



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: July 15, 2024

Report No: ES-015-24

Subject: Operating Budget Review - May 2024

Recommendation: THAT the operating report for the five months ending May 2024 along with a projected year end surplus of \$1,302,622 be received for information.

EXECUTIVE SUMMARY

This report provides a detailed review and update of the operating budget through May

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. 116: Financial Management - Treasury as well as Ontario Regulation 438/97 require 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.



REPORT

Background

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, 2024

The following table reflects forecasted variances to the 2024 budget by department based on expectations for program delivery for the remainder of the year. It is worth noting that the departments that are presented in this table and report have been updated to reflect the organizational re-alignment that was announced earlier in 2024.

Table with 4 columns: Department, 2024 Approved Budget \$, 2024 Forecast \$, Over/(Under) Budget \$. Rows include Mayor & Council, Executive Services, Corporate Services, General Government, Community Services, Development Services, Library, Hospital Expansion, BIA, and Total Town of Milton.

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

Staff are currently forecasting a surplus to budget of \$1,302,622 for 2024.

The expected surplus is largely driven by increased GO Transit fare integration subsidies of \$500,000, reflecting increased ridership as well as savings in winter maintenance contracts of \$318,142 due to a lighter winter. Further contributing to the surplus is increased demand for recreation programs, largely within the area of Aquatics, resulting in expected increased fee revenue of \$368,000. A shift in the timing of subdivision assumptions is expected to result in increased revenue of \$250,263 associated with the recovery of winter maintenance and streetlight costs. Increased planning application fees are contributing a further \$160,000 which is also reflective of a shift in expected timing of development activity.

Detailed commentary on variances by department can be found in Appendix 2.

Balance Sheet Monitoring as at May 31, 2024

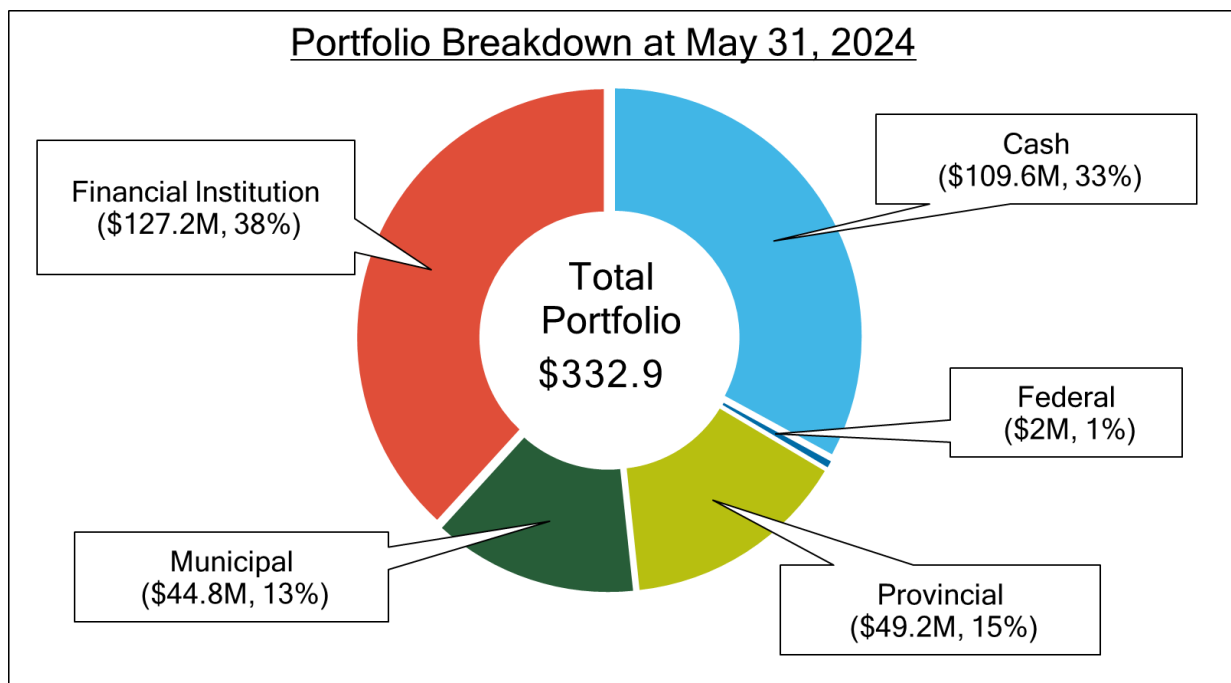
Investments and Cash Management

Economic Update

In June 2024 the Bank of Canada (BOC) started its move towards a less restrictive monetary policy by decreasing the overnight rate by 25 basis points to 4.75%. With inflation starting to cool economists are projecting a further 50 to 75 basis point reduction in the overnight rate for the remainder of 2024. Key areas of the economy the BOC continues to monitor as further interest rate decisions are made include the labour market, GDP, supply/demand and productivity. As the BOC lowers the overnight rate the Town will receive lower interest returns on cash balances and fixed income products as future expectations get built in to the yield curve. Staff will continue to monitor market conditions for the purposes of making medium and longer term investments as opportunities become available while managing maturities to expected cash outflows and ensuring appropriate diversification is maintained.

Portfolio Summary / Cash and Investment Positions

A summary of the overall portfolio as of May 31, 2024 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 3. All securities held in the first five months of 2024 satisfied the Town's credit rating requirements.





Discussion

The Town is currently carrying approximately 30% its portfolio balance in cash due to upcoming capital project expenditures and timing of tax collections and payments. As market opportunities arise the Town continues to invest to take advantage of the elevated interest rates, compared to recent years, as illustrated in Appendix 4. Through report CORS-024-22, Council approved an expansion to the list of eligible investments for the Town that would allow for exposure to the equity market through the ONE equity fund. At this time, no investments have been made in that fund and it is expected that when the introduction of that investment product does occur, it will be undertaken on a phased basis.

2024 Investment Income Forecast

Due to market conditions and a higher than expected portfolio balance, current projections estimate gross investment income to be \$14.0 million for the year, which is \$3.15 million higher than what was incorporated into the 2024 budget. The additional investment income will have no impact on the operating budget in 2024 as it will be allocated to reserves at year end in accordance with the Town’s Treasury Policy, where it will be available for future investment by Council. Changing market conditions may create forecast adjustments 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 the end of May 2024. As shown, the 2024 collection rate to date is generally aligned with the Town’s historical rate as we approach the third regular installment date in late June.

Table with 7 columns: Tax Year, Total Billable Properties, Properties with Arrears as of Jun 3, Final Tax Levy, Current Year Collections (as of June 3), Current Year Past Due, Current Year % Paid. Rows for years 2024, 2023, 2022, and 2021.

1 Includes Town, Region and Educational shares

Debenture Obligations

As of May 31, 2024 the Town has an estimated \$48.1 million in total debt outstanding. To date, \$3.7 million in debenture repayments have occurred this year. In April the Town participated in the 1-10 year portion of a Regional debenture issuance. The Town of Milton accounted for \$10.5 million of the \$77.5 million overall debenture issuance by the Region where Milton’s portion was issued via a 1-15 year serial debenture at an all-in



Discussion

average borrowing yield of 4.445%. The proceeds will be used to fund previously approved capital projects such as road projects (asphalt overlay, expanded asphalt, bridgework) and park redevelopments (Chris Hadfield and Moorelands).

For the remainder of the year the Town will have \$1.3 million in debenture principal payments resulting in \$46.8 million in outstanding debt at the end of 2024. In addition to the debenture obligations outlined below, \$7.0 million of debt that has been previously approved by Council remains yet to be issued. Based on the status of projects with unissued debt as a funding source, cash position and market conditions, it is expected that no additional debt will be issued by the Town during 2024.

