

City of Mississauga Corporate Report



8.12

Date: September 15, 2021

To: Chair and Members of Budget Committee

From: Shari Lichterman, CPA, CMA, Commissioner of
Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:
October 6, 2021

Subject

Financial Report as at June 30, 2021

Recommendation

1. That the "Financial Report as at June 30, 2021" dated September 15, 2021, from, the Commissioner of Corporate Services and Chief Financial Officer, including appendices 1 to 3, be approved;
2. That the Treasurer be authorized to fund and close the capital projects as identified in this report;
3. That 5 new projects with a gross and net budget totalling \$2,237,603.12 be created and funded. These projects include PN21268 - New Fire Station 125 - Tenth Line and Battleford - Design and Construction, PN21110 - Mavis South Sign Shop & Buildings Renos, PN21489 - Public Art Installations, PN21404 Ward 9 Park Improvements, PN21562 – MAX;
4. That a new Reserve Fund entitled "Tax-Funded Planning and Studies" (#33122) be created to fund various studies such as master plans and other action plan;
5. That the necessary by-laws be enacted.

Executive Summary

Operating Summary, excluding Stormwater

As of June 30, 2021, the City is forecasting an operating shortfall of \$64.5 million or 6.7 per cent of the gross operating budget. Funding from the Safe Restart and COVID-19 Recovery Funding for Municipalities funding programs is sufficient to offset this anticipated shortfall, resulting in a forecast zero variance for 2021.

Capital Summary, excluding Stormwater

Recommended adjustments to the capital program will result in a revised net capital program of \$1,473.8 million to 972 active projects.

- 85 projects are recommended for closure
- \$4 million is being returned to various reserve funds

Stormwater Financial Summary

Operating Summary:

As of June 30, 2021, the Stormwater operating program is forecasting a year-end favourable variance in the amount of \$1.1 million due to lower exemption/credit applications including declines in subsidy applications for the sump pump program. Any surplus at year-end will be transferred to the Stormwater Pipe Reserve Fund.

Further details are provided in Appendix 1-2, Revenue Charge and Operating Details for Stormwater.

Capital Summary:

Recommended adjustments to the capital program will result in a revised net capital program of \$141.7 million with 98 active projects. 6 projects are recommended for closure. \$5.1 million is being returned to the Reserve Funds.

Background

In accordance with the Budget Control By-law, the Finance Division provides Council with a review of the City's financial position a minimum of two times a year. This report covers information related to Operating Program variances, the status of Capital Works-In-Progress, and the status of Infrastructure Funding Programs including Ward-Specific projects established since 2019.

Comments

This report summarizes:

Part 1 – Operating Forecast

Part 2 – Capital Status

Part 3 – Stormwater Financial Summary

Part 4 – Municipal Accommodation Tax

Part 5 – Ward-Specific Projects

Part 6 – Housekeeping

Engagement and Consultation

- Finance acknowledges the contribution of all Service Areas for providing detailed operating variance explanations, Legal services for By-law review and enactments and the various Capital Project managers to assist with the capital highlights

Financial Impact

PART 1: OPERATING RESULTS AS AT JUNE 30, 2021

Mississauga, as part of the Region of Peel, was given the green light to enter Stage 3 of Ontario's framework for reopening our Province in July. This was exciting news for our businesses and communities including opening the doors to our residents who have been looking forward to using our City facilities, libraries, community centres, playgrounds and more. As we welcome our residents and visitors back, our year-end forecast reflects the impacts felt due to restrictions on facilities and capacity limits imposed by the province.

As we look beyond into the fall we look forward to further safe reopening with restrictions partially or entirely lifted accompanied by clear provincial guidance and improved economic strengthening.

Based on actual results as at June 30, 2021, staff forecast the City will end the year with an anticipated shortfall of \$64.5 million or 6.7 per cent of the gross budget. Thanks to the Federal and Provincial support in the form of Safe Restart and COVID-19 Recovery Funding for Municipalities, which is expected to offset this anticipated shortfall. Table 1 summarizes the forecasted Year-End operating budget variances by Service Area, and identifies how these are anticipated to be managed using Safe Restart funding. The major areas of variance from the budget are highlighted below, with further details provided in Appendix 1-1 Operating Details by Service Area.

