Region of Peel
working with you

REPORT
Meeting Date:2021-10-28
Regional Council

REPORT TITLE: **2021 Operating Financial Triannual Performance Report – August 31, 2021**

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

That the report from the Chief Financial Officer and Commissioner of Corporate Services, listed on the October 28, 2021 Regional Council agenda titled "2021 Operating Financial Triannual Performance Report – August 31, 2021" be endorsed;

And further, that a COVID-19 Recovery reserve to address work that has been backlogged due to COVID-19 be established;

And further, that the transfer of $29.626 million from current tax supported operational surpluses to the COVID-19 Recovery reserve, be approved.

REPORT HIGHLIGHTS

- Similar to 2020, 2021 has not been a normal year for operations with many non-critical services and priorities slowed down and activities paused due to the COVID-19 response including the Mass Vaccination Program.
- Significant staff and other resources that are tax funded for Regional services were redeployed to Peel's provincially funded COVID-19 response and mass vaccination program creating a one-time surplus.
- The redeployment of staff and resources, especially within Public Health, has resulted in backlogged work, some of which will eventually need to be done.
- It would be prudent to set aside funding for 2022 into a COVID-19 Recovery reserve to enable services to catch up on backlogged Public Health work and advance work in key priorities that couldn't be done due to COVID-19.
- Staff are continuing to assess the backlog for other services and will report at year end if further monies need to be allocated to the COVID-19 Recovery Reserve.
- After the application of available funding for eligible COVID-19 costs, a positive variance of $43.1 million is projected; $29.98 million for Tax Supported Services and $13.2 million for Utility Rate Services representing a total variance to budget of 2.6 per cent within the budget accuracy target of plus or minus 3 per cent.
- A key assumption for the projected 2022 financial results is that the Province will fully fund the Mass Vaccination Program with costs currently estimated at $107 million.
- A companion capital performance report for the second triannual of 2021 will be provided to Regional Council to provide analytics on the capital program.

DISCUSSION

1. Background

The Budget Policy requires that staff report the status of operating and capital services at a minimum of twice annually to manage financial performance to ensure the long-term financial sustainability of Regional services. This report provides the second forecasted year end financial position of the Operating Budget based on the information and financial results as at August 31, 2021.

a) 2021 Operating Budget

The approved 2021 Operating Budget of $2.7 billion includes $0.6 billion to the Region's externally financed agencies: Peel Regional Police, Ontario Provincial Police, and three Conservation Authorities. The budget provides the Region with funding to support community needs through services under three areas of focus: Living, Thriving and Leading.

The Region's operating budget is developed based on the best information available during budget preparation. Budget assumptions are modeled and projected for drivers such as social assistance caseload, 9-1-1 call volumes, winter events and water consumption. Risks are identified and mitigated where reasonably possible, including the use of rate stabilization reserves to address volatility in weather conditions, economic cycles and one-time initiatives or to minimize the impact on the Tax and Utility ratepayers.

For estimated costs related to the COVID-19 pandemic, $12.4 million in Safe Restart Funding was included in the 2021 budget to offset these costs as they are temporary in nature and were not expected to be long term cost drivers.

b) Impact of the COVID-19 Pandemic

Similar to 2020, 2021 has been anything but a normal year for operations. The COVID-19 pandemic continues to have a significant impact on the broader economy, adding pressure of unbudgeted COVID-19 costs and disrupting the delivery of regional services and priorities.

In addition to its contact tracing and other COVID-19 work, Peel Public Health – Infectious Disease Prevention implemented the Mass Vaccination Program which is the largest emergency program ever undertaken by Peel and the biggest unbudgeted cost driver in 2021. This required the redeployment of significant staff and other resources from Infectious Disease Prevention.

Many other services (excluding Infectious Disease Prevention) provided by the Region of Peel have also been impacted by the pandemic but in different ways. Some services have not been able to be fully delivered (e.g. temporary closure of Peel Art Gallery and Museum and Archives) or have experienced a significant reduction in service levels (e.g. Early Years and Child Care) due to continued disruptions, isolation and social distancing requirements. Other services have experienced lower demand or paused activities either due to the pandemic itself such as TransHelp and Affordable Transit or due to the redeployment of staff and resources to support the COVID-19 response or the Mass

Vaccination program such as Adult Day Services, Chronic Disease Prevention and Early Growth and Development.
The need for support for the COVID-19 response and the Mass Vaccination program have also put tremendous pressure on staff from services across the corporation such as Legal, Human Resources, Facilities Services, Communications, Finance and IT. These services have been critical to enabling the smooth set up, logistics and operations of the mass vaccination clinics.

Overall, the redeployment of significant staff and other resources from Regional tax services that are tax funded to Peel's provincially funded COVID-19 response including the mass vaccination program creates a large one-time surplus. The Region of Peel's 2021 year-end financial results will ultimately depend on the Province fully funding the costs incurred for the mass vaccination program.

2. Operating Results

The Region's operating performance includes Tax Supported Services, both Regionally Controlled and Regionally Financed External Organizations, and Utility Rate Supported Services.

For 2021, tax supported services that experienced extraordinary costs and pressures have received program-specific funding from the provincial and federal governments to largely offset those pressures. Broader level COVID-19 funding has been provided through the federal-provincial Safe Restart Agreements and the Provincial COVID-19- Recovery Fund to address any remaining service pressures not funded through program-specific funding.