Existing Debenture Obligation (\$000)	Debt at Dec 31, 2023	Principal Payments to May 31	New Issue	Debt at May 31	2024 Principal Payments Outstanding	Forecast Dec 31, 2024
Tax Supported	\$22,231	\$(1,828)	\$10,475	\$30,878	\$(1,321)	\$29,557
Capital Provision (Hospital)	6,514	(1,568)		4,947	0	4,947
Hospital Expansion (see below)	12,578	(303)		12,275	0	12,275
Total	\$41,323	\$(3,698)	\$10,475	\$48,100	\$(1,321)	\$46,780

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, 2024 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 2024 are outlined in the table below. Balances by individual reserve and reserve funds are shown in Appendix 5.



Discussion

Reserves and Reserve Funds (\$000)	As at Dec 31, 2023	As at May 31, 2024	Forecasted Dec 31, 2024	Surplus/ (Deficit) to Budget
Stabilization	\$22,074	\$20,911	\$21,691	\$(893)
Corporate Use	14,679	15,405	16,016	873
Infrastructure Non Growth	87,556	75,352	87,951	3,279
Infrastructure Growth	55,468	87,557	91,086	(680)
Program Specific	17,774	14,554	16,204	227
Board, Committee & Other	2,426	7,969	1,891	80
Total	\$199,978	\$221,747	\$234,839	\$2,887

The forecasted 2024 balance includes projected 2024 activity as identified in the 2024 budget along with any forecasted adjustments that have been identified in 2024. Following is commentary on forecasted 2024 year end reserve balances that are expected to be significantly different than budget:

Stabilization Reserves & Reserve Funds

Although transfers to the Building Stabilization Reserve are expected to be \$0.8 million higher than budget in 2024, the overall balance in the Stabilization Reserves shows a deficit to budget due to a lower than expected balance in the Building Stabilization Reserve at the end of 2023 (see staff report CORS-013-14).

Corporate Use Reserves

The Corporate Use reserves are expected to be favourable to budget at the end of 2024 due to the higher than expected Per Unit Development Processing Fee reserve at the end of 2023 (see staff report CORS-013-24).

Infrastructure Non Growth

The Infrastructure Non Growth reserves are projecting a surplus to budget largely due to an additional \$3.7 million in investment income and \$0.4 million in incremental dividend income from Milton Hydro Holdings.

Infrastructure Growth

The Infrastructure Growth reserves are forecasting a deficit primarily due to the lower than expected Capital Provision reserve balance at the end of 2023 due to the timing of development activity (see staff report CORS-013-24). While Development Charge (DC) reserves are currently projecting to be in line with budget, shifts in timing of capital expenditures and revenue collections could change as the year progresses. The DC reserve balances include the approximate \$33.9 million in cash flow assistance that was received in 2024 (see staff report CORS-016-24).



Discussion

Program Specific / Board, Committee & Other

The projected variances to budget are related to year end transfers that occurred in 2023 (see staff report CORS-013-24).

Financial Impact

The May 2024 variance review process suggests that the operating fund may be in a surplus position of \$1.3 million for 2024 related largely to increased GO transit fare integration subsidies as well as saving in winter maintenance. The financial position of the Town will continue to change throughout the balance of the year and may be impacted by factors including weather related activity, utility and fuel usage and rates, tax write-offs, the pace of growth and staff 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 2025 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 2024 Operating Financial Statements

Appendix 2 – May 2024 Operating Variance Commentary by Department

Appendix 3 – Investment Portfolio Holdings and Limitations

Appendix 4 – Interest Rates and Bond Yields

Appendix 5 – Reserve and Reserve Fund Continuity Schedule

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

**TOWN OF MILTON - SUMMARY
OPERATING FINANCIAL STATEMENT
May 2024**

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
MAYOR AND COUNCIL	310,314	337,629	691,453		691,453	(353,824)	49%
EXECUTIVE SERVICES	(187,311)	118,277	3,558,892	(103,596)	3,455,296	(3,337,019)	3%
CORPORATE SERVICES	14,352,401	15,796,973	35,782,216	(118,249)	35,663,967	(19,866,994)	44%
GENERAL GOVERNMENT	(66,111,836)	(71,035,073)	(71,211,136)	683,205	(70,527,931)	(507,142)	101%
COMMUNITY SERVICES	13,109,898	12,190,995	31,310,174	(1,515,501)	29,794,673	(17,603,678)	41%
DEVELOPMENT SERVICES	(53,499)	(622,361)	(131,599)	(327,182)	(458,781)	(163,580)	136%
LIBRARY	(3,076,984)	(2,933,819)		68,863	68,863	(3,002,682)	
HOSPITAL EXPANSION	(509,440)	(477,937)				(477,937)	
BIA	(201,005)	(227,734)		9,838	9,838	(237,572)	
Total TOWN OF MILTON	(42,367,462)	(46,853,050)		(1,302,622)	(1,302,622)	(45,550,428)	

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2024

MAYOR AND COUNCIL

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
MAYOR AND COUNCIL							
MAYOR AND COUNCIL							
EXPENDITURES							
Salaries and Benefits	267,723	291,783	608,427		608,427	316,644	48%
Administrative	37,626	43,834	61,624		61,624	17,790	71%
Financial			5,000		5,000	5,000	
Purchased Goods	392	392	976		976	584	40%
Purchased Services	4,574	1,620	20,426		20,426	18,806	8%
Total EXPENDITURES	310,315	337,629	696,453		696,453	358,824	48%
REVENUE							
Financing Revenue			(5,000)		(5,000)	(5,000)	
Total REVENUE			(5,000)		(5,000)	(5,000)	
Total MAYOR AND COUNCIL	310,315	337,629	691,453		691,453	353,824	49%
Total MAYOR AND COUNCIL	310,315	337,629	691,453		691,453	353,824	49%
Total MAYOR AND COUNCIL	310,315	337,629	691,453		691,453	353,824	49%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2024

