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## Budget Committee

**Date:** March 26, 2025  
**Time:** Immediately following General Committee  
**Location:** Council Chambers, Civic Centre, 2nd Floor  
300 City Centre Drive, Mississauga, Ontario, L5B 3C1  
and Online Video Conference

### Members

Chair and Councillor Brad Butt	Ward 11
Vice-Chair and Councillor Stephen Dasko	Ward 1
Mayor Carolyn Parrish	Mayor
Councillor Alvin Tedjo	Ward 2
Councillor Chris Fonseca	Ward 3
Councillor John Kovac	Ward 4
Councillor Natalie Hart	Ward 5
Councillor Joe Horneck	Ward 6
Councillor Dipika Damerla	Ward 7
Councillor Matt Mahoney	Ward 8
Councillor Martin Reid	Ward 9
Councillor Sue McFadden	Ward 10

**To Request to Speak on Agenda Items** - Advance registration is required. To make a Deputation, please email Eglantina Bacaj-Gondia, Legislative Coordinator at [eglantina.bacaj-gondia@mississauga.ca](mailto:eglantina.bacaj-gondia@mississauga.ca) or call 905-615-3200 ext. 5378 **no later than March 24, 2025 before 4:00PM.**

**Questions for Public Question Period** - To pre-register for Public Question Period, questions may be provided to the Legislative Coordinator at least 24 hours in advance of the meeting. Following the preregistered questions, if time permits, the public may be given the opportunity to ask a question on an agenda item. Virtual participants must pre-register. Comments submitted will be considered as public information and entered into the public record.

**Virtual Participation** - All meetings of Budget Committee are streamed live and archived at [Mississauga.ca/videos](https://www.mississauga.ca/videos). To speak during the virtual meeting or if you do not have access to the internet, contact the Legislative Coordinator and you will be provided with directions on how to participate. Comments submitted will be considered as public information and entered into the public record.

**Link to live stream:** <https://www.mississauga.ca/council/council-activities/council-and-committee-videos/live-council-and-committee-videos/>

**Please note the Budget Committee meeting will be streamed and a video will be posted afterwards.**

### Contact

Eglantina Bacaj-Gondia, Legislative Coordinator, Legislative Services  
905-615-3200 ext. 5378 | Email: [eglantina.bacaj-gondia@mississauga.ca](mailto:eglantina.bacaj-gondia@mississauga.ca)

**Find it Online** [www.mississauga.ca/council/committees/budget-committee/](https://www.mississauga.ca/council/committees/budget-committee/)

**An asterisk (\*) symbol indicates an Item that has been either Revised or Added**

1. **CALL TO ORDER**

2. **INDIGENOUS LAND STATEMENT**

“We acknowledge the lands which constitute the present-day City of Mississauga as being part of the Treaty and Traditional Territory of the Mississaugas of the Credit First Nation, The Haudenosaunee Confederacy the Huron-Wendat and Wyandotte Nations. We recognize these peoples and their ancestors as peoples who inhabited these lands since time immemorial. The City of Mississauga is home to many global Indigenous Peoples.

As a municipality, the City of Mississauga is actively working towards reconciliation by confronting our past and our present, providing space for Indigenous peoples within their territory, to recognize and uphold their Treaty Rights and to support Indigenous Peoples. We formally recognize the Anishinaabe origins of our name and continue to make Mississauga a safe space for all Indigenous peoples.”

3. **APPROVAL OF AGENDA**

4. **DECLARATION OF CONFLICT OF INTEREST**

5. **MINUTES OF PREVIOUS MEETING**

5.1 Budget Committee Minutes - November 18 and 19, 2024

5.2 Budget Committee Minutes - November 25, 2024

6. **PRESENTATIONS - Nil**

7. **DEPUTATIONS**

Any member of the public interested in making a deputation to an item listed on the agenda must register by calling 905-615-3200 ext. 5378 or by emailing [eglantina.bacaj-gondia@mississauga.ca](mailto:eglantina.bacaj-gondia@mississauga.ca) **by March 24, 2025 before 4:00PM.**

Each Deputation to Budget Committee is limited to speaking not more than 10 minutes.

Pursuant to Section 57.1 of the Council Procedure By-law 0044-2022, as amended: Deputations shall be received and the matter shall be referred to staff for a report, unless there is a resolution or recommendation passed to “receive” the Deputation. After a Deputation is completed, Members shall each have one opportunity to make a preamble statement and ask questions to the Deputant(s) or staff for clarification purposes only, and without debate.

7.1 Marisa Chiu, Chief Financial Officer and Treasurer regarding 2026 Budget Direction and 2024-2025 Update

8. **PUBLIC QUESTION PERIOD - 15 Minute Limit**

**Public Questions:** Members of the Public that have a question about an item listed on the agenda may pre-register by contacting the Legislative Coordinator at least 24 hours in advance of the meeting. Following the registered speakers, if time permits the Chair will acknowledge members of the public who wish to ask a question about an item listed on the agenda. Virtual participants must pre-register.

Pursuant to Section 58 of the Council Procedure By-law 0044-2022, as amended:

Budget Committee may grant permission to a member of the public to ask a question of Budget Committee, with the following provisions:

1. Questions may be submitted to the Clerk at least 24 hours prior to the meeting;
2. A person is limited to two (2) questions and must pertain specific item on the current agenda and the speaker will state which item the question is related to;
3. The total speaking time shall be five (5) minutes maximum, per speaker, unless extended by the Mayor or Chair; and
4. Any response not provided at the meeting will be provided in the format of a written response.

9. **CONSENT AGENDA**

10. **MATTERS TO BE CONSIDERED**

- 10.1 2024 Treasurer's Annual Report on Investment
- 10.2 Operating Budget Financial Report as at December 31, 2024

11. **OTHER BUSINESS**

12. **CLOSED SESSION - Nil**

13. **DATE OF NEXT MEETING - June 18, 2025**

14. **ADJOURNMENT**

# 2026 Budget Direction and 2024-2025 Update

March 26, 2025  
Budget Committee



## 2026 Budget

# 2025 Budget Recap

On December 2, 2024, the City's 2025 budget was adopted. The budget features various new initiatives and service enhancements, including:

- MiWay Transit service expansion
- Free PRESTO fares for seniors and children 6-12
- Additional staffing in By-law Enforcement and Animal Services to improve safety
- Opening of Fire Station 124
- Flood relief grant and basement flooding prevention programs
- Vacuum leaf collection, winter maintenance programs



# 2024 Year End Financial Position

\$ Million	2024 Net Operating Budget	Actuals as of Dec 31, 2024	Surplus/ (Deficit) before Reserve transfers
Tax Levy Funded Budget	682.0	678.8	3.1
Stormwater	48.3	50.0	(1.7)

- 2024 Operating surplus represents 0.45% of net operating budget
- City had incurred operating deficits from 2020 to 2023
- \$2.7 million of the tax-funded operating budget surplus be transferred to the Election Reserve and \$416K to the Fiscal Stability Reserve
- \$1.7 million Stormwater deficit offset from a transfer from the stormwater reserve fund
- The transfers result in a net zero year-end financial position

# 2025 Work Plan

- Quarterly Budget Committee meetings, to be held on March 26, 2025, June 18, 2025, October 1, 2025 and in January 2026, to facilitate year-round budget discussion and public engagement
- Staff will provide:
  - Quarterly updates of the City's operating budget position
  - Semi-annual updates of the City's capital work-in-progress
  - Annual updates on investments, reserves & reserve funds, asset management plan and federal and provincial grants

# 2026 Budget Direction and Priorities

- Advance on the City's strategic vision
- Deliver core services
- Tackle housing affordability with the Mayor's Housing Task Force
- Move forward with city building
- Implement cost containment strategies

Budget priorities will align with the City's Strategic Plan, which is being updated in 2025. For more information, visit [mississauga.ca/imagine](https://mississauga.ca/imagine)



