

# 2021 Forecast and 2022 Preliminary Budget Overview

Preliminary Information for Budget Committee  
June 21, 2021

# Agenda

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- 2021 Financial Projection
  - 2022 Budget Overview
  - 2022 COVID Impact Update
  - Budget Engagement
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# 2021 Financial Forecast

Preliminary Information

# 2021 Forecast – Direct COVID Impact

Driver	Best Case	Anticipated	Worse Case
<b>DIRECT COVID IMPACT</b>			
MiWay - net impact	(37,216.3)	(41,042.0)	(45,245.0)
Recreation - revenue loss	(34,153.5)	(36,553.5)	(39,203.5)
Culture - revenue loss	(4,891.6)	(5,303.1)	(5,717.6)
POA-related revenues	(4,260.0)	(4,260.0)	(4,260.0)
Administration Penalty (APS) Fees	(3,600.0)	(4,000.0)	(4,400.0)
LAC revenues	(3,292.1)	(3,559.1)	(3,870.5)
MAT - loss of revenues	(1,650.0)	(2,650.0)	(3,900.0)
PPE, Cleaning, Social Distancing costs	(2,915.5)	(3,040.5)	(3,190.5)
Parks - reduced parks & marina rental	(1,417.5)	(1,417.5)	(1,658.2)
Reduced parking revenues / bylaw fines	(1,400.9)	(1,400.9)	(1,400.9)
TNC licensing fees	(1,170.0)	(1,300.0)	(1,430.0)
Enforcement - licensing revenue shortfalls	(893.7)	(993.0)	(1,092.3)
Library - revenues	(880.3)	(899.7)	(909.9)
Licensing fee refunds	(610.0)	(610.0)	(610.0)
Other various impacts	(221.6)	(408.4)	(560.2)
<b>DIRECT COVID IMPACT</b>	<b>(98,573.1)</b>	<b>(107,437.8)</b>	<b>(117,448.7)</b>

# 2021 Forecast – Year-End Position

Driver	Best Case	Anticipated	Worse Case
<b>DIRECT COVID IMPACT</b>	(98,573.1)	(107,437.8)	(117,448.7)
<b>MITIGATING ACTIONS TAKEN BY CITY</b>			
Temporary staffing savings	20,145.5	20,688.9	21,258.6
Recreation - reduced operations	3,958.6	4,128.6	4,298.6
Utility savings (closed facilities)	3,483.4	3,393.4	3,303.4
Culture - reduced operations	3,125.6	3,125.6	3,125.6
MAT - reduced contribution to RF	1,650.0	2,650.0	3,900.0
LAC expenses	1,583.5	1,825.2	2,172.2
Other non-salary expenditure impacts (COVID)	2,886.8	3,066.5	3,106.2
Permanent staffing savings	2,868.4	2,522.2	2,449.2
Discretionary savings to help mitigate costs	463.7	462.5	456.3
	40,165.5	41,862.8	44,070.1
<b>BUSINESS AS USUAL VARIANCES</b>			
Base gapping (BAU)	7,655.4	7,655.4	7,655.4
Building permit / Planning application revenues	2,000.0	2,750.0	3,500.0
Various expenditure / revenue impacts	854.7	(1,227.2)	(4,543.1)
Minor salary variances	(1,248.3)	(1,198.3)	(1,148.3)
Reserve entries (offsetting actuals)	665.9	925.9	1,812.9
	9,927.6	8,905.7	7,276.8
<b>NET SURPLUS / (DEFICIT)</b>	<b>(48,480.0)</b>	<b>(56,669.2)</b>	<b>(66,101.7)</b>

# Transit – Safe Restart Funding

TRANSIT PORTION	Funding Allocation	2020 Year-End Position	Funding After 2020 Year-End	2021 Projection (Anticipated)	Funding After 2021 Year-End
Year-End Position <b>before Safe Restart</b> - Surplus / (Deficit)		(35,060.2)		(36,769.0)	
Safe Restart Transit, Phase 1	31,086.1	31,086.1	(0.0)	n/a	n/a
Safe Restart Transit, Phase 2 *	38,886.3	3,974.1	34,912.2	19,784.6	15,127.6
Safe Restart Transit, Phase 3, announced in 2020	<u>30,393.1</u>	<u>0.0</u>	<u>30,393.1</u>	<u>16,984.4</u>	<u>13,408.7</u>
<b>Total Safe Restart Transit funding</b>	<b>100,365.5</b>	<b>35,060.2</b>	<b>65,305.3</b>	<b>36,769.0</b>	<b>28,536.3</b>
Year-End Position <b>after Safe Restart</b> - Surplus / (Deficit)		0.0		0.0	

