



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: July 19, 2021

Report No: CORS-039-21

Subject: Operating Budget Review Report - May 2021

Recommendation: THAT the operating report for the five months ending May 2021 along with a projected year end surplus position of \$279,323 including COVID mitigation and funding be received for information.

THAT the Ontario Community Infrastructure Fund (OCIF) be closed effective July 19, 2021.

THAT \$167,341 in savings from WSIB Excess Insurance be transferred to the WSIB Reserve.

EXECUTIVE SUMMARY

This report provides a detailed review and update of the operating budget through May 2021 with the following information of note:

- Gross operating-related revenue losses in 2021 associated with the pandemic (including OLG revenue) is projected to be \$16.5 million, or \$6.8 million greater than budget
- Despite the higher than anticipated lost revenue, a projected net favourable variance of \$279,323 for the year is being forecasted, reflecting Federal-Provincial funding received, internal mitigation strategies and other areas of cost savings
- Current projections suggest that, with the external funding received and current mitigation efforts, the \$1.4 million budgeted contribution from the Tax Rate Stabilization Reserve to offset the impacts of the pandemic will not be required
- The financial position of the Town will continue to change throughout the balance of the year due to factors such as the impacts of COVID-19, weather conditions, utility and fuel usage and rates, position vacancies and development activity.



REPORT

Background

Corporate Policy No. 113: Financial Management - Budget Management identifies that a comprehensive review of the Town’s operating budget will be undertaken in association with its May 31 balances. Corporate Policy No. 61: Financial - Cash Management & Investments as well as Ontario Regulation 438/97 identifies that reporting to Council on the investment portfolio must be done at least annually. This report is to satisfy the requirements as set out in those policies.

The revenue and expenditures that are shown in the financial statements within Appendix 1 are presented on a cash basis, and therefore exclude accruals.

Discussion

Operating Budget Monitoring for the period ending May 31, 2021

The following table reflects forecasted variances to the 2021 budget by department based on expectations for program delivery for the remainder of the year. Should changes occur with respect to Provincial restrictions that impact the ability to provide certain services it will result in revisions to the forecasted financial position of the Town for fiscal 2021.

Department	2021 Approved Budget \$	2021 Forecast \$	Over/(Under) Budget \$
Mayor & Council	621,434	621,271	(163)
Executive Services	13,722,744	13,407,243	(315,501)
Corporate Services	10,318,312	10,603,650	285,338
General Government	(57,893,201)	(58,353,064)	(459,863)
Community Services	29,545,254	30,572,634	1,027,380
Development Services	3,685,456	2,868,942	(816,514)
Library			
Hospital Expansion			
BIA			
Total Town of Milton	-	(279,323)	(279,323)

Note 1 Figures include rounding and may result in minor variances to the Attached Financial Schedules.

Total projected 2021 revenues losses due to the pandemic are estimated at \$16.7 million which includes \$9.5 million in recreation services, \$1.2 million in transit and \$6.0 million in reduced proceeds from the Ontario Lottery and Gaming Corporation due to the continued closure of Woodbine (Mohawk). While the 2021 budget included a certain degree of estimated revenue losses, the stay at home orders and provincial lockdowns have resulted in changes to initial projections. The amounts identified above are \$6.8 million greater than budget, although \$2.9 million of that amount has no net operating



impact as it relates to additional losses of OLG revenue which are transferred to reserve when received.

Consistent with 2020, the Town has been proactive in its response to the pandemic, both in investing in the safety measures required to support service delivery during the pandemic as well as in identifying cost mitigation opportunities to reduce the impact of the lost revenues during this period. Cost savings from the required closure of facilities and reductions in both recreation and transit services partially offset the revenues losses and are estimated at \$5.7 million for the year, or \$1.7 million greater than budget.

The Town has continued to receive a variety of Federal and Provincial financial support for the pandemic in 2021 including \$993,000 related to the Safe Restart Agreement - Municipal Operating stream and \$1,502,534 related to the COVID19 Provincial Recovery Funding. These funds are expected to be fully utilized in 2021 to offset the above noted pressures. In addition, the Town is eligible to receive \$1,022,739 in Safe Restart - Transit stream funding Phase 2/3, of which it is projected that \$662,512 will be utilized in 2021, reflective of the degree to which transit revenue losses are able to be offset by cost savings. Since this funding had not yet been announced prior to budget development, it had not been included in the 2021 budget but has now been included in the projections for 2021.

The 2021 budget included \$1.4 million of planned cost savings to offset the impacts of the pandemic including savings from staff vacancies and planned reductions in spending across the organization. The savings expected to be generated from these initiatives are on track with budget.

Additional savings are being reported in other areas including \$466,823 in winter maintenance, \$156,048 related to Regional recoveries, \$657,221 of additional planning related revenues net of increased overtime costs, and \$197,433 in additional winter and streetlight cost recoveries from developers as a result of shifts in timing of subdivision assumptions. These additional savings are partially offset by an estimated reduction in parking ticket revenue of \$160,000, higher insurance premiums of \$74,662 and higher than planned tax write offs of \$247,174.

The federal-provincial funding, planned cost mitigation efforts and additional areas of savings are expected to be sufficient to offset the impacts of the pandemic in 2021. Staff are currently projecting a surplus of \$279,323, excluding the planned \$1.4 million contribution from the Tax Rate Stabilization Reserve, which is currently projected to no longer be required in 2021.

The financial position of the Town can change with any further provincial restrictions as well as other factors including weather and staff will continue to monitor and report back to Council as additional information becomes available.

Balance Sheet Monitoring as at May 31, 2021

Investments and Cash Management

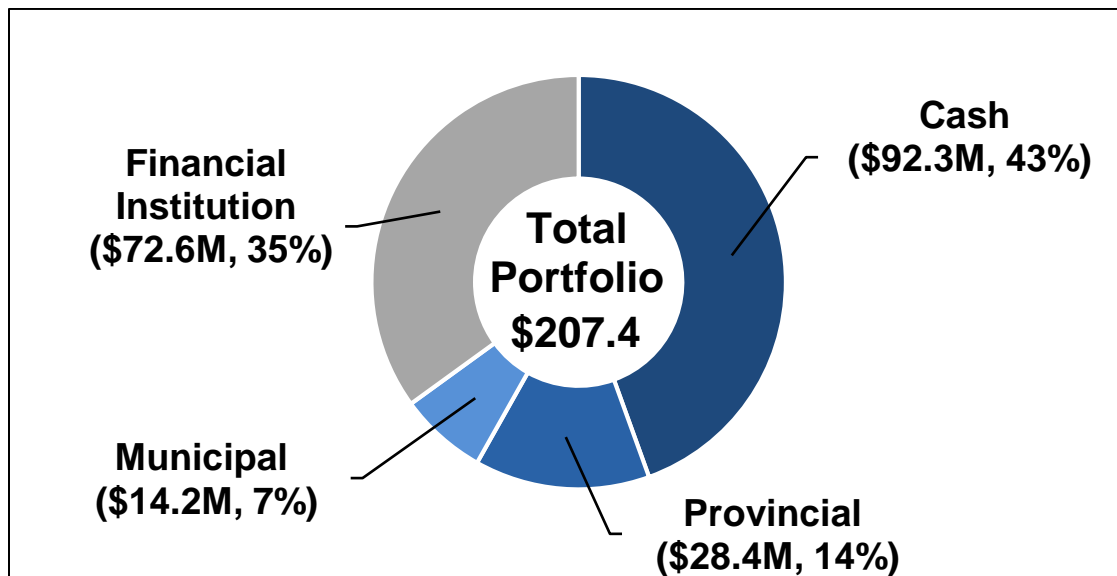
Economic Update

COVID-19 continues to have a major impact on the global and Canadian economy. With lockdowns easing, vaccine coverage increasing through many countries and COVID-19 cases starting to fall both global and Canadian economies are starting to improve. Current estimates by the Bank of Canada are projecting a strong rebound in the economy, led by consumer spending however is still highly dependent on the evolution of new COVID-19 variants.

In June 2021 the Bank held the overnight at historical lows of 0.25% however with improving economic conditions long-term bond yields have started to increase as illustrated in Appendix 3. Long term economic uncertainty and repercussions from the pandemic are expected to continue through the next few years.

Portfolio Summary / Cash and Investment Positions

A summary of the overall portfolio as of May 31, 2021 is shown in the chart below and a detailed comparison of the limitations on holdings, as set out in Financial Management - Treasury Policy No. 116, is included in Appendix 4. All securities held in the first five months of 2021 satisfied the Town's credit rating requirements.





The Town is currently carrying a high cash balance due to market conditions, proceeds from the recent debenture issuance that occurred at the end of May, upcoming capital project expenditures and timing of tax collections and payments. Limited investment opportunities exist as the interest rate currently received on the Town’s bank account yields similar or higher returns than some short-term and mid-term investments. Staff will continue to monitor market conditions for the purposes of making investment decisions while adhering to the objectives of the Town’s Treasury Policy No. 116.

2021 Investment Income Forecast

Current projections show the gross investment income forecast is in line with the \$2.9 million that was incorporated into the 2021 budget. Due to market conditions the forecast may be revised throughout the year.