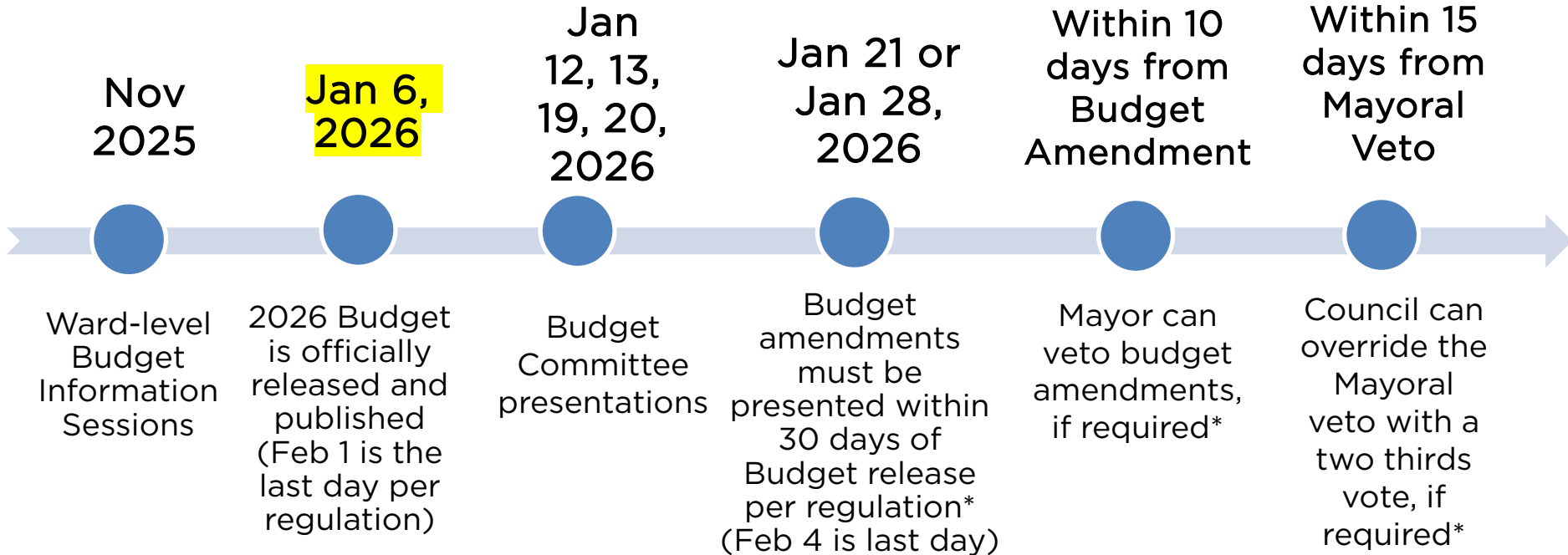
# 2026 Budget Timelines

- Region of Peel's 2026 Budget Presentations are currently scheduled between November 20 and December 11, 2025. The Region will likely be releasing their budget around the 1<sup>st</sup> or 2<sup>nd</sup> week of November 2025
- City of Mississauga staff have been directed to prepare a draft 2026 Budget with a preliminary targeted release date of January 6, 2026
- Ward-level budget information sessions will be held in November 2025
- Citywide budget townhall and Budget Committee presentations will be in January 2026

# 2026 Budget Timelines

(as per Strong Mayors Legislation)

7.1



\*Budget is deemed adopted at the end of the budget amendment, mayoral veto or override period. Mayor and Council can shorten any of the periods.

# 2026-28 Forecast in the 2025 Budget

7.1

	Adopted	Subject to change		
City of Mississauga	2025	2026	2027	2028
Normal Operations	2.0%	8.3%	3.3%	3.2%
Infrastructure Levy	3.0%	3.0%	3.0%	3.0%
Public Safety Fire Program	1.0%	1.0%	1.0%	0.0%
New Initiatives	1.8%	1.6%	0.5%	0.2%
Council Budget Amendments	1.6%			
Assessment Growth	(0.6%)	(0.6%)	(0.6%)	(0.6%)
Budget Increase	8.8%	13.3%	7.2%	5.8%
Tax Bill Impact (City Portion)	3.3%	4.9%	2.7%	2.1%
Region of Peel				
Tax Bill Impact (Regional Portion)	5.9%	5.5%*	4.8%*	4.1%*
Combined Tax Impact (City & Region)	9.2%	10.4%*	7.5%*	6.2%*

# 2026 Forecast in the 2025 Budget

7.1

As the 2026 budget process is just commencing, increases are subject to change.

2026 Budget - Normal Operations	\$M	%
Base Labour Cost Changes (includes annualization of 2025 FTE increases)	21.2	2.8%
Hazel McCallion LRT Operating Costs	13.4	1.8%
Windrow removal, Secondary sidewalk clearing, Bike lane snow removal	13.4	1.8%
Other inflationary impacts from existing contracts and services (e.g., Winter maintenance, transit, utilities, parks, etc.)	6.7	0.9%
WSIB premium increases	3.0	0.4%
Free PRESTO Senior fares - Additional revenue impact	0.9	0.1%
Other (Revenue and chargeback adjustments)	3.0	0.4%
<b>Total Increases from Normal Operations</b>	<b>61.6</b>	<b>8.3%</b>

# Factors impacting Normal Operations Budget<sup>7.1</sup>

2025's 2% Normal Operations budget increase included 3.3% in offsets from revenue increases, provincial gas tax transfers, removal of the Emerald Ash Borer contribution and other cost efficiencies.

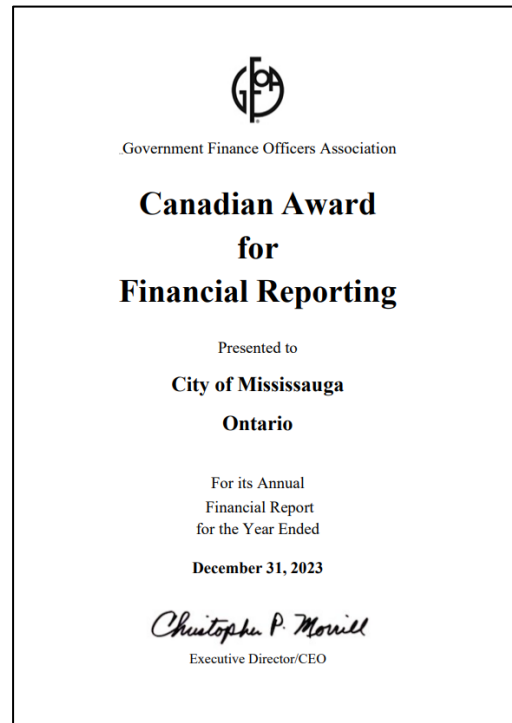
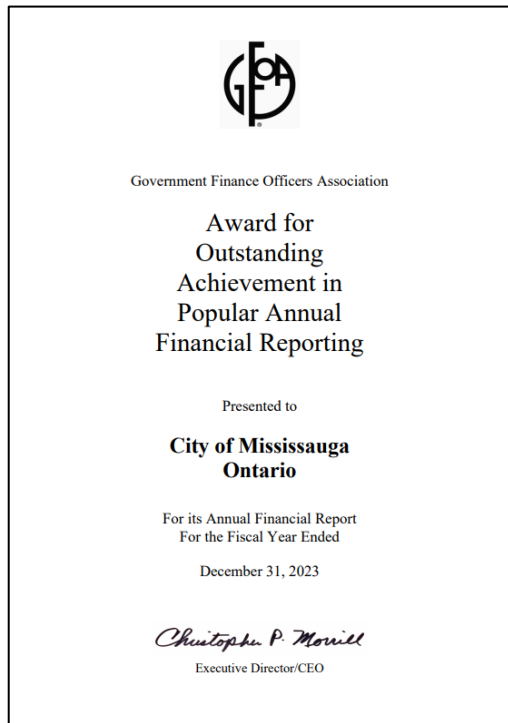
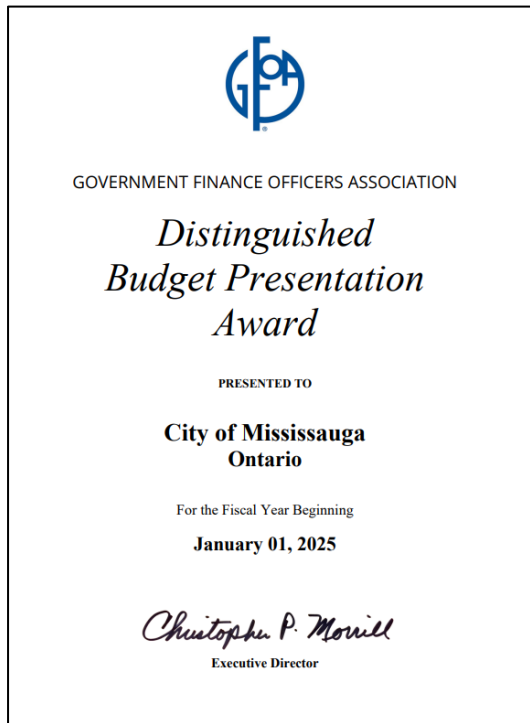
## Factors that will impact 2026–2029 budget and tax increases:

- Hazel McCallion LRT start date and operating cost impacts
- Tariffs and inflationary impacts
- Labour cost changes (pending ratification of union agreements)
- Any federal & provincial funding and legislative changes
- Projected revenue changes and cost efficiencies

# Other Factors Impacting the 2026 Budget

- Region of Peel services transition (status of *Bill 240, Peel Transition Act, 2024*)
- Peel Police budget increase
- Regional budget apportionment changes
- Any changes to service levels and new initiatives
- Any changes to special purpose levies (e.g., Capital Infrastructure & Debt Repayment Levy and the Public Safety Fire Program)

# Recognition for Financial Excellence



# Questions



City of Mississauga

# Corporate Report



<p>Date: February 19, 2025</p> <p>To: Chair and Members of Budget Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: March 26, 2025</p>

## Subject

**2024 Treasurer's Annual Report on Investment**

## Recommendation

That in compliance with Provincial legislation governing municipal investment practices, the “2024 Treasurer’s Annual Report on Investment” dated February 19, 2025 from the City Manager and Chief Administrative Officer, be received for information.

## Executive Summary

- The City Funds investment portfolio realised net income of \$59 million, generating a net yield of 3.31%.
- Revenue allocated to the Operating Budget was \$14.4 million, while Reserve Funds received \$44.6 million.
- An overall slowing economy is expected to moderate returns throughout 2025. City Funds portfolio expected net income is in the \$55 to \$60 million range.

## Background

Regulation 438/97, with amendment 43/18, of the Municipal Act, 2001, requires a municipality to adopt a statement of investment policies and goals, and requires a Treasurer’s report to be submitted to Council annually. This report is tabled in compliance with the regulation.

As permitted by legislation, the City maintains operating funds, a number of reserves and reserve funds, and trust funds for various purposes. These funds are invested in accordance with the Municipal Act and Ontario regulations, the Funeral, Burial and Cremation Services Act, the Trustee Act and the City’s Investments Policy.

The four major decision criteria, in order of priority, for the City’s Investments Policy are:

1. Legality of investments – conforming to legislative constraints;
2. Preservation of principal – avoiding the loss of monies from default, of an issuer, in the payment of principal or interest;
3. Liquidity – meeting current and expected annual operating needs through a combination of cash and marketable securities that can be readily converted to cash; and
4. Competitive rate of return – maximizing the return on investments while conforming to prior objectives.

This Report outlines the implementation of these priorities and includes a summary of investment results and analysis. The City’s investment practices and procedures are subject to audits by the Corporation’s external auditor, KPMG.

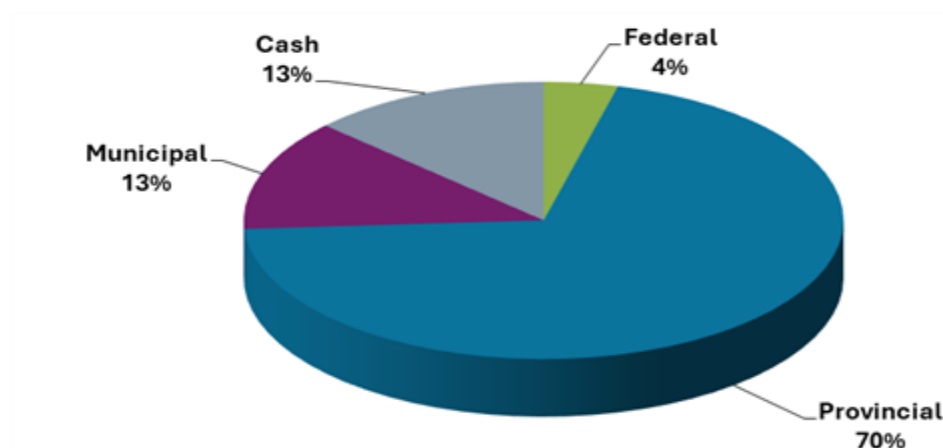
### Comments

In 2024, the City earned \$59.4 million in gross investment income (net income: \$59 million) on average cash and portfolio balances of \$1.78 billion. Using average balances held throughout the year, an overall gross investment yield of 3.33% (a net investment yield: 3.31%) was achieved. Details for 2024 (and prior year) are shown below:

	Average Balance (Book Value)	Income (Gross \$)	Yield (Gross)	Yield (Net)
2024	1,785,116,410	59,376,152	3.33%	3.31%
2023	1,684,614,497	54,475,486	3.23%	3.21%

As at December 31, 2024, the Consolidated Investment Portfolio<sup>1</sup> held \$2,006 million (at par value<sup>2</sup>) in cash and securities of various types, as outlined in the Pie Chart below:

<sup>1</sup> Marketable securities and cash for combined City Funds Portfolio and DCA Portfolio.  
<sup>2</sup> Par Value is used, for Policy comparison purposes, to demonstrate various investment holdings across security types. Portfolio holdings, and their respective limits, can be found in Appendix 1. The Par Value represents what the portfolio is worth on a dollar basis, if each security (and the cash) are held to final maturity dates. The Book Value of the Consolidated Investment Portfolio (excluding cash), as at Dec 31st, 2024, is \$1.759 million.

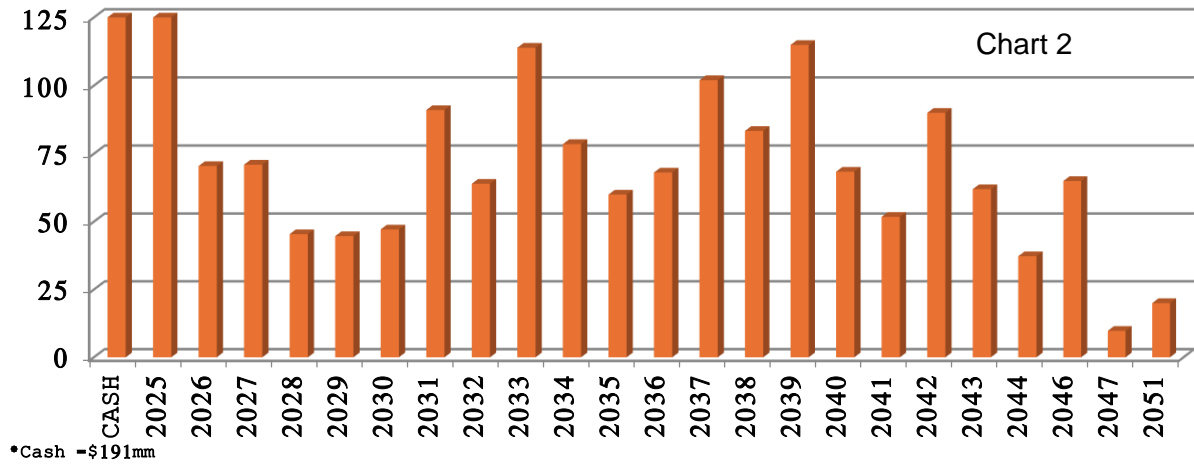


Municipal investment regulation recognizes the fiduciary nature of financial balances (obligatory reserve funds, segregated funds, tax funds, etc.) held by any municipality and therefore regulation maintains and prescribes specific guidelines (security type, term, credit, etc.) in order to minimize default risk through the control of eligible investments. Province of Ontario marketable securities represent a core security holding in the portfolio, given its dominant position in the Canadian fixed income marketplace as one of the most liquid and credit-worthy bond issuers.