EXECUTIVE SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
EXECUTIVE SERVICES							
OFFICE OF THE CAO							
EXPENDITURES							
Salaries and Benefits	248,082	266,672	635,514		635,514	368,842	42%
Administrative	7,522	10,240	21,046		21,046	10,806	49%
Purchased Goods	6,593	6,258	5,442		5,442	(816)	115%
Purchased Services	7,026	3,218	29,699		29,699	26,481	11%
Total EXPENDITURES	269,223	286,388	691,701		691,701	405,313	41%
REVENUE							
Financing Revenue	(16,429)	(16,670)	(16,670)		(16,670)		100%
User Fees and Service Charges	(643)	(511)	(3,000)		(3,000)	(2,489)	17%
Total REVENUE	(17,072)	(17,181)	(19,670)		(19,670)	(2,489)	87%
Total OFFICE OF THE CAO	252,151	269,207	672,031		672,031	402,824	40%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT							
EXPENDITURES							
Salaries and Benefits	375,116	255,316	800,665	(81,670)	718,995	463,679	36%
Administrative	1,807	7,394	23,272		23,272	15,878	32%
Financial	142	168	2,608		2,608	2,440	6%
Transfers to Own Funds	5,458						
Purchased Goods	1,459	307	8,336		8,336	8,029	4%
Purchased Services	21,133	72,656	155,152		155,152	82,496	47%
Total EXPENDITURES	405,115	335,841	990,033	(81,670)	908,363	572,522	37%
REVENUE							
Financing Revenue	(29,083)	(11,197)	(11,197)		(11,197)		100%
Grants	(33,942)						
User Fees and Service Charges	(26,025)	(460)		(460)	(460)		100%
Total REVENUE	(89,050)	(11,657)	(11,197)	(460)	(11,657)		100%
TEGIC INITIATIVES AND ECONOMIC DEVELOPMENT	316,065	324,184	978,836	(82,130)	896,706	572,522	36%
FINANCE							
EXPENDITURES							
Salaries and Benefits	2,109,496	2,348,103	5,620,788	(45,091)	5,575,697	3,227,594	42%
Administrative	21,754	24,166	88,229		88,229	64,063	27%
Financial	2,146	1,667	6,610		6,610	4,943	25%
Purchased Goods	14,550	14,202	40,357	(11,600)	28,757	14,555	49%
Purchased Services	89,551	104,452	303,626	1,124	304,750	200,298	34%
Total EXPENDITURES	2,237,497	2,492,590	6,059,610	(55,567)	6,004,043	3,511,453	42%
REVENUE							
Financing Revenue	(2,282,062)	(2,468,249)	(2,680,599)	(52,263)	(2,732,862)	(264,613)	90%
Recoveries and Donations	306	(1,124)		(1,124)	(1,124)		100%
User Fees and Service Charges	(572,324)	(385,616)	(1,127,330)	11,600	(1,115,730)	(730,114)	35%
Reallocated Revenue	(138,944)	(112,709)	(343,655)	75,889	(267,766)	(155,057)	42%
Total REVENUE	(2,993,024)	(2,967,698)	(4,151,584)	34,102	(4,117,482)	(1,149,784)	72%
Total FINANCE	(755,527)	(475,108)	1,908,026	(21,465)	1,886,561	2,361,669	(25%)
Total EXECUTIVE SERVICES	(187,311)	118,283	3,558,893	(103,595)	3,455,298	3,337,015	3%
Total EXECUTIVE SERVICES	(187,311)	118,283	3,558,893	(103,595)	3,455,298	3,337,015	3%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2024

CORPORATE SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
CORPORATE SERVICES							
INFORMATION TECHNOLOGY							
EXPENDITURES							
Salaries and Benefits	1,385,538	1,557,750	3,767,497	(135,390)	3,632,107	2,074,357	43%
Administrative	12,872	7,117	40,561		40,561	33,444	18%
Purchased Goods	1,727,110	1,816,810	2,985,011	(50,000)	2,935,011	1,118,201	62%
Purchased Services	723,508	1,080,105	1,664,997		1,664,997	584,892	65%
Total EXPENDITURES	3,849,028	4,461,782	8,458,066	(185,390)	8,272,676	3,810,894	54%
REVENUE							
Financing Revenue	(222,374)	(295,430)	(630,098)	(10,890)	(640,988)	(345,558)	46%
User Fees and Service Charges	(31)	(1,482)	(100)	(1,482)	(1,582)	(100)	94%
Reallocated Revenue	(52,234)	(54,113)	(131,323)		(131,323)	(77,210)	41%
Total REVENUE	(274,639)	(351,025)	(761,521)	(12,372)	(773,893)	(422,868)	45%
Total INFORMATION TECHNOLOGY	3,574,389	4,110,757	7,696,545	(197,762)	7,498,783	3,388,026	55%
HUMAN RESOURCES							
EXPENDITURES							
Salaries and Benefits	604,149	1,289,991	1,618,186	902,940	2,521,126	1,231,135	51%
Administrative	52,084	79,775	257,019		257,019	177,244	31%
Purchased Goods	1,325	1,117	5,107		5,107	3,990	22%
Purchased Services	63,753	61,582	177,170		177,170	115,588	35%
Total EXPENDITURES	721,311	1,432,465	2,057,482	902,940	2,960,422	1,527,957	48%
REVENUE							
Financing Revenue	(157,130)	(279,752)	(452,330)	(90,972)	(543,302)	(263,550)	51%
Reallocated Revenue	(64,786)	(73,353)	(189,187)		(189,187)	(115,834)	39%
Total REVENUE	(221,916)	(353,105)	(641,517)	(90,972)	(732,489)	(379,384)	48%
Total HUMAN RESOURCES	499,395	1,079,360	1,415,965	811,968	2,227,933	1,148,573	48%
LEGISLATIVE & LEGAL SERVICES							
EXPENDITURES							
Salaries and Benefits	1,271,482	1,362,282	3,378,457	57,831	3,436,288	2,074,006	40%
Administrative	18,823	23,597	76,118		76,118	52,521	31%
Financial	10,536	10,779	40,000		40,000	29,221	27%
Transfers to Own Funds	225,000	235,323	235,323		235,323		100%
Purchased Goods	5,841	5,075	30,190		30,190	25,115	17%
Purchased Services	423,733	312,670	1,045,282		1,045,282	732,612	30%
Reallocated Expenses	81,458	85,627	117,208		117,208	31,581	73%
Total EXPENDITURES	2,036,873	2,035,353	4,922,578	57,831	4,980,409	2,945,056	41%
REVENUE							
Financing Revenue	(74,545)	(193,176)	(91,528)	(101,648)	(193,176)		100%
Recoveries and Donations	(3,816)	(1,992)	(21,500)		(21,500)	(19,508)	9%
User Fees and Service Charges	(881,029)	(851,299)	(2,620,046)		(2,620,046)	(1,768,747)	32%
Total REVENUE	(959,390)	(1,046,467)	(2,733,074)	(101,648)	(2,834,722)	(1,788,255)	37%
Total LEGISLATIVE & LEGAL SERVICES	1,077,483	988,886	2,189,504	(43,817)	2,145,687	1,156,801	46%
STRATEGIC COMMUNICATIONS							
EXPENDITURES							
Salaries and Benefits	394,528	528,165	1,191,685		1,191,685	663,520	44%
Administrative	13,255	14,672	27,012		27,012	12,340	54%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
May 2024

