

City of Mississauga

Corporate Report



<p>Date: April 5, 2022</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Meeting date: April 27, 2022</p> <p>Council Meeting Date: May 4, 2022</p>

Subject

Financial Report as at December 31, 2021

Recommendation

1. That the "Financial Report as at December 31, 2021" report dated April 5, 2022, from the Commissioner of Corporate Services and Chief Financial Officer, including appendices 1 to 6, be approved;
2. That the Treasurer be authorized to fund and close the capital projects, as identified in this report;
3. That \$255,211.12 be transferred from the Stormwater Capital Reserve Fund (#35992) to the operating program to cover the operating deficit;
4. That the Commissioner of Corporate Services and Chief Financial Officer be authorized to write off the unpaid taxes, charges, fees, penalties and interest totalling \$155,319.07 as uncollectible and removed from the tax roll, as detailed in Part 7;
5. That the Commissioner of Corporate Services and Chief Financial Officer be authorized to write off \$116,577.87 including associated interest as an uncollectible invoice detailed in Part 7;
6. That Schedule C-1 (Planning Act Processing Fees Applications) of User Fees and Charges By-law 0247-2021 be amended to insert Engineering Fees, as outlined in the "Financial Report as at December 31, 2021" report dated April 5, 2022, from the Commissioner of Corporate Services and Chief Financial Officer;
7. That funding for PN22726 (Malton Depot Main Building Roofing Renewal) be advanced in the amount of \$0.9 million from the Tax Capital Reserve Fund (#33121);
8. That funding for PN22600 (MAX System project) in the amount of \$0.8 million be returned to the Tax Capital Reserve Fund (#33121) and the project gross budget to be increased to \$1.0 million offset by the Recovery from Province of Streamline Development Approval Fund

resulting in a net zero budget; That “MAX System Project” be amended and renamed to “Streamline Development Project”;

9. That PN22302 for Recreation in the amount of \$0.2 million and PN22433 for Parks, Forestry & Environment in the amount of \$0.2 million from the DCA-Recreation and Parks Development Reserve Fund (#31315) be created to advance funding as part of the Future Directions Master Plan;
10. That additional funding for PN22958 Square One Innovation Hub be requested in the amount of \$0.3 million from the Tax Capital Reserve Fund (#33121) to a revised budget of \$1.625 million;
11. That the necessary by-laws be enacted.

Executive Summary

Operating Summary, excluding Stormwater

Prior to the application of Safe Restart funding, the City was in a deficit position of \$51 million at the end of 2021. Funding received through the Safe Restart Agreement has enabled the City to reduce the deficit to zero.

Capital Summary, excluding Stormwater

Recommended adjustments to the capital program will result in a revised net capital program of \$1,507.2 million to fund 900 active projects.

- 104 projects are recommended for closure
- \$4.8 million is being returned to various reserve funds

Stormwater Financial Summary

Operating Summary

As of December 31, 2021, the Stormwater operating program resulted in a year-end deficit of \$0.3 million which was offset by the Stormwater Capital reserve fund.

Capital Summary

- Recommended adjustments to the capital program will result in a revised net capital program of \$140.5 million with 92 active projects. Three projects are recommended for closure and \$0.7 million is being requested from 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 year-end operating program variances and the status of capital works-in-progress including Ward-specific projects established since 2019. On May 19th, 2021, Council approved a revised net operating budget of \$555.1 million for 2021.

Comments

This report includes the following:

Part 1 – Operating Results as at December 31, 2021

Part 2 – Capital Status

Part 3 – Stormwater Financial Summary

Part 4 – Municipal Accommodation Tax

Part 5 – Ward-Specific Projects

Part 6 – Housekeeping

Part 7 – Uncollectible Write-offs

Engagement and Consultation

The Finance Division acknowledges the contribution of all Service Areas for providing detailed operating variance explanations, the Revenue and Taxation group for providing the information on uncollectible write-offs, Legal Services for by-law review and enactments, and the various capital project managers for assistance with the capital highlights.