Liquidity management is a primary component of policy which ensures that the ongoing maintenance of cash, or near-cash, balances to meet operational needs are not sacrificed for investment returns. As the City is foremost an entity whose first priority is to provide services to residents, paid for using previously collected taxes and other sources of revenue, monies already at work (working capital) or that is earmarked for near-term work (budgeted) are not put at risk.

Enterprise cashflow forecasting is the foundation for investment decisions and, when coupled with a balanced approach to portfolio duration management (i.e. steady maturities), investment returns are protected over the long term, while ensuring that money is always available for operating the City, even as new money is being put to work at prevailing investment rates.

The City Funds investment maturity schedule, as at December 31st, 2024, is in Chart 2:



Investment Income Analysis

During 2024, the City Funds Portfolio<sup>3</sup> realised gross investment income of \$59 million on average monthly cash and security balances of \$1.78 billion. This translated into a net investment yield of 3.31%. Income was derived mainly from net interest as the unavailability of capital gains persists on fixed income investments and is not expected as a notable source of income before 2026.

Nevertheless, the City's above-weight cash position throughout 2024 ensured that investment income benefited from higher short-term interest rates throughout year. The overall return on financial balances performed favourably to the Consumer Price Index for the year (CPI being 1.8% to Dec/24) thereby working to protect the City's reserves, and reserve fund balances, against erosion from inflation.

The City's investment policy also works well to protect long-term reserve fund balances, by ensuring that any investment income derived from working capital is proportionately distributed back to respective source reserve funds, thereby supplementing capital fund balances for use in future capital budgets.

Investment Management

The Investment Unit, which is a section under Treasury, is responsible for monitoring day-to-day, as well as upcoming, operating cash needs, enterprise cash flow forecasting and monitoring, investment portfolio management and administration, the timing and management of

<sup>3</sup> This excludes the DCA Portfolio. The DCA Portfolio earned \$6,879,116 of investment income on average monthly cash & investment balances of \$201 million, yielding 3.43%.,

both temporary bank-borrowing as well capital debenture borrowing and the coordination of the City's annual credit rating.

The Investment unit demonstrates value to the City with costs in the 1.9 basis point (0.019%) range, well under any fees which would be charged by an externally managed public fund. Comparative examples for management fees charged by third party managers would see anywhere from 15 basis points for a simple money market fund, to as much as 40-50 basis points (0.40% to 0.50%) for a bond fund. These fee structures are materially higher than the 0.019% incurred by the City.

Using 40 basis points as a cost benchmark for a similar balanced fund and calculating costs against investable balances for the City Funds Portfolio (the non-cash component), the difference between what the City's in-house investment management costs and what an externally managed fund would cost represents a \$5 million dollar saving for the City.

### **Investment Outlook for 2025**

While short term interest rates have moderated significantly over the last several months, due to easing monetary conditions from the Bank of Canada (BOC), the same cannot be said for longer term rates, which have remained sticky and relatively elevated.

Institutional investors in Canadian fixed income markets are taking their time accepting lower longer-term rates, as the jury is still out on whether or not a tariff war with the United States will lead to a resurgence in inflation due to a combination of a lower Canadian dollar and higher import costs.

On balance, if revenue neutral tariffs can be levied by Canada against the United States, with tariff revenue being redirected toward affected companies and displaced workers, then it is conceivable that Canada could experience a mild economic slowdown from its current levels of output. In this scenario, longer term bond rates are expected to remain higher, as economic demand and prices remain firm.

Another scenario could emerge where, on balance, the economy (and government) is unable to manage excessively high tariffs concentrated against Canadian high-employment sectors which are highly exposed to US markets (think 50%, and higher, on steel, aluminum, autos, etc.). This scenario would most likely see the country enter a recession (sometime by Q3), with both short and long-term interest rates falling in tandem, and probably significantly.

In this case, regardless of a lower Canadian dollar, the reduction in economic demand (and incomes) would work against any tariff driven price increases, thereby leading to inflation most likely falling. With no slowdown in sight currently for job growth (employment surged by 76,000 in January from December and was up over 416,000 from Jan/24), the BOC is taking a wait and

see approach on the effect of tariffs on both prices and demand before determining the nature of further rate cuts.

Canadian government responses will also play a role in the BOC's decision-making process, as it is possible that excessive economic stimulus in response to tariffs could stoke inflation, if not well targeted to affected areas. Nevertheless, given that inflation has now been brought down into the BOC's target range of 2% (less than 2% at year-end), the direction for the Bank is to move the target for overnight interest rates further toward the inflation-neutral zone of 2.5%, or another 50 basis points lower.

For the City Funds Portfolio, the move by the BOC to a sustained monetary easing stance in Q4/24 precipitated a rebalancing away from cash and short-term investing, and toward medium and longer-term securities. As noted earlier, with longer-term rates being well above both short rates and inflation, prospects are good for maintaining returns into 2025 and beyond. Investment income for 2025 is expected to be in the same range as 2024, with a target forecast of \$55 - \$60 million.

## Financial Impact

The City earned \$59 million in net investment income during 2024, of which \$14.4 million was allocated to the Operating Budget, and \$44.6 million was allocated to Reserve Funds.

## Conclusion

In compliance with Provincial Regulation 438/97, amended to 43/18, all investment transactions during 2024 were made in accordance with the existing Investment Policy.

As at December 31, 2024, the City Funds Portfolio held \$1.82 billion (book value basis) in various securities, and cash. The net income for the Portfolio was \$59 million translating into a net investment yield of 3.31%. As per Policy, investment proceeds were distributed between the Operating Budget (\$14.4 million) and Reserve Funds (\$44.6 million). Looking ahead, 2025 investment income is expected to range between \$55 and \$60 million.

## Attachments

Appendix 1: Total Investment Portfolio – By Investment Type (as at December 31<sup>st</sup>, 2024)



Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer

Prepared by: Mark Waugh, Manager, Treasury

CITY OF MISSISSAUGA				TOTAL INVESTMENT PORTFOLIO: BY INVESTMENT TYPE				DATE: 31-Dec-24		Appendix #1	
TYPE	ISSUER/GUARANTOR OF SECURITIES	Credit Rating	INVESTMENT POLICY LIMIT		CONSOLIDATED AMOUNTS			CITY FUNDS		DCA RESERVE FUNDS	
			UPPER LIMIT ( % )	CURRENT SECURITIES (\$000) ( % )	PAR VALUE (\$000)	BOOK (\$000)	CASH & SECURITIES ( % )	PAR VALUE (\$000)	BOOK (\$000)	PAR VALUE (\$000)	BOOK (\$000)
<u>SCHEDULE I</u>											
70% 1,217,448 0.00					-	-	-	-	-	-	-
<u>SCHEDULE II</u>											
SCHEDULE III (each) 5% 86,961											
NON-SCHEDULE I INSTITUTIONS 40% 695,685					-	-	-	-	-	-	-
TOTAL FINANCIAL INSTITUTIONS 70% 1,217,448					-	-	-	-	-	-	-
G01	GOVT OF CANADA	AAA	NONE	4.77	83,000	82,357	4.14	83,000	82,357		
G02	PROV OF ONTARIO	AA-	NONE	38.40	667,800	599,557	33.29	652,800	588,445	15,000	11,112
<u>OTHER PROVINCES</u>											
G03	ALBERTA	AA	20%	347,842	3.74	65,000	66,009	3.24	65,000	66,009	
G04	BRITISH COLUMBIA	AAA	20%	347,842	2.30	40,000	45,411	1.99	30,000	35,439	10,000 9,972
G05	MANITOBA	AA	20%	347,842	12.33	214,500	233,727	10.69	169,500	182,324	45,000 51,404
G06	NOVA SCOTIA	AA	20%	347,842	3.16	55,000	67,677	2.74	55,000	67,677	
G07	NEW BRUNSWICK	AA+	20%	347,842	8.16	142,000	160,250	7.08	130,000	146,598	12,000 13,651
G09	SASKATCHEWAN	AA+	20%	347,842	5.17	90,000	103,392	4.49	90,000	103,392	
G10	NEWFOUNDLAND	A+	20%	347,842	6.65	115,580	122,065	5.76	115,580	122,065	
G11	PEI	AA	20%	347,842	0.29	5,000	4,999	0.25			5,000 4,999
TOTAL OTHER PROVINCES NONE 41.81					727,080	803,530	36.25	655,080	723,505	72,000	80,026
TOTAL CANADA & PROV GOVTS 30% min 521,763 84.97					1,477,880	1,485,444	73.67	1,390,880	1,394,306	87,000	91,137
<u>MUNICIPALITIES</u>											
M11	PEEL REGION	AAA	10%	173,921	3.77	65,491	63,566	3.26	42,061	41,979	23,430 21,587
M12	HALTON REGION	AAA	10%	173,921	0.16	2,811	2,811	0.14	2,811	2,811	
M13	TORONTO	AA+	10%	173,921	4.05	70,400	80,822	3.51	70,400	80,822	
M01	OTTAWA	AAA	10%	173,921	0.27	4,750	4,928	0.24	4,750	4,928	
M03	WATERLOO	AAA	10%	173,921	0.96	16,646	16,880	0.83	12,038	12,028	4,608 4,852
M04	YORK	AAA	10%	173,921	1.66	28,800	29,635	1.44	28,800	29,635	
M05	DURHAM REGION	AAA	10%	173,921	0.09	1,645	1,637	0.08	1,645	1,637	
M06	HAMILTON	AAA	10%	173,921	0.20	3,447	3,435	0.17	3,447	3,435	
M07	BARRIE	AA+	10%	173,921	0.47	8,197	8,196	0.41	8,197	8,196	
M08	GUELPH	AAA	10%	173,921	0.44	7,567	7,559	0.38	7,567	7,559	
M09	NIAGARA	AA+	10%	173,921	0.62	10,839	12,633	0.54	2,839	2,834	8,000 9,799
M10	SUDBURY	AA+	10%	173,921	0.29	5,000	5,000	0.25	5,000	5,000	
N01	REGINA	AAA	5%	86,961	0.22	3,884	4,340	0.19	3,884	4,340	
N02	WINNIPEG	AA+	5%	86,961	0.56	9,700	10,567	0.48	6,700	7,568	3,000 2,998
N03	B.C. MUNICIPAL FINANCE	AAA	5%	86,961	0.86	15,000	14,967	0.75	15,000	14,967	
N04	NEW BRUNSWICK MUN FINANCE	AA+	5%	86,961	0.41	7,155	7,139	0.36	7,155	7,139	
TOTAL MUNICIPALITIES 20% 347,842 15.03					261,332	274,114	13.03	222,294	234,878	39,038	39,236
<u>ASSET-BACKED SECURITIES</u>											
TOTAL ASSET-BACKED 20% 347,842					-	-	-	-	-	-	-
<u>CORPORATE SECURITIES</u>											
TOTAL CORPORATE SECURITIES 5% 86,961					-	-	-	-	-	-	-
TOTAL 'ONE' FUNDS 20% 347,842											
TOTAL INVESTMENTS 100.00					1,739,212	1,759,558	86.70	1,613,174	1,629,184	126,038	130,374
CASH BALANCE					266,752	266,752	13.30	191,290	191,290	75,462	75,462
TOTAL PORTFOLIO					2,005,963	2,026,310	100.00	1,804,463	1,820,474	201,500	205,836

# City of Mississauga Corporate Report



Date: March 7, 2025  To: Chair and Members of Budget Committee	Originator's files:
From: Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer	Meeting date: March 26, 2025

## Subject

**Operating Budget Financial Report as at December 31, 2024**

## Recommendation

1. That \$2,700,000.00 of the year-end operating program surplus be transferred to the Elections Reserve (#30135);
2. That \$404,456.52 of the year-end operating program surplus be transferred to the Fiscal Stability Reserve (#30125);
3. That funding for the \$1.7 million 2024 year-end Stormwater operating program deficit be transferred from the Stormwater Capital Reserve Fund (#35992); and
4. That the 2024 Annual Financial Statement for Building Permit Fees, as attached in Appendix 2, be received for information as required by the *Building Code Act, 1992*

## Executive Summary

- The City ended 2024 in a surplus position of \$3.1 million for services funded by the tax levy. It is recommended that the year-end surplus be transferred to the Election Reserve (#30135) in the amount of \$2.7 million and to the Fiscal Stability Reserve (#30125) in the amount of \$0.4 million
- Payment in Lieu of Taxes revenue from the Greater Toronto Airports Authority continues to be impacted by lower passenger counts, with a revenue loss of \$7.9 million in 2024. Revenue in 2024 is based on passenger counts from 2022 which were 29 per cent lower compared to pre-pandemic levels
- The Stormwater operating program resulted in a year-end deficit position of \$1.7 million at the end of 2024. It is recommended that the year-end deficit be offset by a transfer from the Stormwater Capital Reserve Fund (#35992)



## Background

In accordance with the Operating Budget Policy (04-04-03), Finance provides Council with a review of the City's operating financial position at a minimum of twice per year.

## Comments

Prior to any transfers to reserves, the City was in a surplus position of \$3.1 million at the end of 2024. This surplus is driven by higher than budgeted tax penalties and interest revenue of \$8.6 million, higher than budgeted Transit revenue of \$8.2 million (due to higher ridership than expected and increased fare revenue) and higher than budgeted supplementary tax revenue of \$4.2 million (due to recovery of accounts with arrears). These items are partially offset by unfavourable labour variance due to union collective agreement settlements of \$5.1 million, and lower than budgeted revenue from the Greater Toronto Airports Authority (GTAA) Payment in Lieu of Taxes (PILT).

While the City has recovered from the financial impacts of COVID-19, there continues to be a revenue loss of \$7.9 million from the GTAA PILT in 2024. This is due to the calculation of the PILT being based on 2022 passenger counts, which were 29 per cent lower compared to pre-pandemic levels. This revenue shortfall will continue in 2025, with a forecasted revenue loss of \$2.5 million, based on 2023 passenger counts that were gradually returning to pre-pandemic levels.

Other major variances include:

- Unfavourable Parks, Forestry & Environment variance of \$2.4 million higher than budget in Other Operating Expenses due to increases in material and operating costs
- Unfavourable Facilities & Property Management variance of \$1.5 million higher than budget in Other Operating Expenses due to increased maintenance demands for ageing infrastructure and structural repairs
- Unfavourable General Government labour variance of \$1.2 million higher than budget mainly due to hiring additional Human Resources contract staff to meet business needs

The following table summarizes the year-end operating budget variances by service area:

## Operating Summary by Service Area - 2024 Year-End Results (\$ Millions)

Service Area	Net Budget	Year End Position Before Reserve Transfers	Surplus/(Deficit) Before Reserve Transfers	Reserve Transfers	Surplus/(Deficit) After Reserve Transfers
Fire & Emergency Services	157.0	157.1	(0.1)	0.0	(0.1)
Transit	114.4	106.4	8.0	0.0	8.0
Roads	87.6	91.3	(3.7)	0.0	(3.7)
General Government	58.3	59.3	(1.0)	0.0	(1.0)
Corporate Transactions	46.8	42.9	3.9	(3.1)	0.8
Parks, Forestry & Environment	46.2	48.5	(2.3)	0.0	(2.3)
Recreation & Culture	43.5	43.5	0.0	0.0	0.0
Information Technology	39.1	38.9	0.2	0.0	0.2
Mississauga Library	34.0	34.7	(0.7)	0.0	(0.7)
Facilities & Property Management	34.4	36.1	(1.6)	0.0	(1.6)
Planning & Building	11.9	11.8	0.2	0.0	0.2
Mayor & Members of Council	5.4	4.8	0.5	0.0	0.5
Regulatory Services	3.3	3.6	(0.3)	0.0	(0.3)
<b>Total Tax Levy Funded</b>	<b>682.0</b>	<b>678.8</b>	<b>3.1</b>	<b>(3.1)</b>	<b>0.0</b>
Stormwater	48.3	50.0	(1.7)	1.7	0.0
<b>Total Stormwater Charge Funded</b>	<b>48.3</b>	<b>50.0</b>	<b>(1.7)</b>	<b>1.7</b>	<b>0.0</b>
<b>Total City</b>	<b>730.2</b>	<b>728.8</b>	<b>1.4</b>	<b>(1.4)</b>	<b>0.0</b>

Note: Numbers may not add due to rounding.