CORPORATE SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Purchased Goods	1,390	2,322	8,300		8,300	5,978	28%
Purchased Services	21,056	34,595	101,335		101,335	66,740	34%
Total EXPENDITURES	430,229	579,754	1,328,332		1,328,332	748,578	44%
REVENUE							
Financing Revenue	(202,003)	(209,401)	(253,402)		(253,402)	(44,001)	83%
Total REVENUE	(202,003)	(209,401)	(253,402)		(253,402)	(44,001)	83%
Total STRATEGIC COMMUNICATIONS	228,226	370,353	1,074,930		1,074,930	704,577	34%
TRANSIT							
EXPENDITURES							
Salaries and Benefits	177,016	203,198	572,794	(23,347)	549,447	346,249	37%
Administrative	9,731	9,557	19,627		19,627	10,070	49%
Financial			300		300	300	
Transfers to Own Funds	1,767,390	1,821,448	1,821,448		1,821,448		100%
Purchased Goods	310	7,483	14,095		14,095	6,612	53%
Purchased Services	1,979,476	2,157,395	6,429,114	250,000	6,679,114	4,521,719	32%
Fleet Expenses	571,454	679,457	2,424,840	(150,000)	2,274,840	1,595,383	30%
Reallocated Expenses	118,364	59,661	86,826		86,826	27,165	69%
Total EXPENDITURES	4,623,741	4,938,199	11,369,044	76,653	11,445,697	6,507,498	43%
REVENUE							
Financing Revenue	(978,132)	(978,745)	(1,082,887)	23,348	(1,059,539)	(80,794)	92%
Recoveries and Donations	(284,478)	(725,811)	(805,993)	(750,000)	(1,555,993)	(830,182)	47%
User Fees and Service Charges	(507,711)	(895,543)	(1,738,606)		(1,738,606)	(843,063)	52%
Total REVENUE	(1,770,321)	(2,600,099)	(3,627,486)	(726,652)	(4,354,138)	(1,754,039)	60%
Total TRANSIT	2,853,420	2,338,100	7,741,558	(649,999)	7,091,559	4,753,459	33%
FIRE							
EXPENDITURES							
Salaries and Benefits	4,842,394	5,667,518	14,257,650	(38,639)	14,219,011	8,551,493	40%
Administrative	36,568	83,097	155,054		155,054	71,957	54%
Financial	2,589	2,331	4,000		4,000	1,669	58%
Transfers to Own Funds	1,106,306	1,144,857	1,144,857		1,144,857		100%
Purchased Goods	43,019	40,938	92,791		92,791	51,853	44%
Purchased Services	160,531	56,957	359,857		359,857	302,900	16%
Fleet Expenses	86,255	69,623	186,479		186,479	116,856	37%
Total EXPENDITURES	6,277,662	7,065,321	16,200,688	(38,639)	16,162,049	9,096,728	44%
REVENUE							
Financing Revenue	(10,408)	(11,197)	(183,074)		(183,074)	(171,877)	6%
Grants	(18,068)		(2,500)		(2,500)	(2,500)	
Recoveries and Donations	(61,108)	(62,621)	(187,482)		(187,482)	(124,861)	33%
User Fees and Service Charges	(68,589)	(81,996)	(163,918)		(163,918)	(81,922)	50%
Total REVENUE	(158,173)	(155,814)	(536,974)		(536,974)	(381,160)	29%
Total FIRE	6,119,489	6,909,507	15,663,714	(38,639)	15,625,075	8,715,568	44%
Total CORPORATE SERVICES	14,352,402	15,796,963	35,782,216	(118,249)	35,663,967	19,867,004	44%
Total CORPORATE SERVICES	14,352,402	15,796,963	35,782,216	(118,249)	35,663,967	19,867,004	44%

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GENERAL GOVERNMENT

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
GENERAL GOVERNMENT							
GENERAL GOVERNMENT							
EXPENDITURES							
Salaries and Benefits	200						
Administrative	11,641	112,194	120,000		120,000	7,806	93%
Financial	1,998,136	1,809,900	4,852,388		4,852,388	3,042,488	37%
Transfers to Own Funds	29,090,126	33,365,107	49,477,354	4,044,269	53,521,623	20,156,516	62%
Purchased Services	80,867	758,723	95,011		95,011	(663,712)	799%
Total EXPENDITURES	31,180,970	36,045,924	54,544,753	4,044,269	58,589,022	22,543,098	62%
REVENUE							
External Revenue Transferred to Reserves &	(7,568,964)	(3,464,209)	(13,946,696)	(354,269)	(14,300,965)	(10,836,756)	24%
Financing Revenue	(4,108,520)	(5,205,409)	(8,559,600)	(2,749,827)	(11,309,427)	(6,104,018)	46%
Taxation	(82,672,741)	(94,919,366)	(96,315,737)	(256,968)	(96,572,705)	(1,653,339)	98%
Payments In Lieu	(957,837)	(975,315)	(1,057,284)		(1,057,284)	(81,969)	92%
Recoveries and Donations	106						
User Fees and Service Charges	(1,124,987)	(1,505,416)	(3,318,283)		(3,318,283)	(1,812,867)	45%
Reallocated Revenue	(859,866)	(1,011,282)	(2,558,289)		(2,558,289)	(1,547,007)	40%
Total REVENUE	(97,292,809)	(107,080,997)	(125,755,889)	(3,361,064)	(129,116,953)	(22,035,956)	83%
Total GENERAL GOVERNMENT	(66,111,839)	(71,035,073)	(71,211,136)	683,205	(70,527,931)	507,142	101%
Total GENERAL GOVERNMENT	(66,111,839)	(71,035,073)	(71,211,136)	683,205	(70,527,931)	507,142	101%
Total GENERAL GOVERNMENT	(66,111,839)	(71,035,073)	(71,211,136)	683,205	(70,527,931)	507,142	101%

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COMMUNITY SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
COMMUNITY SERVICES							
RECREATION AND CULTURE FACILITIES							
EXPENDITURES							
Salaries and Benefits	2,499,582	2,817,357	6,846,248	(154,989)	6,691,259	3,873,902	42%
Administrative	12,059	5,754	41,291		41,291	35,537	14%
Financial	45,745	57,224	130,018		130,018	72,794	44%
Transfers to Own Funds	1,985,236	2,180,969	2,265,423		2,265,423	84,454	96%
Purchased Goods	236,223	251,218	780,842	7,999	788,841	537,623	32%
Purchased Services	1,803,366	2,044,197	5,823,849	18,157	5,842,006	3,797,809	35%
Reallocated Expenses	25,295	22,258	46,730		46,730	24,472	48%
Total EXPENDITURES	6,607,506	7,378,977	15,934,401	(128,833)	15,805,568	8,426,591	47%
REVENUE							
Financing Revenue	(167,744)	(196,706)	(389,573)		(389,573)	(192,867)	50%
Grants	(538,690)	(468,614)	(935,256)	(18,727)	(953,983)	(485,369)	49%
Recoveries and Donations	(49,735)	(22,737)	(95,592)		(95,592)	(72,855)	24%
User Fees and Service Charges	(2,956,092)	(3,236,372)	(7,098,209)	(87,999)	(7,186,208)	(3,949,836)	45%
Reallocated Revenue	(194,075)	(220,458)	(448,810)		(448,810)	(228,352)	49%
Total REVENUE	(3,906,336)	(4,144,887)	(8,967,440)	(106,726)	(9,074,166)	(4,929,279)	46%
Total RECREATION AND CULTURE FACILITIES	2,701,170	3,234,090	6,966,961	(235,559)	6,731,402	3,497,312	48%
ADMINISTRATION AND CIVIC FACILITIES							
EXPENDITURES							
Salaries and Benefits	1,415,338	1,491,283	4,079,783	(129,155)	3,950,628	2,459,345	38%
Administrative	18,893	12,274	51,902		51,902	39,628	24%
Financial	31,979	22,093	37,944		37,944	15,851	58%
Transfers to Own Funds	246,912	208,060	410,532	(14,100)	396,432	188,372	52%
Purchased Goods	22,438	29,469	111,371		111,371	81,902	26%
Purchased Services	731,177	480,102	1,660,782	14,000	1,674,782	1,194,680	29%
Reallocated Expenses	25,157	17,340	21,680		21,680	4,340	80%
Total EXPENDITURES	2,491,894	2,260,621	6,373,994	(129,255)	6,244,739	3,984,118	36%
REVENUE							
Financing Revenue	(605,218)	(532,251)	(1,892,549)	93,758	(1,798,791)	(1,266,540)	30%
Recoveries and Donations	(6,584)	(8,617)	(32,138)		(32,138)	(23,521)	27%
User Fees and Service Charges	(145,536)	(90,537)	(381,180)	44,380	(336,800)	(246,263)	27%
Total REVENUE	(757,338)	(631,405)	(2,305,867)	138,138	(2,167,729)	(1,536,324)	29%
Total ADMINISTRATION AND CIVIC FACILITIES	1,734,556	1,629,216	4,068,127	8,883	4,077,010	2,447,794	40%
PROGRAMS							
EXPENDITURES							
Salaries and Benefits	1,496,451	2,009,700	5,922,216	25,112	5,947,328	3,937,628	34%
Administrative	5,704	15,061	64,713	(3,113)	61,600	46,539	24%
Financial	99,078	101,820	691,891		691,891	590,071	15%
Transfers to Own Funds			78,350		78,350	78,350	
Purchased Goods	53,105	59,881	274,572	3,500	278,072	218,191	22%
Purchased Services	178,604	191,659	916,362	(59,164)	857,198	665,539	22%
Reallocated Expenses	55		107,661		107,661	107,661	
Total EXPENDITURES	1,832,997	2,378,121	8,055,765	(33,665)	8,022,100	5,643,979	30%
REVENUE							

