



# Financial Transactions

2021-2024 Business Plan  
& 2021 Budget

# Foreword

## Our Vision for the Future

Mississauga will inspire the world as a dynamic and beautiful global city for creativity and innovation with vibrant, safe and connected communities, where we celebrate the rich diversity of our cultures, historic villages, Lake Ontario and the Credit River Valley. A place where people choose to be.

Mississauga City Council approved Our Future Mississauga, a Strategic Plan to achieve this vision over a 40-year timeframe. The City engaged over 100,000 people to develop this Vision Statement. To achieve this vision the City has identified five Strategic Pillars for Change: **move**, **belong**, **connect**, **prosper**, and **green**. Each year the City proposes various initiatives that are aligned with the Strategic Pillars and are intended to bring us closer to fulfilling our vision for the future. The City has over 300 lines of business which are consolidated into the 16 Service Areas (including the Stormwater Program) that are outlined in this Plan. The 2021-2024 Business Plan and 2021 Budget document details how and where the City plans to allocate resources to deliver programs and services.

The City is committed to providing programs and services cost effectively. In this Plan we have outlined measures that will help us assess the quality, efficiency and customer satisfaction that our services achieve. The results help inform decisions on resource allocation and direct program offerings, and improve service delivery to ensure our vision is efficiently realized.

**Table of Contents**

**What Financial Transactions Includes..... 3**  
**Proposed Operating Budget ..... 5**  
**Operating Budget Details ..... 6**  
    Proposed Budget by Program..... 6  
    Summary of Proposed Budget..... 7  
    Proposed Cost Increase Required to Maintain Current Service Levels..... 8  
    Details of Proposed Budget Changes ..... 9

---

# What Financial Transactions Includes

## Ongoing Operations Support

### *Bank, Merchant Point of Sale and External Audit Charges*

- Provides fees for banking, merchant service fees and service charges including: armoured car, fees for banking and point of sale transactions (i.e., bank flat service fee, cheque encashment fees, debit and credit card fees, pre-authorized tax payment and ATM fees). Costs associated with the receipt of revenues, through the use of payment cards, have been allocated to the associated Business Area. External audit fees are also included

### *Miscellaneous Revenues and Expenses*

- Includes income and expenditures not readily assignable to service areas such as:
  - Commodity tax compensation
  - Non-sufficient Funds (NSF) recovery fees
  - Miscellaneous one-time receipts and expenditures
  - Executive search costs
  - Outdoor Maintenance Subsidy Program

### *Risk Management and Insurance*

- Insurance includes costs associated with insurance policy premiums, claims expenses and settlements that fall within the City's self-insured retention, and Insurance Reserve Fund maintenance. The Risk Management program consists of four major work areas:
  - Risk assessment and recommendations to reduce frequency and size of potential loss
  - Reserve Fund maintenance to finance known, incurred and unreported losses within the City's self-insured limit
  - Purchase of insurance to fund catastrophic losses above the City's self-insured retention

- Management of all insurance claims filed against the City and the vendor services required to handle them

### *Workers' Compensation and Rehabilitation*

- The City is a Workplace Safety and Insurance Board (WSIB) Schedule 2 employer. As such, WSIB compensation and expenses are paid from a non-departmental operating account and funded by a City-funded reserve. This program provides for Workers' Compensation Reserve Fund contributions, the Employee Rehabilitation Program, medical examinations and the City's medical doctor's fees

### *Retiree Benefits and Other Labour*

- Provides for payments to current and former employees for:
  - Payout of accumulated sick leave credits to Fire & Emergency Services employees upon termination, and life insurance policies
  - City's portion of costs of early retiree health benefits

## Reserves and Reserve Funds

### *Transfers To and From Reserves*

- Provides for future events, such as the cost of holding municipal elections, by regular contributions to various Reserves and Reserve Funds