\* Current Provincial rules indicate funding can only be used up to March 31, 2021

# Non-Transit – Safe Restart Funding

NON-TRANSIT PORTION	Funding Allocation	2020 Year-End Position	Funding After 2020 Year-End	2021 Projection (Anticipated)	Funding After 2021 Year-End
Year-End Position <b>before Safe Restart / 2021 Recovery Funding</b> - Surplus / (Deficit)		(20,473.1)		(19,900.2)	
Safe Restart Municipal, Phase 1	14,997.1	14,997.1	0.0	n/a	n/a
Safe Restart Municipal, Phase 2	9,676.0	5,476.0	4,200.0	4,200.0	0.0
Safe Restart Municipal, additional funding, announced in 2020	11,292.0	0.0	11,292.0	11,292.0	0.0
2021 COVID-19 Recovery Funding for Municipalities ^	<u>20,260.0</u>	<u>0.0</u>	<u>20,260.0</u>	<u>4,408.2</u>	<u>15,851.8</u>
<b>Total Safe Restart / 2021 Recovery Funding</b>	56,225.1	20,473.1	35,752.0	19,900.2	15,851.8
Year-End Position <b>after Safe Restart / 2021 Recovery Funding</b> - Surplus / (Deficit)		0.0		0.0	
Unused Recovery Funding can be used for 2022 pressures					<b>15,851.8</b>

^ letter provided March 4, 2021; subject to confirmation that this is net-new money in addition to additional funding announced in 2020



# 2022 Preliminary Budget Overview



# Economic Update

- COVID impacts have made forecasting difficult
- 2021 federal deficit is estimated at \$400 billion; 2021-2022 Ontario deficit is estimated at \$41 billion

Consumer Price Index, including Energy - 2021				Consumer Price Index, excluding Energy - 2021			
Period	Canada	Ontario	Toronto	Period	Canada	Ontario	Toronto
<b>Year to date</b>	1.9%	1.9%	1.4%	<b>Year to date</b>	1.3%	1.3%	N/A
<b>Jan</b>	1.0%	1.1%	0.8%	<b>Jan</b>	1.3%	1.5%	N/A
<b>Feb</b>	1.1%	1.1%	0.9%	<b>Feb</b>	1.0%	1.2%	N/A
<b>Mar</b>	2.2%	2.2%	1.7%	<b>Mar</b>	1.1%	1.2%	N/A
<b>Apr</b>	3.4%	3.3%	2.4%	<b>Apr</b>	1.6%	1.6%	N/A

- Unemployment Rate
  - Canada - 8.1%, Ontario - 9.0%
- Mississauga 2021 10-year borrowing rates are expected to average between 1.5% and 2.25%



# 2022 Budget Building

Infrastructure Levy	2.0%
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Public Safety Fire Program	1.0%
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Normal Operations (net of assessment growth)	1.2%
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New Initiatives	0.0%
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Forecasted 2022 Operating Budget	4.2%
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Tax Rate  
Impact