As mentioned earlier in the report, many services experienced significant disruptions as they were required to pause activities or redeploy staff and resources to support the COVID-19 response. As a result, a large one-time surplus will be generated as these tax funded resources are expected to be funded by the Province.

After the application of COVID-19 funding for eligible costs, surpluses of $29.98 million for Tax Supported services and $13.2 million for Utility Rate Supported services are forecasted. The figure reflects the proposed direction under Section 5 of this report to set aside surpluses to fund additional future COVID related costs. Appendix I provides a summary of the projected year-end position by service.

a) Tax Supported Services

As outlined in Table 1 below, after the application of $39.6 million in COVID-19 funding (Safe Restart and Provincial COVID-19 Recovery) Tax Supported Services are forecasting a surplus of $30 million by year-end, representing a variance of 2.6 per cent of the Tax Supported total net budget, which is within Peel's budget accuracy target of plus or minus 3 per cent.

Regionally Controlled Services are forecasting a $29.9 million surplus, which is largely due to the recovery of costs for staff and other resources redeployed from across the corporation to support the provincially funded COVID-19 response and the mass vaccination program. The projected surplus also reflects the proposed direction in Section 5 to use $29.6 million of surplus to create a reserve to catch up on backlogged work and future potential COVID-19 costs.

Regionally Financed External Organizations are forecasting a $0.1 million surplus due to less Municipal Property Assessment Corporation costs, primarily caused by lower-than-expected growth in Peel.

Table 1: Projected Variances for Tax Supported Services

Services	**Net Revised Budget**	**Year-End** Prior to COVID-19 Funding	**COVID-19 Funding Applied**	**Contribution to Reserve for Backlog Work**	**Year-End Surplus /(Deficit)**	**Variance to Net Budget**
Regionally Controlled Services	$649.0M	$26.0M	$33.6M	**($29.6M)**	**$29.9M**	**4.6%**
Regionally Financed External Organizations	$524.6M	($6.0M)	$6.0M		**$0.1M**	**0.0%**
Total	**$1,173.6M**	**$20.0M**	**$39.6M**	**($29.6M)**	**$30.0M**	**2.6%**

3. Regionally Controlled Tax Supported Services

The Regionally Controlled Tax Supported Services are projecting to end the year with a $29.9 million surplus or positive 4.6 per cent variance, which is outside of Peel's budget accuracy target of plus or minus 3 per cent.

The majority of the variances projected for 2021 are either a direct or indirect result of the pandemic. As outlined in Table 2, the variances can be classified under one of three general headings: Mass Vaccination Program, Other COVID-19 related impacts on services, and "Normal" operational variances.

Assuming the Province fully funds the mass vaccination costs, there will be no net variance driven by the mass vaccination program. The driver of the positive budget variance for the "Other COVID-19 Related" category is largely due to either provincial or federal COVID-19 funding being used to fund redeployed staffing and other resources that otherwise would have been funded from property tax. This resulted in many services with forecasted surpluses after eligible COVID-19 costs were funded.

Table 2: COVID-19-Related Impact on Regionally Controlled Tax Supported Services

	COVID-19 Related			
	(a) Mass Vaccination Program	(b) Other COVID-19 Related	(c) Normal Operational Variances	Projected Surplus/ (Deficit)
Net COVID-19 Pressures before funding	($107.3M)	($238.6M)	$ -	**($345.9M)**
Savings from Service Level Adjustments	$ -	$167.9M	$ -	**$167.9M**
Federal/Provincial COVID-19 Funding	$107.3M*	$132.5M	$ -	**$239.8M**
Other variances	$ -	$ -	($2.3M)	**($2.3M)**
Sub-total	**$ -**	**$61.8M**	**($2.3M)**	**$59.5M**
Contribution to Reserve (see Section 5. Proposed Direction)	**$ -**	**($29.6M)**	**$ -**	**($29.6M)**
Total	**$ -**	**$32.2M**	**($2.3M)**	**$29.9M**

*Funding of $73.6 million has been confirmed to date

The following highlights the key drivers of the forecasted budget variances under each of the three main headings in Table 2 for Regionally Controlled Tax Supported Services based on the information available up to August 31, 2021. Appendix II provides a summary and additional details of the variances by service.

a) Mass Vaccination Program – Assumed to be Fully Funded

As part of the overall response to COVID-19, Public Health began implementation of Peel's Mass Vaccination Program (MVP) in January 2021. With an initial goal to vaccinate 75 per cent or 1.1 million of Peel's 1.5 million residents, the MVP became one of Peel's largest and most critical undertakings ever.

The initial cost for the Peel-run clinics including facilities, security, staffing, communications, human resources, I/T and other resources was estimated at $126.6 million. This assumed that the clinics would remain open until December 31, 2021 to achieve the vaccination targets.

Peel is also using two external partners as part of its overall delivery plan; Trillium Health Partners/University of Toronto – Mississauga (THP/UTM) and the South Asian Task Force (SATF). The initial cost for THP/UTM is $22.6 million and $4.7 million for the SATF. The cost estimates also assumed that the clinics would remain open until December 31, 2021.