### *Transfers to Capital Reserve*

- Provides for the funding allocation to the Tax Capital Reserve Fund used to finance future capital projects

## Payments in Lieu and Taxation

### *Payments in Lieu*

- Payments made by federal, provincial and other municipal governments and/or their respective enterprises, as well as

---

universities, colleges and hospitals for premises located within the City's boundaries. Payments in lieu are made by these bodies as their properties are exempt from realty taxes. The payment-in-lieu provisions are specified under various federal and provincial statutes

#### *Taxation*

- Includes revenues from various sources such as:
  - Supplementary tax revenues per the *Assessment Act* which provides for the correction of any error, omission or misstatement of the tax roll, the addition to the tax roll of new buildings and the subsequent levy and collection of applicable taxes
  - Taxation revenues from railway right of ways and hydro corridors
  - Municipal Accommodation Tax revenues from facilities that provide transient accommodations for continuous periods of less than 30 days
  - Interest and penalties added to unpaid taxes in accordance with the *Municipal Act*
- Provides for rebates per the *Municipal Act* including:
  - Vacancy rebates for owners of properties in the commercial or industrial property tax class that have vacancies for a minimum of 90 days
  - Rebates to charitable organizations occupying commercial and industrial properties
  - Tax grants to low income seniors and persons with disabilities
- Includes Business Improvements Areas (BIAs) and Local Area Improvements funding raised via special assessment taxation:
  - Meeting requirements of four established BIAs in Clarkson, Port Credit, Streetsville and Malton

- Provides for tax adjustments due to:
  - Reductions in assessed property values through the assessment appeal, tax appeal and reconsideration processes
  - Write-off of uncollectible taxes
- Provides for expenses associated with taxes payable on City owned/leased properties

#### **City-wide Sources of Revenue**

##### *Enersource Dividend*

- Recognizes the dividend from Mississauga's investment in Enersource Corporation

##### *Investment Income*

- Represents the operating budget portion of the General Fund's net revenue earned by the City Funds Investment Portfolio. Investments are restricted to securities noted in the *Municipal Act* and related regulations

#### **Special Purpose Levies**

##### *Capital Infrastructure and Debt Repayment Levy*

- A two per cent annual levy to fund the City's capital infrastructure and debt repayment over the next 10 years

##### *Emerald Ash Borer Levy*

- A \$4.6-million annual levy, to preserve and replenish City-owned ash trees from a highly destructive pest having the potential to kill all 116,000 City-owned ash trees

##### *Churchill Meadows Pool Financing*

- A 10-year annual contribution of \$2.2 million, which began in 2017, to repay the debenture used to fund the capital cost of the Churchill Meadows Pool (2017-2026)

# Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2021-2024 Business Plan. Information is provided by major expenditure and revenue category as well as by program. The costs to maintain existing service levels and operationalize prior decisions are identified separately from proposed changes. The budget for 2020 was \$41.2 million and the proposed budget for 2021 is \$58.1 million.

## Total Changes to Maintain Current Service Levels

The impact of maintaining current service levels for Financial Transactions is a budget increase of \$6.6 million for 2021.

Highlights of the proposed budget changes are:

- Contribution to Capital Reserve fund has been increased by \$7.6 million for transit capital programs
- Insurance premium has been increased by \$1.8 million due to market conditions
- Payment in lieu of taxes has been increased by \$1.9 million to reflect forecasts, out of which \$1.5 million is for the Greater Toronto Airport Authority (GTAA)
- The annual contribution to the Emerald Ash Borer Reserve has been reduced by \$1 million to align with planned capital spending. There are no changes to the management plan of the program
- The election reserve contribution has been increased by \$0.35 million for wireless transmission, replacement of the tabulators, and other expenses