1.5% on City's Portion

# 2022 Budget Building: Offsetting Pressures



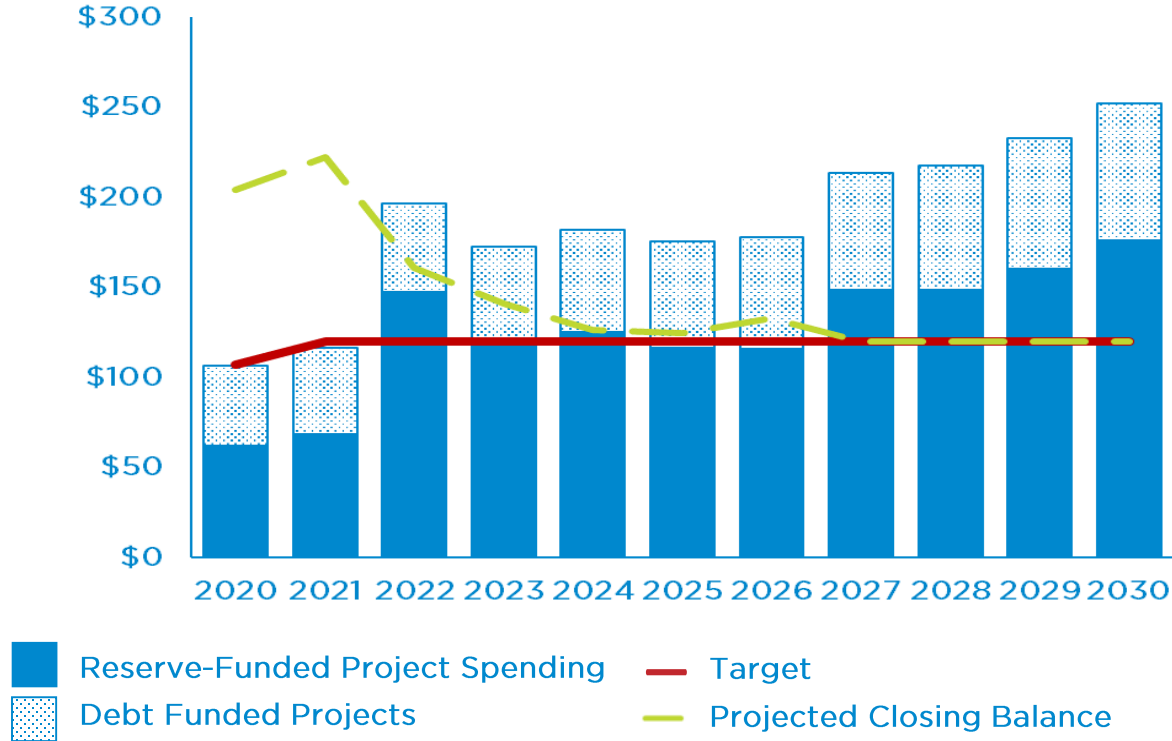
- \$5.1 M budget savings achieved through efficiencies which translates into (0.9%).
- Limit new initiatives to 0.05% which was forecasted to be 0.5% last year
- Revenues including user fees reviewed and increased incrementally by \$1.3 M which assisted in reducing the Tax Levy pressure
- Various Lease savings of \$0.5 M in 2022 and \$0.9 M in 2023.

# Maintaining the Capital Infrastructure & <sup>5.1</sup> Debt Repayment Levy

- Keeps our foundation strong
- Affords the opportunity to balance infrastructure improvement, replacement and affordability
- Ensures Tax Capital Reserve Fund at or about target
- Investment in infrastructure makes Mississauga a great place to live

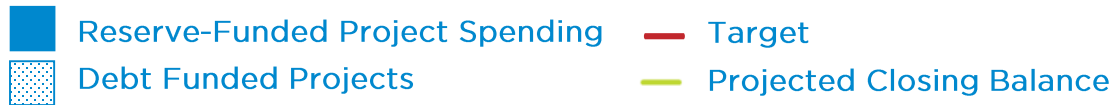
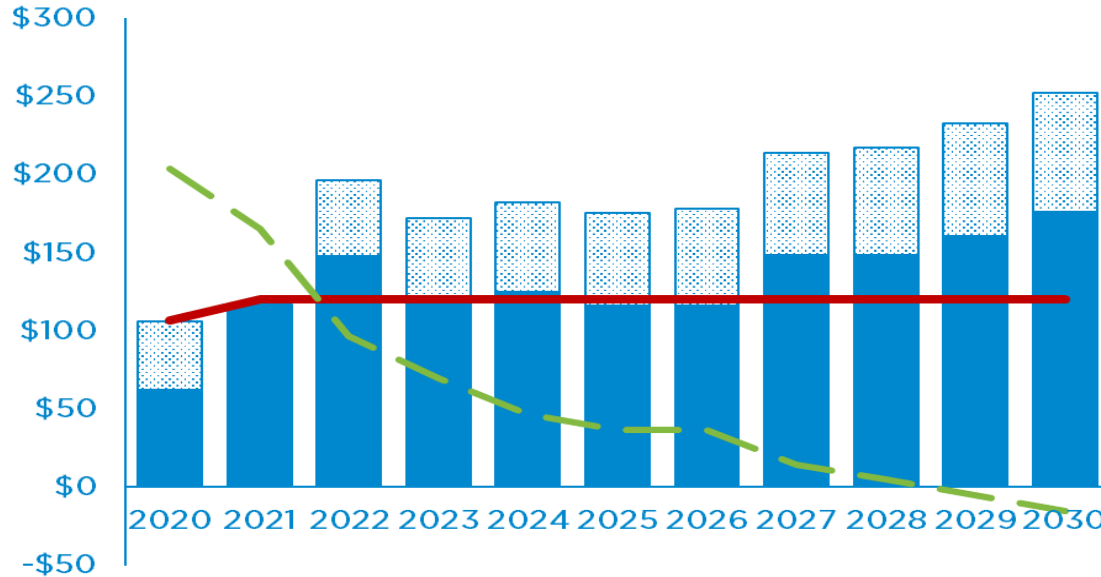
# 2022 Budget Building: Infrastructure Levy 2%