The initial cost estimates for the Peel-run clinics, THP/UTM and SATF were submitted to the Province for funding in early April 2021. In July 2021, the Region received confirmation of $73.6 million in funding from the Ministry of Health for extraordinary costs related to the Mass Vaccination Program, with additional funding expected, however not yet confirmed, to fully fund the Mass Vaccination Program.

As of August 31, 2021, the Peel-run clinics are projected to come in at $95.4 million or $31.2 million under the initial cost estimate while the two external partners are projected to come in at $11.8 million, or $15.5 million under the initial cost estimate (Appendix III provides additional details and comments of the projected costs). The cost projections have been reduced from the initial estimate as clinics have been able to shut down or downsize significantly earlier than previously anticipated, and the Region has been able to transition to a more targeted approach.

The 2021 projected year end position assumes that the Province will fully fund the $107.3 million in extraordinary costs driven by the Mass Vaccination Program. If the Province only partially funds the costs then there would be a significant negative impact on Peel's year end operating results.

b) Other COVID-19 Related Impacts - $61.8 million

In addition to the expenditures required for the Mass Vaccination program, the Region continues to experience additional costs and pressures related to the COVID-19 response. However, as a result of COVID-19 funding for these costs and pressures, as well as for resources redeployed from other services to support the COVID-19 response, Tax Supported Regionally Controlled Programs are projected to have a positive variance of $61.8 million for COVID-19 related activity.

Overall, COVID-19 costs and pressures projected of $238.6 million are offset by $167.9 million in costs avoided where service levels had decreased due to COVID-19, and COVID-19 funding (program specific and broader COVID-19) of $132.5 million from senior levels of government.

i) Costs and Pressures - $238.6 million

The $243.1 million in COVID-19 related costs and pressures are largely driven by Health and Human related services who have been at the forefront of the COVID-19 response. Below are highlights of services that experienced increased costs due to COVID-19:

- **Early Years and Child Care** - $74.4 million
  - Additional spending for providers' sustainability and stabilization
- **Housing Support** - $70.2 million
  - Increased expenditures of $68.9 million driven by COVID-19 response programs from upper levels of government (Ontario Isolation Initiative, Social Services Relief Fund, Reaching Homeand Mental Health and Addiction)
  - $1.3 million in medical services necessary to run the isolation sites
- **Infectious Disease Prevention** - $57.8 million
  - Bulk of costs are salaries and recruitment costs for the COVID-19 response and includes the $3.5 million projected cost for the Safe Isolation Centre (fully funded by the federal government)

ii) Surpluses from Service Level Adjustments - $167.9 million

While most of Peel's services have been maintained during COVID-19, a number of services have had to be closed to the public (e.g. Peel Art Gallery and Museum and

Archives) and others experienced greatly reduced service levels such as Child Care and the Affordable Transit program in Community Investment. Service levels were also adjusted where staff and other resources needed to be redeployed to support Peel's COVID-19 response. These resulted in significant surpluses that help mitigate the COVID-19 costs and pressures.

Highlights include:

- **Early Years and Child Care – $74.4 million**
  - Program underspending of $74.4 million due to continued service disruptions from COVID-19 is projected to be offset by additional spending for Providers' sustainability and stabilization.
- **Public Health - $53.3 million**
  - The savings were largely due to the redeployment of staff from their regular work in Infectious Disease Prevention, Chronic Disease Prevention and Early Growth and Development to support the COVID-19 response and staff vacancies.
- **TransHelp - $11.2 million**
  - Surplus is driven by lower trip demand due to COVID-19 with only 38 per cent of budgeted trips expected to be delivered.
- **Community Investment – $1.9 million**
  - The $1.9 million savings is largely due to underspending in the **Affordable Transit Program**. The Affordable Transit Program was approved by Regional Council in 2017 and launched in 2018. In 2019, the budget was increased to $1.6M to meet expected participation levels, with no cap. Due to the pandemic, transit was free for three months in 2020 and ridership significantly decreased; with actual spending in 2020 at $0.79 million.
  - In 2021, this trend has continued resulting in $1.2 million underspending projected in the **Affordable Transit Program** in T2. Both Brampton and Mississauga Transit Authorities do not anticipate increased ridership until Q4. Options have been explored to assist other vulnerable groups with low-income transit but have not proven to be viable. Significant pressure on the program is anticipated in 2022 dependent on economic conditions or when transit ridership returns to pre-pandemic levels.

iii) Federal/Provincial COVID-19 Funding - $132.5 million

The net costs and pressures experienced by Regionally Controlled programs will be funded either through program specific funding provided by the Provincial or Federal governments or through the funding from the federal-provincial Safe Restart Agreements and Provincial COVID-19 Recovery Funding as summarized in Appendix IV.

- **Program Specific Funding - $107.2 million**
  A total of $107.2 million in unbudgeted funding has been allocated from the federal and provincial governments to address COVID-19 related costs and pressures in specific programs mostly in Health and Human Services. This funding significantly reduces the financial pressure from these additional costs and pressures. Highlight of the funding include:
  - **Housing Support**, $68.9 million in external funding was received

in COVID-19 funding which includes $35.1 million from Ontario Isolation Initiative, $31 million from Social Services Relief Fund, $2.5 million from Reaching Home and $0.3 million from Mental Health and Addictions.
  - **Long Term Care**, $15.9 million related to additional one-time funding announced until December 2021.
  - **Infectious Disease Prevention**, $8.9 million of provincial funding has been received for extra-ordinary costs related to COVID-19 response, and $3.8 million of Federal funding was received and has been applied to the safe isolation centre.