Table 1. City of Mississauga Operating Budget - Year-End Position (\$Ms)

| Service Area | Net Budget | Year-End Position Before Safe Restart Funding | Surplus / (Deficit) - Before Safe Restart Funding | Safe Restart Funding | Surplus / (Deficit) - After Safe Restart Funding |
|----------------------------------|--------------|---|---|----------------------|--|
| MiWay | 84.8 | 127.5 | (42.8) | 42.8 | 0.0 |
| Recreation | 29.9 | 37.7 | (7.7) | 0.0 | (7.7) |
| Regulatory Services | 0.8 | 7.4 | (6.6) | 0.0 | (6.6) |
| Culture | 6.0 | 8.7 | (2.7) | 0.0 | (2.7) |
| Legislative Services | (1.8) | 0.9 | (2.7) | 0.0 | (2.7) |
| Roads | 66.8 | 69.2 | (2.3) | 0.0 | (2.3) |
| Parks, Forestry & Environment | 38.6 | 40.5 | (2.0) | 0.0 | (2.0) |
| Business Services | 32.8 | 34.6 | (1.7) | 0.0 | (1.7) |
| Financial Transactions | 58.1 | 58.9 | (0.8) | 21.7 | 20.9 |
| City Manager's Office | 15.4 | 15.8 | (0.4) | 0.0 | (0.4) |
| Fire & Emergency Services | 122.0 | 122.3 | (0.3) | 0.0 | (0.3) |
| Information Technology | 31.7 | 31.9 | (0.2) | 0.0 | (0.2) |
| Mayor & Members Of Council | 5.0 | 5.0 | 0.0 | 0.0 | 0.0 |
| Facilities & Property Management | 25.9 | 24.3 | 1.6 | 0.0 | 1.6 |
| Land Development Services | 8.5 | 6.5 | 2.0 | 0.0 | 2.0 |
| Mississauga Library | 29.7 | 27.5 | 2.2 | 0.0 | 2.2 |
| Year-End Position | 554.3 | 618.8 | (64.5) | 64.5 | 0.0 |

Year-End Operating Result Highlights by Service:**MiWay**

- MiWay service is forecasting a year-end net deficit of \$42.8 million.
 - An unfavourable forecast of approx. \$43.3 million is mainly due to lower ridership as a direct result of COVID-19 operating impacts. This forecast assumes that by December 31st MiWay would regain approximately 50% of transit ridership.
 - Offset by a net favourable forecast of \$0.5 million attributed to \$2.0 million in forecasted labour savings related to vacancies offset by \$1.5 million in higher non-labour expenses mainly due to higher-than-budgeted fuel costs.

Recreation

- Recreation service is forecasting a year-end net deficit of \$7.7 million:
 - Unfavourable revenue forecast of \$38.2 million is a direct result of facility closures and observation of social-distancing protocols and public health restrictions due to COVID-19.
 - Offset by a favourable labour forecast of \$21.2 million mostly in temporary labour driven by savings due to minimal program offerings, unfilled positions.
 - Further offset by favourable non-labour forecast of \$9.3 million due to lower-than-expected utilities costs, contractor costs, and materials/supplies costs resulting from facility closures as a result of COVID-19 impacts on operations.

Regulatory Services

- Regulatory Services is forecasting a year-end net deficit of \$6.6 million:
 - Unfavourable revenue forecast of \$7.4 million is mainly driven by decreases in parking revenues, Transportation Network Company (TNC) licensing fees and business/mobile licensing fees. This was a direct result of business closures and maintenance of public health safety regulations due to COVID-19.
 - Offset by a combined favourable forecast of \$0.8 million in expenses. The savings in labour of \$0.3 million and \$0.5 million in non-labour are directly related to COVID-19 impacts to operations.