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COMMUNITY SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Financing Revenue	(87,054)	(101,548)	(725,738)		(725,738)	(624,190)	14%
Grants	(43,832)	(64,381)	(112,137)	(46,625)	(158,762)	(94,381)	41%
Recoveries and Donations	(15,531)	(21,152)	(405,308)		(405,308)	(384,156)	5%
User Fees and Service Charges	(1,930,189)	(2,335,900)	(6,294,585)	(375,318)	(6,669,903)	(4,334,003)	35%
Reallocated Revenue	(1,850)		(6,500)	4,000	(2,500)	(2,500)	
Total REVENUE	(2,078,456)	(2,522,981)	(7,544,268)	(417,943)	(7,962,211)	(5,439,230)	32%
Total PROGRAMS	(245,459)	(144,860)	511,497	(451,608)	59,889	204,749	(242%)
OPERATIONS							
EXPENDITURES							
Salaries and Benefits	3,186,986	3,428,263	8,793,190	(169,478)	8,623,712	5,195,449	40%
Administrative	8,551	28,488	57,584		57,584	29,096	49%
Transfers to Own Funds	1,986,091	2,106,289	2,106,289		2,106,289		100%
Purchased Goods	995,251	537,045	1,880,377		1,880,377	1,343,332	29%
Purchased Services	3,008,758	1,749,758	7,209,655	(162,141)	7,047,514	5,297,756	25%
Fleet Expenses	686,412	604,560	1,383,197		1,383,197	778,637	44%
Reallocated Expenses	1,428,034	1,868,181	4,424,052		4,424,052	2,555,871	42%
Total EXPENDITURES	11,300,083	10,322,584	25,854,344	(331,619)	25,522,725	15,200,141	40%
REVENUE							
Financing Revenue	(78,679)	(254,720)	(257,987)		(257,987)	(3,267)	99%
Recoveries and Donations	(1,336,334)	(1,391,231)	(3,404,349)	(5,545)	(3,409,894)	(2,018,663)	41%
User Fees and Service Charges	(359,303)	(416,630)	(1,157,322)	(128,900)	(1,286,222)	(869,592)	32%
Reallocated Revenue	(1,679,178)	(2,041,913)	(4,663,288)		(4,663,288)	(2,621,375)	44%
Total REVENUE	(3,453,494)	(4,104,494)	(9,482,946)	(134,445)	(9,617,391)	(5,512,897)	43%
Total OPERATIONS	7,846,589	6,218,090	16,371,398	(466,064)	15,905,334	9,687,244	39%
INFRASTRUCTURE MANAGEMENT							
EXPENDITURES							
Salaries and Benefits	916,239	1,114,990	2,878,364	(282,001)	2,596,363	1,481,373	43%
Administrative	7,526	17,530	43,358		43,358	25,828	40%
Financial	228,454	228,911	246,945		246,945	18,034	93%
Transfers to Own Funds	33,920	39,997	39,997		39,997		100%
Purchased Goods	4,463	13,832	69,777		69,777	55,945	20%
Purchased Services	531,778	586,124	2,193,925	(75,000)	2,118,925	1,532,801	28%
Total EXPENDITURES	1,722,380	2,001,384	5,472,366	(357,001)	5,115,365	3,113,981	39%
REVENUE							
Financing Revenue	(563,269)	(627,867)	(1,640,883)	13,150	(1,627,733)	(999,866)	39%
Recoveries and Donations	(11,728)	(9,548)	(96,803)	75,000	(21,803)	(12,255)	44%
User Fees and Service Charges	(74,344)	(109,515)	(342,485)	(102,302)	(444,787)	(335,272)	25%
Total REVENUE	(649,341)	(746,930)	(2,080,171)	(14,152)	(2,094,323)	(1,347,393)	36%
Total INFRASTRUCTURE MANAGEMENT	1,073,039	1,254,454	3,392,195	(371,153)	3,021,042	1,766,588	42%
Total COMMUNITY SERVICES	13,109,895	12,190,990	31,310,178	(1,515,501)	29,794,677	17,603,687	41%
Total COMMUNITY SERVICES	13,109,895	12,190,990	31,310,178	(1,515,501)	29,794,677	17,603,687	41%

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DEVELOPMENT SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
DEVELOPMENT SERVICES							
PLANNING SERVICES							
EXPENDITURES							
Salaries and Benefits	889,401	939,067	2,571,584	(85,110)	2,486,474	1,547,407	38%
Administrative	13,997	15,636	45,665	(2,000)	43,665	28,029	36%
Purchased Services	23,771	9,397	100,069	(35,000)	65,069	55,672	14%
Total EXPENDITURES	927,169	964,100	2,717,318	(122,110)	2,595,208	1,631,108	37%
REVENUE							
Financing Revenue	(210,384)	(205,157)	(601,993)	(51,685)	(653,678)	(448,521)	31%
Recoveries and Donations	3,706	(4,120)	(3,345)	(4,000)	(7,345)	(3,225)	56%
User Fees and Service Charges	(997,514)	(1,455,384)	(2,591,774)	(111,100)	(2,702,874)	(1,247,490)	54%
Total REVENUE	(1,204,192)	(1,664,661)	(3,197,112)	(166,785)	(3,363,897)	(1,699,236)	49%
Total PLANNING SERVICES	(277,023)	(700,561)	(479,794)	(288,895)	(768,689)	(68,128)	91%
BUILDING SERVICES							
EXPENDITURES							
Salaries and Benefits	1,511,904	1,693,412	4,731,348	(996,583)	3,734,765	2,041,353	45%
Administrative	52,387	45,208	152,087		152,087	106,879	30%
Financial		8,750		12,200	12,200	3,450	72%
Transfers to Own Funds	323,230	319,976	749,432	786,123	1,535,555	1,215,579	21%
Purchased Goods	1,651	4,792	16,301		16,301	11,509	29%
Purchased Services	29,214	5,563	59,471		59,471	53,908	9%
Reallocated Expenses	938,072	1,119,124	2,751,382	23,211	2,774,593	1,655,469	40%
Total EXPENDITURES	2,856,458	3,196,825	8,460,021	(175,049)	8,284,972	5,088,147	39%
REVENUE							
Financing Revenue	(9,264)	(9,876)	(9,876)		(9,876)		100%
User Fees and Service Charges	(2,844,946)	(3,186,948)	(8,450,145)	175,049	(8,275,096)	(5,088,148)	39%
Total REVENUE	(2,854,210)	(3,196,824)	(8,460,021)	175,049	(8,284,972)	(5,088,148)	39%
Total BUILDING SERVICES	2,248	1				(1)	
DEVELOPMENT ENGINEERING							
EXPENDITURES							
Salaries and Benefits	799,618	926,331	2,209,368	107,025	2,316,393	1,390,062	40%
Administrative	7,629	13,875	39,938		39,938	26,063	35%
Financial		100	500		500	400	20%
Transfers to Own Funds	85,430						
Purchased Goods			200		200	200	
Purchased Services	101,271	159,596	321,042	75,000	396,042	236,446	40%
Total EXPENDITURES	993,948	1,099,902	2,571,048	182,025	2,753,073	1,653,171	40%
REVENUE							
Financing Revenue	(295,040)	(284,036)	(419,515)	(13,150)	(432,665)	(148,629)	66%
Recoveries and Donations	(7,617)		(93,210)	(75,000)	(168,210)	(168,210)	
User Fees and Service Charges	(672,598)	(806,837)	(2,296,498)	(19,062)	(2,315,560)	(1,508,723)	35%
Reallocated Revenue	(19,591)	(90,556)	(65,355)	(99,100)	(164,455)	(73,899)	55%
Total REVENUE	(994,846)	(1,181,429)	(2,874,578)	(206,312)	(3,080,890)	(1,899,461)	38%
Total DEVELOPMENT ENGINEERING	(898)	(81,527)	(303,530)	(24,287)	(327,817)	(246,290)	25%
ADMINISTRATION							
EXPENDITURES							