- **Safe Restart Funding – $25.3 million**

  Through the 2021 Budget, $8.2 million of Safe Restart funding was budgeted to be needed for Regionally Controlled services and $1.6 million for the external agencies to address COVID-19 pressures. However, the duration and severity of the pandemic was far greater than estimated. As a result, an additional $25.3 million in additional Safe Restart funding is estimated to be needed to offset COVID-19 related costs and pressures. This will bring the total Safe Restart funding required for Regionally Controlled services to $33.5 million. It is projected that the Region will have $14.0 million available to alleviate COVID-19 costs and pressures in 2022. Appendix IV provides the projected allocation of COVID-19 funding by service.

c) Normal Operational Variances – ($2.3 million)

Excluding the impacts related to COVID-19, a deficit of $2.3 million is projected for the Tax Supported Regionally Controlled programs related to “normal” service demand and activity. The key driver of the negative variance is from Non-Program items ($7.2M) including higher than anticipated tax write-offs resulting from the settlement of multi-year appeals by the Assessment Review Board in the City of Mississauga, and a deficit in self-insured benefits driven by an increase in the Workplace Safety and Insurance Board and Post Retiree liability.

The negative variances were partially offset by operational surpluses in Paramedic Services ($3M) through lower than planned expenditures for medical supplies and discretionary spending and in Long Term Care ($2.8M) due to the delayed implementation of the Butterfly units in the Tall Pines and Davis Centres.

4. Utility Rate Supported Services

As outlined in Table 3 below, Utility Rate Supported Services are forecasting a year-end surplus of $13.2 million, or 2.8 per cent of the Utility Rate net budget of $468.9 million, which is within Peel’s budget accuracy target of plus or minus 3 per cent.

Table 3: Projected Variances for Utility Rate Supported Services

Services	Net Budget	Year end Projection	Surplus/ (Deficit)	% Variance to Net Budget
Water/Wastewater Net Expenditures before Billings	$468.9M	$468.3M	$0.6M	0.1%
Peel Direct Billings	$427.3M	$439.9M	$12.6M	2.9%
Other Recoveries / Surcharges	$41.5M	$41.5M	$0.0M	0.0%
Total	**$ -**	**$13.2M**	**$13.2M**	**2.8%**

The forecasted year-end surplus of $13.2 million for utility rate supported services is driven by the net financial impact of the following COVID-19 and Non-COVID-19 related drivers (i.e. Operational Variances) as outlined in Appendix II.

a) COVID-19 Related Drivers - $11.6 million

- A surplus of $9.3 million in Peel Direct Billings driven by increased residential water consumption due to stay-at home activities during COVID-19
- $2.3 million in savings resulting in a lower spending on meter installation and public education events directly resulting from COVID-19
- Increased costs related to COVID-19 for cleaning and PPE of $2.0 million have been offset with Safe Restart funding

b) Operational Variances - $1.6 million

- A surplus of $3.3 million in Peel Direct Billings driven by increased residential water consumption due to the dry and hot summer
- Savings of $0.6 million due to underspending in staffing costs from vacancies remaining unfilled due to a freeze in hiring
- A deficit of $2.3 million from municipal tax due to retroactive reassessment

5. Proposed Direction

As indicated earlier in the report, Peel has a significant back log of work in Public Health. Staff is assessing to what extent this is true for other services in the corporation as some of this back logged work will need to be done eventually.

To enable services to catch up on back logged work and advance on work that couldn't be done during the pandemic, staff propose that a new COVID-19 Recovery reserve be created using the $29.6 million of projected surpluses from the three Public Health services ($22.6 million) and Early Years and Child Care ($7.0 million). Additional funding may be required as service recovery plans are currently being developed. A report will be brought back to Council in early 2022 with any updates and requirements. In the interim, staff will continue to monitor and assess services and initiatives. Additional information is provided through the October 28, 2021 report "Pandemic Response Financial Update".

6. 2022 Outlook

The financial outlook for 2022 will greatly depend on the duration of the pandemic and the costs needed to support the community and the economy. Peel's Mass Vaccination Program has made significant progress by providing two doses to 78 per cent of eligible Peel residents, achieving the milestone of fully vaccinating 75 per cent of eligible population sooner than initially planned. For the purposes of the 2022 Budget, staff anticipate that services will need time to recover and transition back to normal service delivery. However, the pace at which the services return to normal will greatly depend on how easily services can get back up to full function as significant portions of staff and resources have been redeployed over the past year and a half to support either the COVID-19 response or the Mass Vaccination program.

COVID-19 is not expected to materially impact Peel's overall financial health but it is extremely difficult to predict. It is not known, at this point in time, if the mandate for Public Health will be changed by the Province to include annual vaccinations for COVID-19 (similar to the annual flu shot). Setting aside funds in a COVID Recovery reserve will also help to mitigate future financial risk in 2022 if future COVID-19 funding is not received.