Property Tax Collection

The Town of Milton collects property taxes for the Town, Region of Halton and the Halton Boards of Education as legislated under the Municipal Act, 2001. The following table provides an update on the Town’s current year tax collection up to June 7, 2021. As shown, the 2021 collection rate to date is aligned with the Town’s 2019 and historical rate as we approach the third regular installment date in late June.

Tax Year	Total Billable Properties	Properties with Arrears as of Jun 07	Annual Tax Levy ¹	Current Year Collections (as of June 7) ¹	Current Year Past Due ¹	Current Year % Paid
2021	40,589	3,840	\$219,102,350	\$103,299,797	\$4,692,643	47.1%
2020 ²	39,458	7,891	\$209,351,753	\$80,876,026	\$12,869,673	38.6%
2019	38,303	4,032	\$200,138,785	\$95,290,688	\$4,632,023	47.6%

1 Includes Town, Region and Educational shares - Final Annual Tax Levy.

2 Penalty was not run and charged for June 2020 due to COVID-19.

Debenture Obligations

As of May 31, 2021 the Town has an estimated \$46.2 million in total debt outstanding, reflecting both \$3.0 million in debenture repayments that have occurred to date in 2021 as well as a participation in the Regional debenture issuance in May 2021.

The Town of Milton accounted for \$12.3 million of the \$20.1 million overall debenture issuance by the Region which was issued via a 1-10 year serial debenture at an all-in average borrowing yield of 1.826%. The proceeds will be used to fund previously approved capital projects such as the LED Street Light replacement, road projects (Martin St. Bell School Line, Main, St., Bronte St., Commercial St. etc). Park development (Court,



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Centre, Moffat, Sam Sherratt and Beatty) and several bridges and culverts (Sixth Line, Campbellville Road and Reid Side Road).

For the remainder of the year the Town will have \$1.5 million in debenture principal payments resulting in \$44.6 million in outstanding debt at the end of 2021.

Existing Debenture Obligations (\$000)	Debt at Dec 31, 2020	Principal Payments to May 31	2021 New Issuance	Debt at May 31, 2021	Forecast Dec 31, 2021
Tax Supported Debt	\$11,328	\$(630)	\$12,300	\$22,998	\$21,684
Reserve Fund Debt	45	0	0	45	23
Development Charge Debt	993	(606)	0	387	196
Capital Provision Debt (Hospital)	11,027	(1,476)	0	9,551	9,551
Hospital Expansion Debt (see below)	13,486	(302)	0	13,184	13,184
Total	\$36,879	\$(3,014)	\$12,300	\$46,164	\$44,638

The Hospital sinking fund debenture is held and managed by the Region of Halton, for the purposes of retiring the debt at maturity. The annual \$302,726 sinking fund contribution and the interest income to be earned on the investments of the sinking fund over 30 years were projected at the outset to fully cover the principal payment due at maturity. The balance at December 31, 2021 as shown will be further reduced by the interest earned to date on the fund which will be reported by the Region to the Town for year end.

Reserves and Reserve Funds

Reserves and reserve funds are an important element of the Town's long-term financial plan. They allow the Town to set aside funds for a future purpose and fulfil a critical financial need for the municipality. They make provisions for the replacement and rehabilitation of existing Town assets, provide a contingency for one-time and unforeseeable events, and provide flexibility to manage debt levels and protect the Town's financial position.

The anticipated reserve and reserve fund balances for 2021 are outlined in the table below. Balances by individual reserve and reserve funds are shown in Appendix 5.

Reserves and Reserve Funds (\$000)	As at Dec 31, 2020	As at May 31, 2021	Forecasted Dec 31, 2021	Surplus/ (Deficit) to Budget
Stabilization	\$13,028	\$14,462	\$16,178	\$4,763
Corporate Use	7,103	7,522	8,304	1,262



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Reserves and Reserve Funds (\$000)	As at Dec 31, 2020	As at May 31, 2021	Forecasted Dec 31, 2021	Surplus/ (Deficit) to Budget
Infrastructure Non Growth	49,918	45,945	43,171	(1,125)
Infrastructure Growth	45,201	50,242	52,381	(12,656)
Program Specific	8,777	7,753	11,859	216
Board, Committee & Other	3,116	3,895	2,256	185
Total	\$127,144	\$129,819	\$134,149	\$(7,355)

The forecasted 2021 balance is based on December 31, 2020 balance plus projected 2021 activity as identified in the 2021 budget and includes any forecasted adjustments that have been identified in 2021. Following is commentary on forecasted 2021 year end reserve balances that are expected to be significantly different than budget:

Stabilization Reserves & Reserve Funds

The Tax Rate Stabilization Reserve is expected to be \$3.2 million higher than anticipated which is a reflection of the \$1.2 million transfer of a portion of the 2020 surplus to mitigate impacts from the pandemic (see staff report CORS-017-21) and an expectation that the budgeted \$1.4 million transfer to the operating fund in 2021 will no longer be required as a result of the Federal/Provincial funding received and internal mitigation efforts.

The Building Rate Stabilization Reserve Fund is expected to be almost \$2 million higher as a result of 2020 building activity being higher than anticipated.

Corporate Use Reserves

The WSIB reserve is expected to be \$1.4 million higher than anticipated as a result of \$1.3 million of year end surplus being transferred to begin to mitigate the impacts of the discontinuation of the Town's WSIB excess insurance coverage (see staff report CORS-017-21) as well as a further \$0.2 million recommended transfer through this report which represents the 2021 premium savings associated with the discontinuation of the excess insurance coverage.

Infrastructure Non Growth

Due to the closure of Woodbine Mohawk Park for an extended period of time, the revenue proceeds from the Ontario Lottery and Gaming Corporation (OLG) are forecasted to be significantly below budget. The 2021 budget had already provided for a \$3.1 million loss in revenues. While it's uncertain how much revenue will be received by the Town in 2021, staff have conservatively forecast that a further \$2.85 million revenue loss may occur in 2021 which would result in a projected year end balance of \$0.8 million in this reserve.



This reserve is primarily used to fund the Town's infrastructure program but is also used to fund the Community Fund program and a portion of the Hospital debt. Included in the projected year end balances is the budgeted transfer of \$350,000 of funds from the OLG reserve to the Hospital Expansion reserve to continue meet the 2021 debenture repayment obligations.

The shortfall in this reserve will lead to less funding available to invest in the Town's infrastructure program. As a result, the overall 10 year forecast will need to be reduced by an equivalent expenditures, additional Town funding will be required, or a combination thereof.

Infrastructure Growth

While Development Charge (DC) Reserves are currently projecting to be \$12.9 million lower than expected this is a reflection of shifts in timing of capital expenditures and could change as the year progresses.

Board, Committee & Other

The 2021 budget included a budgeted contribution from the Library Tax Rate Stabilization Reserve in the amount of \$150,000 to continue to phase in the impacts of the Sherwood branch opening. With savings from branch closures during the pandemic it is expected that the transfer required may only be \$26,559.

The balance of reserves are largely expected to achieve budgeted year end balances.

Recommended Closure of Reserve

In accordance with Financial Management - Treasury Policy No. 116, clause 4.3.7, if the purpose for which the reserve or reserve fund was created has been accomplished, the CFO & Treasurer, in consultation with program area staff shall report to Council on recommendations on closing the reserve or reserve fund and the disposition of any remaining funds. A resolution of Council is required to close a reserve.

The Ontario Community Infrastructure Fund (OCIF) was designed to provide infrastructure funding support for small, rural and northern municipalities. The Town of Milton had been a recipient of funding from the program however after 2019 the Town no longer qualified for funding as the Town's population exceeded 100,000 (2016 Census). The final payment from the OCIF was received in 2019 and allocated through the 2020 Capital Budget to finance eligible capital expenditures. With no future funding anticipated from the OCIF and the reserve balance currently at zero staff are recommending to close the OCIF Reserve Fund effective July 19, 2021.



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Financial Impact

The May 2021 variance review process has identified a potential surplus of \$279,323 million, which includes the utilization of funding from the Safe Restart program as well as the COVID19 Recovery funding and excludes the budgeted transfer from the Tax Rate Stabilization Reserve.

The financial position of the Town will continue to change with any further provincial restrictions affecting service provision throughout the balance of the year. The year end financial position may also be impacted by other factors including weather related activity, utility and fuel usage and rates, tax write-offs and position vacancies among other items.