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DEVELOPMENT SERVICES

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
Salaries and Benefits	188,290	192,358	492,073		492,073	299,715	39%
Administrative	8,531	7,584	12,227		12,227	4,643	62%
Purchased Goods	8,366	4,372	22,950		22,950	18,578	19%
Purchased Services	88,238	32,857	233,289	(11,517)	221,772	188,915	15%
Total EXPENDITURES	293,425	237,171	760,539	(11,517)	749,022	511,851	32%
REVENUE							
Financing Revenue	(74,859)	(75,211)	(108,816)		(108,816)	(33,605)	69%
Recoveries and Donations	3,867	(2,235)		(2,483)	(2,483)	(248)	90%
User Fees and Service Charges	(257)						
Total REVENUE	(71,249)	(77,446)	(108,816)	(2,483)	(111,299)	(33,853)	70%
Total ADMINISTRATION	222,176	159,725	651,723	(14,000)	637,723	477,998	25%
Total DEVELOPMENT SERVICES	(53,497)	(622,362)	(131,601)	(327,182)	(458,783)	163,579	136%
Total DEVELOPMENT SERVICES	(53,497)	(622,362)	(131,601)	(327,182)	(458,783)	163,579	136%

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LIBRARY

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
LIBRARY							
LIBRARY							
EXPENDITURES							
Salaries and Benefits	1,636,833	1,585,836	4,341,824	(220,612)	4,121,212	2,535,376	38%
Administrative	29,797	23,930	66,052		66,052	42,122	36%
Financial	2,678	2,454	6,500		6,500	4,046	38%
Transfers to Own Funds	678,988	710,139	710,139		710,139		100%
Purchased Goods	185,388	250,012	428,779	28,601	457,380	207,368	55%
Purchased Services	189,928	323,858	543,057	8,405	551,462	227,604	59%
Reallocated Expenses	194,075	206,303	412,605		412,605	206,302	50%
Total EXPENDITURES	2,917,687	3,102,532	6,508,956	(183,606)	6,325,350	3,222,818	49%
REVENUE							
Financing Revenue	(21,696)	(23,622)	(21,696)	(1,926)	(23,622)		100%
Taxation	(5,901,548)	(5,933,370)	(6,190,338)	256,968	(5,933,370)		100%
Grants	(26,055)	(25,000)	(81,288)	(35,772)	(117,060)	(92,060)	21%
Recoveries and Donations	(4,796)	(5,993)	(14,596)		(14,596)	(8,603)	41%
User Fees and Service Charges	(40,575)	(48,367)	(201,037)	33,199	(167,838)	(119,471)	29%
Total REVENUE	(5,994,670)	(6,036,352)	(6,508,955)	252,469	(6,256,486)	(220,134)	96%
Total LIBRARY	(3,076,983)	(2,933,820)	1	68,863	68,864	3,002,684	
Total LIBRARY	(3,076,983)	(2,933,820)	1	68,863	68,864	3,002,684	
Total LIBRARY	(3,076,983)	(2,933,820)	1	68,863	68,864	3,002,684	

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HOSPITAL EXPANSION

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
HOSPITAL EXPANSION							
HOSPITAL EXPANSION							
EXPENDITURES							
Financial	1,989,817	2,019,518	2,497,455		2,497,455	477,937	81%
Total EXPENDITURES	1,989,817	2,019,518	2,497,455		2,497,455	477,937	81%
REVENUE							
Financing Revenue	(2,499,256)	(2,497,455)	(2,497,455)		(2,497,455)		100%
Total REVENUE	(2,499,256)	(2,497,455)	(2,497,455)		(2,497,455)		100%
Total HOSPITAL EXPANSION	(509,439)	(477,937)				477,937	
Total HOSPITAL EXPANSION	(509,439)	(477,937)				477,937	
Total HOSPITAL EXPANSION	(509,439)	(477,937)				477,937	

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BIA

	2023 YTD ACTUAL	2024 YTD ACTUAL	ANNUAL BUDGET	FORECAST CHANGES	FORECAST BUDGET	VARIANCE	PERCENT of BUDGET
BIA							
BIA							
EXPENDITURES							
Salaries and Benefits	70,575	84,753	203,440	8,739	212,179	127,426	40%
Administrative	22						
Financial	2,250	309	4,700	3,384	8,084	7,775	4%
Purchased Goods	4,676	86	31,600		31,600	31,514	
Purchased Services	52,392	47,906	243,435		243,435	195,529	20%
Reallocated Expenses	1,492	3,645	4,500		4,500	855	81%
Total EXPENDITURES	131,407	136,699	487,675	12,123	499,798	363,099	27%
REVENUE							
Financing Revenue	(29,740)	(25,000)	(25,000)		(25,000)		100%
Taxation	(258,086)	(270,990)	(270,990)		(270,990)		100%
Grants	(1,364)		(10,024)		(10,024)	(10,024)	
Recoveries and Donations	(25,672)	(22,660)	(30,500)		(30,500)	(7,840)	74%
User Fees and Service Charges	(17,550)	(45,785)	(43,500)	(2,285)	(45,785)		100%
Reallocated Revenue			(107,661)		(107,661)	(107,661)	
Total REVENUE	(332,412)	(364,435)	(487,675)	(2,285)	(489,960)	(125,525)	74%
Total BIA	(201,005)	(227,736)		9,838	9,838	237,574	
Total BIA	(201,005)	(227,736)		9,838	9,838	237,574	
Total BIA	(201,005)	(227,736)		9,838	9,838	237,574	

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2024 Operating Variance Commentary By Department

Variances impacting multiple departments of the Town are highlighted below.

Staff Gapping

In 2024, the Town budgeted for savings from staff vacancies in the amount of \$1,025,000. 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 up to the full year budgeted gapping amounts. This redistributes the annual budget from the departments as the savings are being incurred. The Town wide staff gapping savings projected through the May variance review process are \$940,173 relative to the target of \$1,025,000.

Insurance

As previously reported through CORS-016-23, the Town's insurance policies were renewed for an 18 month period from January 2023 to June 2024. The cost for the first half of 2024 is \$640,811. At the time of this report, staff continue to work through the renewal process with the Town's insurance provider as previously discussed through ES-018-24 Schedule H. The results of the renewal will be reported back to Council following completion of the renewal terms. Any variance to budget in the 2024 cost of insurance will be reported through the September variance report with insurance costs and variances to budget allocated across departments at that time.

Utilities

Utility costs are trending on budget to date. These are areas that are closely monitored by Town staff as any price volatility, combined with changes in consumption, may result in financial impacts as the year progresses.

Variances identified within specific departments are as follows:

Mayor & Council - No projected net variances

Executive Services - \$103,595 Projected Favourable

The Strategic Initiatives and Economic Development and Finance divisions are projecting a net surplus to budget of \$82,130 and \$21,066 respectively, due largely to savings from staff vacancies.