Culture

- Culture is forecasting a year-end net deficit of \$2.7 million:
 - Unfavourable revenue forecast of \$8.9 million are a direct result of programs and events being cancelled or modified due to COVID-19 impacts.
 - Offset by a combined favourable forecast of \$6.2 million in expenses. The savings of \$4.3 million in non-labour expenses are due to the reduction in cleaning services, logistics and security due to the cancellation/modification of events related to COVID-19 impacts on operations. The remaining \$1.9 million savings are primarily driven by temporary labour and full-time vacancies.

Legislative Services

- Legislative Services is forecasting a year-end net deficit of \$2.7 million:
 - Unfavourable revenue forecast of \$4.0 million is mainly due to the limited trials and closure of the Courthouse resulting from COVID-19 Provincial shutdowns.
 - Offset by a combined favourable forecast of \$1.3 million in expenses. The savings of \$0.8 million in labour and \$0.5 million in non-labour are a direct result of the COVID-19 impacts on judiciary services.

Roads

- Roads is forecasting a year-end net deficit of \$2.3 million:
 - Unfavourable revenue forecast of \$1 million is mainly due to the low utilization of paid parking during the closure of businesses and the impacts on operations as a result of COVID-19 including impacts on revenue due to the delay of the Automated Speed Enforcement (ASE) program.
 - Offset by a favourable combined non-labour forecast of \$0.3 million due to late start of the ASE program and other utility savings throughout the service.
 - Further offset by a net unfavourable labour forecast of \$1.6 million mainly due to labour recovery shortfalls of \$2.5 million offset by \$0.9 million in savings for various vacant positions and layoffs due to the operating impacts of COVID-19.

Parks Forestry & Environment

- Parks Forestry & Environment is forecasting a year-end net deficit of \$2.0 million:
 - Unfavourable revenue forecast of \$1.2 million primarily as a result of reduced revenues from lease agreements, utilization of sports field amenities and parks permits due to COVID-19 restrictions and impacts on operations.
 - Unfavourable non-labour forecast of \$1.5 million primarily driven by additional occupancy and vehicle requirements for social distancing, PPE, additional comfort stations and cleaning requirements as a result of COVID-19 impacts on operations.
 - Offset by a favourable labour forecast of \$0.7 million due to retirements, vacant positions and delays in hiring as a result of COVID-19 impacts on operations.

Land Development Services

- Land Development Services is forecasting a year-end net surplus of \$2.0 million:
 - Favourable revenue forecast of \$4.2 million is mainly due to an increase in volume of applications for building permit, development and rezoning fees driven by a strong housing market. In accordance with the City's reserve policy, these revenue surpluses will be recommended for transfer to the Reserves at year end to offset any future

revenue shortfalls. As such, the surplus of \$4.3 million will not contribute to the overall City bottom line.

- A combined unfavourable forecast of \$2.2 million is a result of transfer of building permit revenue to the Building Permit Revenue Stabilization Reserve, labour vacancies and higher-than-expected labour recoveries

Other Service Areas

- All remaining services are forecasting a year-end net surplus of \$0.2 million.
 - The net favourable forecast is primarily a result of savings from vacant full-time positions and delays in seasonal hiring due to COVID-19 impacts on operations. Also the City was able to reduce its discretionary spending on utilities and supplies as operations were scaled back.

Year-End Analysis from a COVID Perspective

We are currently experiencing a fourth wave of the COVID-19 pandemic. The use of City services continues to fluctuate, and potential COVID-related impacts can vary significantly for the rest of the year. Staff continue to model best-case, worst-case and anticipated scenarios when analyzing possible deficits. The 2021 projected year-end deficit of \$64.5 million reflects the anticipated scenario. The deficit is primarily due to reduced revenues, particularly in the MiWay, Recreation and Regulatory Services service areas. City staff have continued measures to mitigate the financial impact of COVID-19 where possible, including continued hiring delays, temporary staff layoffs where facilities have been closed, and aggressively managing costs.

