



Financial Transactions

2018-2021 Business Plan
& 2018 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 16 Services Areas that are outlined in this Plan. The 2018-2021 Business Plan and 2018 Budget detail 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, direct program offerings and improve service delivery to ensure our vision is efficiently realized.



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What Financial Transactions Includes

Ongoing Operations Support

Bank and External Audit Charges

Provides for banking related fees and service charges including: armoured car, fees for banking transactions (i.e., bank flat service fee, cheque encashment fees, debit and credit card fees, preauthorized tax payment and ATM fees) and it also provides for external audit fees.

Retiree Benefits and Other Labour

Provides for the payments to current and former employees for:

- Pay out of accumulated sick leave credits to Fire and Emergency Services employees upon termination, and various life insurance policies
- Fringe benefit costs for employees on long term disability
- City's share of costs of early retiree health benefits

Miscellaneous Revenues and Expenses

Includes income and expenditures not readily assignable to service areas such as:

- Discounts earned
- Commodity tax compensation
- Non-sufficient Funds (NSF) recovery fees
- Miscellaneous one-time receipts and expenditures
- Executive search costs
- Snow Removal Subsidy Program

Risk Management and Insurance

Insurance includes costs associated with insurance policy premiums, claims expense 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 and losses above the City's self-insured retention
- Management of all insurance claims filed against the City and the vendor services required to handle those claims

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.

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 Capital Reserve Fund used to finance future capital projects.

Payments-in-Lieu and Taxation

Payments-in-Lieu

Provides for payments-in-lieu of property taxes 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 classed as exempt from realty taxes. The payment-in-lieu provisions are provided for 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 as per legislation
- Interest and penalties on unpaid taxes, in accordance with the Municipal Act, added to the tax liability

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
- Rebates to charitable organization occupying commercial and industrial properties

- Tax grants to low income seniors and persons with disabilities

Includes Business Improvements Area (BIA) 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 Mississauga.

Investment Income

Represents the operating budget portion of the General Fund's share of 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 Levies

- 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 \$5.6-million annual levy, ending in 2022, 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

University of Toronto Mississauga (UTM) Levy

- A \$1-million 10 year annual levy (2014 to 2023), for the university's Institute of Management and Innovation. This is included in the City Manager's Office Business Plan and there is no budget increase in 2018

Churchill Meadows Pool Financing

- A 10-year annual contribution of \$2.2 million, beginning 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 2018-2021 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 2017 was \$25.7 million and the proposed budget for 2018 is \$34.4 million.

Total Changes to Maintain Current Service Levels

The impact of maintaining current service levels for Financial Transactions is a budget decrease of \$316,315 for 2018.

Highlight of the proposed budget changes is:

- The payment-in-lieu of taxes revenue has been increased by \$1.25 million to reflect actual forecasts

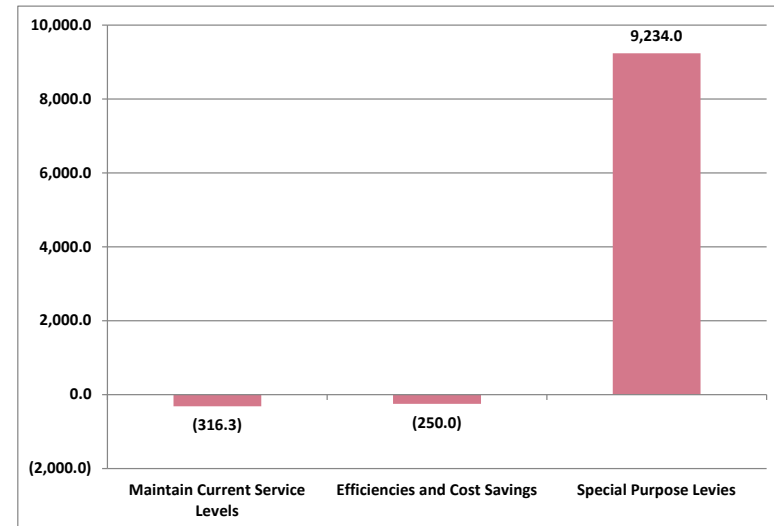
Efficiencies and Cost Savings

The vacancy rebate expense has been reduced by \$0.25 million in 2018. 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. Debt charges for the 2013-2018 debentures have been increased by \$3.7 million; the contribution to capital has been increased by \$5.5 million.

Proposed Changes to 2018 Net Operating Budget by Category (000's)



Operating Budget Details

The following table identifies the budgeted and forecasted operating expenditures and revenues for 2018-2021, as well as the 2017 Budget and 2016 Actuals by major program within the Service Area.