Financial Impact

PART 1: OPERATING RESULTS AS AT DECEMBER 31, 2021

The COVID-19 situation remained volatile in 2021 with various health measures taken by the Province of Ontario, Region of Peel and City of Mississauga to control the spread of emerging variants. The stabilization of COVID-19 cases in the Region of Peel allowed for gradual re-opening of services including Recreation, in person Library services and Cultural facilities by mid-July. In December, new limitations on capacities and services were re-introduced in order to help contain the spread of the Omicron variant. The City has maintained sound business practices while continuing to look at streamlining opportunities and prioritizing resources where they are needed. The City remains in good financial health managing its COVID-19 induced revenue challenges with offsetting cost containment strategies. Nevertheless, the City ended 2021 with a significant deficit. This remaining deficit has been offset by federal and provincial government Safe Restart funding.

To assist the community financially, Council approved a reduction in business license fees, rent relief for occupants of City-owned properties, and multiple new grants to support Heritage and Culture programs.

In spring 2022, the Province removed most COVID-19-related health measures. Although this news is encouraging, COVID-19 impacts are expected to be felt for the coming years. As we continue to adapt to the needs of our residents, we will appreciate ongoing support from other levels of government to address these ongoing pressures.

Table 1 summarizes the year-end operating budget variances by Service Area, and identifies how these were 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 (\$ Millions)	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	117.5	(32.8)	32.8	(0.0)
Recreation	29.9	38.0	(8.1)	0.0	(8.1)
Regulatory Services	0.8	6.6	(5.8)	0.0	(5.8)
Legislative Services	(1.8)	2.8	(4.6)	0.0	(4.6)
Culture	6.1	9.1	(3.0)	0.0	(3.0)
Parks Forestry & Environment	38.5	40.7	(2.2)	0.0	(2.2)
Roads	66.8	68.6	(1.7)	0.0	(1.7)
Business Services	32.9	34.2	(1.2)	0.0	(1.2)
City Manager's Office	12.7	13.2	(0.5)	0.0	(0.5)
Fire & Emergency Services	121.3	121.4	(0.1)	0.0	(0.1)
Mayor & Council	5.0	4.9	0.1	0.0	0.1
Information Technology	31.7	31.5	0.2	0.0	0.2
Land Development Services	11.9	11.3	0.6	0.0	0.6
Mississauga Library	29.7	27.4	2.3	0.0	2.3
Financial Transactions	58.8	56.0	2.8	18.2	21.0
Facilities & Property Management	25.9	22.8	3.1	0.0	3.1
Year-End Position	555.1	606.0	(51.0)	51.0	(0.0)

Note: Numbers may not add due to rounding.

Year-End Operating Result Highlights by Service Area

MiWay

- MiWay year-end net deficit of \$32.8 million is fully offset by Safe Restart funding provided by the Federal and Provincial governments:
 - Unfavourable revenues of \$40.7 million are mainly due to farebox revenue shortfalls related to COVID-19 impacts
 - Offset by a favourable expense of \$6.3 million due to labour vacancies
 - Further offset by savings in non-labour expenses of \$1.7 million mainly attributed to lower equipment rental and lease costs including utility savings. In addition, lower PRESTO commission costs due to lower farebox revenues and savings from equipment repairs and advertising expenses supplemented the savings

Recreation

- Recreation realized a net deficit of \$8.1 million:
 - Unfavourable revenues of \$35.7 million are a direct result of facility closures and observation of physical distancing protocols and public health restrictions due to COVID-19
 - Offset by a favourable labour surplus of \$19.4 million mostly in temp labour driven by savings due to minimal program offerings and unfilled positions
 - Further offset by favourable non-labour expenditures of \$8.2 million due to lower than expected utilities costs, materials and supplies, contractor and event settlements resulting from facility closures

Regulatory Services

- Regulatory Services realized a net deficit of \$5.8 million:
 - Unfavourable revenues of \$7.1 million are mainly driven by decreases in parking revenues, Transportation Network Company licensing fees and business and mobile licensing fees. This was a direct result of business closures and observation of public health safety restriction regulations due to COVID-19
 - Offset by a combined favourable surplus of \$1.2 million in expenses. The savings of \$0.7 million in labour and \$0.5 million in non-labour are a direct result of the COVID-19 impacts to operations

Legislative Services

- Legislative Services realized a net deficit of \$4.6 million:
 - Unfavourable revenues of \$5.9 million are mainly due to the Courthouse closure which was a direct result of COVID-19
 - Offset by a combined favourable surplus 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 COVID-19 impacts on judiciary services