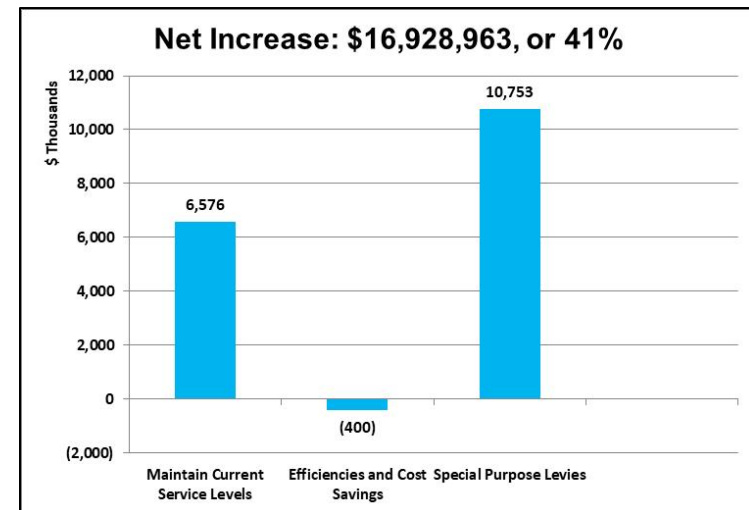
## Efficiencies and Cost Savings

The vacancy rebate expense has been reduced by \$0.4 million in 2021. The Vacancy Rebate Program is being phased out by 2021 and the budget has been adjusted to reflect the changes to the program.

## Special Purpose Levies

A two per cent annual levy to fund the City's capital infrastructure and debt repayment over the next 10 years continues as a strategy to maintain the City's infrastructure. The debt charge for the 2013-2021 debentures has been increased by \$4.7 million and the contribution to capital has been increased by \$6.1 million for a total of \$10.8 million.

## Proposed Changes for 2021 Net Operating Budget by Category



# Operating Budget Details

The following table identifies the budgeted and forecasted operating expenditures and revenues for 2021-2024, as well as the 2020 Budget and 2019 Actuals by major program within the Service Area.

## Proposed Budget by Program

Description	2019 Actuals (\$000s)	2020 Budget (\$000s)	2021 Proposed Budget (\$000s)	2022 Forecast (\$000s)	2023 Forecast (\$000s)	2024 Forecast (\$000s)
<b>Expenditures to Deliver Current Services</b>						
Audit and Treasury Charges	359	563	545	500	507	512
Benefits and Labour Package	4,985	3,864	4,234	5,740	7,277	8,831
Contribution to Capital and Debt	86,158	96,377	107,130	118,220	130,250	143,110
Contribution to Capital and Debt-Churchill Meadows Pool	2,177	2,177	2,177	2,177	2,177	2,177
Insurance	10,618	4,863	6,655	6,859	7,073	7,298
Worker's Compensation Expenditures	1,369	2,668	2,668	2,668	2,668	2,668
Worker's Compensation Transfer from Reserve Fund	(1,369)	(2,668)	(2,668)	(2,668)	(2,668)	(2,668)
Enersource Dividend	(15,660)	(17,577)	(17,577)	(17,577)	(17,577)	(17,577)
Miscellaneous Revenues and Expenditures	2,704	(7,547)	(1,230)	(6,050)	(4,132)	(4,115)
Municipal Accommodation Tax	(12,152)	(9,800)	(9,800)	(9,800)	(9,800)	(9,800)
Municipal Accommodation Tax Expenditures	12,152	9,800	9,800	9,800	9,800	9,800
Taxation-Supplementary Taxes, Payment-in-Lieu of Taxes, Business Improvement Areas, Tax Penalties and Write-Offs	(42,652)	(41,544)	(43,829)	(21,831)	(22,257)	(22,658)
<b>Proposed Net Budget Including New Initiatives &amp; New Revenues</b>	<b>48,688</b>	<b>41,175</b>	<b>58,104</b>	<b>88,037</b>	<b>103,318</b>	<b>117,578</b>

Proposed Net Budget - Changes by Year			41%	52%	17%	14%
---------------------------------------	--	--	-----	-----	-----	-----

Note: Numbers may not balance due to rounding.