Proposed Budget by Program

Description	2016 Actuals (\$000's)	2017 Budget (\$000's)	2018 Proposed Budget (\$000's)	2019 Forecast (\$000's)	2020 Forecast (\$000's)	2021 Forecast (\$000's)
Programs To Deliver Current Services						
Bank & External Audit Charges	1,639	1,546	1,740	1,740	1,740	1,740
Benefits and Labour Package	4,410	4,542	6,342	7,262	11,380	15,926
Contribution to Capital and Debt	56,934	67,221	76,455	86,200	96,546	107,434
Contribution to Capital and Debt-Churchill Meadows Pool	0	2,177	2,177	2,177	2,177	2,177
Insurance	3,822	4,307	4,347	4,442	4,563	4,569
Workers' Compensation and Rehabilitation Expenses	4,143	1,714	2,418	2,517	2,668	2,775
Workers' Compensation and Rehabilitation Transfers from Reserve Funds	(4,143)	(1,714)	(2,418)	(2,517)	(2,668)	(2,775)
Enersource Dividend	(12,750)	(12,750)	(12,750)	(12,750)	(12,750)	(12,750)
Miscellaneous Revenues and Expenditures	9,691	(6,775)	(7,875)	(7,855)	(7,783)	(7,737)
Taxation	(34,866)	(34,554)	(36,054)	(37,454)	(38,854)	(40,254)
Proposed Net Budget Including New Initiatives & New Revenues	28,881	25,713	34,381	43,762	57,017	71,104
Proposed Net Budget - Changes by Year			34%	27%	30%	25%

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 and operational costs and revenues) are shown by category with the approved 2017 budget for comparison. The three columns to the far right of the table show the totals proposed for 2018 and their dollar and percentage changes over 2017.

Summary of Proposed 2018 Budget

Description	2017 Approved Budget (\$000's)	Maintain Current Service Levels	Efficiencies and Cost Savings	Special Purpose Levies	2018 Proposed Budget (\$000's)	\$ Change Over 2017	% Change Over 2017
Labour and Benefits	6,486	2,556	0	0	9,042	2,556	39%
Operational Costs	99,344	1,557	(250)	33,543	134,194	34,850	35%
Total Gross	105,830	4,113	(250)	33,543	143,236	37,407	35%
Total Revenues	(80,117)	(4,430)	0	(24,309)	(108,856)	(28,739)	36%
Total Net	25,713	(316)	(250)	9,234	34,381	8,668	34%

Summary of Proposed 2018 Budget and 2019-2021 Forecast

Description	2016 Actuals (\$000's)	2017 Approved Budget (\$000's)	2018 Proposed Budget (\$000's)	2019 Forecast (\$000's)	2020 Forecast (\$000's)	2021 Forecast (\$000's)
Labour and Benefits	6,859	6,486	9,042	10,054	14,317	18,964
Operational Costs	103,703	99,344	134,194	155,457	177,017	198,307
Total Gross	110,562	105,830	143,236	165,511	191,335	217,271
Total Revenues	(81,680)	(80,117)	(108,856)	(121,749)	(134,317)	(146,167)
Total Net	28,882	25,713	34,381	43,762	57,017	71,104

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.

Description	2017 Budget (\$000's)	2018 Proposed Budget (\$000's)	Change (\$000's)	Details (\$000's)
Labour and Benefits	6,486	9,042	2,556	Increase/Decrease Reflects Labour Adjustments and Other Fringe Benefit Changes
Advertising & Promotions	81	81	0	
Communication Costs	26	26	0	
Contractor & Professional Services	713	720	6	\$6 Medical Consultant
Debt	20,803	25,109	4,306	\$3,693 Capital Infrastructure \$613 Churchill Meadows Pool
Finance Other	17,173	18,961	1,787	\$1,868 Insurance Claims and Premiums \$94 Bank Charges and Other Expenses \$66 Stormwater Grants \$49 Business Improvement Areas Expenses (\$250) Vacancy Rebate Expense Reduction (\$30) Places of Worship Grants for Development Charges (\$10) Snow/Yard Maintenance Grants
Materials, Supplies & Other Services	216	215	(1)	(\$1) Miscellaneous Expenses
Occupancy & City Costs	293	329	36	\$36 Stormwater Charges for City Facilities
Staff Development	144	144	0	
Transfers To Reserves and Reserve Funds	59,894	88,610	28,716	\$29,850 Contribution to Capital Reserve Fund (\$134) Various Adjustments (\$1,000) Reduction of One Time Contribution for Diesel Fuel
Subtotal - Other Operating	99,344	134,194	34,850	
Total Revenues	(68,248)	(72,202)	(3,954)	(\$2,650) Enersource Dividend Alignment (\$1,250) Payment-In-Lieu of Taxes (\$49) Business Improvement Area Taxes (\$5) Various Rebates
Transfers From Reserves and Reserve Funds	(11,869)	(36,654)	(24,785)	(\$24,309) Transfer for Capital Infrastructure Debt Payment (\$1,828) Transfer for Insurance Expenses (\$704) Transfer for Workers Compensation Expenses (\$613) Transfer for Churchill Meadows Pool Debt Payment \$2,650 Transfer for Enersource Dividend Eliminated \$20 Transfer for Retirement Life Insurance Eliminated
Subtotal - Revenues	(80,117)	(108,856)	(28,739)	
Total	25,713	34,381	8,668	

Note: Numbers may not balance due to rounding.