The results of the May variance review process, as well as the on-going monitoring of the Town's financial position, will be used to inform the preparation of the Town's 2022 Budget.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, CPA, CA 905-878-7252 x2216

Attachments

Appendix 1 - May 2021 Operating Financial Statements
Appendix 2 - May 2021 Operating Variance Commentary by Department
Appendix 3 - Interest Rates and Bond Yields
Appendix 4 - Investment Portfolio Holdings and Limitations
Appendix 5 - Reserve and Reserve Fund Continuity Schedule

CAO Approval
Glen Cowan
Acting Chief Administrative Officer

**TOWN OF MILTON - SUMMARY
OPERATING FINANCIAL STATEMENT
May 2021**

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
MAYOR AND COUNCIL	292,879	305,427	621,434	(163)	621,271	(315,844)	49%
EXECUTIVE SERVICES	5,003,239	5,280,469	13,722,744	(315,501)	13,407,243	(8,126,774)	39%
CORPORATE SERVICES	2,492,756	3,165,763	10,318,312	285,338	10,603,650	(7,437,887)	30%
GENERAL GOVERNMENT	(15,351,182)	(51,183,805)	(57,893,201)	(459,863)	(58,353,064)	7,169,259	88%
COMMUNITY SERVICES	11,652,618	13,394,583	29,545,254	1,027,380	30,572,634	(17,178,051)	44%
DEVELOPMENT SERVICES	1,192,761	103,072	3,685,456	(816,514)	2,868,942	(2,765,870)	4%
LIBRARY	(645,985)	(2,904,815)				(2,904,815)	
HOSPITAL EXPANSION	(583,962)	(563,096)				(563,096)	
BIA	(45,959)	(198,450)				(198,450)	
Total TOWN OF MILTON	4,007,165	(32,600,852)		(279,323)	(279,323)	(32,321,529)	

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2021

MAYOR AND COUNCIL

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
MAYOR AND COUNCIL							
MAYOR AND COUNCIL							
EXPENDITURES							
Salaries and Benefits	270,578	268,024	543,369		543,369	275,345	49%
Administrative	22,730	34,768	58,004		58,004	23,236	60%
Financial			5,000		5,000	5,000	
Purchased Goods	197	308	701		701	393	44%
Purchased Services	4,024	6,573	30,263	(163)	30,100	23,527	22%
Total EXPENDITURES	297,529	309,673	637,337	(163)	637,174	327,501	49%
REVENUE							
Financing Revenue			(5,000)		(5,000)	(5,000)	
Recoveries and Donations	(4,651)	(4,245)	(10,903)		(10,903)	(6,658)	39%
Total REVENUE	(4,651)	(4,245)	(15,903)		(15,903)	(11,658)	27%
Total MAYOR AND COUNCIL	292,878	305,428	621,434	(163)	621,271	315,843	49%
Total MAYOR AND COUNCIL	292,878	305,428	621,434	(163)	621,271	315,843	49%
Total MAYOR AND COUNCIL	292,878	305,428	621,434	(163)	621,271	315,843	49%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2021

EXECUTIVE SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
EXECUTIVE SERVICES							
OFFICE OF THE CAO							
EXPENDITURES							
Salaries and Benefits	189,401	210,726	563,895		563,895	353,169	37%
Administrative	5,993	5,425	19,195		19,195	13,770	28%
Purchased Goods	5,333	5,048	5,507		5,507	459	92%
Purchased Services	35,002	3,026	370,291	(324,443)	45,848	42,822	7%
Total EXPENDITURES	235,729	224,225	958,888	(324,443)	634,445	410,220	35%
REVENUE							
Financing Revenue	(16,071)	(16,144)	(16,144)		(16,144)		100%
User Fees and Service Charges	(20,416)		(45,500)	42,500	(3,000)	(3,000)	
Total REVENUE	(36,487)	(16,144)	(61,644)	42,500	(19,144)	(3,000)	84%
Total OFFICE OF THE CAO	199,242	208,081	897,244	(281,943)	615,301	407,220	34%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT							
EXPENDITURES							
Salaries and Benefits	196,205	233,059	751,703	(41,195)	710,508	477,449	33%
Administrative	4,202	1,912	23,923		23,923	22,011	8%
Financial	508	45	1,858		1,858	1,813	2%
Transfers to Own Funds	7,024	8,827	26,867		26,867	18,040	33%
Purchased Goods	656	73	14,233		14,233	14,160	1%
Purchased Services	19,757	24,527	220,813	474	221,287	196,760	11%
Reallocated Expenses	338	542	2,402		2,402	1,860	23%
Total EXPENDITURES	228,690	268,985	1,041,799	(40,721)	1,001,078	732,093	27%
REVENUE							
Financing Revenue	(16,252)	(8,916)	(33,816)		(33,816)	(24,900)	26%
Recoveries and Donations		(25,000)	(40,000)		(40,000)	(15,000)	63%
User Fees and Service Charges	(31,378)	(21,074)	(116,309)		(116,309)	(95,235)	18%
Total REVENUE	(47,630)	(54,990)	(190,125)		(190,125)	(135,135)	29%
Total STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT	181,060	213,995	851,674	(40,721)	810,953	596,958	26%
FIRE							
EXPENDITURES							
Salaries and Benefits	3,507,171	3,741,879	10,698,360		10,698,360	6,956,481	35%
Administrative	31,316	24,396	66,921		66,921	42,525	36%
Financial	1,597	1,654	1,427	227	1,654		100%
Transfers to Own Funds	987,850	1,004,606	1,002,668	1,938	1,004,606		100%
Purchased Goods	13,308	21,296	115,048		115,048	93,752	19%
Purchased Services	101,368	112,823	242,135	6,936	249,071	136,248	45%
Fleet Expenses	76,244	45,845	156,180		156,180	110,335	29%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2021

EXECUTIVE SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Reallocated Expenses			453		453	453	
Total EXPENDITURES	4,718,854	4,952,499	12,283,192	9,101	12,292,293	7,339,794	40%
REVENUE							
Financing Revenue	(9,768)	(11,962)	(10,024)	(1,938)	(11,962)		100%
Grants			(2,500)		(2,500)	(2,500)	
Recoveries and Donations	(42,068)	(28,479)	(142,000)		(142,000)	(113,521)	20%
User Fees and Service Charges	(44,082)	(53,663)	(154,847)		(154,847)	(101,184)	35%
Total REVENUE	(95,918)	(94,104)	(309,371)	(1,938)	(311,309)	(217,205)	30%
Total FIRE	4,622,936	4,858,395	11,973,821	7,163	11,980,984	7,122,589	41%
Total EXECUTIVE SERVICES	5,003,238	5,280,471	13,722,739	(315,501)	13,407,238	8,126,767	39%
Total EXECUTIVE SERVICES	5,003,238	5,280,471	13,722,739	(315,501)	13,407,238	8,126,767	39%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2021

CORPORATE SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
CORPORATE SERVICES							
FINANCE							
EXPENDITURES							
Salaries and Benefits	1,705,457	1,896,185	4,851,099	(77,494)	4,773,605	2,877,420	40%
Administrative	17,398	13,475	60,807		60,807	47,332	22%
Financial	1,054	3,276	4,108		4,108	832	80%
Purchased Goods	11,514	13,009	47,143		47,143	34,134	28%
Purchased Services	69,819	93,085	186,884	70,224	257,108	164,023	36%
Total EXPENDITURES	1,805,242	2,019,030	5,150,041	(7,270)	5,142,771	3,123,741	39%
REVENUE							
Financing Revenue	(2,187,636)	(2,266,679)	(2,521,511)		(2,521,511)	(254,832)	90%
User Fees and Service Charges	(209,304)	(235,329)	(805,173)		(805,173)	(569,844)	29%
Reallocated Revenue	(68,566)	(69,866)	(279,464)	54,505	(224,959)	(155,093)	31%
Total REVENUE	(2,465,506)	(2,571,874)	(3,606,148)	54,505	(3,551,643)	(979,769)	72%
Total FINANCE	(660,264)	(552,844)	1,543,893	47,235	1,591,128	2,143,972	(35%)
INFORMATION TECHNOLOGY							
EXPENDITURES							
Salaries and Benefits	914,148	930,078	2,717,893	(204,274)	2,513,619	1,583,541	37%
Administrative	864	1,392	30,085		30,085	28,693	5%
Purchased Goods	1,013,927	1,121,740	1,497,574	37,092	1,534,666	412,926	73%
Purchased Services	361,043	567,176	1,212,891	(8,383)	1,204,508	637,332	47%
Total EXPENDITURES	2,289,982	2,620,386	5,458,443	(175,565)	5,282,878	2,662,492	50%
REVENUE							
Financing Revenue	(95,212)	(51,263)	(219,689)		(219,689)	(168,426)	23%
User Fees and Service Charges	(20)		(100)		(100)	(100)	
Reallocated Revenue			(115,886)	48,286	(67,600)	(67,600)	
Total REVENUE	(95,232)	(51,263)	(335,675)	48,286	(287,389)	(236,126)	18%
Total INFORMATION TECHNOLOGY	2,194,750	2,569,123	5,122,768	(127,279)	4,995,489	2,426,366	51%
HUMAN RESOURCES							
EXPENDITURES							
Salaries and Benefits	302,426	446,172	1,124,432	250,000	1,374,432	928,260	32%
Administrative	52,220	45,320	261,751		261,751	216,431	17%
Purchased Goods	2,592	17,067	66,857		66,857	49,790	26%
Purchased Services	29,467	17,934	185,568	400	185,968	168,034	10%
Total EXPENDITURES	386,705	526,493	1,638,608	250,400	1,889,008	1,362,515	28%
REVENUE							
Financing Revenue	(147,403)	(150,939)	(150,939)		(150,939)		100%
Reallocated Revenue	(52,479)	(50,031)	(144,482)		(144,482)	(94,451)	35%