Table 2 provides a summary of the City's projected financial position, and identifies the best-case, worst-case and anticipated scenarios. The information in this table is summarized in three categories: the direct impact of COVID-19, such as the loss of revenues due to closing of recreation facilities and reduced use of transit; the mitigating actions taken by City staff to reduce the impacts of COVID-19; and, business-as-usual surpluses and deficits that further affect the City's bottom line. Funding from the Safe Restart and COVID-19 Recovery Funding for Municipalities funding programs is sufficient to offset the projected shortfall in each scenario.

Table 2. Variance by Driver (\$000s)

| Driver | Best Case | Anticipated | Worse Case |
|---|--------------------|--------------------|--------------------|
| DIRECT COVID IMPACT | | | |
| MiWay - revenue shortfall, non-salary savings | (40,659.7) | (45,106.0) | (49,952.9) |
| Recreation - revenue loss | (36,319.8) | (38,194.4) | (39,566.6) |
| Culture - revenue loss | (5,652.0) | (5,862.4) | (6,240.7) |
| POA-related revenues | (3,670.0) | (3,860.0) | (4,050.0) |
| Administration Penalty (APS) Fees | (3,780.0) | (4,200.0) | (4,620.0) |
| LAC revenues | (2,873.9) | (3,017.1) | (3,203.9) |
| MAT - loss of revenues | (1,650.0) | (2,650.0) | (3,900.0) |
| PPE, Cleaning, Social Distancing costs | (2,528.5) | (2,653.5) | (2,803.5) |
| Parks - reduced parks & marina rental | (1,378.6) | (1,378.6) | (1,581.6) |
| Reduced parking revenues / bylaw fines | (1,176.3) | (1,307.0) | (1,437.7) |
| TNC licensing fees | (990.0) | (1,100.0) | (1,210.0) |
| Enforcement - licensing revenue shortfalls | (1,458.0) | (1,620.0) | (1,782.0) |
| Library - revenues | (761.6) | (737.4) | (703.7) |
| Licensing fee refunds | (225.0) | (250.0) | (275.0) |
| Other various impacts | (537.0) | (618.4) | (664.8) |
| DIRECT COVID IMPACT | (103,660.3) | (112,554.9) | (121,992.4) |
| MITIGATING ACTIONS TAKEN BY CITY | | | |
| Temporary staffing savings | 20,133.1 | 20,314.5 | 20,078.5 |
| Recreation - reduced operations | 3,484.6 | 3,654.6 | 3,824.6 |
| Utility savings (closed facilities) | 4,453.9 | 4,366.9 | 4,316.8 |
| Culture - reduced operations | 2,403.0 | 2,182.1 | 1,944.5 |
| MAT - reduced contribution to RF | 1,650.0 | 2,650.0 | 3,900.0 |
| LAC expenses | 2,491.4 | 2,501.4 | 2,511.4 |
| Other non-salary expenditure impacts (COVID) | 2,477.3 | 2,278.2 | 1,909.0 |
| Permanent staffing savings | 2,766.4 | 1,962.7 | (1,596.7) |
| Discretionary savings to help mitigate costs | 498.3 | 487.0 | 475.8 |
| | 40,357.9 | 40,397.4 | 37,363.9 |
| BUSINESS AS USUAL VARIANCES | | | |
| Base gapping (BAU) | 7,655.4 | 7,655.4 | 7,655.4 |
| Building permit / Planning application revenues | 2,500.0 | 4,250.0 | 5,000.0 |
| Various expenditure / revenue impacts | 2,160.2 | (1,587.1) | (5,533.4) |
| Minor salary variances | (1,248.3) | (1,198.3) | (1,148.3) |
| Reserve entries (offsetting actuals) | (378.3) | (1,421.5) | (1,911.5) |
| | 10,688.9 | 7,698.4 | 4,062.1 |
| NET SURPLUS / (DEFICIT) | (52,613.4) | (64,459.0) | (80,566.4) |

2021 Operating Budget Adjustments

According to the Budget Control Bylaw, all inter-program adjustments require Council authorization. These are normal process adjustments and reallocate budget funds from one program/account to another. Appendix 1-3, Operating Budget Adjustments by Service Area, provides details on operating budget movements which require approval by Council. These adjustments have minimal changes to the City's net operating budget.