A significant impact that is expected for 2022 from COVID-19 is a decrease in the revenues from payments-in-lieu-of-taxes from the Greater Toronto Airport Authority. Passenger volume in 2020 was only about 30 per cent of the pre-COVID-19 volume. This lower passenger volume is projected to result in lower PILTs revenue of $7.1 million in 2022, however this is anticipated to be temporarily offset in the 2022 budget with Safe Restart funding. Council advocacy to senior levels of government will be critical to ensure this issue is addressed and that there is funding support for the Region's ongoing COVID-19 response for future years.

7. Capital Performance

A companion report titled, "2021 Capital Financial Triannual Performance" will be provided to Regional Council on October 28, 2021. The goal is to provide additional information and analysis of the Region's capital program to support Regional Council in making better informed decisions on the capital program.

CONCLUSION

The Region will continue to monitor the impact of the Mass Vaccination Program, other COVID-19 related impacts on services and funding opportunities from senior levels of government whilst actively look for opportunities to reduce spending with minimal risk to service levels. These actions, together with maximizing the use of the external funding received, will be taken into consideration in developing the 2022 Budget.

The Region will manage its financial resources for service delivery through balancing the three pillars of Financial Sustainability, Financial Vulnerability and Financial Flexibility in accordance with the Long-Term Financial Planning Strategy.

APPENDICES

Appendix I – Projected Operating Year-End Position – Tax and Utility Services
Appendix II – Drivers of Projected Year-End Variance to 2021 Budget

Appendix III – Public Health Mass Vaccination Program Financial Report
Appendix IV – Projected Allocation of COVID-19 Funding by Service

---

Authored By: Norman Lum, Director of Business & Financial Planning

Projected Operating Year-End Position - Tax and Utility Services

For the period ending August 31, 2021

	2021 Gross Budget	2021 Net Revised Budget	2021 Projected Year-End Net Expenditure	Projected Year-End Surplus/ (Deficit) Prior to COVID Funding	Services Eligible for COVID Funding	2021 Projected Year-End Surplus/ (Deficit) After Applying COVID Funding	
	$'000						%
Property Tax Supported							
Adult Day	7,608	2,747	1,791	956	-	956	34.8%
Community Investment	16,225	14,705	12,998	1,707	-	1,707	11.6%
Early Years and Child Care	210,176	21,954	14,954	7,000	-	7,000	31.9%
Housing Support	271,874	135,751	133,721	2,030	-	2,030	1.5%
Income Support	262,104	26,565	20,095	6,470	-	6,470	24.4%
Long Term Care	102,693	41,615	37,759	3,856	-	3,856	9.3%
Paramedics	125,494	65,337	66,404	(1,067)	1,067	-	0.0%
TransHelp	31,325	27,439	17,889	9,550	50	9,600	35.0%
Living	**1,027,499**	**336,113**	**305,611**	**30,502**	**1,117**	**31,619**	**9.4%**
Chronic Disease Prevention	39,924	15,405	4,953	10,452	-	10,452	67.8%
Early Growth and Development	23,233	5,626	(685)	6,311	-	6,311	112.2%
Heritage Arts and Culture	5,860	5,445	5,274	171	122	293	5.4%
Infectious Disease Prevention	43,194	13,014	28,681	(15,667)	21,529	5,863	45.1%
Land Use Planning	7,312	3,803	3,803	-	-	-	0.0%
Roads and Transportation	98,272	94,330	94,630	(300)	1,200	900	1.0%
Waste Management	160,679	129,032	131,217	(2,185)	2,837	652	0.5%
Thriving	**378,473**	**266,656**	**267,873**	**(1,217)**	**25,688**	**24,471**	**9.2%**
CAO Office	2,799	2,799	1,783	1,016	-	1,016	36.3%
Corporate Services	61,729	54,558	54,869	(311)	6,060	5,749	10.5%
Council & Chair	2,801	2,801	2,581	220	-	220	7.9%
Non-Program (Less Capital Allocation)	64,007	(40,740)	(33,522)	(7,218)	-	(7,218)	17.7%
Service Excellence & Innovation	27,493	26,802	23,830	2,972	691	3,663	13.7%
Capital Allocation	-	-	-	-	-	-	0.0%
Leading	**158,830**	**46,220**	**49,541**	**(3,321)**	**6,751**	**3,430**	**7.4%**
Contribution to Reserve to Address back logged work	**-**	**-**	**29,626**	**(29,626)**	**-**	**(29,626)**	**N/A**
Regionally Controlled Services	**1,564,803**	**648,987**	**652,651**	**(3,662)**	**33,556**	**29,894**	**4.6%**
External Organizations - Thriving							
Police Services							
Community Events Policing Grant	274	274	274	-	-	-	0.0%
Peel Regional Police	509,584	462,500	468,489	(5,989)	5,989	-	0.0%
Ontario Provincial Police	13,746	12,861	12,930	(69)	69	-	0.0%
Subtotal Police Services	523,604	475,635	481,693	(6,058)	6,058	-	0.0%
Conservation Authorities	29,316	29,266	29,266	-	-	-	0.0%
Municipal Property Assessment Corporation	19,717	19,717	19,628	88	-	88	0.4%
Subtotal Conservation and Assessment	49,033	48,983	48,894	88	-	88	0.2%
Regionally Financed External Organizations	**572,637**	**524,618**	**530,587**	**(5,971)**	**6,058**	**88**	**0.0%**
Total Property Tax Supported	**2,137,440**	**1,173,606**	**1,183,238**	**(9,633)**	**39,614**	**29,982**	**2.6%**
Utility Rate Supported - Thriving							
Water Supply	367,607	280,333	272,818	7,515	1,119	8,634	3.1%
Wastewater	237,234	188,544	184,895	3,649	882	4,531	2.4%
Total Utility Rate Supported Services	**604,841**	**468,878**	**457,713**	**11,165**	**2,001**	**13,166**	**2.8%**
Total Region	**2,742,280**	**1,642,484**	**1,640,951**	**1,532**	**41,615**	**43,147**	**2.6%**