Culture

- Culture realized a net deficit of \$3.0 million:
 - Unfavourable combined revenues of \$7.9 million are a direct result of cancelled or modified events and programs due to COVID-19 impacts on operations
 - Offset by a combined favourable surplus of \$4.9 million in expenses. The savings of \$3.0 million in non-labour expenses are due to the reduction in supplies due to the cancellation or modification of events related to COVID-19 impacts on operations. Further savings of \$1.9 million mostly in temp labour driven by savings due to minimal program offerings, unfilled positions

Parks Forestry & Environment

- Parks Forestry & Environment realized a net deficit of \$2.2 million:
 - Unfavourable combined non-labour variances of \$3.1 million are a direct result of the COVID-19 impacts due to additional PPE equipment and supplies, additional leased equipment and contractor cleaning supplies.
 - Offset by a favourable surplus of \$0.4 million in labour due to full-time positions being backfilled by temporary staff
 - Further offset by a favourable surplus of \$0.5 million in revenues due to increases in Marina berthage and fuel sales

Roads

- Roads is reporting a net deficit of \$1.7 million:
 - Unfavourable net expense of \$2.5 million mostly pertaining to the reserve transfer for the winter surplus maintenance and higher than budgeted fuel costs and outsourcing of vehicle maintenance work
 - Further unfavourable labour variance of \$1.6 million mainly attributed to lower than budgeted labour recoveries from capital projects
 - Offset by favourable combined revenues of \$2.4 million are mainly due to higher external recoveries including higher than budgeted fees and charges offset by unfavourable parking revenues due to the impact of COVID-19 on parking operations

Financial Transactions

- Financial Transactions is reporting a net surplus of \$21.0 million:
 - Favourable net revenues of \$20.2 million are mainly driven by Safe Restart funding received from the Federal and Provincial governments in addition to favourable tax revenue attributed to new assessments processed by the Municipal Property Assessment Corporation (MPAC)
 - Favourable labour variance of \$1.8 million is mainly driven by lower than expected benefit spending by employees and retirees
 - Offset by unfavourable net expenses of \$1.0 million mostly due to tax assessment appeals

Facilities & Property Management

- Facilities & Property Management is reporting a net surplus of \$3.1 million:
 - Favourable labour surplus of \$2.2 million is mainly attributed to full-time vacancies in addition to savings realized due to COVID-19 impacts on operations
 - Favourable non-labour surplus of \$0.8 million is a direct result of COVID-19 impacts on operations due to savings in utilities, preventative maintenance, and transportation costs
 - Favourable revenue of \$0.1 million is mainly due to energy rebates received

Mississauga Library

- Mississauga Library is reporting a net surplus of \$2.3 million:
 - Favourable labour surplus of \$1.5 million is mainly attributed to full-time vacancies in addition to savings realized during Library closures due to COVID-19 impacts on operations
 - Favourable non-labour surplus of \$1.3 million which is a direct result of COVID-19 impacts on operations due to savings in utilities, materials and supplies realized during Library closures
 - Offset by an unfavourable revenue shortfall of \$0.6 million due to impacts on collections and fines including other user fees realized during Library closures

All Other

- All remaining services are reporting a combined year-end net deficit of \$0.9 million:
 - The net unfavourable deficit is a combination of labour pressures from the 311 contact centre due to impacts from increased business pressures and contractor and professional services from Legal Services.

Year-End Analysis from a COVID-19 Perspective

As a result of the COVID-19 pandemic, the use of City services continued to fluctuate. The 2021 year-end deficit before applying recovery funding was \$51 million. The deficit is primarily due to reduced revenues, particularly in MiWay, Culture, Regulatory Services, and Recreation 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 year-end financial position before applying Safe Restart and COVID-19 Recovery funding. 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. The net deficit of \$51 million is mostly due to reduced revenues from facility closures and COVID-19 impacts on operations. Funding from programs such as Safe Restart and COVID-19 Recovery Funding for Municipalities were sufficient to offset the shortfall.