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CORPORATE SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Total REVENUE	(199,882)	(200,970)	(295,421)		(295,421)	(94,451)	68%
Total HUMAN RESOURCES	186,823	325,523	1,343,187	250,400	1,593,587	1,268,064	20%
LEGISLATIVE & LEGAL SERVICES							
EXPENDITURES							
Salaries and Benefits	919,030	937,252	2,670,748	62,312	2,733,060	1,795,808	34%
Administrative	20,930	14,955	54,544	1,400	55,944	40,989	27%
Financial	3,962	7,254	28,834		28,834	21,580	25%
Purchased Goods	10,924	1,515	20,891		20,891	19,376	7%
Purchased Services	142,007	339,639	649,846	50,385	700,231	360,592	49%
Reallocated Expenses	41,960	42,956	103,095		103,095	60,139	42%
Total EXPENDITURES	1,138,813	1,343,571	3,527,958	114,097	3,642,055	2,298,484	37%
REVENUE							
Financing Revenue	(61,937)	(63,420)	(133,736)		(133,736)	(70,316)	47%
Recoveries and Donations		(63,712)	(21,500)	(63,712)	(85,212)	(21,500)	75%
User Fees and Service Charges	(546,962)	(545,391)	(1,899,779)	117,500	(1,782,279)	(1,236,888)	31%
Total REVENUE	(608,899)	(672,523)	(2,055,015)	53,788	(2,001,227)	(1,328,704)	34%
Total LEGISLATIVE & LEGAL SERVICES	529,914	671,048	1,472,943	167,885	1,640,828	969,780	41%
STRATEGIC COMMUNICATIONS							
EXPENDITURES							
Salaries and Benefits	222,798	320,499	926,116	(48,369)	877,747	557,248	37%
Administrative	1,494	12,302	18,937		18,937	6,635	65%
Purchased Goods	213	408	8,000		8,000	7,592	5%
Purchased Services	25,721	11,675	74,440	(4,531)	69,909	58,234	17%
Total EXPENDITURES	250,226	344,884	1,027,493	(52,900)	974,593	629,709	35%
REVENUE							
Financing Revenue	(8,689)	(191,972)	(191,972)		(191,972)		100%
Total REVENUE	(8,689)	(191,972)	(191,972)		(191,972)		100%
Total STRATEGIC COMMUNICATIONS	241,537	152,912	835,521	(52,900)	782,621	629,709	20%
Total CORPORATE SERVICES	2,492,760	3,165,762	10,318,312	285,341	10,603,653	7,437,891	30%
Total CORPORATE SERVICES	2,492,760	3,165,762	10,318,312	285,341	10,603,653	7,437,891	30%

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GENERAL GOVERNMENT

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
GENERAL GOVERNMENT							
GENERAL GOVERNMENT							
EXPENDITURES							
Salaries and Benefits	399,847	559		559	559		100%
Administrative	26,684	12,751	120,000		120,000	107,249	11%
Financial	1,177,531	1,262,045	3,451,561	247,174	3,698,735	2,436,690	34%
Transfers to Own Funds	19,030,546	21,669,800	32,164,195	(1,095,309)	31,068,886	9,399,086	70%
Purchased Goods	123,351						
Purchased Services	171,144	61,851	274,365	(160,663)	113,702	51,851	54%
Reallocated Expenses	3,410						
Total EXPENDITURES	20,932,513	23,007,006	36,010,121	(1,008,239)	35,001,882	11,994,876	66%
REVENUE							
External Revenue Transferred to Reser	(2,251,037)	(1,360,161)	(7,694,070)	1,122,910	(6,571,160)	(5,210,999)	21%
Financing Revenue	(2,232,617)	(817,986)	(8,509,188)	1,977,164	(6,532,024)	(5,714,038)	13%
Taxation	(30,514,344)	(69,307,992)	(71,907,021)	10,950	(71,896,071)	(2,588,079)	96%
Payments In Lieu		(908,305)	(950,890)	(44,392)	(995,282)	(86,977)	91%
Grants				(2,495,534)	(2,495,534)	(2,495,534)	
Recoveries and Donations	(46,754)						
User Fees and Service Charges	(432,673)	(972,091)	(2,910,378)	139,740	(2,770,638)	(1,798,547)	35%
Reallocated Revenue	(806,269)	(824,276)	(1,931,774)	(162,463)	(2,094,237)	(1,269,961)	39%
Total REVENUE	(36,283,694)	(74,190,811)	(93,903,321)	548,375	(93,354,946)	(19,164,135)	79%
Total GENERAL GOVERNMENT	(15,351,181)	(51,183,805)	(57,893,200)	(459,864)	(58,353,064)	(7,169,259)	88%
Total GENERAL GOVERNMENT	(15,351,181)	(51,183,805)	(57,893,200)	(459,864)	(58,353,064)	(7,169,259)	88%
Total GENERAL GOVERNMENT	(15,351,181)	(51,183,805)	(57,893,200)	(459,864)	(58,353,064)	(7,169,259)	88%

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COMMUNITY SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
COMMUNITY SERVICES							
RECREATION AND CULTURE FACILITIES							
EXPENDITURES							
Salaries and Benefits	1,799,374	1,347,720	5,197,869	(636,852)	4,561,017	3,213,297	30%
Administrative	1,375	485	39,963	(626)	39,337	38,852	1%
Financial	44,488	125,594	386,334	(22,224)	364,110	238,516	34%
Transfers to Own Funds	1,620,773	1,689,892	1,772,757		1,772,757	82,865	95%
Purchased Goods	223,036	32,171	758,827	(132,855)	625,972	593,801	5%
Purchased Services	1,943,586	1,247,117	5,483,158	(404,185)	5,078,973	3,831,856	25%
Reallocated Expenses	19,667	21,274	172,483	(33,429)	139,054	117,780	15%
Total EXPENDITURES	5,652,299	4,464,253	13,811,391	(1,230,171)	12,581,220	8,116,967	35%
REVENUE							
Financing Revenue	(259,738)	(206,215)	(632,677)	105,181	(527,496)	(321,281)	39%
Grants	(448,359)	(574,371)	(910,117)	10,000	(900,117)	(325,746)	64%
Recoveries and Donations	(25,391)	(5,392)	(68,551)		(68,551)	(63,159)	8%
User Fees and Service Charges	(1,984,748)	(358,000)	(5,139,748)	2,046,408	(3,093,340)	(2,735,340)	12%
Reallocated Revenue	(6,807)		(423,651)	60,429	(363,222)	(363,222)	
Total REVENUE	(2,725,043)	(1,143,978)	(7,174,744)	2,222,018	(4,952,726)	(3,808,748)	23%
Total RECREATION AND CULTURE F/	2,927,256	3,320,275	6,636,647	991,847	7,628,494	4,308,219	44%
ADMINISTRATION AND CIVIC FACILITIES							
EXPENDITURES							
Salaries and Benefits	1,179,933	1,271,250	2,622,884	487,744	3,110,628	1,839,378	41%
Administrative	13,768	8,319	40,374		40,374	32,055	21%
Financial	(1,864)	24,476	59,893		59,893	35,417	41%
Transfers to Own Funds	209,244	150,329	304,406		304,406	154,077	49%
Purchased Goods	21,341	20,568	63,600	(5,741)	57,859	37,291	36%
Purchased Services	380,724	356,238	1,004,862	15,731	1,020,593	664,355	35%
Reallocated Expenses	11,133	20,230	68,795		68,795	48,565	29%
Total EXPENDITURES	1,814,279	1,851,410	4,164,814	497,734	4,662,548	2,811,138	40%
REVENUE							
Financing Revenue	(596,452)	(605,984)	(1,377,877)		(1,377,877)	(771,893)	44%
Recoveries and Donations	(9,846)	(13,189)	(21,114)		(21,114)	(7,925)	62%
User Fees and Service Charges	(104,410)	(110,235)	(294,686)	30,498	(264,188)	(153,953)	42%
Total REVENUE	(710,708)	(729,408)	(1,693,677)	30,498	(1,663,179)	(933,771)	44%
Total ADMINISTRATION AND CIVIC FA	1,103,571	1,122,002	2,471,137	528,232	2,999,369	1,877,367	37%
PROGRAMS							
EXPENDITURES							
Salaries and Benefits	1,158,262	669,365	3,455,180	(751,572)	2,703,608	2,034,243	25%