Drivers of Projected Year-End Variance to 2021 Budget

For the period ending August 31, 2021

	Projected Year End Surplus/ (Deficit)	Variance to Net Budget	COVID Related						Non COVID	Comments
			Mass Vaccination Program - Savings/ (Costs)	Service Level Reductions	Increased Costs	Decreased Revenue	Program Specific Funding Applied	Change in Safe Restart Funding Required	Operational Variance	
	$'000	%	$'000							
Property Tax Supported										
Adult Day	956	34.8%		1,514	(76)	(591)	76		33	A positive variance of $1.0 million is projected for year-end based on $1.5 million in redeployment of staff costs to Long Term Homes to support COVID activities & lower goods and services required during program closures, partially offset by reduced revenues of $0.6 million mainly due to in-person program closures.
Community Investment	1,707	11.6%		1,906		(300)			100	Community Investment is projecting a surplus of $1.7 million mainly driven by underspending in the Affordable Transit Program due to COVID-19.
Early Years and Child Care	7,000	31.9%		74,433	(74,356)		6,923			Early Years and Child Care is projecting a surplus of $7.0 million due to the settlement and reconciliation of 2020 program funding received in 2021 as a result of the changing scope and timelines of federal COVID-19 response programs to support staffing and rent costs. All 2021 underspending due to continued services disruption from COVID-19 is projected to be offset by additional spending for Providers' sustainability and stabilization.
Housing Support	2,030	1.5%		6,400	(70,246)		68,946		(3,070)	Housing Support Services is projecting a $2.0 million surplus mainly driven by service level reductions due to COVID-19.
Income Support	6,470	24.4%		6,658	(638)	-	450			Income Support is projecting a surplus of $6.5 million due to savings in staffing costs resulting from lower caseloads, and savings from staff reassignments for the COVID response.
Long Term Care	3,856	9.3%			(12,174)	(500)	15,948	(2,251)	2,833	A positive variance of $3.9 million is projected comprised of a surplus of $2.8 million in operational expenditures and $1.0 million in COVID related activities. The projected operational variance includes $1.5 million in staff vacancies and $1.8 million in lower internal allocations due to Mass Vaccination redeployments, partially offset with slightly higher spending of $0.4 million on goods and services. A positive variance of $1.0 million in COVID related activities is driven by surplus funding of $3.8 million mainly due 2020 catch-up funding received in 2021 ($3.3 million), as a result of which, the budgeted utilization of safe restart funding of $2.3 million is projected not to be required. There is also a net reduction in resident revenues projected of $0.5 million.
Paramedics	-	0.0%			(6,006)		1,967	1,067	2,972	No variance to budget is projected. COVID related impacts are offset by COVID related funding and operational savings resulting from less than anticipated internal support costs, and operational savings driven by lower contractual facility expenses, medical supplies, and discretionary spending.
TransHelp	9,600	35.0%		11,150		(1,600)		50		The $9.6 million surplus is driven by lower trip demand due to COVID-19 with only 38 per cent of budgeted trips expected to be delivered.
Living	**31,619**	**9.4%**	-	**102,061**	**(163,496)**	**(2,991)**	**94,310**	**(1,134)**	**2,868**	

Drivers of Projected Year-End Variance to 2021 Budget
For the period ending August 31, 2021