PART 2: CAPITAL STATUS

As required under the City's Budget Control Bylaw, a Capital works-in-progress review must be prepared at least twice a year for Council. Included in this review is the on-going monitoring, evaluation and identification of projects to be closed, funds being returned to reserves, and projects requiring additional funding.

As of June 30, 2021, the City has an approved capital program of \$1,477.8 million. Staff recommends returning \$4 million to various reserves and reserve funds from various projects. This results in a revised net capital program totalling \$1,473.8 million.

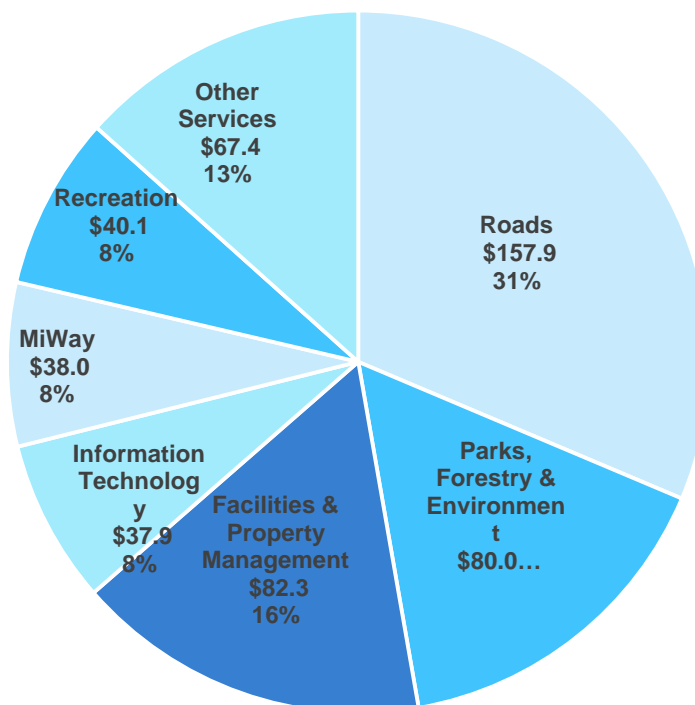
Of the \$1,473.8 million total:

- \$970.2 million or 66% has been spent
- \$503.6 million is to be incurred

The following chart shows the distribution of the City's capital expenditures to be incurred, by service. See Appendix 2-1 for more details.

Total Capital Works-in-Progress
Net Future Expenditures to be incurred by Service Area
\$503.6 Million

*Excludes Stormwater Program



Other Services includes: Mississauga Library, Land Development Services, Fire & Emergency Services, Business Services, Legislative Services, Culture, City Manager's Office

City staff continues to evaluate older projects and return unspent funds. Of the \$503.6 million still to be incurred, 10% pertain to projects from 2016 and prior. Of the remaining 90% are from 2017 to 2021. The list below accounts some of major projects still in progress:

- \$43.4 million for various land acquisitions
- \$41.6 million for roadway rehabilitation
- \$21.5 million for various road property acquisitions
- \$18.8 million for the Central Library Redevelopment
- \$13.9 million for Burnhamthorpe Community Center Indoor Pool Redevelopment
- \$14.2 million for Cycling Program
- \$9.8 million for Goreway Drive Rail Grade Separation
- \$9.4 million for Square One Drive - Amacon Driveway to Rathburn Road West
- \$7.5 million for New Fire Station 124 - Dundas & Cawthra - Land, Design and Construction
- \$6.5 million for Downtown Transitway Connection and Terminal
- \$6.4 million for Malton Community Hub
- \$6.0 million for Arena Renewal - Paramount Fine Foods Centre
- \$5.7 million for Meadowvale Theater Renovation

The review has resulted in \$4 million being returned as a result of all budget adjustments, transfers and project closures. The majority of the funds are being returned to the Federal Gas Tax Reserve Fund and Development Charges.