Tax Capital  
With 2% Levy

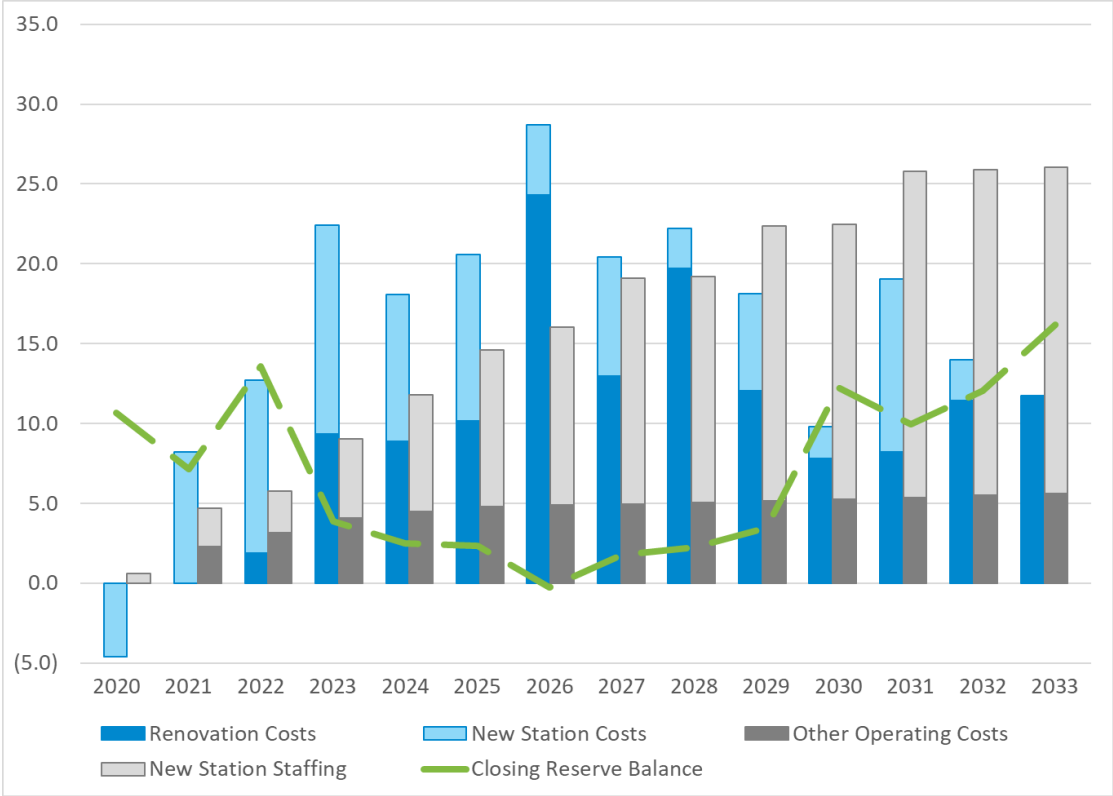


# 2022 Budget Building: Infrastructure Levy 2%

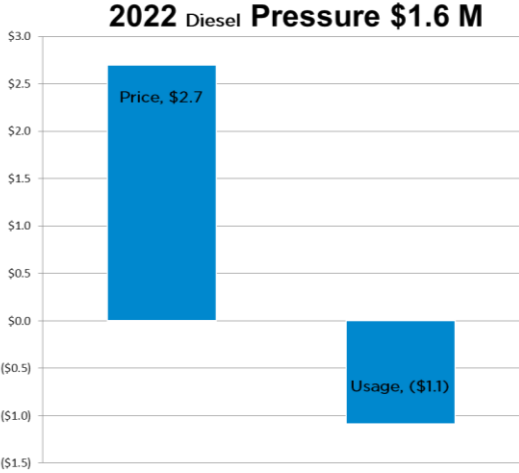
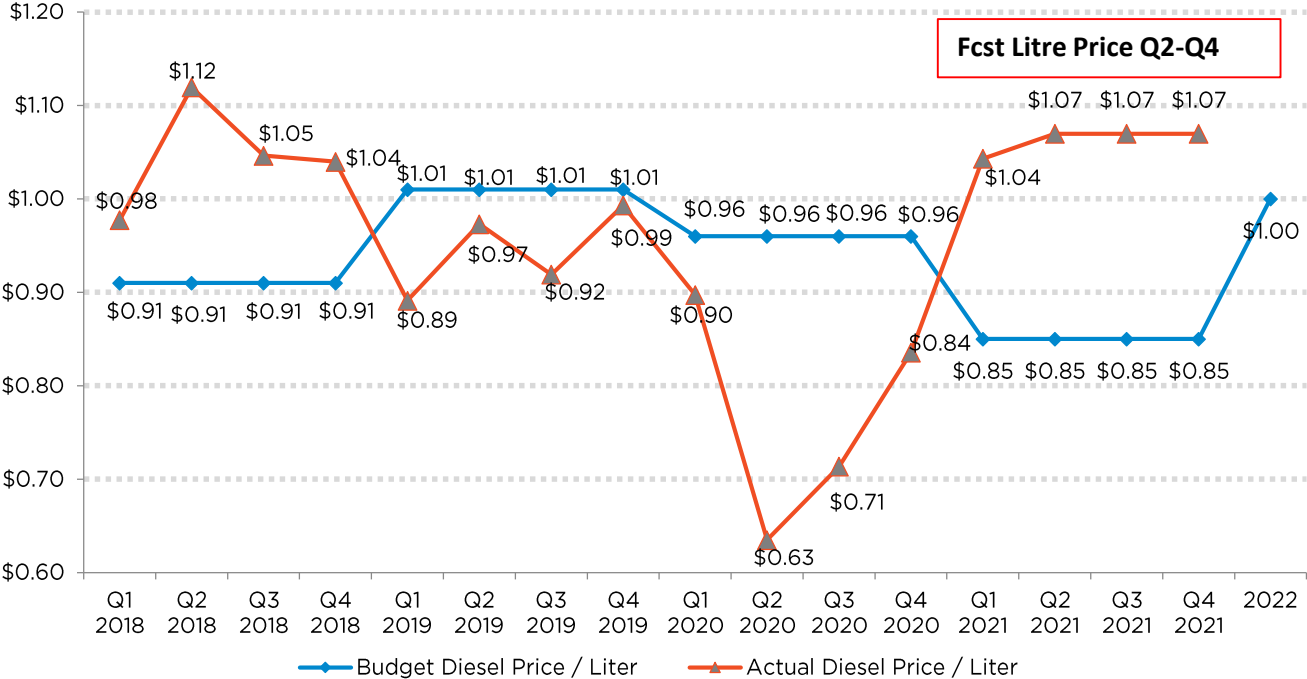
Tax Capital  
Without 1 Year of Levy



# 2022 Budget Building: Public Safety Reserve Fund 1%



# 2022 Budget Building: Diesel Pressure





# 2022 Budget Building: 4 Year Projection\*

	2022	2023	2024	2025
Budget Increase	4.2%	6.3%	5.8%	5.0%
Residential Tax Impact	1.5%	2.3%	2.1%	1.8%
Commercial Tax Impact	0.9%	1.4%	1.3%	1.1%