Details of Proposed Budget Changes

Description	2017 Budget (\$000's)	2018 Proposed Budget (\$000's)	Change (\$000's)	Details (\$000's)
Labour Costs	6,486	9,042	2,556	Increase/Decrease Reflects Labour Adjustments and Other Fringe Benefit Changes
Bank Charges	1,420	1,614	194	Credit card use has increased
Business Improvement Area Transfers	1,322	1,371	49	Increase to match historical expenditures and is offset by transfer from reserve
Debt	20,616	24,309	3,693	Debt charges for 2013-2018 capital program offset by 2% yearly transfer to capital reserve
Debt	187	799	613	Debt charges for Churchill Meadows Pool debentures
Development Charges Grants	90	60	(30)	Decrease of grants to reflect estimated spending. Offsets development charges in places of religious assembly for area of worship per GC-0098-2016.
Finance Other	590	433	(157)	Provision for various costs
Grants to Seniors and Disabled	190	180	(10)	Decrease of grants to reflect actual spending
Insurance Claims and Premiums	8,049	9,917	1,868	Adjusted to reflect actual spending
Stormwater Grants	402	468	66	Places of worship/low income/working farms \$458K and low income condos \$10K
Tax Rebates and Cancellations	1,950	1,700	(250)	Vacancy rebate expense reduction
Tax Appeals	3,750	3,750	0	
Taxes on City Owned Properties	187	187	0	
Transfer to Capital Reserve Fund	46,605	76,455	29,850	Contribution to capital-2% yearly transfer
Transfer to Churchill Meadows Pool Reserve Fund	2,177	2,177	0	Second year of 10 year contribution for debenture funding.
Transfer to Contingency Reserve	2,309	1,309	(1,000)	Reduction of one time diesel fuel contribution
Transfer to Election Reserve	600	600	0	
Transfer to Emerald Ash Borer Reserve Fund	5,600	5,600	0	
Transfer to Employee Benefits Reserve Fund	78	0	(78)	Transfer for early retirement life insurance not required
Transfer to Insurance Reserve Fund	2,337	2,337	0	
Workers' Compensation Program	244	250	6	Costs offset by transfer from Employee Benefits Reserve Fund
Other Costs	642	677	35	
Subtotal - Other Operating	99,344	134,194	34,850	

Note: Numbers may not balance due to rounding.

Details of Proposed Budget Changes (Cont'd)

Description	2017 Budget (\$000's)	2018 Proposed Budget (\$000's)	Change (\$000's)	Details (\$000's)
Business Improvement Area Transfers	(1,322)	(1,371)	(49)	Offsets increased historical expenditures (above)
Discounts, Rebates and Recoveries	(461)	(466)	(5)	
Enersource Dividend	(12,750)	(12,750)	0	
Hydro Corridor Taxes	(1,100)	(1,100)	0	
Investment Interest	(14,465)	(14,465)	0	
PILT-Canada	(1)	(1)	0	Payment in lieu of taxes (PILT) adjusted to reflect previous year's expenditures and future forecasts
PILT-City Owned Properties	(782)	(782)	0	
PILT-GTAA	(25,500)	(26,750)	(1,250)	
PILT-LCBO	(6)	(6)	0	
PILT-Ontario Power Generation Corporation	(1,600)	(1,600)	0	
PILT-Other Municipalities and Enterprises	(1,700)	(1,700)	0	
PILT-Municipal Tax Assistance Act	(625)	(625)	0	
PILT-Post Secondary Education and Health	(586)	(586)	0	
Supplementary Taxes	(2,000)	(2,000)	0	
Tax Interest and Penalties Earned	(8,000)	(8,000)	0	
Transfer from Capital Reserve Fund	0	(24,309)	(24,309)	Transfer to offset capital program debt expense (above)
Transfer from Churchill Meadows Pool Reserve Fund	(187)	(799)	(613)	Transfer to offset debt expense (above)
Transfer from Employee Benefits Reserve Fund	(2,914)	(3,618)	(704)	Transfer to offset sick leave and Workers' Compensation expense
Transfer from Insurance Reserve Funds	(6,079)	(7,907)	(1,828)	Transfers to offset associated Insurance expenses
Transfer from Reserves-Variou	(40)	(20)	20	Transfers to offset associated expenses
Subtotal - Revenues	(80,117)	(108,856)	(28,739)	
Total	25,713	34,381	8,668	

Note: Numbers may not balance due to rounding.