects, enhancements, and high priority new services including development charge funded projects.

	2013 (\$000's)	2014 (\$000's)	2015 (\$000's)	2016 (\$000's)	2017 (\$000's)	2018 (\$000's)	2019 (\$000's)	2020 (\$000's)	2021 (\$000's)	2022 (\$000's)	2013-2022 Total (\$000's)
Opening Balance	35,262	51,401	55,599	65,403	59,718	61,770	72,346	88,374	102,211	122,386	29,393
Development Revenue	26,310	26,310	26,310	25,549	25,931	25,930	25,937	25,936	25,129	25,129	258,471
Interest Income	635	686	807	737	763	893	1,091	1,262	1,511	1,711	10,531
Transfers/ Loans	(698)	(698)	(698)	(698)	(698)	(698)	(698)	(698)	(698)	(698)	(1,548)
Total Available Balance	61,509	77,699	82,017	90,991	85,713	87,896	98,677	114,875	128,153	148,527	1,011,319
Allocation to Projects - All Services	10,107	22,101	16,615	31,273	23,943	15,549	10,302	12,664	5,767	9,953	158,274
Closing Balance	51,401	55,599	65,403	59,718	61,770	72,346	88,374	102,211	122,386	138,574	138,574

Cash in lieu of Parkland Dedication Reserve Fund

The revenue generated from cash in lieu of parkland dedication is expected increase from \$4.0 million to \$14.8 million. Increases occurring in future years are expected to be registered where sizable developments are not dedicating parkland. These projections are reviewed on an ongoing basis and any necessary amendments will be reflected in future budget documents.

Closing balances are intentionally declining as more cash-in-lieu funding is being utilized. As the City borrows to fund capital projects it is financially prudent to use existing resources to reduce borrowing requirements.

	2013 (\$000's)	2014 (\$000's)	2015 (\$000's)	2016 (\$000's)	2017 (\$000's)	2018 (\$000's)	2019 (\$000's)	2020 (\$000's)	2021 (\$000's)	2022 (\$000's)	2013-2022 Total (\$000's)
Opening Balance	53,680	49,031	37,350	11,508	10,671	12,830	13,932	15,822	10,186	7,122	52,042
Development Revenue	4,000	5,600	6,400	8,000	8,000	8,800	9,616	12,920	14,816	14,816	92,968
Interest Income	1,312	1,000	308	286	343	373	423	273	191	51	5,997
Transfers/ Loans	10	10	10	10	10	10	10	10	10	10	302
Total Available Balance	59,003	55,641	44,068	19,803	19,025	22,013	23,982	29,025	25,203	21,999	373,441
Allocation to Projects	9,971	18,291	32,560	9,132	6,195	8,081	8,159	18,838	18,081	20,081	149,390
Closing Balance	49,031	37,350	11,508	10,671	12,830	13,932	15,822	10,186	7,122	1,918	1,918

Reserve and Reserve Fund Descriptions

Throughout this document there are a number of references to various reserves and reserve funds, which are explained below.

Reserve Name	Purpose of the Fund
Reserve for the Arts	<ul style="list-style-type: none"> Provides funds to support the Arts in Mississauga
Reserve for Assessment Appeals	<ul style="list-style-type: none"> Provides for the contingent liability for possible refund of taxes in respect of outstanding assessment appeals pending against the City. Provides funds for legal and hearing fees related to major appeals.
Reserve for Building Permit Revenue Stabilization	<ul style="list-style-type: none"> Provides for sufficient funds to continue operating and capital needs of the building permits process affected by fluctuating development.
Reserve for Commitments - City	<ul style="list-style-type: none"> Provides unspent but committed monies from the Year's budget to fund obligations outstanding at year-end which will be paid in the upcoming year.
Reserve for Commodities	<ul style="list-style-type: none"> Provides funds for the fluctuating costs of commodity based expenses such as hydro, natural gas, diesel, etc.
Reserve for Development Stabilization	<ul style="list-style-type: none"> Provides for unspent but committed development, planning and inspection work or for stabilization of the revenue budget in years when the development-related revenues received is below the five-year average.
Reserve for Early Retirement Benefits	<ul style="list-style-type: none"> Provides for the city's portion of the early retirees' benefit premiums.
Reserve for Elections	<ul style="list-style-type: none"> Provides for the cost of holding municipal elections by making annual contributions to the reserve.
Reserve for General Contingencies	<ul style="list-style-type: none"> Provides monies for unforeseen or uncertain liabilities and contingencies.
Reserve for Labour Settlements	<ul style="list-style-type: none"> Provides funds for potential obligations resulting from outstanding labour agreements and labour related issues.
Reserve for Legal Settlements	<ul style="list-style-type: none"> Provides for potential costs of outstanding legal matters.
Reserve for Planning Process Update	<ul style="list-style-type: none"> Provides monies for periodic updates to Official Plans, District Plans and Zoning by-law review, as required by the Planning Act R.S.O. 1990 c. P.13, as amended.
Reserve for Vacation Pay	<ul style="list-style-type: none"> Provides for the liability of unpaid vacation time earned by permanent employees of the City as at December 31st.
Reserve for Winter Maintenance	<ul style="list-style-type: none"> Provides funds for stabilizing the City's Winter Maintenance Program. Operating surplus monies from this program may be placed in this reserve.