\*Projection excluding GTAA PILTs Revenue

# Stormwater Proposed Rate

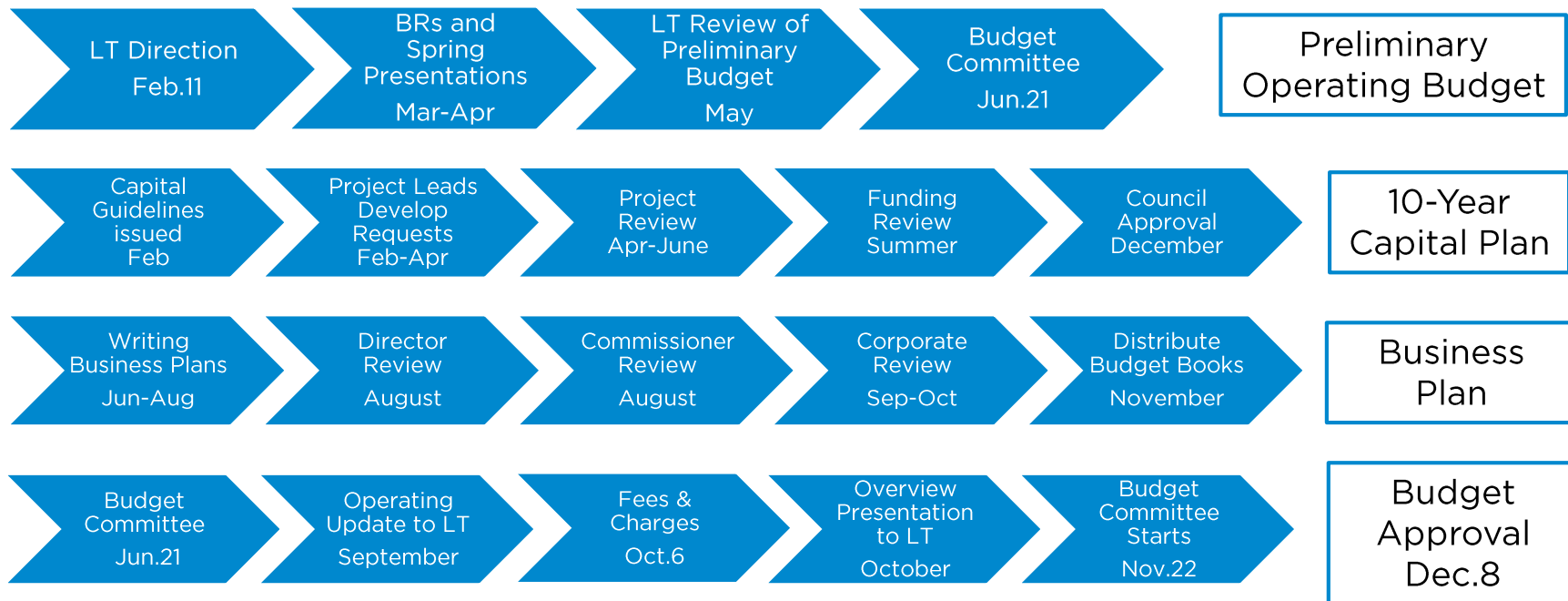
## Stormwater Rate

Amount of money per billing unit charged over a one year period

2017	2018	2019	2020	2021	2022
\$102.0	\$104.0	\$106.1	\$108.2	\$110.4	\$113.4 *

\* Implementation date: April 1, 2022

# 2022 Budget Timeline



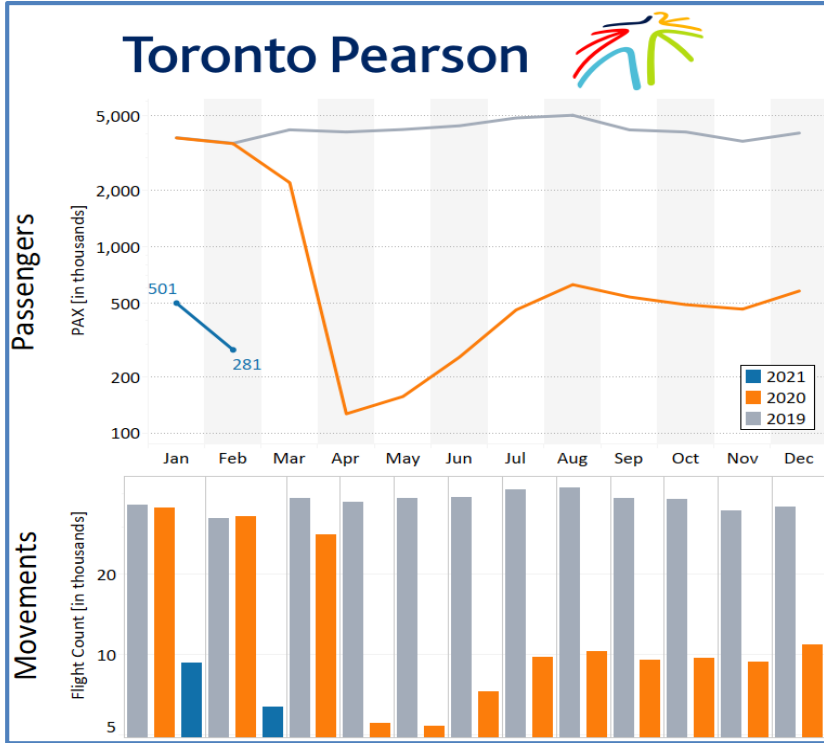
\*Region of Peel Budget Dates: November 25<sup>th</sup>, December 2<sup>nd</sup>, 9<sup>th</sup>, and 16<sup>th</sup>



# 2022 COVID Impact Update

Preliminary Information

# 2022 Budget Building: GTAA PILTS Trend



**\$21.6 M PILT Loss for 2022**

*For the period ended March 31*

	2021	2020	Change	
Passenger Activity				
Domestic	0.6	3.1	-2.5	-81.9%
International	0.5	6.5	-6	-92.3%
<b>Total</b>	<b>1.1</b>	<b>9.6</b>	<b>-8.5</b>	<b>-88.8%</b>

*Source (GTAA 2021 first quarter results May 12, 2021)*

# 2022-2025 COVID Pressures - Transit

TRANSIT PRESSURES (\$000s)	Available Funding	2021 (Anticipated)	2022 Outlook	2023 Outlook	2024 Outlook	2025 Outlook
<b>Anticipated Transit Pressures</b>		(36,769.0)	(27,800.0)	(11,000.0)	0.0	0.0
