



Financial Transactions

2022-2025 Business Plan
& 2022 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 delivers over 300 services which are consolidated into 16 Service Areas (including the Stormwater Program) that are outlined in this Plan. The 2022-2025 Business Plan & 2022 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 assess the quality, efficiency and customer satisfaction that our services achieve. The results help inform decisions on resource allocations and direct program offerings, and improve service delivery to ensure our vision is efficiently realized.

The ongoing COVID-19 global pandemic is a significant factor impacting the 2022-2025 Business Plan & 2022 Budget. Service levels and service delivery continue to be affected.

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Financial Transactions

The Financial Transactions section of the Budget accounts for certain Operating Budget revenue and expense transactions required in the administration of City finances. These include:

Ongoing Operations Support

Bank, Merchant Point of Sale and External Audit Charges

These expenses include fees for banking, merchant services and other financial service charges including armoured courier services, fees for various bank transactions and point of sale transactions (i.e., general account management, cheque encashment fees, debit and credit card fees, various network usage fees, pre-authorized tax payments and ATM fees). Costs associated with the receipt of electronic revenues via payment cards have been allocated to the associated Service Area. External audit fees are also included.

Miscellaneous Revenues and Expenses

This category includes income and expenditures not readily assignable to Service Areas such as:

- Commodity tax compensation
- Non-sufficient funds recovery fees
- Miscellaneous one-time receipts and expenditures
- Executive search costs
- Outdoor Maintenance Subsidy Program

Risk Management and Insurance

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

Insurance includes costs associated with City insurance policy premiums, City administrated insurance programs (i.e., facility user and affiliate insurance programs) claims expenses and settlements that fall within the City's self-insured retention, insurance broker services and Insurance Reserve Fund maintenance.

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 category includes Workers' Compensation Reserve Fund contributions, the Employee Rehabilitation Program, medical examinations and the City's medical doctor's fees.

Retiree Benefits and Other Labour

This category includes 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

This category includes regular contributions to various reserves and reserve funds that provide for future events, such as the cost of holding municipal elections.

Transfers to Capital Reserve

This category includes transfer of the funding allocation to the Tax Capital Reserve Fund used to finance future capital projects.

Payments in Lieu of Taxes, and Taxation

Payments in Lieu of Taxes

Federal, provincial and other municipal governments and/or their respective enterprises, as well as universities, colleges and hospitals make payments to municipalities in lieu of property taxes for premises located within the City's boundaries. Payments in lieu of taxes 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

This category 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 rights of way and hydro corridors
- Municipal Accommodation Tax revenues
- Interest and penalties added to unpaid taxes in accordance with the *Municipal Act*

The Taxation category also accounts for rebates per the *Municipal Act* including rebates to charitable organizations occupying commercial and industrial properties, and tax grants to low-income seniors and persons with disabilities.

The category accounts for Business Improvements Areas (BIAs) and Local Area Improvements funding raised via special assessment taxation, meeting requirements of five established BIAs (Clarkson, Port Credit, Streetsville, Cooksville and Malton).

Taxation includes tax adjustments due to reductions in assessed property values through the assessment appeal, tax appeal and reconsideration processes, and the write-off of uncollectible taxes. Expenses associated with taxes payable on City owned/leased properties are also included under the Taxation category.

City-wide Sources of Revenue

Enersource Dividend

This category accounts for the dividend realized from Mississauga's investment in Enersource Corporation.

Investment Income

The Investment Income category accounts for the Approved Operating Budget portion of net revenue earned by the City Funds Investment Portfolio. Investments are restricted to securities noted in the *Municipal Act*, related regulations and the City's Corporate Policy for Investments.

Special Purpose Levies

Capital Infrastructure and Debt Repayment Levy

This category accounts for the two per cent annual levy to fund the City's capital infrastructure and debt repayment projected to occur over the next 10 years at least.

Emerald Ash Borer Levy

This category accounts for the Emerald Ash Borer Levy, a \$4.6-million annual levy to preserve ash trees where possible and remove hazardous City-owned ash trees hit by the highly destructive pest, while planting approximately 30,000 caliper trees to replace the ash trees removed from streets and parks.

Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2022-2025 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 2021 was \$58.8 million and the proposed budget for 2022 is \$64.6 million.

Total Changes to Maintain Current Service Levels

The impact of maintaining current service levels for Financial Transactions is a budget increase of \$5.3 million for 2022.