Table 2. Variance by Driver (\$Ms)

Driver (\$Ms)	Dec 31, 2021
DIRECT COVID IMPACT	
MiWay - revenue shortfall, non-salary savings	(32.8)
Recreation - revenue loss	(36.3)
Culture - revenue loss	(4.6)
Administration Penalty (APS) Fees	(4.0)
POA-related revenues	(5.4)
LAC revenues	(3.2)
PPE, Cleaning, Social Distancing costs	(1.9)
MAT - loss of revenues	(2.0)
Enforcement - licensing revenue shortfalls	(1.1)
Parks - reduced parks & marina rental	(0.8)
Reduced parking revenues / bylaw fines	(1.2)
TNC licensing fees	(1.2)
Library - revenues	(0.6)
Other various impacts	(0.6)
Licensing fee refunds	(0.4)
DIRECT COVID IMPACT	(96.1)
MITIGATING ACTIONS TAKEN BY CITY	
Temporary staffing savings	16.6
Utility savings (closed facilities)	4.6
Recreation - reduced operations	4.6
MAT - reduced contribution to RF	1.9
LAC expenses	2.7
Other non-salary expenditure impacts (COVID)	1.3
Culture - reduced operations	0.9
Permanent staffing savings	5.3
Discretionary savings to help mitigate costs	0.9
	38.7
BUSINESS AS USUAL VARIANCES	
Base gapping (BAU)	3.5
Building permit / Planning application revenues	14.1
Insurance costs	(0.6)
Minor salary variances	1.8
Reserve entries (offsetting actuals)	(15.3)
Various expenditure / revenue impacts	3.1
	6.4
NET SURPLUS / (DEFICIT)	(51.0)

PART 2: CAPITAL STATUS

As required under the City's Budget Control By-law, 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 December 31, 2021, the City has an approved capital program of \$1,512.0 million. Staff recommend returning \$4.8 million to various reserves and reserve funds from various projects. This results in a revised net capital program totalling \$1,507.2 million.

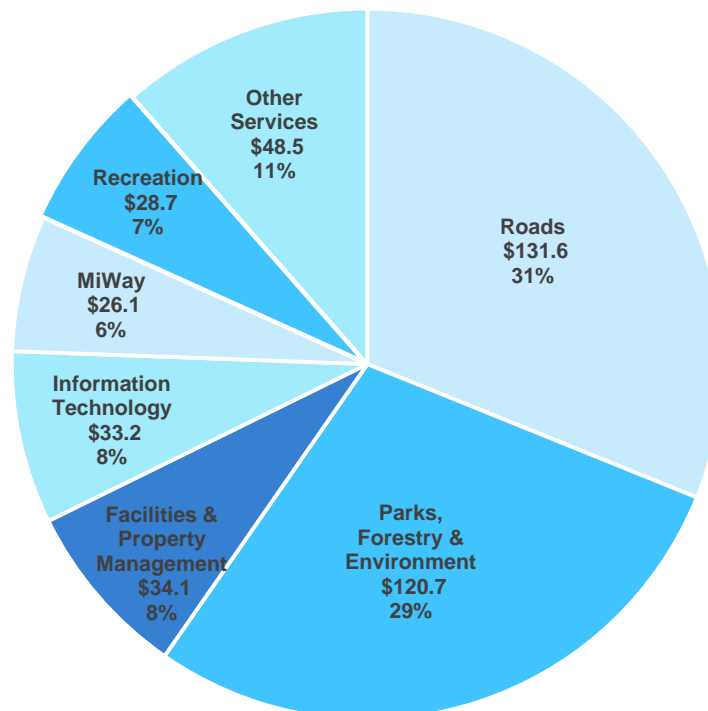
Of the \$1,507.2 million total:

- \$1,084.2 million or 72 per cent has been spent
- \$423.0 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
\$423.0 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 continue to evaluate older projects and return unspent funds to reduce the amount of capital funds that are needed to be borrowed for future years' projects. The \$423.0 million of future expenditures earn interest revenue that is used to support both the capital and operating programs including contributions to the reserves and reserve funds. Of the \$423.0 million still to be incurred, over 45 per cent is accounted for by the following projects:

- \$62.1 million for various parkland acquisitions
- \$27.7 million for roadway rehabilitation
- \$21.5 million for various road property acquisitions
- \$14.0 million for various park developments
- \$13.5 million for the Cycling Program
- \$12.5 million for Square One Drive road work
- \$9.8 million for Goreway Drive rail grade separation
- \$9.1 million for Dundas Street retaining wall construction
- \$7.5 million for land, design and construction of Fire Station 124
- \$5.7 million for the Malton Community Hub
- \$4.4 million for the Downtown Transitway Connection and Terminal
- \$4.2 million for the Transit Information System

The year-end review has resulted in \$4.8 million being returned from budget adjustments, transfers and project closures. The majority of funds are being returned to the Tax Capital Reserve Fund and the Planning Act Reserve Fund (CIL Parkland/Structures) offset by requests from the Development Charges Reserve Fund.