	Projected Year End Surplus/ (Deficit)	Variance to Net Budget	COVID Related						Non COVID	Comments
			Mass Vaccination Program - Savings/ (Costs)	Service Level Reductions	Increased Costs	Decreased Revenue	Program Specific Funding Applied	Change in Safe Restart Funding Required	Operational Variance	
	$'000	%	$'000							
Chronic Disease Prevention	10,452	67.8%		21,157		(10,705)				The surplus of $10.5 million is mainly driven by staff redeployed to Infectious Disease Prevention to support COVID measures. Public Health continues to reprioritize activities and staff to support the emergency response.
Early Growth and Development	6,311	112.2%		14,535		(8,223)				The surplus of $6.3 million is mainly driven by staff redeployed to Infectious Disease Prevention to support COVID measures. Public Health continues to reprioritize activities and staff to support the emergency response.
Heritage Arts and Culture	293	5.4%		393		(122)	100	42	(120)	Heritage is forecast to be under budget by $0.3 million as PAMA is closed to the public due to the COVID-19.
Infectious Disease Prevention	5,863	45.1%	(107,251)	17,582	(57,804)	14,698	119,993	18,644		A positive variance of $5.9 million is projected in COVID-related activities. Higher than anticipated expenditures of $57.8 million for the surveillance/containment of COVID are offset with savings from the reprioritization of activities and staff to support the emergency response and partial funding for COVID expenses received to date. Federal funding of $3.8 million has been applied to the safe isolation centre. The Mass Vaccination Program is projected to cost $107.3 million, with funding of $73.6 million received to date. It is expected, but not yet confirmed, that the program will be fully funded.
Land Use Planning	-	0.0%								Based on year-to-date operating results, Land Use Planning is expected to be on budget.
Roads and Transportation	900	1.0%			(1,200)			1,200	900	A surplus of $0.9 million is projected driven by lower than anticipated expenditures in winter maintenance of $0.4 million and operational support of $0.5 million. Incremental costs due to COVID response are projected to be offset with safe restart funding.
Waste Management	652	0.5%			(1,584)			1,957	279	A surplus of $0.7 million is projected driven by higher than budgeted payments from producers of $2.7 million, and $0.4 million in salary saving due to a hiring freeze, partially offset with the projected loss of $2.4 million due to continued commissioning of the Material Recovery Facility. COVID related impacts are projected to be offset by safe restart funding.
Thriving	**24,471**	**9.2%**	**(107,251)**	**53,667**	**(60,588)**	**(4,352)**	**120,093**	**21,843**	**1,059**	
CAO Office	1,016	36.3%		724					292	Projected surplus of $1.0 million is driven by both staffing vacancies and underspending related to COVID response.
Corporate Services	5,749	10.5%		7,836	(4,883)	(1,569)	-	3,941	424	A surplus of $5.7 million is projected due to additional recoveries and redeployments to support COVID and Mass Vaccination, partially offset with insurance cost pressures. Increased COVID costs are projected to be offset with safe restart funding.
Council & Chair	220	7.9%		76					144	Surplus driven by under expenditures on staffing, Councillors' newsletters and discretionary budgets due to both COVID and regular operations.

Drivers of Projected Year-End Variance to 2021 Budget
For the period ending August 31, 2021

	Projected Year End Surplus/ (Deficit)	Variance to Net Budget	COVID Related						Non COVID	Comments
			Mass Vaccination Program - Savings/ (Costs)	Service Level Reductions	Increased Costs	Decreased Revenue	Program Specific Funding Applied	Change in Safe Restart Funding Required	Operational Variance	
	$'000	%	$'000							
Non-Program (Less Capital Allocation)	(7,218)	17.7%							(7,218)	A deficit of $7.2 million is projected primarily driven by higher than anticipated tax write-offs of $7.4 million due to the settlement of backlogged multi-year appeals by the Assessment Review Board in the City of Mississauga, and a deficit in self-insured benefits of $4.1 million. The deficit in self-insured benefits is driven by an increase in the Workplace Safety and Insurance Board(WSIB) and Post Retiree liability and an increase in WSIB claim costs, partially offset by lower than anticipated Short Term Disability claim costs of $0.5 million and favourable investment income of $0.7 million. These deficits are partially offset with surpluses projected in payment-in-lieu revenues of $2.2 million driven by increased revenues from the Greater Toronto Airport Authority based on 2019 passenger volumes, higher than anticipated supplementary taxes of $2.0 million.
Service Excellence & Innovation	3,663	13.7%		3,535	(691)	(36)	-	691	164	Projected to be under budget by $3.7 million due to staff used to support the COVID response or the Mass Vaccination Program.
Subtotal Enterprise Programs and Services	**3,430**	**7.4%**	**-**	**12,171**	**(5,574)**	**(1,605)**	**-**	**4,632**	**(6,195)**	
Capital Allocation	-	0.0%								
Leading	**3,430**	**7.4%**	**-**	**12,171**	**(5,574)**	**(1,605)**	**-**	**4,632**	**(6,195)**	
Contribution to Reserve	**(29,626)**									**To fund backlogged work.**
Regionally Controlled Services	**29,894**	**4.6%**	**(107,251)**	**167,899**	**(229,658)**	**(8,948)**	**214,403**	**25,342**	**(2,268)**	
External Organization - Thriving										
Police Services										
Community Events Policing Grant	-	0.0%								No year-end variances anticipated.
Peel Regional Police	-	0.0%			(4,500)			4,500		No year-end variances anticipated; unbudgeted COVID expenditures are projected to be offset by safe restart funding
Ontario Provincial Police	-	0.0%			-			-		No year-end variances anticipated.
Subtotal Police Services	**-**	**0.0%**	**-**	**-**	**(4,500)**	**-**	**-**	**4,500**	**-**	
Conservation Authorities	-	0.0%								No year-end variances anticipated.
Municipal Property Assessment Corporation	88	0.4%							88	The variance is primarily caused by lower than expected growth in Peel.
Subtotal Conservation and Assessment	**88**	**0.2%**	**-**	**-**	**-**	**-**	**-**	**-**	**88**	
Regionally Financed External Agencies	**88**	**0.0%**	**-**	**-**	**(4,500)**	**-**	**-**	**4,500**	**88**	
Total Property Tax Supported	**29,982**	**2.6%**	**(107,251)**	**167,899**	**(234,158)**	**(8,948)**	**214,403**	**29,842**	**(2,180)**	
Utility Rate Supported - Thriving										
Water Supply	8,634	3.1%		1,400	1,142	6,600		(1,142)	634	Overall the water service anticipates a surplus of $8.6 million mostly driven by increased residential water consumption due to the dry and hot summer and stay-at home activities during COVID. The overall expenditure is largely on target.
Wastewater	4,531	2.4%		900	(676)	2,700		676	931	Overall the wastewater service anticipates a surplus of $4.5 million, which is a proxy of increased residential water consumption. The overall expenditure is largely on target.
Total Utility Rate Supported Services	**13,166**	**2.8%**	**-**	**2,300**	**466**	**9,300**	**-**	**(466)**	**1,565**	
Total Region	**43,147**	**2.6%**	**(107,251)**	**170,199**	**(233,692)**	**352**	**214,403**	**29,376**	**(615)**	