- \$1.0 million Enersource dividend revenues increase, offset by transfer to reserves
- \$1.9 million labour impact, which reflects labour adjustments and other fringe benefit changes
- \$3.0 million insurance premiums increase to transfer to reserves
- \$1.4 million increase in transfer to reserve for DC interest relief

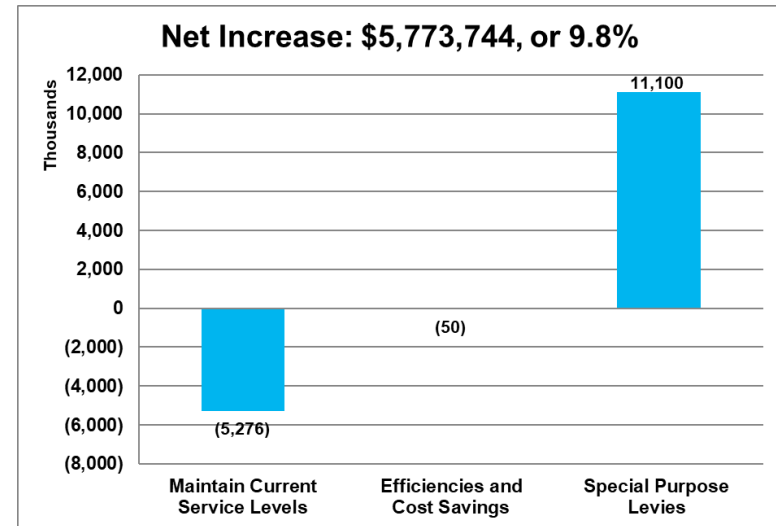
Efficiencies and Cost Savings

The vacancy rebate expense has been reduced by \$50,000 in 2022. The Vacancy Rebate Program is being phased out by the end of 2022 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 \$5.3 million and the contribution to capital has been increased by \$5.8 million for a total of \$11.1 million.

Proposed Changes for 2022 Net Operating Budget by Category



Operating Budget Details

The following table identifies the budgeted and forecasted operating expenditures and revenues for 2022-2025, as well as the 2021 Budget and the 2020 actuals by major program within the Service Area.

Proposed Budget by Program

Description	2020 Actuals (\$000s)	2021 Budget (\$000s)	2022 Proposed Budget (\$000s)	2023 Forecast (\$000s)	2024 Forecast (\$000s)	2025 Forecast (\$000s)
Expenditures to Deliver Current Services						
Bank & External Audit Charges	271	545	393	399	405	411
Benefits and Labour Package	6,536	6,134	6,761	8,236	9,728	11,239
Debt Charges	131,155	149,226	165,714	180,211	193,386	209,616
Insurance/Risk Management	9,858	14,799	13,322	13,737	14,168	14,617
Miscellaneous Revenues and Expenditures	9,532	13,794	7,951	9,372	9,392	9,414
Municipal Accomodation Tax	1,931	4,963	4,965	4,965	4,966	4,967
Taxation	11,767	7,739	7,989	8,012	8,037	8,068
Transfer To and From Reserves	1,649	2,019	950	950	950	950
Workers' Compensation and Rehabilitation	2,373	2,675	5,352	5,620	5,900	6,195
Tangible Capital Assets	0	0	0	0	0	0
Total Expenditures	175,072	201,894	213,397	231,502	246,931	265,475
Revenues	(109,397)	(88,071)	(90,096)	(90,111)	(90,137)	(90,169)
Transfers From Reserves and Reserve Funds	(39,836)	(55,040)	(58,744)	(62,043)	(63,239)	(66,729)
New Initiatives			0	0	0	0
Proposed Net Budget	25,839	58,783	64,557	79,348	93,556	108,577

Expenditures Budget - Changes by Year			6%	8%	7%	8%
Proposed Net Budget - Changes by Year			10%	23%	18%	16%

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 costs) and revenues are shown by category with the approved 2021 budget for comparison. The three columns to the far right of the table show the totals proposed for 2022 and their dollar and percentage changes over 2021. The second table summarizes the proposed 2022 Budget and 2023-2025 forecasts.

Summary of Proposed 2022 Budget

Description	2021 Approved Budget (\$000s)	Maintain Current Service Levels (\$000s)	Efficiencies and Cost Savings (\$000s)	Annualized Prior Year's Budget Decisions (\$000s)	Operating Impact of New Capital Projects (\$000s)	Proposed New Initiatives (\$000s)	Special Purpose Levies (\$000s)	Proposed 2022 Budget (\$000s)	\$ Change Over 2021 (\$000s)	% Change Over 2021
Labour & Benefits	8,619	1,916	0	0	0	0	0	10,535	1,916	22%
Operational Costs	61,037	(1,262)	(50)	0	0	0	5,331	65,056	4,019	7%
Facility, IT and Support Costs	0	0	0	0	0	0	0	0	0	0%
Transfer To Reserves & Reserve Funds	132,238	(5,532)	0	0	0	0	11,100	137,806	5,568	4%
Total Gross Expenditures	201,894	(4,878)	(50)	0	0	0	16,431	213,397	11,503	6%
Total Revenues	(88,071)	(2,025)	0	0	0	0	0	(90,096)	(2,025)	2%
Transfer From Reserves & Reserve Funds	(55,040)	1,627	0	0	0	0	(5,331)	(58,744)	(3,704)	7%
Total Net Expenditures	58,783	(5,276)	(50)	0	0	0	11,100	64,557	5,774	10%