Appendix 1 provides additional details and comments on operating variances by service area.

### Year-end Transfers to Reserves and Reserve Funds

The year-end surplus is recommended to transfer \$2.7 million to the Elections Reserve, and \$0.4 million to the Fiscal Stability Reserve. The transfer to the Elections reserve is recommended to ensure sufficient reserve funds are available for the 2026 election.

### UNCOLLECTIBLE WRITE-OFFS

#### Accounts Receivable

The Invoicing and Collections Policy (04-07-02) gives the City Manager the authority to write off uncollectible invoices under \$25,000 and requires the total amount to be reported to Council annually. In 2024, 6,591 invoices were issued, totalling \$30.8 million. Write-offs completed in 2024 for prior years' uncollectible invoices totalled \$153,179.00. Invoices are only written off after all avenues for collection have been exhausted, including adding invoices to the tax roll for collection (where authorized under legislation and/or by-laws), assigning to collection agencies and/or taking legal action. There were no write-offs greater than \$25,000 requiring Council approval in 2024.

#### Property Taxes

Section 354 of the *Municipal Act, 2001* allows municipalities to remove unpaid taxes from the tax roll if the Council of the local municipality approves the Treasurer's recommendation to write off the taxes as uncollectible.

Staff have determined that taxes billed on two properties are uncollectible and the balance of taxes, fees, and late payment charges should be written off. All collection efforts in accordance with the Collection of Outstanding Property Taxes Policy (04-02-03), have been exhausted,

including assignment to the Bailiff. Details of the properties, including the reason and amounts for write-off, are provided in Appendix 3.

## **RECONCILIATION BETWEEN OPERATING RESULTS AND 2024 FINANCIAL STATEMENTS**

The City's operating budget is developed as a spending control document to establish a property tax levy, as required under the *Municipal Act, 2001* (the "Act") on a modified accrual basis. Separately, the Act requires municipalities to prepare annual financial statements on an accrual basis of accounting in accordance with Public Sector Accounting Standards (PSAS). The main differences between these two bases include the inclusion of non-cash expenses and revenue that are included in the financial statements (but not in the budget), the elimination of transfers to-and-from reserve funds, and the inclusion of amortization in the financial statements (but not in the operating budget).

Although the City ended the year with a small surplus through the tax levy and stormwater funded operating budgets, on a full accrual basis, an annual surplus of \$725.7 million was realized, pending final external audit adjustments. This is mostly due to an increase in tangible capital assets assumed through the Lakeview and Brightwater sites.

## **TAX ADJUSTMENT APPLICATIONS AND CITY-INITIATED ASSESSMENT APPEALS**

The Assessment Appeal and Tax Adjustment Management Policy (04-02-08) requires annual reporting of the tax adjustment application and City-initiated assessment appeal activity. In 2024, 157 tax adjustment applications were processed, resulting in a tax reduction of \$1,227,539 in total taxes. The breakdown of the tax reduction is as follows:

City	\$334,674
Region	\$417,747
Province	\$474,170
BIA	\$948

The majority of tax reductions resulted from demolitions/fire and properties being unusable for a minimum three months. In 2024, staff filed 22 assessment appeals for properties either under assessed or classed incorrectly. Ten appeals have been resolved, resulting in an increase in total taxes of \$52,793, with the city portion being \$19,465. The other appeals remain active at the Assessment Review Board.

## **NEW REVENUE ACCOUNTING STANDARD**

Effective January 1, 2024, the City adopted a new accounting standard in alignment with Public Sector Accounting Standards. This standard establishes guidelines for the recognition and reporting of revenue and distinguishes between transactions with and without performance obligations. As a result, the timing of revenue recognition for certain streams, such as licences

and permits, have been adjusted. Revenue from exchange transactions will now be recognized when the City fulfills its performance obligations.

This standard has been implemented across all municipalities and is expected to significantly impact the timing of revenue recognition. The most substantial effects have been observed in Building Permit and Site Plan revenue. The City, like many municipalities, previously recognized this revenue on a cash basis upon collection. Under the new standard, revenue must be recognized as services and benefits are provided to the payor. Accordingly, the timing of Building Permit and Site Plan revenue recognition has shifted, beginning in 2024. Moving forward, all exchange transactions will be recognized as performance obligations are met.

The decrease in recognized revenue for 2024 will be offset by a corresponding increase in the City's deferred revenue balance. In subsequent years, as performance obligations are fulfilled, deferred revenue will be recognized accordingly. While the City will continue collecting Building Permit and Site Plan fees, the new standard governs the timing of when these collections can be recorded as revenue.

For the 2024 transition year, \$13.1 million in Building Permit revenue and \$5.5 million in Site Plan revenue was reclassified from User Charges to Deferred Revenue - General, pending the fulfillment of related performance obligations.

## **ANNUAL FINANCIAL STATEMENT FOR BUILDING PERMIT FEES**

The *Building Code Act, 1992* requires that financial reporting be prepared annually to provide information on the following matters:

1. Total fees collected (12-month period);
2. Direct costs of delivering services (review of permit applications and inspections of buildings);
3. Indirect costs of delivering services (support and overhead costs); and
4. The account balance for the Building Revenue Stabilization Reserve, as established by Council.

To comply with the *Building Code Act, 1992*, this segment of the Annual Financial Statement for Building Permit Fees has been prepared for 2024 based on unaudited information and is included as Appendix 2.

## **Financial Impact**

There are no financial impacts resulting from the recommendations of this report.

## Conclusion

Excluding Stormwater, the City ended the year with a surplus of \$3.1 million. This surplus is driven by higher tax penalties and interest revenue, Transit revenue and supplementary taxes, and was partially offset by the impacts of union labour negotiation settlements and the GTAA PILT revenue loss. The year-end surplus is recommended to be transferred to the Elections Reserve and the Fiscal Stability Reserve.

## Attachments

Appendix 1: Operating Budget Variance Details by Service Area

Appendix 2: 2024 Annual Financial Statement for Building Permit Fees

Appendix 3: Summary of Uncollectible Write-Offs



Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer

Prepared by: Wes Anderson, CPA, Manager, Business Planning and Financial Services

# Operating Budget Variance Details by Service Area (\$ Millions)

Appendix 1

## Fire & Emergency Services

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(13.2)	(8.3)	(4.8)	(36.7%)	Unfavourable revenue variance due to a reduction in the transfer from reserve required for sick leave payments (offset in Labour) and a reduction in the transfer from the Public Safety Fire Program Reserve Fund due to vacancies.
Other Operating Expenses	36.1	37.3	(1.2)	(3.4%)	Unfavourable variance due to inflation-related cost increases for maintenance parts and equipment.
Labour and Benefits	133.6	127.7	6.0	4.5%	Favourable variance driven by vacancies in Suppression, new hires at lower starting grades (and no seniority pay for those positions) and lower sick leave payments (offset in Revenue).
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>156.5</b>	<b>156.6</b>	<b>(0.1)</b>	<b>(0.0%)</b>	
Administrative and Support Costs	0.4	0.5	(0.0)	(8.0%)	
<b>Total Net Cost</b>	<b>157.0</b>	<b>157.1</b>	<b>(0.1)</b>	<b>(0.1%)</b>	