The following are highlights for significant funding adjustment requests, or for significant accomplishments of completed projects:

Fire

- PN19269 (CMFS00045) New Fire Station 123 - Burnhamthorpe/Winston Churchill - Design & Construction is returning \$0.7 million. Fire will be reprioritizing the new stations being built, swapping the timing of builds for Station 125 and Station 123. Station 125 will now be built prior to Station 123. As a result the remaining funds in 19269 will be returned and this project will be closed for the time being, to be repurposed to fund station 125's construction. Station 123 build will now begin in 2023 as per the current 10 year capital plan.
- New PN21268 (CMFS00145) New Fire Station 125 - Tenth Line and Battleford, Design and Construction is requesting \$0.7 million. Fire will be reprioritizing the new stations being built, swapping the timing of builds for Station 125 and Station 123. Station 125 will now be built prior to Station 123. As a result the remaining funds in PN19269 will be returned and this project will be closed for the time being, to be repurposed to fund station 125's construction. Station 123 build will now begin in 2023 as per the current 10 year capital plan.

Culture

- New PN21489 (CMCL009707) Public Art Installations is requesting \$0.2 million in section 37 funds. Funds have been received and will be allocated towards a new project PN21489 to facilitate the installation of public art along the Waterfront Trail.

Parks, Forestry & Environment

- PN17381 (CMPF006451) Shoreline Damage Repair is closing and returning \$0.7 million. The original budget request was based on consultant's feasibility assessment and review which was higher than actual construction tender prices.
- PN20309 (CMPF008397) Land Acquisition - Parkland (F-563) is requesting \$0.4 million. Additional funds requested are to cover site clean up cost and applicable taxes.
- NEW PN21404 (CMPF009816) Parks is requesting \$0.5 million to allocate section 37 funds towards various Park improvements including new park benches, outdoor fitness equipment, playground and trail improvements.
- PN21407 (CMPF008459) Urban Forest Management is requesting \$0.5 million to reduce the priority and service request backlog by December 2021.

Recreation

- PN15431 (CMPF04255) Park 459 Development (Churchill Meadows CC & Sports Park) is requesting \$0.3 million for final changes to complete the project.
PN16436 (CMPF04275) Community Parks P459 Indoor Pool (Churchill Meadows CC & Sports Park) is requesting \$0.3 million

The additional funding for both projects will be used to cover extra expenses incurred due to COVID related delays. Anticipated soft opening to the public is mid September 2021. Project completion is tentatively scheduled for December 2022.

- PN19426 (CMRC00092) BraeBen Golf Course Irrigation System– is requesting \$0.4 million for the project. The original budget for the supply and installation of a new irrigation system and pumping system was submitted by the irrigation consultant on May 20, 2019 and then further revised on December 16, 2019. Since this time there have been significant cost increases in material caused by pandemic production shutdowns in the U.S. The irrigation design has been scaled back and the procurement was value engineered to mitigate these cost increases. However there is still a \$0.4 million shortfall to complete the project.

Information Technology

- PN19558 (CPIT007120) SuccessFactors Sustainment Services is in progress and requesting \$0.2 million. All SF modules were successfully implemented driving many new efficiencies, the project is shifting to sustainment focus. These funds are required to complete the project in September, 2021.

F&PM

- PN18702 (CPFP006451) Mechanical Renewal – Clarkson Depot is returning funds in the amount of \$0.3 million. The project was completed under budget due to competitive tender pricing. The project involved replacing the fuel pump systems in six (6) T&W locations: Clarkson Works Yard, Mavis Works Yard, Meadowvale Works Yard, Malton Works Yard, Malton Transit, and Central Transit.
- PN18726 (CPFP006444) LAC Lighting Renewal is closing and returning funds in the amount of \$0.3 million. The project was completed under budget due to competitive tender pricing. The scope was to replace existing interior lights with new LED luminaires. It is anticipated that with this lighting replacement, the City will see a 30% reduction in energy consumption.
- PN19722 (CPFP007151) Arena Renewal - Iceland is closing and returning funds in the amount of \$0.5 million. The project was completed under budget due to competitive tender pricing. The project was executed on time and implemented with no disruption to facility operations. The project scope involved the lifecycle replacement of refrigeration equipment and new refrigeration controls. The replacement will renew the life of this equipment and keep the arena in a state of good repair.
- PN19752 (CPFP007173) Facility Renewal – Clarkson CC Pool & Arena is returning funds in the amount of \$0.5 million. The project was completed under budget due to competitive tender pricing. The project scope involved the lifecycle replacement of the ice rink slab, dasher board system and rink piping. The replacement will renew the life of this equipment and keep the arena in a state of good repair.