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	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Administrative	8,931	2,155	45,609	(12,654)	32,955	30,800	7%
Financial	15,672	16,961	329,855	(39,225)	290,630	273,669	6%
Transfers to Own Funds			3,350		3,350	3,350	
Purchased Goods	26,889	7,728	187,930	(61,133)	126,797	119,069	6%
Purchased Services	295,074	60,795	656,805	(84,605)	572,200	511,405	11%
Reallocated Expenses			30,750	(367)	30,383	30,383	
Total EXPENDITURES	1,504,828	757,004	4,709,479	(949,556)	3,759,923	3,002,919	20%
REVENUE							
Financing Revenue	(36,808)	(21,622)	(323,640)	21,164	(302,476)	(280,854)	7%
Grants	(14,400)	(66,619)	(48,000)	(77,244)	(125,244)	(58,625)	53%
Recoveries and Donations	(41,394)	(454)	(382,180)	9,735	(372,445)	(371,991)	
User Fees and Service Charges	(779,202)	(67,326)	(2,355,246)	1,056,989	(1,298,257)	(1,230,931)	5%
Total REVENUE	(871,804)	(156,021)	(3,109,066)	1,010,644	(2,098,422)	(1,942,401)	7%
Total PROGRAMS	633,024	600,983	1,600,413	61,088	1,661,501	1,060,518	36%
OPERATIONS							
EXPENDITURES							
Salaries and Benefits	2,223,692	2,562,589	6,803,928	(63,993)	6,739,935	4,177,346	38%
Administrative	3,097	3,347	43,304		43,304	39,957	8%
Transfers to Own Funds	1,633,498	1,658,785	1,658,785		1,658,785		100%
Purchased Goods	726,158	781,081	1,805,768	(312,403)	1,493,365	712,284	52%
Purchased Services	2,196,104	2,189,102	7,791,845	(597,240)	7,194,605	5,005,503	30%
Fleet Expenses	382,112	412,586	1,011,430		1,011,430	598,844	41%
Reallocated Expenses	1,287,062	1,552,972	3,642,412		3,642,412	2,089,440	43%
Total EXPENDITURES	8,451,723	9,160,462	22,757,472	(973,636)	21,783,836	12,623,374	42%
REVENUE							
Financing Revenue	(8,689)	(8,917)	(241,749)		(241,749)	(232,832)	4%
Grants				(100,000)	(100,000)	(100,000)	
Recoveries and Donations	(1,254,049)	(1,148,462)	(3,359,174)	410,763	(2,948,411)	(1,799,949)	39%
User Fees and Service Charges	(109,716)	(1,319)	(1,074,710)	(9,725)	(1,084,435)	(1,083,116)	
Reallocated Revenue	(1,423,158)	(1,698,903)	(4,051,502)	(3,633)	(4,055,135)	(2,356,232)	42%
Total REVENUE	(2,795,612)	(2,857,601)	(8,727,135)	297,405	(8,429,730)	(5,572,129)	34%
Total OPERATIONS	5,656,111	6,302,861	14,030,337	(676,231)	13,354,106	7,051,245	47%
TRANSIT							
EXPENDITURES							
Salaries and Benefits	105,699	92,575	268,962		268,962	176,387	34%
Administrative	1,078	5,906	9,904		9,904	3,998	60%
Financial			300		300	300	
Transfers to Own Funds	1,326,511	1,376,578	1,376,578		1,376,578		100%

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COMMUNITY SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Purchased Goods	2,466	3,557	13,778		13,778	10,221	26%
Purchased Services	1,357,095	1,368,525	4,403,857	181,478	4,585,335	3,216,810	30%
Fleet Expenses	385,450	331,788	1,285,900	(96,628)	1,189,272	857,484	28%
Reallocated Expenses	59,690	54,073	66,826	4,000	70,826	16,753	76%
Total EXPENDITURES	3,237,989	3,233,002	7,426,105	88,850	7,514,955	4,281,953	43%
REVENUE							
Financing Revenue	(1,591,481)	(976,772)	(1,276,772)		(1,276,772)	(300,000)	77%
Grants				(662,512)	(662,512)	(662,512)	
Recoveries and Donations			(308,525)	192,334	(116,191)	(116,191)	
User Fees and Service Charges	(313,855)	(207,761)	(1,034,089)	503,768	(530,321)	(322,560)	39%
Total REVENUE	(1,905,336)	(1,184,533)	(2,619,386)	33,590	(2,585,796)	(1,401,263)	46%
Total TRANSIT	1,332,653	2,048,469	4,806,719	122,440	4,929,159	2,880,690	42%
Total COMMUNITY SERVICES	11,652,615	13,394,590	29,545,253	1,027,376	30,572,629	17,178,039	44%
Total COMMUNITY SERVICES	11,652,615	13,394,590	29,545,253	1,027,376	30,572,629	17,178,039	44%

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DEVELOPMENT SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
DEVELOPMENT SERVICES							
PLANNING SERVICES							
EXPENDITURES							
Salaries and Benefits	776,075	867,617	2,171,136	56,444	2,227,580	1,359,963	39%
Administrative	467	5,205	52,279		52,279	47,074	10%
Purchased Services	16,948	24,198	52,077	(54)	52,023	27,825	47%
Total EXPENDITURES	793,490	897,020	2,275,492	56,390	2,331,882	1,434,862	38%
REVENUE							
Financing Revenue	(205,859)	(234,816)	(597,936)	(19,780)	(617,716)	(382,900)	38%
Recoveries and Donations	(4,402)	(7,484)	(43,850)		(43,850)	(36,366)	17%
User Fees and Service Charges	(1,026,573)	(1,278,338)	(1,204,006)	(693,832)	(1,897,838)	(619,500)	67%
Total REVENUE	(1,236,834)	(1,520,638)	(1,845,792)	(713,612)	(2,559,404)	(1,038,766)	59%
Total PLANNING SERVICES	(443,344)	(623,618)	429,700	(657,222)	(227,522)	396,096	274%
BUILDING SERVICES							
EXPENDITURES							
Salaries and Benefits	1,240,294	1,248,640	3,749,847	(156,305)	3,593,542	2,344,902	35%
Administrative	23,319	20,940	137,504		137,504	116,564	15%
Financial	(10)	6				(6)	
Transfers to Own Funds		1,713,339	3,530,215	96,678	3,626,893	1,913,554	47%
Purchased Goods	2,350	719	16,095		16,095	15,376	4%
Purchased Services	13,958	15,643	36,537	5,780	42,317	26,674	37%
Reallocated Expenses	846,278	876,600	2,270,419	59,672	2,330,091	1,453,491	38%
Total EXPENDITURES	2,126,189	3,875,887	9,740,617	5,825	9,746,442	5,870,555	40%
REVENUE							
Financing Revenue	(193,658)	(8,916)	(8,916)		(8,916)		100%
User Fees and Service Charges	(1,941,222)	(3,866,972)	(9,731,699)	(5,824)	(9,737,523)	(5,870,551)	40%
Total REVENUE	(2,134,880)	(3,875,888)	(9,740,615)	(5,824)	(9,746,439)	(5,870,551)	40%
Total BUILDING SERVICES	(8,691)	(1)	2	1	3	4	(33%)
INFRASTRUCTURE MANAGEMENT							
EXPENDITURES							
Salaries and Benefits	652,080	713,154	2,055,459	(197,063)	1,858,396	1,145,242	38%
Administrative	5,027	5,232	33,267		33,267	28,035	16%
Financial			41,095		41,095	41,095	
Transfers to Own Funds	271,000						
Purchased Goods	7,465	9,248	35,730		35,730	26,482	26%
Purchased Services	560,202	414,105	1,912,899	49,762	1,962,661	1,548,556	21%
Reallocated Expenses	105	2,532	7,926		7,926	5,394	32%
Total EXPENDITURES	1,495,879	1,144,271	4,086,376	(147,301)	3,939,075	2,794,804	29%

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DEVELOPMENT SERVICES

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
REVENUE							
Financing Revenue	(455,540)	(483,295)	(1,041,773)		(1,041,773)	(558,478)	46%
Recoveries and Donations	(7,448)	(9,123)	(12,657)		(12,657)	(3,534)	72%
User Fees and Service Charges	(33,794)	(51,211)	(291,923)	(160,365)	(452,288)	(401,077)	11%
Total REVENUE	(496,782)	(543,629)	(1,346,353)	(160,365)	(1,506,718)	(963,089)	36%
Total INFRASTRUCTURE MANAGEMEN	999,097	600,642	2,740,023	(307,666)	2,432,357	1,831,715	25%
DEVELOPMENT ENGINEERING							
EXPENDITURES							
Salaries and Benefits	624,964	555,893	1,874,373	(215,404)	1,658,969	1,103,076	34%
Administrative	6,352	4,811	22,253		22,253	17,442	22%
Purchased Goods			1,036		1,036	1,036	
Purchased Services	204,914	24,895	214,351	11,901	226,252	201,357	11%
Total EXPENDITURES	836,230	585,599	2,112,013	(203,503)	1,908,510	1,322,911	31%
REVENUE							
Financing Revenue	(36,215)	(16,945)	(101,601)	21,307	(80,294)	(63,349)	21%
Recoveries and Donations		158	(84,420)	11,364	(73,056)	(73,214)	
User Fees and Service Charges	(478,223)	(546,721)	(1,642,940)	100,532	(1,542,408)	(995,687)	35%
Reallocated Revenue	(72,844)	(81,813)	(229,797)	16,781	(213,016)	(131,203)	38%
Total REVENUE	(587,282)	(645,321)	(2,058,758)	149,984	(1,908,774)	(1,263,453)	34%
Total DEVELOPMENT ENGINEERING	248,948	(59,722)	53,255	(53,519)	(264)	59,458	22,622%
ADMINISTRATION							
EXPENDITURES							
Salaries and Benefits	279,177	180,302	425,931	66,532	492,463	312,161	37%
Administrative	2,882	1,869	16,599		16,599	14,730	11%
Purchased Goods	6,948	7,795	47,950		47,950	40,155	16%
Purchased Services	138,910	91,133	69,470	135,362	204,832	113,699	44%
Total EXPENDITURES	427,917	281,099	559,950	201,894	761,844	480,745	37%
REVENUE							
Financing Revenue	(31,170)	(86,904)	(97,470)		(97,470)	(10,566)	89%
Recoveries and Donations		(1,752)				1,752	
User Fees and Service Charges		(6,675)				6,675	
Total REVENUE	(31,170)	(95,331)	(97,470)		(97,470)	(2,139)	98%
Total ADMINISTRATION	396,747	185,768	462,480	201,894	664,374	478,606	28%
Total DEVELOPMENT SERVICES	1,192,757	103,069	3,685,460	(816,512)	2,868,948	2,765,879	4%
Total DEVELOPMENT SERVICES	1,192,757	103,069	3,685,460	(816,512)	2,868,948	2,765,879	4%