Corporate Services - \$118,249 Projected Favourable

Information Technology is reporting savings of \$197,761. Of this amount, \$146,279 is related to savings from staff vacancies. Savings in purchased services of \$50,000 relates to software annual maintenance as a result of better negotiated rates and change of renewal periods.

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2024 Operating Variance Commentary By Department

Human Resources is reporting a deficit of \$811,968. Of this amount \$256,968 relates to the transfer of two positions from the Library to the Town. There is a net zero impact Town wide as an offsetting reallocation of a portion of the tax levy from Library to Town is reported within General Government. The balance of the projected deficit relates to HR related legal matters.

The Legislative and Legal Services is reporting a surplus of \$43,816 related to savings due to staff vacancies. Also reflected as forecast changes are the staffing costs in the amount of \$101,648 associated with the APS expansion program as approved through CORS-011-24, which are offset by a contribution from the Tax Rate Stabilization Reserve as indicated within the same report.

Transit is anticipating a surplus in the amount of \$650,000. This is largely driven by increased GO Transit fare integration subsidies of \$500,000 due to current and projected growth of post-secondary and cross-boundary transit markets, combined with projected savings in fuel of \$150,000. Additional costs of \$250,000 have been included related to the provision of post secondary transit services, along with an offsetting third party recovery.

Fire is projecting a surplus of \$38,639 related to savings in staff vacancies.

General Government - \$683,205 Projected Unfavourable

In 2024, the Town budgeted for savings from staff vacancies in the amount of \$1,025,000. 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 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 2024, the Town wide staff gapping savings identified were \$940,173 relative to the target of \$1,025,000.

Based on Town policy, the investment income related to reserve funds, including development charge reserve funds, is allocated directly to the specific reserve funds with the remaining going through the operating budget. Due to a higher than anticipated portfolio balance and overall increase in yields, investment income for the Town is forecasted to be \$3.1 million favourable to budget, with \$2.5 million flowing through Financing Revenue within General Government and then allocated to specific reserves as identified through the budget process with no impact to the bottom line. Based on fluctuating market conditions and varying reserve and reserve fund balances, overall investment income and allocations to specific funds may change throughout the year.

Reflected in General Government is a reallocation of a portion of the tax levy from the Library to the Town in the amount of \$256,968 to offset the position movements as noted above.

2024 Operating Variance Commentary By Department

An increased dividend for 2023 was declared by Milton Hydro Holdings and remitted to the Town in 2024 in the incremental amount of \$185,618. Furthermore, based on the most current projections from Milton Hydro, 2024 dividends are expected to be \$168,651 greater than what had previously been included in the Town's budget. In accordance with the Town's Treasury Policy, transfers to reserve will be utilized to stabilize the net impacts relative to the budgeted Milton Hydro funding distributions such that there will be no net impact to the Town from annual fluctuations.

Community Services - \$1,515,501 Projected Favourable

Recreation and Culture Facilities is projecting a net surplus to budget of \$235,559. Savings from staff vacancies of \$60,477 are expected. A reallocation of staff positions, with no net impact to the Town's bottom line, is resulting in a further reduction of \$96,355 in salary and benefits within the Recreation and Culture Facilities division. An increase in gym rental revenue of \$60,000 and net increase in grant revenue of \$18,727 is also reflected.

Administration and Civic Facilities is projecting a deficit of \$8,883. Savings from staff vacancies of \$109,199 is being reported. This is offset by an increase in staffing costs of \$154,626 due to a reallocation of staffing from Recreation and Culture Facilities, Programs and Operations with no net impact to the Town's bottom line. Increased project management recoveries from capital in the amount of \$50,543 are forecast. A legal budget of \$14,000 was reallocated from the Development Services Administration Division to Administration and Civic Facilities with no net impact.

Programs is forecasting a favourable variance to budget of \$451,608 which is largely driven by a net revenue increase of \$368,000 due to high demand of programs, particularly in the area of Aquatics. A further \$23,337 of savings is due to a shift in program offerings resulting in adjustments to staffing costs, service agreements, materials and contracts. The remaining variance is largely related to the receipt of \$46,625 in unbudgeted grant funding. A reallocation of staff positions is resulting in a reduction of \$13,646 in salary and benefits within the Programs division, with no net impact to the Town.

Operations is expecting an overall favourable variance of \$466,064. Of this amount, \$318,142 relates to savings in winter maintenance contracts due to a lighter winter season. Partially offsetting this is an expected increase in contract costs of \$156,000 related to guard rail maintenance, vandalism removal and landfill disposal activities trending higher than previous years. A further \$128,900 of savings relates to increased recoveries from developers for winter maintenance due to new subdivision registrations and a shift in the timing of expected assumptions of existing subdivisions. Staff gapping savings of \$124,853 are also being reported. A reallocation of staffing resulted in a reduction of salary and benefits of \$44,625 within the Operations Division with an offsetting increase in the Admin and Civic Facilities and no net impact Town wide. In

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2024 Operating Variance Commentary By Department

addition, increased revenues from Halton Region in the amount of \$5,545 are forecast to align with the final region budget.

Infrastructure Management is projecting a \$371,153 favourable variance. Of this amount, net savings of \$169,384 is related to a reallocation of positions from Infrastructure Management to Development Services with no net impact to the Town's bottom line. \$73,168 is related to savings due to staff vacancies. Increased fee revenue of \$121,364 relates to developer recoveries of streetlight hydro and maintenance costs due to a shift in timing of subdivision assumptions along with new subdivisions not anticipated in the original budget estimates.

Development Services - \$327,182 Projected Favourable

Planning Services is expecting a surplus in the amount of \$288,896. Savings due to staff vacancies in the amount of \$240,604 is being reported along with an increase in planning application revenues of \$162,500. Partially offsetting these amounts are increased staffing costs of \$101,808 related to a reallocation of positions from the Infrastructure Management division with no net bottom line impact. A further \$51,685 in staffing costs have been added for an Affordable Housing Project Manager with an offset contribution to capital as approved through report CORS-015-24.

Within Building Services, a decrease in projected building permit revenues of \$175,049 is forecast for 2024, driven largely by a decrease in overall residential unit applications and shift in timing of non-residential applications. However, this is more than offset by savings due to staff vacancies in the amount of \$1.0 million. As a result, there is an expected increase in contribution to the Building Stabilization Reserve this year in the amount of \$786,123. Overall there is no net impact to the Town's bottom line.

Development Engineering is reporting a surplus of \$24,287. An increased revenue of \$99,100 is due to performing more work on building permit activities which are recovered from building permit revenues. A further net \$67,576 in costs have been added as a result of the reallocation of positions from the Infrastructure Management division as referenced above with no net impact to the Town.

The Administration division has a deficit of \$14,000 related to the legal budget reallocation to the Community Services Administration and Civic Facilities division.

Library - \$68,863 Projected Unfavourable

The library is expecting a deficit of \$68,863 which largely relates to a shortfall of \$50,000 in revenue for fees, fine and lost items, combined with increased costs of \$27,405 in contract and insurance to address cyber security.

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2024 Operating Variance Commentary By Department

As mentioned above, the transfer of two positions from the Library to the Town is resulting in savings of \$256,968 to the Library. There is a net zero impact to the Library as a result of an offsetting reallocation of a portion of the tax levy from Library to Town.

Hospital - No Projected Net Variances

BIA - 9,838 Projected Unfavourable

The BIA is expecting to be in a deficit position resulting from a new employee benefit plan implemented of \$8,739 along with an unbudgeted event-related payment of \$3,384. Partially offsetting these amounts are additional revenues received of \$2,285.