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

Roads

- PN16107 (TWMR00183) QEW/Credit River Active Trans Assessment is recommending to close and return remaining funds in the amount of \$0.8 million. Funds will be re-budgeted in the 2023 capital plan. This funding was for the Environmental Assessment (EA) and Design of the Active Transportation Crossings over the QEW and Credit River. The EA has been completed and paid; however, the design fees will be invoiced by the MTO following the completion of construction, anticipated in late 2024
- PN17100 (TWRR00032) Roadway Rehabilitation - Major Arterial, Collector is in progress and returning \$0.9 million or approximately 10 per cent of the project value. The contingency amounts were not used in these projects, hence works has been completed below budget
- PN18100 (TWRR00036) Roadway Rehabilitation - Major Arterial, Collector is in progress and returning \$1.2 million or approximately 10 per cent of the project value. The contingency amounts were not used in these projects, hence works has been completed below budget

- PN19105 (TWMR07114) Downtown Transitway Connection and Terminal is in progress and returning \$1.5 million to offset the additional funding being requested in PN19106. The project is on hold pending Metrolinx securing approvals to commence the EA/TPAP
- PN19106 (TWMR00194) Lakeshore HOT TPAP for Phases 1 and 2 is in progress and requesting an additional \$1.5 million in funding to be offset in the return from PN19105. The budget increase is to account for the updated consultant estimate for the EA/TPAP study costs including additional scope for geotechnical investigations, topographic survey, Subsurface Utility Engineering (SUE – Level A), public and Indigenous consultation, and contingencies
- PN19126 (TWRR00101) Roadway Rehabilitation – Residential is in progress and returning \$1.0 million or approximately 10 per cent of the project value. The contingency amounts were not used in these projects, hence works has been completed below budget
- PN19185 (TWOE06871) Cycle Tracks Coordinated with Road Rehabilitation (Bloor St and Tomken Rd) – request name change to Cycle Tracks Various to reflect a change in scope and locations identified in the project name. Originally the projects were all in Ward 3, but one project has now been added in Ward 9
- PN20150 (TWBR00034) Bridge & Structure Renewal is in progress and returning \$2.5 million to offset the request in PN21154. The merging of funding from these PNs is for ease of project management
- PN21154 (TWBR08511) Dundas Street Retaining Wall Construction is in progress and requesting additional funding of \$5.95 million. Detailed design is in progress and staff are currently consulting with conservation authority, heritage and utility stakeholders. Based on the current estimate, in addition to the \$2.5 million from PN20150, an additional \$3.4 million is required for the construction of two new retaining walls and roadway widening

MiWay

- PN19246 (TWTR00350) Transit Electrification Study is in progress and requesting additional funding of \$0.7 million. This request is based on the need to undertake background studies in the immediate future to support the introduction of battery electric buses into MiWay's fleet by 2028 as per the consultant's recommendations. The funds will be used for the following three studies:
 - Transit Project Assessment Process (TPAP) for MiWay's third garage site (7300 West Credit Avenue) in preparation for a new electric bus garage
 - Feasibility design study for the third garage site as a new electric bus garage
 - Feasibility design study for modifications to MiWay's main garage (CX building) to accommodate 30 (24 plus spares) battery electric buses in 2025 as an interim electrification approach

Culture

- PN20496 (CMCL00069) Meadowvale Theatre Renovation is in progress and requesting additional funding of \$0.4 million. In reviewing project finances, it has been determined that several unforeseen site conditions and challenges have arisen associated with supply chain issues tied to COVID-19. This additional funding will help support these unforeseen costs required to complete the renovation work

Information Technology

- PN21520 (CPIT007466) Meeting Room & Space Modernization, OFC is in progress and requesting additional funding of \$1.0 million. This additional funding is required for technology to support the Office Space Strategy (OSS) Project. Nine locations are scheduled for renovation in 2022-2023 under the OSS project and funding is required for monitors, docking stations, audio/video, video conferencing hardware and AV professional services for installation. The technology is required to facilitate return to office and the remote hybrid model. There is a risk to the implementation of the return to office/remote hybrid model strategy if funding is not available to implement the required technology
- PN20601 (CPBS007771) Payroll Enhancement is in progress and requesting additional funding of \$0.4 million. An RFP was issued to the roster SAP vendors; based on the one response that was received, the quoted cost was much higher than the available budget. Through negotiations with the vendor, cost has been reduced but additional funds are required to undertake the project and realize the efficiencies and effectiveness in meeting legislative changes