## Summary of Proposed Budget

The following table shows the proposed budget changes by description and category. Costs (labour; operational costs; and facility, IT and support) and revenues are shown by category with the approved 2020 budget for comparison. The three columns to the far right of the table show the totals proposed for 2021 and their dollar and percentage changes over 2020. The second table summarizes the proposed 2021 budget and 2022-2024 forecasts.

### Summary of Proposed 2021 Budget (\$000s)

Description	2020 Approved Budget	Maintain Current Service Levels	Efficiencies and Cost Savings	Annualized Prior Year's Budget Decisions	Operating Impact of New Capital Projects	Proposed New Initiatives and New Revenues	Special Purpose Levies	Proposed 2021 Budget	\$ Change Over 2020	% Change Over 2020
Labour and Benefits	7,480	1,139	0	0	0	0	0	8,619	1,139	15%
Operational Costs	59,789	1,835	(400)	0	0	0	4,680	65,904	6,115	10%
Facility, IT and Support Costs	0	0	0	0	0	0	0	0	0	0%
Transfer To Reserves & Reserve Funds	113,796	6,979	0	0	0	0	10,753	131,528	17,732	16%
<b>Total Gross Expenditures</b>	<b>181,065</b>	<b>9,954</b>	<b>(400)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,433</b>	<b>206,052</b>	<b>24,987</b>	<b>14%</b>
Total Revenues	(91,963)	(945)	0	0	0	0	0	(92,908)	(945)	1%
Transfer From Reserves & Reserve Funds	(47,927)	(2,433)	0	0	0	0	(4,680)	(55,040)	(7,113)	15%
<b>Total Net Expenditures</b>	<b>41,175</b>	<b>6,576</b>	<b>(400)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,753</b>	<b>58,104</b>	<b>16,929</b>	<b>41%</b>

### Summary of Proposed 2021 Budget and 2022-2024 Forecasts (\$000s)

Description	2019 Actuals	2020 Approved Budget	2021 Proposed Budget	2022 Forecast	2023 Forecast	2024 Forecast
Labour & Benefits	6,748	7,480	8,619	10,126	11,665	13,220
Operational Costs	45,593	59,789	65,904	71,968	75,421	76,881
Facility, IT and Support Costs	0	0	0	0	0	0
Transfer To Reserves & Reserve Funds	122,194	113,796	131,528	136,378	150,311	163,173
<b>Total Gross Expenditures</b>	<b>174,535</b>	<b>181,065</b>	<b>206,052</b>	<b>218,472</b>	<b>237,396</b>	<b>253,275</b>
Total Revenues	(94,494)	(91,963)	(92,908)	(71,880)	(72,326)	(72,749)
Transfer From Reserves & Reserve Funds	(31,353)	(47,927)	(55,040)	(58,555)	(61,753)	(62,948)
<b>Total Net Expenditures</b>	<b>48,688</b>	<b>41,175</b>	<b>58,104</b>	<b>88,037</b>	<b>103,318</b>	<b>117,578</b>

Note: Numbers may not balance due to rounding.



## Proposed Cost Increase Required to Maintain Current Service Levels

The following table provides detailed highlights of budget changes by major cost and revenue category. It identifies the net changes to maintain existing service levels, taking into account efficiencies, cost savings, and cost increases arising from prior year decisions.