## Roads

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(21.7)	(21.5)	(0.1)	(0.6%)	Unfavourable variance due to a delay in switching Automated Speed Enforcement (ASE) from Provincial Offences Act (POA) to Administrative Penalty System (APS) (\$1.6M), lower POA revenue (\$1.5M) and lower parking revenue (\$1.1M), partially offset by a favourable variance driven by one-time development and engineering fees (Lakeview) \$1.7M, encroachment fee revenue \$1.4M and higher other recoveries \$1.1M.
Other Operating Expenses	71.0	72.5	(1.5)	(2.1%)	Unfavourable variance due to higher costs for cleaning and litter pick up, leaf pick up and waste bin pick up activities (\$1.9M), higher streetlighting utilities and maintenance expense due to increased prices for parts and aging equipment (\$0.9M) and winter maintenance (\$0.6M). Partially offset by lower transfer to reserve due to lower ASE and parking revenue \$1.7M.
Labour and Benefits	38.3	40.4	(2.1)	(3.4%)	Unfavourable variance due to labour recovery from capital by capital works delivery and moving chargeback recovery from a percentage-based allocation to time-tracking (\$1.1M), collective agreement changes (\$0.6M) and non-complement positions and lower capital recoveries (\$0.4M).
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>87.6</b>	<b>91.3</b>	<b>(3.7)</b>	<b>(4.2%)</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>87.6</b>	<b>91.3</b>	<b>(3.7)</b>	<b>(4.2%)</b>	

# Operating Budget Variance Details by Service Area (\$ Millions)

Appendix 1

## Transit

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(105.4)	(113.6)	8.2	7.8%	Favourable variance mostly driven by increased ridership \$4.3M, fare increase \$3.5M, insurance claim credits and bus write-offs \$0.5M. Partially offset by unfavourable variance for lower recoveries from Metrolinx for Light Rapid Transit (\$0.4M).
Transfers from Reserve	(18.9)	(21.4)	2.5	13.4%	Favourable variance driven by an increase in transfer from the Provincial Gas Tax reserve.
Other Operating Expenses	73.2	70.8	2.3	3.2%	Favourable diesel price variance budget \$1.35/litre vs. 2024 average price of \$1.20/litre \$2.3M, savings due to ongoing replacement of diesel buses with hybrid buses \$1.7M, and lower utility costs \$0.8M. Partially offset by significant changes in fleet structure (hybrid/diesel), part supply/demand, price increases and new maintenance initiatives (\$2.0M), and higher PRESTO commissions driven by increased fare-box revenue (\$0.4M).
Labour and Benefits	165.5	170.6	(5.1)	(3.1%)	Unfavourable variance mainly due to Transit Operators and Mechanics ATU contract renewal and higher overtime for operators and mechanics.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>114.4</b>	<b>106.4</b>	<b>8.0</b>	<b>7.0%</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>114.4</b>	<b>106.4</b>	<b>8.0</b>	<b>7.0%</b>	

## Parks, Forestry & Environment

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(6.4)	(7.9)	1.5	23.0%	Favourable variance driven by increased marina and fuel revenue, sport field permits, and engineering subdivision applications for Forestry.
Other Operating Expenses	18.2	20.6	(2.4)	(13.3%)	Unfavourable variance due to increases in operating costs (fuel, communication, occupancy, vehicle rental and contractor) and increased material costs (due to inflation).
Labour and Benefits	34.5	35.8	(1.4)	(3.9%)	Unfavourable variance due to increased temporary staff and backfills, partially offset by full-time vacancies and increased capital chargebacks.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>46.2</b>	<b>48.5</b>	<b>(2.3)</b>	<b>(5.0%)</b>	
Administrative and Support Costs	(0.0)	0.0	(0.0)	(100.0%)	
<b>Total Net Cost</b>	<b>46.2</b>	<b>48.5</b>	<b>(2.3)</b>	<b>(5.0%)</b>	

# Operating Budget Variance Details by Service Area (\$ Millions)

Appendix 1

## Mississauga Library

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(2.5)	(2.4)	(0.0)	(1.6%)	
Other Operating Expenses	11.7	10.9	0.8	6.8%	Favourable variance driven by the timing related to technology license and maintenance costs.
Labour and Benefits	24.7	26.2	(1.5)	(6.0%)	Unfavourable variance due mainly to retroactive adjustment for the union collective agreement settlements and temporary staff backfills.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>33.9</b>	<b>34.7</b>	<b>(0.7)</b>	<b>(2.1%)</b>	
Administrative and Support Costs	0.1	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>34.0</b>	<b>34.7</b>	<b>(0.7)</b>	<b>(2.0%)</b>	

## General Government

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(16.8)	(19.1)	2.3	13.4%	Favourable variance driven mainly from transfer from reserves to offset expenses related to the 2024 elections (offset in Other Operating Expenses).
Other Operating Expenses	10.9	13.0	(2.1)	(19.6%)	Unfavourable variance due to expenses related to 2024 mayoral election (offset by transfer from reserves in Revenue) and higher external legal services costs. Partially offset by lower marketing expenses and contractor and professional services expenses.
Labour and Benefits	64.2	65.3	(1.2)	(1.8%)	Unfavourable variance due mainly to additional resources required to meet business needs in Human Resources (\$1.6M), partially offset by full-time vacancies and salary differential for replacement hires.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>58.3</b>	<b>59.3</b>	<b>(1.0)</b>	<b>(1.8%)</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>58.3</b>	<b>59.3</b>	<b>(1.0)</b>	<b>(1.8%)</b>	



# Operating Budget Variance Details by Service Area (\$ Millions)

Appendix 1

## Facilities & Property Management

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(0.4)	(0.5)	0.1	31.7%	Favourable variance driven by increased revenue from room rentals, Sheridan College daycare rental revenue and provincial energy incentive payments.
Other Operating Expenses	16.3	17.8	(1.5)	(9.3%)	Unfavourable variance due to increased maintenance demands for aging infrastructure and various structural repairs, partially offset by savings in utilities due to lower natural gas and electricity rates and reduction in demand for third-party guard services.
Labour and Benefits	18.5	18.8	(0.2)	(1.3%)	Unfavourable variance due to backfilling of vacancies with contract staff.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>34.4</b>	<b>36.1</b>	<b>(1.6)</b>	<b>(4.8%)</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>34.4</b>	<b>36.1</b>	<b>(1.6)</b>	<b>(4.8%)</b>	

## Recreation & Culture

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(66.4)	(63.1)	(3.3)	(5.0%)	Unfavourable variance due to facility closures, partially offset by increased demand in golf and aquatics programs.
Other Operating Expenses	47.1	43.0	4.1	8.8%	Favourable variance mainly driven by savings in utilities, materials and supplies for resale, and reduced transfer to reserve due to facility closures.
Labour and Benefits	63.2	64.0	(0.8)	(1.3%)	Unfavourable variance due to budgeted labour savings from facility closures offset by a full-time labor surplus, mainly driven by vacancies and salary differences for replacement hires.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>43.9</b>	<b>43.9</b>	<b>0.0</b>	<b>0.0%</b>	
Administrative and Support Costs	(0.5)	(0.5)	(0.0)	(1.1%)	
<b>Total Net Cost</b>	<b>43.5</b>	<b>43.5</b>	<b>0.0</b>	<b>0.0%</b>	

## Operating Budget Variance Details by Service Area (\$ Millions)

Appendix 1

### Information Technology

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(1.2)	(1.3)	0.1	9.9%	Favourable variance driven by higher TXM revenue.
Other Operating Expenses	13.2	13.3	(0.1)	(0.7%)	
Labour and Benefits	27.1	26.9	0.2	0.6%	
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>39.1</b>	<b>38.9</b>	<b>0.2</b>	<b>0.5%</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>39.1</b>	<b>38.9</b>	<b>0.2</b>	<b>0.5%</b>	