Business Services

- PN18620 (CPBS006352) Customer Service Strategy is recommending to close the project and return remaining funding of \$2.3 million. The new BRAVO e-module has been completed and launched. However, the Customer Relationship Management (CRM) procurement has been cancelled due to a change in strategic direction to explore CRM enhancements using existing platforms and solutions

Facilities and Property Management

- PN19775 (CPFP007273) Various Emergency Repairs 2019 is recommending to close the project and return remaining funding of \$0.3 million. This account was used over the course of 2019 to fund all emergency projects in City of Mississauga facilities as they occurred. The account funded 29 projects in 2019
- PN19782 (CPFP007235) Mechanical Systems Renewal Various is recommending to close the project and return remaining funding of \$0.3 million. The project was completed under budget due to competitive tender pricing. The scope of the project included the lifecycle replacement of roof-top units and associated controls at various sites including Benares Visitor Centre, Clarke Memorial Hall, Cooksville Library and Meadowvale Depot. The replacement will renew the life of this equipment and keep these sites in a state of good repair

- PN20775 (CPFP008171) Various Emergency Repairs is recommending to close the project and return remaining funding of \$0.6 million. This account was used over the course of 2020 to fund all emergency projects in City of Mississauga facilities as they occurred. The account funded 34 projects in 2020
- PN21765 (CPFP008827) Huron Park Refrigeration and Pool is in progress and requesting additional funding of \$1.5 million. The additional funding is required to ensure construction work can be expedited and the rink can reopen to the public in fall 2022. The Huron Park CC rink was closed in January 2022 based on a maintenance report issued by the onsite refrigerant maintenance vendor that indicated some of the refrigerant components and piping systems were showing signs of premature failure and should be replaced immediately out of an abundance of caution
- PN21780 (CPFP008833) Office Space Strategy phase 2 is in progress and requesting additional funding of \$1.0 million. The additional funds are to relocate staff from leased facilities at 201 City Centre before the lease expires in March 2023

PART 3: STORMWATER FINANCIAL SUMMARY

Stormwater Operating and Revenue Charge Summary

As of December 31, 2021, the City is reporting that the Stormwater operating program resulted in a year-end deficit of \$0.3 million which was offset by the Stormwater Capital 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 \$140.5 million, including legacy Stormwater projects originally part of the Roads Service Area. Staff recommend closing three projects and are requesting approximately \$0.7 million be requested from the appropriate reserve funds.

Recommended adjustments to the Stormwater capital program will result in a revised net capital budget of \$140.5 million for the 92 active projects.

The following are highlights of major project funding adjustments:

- PN20004 (TWSD00210) Cooksville Creek Flood Storage Facility – Bristol Road E, west of Kennedy Road is in progress and returning funding of \$1.1 million. This is due to lower bidding prices and favourable underground conditions
- PN20029 (TWSD00381) Loyalist Creek Erosion Control between Thornlodge Drive is in progress and requesting additional funds of \$1.8 million. The request is based on an updated cost estimate from the engineering consultant in response to design changes that were required based on landowner feedback through the EA process. The updated design requires that the creek be re-constructed using a more expensive heavy armourstone bank option, instead of the less expensive natural banks that were initially proposed

- PN14142 (TWSD00203) Cooksville Creek Pond #3702 – North of Matheson Boulevard Park 317 is the Lake Saigon/Saigon Park collaboration between T&W and CMS. This project is near completion and returning surplus funds of \$0.7 million. This was a complex, multi-year project for which the funding covered large infrastructure. As part of the construction tender, the City received favourable pricing for certain infrastructure aspects that has enabled a funding surplus. Remaining funds are being retained in the account to cover the balance of the warranty period from the contractor side as well as the consultant's side. Additionally, \$0.1 million is being returned from this PN and requested from Park Development PN21328 for the implementation of minor improvements around the site
- PN19004 (TWSD00214) Cooksville Creek Flood Storage Facility – Mississauga Valley is in progress and requesting additional funding of \$1.0 million. The additional budget is required due to the lowest bidding price being higher than the approved budget
- PN17015 (TWSD00372) Mary Fix Creek Erosion Control, downstream of Dundas Street West is in progress and requesting additional funding of \$0.5 million. The additional budget is required due to lowest bidding price being higher than the approved budget and additional costs to dispose of encountered contaminated soil at landfills