Roads

- PN15111 (TWMR00156) is closing and returning \$0.5 million. The project was completed under budget as the project was undertaken in collaboration with the Region's road resurfacing project. Cost savings were acquired through competitive tender pricing and cost sharing for common elements. The project scope involved the construction of bus queue jump lanes and bus bays on Dundas Street at Erin Mills Parkway and a bus only left-turn lane and associated traffic signal modifications on Burnhamthorpe Road (eastbound direction) at Erin Mills Parkway.

PART 3: STORMWATER FINANCIAL SUMMARY**Stormwater Operating and Revenue Charge Summary**

As of June 30, 2021, the Stormwater operating program will have a favourable variance in the amount of \$1.1 million due to lower exemption/credit applications including declines in subsidy applications for the sump pump program. Any surplus at year-end will be transferred to the Stormwater Pipe Reserve Fund.

Further details are provided in Appendix 1-2, Revenue Charge and Operating Details for Stormwater.

Stormwater Capital Summary

The approved Stormwater capital program is \$146.7 million, including legacy Stormwater projects originally part of the Roads service area. Staff recommends closing 6 projects and returning approximately \$5.1 million to the appropriate reserve funds.

Recommended adjustments to the Stormwater capital program will result in a revised net budget of \$141.7 million for the active 98 projects.

The following is the highlight of major project funding adjustments:

Stormwater

- PN20004 (TWSD00210) Cooksville Creek Flood Storage Facility – Bristol Road E, west of Kennedy Road is returning \$5.5 million due to lower bidding prices and favourable underground conditions.
- PN20029 (TWSD00381) Loyalist Creek Erosion Control between Thornlodge Drive is requesting additional funds of \$1.3 million. This request is based on the engineering consultant's cost estimate for the work. In addition to the original erosion control work, the project will also include re-alignment of a portion of the creek to move it out of private backyards and into the adjacent city park, as well as an expansion of the study area to include additional restoration work on the creek downstream of Thornlodge Drive.

Capital Appendices

The following appendices detail project updates, changes, and funding adjustments for all capital projects, including Stormwater:

- **Appendix 2-2:** Projects Completed, Delayed or Cancelled and To Be Closed – 91 projects with an approved budget of \$46.5 million, including 6 Stormwater projects with approved budget of \$3.1 million, are to be closed. \$6.6 million or 14.2% of the approved budget amount being returned to the reserves and reserve funds.
- **Appendix 2-3:** Open Projects Requiring Funding Adjustments – Overall 27 projects with an approved budget of \$109.1 million, returning \$2.5 million to reserves and reserve funds. Among them, 6 Stormwater projects are returning \$3.9 million.
- **Appendix 2-4:** Project Adjustments with No Net Capital Impact lists 2 projects that are being adjusted with no net financial impact.
- **Appendix 2-5:** Project Adjustments with Funding Swaps lists 3 projects with funding source swaps.
- **Appendix 2-6:** Various Adjustments and New projects is requesting 5 new projects and additional adjustments with impacts of \$2.2 million from various reserves

PART 4: MUNICIPAL ACCOMMODATION TAX

City of Mississauga introduced the Municipal Accommodation Tax (MAT) tax effective April 2018. This tax is collected by accommodation owners (facilities) offering short-term accommodation. The total revenue budget for MAT is \$9.8M for 2021.

In February 2020, a By-law was established to create Tourism Mississauga. 50% of the total MAT revenue would be remitted to Tourism Mississauga.