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LIBRARY

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
LIBRARY							
LIBRARY							
EXPENDITURES							
Salaries and Benefits	1,213,058	1,360,244	3,700,064	(263,490)	3,436,574	2,076,330	40%
Administrative	14,706	14,657	36,315		36,315	21,658	40%
Financial	2,020	2,386	5,728		5,728	3,342	42%
Transfers to Own Funds	577,936	604,003	604,003		604,003		100%
Purchased Goods	116,936	137,265	283,606		283,606	146,341	48%
Purchased Services	107,525	206,185	460,602	7,905	468,507	262,322	44%
Reallocated Expenses	589	620	386,926	(22,500)	364,426	363,806	
Total EXPENDITURES	2,032,770	2,325,360	5,477,244	(278,085)	5,199,159	2,873,799	45%
REVENUE							
Financing Revenue	(363,416)	(167,903)	(167,903)	123,401	(44,502)	123,401	377%
Taxation	(2,277,574)	(5,039,861)	(5,039,861)		(5,039,861)		100%
Grants			(57,554)		(57,554)	(57,554)	
Recoveries and Donations	(5,444)	(9,054)	(14,596)	(7,333)	(21,929)	(12,875)	41%
User Fees and Service Charges	(32,323)	(13,357)	(197,328)	162,017	(35,311)	(21,954)	38%
Total REVENUE	(2,678,757)	(5,230,175)	(5,477,242)	278,085	(5,199,157)	31,018	101%
Total LIBRARY	(645,987)	(2,904,815)	2		2	2,904,817	(145,240,750%)
Total LIBRARY	(645,987)	(2,904,815)	2		2	2,904,817	(145,240,750%)
Total LIBRARY	(645,987)	(2,904,815)	2		2	2,904,817	(145,240,750%)

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2021

HOSPITAL EXPANSION

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
HOSPITAL EXPANSION							
HOSPITAL EXPANSION							
EXPENDITURES							
Financial	1,920,988	1,939,994	2,503,090		2,503,090	563,096	78%
Total EXPENDITURES	1,920,988	1,939,994	2,503,090		2,503,090	563,096	78%
REVENUE							
Financing Revenue	(2,504,950)	(2,503,090)	(2,503,090)		(2,503,090)		100%
Total REVENUE	(2,504,950)	(2,503,090)	(2,503,090)		(2,503,090)		100%
Total HOSPITAL EXPANSION	(583,962)	(563,096)				563,096	
Total HOSPITAL EXPANSION	(583,962)	(563,096)				563,096	
Total HOSPITAL EXPANSION	(583,962)	(563,096)				563,096	

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2021

BIA

	2020 YTD ACTUAL	2021 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
BIA							
BIA							
EXPENDITURES							
Salaries and Benefits	43,070	51,959	141,125		141,125	89,166	37%
Administrative		45				(45)	
Financial	2,570	2,083	3,500		3,500	1,417	60%
Purchased Goods	320	395	7,500		7,500	7,105	5%
Purchased Services	21,745	22,267	140,394		140,394	118,127	16%
Reallocated Expenses	3,000	3,000	3,500		3,500	500	86%
Total EXPENDITURES	70,705	79,749	296,019		296,019	216,270	27%
REVENUE							
Financing Revenue		(39,132)	(39,132)		(39,132)		100%
Taxation	(116,463)	(237,266)	(238,637)		(238,637)	(1,371)	99%
Recoveries and Donations		(1,200)	(500)		(500)	700	240%
User Fees and Service Charges	(200)	(600)	(500)		(500)	100	120%
Reallocated Revenue			(17,250)		(17,250)	(17,250)	
Total REVENUE	(116,663)	(278,198)	(296,019)		(296,019)	(17,821)	94%
Total BIA	(45,958)	(198,449)				198,449	
Total BIA	(45,958)	(198,449)				198,449	
Total BIA	(45,958)	(198,449)				198,449	

Appendix 2 - CORS-039-21

2021 Operating Variance Commentary By Department

Variances impacting multiple departments of the Town are highlighted below.

Staff Gapping

Historically the Town has budgeted for savings from staff vacancies in the amount of \$500,000. For the 2021 budget, the budgeted savings from staff vacancies was increased to \$1,225,000 as a means to mitigate continued pressures from COVID-19. Of this amount, \$525,000 was budgeted in Community Services, the area most impacted by the pandemic, and the balance of \$700,000 was budgeted in General Government for staff savings across the rest of the organization.

As staff gapping savings are identified, the salary and benefit budget is reduced within the respective department while an offsetting variance is shown against the budgets in General Government and Community Services up to the full year budgeted gapping amounts. This redistributes the annual budget from the departments as the savings are being incurred.

By end of May 2021, the Town wide staff gapping savings identified were \$1,093,636. A further \$131,364 is needed to reach the target of \$1,225,000. Additional savings from the temporary leaves of part time staff are reported within each affected department below.

Insurance

As previously reported through CORS-014-21, the Town's comprehensive insurance portfolio premium for 2021 increased by 25% for the overall program. A resulting unfavourable variance of \$74,662 is being reported for the Town. Insurance costs have been allocated across departments and corresponding forecast changes reflecting variances to budget for each department have been completed.

Also discussed through CORS-014-21 and CORS-026-21 was the Town's Excess WSIB policy which was only extended until March 1, 2021 and that it would be most beneficial to self-insure this exposure going forward and reallocate any funds that would have been used for premiums for this Excess WSIB policy to the Town's WSIB reserve account to offset any claims that may arise. As such, it is recommended that the savings of \$167,341 from the 2021 budgeted Excess WSIB premiums be transferred to the WSIB reserve.

Legal

The Town has traditionally budgeted and booked all operating related legal invoices within the Executive Services department. In order to realize administrative efficiencies in the processing of legal invoices, each Town department is now responsible for managing and processing their own legal costs. Through the May variance report the legal budget has been reallocated to Town departments.

Variances identified within specific departments are as follows:

Appendix 2 - CORS-039-21

2021 Operating Variance Commentary By Department

Mayor & Council - \$163 Projected Favourable

The variance is the result of the insurance allocation.

Executive Services - \$315,501 Projected Favourable

Office of the CAO is reporting a favourable variance of \$281,943 which primarily relates to the reallocation of legal budget.

Strategic Initiatives and Economic Development is reporting savings of \$40,721 largely driven by savings from staff vacancies in the amount of \$41,195, partially offset by the insurance cost allocation.

Fire is projecting increased expenditures of \$7,163 largely due to the reallocation of insurance and legal costs.

Corporate Services - \$285,338 Projected Unfavourable

The Finance division is reporting a deficit of \$47,235. Staff gapping savings of \$77,494 is being reported, which is partially offset by \$54,505 in reduced recoveries from the Building Division as one of the vacancies is recovered from building permit activity. The remaining variance of \$70,224 relates primarily to the reallocation of the legal expense budget.

Human Resources is reporting a deficit of \$250,400 primarily due to expected cost increases associated with HR legal matters.

Information Technology is reporting savings of \$127,279. This is largely due to staff gapping savings of \$204,274 which is partially offset by \$48,286 in reduced recoveries associated with one of the positions that is recovered from building permit revenue. The implementation of an Agenda Management System as reported through CORS-021-21 will result in additional costs of \$36,252 which are being funded through reduced costs of \$8,500 in web hosting services as well as cost reductions in the Legislative and Legal Services division and the Strategic Communications Division as further outlined below.

The Legislative and Legal Services division is reporting a deficit of \$167,885. A planned reduction of spending in printing, shipping and consultant costs in the amount of \$22,300 is being used fund the aforementioned implementation of the Agenda Management System. Parking ticket revenues are projected to be \$160,000 below budget. Increased legal expenses of \$75,000 and court awarded fines revenue of \$42,500 are the result of the reallocation of legal budget. Lastly, the Town received funding from the Region of Halton in the amount of \$137,000 to be used for providing enhanced COVID enforcement activity. This funding was used to retain two Community Officers over a 12 month period resulting in additional costs and an offsetting recovery of \$63,712 that will be realized in 2021, with the balance of \$73,288 realized in 2022. There was no net impact to the Town associated with this.

2021 Operating Variance Commentary By Department

Strategic Communications is reporting savings of \$52,900 which is primarily related to staff gapping savings of \$48,369 as well as planned reductions in spending of approximately \$5,000 to fund the costs associated with the Agenda Management System.

General Government - \$459,863 Projected Favourable

Subsequent to the approval of the 2021 budget, it was announced that Milton would be eligible to receive \$993,000 in funding from the Federal-Provincial Safe Restart Agreement Phase 2, and \$1,502,534 from the 2021 Provincial COVID-19 Recovery Fund to be used towards managing the financial pressures associated with COVID-19. Since this funding had not yet been announced prior to budget development, it had not been included in the 2021 budget but has now been included in the projections for 2021. The 2021 budget did, however, include a planned contribution from the Tax Rate Stabilization Reserve in the amount of \$1,408,529 in order to offset the budgeted impacts of COVID in 2021. With the federal/provincial funding along with the internal mitigation efforts it is projected that the Town will no longer require funds from the Tax Rate Stabilization Reserve in 2021 and the financial projections show a planned removal of this funding.