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 – 107 projects with an approved budget of \$96.3 million, including three Stormwater projects with approved budget of \$2.2 million, are to be closed. \$7.3 million or 7.6 per cent of the approved budget amount being returned to the reserves and reserve funds
- **Appendix 2-3:** Open Projects Requiring Funding Adjustments – Overall 60 projects with an approved budget of \$154.9 million, requesting \$3.2 million from reserves and reserve funds. Among them, 12 Stormwater projects are requesting \$1.0 million
- **Appendix 2-4:** Project Adjustments with No Net Capital Impact lists six projects that are being adjusted with no net financial impact
- **Appendix 2-5:** Various Project Adjustments is requesting five new projects with impacts of \$2.0 million from various reserves including Section 37 Bonus Zoning
- **Appendix 5:** Funding Adjustments to various BRT projects

PART 4: MUNICIPAL ACCOMMODATION TAX

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

In February 2020, a by-law was established to create Tourism Mississauga. Fifty per cent of the total net MAT revenue is remitted to Tourism Mississauga.

As of December 31, 2021, the revenue collected is \$5.9 million or 60 per cent of total budget. Hoteliers have been impacted by the COVID-19 pandemic. Monthly MAT revenue collection is increasing, but remains below pre-pandemic levels.

PART 5: WARD-SPECIFIC PROJECTS

On May 22, 2019 a motion was passed by Council to establish capital projects up to a total amount of \$2.0 million per ward, to be used at the discretion of each local councillor. These funds need to be used within the current council term. As part of this report, approval is requested for the projects listed in Appendix 2-6. A status update of approved projects by ward is presented in Appendix 2-7. A status update of all projects requested to date is provided in Appendix 2-8.

PART 6: HOUSEKEEPING

Planning & Building 2022 Fees and Charges change

Engineering Fees (listed in Appendix 3) need to be inserted in Schedule C-1 (Planning Act Processing Fees Applications) of the User Fees and Charges By-law 0247-2021. Engineering Fees under the Development Engineering Section were inadvertently omitted as part of the 2022 Fees and Charges review; however, these fees were included in last year's by-law. The Engineering Fee amounts in 2022 are the same as the 2021 Engineering Fees.

Malton Depot Main Building – Roofing renewal

Facilities & Property Management is requesting to advance funding to PN22726 (CPFP008948) in the amount of \$0.9 million from the Tax Capital Reserve Fund (#33121) to a revised budget of \$1.1 million. Funding was built into the 2023 capital plan. Given the state of the roof and the increased maintenance costs, the recommendation is to replace the roof as soon as possible and advance 2023 funding. Repairs to the roof are no longer cost effective and it is past life expectancy at over 20 years old and leaking in several locations. Otherwise, leaks will continue and there may be additional costs due to damage to interior spaces.

Telematics/GPS in Fleet Vehicles

Roads is requesting a new PN21201 (TWOE09889) GPS/Telematics Fleet Vehicles be approved in the amount of \$1.2 million funded by the Tax Capital Reserve Fund (#33121) proposed in Appendix 2-5. The additional request is to cover the expected costs of hardware, installation and project implementation (Current PN20565 under CPS/IT). This replacement project is for the supply, install, implementation and ongoing support for a hosted GPS/telematics solution over 1,250 city-owned and contracted vehicles. The City's asset management strategy as well as the

push for carbon neutral transportation for City operations depend on a robust TMX solution to make incremental change based on TMX data. Specifically, a new solution will help the City reduce overall fleet size where possible, track vehicle performance, and reduce greenhouse gas emissions.

Property Acquisition

Roads is proposing to acquire City-owned lands from Community Services and use funding from PN20197 (TWOE06827) Property acquisition Park PIN 131410187 for the SQ1 Drive Extension. Funding of \$2.76 million is being returned and transferred to CIL Parkland reserve fund (#A32121) included in Appendix 2-3.