Category	2020 Budget (\$000s)	2021 Proposed Budget (\$000s)	Change (\$000s)	Details (all values in thousands)
<b>Labour and Benefits</b>	<b>7,480</b>	<b>8,619</b>	<b>1,139</b>	<b>\$667 Reallocation of Stormwater Labour Recovery to Service Areas \$472 Increase Reflects Labour Adjustments and Other Fringe Benefit Changes</b>
Advertising & Promotion	25	25	0	
Communication Costs	26	26	0	
Contractor & Professional Services	756	870	114	\$55 Insurance Broker Costs \$46 Municipal Accommodation Tax Audit Fees \$7 Workers' Compensation Program \$6 External Audit Fees
Debt	35,294	39,920	4,626	\$4,680 Capital Infrastructure (\$54) Churchill Meadows Pool
Finance Other	22,996	24,371	1,374	\$1,736 Insurance Premiums and Affiliate Premiums Increase Due to Hard Market Condition \$30 Business Improvement Areas Expenses \$25 Stormwater Subsidies and others (\$24) Municipal Accommodation Tax transferred to Tourism Board (\$24) Decreased Merchant Point-of-Sale (POS) Fees due to Reallocation (\$370) Tax Vacancy Rebate Expense
Materials, Supplies & Other Services	239	239	0	
Occupancy & City Costs	300	300	0	
Staff Development	154	154	0	
Transfers To Reserves and Reserve Funds	113,796	131,528	17,732	\$10,753 Contribution to Capital Reserve Fund \$7,643 Contribution to Transit Capital Programs \$350 Increased Transfer to Election Reserve (\$24) Municipal Accommodation Tax transferred to MAT Reserve Fund (\$1,000) Reduced Emerald Ash Borer (EAB) Annual Contribution
<b>Subtotal - Other Operating Costs</b>	<b>173,585</b>	<b>197,433</b>	<b>23,847</b>	
Total Revenues	(91,963)	(92,908)	(945)	(\$1,915) Payment-In-Lieu of Taxes for GTAA and others (\$30) Business Improvement Area Taxes \$1,000 Reduced Enersource Dividend
Transfers From Reserves and Reserve Funds	(47,927)	(55,040)	(7,113)	(\$4,680) Transfer for Capital Infrastructure Debt Expense (\$1,380) Transfer for Utilities Pressure (\$1,000) Transfer for Reduced Enersource Dividend (\$100) Transfer for Sick Leave Expense (\$7) Transfer for Workers' Compensation Expense \$54 Transfer for Churchill Meadows Pool Debt Expense
<b>Subtotal - Revenues</b>	<b>(139,890)</b>	<b>(147,948)</b>	<b>(8,058)</b>	
<b>Total</b>	<b>41,175</b>	<b>58,104</b>	<b>16,929</b>	

Note: Numbers may not balance due to rounding.

## Details of Proposed Budget Changes

The following table provides detailed highlights of year over year budget changes by program or initiative.