Safe Restart Transit Phase 2 (available to March 31/2021)	34,912.2	19,784.6	n/a	n/a	n/a	n/a
Safe Restart Transit, Phase 3, announced in 2020	30,393.1	16,984.4	13,408.7	n/a	n/a	n/a
<b>Remaining Pressure *</b>		0.0	(14,391.3)	(11,000.0)	0.0	0.0

\* remaining pressure to be managed through a combination of Provincial / Federal funding, use of reserves or tax increase

# 2022-2025 COVID Pressures – Non-Transit

NON-TRANSIT PRESSURES (\$000s)	Available Funding	2021 (Anticipated)	2022 Outlook	2023 Outlook	2024 Outlook	2025 Outlook
2021 projected variance		(19,900.2)				
Recreation shortfalls (COVID echo)		n/a	(1,200.0)	0.0	0.0	0.0
PILT revenue loss		n/a	(21,600.0)	(23,900.0)	(23,600.0)	(23,300.0)
<b>Anticipated Non-Transit Pressures</b>		(19,900.2)	(22,800.0)	(23,900.0)	(23,600.0)	(23,300.0)
Safe Restart Municipal, Phase 2	4,200.0	4,200.0	n/a	n/a	n/a	n/a
Safe Restart Municipal, add'l funding, announced in 2020	11,292.0	11,292.0	n/a	n/a	n/a	n/a
2021 COVID-19 Recovery Funding for Municipalities	20,260.0	4,408.2	15,851.8	n/a	n/a	n/a
<b>Remaining Pressure *</b>		0.0	(6,948.2)	(23,900.0)	(23,600.0)	(23,300.0)