Savings from staff vacancies in 2021 have been budgeted at \$700,000 within General Government, of which \$568,635 has been realized to date. As staff gapping savings are identified, the salary and benefit budget is reduced within the respective department while an offsetting variance is shown in General Government up to the full year budgeted gapping amount of \$700,000. This redistributes the annual budget from the departments as the savings are being incurred. It should be noted, as mentioned previously, an additional \$525,000 of staff gapping savings are being reported directly within Community Services.

A realignment of staffing positions within Development Services has resulted in a reporting change whereby staffing costs are higher than budget within Development Services but offset by a recovery of \$162,463 from the Building division that is reported within General Government. There are no net changes to staffing complement as a result of this reporting change.

Although not affecting the projected year end position, increased development activity has resulted in a net anticipated surplus of \$1,587,350 in capital provision and per unit processing fees. This will in turn result in a higher than anticipated balance transferred to reserve as fees are received.

Payments in Lieu and Taxation payments have been finalized for the year leading to a net surplus of \$33,442. Increased legal fees of \$6,500 are the result of the reallocation of legal costs. Tax write-offs are trending higher than budget and a potential deficit of \$247,174 is currently being projected.

As discussed previously, savings of \$167,340 due to WSIB Excess Insurance policy ending in March are recommended to be transferred to the WSIB Reserve to provide funding for future claims with no net impact.

Appendix 2 - CORS-039-21

2021 Operating Variance Commentary By Department

Lastly, revenue from the Ontario Lottery and Gaming Corporation (OLG) is projected to be lower than budget by \$2,850,000 for 2021 due to the COVID-19 related closure of Woodbine (Mohawk). There is no impact to the operating budget as a large portion of OLG revenue is transferred to reserve for use in the capital program. The results of the shortfall will mean less funding available to invest in the Town's infrastructure program which will be reflected through future budgets.

Community Services - \$1,027,380 Projected Unfavourable

Recreation and Culture Facilities is projecting a net deficit to budget of \$991,847. The 2021 budget included estimated revenue losses of \$2.3 million, with expenditure savings of \$1.1 million associated with the ongoing impacts of the pandemic. Facility closures and reduced hours throughout 2021 are resulting in a further expected revenue loss of \$2.2 million. This is partially offset by staff gapping savings of full time staff positions of \$256,088 and increased part time staff savings of \$380,764. Additional reductions in purchased goods and services of \$537,040 and additional savings of \$55,653 in credit card fees and Arts Centre expenses provide further mitigation.

Administration and Civic Facilities is projecting a deficit of \$528,232. As previously mentioned staff gapping savings specific to Community Services of \$525,000 was budgeted within this division. Staff gapping savings within each Community Services division is shown as savings within the division in which it originated while an offsetting variance is shown against the budget within Administration and Civic Facilities up to the full year budgeted gapping amounts. By end of May 2021 the staff gapping savings within Community Services had reached the target of \$525,000. Along with full time staff gapping savings of \$23,232 in this division, hourly part time savings due to COVID-19 closures in the amount of \$14,024 and purchased goods and services reductions of \$40,003 are expected. The allocation of insurance premiums and legal fees resulted in increased costs of \$49,993. User fee revenues associated with facility rental insurance fee premiums are reduced by \$30,000.

Programs are reporting a forecasted negative variance to budget of \$61,088. The 2021 budget included revenue losses of \$3.9 million, along with costs savings of \$2.4 million. Additional lost revenue of \$1,087,888 is expected for the year which is partially offset by \$166,966 in staff gapping savings of full time positions and \$584,606 in reduced hourly part-time costs. An additional \$145,738 of savings is projected in purchased goods and services. Increased grant funding from Canada Summer Jobs and the New Horizons for Seniors provided \$77,244. The remaining savings of \$52,246 are the result of decreased training/professional development, fewer credit card transactions for program registrations and reduced contributions to downtown events.

Operations is reporting overall savings of \$676,231. Staff gapping savings of \$97,277 are forecast. Savings in winter maintenance contracts and materials are expected to be \$466,823. Additional developer recoveries of winter maintenance costs of \$91,024 is being reported due to a shift in timing of subdivision assumptions. A realignment between

Appendix 2 - CORS-039-21

2021 Operating Variance Commentary By Department

the Town and Regional budgets is resulting in a net surplus of \$156,048. Partially offsetting these savings are projected lost sport field revenues of \$81,298 due to the provincial restrictions affecting how services can be offered as well as higher than expected insurance and facility costs of \$57,972. An additional \$100,000 contract increase in tree plantings is recovered through grant funding of \$100,000.

Transit is reporting a deficit in the amount of \$122,440. The 2021 transit budget included estimated revenue losses of \$479,809 and cost savings of \$558,112 as a result of the pandemic. However, service and ridership has been impacted to a greater degree than expected as a result of provincial restrictions in 2021. Revenue losses in transit for the year are now projected to be \$1,175,911, or \$696,102 greater than budget. At the same time, the full year savings in the areas of contracts, fuel and maintenance are now projected to be \$473,263, or \$84,849 lower than budget. The Town is eligible to receive federal-provincial funding from the Safe Restart Agreement - Transit Phase to offset some of the pressures in the estimated amount of \$662,512.

Development Services - \$816,514 Favourable

Planning Services is reporting a surplus in the amount of \$657,221, largely driven by increased activity and revenues for zoning amendments, subdivision applications and site plans among other fees, which were slightly offset by an increase in staffing costs associated with overtime.

Within Building Services, non-residential and residential development building permit applications and revenues are expected to be on track with budget. Some minor forecast changes have been made to reflect current staffing levels and position vacancies.

Infrastructure Management is projecting a \$307,666 favourable variance. Of this amount, \$197,063 is related to savings in the costs of Crossing Guards, as a result of pandemic related school closures. Increased fee revenue of \$106,409 related to developer recoveries of streetlight hydro and maintenance costs is being forecast due to a shift in timing of subdivision assumptions. Fully recoverable peer review costs for the 16 Mile Creek Road & Bridge Works are being forecast in the amount of \$49,519.

Development Engineering is reporting a surplus of \$53,519. Savings in staffing due to staff vacancies in the amount of \$215,404 is being reporting, which is partially offset by reduced revenues of \$171,141 budgeted to be generated by those positions. An additional expenditure of \$11,500 has been included to complete a floodline mapping study which is more than offset by additional site plan fees of \$19,000.

The Administration division has a deficit of \$201,894. Staff gapping savings in the amount of \$38,205 is being reported. A realignment of staffing positions from the Building division is resulting in increased staff costs within the Administration Division of \$104,737. There is no net impact on a Town-wide basis from this reallocation as the positions continue to be recovered through Building activity through an offsetting reallocated recovery within

Appendix 2 - CORS-039-21

2021 Operating Variance Commentary By Department

General Government. Increased legal costs of \$138,701 are the result of the change in legal invoice processing.

Library - No Projected Net Variance

Library is expecting reduced part-time staffing costs of approximately \$260,000 as a result of facility closures. This cost savings is partially offset by reduced revenues of \$162,000. The 2021 budget included a transfer from the Library Tax Rate Stabilization Reserve of \$150,000 to continue to phase in the impacts of the new Sherwood branch. It is projected that this transfer can be reduced by \$123,401 as a result of the net savings within the department.

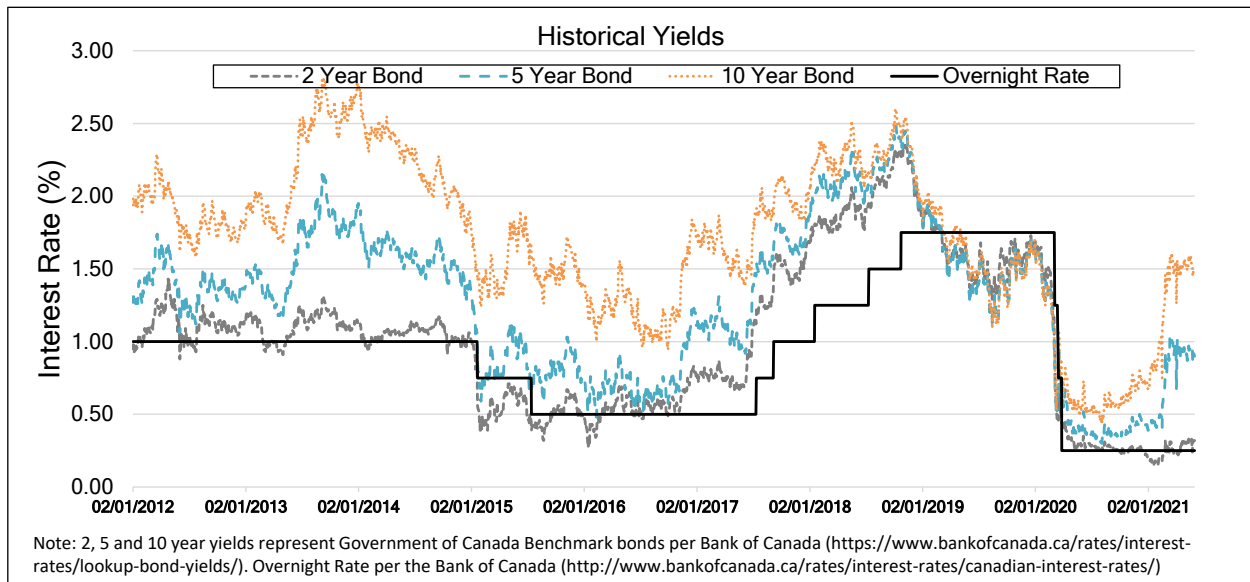
Hospital - No Net Variances

BIA - No Net Variances

Appendix 3 - CORS-039-21

Interest Rates and Bond Yields

Historical overnight rates and bond yields are illustrated in the graph below. As the economic outlook has started to improve long term bond rates have started to increase towards pre-pandemic levels. Since the end of December 2020 the 10 year Government of Canada bond yield has improved from 0.70% to 1.49% at the end of May 2021. The Bank of Canada Overnight rate has been held at 0.25% since March 2020.