### Planning & Building

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(18.5)	(17.5)	(1.0)	(5.2%)	Unfavourable variance due to reclassification of building permit and site plan revenue to deferred revenue, based on new accounting standards.
Other Operating Expenses	3.2	2.5	0.7	22.1%	Favourable variance mainly driven by advertising, promotions, and miscellaneous expenses.
Labour and Benefits	27.2	26.8	0.4	1.6%	Favourable variance mainly due to staff vacancies and higher labour recovery from capital projects.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>11.9</b>	<b>11.8</b>	<b>0.2</b>	<b>1.4%</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>11.9</b>	<b>11.8</b>	<b>0.2</b>	<b>1.4%</b>	

### Mayor & Members of Council

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(0.0)	(0.0)	0.0	1.2%	
Other Operating Expenses	0.8	0.6	0.1	14.6%	Favourable variance mainly driven by staffing changes.
Labour and Benefits	4.7	4.2	0.4	9.3%	Favourable variance mainly driven by staffing changes.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>5.4</b>	<b>4.8</b>	<b>0.5</b>	<b>10.1%</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>5.4</b>	<b>4.8</b>	<b>0.5</b>	<b>10.1%</b>	

# Operating Budget Variance Details by Service Area (\$ Millions)

Appendix 1

## Regulatory Services

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(17.6)	(20.3)	2.7	15.4%	Favourable variance driven by Transportation Network Companies (TNC) licensing \$1.6M, compliance (Ontario Lottery Gaming) \$0.5M, parking \$0.2M, mobile licensing \$0.2M and reactive portion of Property Standards program \$0.1M.
Other Operating Expenses	3.3	5.5	(2.2)	(65.9%)	Unfavourable variance due to the transfer of the TNC favorable surplus to the Fiscal Stability Reserve.
Labour and Benefits	17.6	18.5	(0.8)	(4.7%)	Unfavourable variance driven by lower than budgeted chargeback to capital projects.
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>3.3</b>	<b>3.6</b>	<b>(0.3)</b>	<b>(8.6%)</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>3.3</b>	<b>3.6</b>	<b>(0.3)</b>	<b>(8.6%)</b>	

## Corporate Transactions

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(172.3)	(172.2)	(0.1)	(0.1%)	Unfavourable variance mostly due to GTAA PILT revenue losses (based on 2022 passenger counts), partially offset by higher Municipal Accommodation Tax (MAT) revenue (offset in Other Operating Expenses).
Other Operating Expenses	208.1	195.7	12.4	6.0%	Favourable variance driven by lower debt principal and interest due to later issuance \$13.9M, assessment appeals \$2.2M and lower insurance claims and premiums \$1.1M. Partially offset by higher transfer to reserves, mostly due to replenishment of the elections reserve and higher transfers to MAT and Tourism reserves due to higher MAT revenue collected (\$8.4M).
Labour and Benefits	11.0	19.4	(8.4)	(76.2%)	Unfavourable variance mostly due to accrual of outstanding labour negotiations, including unfavourable WSIB claims versus budget..
<b>Total Net Cost Before Administrative and Support Costs</b>	<b>46.8</b>	<b>42.9</b>	<b>3.9</b>	<b>8.4%</b>	
Administrative and Support Costs	0.0	0.0	0.0	0.0%	
<b>Total Net Cost</b>	<b>46.8</b>	<b>42.9</b>	<b>3.9</b>	<b>8.4%</b>	
<b>Reserve Transfers</b>		<b>3.1</b>	<b>(3.1)</b>		
<b>Total Tax Levy Funded</b>	<b>682.0</b>	<b>682.0</b>	<b>0.0</b>	<b>0.0%</b>	

# Operating Budget Variance Details by Service Area (\$ Millions)

## Appendix 1

Item	2024 Budget	2024 Year-End Actuals	Year-End Variance		Comments and Action Plan
			\$ Surplus/(Deficit)	% of Budget	
Revenue	(0.1)	(1.7)	1.6	1261.5%	Favourable variance driven by transfer from the Capital Reserve Fund to offset higher Other Operating Expenses.
Stormwater Exemptions and Credits and Other Fees	1.5	1.2	0.2	16.8%	Favourable variance driven by fewer applications for technical exemptions and fewer exemptions being renewed.
Other Operating Expenses	42.2	43.9	(1.7)	-4.0%	Unfavourable variance due to increased number of applications for sump pump subsidies and higher contractor expenses related to aging infrastructure and work related to flooding events.
Labour and Benefits	4.7	4.8	(0.1)	-2.8%	Unfavourable variance due to lower recovery of labour to capital and higher Stormwater chargebacks from other City service areas.
<b>Total Net Cost</b>	<b>48.3</b>	<b>48.3</b>	<b>0.0</b>	<b>0.0%</b>	
<b>Total Stormwater Charge Funded</b>	<b>48.3</b>	<b>48.3</b>	<b>0.0</b>	<b>0.0%</b>	
<b>Total City</b>	<b>730.2</b>	<b>730.2</b>	<b>0.0</b>	<b>0.0%</b>	

Note: Numbers may not add due to rounding.

## Appendix 2

City of Mississauga		
2024 Annual Financial Statement for Building Permit Fees		
	2024 Actual Results	2023 Actual Results
<b>Revenues</b>		
Building Revenues	\$10,265,743	\$13,817,890
<b>Expenditures</b>		
Direct Costs <sup>1</sup>	\$10,325,662	\$9,926,148
Semi-Direct Costs <sup>2</sup>	\$6,070,074	\$5,629,848
Indirect Costs <sup>3</sup>	\$1,993,165	\$1,847,289
Total Expenditures	\$18,388,902	\$17,403,285
Operational Surplus / (Deficit)	(\$8,123,159)	(\$3,585,395)
<b>Building Revenue Stabilization Reserve<sup>4</sup></b>		
Opening Balance	\$28,347,770	\$27,990,547
Transfers	(\$15,862,480)	\$357,223
Ending Balance	\$12,485,290	\$28,347,770
<b>Development Revenue Reserve</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup>Direct costs are based on the administration and enforcement of the Act including the review of applications for permits and inspection of buildings. These costs include a portion of labour associated to Building admin, planning examiners, zoning, inspection services, business & customer services as well as operating expenses such as mileage, licenses, professional services etc.

<sup>2</sup>Semi-direct costs are based on the administration and enforcement of permits and inspection of buildings performed by other city services outside the Building Division. These costs include a portion of labour for fire inspection services and development engineering. Operating expenses such as mileage.

<sup>3</sup>Indirect costs are based on the administration and enforcement of building permits completed by other corporate city services. These costs include labour from departments such as Finance, HR/Payroll, Purchasing, Legal, IT and audit.

<sup>4</sup>Building Revenue Stabilization Reserve transferred \$12.7M to the city's Fiscal Stability Reserve. The remaining \$3.1M transfer relates to an adjustment to offset temporary shortfalls due to the timing of revenue recognition and will be reversed at a later date.

### Appendix 3

#### Summary of Uncollectible Write-Offs

Roll No.	Ward	Address	Tax Year(s)	Amount
05-04-0-116-22371	5	5500 ROSE CHERRY PL	2020–2021	\$571.47

Municipal Property Assessment Corporation (MPAC) incorrectly assessed this property to include a billboard. This has been corrected through the appeal process as of the 2022 tax year. However, the legislative deadlines have passed to correct 2021 and prior years. The taxes, fees, and late payment charges should be written off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-04-0-117-01430	5	6355 KENNEDY RD	2017	\$41,721.86

This is the parent roll for a condominium that was registered in 2016. The account was expired as of January 1, 2019. Information provided by MPAC to apportion the taxes owing for 2017 to the individual condominium units was incorrect and not corrected within the legislative deadlines to apportion these taxes. All collection efforts have been exhausted. The balance of taxes, fees, and late payment charges should be written off.

The total breakdown of the property taxes being written off is as follows:

	5500 ROSE CHERRY PL	6355 KENNEDY RD	TOTAL
City	\$132.75	\$8,757.99	\$8,890.74
Region	\$164.87	\$11,380.79	\$11,545.66
Province	\$273.85	\$21,583.08	\$21,856.93
Total	\$571.47	\$41,721.86	\$42,293.33