MAX System Project

Business Services is requesting to Modify PN22600 MAX System with a gross and net cost budget of \$0.8M, due to an increase in scope. The project is funded by the Tax Capital Reserve Fund (#33121). In order to use the \$1.0 million Streamline Development Approval Fund to be received from the Province, \$0.8 million should now be returned and the project gross cost budget to be increased to \$1.0 million offset by Recovery from Province of Streamline Development Approval Fund resulting in a net cost budget of zero. Furthermore a recommendation has been included to amend and rename the “MAX System Project” to “Streamline Development Project”.

Future Directions - Recreation and Parks, Forestry & Environment

Recreation is requesting to advance \$0.2 million to PN22302 funded by DCA-Recreation & Parks Development Reserve Fund #31315.

Parks, Forestry and Environment (PF&E) is requesting to advance \$0.2 million to PN22433 funded by DCA-Recreation & Parks Development Reserve Fund #31315.

Funding for the Recreation and PF&E is currently built into the 2023 capital plan. Master Plans for Recreation and PF&E will be worked on in conjunction with Master Plans for Library, Culture and Fire, and will begin in 2022. Based on project timelines, procurement of consultant services will need to take place by August 2022 to achieve the target completion date of January 2024.

Square One Innovation Hub

Land Development Services is requesting additional funding of \$0.3 million for PN22958 from the Tax Capital Reserve Fund (#33121) for a revised budget of \$1.625 million to address increases in tender prices due to supply chain pressures related to COVID-19. It is critical that this project proceed as planned.

Various Housekeeping Project Adjustments

Listed in Appendix 6.

PART 7: UNCOLLECTIBLE WRITE-OFFS

Accounts Receivable Invoicing and Collection Policy 04-07-02 gives the Commissioner, Corporate Services and Chief Financial Officer the authority to write off uncollectible invoices under \$25,000 and requires the amount of invoices written off to be reported to Council annually. In 2021, a total of 4,158 invoices were issued totalling \$26.1 million. Write-offs completed in 2021 for prior years' uncollectible invoices totalled \$248,073.10. 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.

The Policy requires the Commissioner, Corporate Services and Chief Financial Officer to obtain Council Approval to write off uncollectible invoices over \$25,000.00. Invoice #126466 was issued on April 05, 2019 for multiple event settlements. The current balance for the invoice including associated interest is \$116,577.87. This invoice has been reviewed by Legal Services and the originating program area has deemed the account to be uncollectible.

Staff have determined that the taxes billed for the following properties are uncollectible and should be written off.

Roll numbers 050-113-16219 and 050-113-16229, 0 Airport Rd are roll numbers associated with a prior commercial tenant of the GTAA. As this is GTAA land, the City does not have the option of tax sale for collecting outstanding taxes. Collection activities occurred including legal action that has resulted in a settlement. The amount agreed to in the settlement has been received; therefore, the balance of taxes, fees and charges of \$66,861.57 be should be written off.

Roll numbers 040-096-79662, 040-096-79664, 040-096-79666, 040-096-79668, 040-096-79670, 040-096-79672, 040-096-79674 & 040-096-79676, 0 Cabrera Crescent W/S, City-owned properties where a tax appeal to exempt them from taxation was not filed by the applicable deadline. Therefore, the balance of taxes, fees and charges of \$88,457.50 be should be written off.

Conclusion

The City continued to face challenges in 2021 as a result of the COVID-19 pandemic. Numerous lockdowns and re-openings impacted many service areas. Transit ridership has not yet recovered to pre-pandemic levels. Recreation centres and libraries were also closed for a portion of the year.

Although the City adopted mitigating actions, such as cost containment strategies and closures of facilities wherever possible, the City nevertheless incurred a deficit of \$51.0 million at year end. This deficit has been offset by Federal and Provincial Safe Restart funding.

Attachments

- Appendix 1-1 Operating Details by Service Area
- Appendix 1-2 Revenue Charge and Operating Details for Stormwater
- 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 Various Project Adjustments
- Appendix 2-6 Requests for Establishment of New Ward-Specific Projects
- Appendix 2-7 Approved Ward-Specific Projects
- Appendix 2-8 Status to Date Ward-Specific Projects
- Appendix 3 Amended Planning Act User Fees
- Appendix 4 Reconciliation with 2021 Consolidated Financial Statements
- Appendix 5 Funding Adjustments to various BRT projects
- Appendix 6 Various Housekeeping Project Adjustments



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

Prepared by: Luigi Vernace, CPA, CGA, Supervisor, Budgets