The immediate impact for the Town is that short and medium term investments remain challenging while favourable long term opportunities are starting to become available.

Appendix 4 - CORS-039-21

Investment Portfolio Holdings and Limitations

Authorized Investments (\$ Millions) and Limitations (31-May-2021)										
Category / Sector ⁽¹⁾	Remaining Term			Total	% of Portfolio	Portfolio Maximum	Individual Maximum ⁽²⁾	Term Limitation (Years)	Minimum DBRS Rating ⁽³⁾	
	Less than 1 Year	1 to 5 Years	5 to 10 Years						Short-term	Long-Term
Cash	\$92.28	\$0.00	\$0.00	\$92.28	44%					
Federal and Federal Guaranteed⁽⁴⁾	\$0.00	\$0.00	\$0.00	\$0.00	0%	100%	100%	20	N/A	A (low)
Provincial and Provincial Guaranteed⁽⁴⁾										
Alberta	\$0.00	\$0.00	\$6.38	\$6.38	3%		20%	15	R-1 (low)	A (low)
British Columbia	0.00	2.73	0.94	3.67	2%		20%			
Manitoba	0.00	3.21	1.12	4.33	2%		20%			
Nova Scotia	1.05	0.00	0.00	1.05	1%		20%			
Ontario	2.12	2.68	2.96	7.77	4%		20%			
Quebec	0.00	2.31	1.79	4.10	2%		20%			
Saskatchewan	0.00	0.00	1.06	1.06	1%		20%			
Provincial and Provincial Guaranteed Sub-total	\$3.17	\$10.94	\$14.26	\$28.37	14%	100%				
Municipal and Municipal Guaranteed										
BC Municipal Finance Authority	\$0.00	\$0.00	\$1.01	\$1.01	0%		10%	15	R-1 (low)	A (low)
City of Montreal	0.00	0.00	1.63	1.63	1%		10%			
Regional Municipality of Peel	0.00	0.00	1.05	1.05	1%		10%			
City of Toronto	0.00	0.00	0.97	0.97	0%		10%			
City of Vancouver	0.00	0.00	1.07	1.07	1%		10%			
Regional Municipality of York	0.00	5.23	3.27	8.50	4%		10%			
Municipal and Municipal Guaranteed Sub-total	\$0.00	\$5.23	\$9.00	\$14.23	7%	50%				
Boards / Schools⁽⁵⁾ Sub-total	\$0.00	\$0.00	\$0.00	\$0.00	0%	15%		15	R-1 (low)	AA(low)
Financial Institution										
Schedule I Bank (Six Majors)⁽⁶⁾										
Bank of Montreal	\$4.00	\$13.00	\$0.00	\$17.00	8%		20%	10	R-1 (low)	A(low)
Bank of Nova Scotia (The)	6.00	21.00	2.00	29.00	14%		20%			
Canadian Imperial Bank of Commerce	0.00	4.00	0.00	4.00	2%		20%			
Toronto-Dominion Bank (The)	0.00	4.07	0.00	4.07	2%		20%			
Schedule I Bank (Six Majors) Sub-total	\$10.00	\$42.07	\$2.00	\$54.07	26%	60%				
Other Sch I, Sch II, Trust Loan, Credit Union										
First Ontario	\$10.00	\$0.00	\$0.00	\$10.00	4.8%		10%	2	R-1 (mid)	A(low)
Meridian	8.50	0.00	0.00	8.50	4.1%		10%			
Other Sch I/Sch II/Trust/Credit Union Sub-total	\$18.50	\$0.00	\$0.00	\$18.50	9%	20%				
Financial Institution Sub-total⁽⁷⁾	\$28.50	\$42.07	\$2.00	\$72.57	35%	60%				
ONE Investment Program Sub-total⁽⁸⁾	\$0.00	\$0.00	\$0.00	\$0.00	0%	25%		N/A	N/A	N/A
Asset Backed Securities	\$0.00	\$0.00	\$0.00	\$0.00	0%	10%	5%	5	R-1 (high)	AAA
Commercial paper or promissory notes	\$0.00	\$0.00	\$0.00	\$0.00	0%	10%	5%	1	R-1 (mid)	N/A
Total	\$123.95	\$58.23	\$25.26	\$207.44	100%					

Notes:

- (1) Per definitions and regulations under Ontario Regulation 438/97.
- (2) Individual maximum applies to either an individual institution or in the case of the ONE Investment Program it applies to individual portfolios.
- (3) Equivalent ratings from Moody's Investor Services, Standard and Poor's or Fitch Ratings are also acceptable.
- (4) A minimum of 10% of the portfolio must be in the Federal or Provincial category.
- (5) Includes a University in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000 and a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002.
- (6) Six major Schedule I Banks include: Bank of Montreal, Bank of Nova Scotia (The), Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and Toronto-Dominion Bank (The).
- (7) The overall Financial Institution category shall not exceed 60% of the total portfolio, within this category:
 - i) Aggregate holdings of the Six major Schedule I Banks shall not exceed 60% of the total portfolio; and
 - ii) Aggregate holdings of Schedule II & Other Schedule I Banks not listed above and Trust Loan / Credit Union's shall not exceed 20% of the total portfolio.
- (8) The ONE Investment Program provides recommended investment timelines for each fund however funds can be withdrawn with one day's notice and investments in each pool meet eligibility criteria as defined by regulations under the Municipal Act.

**Appendix 5 - CORS-039-21
Reserve and Reserve Fund Balances**

Reserves and Reserve Funds (\$000s)	As at Dec 31, 2020	As at May 31, 2021	Forecasted Dec 31, 2021	Surplus/(Deficit) to Budget
Stabilization				
Tax Rate Stabilization	\$8,160	\$7,874	\$7,844	\$2,783
Severe Weather	1,467	1,467	1,467	-
Building Rate Stabilization	3,401	5,121	6,867	1,979
Subtotal	\$13,028	\$14,462	\$16,178	\$4,763
Corporate Use Reserves				
Legal Matters	\$1,439	\$1,743	\$1,768	\$(12)
Insurance	1,573	1,720	1,720	220
Per Unit Development Processing Fee	1,224	1,025	1,782	(368)
WSIB	2,867	3,034	3,034	1,423
Subtotal	\$7,103	\$7,522	\$8,304	\$1,262
Infrastructure Non Growth				
Infrastructure Renewal - Roads & Structures	\$11,776	\$12,527	\$13,335	\$(133)
Infrastructure Renewal - Stormwater	2,748	4,062	4,062	1
Infrastructure Renewal - Recreation, Facilities, Other (Note 1)	7,037	7,808	7,895	(28)
Information Technology	5,492	3,093	3,184	652
Studies and Other Non Growth Capital	2,082	2,992	2,992	306
Vehicles and Equipment Replacement	8,152	9,728	9,781	576
Federal Gas Tax	5,136	4,639	1,086	0
Ontario Community Infrastructure Fund	0	0	0	0
Ontario Lottery Corporation Proceeds	7,496	1,098	836	(2,498)
Subtotal	\$49,918	\$45,945	\$43,171	\$(1,125)
Infrastructure Growth				
Growth Capital - Other	\$4,103	\$3,332	\$3,632	\$399
Capital Provision	12,167	11,135	14,969	(151)
Cash-in-lieu of Parkland	10,441	10,858	10,637	(52)
Cash-in-lieu of Parking	329	329	335	6
Development Charges (Note 2)	18,161	24,589	22,809	(12,858)
Subtotal	\$45,201	50,242	\$52,381	\$(12,656)
Program Specific				
Property Transactions	\$7,259	\$7,376	\$10,575	\$62
Provincial Gas Tax	473	(496)	478	155
Election	504	697	627	0
Aggregate Permit Fees	367	2	3	0
Seniors' Fundraising	76	76	76	0
Arts Programming	6	6	6	0
Mayor's Legacy Fund	92	92	94	(1)
Subtotal	\$8,777	\$7,753	\$11,859	\$216
Board, Committee & Other				
Library Tax Rate Stabilization	\$859	\$709	\$832	\$123
Library Capital Infrastructure	1,767	960	1,037	7
DBIA Surplus	166	127	127	59
Milton District Hospital Expansion	310	(96)	260	(5)
Provincial Government Transfer	13	2,195	0	0
Subtotal	\$3,116	\$3,895	\$2,256	\$185
Total Reserve and Reserve Funds	\$127,144	\$129,819	\$134,149	\$(7,355)

Note 1: Surplus/(Deficit) to Budget includes \$386K adjustment for the Invest in the Arts Reserve Fund, closed through 2020 Year End Operating Variances and Journal Entries, CORS-017-21.

Note 2: Includes Development Charge Exemptions.