Description	2020 Budget (\$000s)	2021 Proposed Budget (\$000s)	Change (\$000s)	Details (all values in thousands)
<b>Labour and Benefits</b>	<b>7,480</b>	<b>8,619</b>	<b>1,139</b>	Increase Reflects Labour Adjustments and Other Fringe Benefit Changes
Audit Charges	124	176	53	Increased for Municipal Accommodation Tax audit fees and other external audit Fee
Business Improvement Area Transfers	1,500	1,530	30	Increase to match historical expenditures and is offset by transfer from reserve
Debt	33,024	37,704	4,680	Debt charges for capital program offset by 2% yearly transfer to capital reserve
Debt-Churchill Meadows Pool	2,270	2,216	(54)	Debt charges for Churchill Meadows Pool debentures offset by transfer from reserve
Development Charges Grants	62	63	2	Increased area of worship grants by applying an index rate
Grants to Seniors and Disabled Persons	260	290	30	Increase to align actual expenditure
Insurance Claims and Premiums	10,676	12,467	1,791	Increased Insurance premiums and Affiliate premiums due to the market condition
Other Costs	1,052	1,062	10	Provision for various costs
Stormwater Charges on City Facilities	30	30	0	Charges transferred to service areas
Stormwater Grants	544	568	24	Adjusted to reflect expected costs
Tax Appeals	3,700	3,700	0	
Tax Rebates and Cancellations	1,080	680	(400)	Vacancy rebate program being phased out by 2021
Taxes on City Owned Properties	270	270	0	
Transfer to Capital Reserve Fund	96,377	114,773	18,396	\$10,753 Contribution to capital 2% yearly transfer \$7,643 Contribution to Transit Capital Programs
Transfer to Churchill Meadows Pool Reserve Fund	2,177	2,177	0	Fifth year of 10 year contribution for debenture funding
Transfer to Contingency Reserve	1,309	1,309	0	
Transfer to Election Reserve	600	950	350	Increased for wireless transmission, replacement of the tabulators, and others
Transfer to Emerald Ash Borer Reserve Fund	5,777	4,777	(1,000)	Reduced Emerald Ash Borer (EAB) annual contribution
Transfer to Insurance Reserve Fund	2,337	2,337	0	
Transfer to Municipal Accommodation Tax Reserve Fund	4,861	4,837	(24)	50% of Municipal Accommodation Tax revenue less administration costs
Transfer to Tourism Board	4,861	4,837	(24)	50% of Municipal Accommodation Tax revenue less administration costs
Treasury Charges	434	410	(24)	Decreased merchant point-of-sale (POS) fees due to reallocation
Workers' Compensation Program	263	270	7	Costs offset by transfer from Employee Benefits Reserve Fund
<b>Subtotal - Other Operating</b>	<b>173,585</b>	<b>197,433</b>	<b>23,847</b>	

Description	2020 Budget (\$000s)	2021 Proposed Budget (\$000s)	Change (\$000s)	Details (all values in thousands)
Business Improvement Area Transfers	(1,500)	(1,530)	(30)	Offsets increased historical expenditures (above)
Discounts, Rebates and Recoveries	(423)	(423)	0	
Enersource Dividend	(17,577)	(16,577)	1,000	Reduced Enersource Dividend
Hydro Corridor Taxes	(1,100)	(1,100)	0	
Investment Income	(14,465)	(14,465)	0	
Miscellaneous Revenue	(137)	(137)	0	
Municipal Accommodation Tax Revenue	(9,800)	(9,800)	0	
PILT Canada	(1)	(1)	0	Payment in lieu of taxes (PILT) adjusted to reflect previous year's expenditures and future forecasts
PILT Canada Post	(1,000)	(1,000)	0	
PILT City Owned Properties	(800)	(800)	0	
PILT GTAA	(29,252)	(30,715)	(1,463)	
PILT Hydro Properties	(1,200)	(1,200)	0	
PILT LCBO	(8)	(10)	(2)	
PILT Municipal Tax Assistance Act	(900)	(1,000)	(100)	
PILT Other Municipalities and Enterprises	(1,700)	(2,000)	(300)	
PILT Post Secondary Education and Health	(600)	(650)	(50)	
Supplementary Taxes	(3,000)	(3,000)	0	
Tax Penalties and Interest	(8,500)	(8,500)	0	
Transfer from Capital Reserve Fund	(33,024)	(37,704)	(4,680)	Transfer to offset capital program debt expenses (above)
Transfer from Churchill Meadows Pool Reserve Fund	(2,270)	(2,216)	54	Transfer to offset debt expense (above)
Transfer from Employee Benefits Reserve Fund	(4,468)	(4,575)	(107)	Transfer to offset sick leave and Workers' Compensation expenses
Transfer from General Reserve	(20)	(2,400)	(2,380)	(\$1,380) Transfer for Utilities Pressure (\$1,000) Transfer to stabilize reduction in dividends
Transfer from Insurance Reserve Fund	(8,145)	(8,145)	0	
<b>Subtotal - Revenues</b>	<b>(139,890)</b>	<b>(147,948)</b>	<b>(8,058)</b>	
<b>Total</b>	<b>41,175</b>	<b>58,104</b>	<b>16,929</b>	

Note: Numbers may not balance due to rounding.