As of June 30, 2021, the revenue collected is \$1.4M. The year-end projection for MAT revenue is around \$2.65M or 27% of total budget.

PART 5: WARD-SPECIFIC SPECIAL PROJECTS

On May 22nd, 2019 a motion was passed by Council to establish capital projects up to a total amount of \$2 million per ward, to be used at the discretion of each local Councillor. These funds need to be utilized within council term.

Approved Ward Specific project # 20346 Cooksville Sign Project is requesting an increase of \$0.4 million. The additional funds are to allow for contractor services for supply and install of a new Cooksville Sign at Cooksville Four Corners, including replacement of the canopy panels and any related site work for the sign and security camera install.

New projects, to be established and funded from the Federal Gas Tax reserve fund are outlined in Appendix 2-7. A status update of approved projects by Ward is presented in Appendix 2-8.

PART 6: HOUSEKEEPING ITEMS:

ICIP COVID-19 Resilience Stream

The Investing in Canada Infrastructure Program (ICIP) is a 10-year cost-shared federal infrastructure program providing \$33B in federal infrastructure funding. On, August 5, 2020 the federal government announced that it would be adapting the ICIP program in order to respond to the impacts of COVID-19. As a result a new temporary Resilience stream, with over \$3B available in existing funding, has been created to provide provinces and territories with added flexibility to fund quick-start, short-term projects that might not otherwise be eligible under existing funding streams.

Total eligible funding for ICIP COVID-19 Resilience Stream is \$14.8 million. Details project spending and funding adjustments are outlined in Appendix 3-1.

Financial Bylaw Amendment

Currently, transfers between funds (i.e., Reserves, Reserve Funds, Operating and Capital) are approved through recommendations in Council-approved corporate reports. In addition, a second stand-alone enacting by-law is passed. Staff from Legal Services, Clerks and Finance Divisions met to discuss this process. It was determined that a stand-alone by-law was not required to transfer monies between funding sources and that approved recommendations in Corporate Reports is sufficient. In accordance with our Lean practices, staff have identified significant administrative time savings. Therefore, transfers between funds will be authorized through the approval of a recommendation or resolution by Council and the practice of bringing forward a subsequent financial by-law to approve the same transfer(s) will be discontinued. The only exception to this is where an amendment to the Reserves and Reserve Funds By-law 0298-2000 is necessary. This practice applies to transfers starting in 2021.

New Reserve Fund - Tax-Funded Planning and Studies

A new Tax-Funded Planning and Studies Reserve Fund is being established, with the purpose of segregating funding for various studies such as Master Plans and Studies across all service areas. These projects have previously been funded through the Tax-Capital Reserve Fund. This administrative segregation will provide increased transparency regarding how much is spent on planning studies. Equivalent funding will be transferred from the Tax Capital Reserve Fund.

Conclusion

The COVID-19 pandemic continues to significantly impact City operations in 2021 with a forecasted year-end operating deficit of \$64.5 million. The deficit is primarily due to reduced revenues, particularly in the MiWay, Recreation and Regulatory Services service areas. City staff continue measures to mitigate the financial impact of COVID-19 where possible.

The projected budget deficit is anticipated to be offset by already-announced Provincial and Federal funding through the Safe Restart Agreement and through 2021 COVID-19 Recovery Funding for Municipalities.

As a municipality we anticipate revenues will slowly return to normal, however we are limited in the ways we can adjust our costs to remain in line with revenues. Many of our services are essential and must be maintained. These projections will be updated as Provincial guidelines continue to respond to pandemic conditions.

Attachments

Appendix 1-1 Operating Forecast Details by Service Area
Appendix 1-2 Revenue Charge and Operating Details for Stormwater
Appendix 1-3 Operating Budget Adjustments by Service Area
Appendix 2-1 Summary of Capital Works-in-Progress by Service Area
Appendix 2-2 Projects Completed, Delayed or Cancelled and to Be Closed
Appendix 2-3 Open Projects Requiring Funding Adjustments
Appendix 2-4 Project Adjustments with No Net Capital Impact
Appendix 2-5 Project Adjustments with Funding Swaps
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