Reserve Fund Name	Purpose of the Fund
2009 Special Projects Capital Reserve Fund	<ul style="list-style-type: none"> Provides funds, made available from re-allocated grant funded projects, set aside for special capital projects throughout the City.
Britannia Hills Golf Course Reserve Fund	<ul style="list-style-type: none"> Provides funds for the construction and maintenance of the former Britannia Hills Golf Course (now called BraeBen).
Capital Reserve Fund	<ul style="list-style-type: none"> Provides funds, including capital cash receipts not required for the retirement of debenture debts as prescribed by Section 413 (2) of the <i>Municipal Act, 2001 S.O. 2001, c.25</i>. Funds may be used for: <ul style="list-style-type: none"> The construction or improvement of any municipal works; The acquisitions or expropriation of land required for Municipal purposes; The acquisitions of vehicles or equipment for Municipal purposes; and The payment of debentures of the Corporation for any the aforementioned purposes.
Cash in Lieu of Parking Reserve Fund	<ul style="list-style-type: none"> Pursuant to the <i>Planning Act R.S.O. 1990 c.P.13</i> as amended, monies received in lieu of parking are to be set aside in this reserve fund and are to be spent only for parking initiatives.
Cash in Lieu of Parkland Dedication	<ul style="list-style-type: none"> Pursuant to the <i>Planning Act R.S.O. 1990 c.P.13</i> as amended, monies received in lieu of parkland dedication are to be set aside in this reserve fund and are to be spent only for the acquisition of land to be used for park or other recreational purposes, including the erection and repair of buildings and the acquisitions of machinery for park or other public recreational purposes.
City Centre Promotions Reserve Fund	<ul style="list-style-type: none"> Provides monies of the purpose or conducting a City Centre Promotion Campaign
Community Facility Redevelopment Reserve Fund	<ul style="list-style-type: none"> Provides funds for the renovation and refurbishing of facilities, such as community centres, pools, libraries and arenas.
Courtneypark Artificial Turf and Synthetic Track Reserve Fund	<ul style="list-style-type: none"> Provides funds for the replacement and future maintenance of the Courtneypark artificial turf, synthetic track and its related equipment.

Reserve Fund Name	Purpose of the Fund
Developer Contribution Reserve Funds	<ul style="list-style-type: none"> • These reserve funds consist of contributions for specific municipal infrastructure collected as a condition of land development. Examples include, but are not limited to sidewalks, roads, traffic signals and tree planting.
Development Charges Reserve Fund: <ul style="list-style-type: none"> • City-wide Engineering; • Transit; • Fire; • Recreation; • Library; • Public Works; • Parking • General Government; • Hershey Debt; • Living Arts Centre Debt; and • Storm Drainage 	<ul style="list-style-type: none"> • Pursuant to the <i>Development Charges Act, 1997</i>, S.O. 1997, c. 27, as amended, monies collected under the Act shall be placed into a separate reserve account for the purpose of funding growth related net capital costs for which the development charge was imposed under the Development Charges By-law.
Facilities Repair and Renovations Reserve Fund	<ul style="list-style-type: none"> • Provides for capital projects for repairs and renovations to City facilities.
Federal Public Transit Reserve Fund	<ul style="list-style-type: none"> • Revenues are intended to support expenditures for municipal public transportation services.
Fire Training Centre Replacement Reserve Fund	<ul style="list-style-type: none"> • Provides funds for the construction of a new fire training centre.
Fire Vehicles and Equipment Replacement Reserve Fund	<ul style="list-style-type: none"> • Provides funds for the replacement of Fire vehicles and equipment approved in the annual capital budget. Cash receipts resulting from the sale of fire vehicles and equipment shall be deposited into this reserve fund.
Gas Tax (Federal) Reserve Fund	<ul style="list-style-type: none"> • Gas tax revenues are intended to support expenditures for municipal public transportation services, storm water systems or community energy systems.
Gas Tax (Provincial) Reserve Fund	<ul style="list-style-type: none"> • Gas tax revenues are intended to support expenditures for municipal public transportation services.