Note: Figures may not add due to rounding

Public Health Mass Vaccination Program Financial Report
For the period from January 1 to August 31, 2021
Year End Projection up to December 31, 2021

Cost Description	2021 Proposed Budget to the Province	Actuals Year to Date August 31, 2021	Year End Projection	(Deficit)/ Surplus vs. Budget	Comments
Staffing Resources	**92,903**	**33,214**	**47,240**	**45,663**	Staffing Resources are projected to be $45.7 million less than the initial estimate due to phasing of staff hiring and reduction in shifts from two to one, temporary closure of 3 fixed clinics in June for 2 weeks and permanent closure of Chris Gibson at the end of May, International Centre on July 26, and Paramount and Save Max on September 30th. The projection is based on a gradual termination of contract staff at the end of their contracts starting in August.
Goods and Services:					
Materials and Supplies	12,865	5,738	12,799	66	PPE and Medicals Supplies projected to be on budget
Services and Rents	10,646	10,483	13,564	(2,918)	Services and Rents are projected to be $2.9 million higher due to unanticipated costs for Pop-up Clinics of $0.8 million, additional costs for Advertising of $0.1 million, software licence costs of $0.8 million, temp agency costs of $0.3 million and additional security and maintenance expenditures.
Equipment and Furnishings	1,242	1,716	1,755	(513)	Increased number of IT equipment needed to match the number of staff hired including $1.0 million for computer hardware, $0.4 million for furnishings and $0.4 million for other Safety Equipment
Additional Support Required (from Outside of Public Health)	8,968	12,174	20,055	(11,087)	Projected to be $11.1 million higher due to the increased level of support required for hiring and onboarding temporary staff, security for facilities, communications to the public, increased call centre calls, financial tracking/reporting, information management and information technology support.
Goods and Services	**33,721**	**30,111**	**48,173**	**(14,452)**	Goods and services projected to be over the initial budget estimate by $14.5 million due to the overall increased level of support required to enable the program.
Total Expenditure for Peel Run Clinics	**126,624**	**63,326**	**95,413**	**31,211**	**Peel run clinics projected to be under initial cost estimates by $31.2 million**
Trillium Health Partnership - University of Toronto (Mississauga) - MVP Clinic	22,619	6,057	7,858	14,761	Clinic in operation as of March 15th. UTM closure on July 27 and THP by August 31 resulted in a lower projection of $7.9 million versus the initial request of $22.6 million
South Asian Task Force - MVP Clinic	4,701	1,330	3,981	720	$1.3 million spent to the end of August 2021
Sub-Total External Partnerships	**27,320**	**7,387**	**11,839**	**15,481**	**External partners projected to be $15.5 million below the initial estimated budget due to early closure of the Clinics**
Total MVP Extraordinary Costs	**153,944**	**70,713**	**107,252**	**46,692**	**Mass Vaccination Program projected to be $107.3 million or $46.7 million below the initial estimate**

Projected Allocation of COVID-19 Funding by Service

	Program Specific Funding Applied	Services Eligible for COVID Funding
	$'000	
Safe Restart Funding Available*		30,995
Provincial COVID Recovery Funding Available**		24,618
COVID Funding Available		55,613
Property Tax Supported		
Adult Day	76	-
Early Years and Child Care	6,923	-
Housing Support	68,946	-
Income Support	450	-
Long Term Care	15,948	-
Paramedics	1,967	1,067
Transhelp	-	50
Living	**94,310**	**1,117**
Heritage Arts and Culture	100	122
Infectious Disease Prevention	119,993	21,529
Roads and Transportation	-	1,200
Waste Management	-	2,837
Thriving	**120,093**	**25,688**
Corporate Services	-	6,060
Service Excellence & Innovation	-	691
Leading	**-**	**6,751**
Regionally Controlled Services	**214,403**	**33,556**
External Organizations - Thriving		
Police Services		
Peel Regional Police	-	5,989
Ontario Provincial Police	-	69
Regionally Financed External Organizations	**-**	**6,058**
Total Property Tax Supported	**214,403**	**39,614**
Utility Rate Supported - Thriving		
Water Supply	-	1,119
Wastewater	-	882
Total Utility Rate Supported Services	**-**	**2,001**
Total Region	**214,403**	**41,615**
COVID Funding Available for 2022		**13,998**

* $47.9 M received in 2020 of which $16.9M utilized in 2020

** Received in March 2021