Summary of Proposed 2022 Budget and 2023 - 2025 Forecasts

Description	2020 Actuals (\$000s)	2021 Approved Budget (\$000s)	2022 Proposed Budget (\$000s)	2023 Forecast (\$000s)	2024 Forecast (\$000s)	2025 Forecast (\$000s)
Labour & Benefits	5,552	8,619	10,535	12,280	14,053	15,860
Operational Costs	52,872	61,037	65,056	68,364	69,568	73,072
Facility, IT and Support Costs	0	0	0	0	0	0
Transfer To Reserves & Reserve Funds	116,648	132,238	137,806	150,858	163,311	176,544
Total Gross Expenditures	175,072	201,894	213,397	231,502	246,931	265,475
Total Revenues	(109,397)	(88,071)	(90,096)	(90,111)	(90,137)	(90,169)
Transfer From Reserves & Reserve Funds	(39,836)	(55,040)	(58,744)	(62,043)	(63,239)	(66,729)
Total Net Expenditures	25,839	58,783	64,557	79,348	93,556	108,577

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 current service levels, taking into account efficiencies, cost savings, and cost increases arising from prior-year decisions.

Category	2021 Budget (\$000s)	2022 Proposed Budget (\$000s)	Change (\$000s)	Details (all values in thousands)
Labour and Benefits	8,619	10,535	1,916	Increase/Decrease Reflects Labour Adjustments and Other Fringe Benefit Changes
Advertising & Promotion	25	0	(25)	Move Corporate Rewards to HR Total Rewards
Communication Costs	26	26	0	
Contractor & Professional Services	840	865	25	Increased executive search cost to align with an increase in staff retirement eligibility
Debt	39,920	45,308	5,388	\$5,275 Capital Infrastructure
Finance Other	19,534	18,129	(1,405)	(\$1,981) Insurance claim expense decrease (\$50) Tax Vacancy Rebate program phase out (\$29) Stormwater subsidies (\$14) Treasury charges decrease (\$135) Move Armoured Courier budget to business areas \$300 Business Improvement Areas expenses \$504 Insurance premiums and affiliate premiums increase
Materials, Supplies & Other	239	248	9	Workers' Compensation Expense
Occupancy & City Costs	300	306	6	City facility Stormwater cost increase
Staff Development	154	175	21	Adjustment to membership fees to reflect actuals
Transfers To Reserves and Reserve Funds	132,238	137,806	5,568	\$11,090 Contribution to Tax Capital Reserve Fund \$3,085 Transfer Risk Management Premiums recovered to Reserve \$1,400 Transfer to reserve for DC interest relief (\$7,643) Transfer to reserve reduction for Transit (\$349) 2020 Tax Ratio Adjustment (\$1,312) Offset to the Capital contribution for internal recoveries eliminated
Subtotal - Other Operating Costs	193,275	202,862	9,587	
Total Revenues	(88,071)	(90,096)	(2,025)	(\$1,000) Increase in Enersource Dividend (\$618) Increase in PILT revenues (\$300) Increase in various BIA revenues
Transfers From Reserves and Reserve Funds	(55,040)	(58,744)	(3,704)	(\$5,275) Transfer for Capital Infrastructure Debt Expense (\$2,668) Transfer for Bonus/Performance Award (\$57) Transfer for Churchill Meadows Pool Debt Expense (\$9) Transfer for Workers' Compensation Expense \$1,981 Transfer for insurance claim expense \$1,380 Transfer for 2021 Utility Pressure \$1,000 Transfer for Enersource Dividend
Subtotal - Revenues	(143,111)	(148,840)	(5,729)	
Total	58,783	64,557	5,774	

Note: Numbers may not balance due to rounding.