Reserve Fund Name	Purpose of the Fund
General Municipal Development Reserve Fund	<ul style="list-style-type: none"> Provides funds required to service growth in the City, including, but not limited to municipal infrastructure required to service growth in the City, including but not limited to municipal highways, recreational facilities, fire stations and equipment, libraries and land. This Reserve Fund consists of funds collected under lot levy policies in effect prior to 1991.
Main Fleet Vehicle and Equipment Replacement Reserve Fund	<ul style="list-style-type: none"> Provides funds for the replacement of main fleet vehicles and equipment approved in the annual capital program. Cash receipts resulting from the sale of main fleet vehicles and equipment shall be deposited into this reserve fund.
Metrolinx Bikelinx Reserve Fund	<ul style="list-style-type: none"> Provides funds for the purchase and installation of bicycle racks on transit vehicles and secured and safe bicycle parking.
Miscellaneous Contributions Reserve Fund	<ul style="list-style-type: none"> Provides funds such as those generated through fund raising or community donations, for miscellaneous works to be undertaken by the City to offset other miscellaneous expenses.
Mississauga Garden Park Development and Maintenance Reserve Funds	<ul style="list-style-type: none"> Provides funds solely for the purpose of the Mississauga Garden Park (now Riverwood) Development as well as providing funds for the long term maintenance costs of the park.
Mississauga Rapid Transit (MRT) Reserve Fund	<ul style="list-style-type: none"> Provides for the construction and maintenance of the MRT bus way system and services. \$65 million was received from the Province of Ontario in 2006 (now called the Mississauga Bus Rapid Transit –BRT).
MoveOntario 2020 Higher Order Transit Reserve Fund	<ul style="list-style-type: none"> Provides funds to be used for the MoveOntario 2020 Dundas and Hurontario Higher-Order Transit Corridor Development.
Ontario Bus Replacement Program Reserve Fund	<ul style="list-style-type: none"> Provides funds for the replacement of municipal transit buses.
Provincial Road and Bridge Infrastructure Reserve Fund	<ul style="list-style-type: none"> Provides funds to be used for the investment in the City of Mississauga’s capital municipal roads and bridges infrastructure.
Provincial Transit Grant Reserve Fund	<ul style="list-style-type: none"> Provincial funding provided to improve and expand public transit.

Reserve Fund Name	Purpose of the Fund
Roadway Infrastructure Maintenance Reserve Fund	<ul style="list-style-type: none"> Provides fund for the reconstruction and resurfacing of the City road network.
Sick Leave Reserve Fund	<ul style="list-style-type: none"> Provides for the payment to employees for vested sick leave credits as defined in By-law 95-74.
Transit Vehicles & Equipment Replacement Reserve fund	<ul style="list-style-type: none"> Provides funds for the replacement of Transit vehicles and equipment approved in the annual capital budget. Cash receipts resulting from the sale of Transit vehicles and equipment shall be deposited into this reserve fund.
Workers' Compensation Fund	<ul style="list-style-type: none"> Provides funds for the payment of compensation, outlays and expenses assessed to be payable by the City as an employer under the Workplace Safety and Insurance Act, 1997 S.O. 1997, c.16 as amended. Provides funds for actuarial services to establish the appropriate level.

Appendix 1: Reserve and Reserve Fund Transfers

Transfers from the Operating Program to the following Reserves and Reserve Funds are:

- \$27,584,280 To the Capital Reserve Fund;
- \$5,600,000 To Emerald Ash Borer Reserve Fund;
- \$3,432,880 To Capital Reserve Fund (Infrastructure Levy);
- \$2,516,400 To the Insurance Reserve Fund;
- \$1,200,000 To the Worker's Compensation Reserve Fund;
- \$500,000 To the Reserve for Elections;
- \$309,000 To the Reserve for Assessment Appeal;
- \$33,000 To the Reserve for General Contingency.

Transfers to and from Reserves and Reserve Funds, based on the actual expenditures throughout the year are as follows:

- Arts & Culture initiatives;
- Assessment appeals and tax cancellations charges;
- Early retirement benefits, group benefits and other labour related expenses;
- Economic Development Office and Project Support Management Office for transfers such as Mississauga Business Enterprise Centre (MBEC) initiatives and project support training;
- Insurance claims and premiums;
- Maintenance for BraeBen Golf Course, Riverwood and Courtneypark Artificial Turf;
- One-time costs associated such as, Malton area and Ninth line corridor plan reviews, by-election expenditures, accessibility training program, parking strategy, employee survey, workplace mobility feasibility study, waterfront strategy and environmental master plan;
- Ongoing Transit expansion costs;
- Phased Communications Master Plan;
- Planning related studies and Zoning By-law updates;
- Sick leave payments; and
- Workers' compensation payments.

Transfers within Reserve Funds are listed below:

Transfers from the Capital Reserve Fund to the following reserve funds:

- \$7,300,000 Facility Repair & Renovations Reserve Fund;
- \$1,600,000 Fire Vehicle and Equipment Reserve Fund.

Transfers from the Community Facility Redevelopment Reserve Fund to the following reserve funds:

- \$2,900,000 Main Fleet Vehicle and Equipment Reserve Fund
- \$1,000,000 Roadway Infrastructure Reserve Fund