

City of Mississauga  
**Corporate Report**



<p>Date: November 4, 2024</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: December 4, 2024</p>

## Subject

**Financial Report as at September 30, 2024**

## Recommendation

1. That the Mississauga Garden Park Development Reserve Fund RF#35345 name be changed to Riverwood Conservancy Development Reserve Fund;
2. That the Mississauga Garden Park Maintenance Reserve Fund RF#35346 name be changed to Riverwood Conservancy Maintenance Reserve Fund;
3. That \$900,000 be transferred from the Tax Capital Reserve Fund (#33121) to the Tax Funded Planning and Studies Reserve Fund (#33122);
4. That any 2024 year-end Stormwater operating program deficit be transferred from the Stormwater Pipe Reserve Fund (#35993);
5. That up to \$259,040 of the Operating Budget Reserve request be approved for transfer to the Fiscal Stability Reserve (#30125) as listed in Appendix 2;
6. That all necessary by-laws be enacted.

## Executive Summary

- The City is forecasted to be in a surplus position of \$3.7 million, excluding Stormwater, at the end of 2024. Any year-end surplus will be transferred to the Fiscal Stability Reserve.
- The Stormwater operating program is forecasted to be in a year-end deficit position of \$0.3 million at the end of 2024. Any year-end deficit will be offset by a transfer from the Stormwater Pipe Reserve Fund (#35993).

## Background

In accordance with the Operating Budget Policy, Finance provides Council with a review of the City's financial position at a minimum of twice per year. This report provides an update on the City's 2024 forecasted year-end operating position.

## Comments

The projected year-end Citywide forecast for 2024 as of September 30 indicates a surplus of \$3.7 million. This surplus is driven by higher than budgeted Transit revenue of \$8.8 million due to higher ridership than expected and increased fare revenue, higher than budgeted tax penalties and interest revenue of \$5.6 million, and higher than budgeted supplementary tax revenue of \$4.2 million due to recovery of arrear accounts. These items are partially offset by the settlement and provisions of \$9.5 million made for ongoing labour collective agreement negotiations, and a 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 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:

- Favourable Fire & Emergency Services labour variance of \$2.7 million lower than budget driven by vacancies in Suppression and salary differentials for replacement hires
- Favourable Mississauga Library net variance of \$1.6 million lower than budget driven mainly by staff vacancies and salary differentials for replacement hires, and timing impacts related to technology licence and maintenance costs
- Unfavourable Parks, Forestry & Environment variance of \$2.7 million higher than budget in Other Operating Expenses due to increases in material and operating costs

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

## Operating Summary by Service Area - Q3 2024

Table 1. Operating Budget - Year-End Forecast (\$ Millions)

Service Area	Net Budget	Year-End Forecast	Year-End Variance	
			\$ Surplus/ (Deficit)	% of Budget
Fire & Emergency Services	157.0	157.0	0.0	0.0%
Transit	114.4	102.7	11.7	10.3%
Corporate Transactions	46.8	52.5	(5.7)	(12.2%)
Roads	87.6	87.8	(0.2)	(0.2%)
General Government	58.3	59.0	(0.7)	(1.2%)
Parks, Forestry & Environment	46.2	49.9	(3.7)	(7.9%)
Recreation & Culture	43.5	43.9	(0.4)	(1.0%)
Information Technology	39.1	38.4	0.8	1.9%
Mississauga Library	34.0	32.4	1.6	4.8%
Facilities & Property Management	34.4	36.0	(1.6)	(4.6%)
Planning & Building	11.9	11.0	0.9	8.0%
Mayor & Members of Council	5.4	5.4	0.0	0.0%
Regulatory Services	3.3	2.4	0.9	27.7%
<b>Total Tax Levy Funded</b>	<b>682.0</b>	<b>678.2</b>	<b>3.7</b>	<b>0.5%</b>
Stormwater	48.2	48.5	(0.3)	(0.6%)
<b>Total Stormwater Charge Funded</b>	<b>48.2</b>	<b>48.5</b>	<b>(0.3)</b>	<b>(0.6%)</b>
<b>Total City</b>	<b>730.2</b>	<b>726.7</b>	<b>3.4</b>	<b>0.5%</b>

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

### OPERATING BUDGET RESERVE REQUESTS

At year end, there are some legally binding obligations for goods and services ordered prior to December 31 and that are not received until the following year. To avoid unfavourable variances in the following year, Appendix 2 details Operating Budget Reserve requests which total \$259,040. The final amount required will be added to the 2025 operating budget but will have no impact on the net tax levy.

### RESERVE FUNDS HOUSEKEEPING

A name change is required for reserve fund #35345 from "Mississauga Garden Park Development Reserve Fund" to "Riverwood Conservancy Development Reserve Fund" to reflect the official name of the park.

A name change is required for reserve fund #35346 from “Mississauga Garden Park Maintenance Reserve Fund” to “Riverwood Conservancy Maintenance Reserve Fund” to reflect the official name of the park.

### **REQUESTS FOR RESERVE AND RESERVE FUND TRANSFERS**

The Tax Funded Planning and Studies Reserve Fund (#33122) was established with the purpose of segregating funding for various studies across all service areas. This administrative segregation provides increased transparency regarding how much is spent on planning studies. Funding of \$900,000 is requested to be transferred from the Tax Capital Reserve Fund to the Tax Funded Planning and Studies Reserve Fund.

### **Financial Impact**

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

### **Conclusion**

The City is forecasting to end the year with a surplus of \$3.7 million, excluding Stormwater. This surplus is driven by higher Transit revenue, tax penalties and interest revenue, and supplementary taxes, partially offset by the impacts of ongoing labour negotiations and the GTAA PILT revenue loss. Any year-end surplus will be transferred to the Fiscal Stability Reserve.

### **Attachments**

Appendix 1: Operating Budget Variance Details by Service Area

Appendix 2: 2024 Operating Budget Reserve Request



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

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