Details of Proposed Budget Changes

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

Category	2021 Budget (\$000s)	2022 Proposed Budget (\$000s)	Change (\$000s)	Details (all values in thousands)
Labour and Benefits	8,619	10,535	1,916	Increase/Decrease Reflects Labour Adjustments and Other Fringe Benefit Changes
Audit Charges	176	176	0	
Business Improvement Area Transfers	1,530	1,550	20	Business Improvement Areas expenses offset by revenue (below)
Debt	37,704	43,034	5,331	Debt charges for capital program offset by 2% yearly transfer to tax capital reserve
Debt-Churchill Meadows Pool	2,216	2,273	57	Debt charges for Churchill Meadows Pool debentures offset by transfer from reserve
Development Charges Grants	63	65	2	Increased area of worship grants by applying an index rate
Grants to Seniors and Disabled Persons	290	290	0	
Insurance Claims and Premiums	12,467	10,991	(1,477)	Insurance claim expense decrease, offset by transfer to reserve
Other Costs	1,731	683	(1,048)	Provision for various costs and alignment for assessment growth adjustment
Other Transfers	568	540	(29)	Stormwater subsidies
Stormwater Charges on City Facilities	30	36	6	Charges transferred to service areas
Stormwater Grants	0	0	0	
Tax Appeals	3,700	3,700	0	
Tax Rebates and Cancellations	680	630	(50)	Vacancy rebate program being phased out by 2022
Taxes on City Owned Properties	270	270	0	
Transfer to Capital Reserve Fund	107,130	118,230	11,100	Contribution to Tax Capital Reserve Fund
Transfer to Churchill Meadows Pool Reserve Fund	2,177	2,177	0	
Transfer to Contingency Reserve	1,309	1,309	0	
Transfer to Cooksville BIA	0	280	280	Business Improvement Areas expenses offset by revenue (below)
Transfer to Election Reserve	950	950	0	
Transfer to Insurance Reserve Fund	2,337	2,337	0	
Transfer to Municipal Accommodation Tax Reserve Fund	4,837	4,835	(1)	
Transfer to reserve	0	3,085	3,085	Transfer Risk Management Premiums recovered to Reserve
Transfer to Tourism Board	0	0	0	
Transfer to Transit Capital Program	12,430	4,883	(7,547)	Adjustment to the Transit Capital Programs contribution
Treasury Charges	410	258	(152)	Move Armoured Courier budget to business areas and Treasury Charges decrease
Workers' Compensation Program	270	279	9	Workers' Compensation Expense
Subtotal- Other Operating	193,275	202,862	9,587	

Category	2021 Budget (\$000s)	2022 Proposed Budget (\$000s)	Change (\$000s)	Details (all values in thousands)
Business Improvement Area Transfers	(1,530)	(1,550)	(20)	BIA revenue increase offset in expenses (above)
Discounts, Rebates and Recoveries	(423)	(473)	(50)	Weber Rebate
Enersource Dividend	(16,577)	(17,577)	(1,000)	Increase in Enersource Dividend offset below in Transfer to reserve
Hydro Corridor Taxes	(1,100)	(1,100)	0	
Investment Income	(14,465)	(14,465)	0	
Miscellaneous Revenue	(137)	(137)	0	
Municipal Accommodation Tax Revenue	(4,963)	(4,965)	(1)	
PILT Canada	(1)	(220)	(219)	Payment in lieu of taxes (PILT) adjusted to reflect previous year's expenditures and future forecasts
PILT Canada Post	(1,040)	(1,100)	(60)	
PILT City Owned Properties	(800)	(800)	0	
PILT GTAA	(29,875)	(29,875)	0	
PILT Hydro Properties	(1,700)	(1,856)	(156)	
PILT LCBO	(10)	(10)	0	
PILT Municipal Tax Assistance Act	(1,000)	(1,000)	0	
PILT Other Municipalities and Enterprises	(2,300)	(2,500)	(200)	
PILT Post Secondary Education and Health	(650)	(689)	(39)	
Supplementary Taxes	(3,000)	(3,000)	0	
Tax Penalties and Interest	(8,500)	(8,500)	0	
Taxes BIA	0	(280)	(280)	
Transfer from Capital Reserve Fund	(37,704)	(43,034)	(5,331)	Transfer to offset capital program debt expenses (above)
Transfer from Churchill Meadows Pool Reserve Fund	(2,216)	(2,273)	(57)	Transfer to offset debt expense (above)
Transfer from Employee Benefits Reserve Fund	(4,575)	(7,252)	(2,677)	Transfer for Bonus/Performance Award
Transfer from General Reserve	(2,400)	(20)	2,380	\$1,380 Transfer for 2021 Utility Pressure \$1,000 eliminating transfer for Enersource Dividend offset in expense (above)
Transfer from Insurance Reserve Fund	(8,145)	(6,164)	1,981	Reduce transfer to offset decrease in Insurance claim expense (above)
Subtotal- Revenues	(143,111)	(148,840)	(5,729)	
Total	58,783	64,557	5,774	

Note: Numbers may not balance due to rounding.