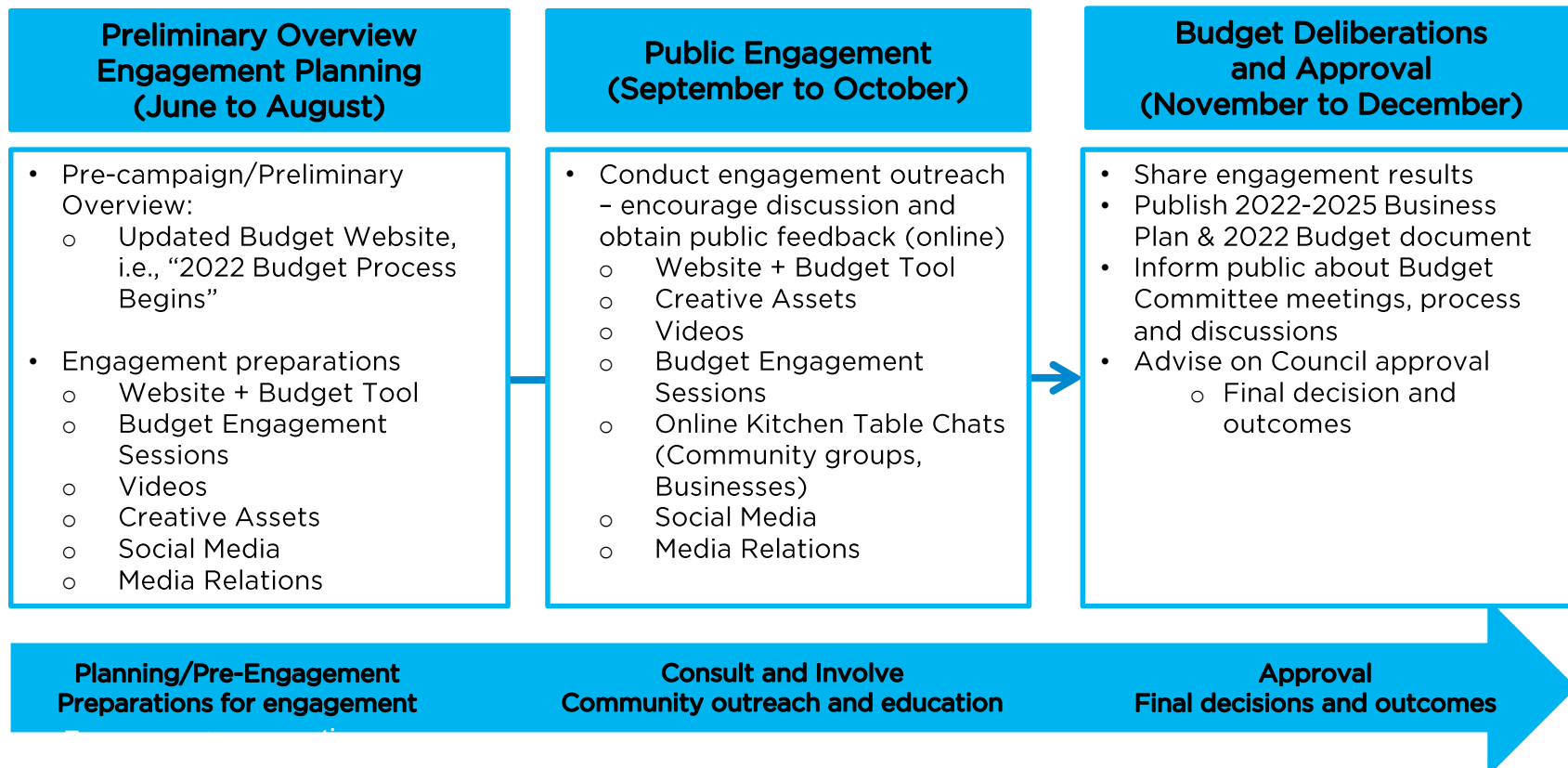
\* remaining pressure to be managed through a combination of Provincial / Federal funding, PILT relief, use of reserves or tax increase

# 2022 Budget Engagement

Preliminary Information



# 2022 Budget Engagement



Thank you