Appendix 3 - ES-015-24

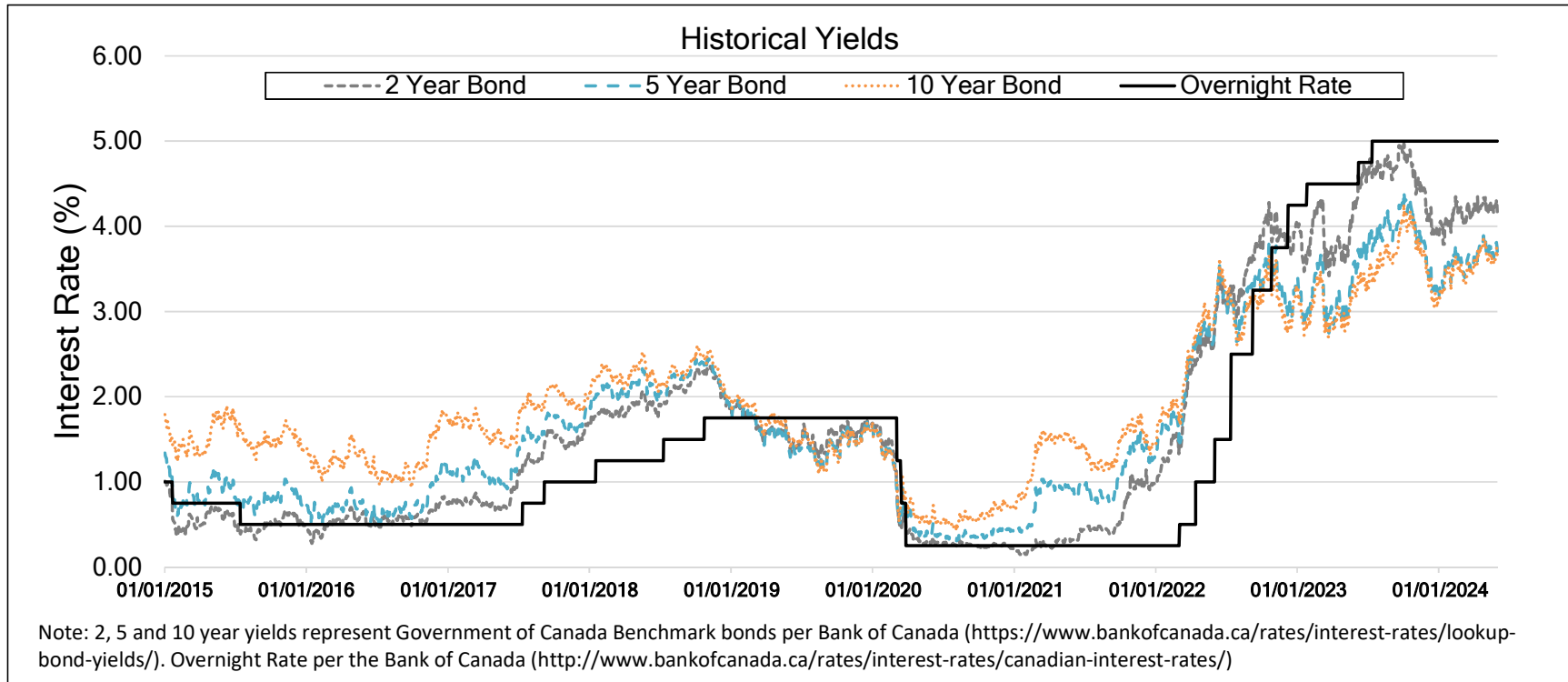
Investment Portfolio Holdings and Limitations

Authorized Investments and Limitations (31-May-2024)								Term Limitation (Years)	Minimum DBRS Rating ⁽³⁾	
Category / Sector ⁽¹⁾	Remaining Term			Total	% of Portfolio	Portfolio Maximum	Individual Maximum ⁽²⁾		Short-term	Long-Term
	Less than 1 Year	1 to 5 Years	5 to 10 Years							
Cash	\$109.64	-	-	\$109.64	33%					
Federal and Federal Guaranteed⁽⁴⁾	-	-	\$1.96	\$1.96	1%	100%	100%	20	N/A	A (low)
Provincial and Provincial Guaranteed⁽⁴⁾										
Alberta	-	\$4.20	\$4.04	\$8.23	2%		20%	15	R-1 (low)	A (low)
British Columbia	-	-	\$4.79	\$4.79	1%		20%			
Manitoba	-	-	\$6.31	\$6.31	2%		20%			
New Brunswick	-	-	\$2.07	\$2.07	1%		20%			
Ontario	-	\$2.41	\$9.96	\$12.37	4%		20%			
Prince Edward Island	-	-	\$0.99	\$0.99	0%		20%			
Quebec	-	-	\$13.41	\$13.41	4%		20%			
Saskatchewan	-	-	\$1.04	\$1.04	0%		20%			
Provincial and Provincial Guaranteed Sub-total	\$0.00	\$6.61	\$42.62	\$49.23	14.8%	100%				
Municipal and Municipal Guaranteed										
BC Municipal Finance Authority	-	\$1.06	\$7.45	\$8.51	3%		10%	15	R-1 (low)	A (low)
City of Toronto	-	\$0.98	\$1.00	\$1.98	1%		10%			
Regional Municipality of York	-	\$7.53	\$5.25	\$12.78	4%		10%			
Regional Municipality of Peel	-	\$1.03	-	\$1.03	0%		10%			
City of Montreal	-	\$2.56	\$5.86	\$8.42	3%		10%			
Quebec City	-	-	\$2.50	\$2.50	1%		10%			
Region of Waterloo	-	\$1.50	\$2.92	\$4.42	1%		10%			
Region of Halton	-	-	\$4.12	\$4.12	1%		10%			
City of Vancouver	-	\$1.04	-	\$1.04	0%		10%			
Municipal and Municipal Guaranteed Sub-total	\$0.00	\$15.69	\$29.10	\$44.79	13%	50%				
Boards / Schools⁽⁵⁾ Sub-total	\$0.00	\$0.00	\$0.00	\$0.00	0%	15%		15	R-1 (low)	AA(low)
Financial Institution⁽⁶⁾										
Schedule I Bank (Six Majors)								10	R-1 (low)	A(low) ⁽⁸⁾
Bank of Montreal	\$5.00	\$4.00	\$10.00	\$19.00	6%		20%			
Bank of Nova Scotia (The)	\$4.00	\$18.40	\$17.25	\$39.65	12%		20%			
Canadian Imperial Bank of Commerce	-	\$10.00	-	\$10.00	3%		20%			
Royal Bank of Canada	\$5.91	\$11.97	\$7.51	\$25.39	8%		20%			
Toronto-Dominion Bank (The)	\$4.01	\$14.19	-	\$18.20	5%		20%			
Schedule I Bank (Six Majors) Sub-total	\$18.92	\$58.56	\$34.75	\$112.24	34%	60%				
Other Sch I, Sch II, Trust Loan, Credit Union								2	R-1 (low)	A(low) ⁽⁸⁾
First Ontario	\$15.00	-	-	\$15.00	4.5%		10%			
Other Sch I/Sch II/Trust/Credit Union Sub-	\$15.00	\$0.00	\$0.00	\$15.00	5%	20%				
Financial Institution Sub-total⁽⁷⁾	\$33.92	\$58.56	\$34.75	\$127.24	38%	60%				
ONE Investment Program⁽⁹⁾	\$0.00	\$0.00	\$0.00	\$0.00	0%	25%		N/A	N/A	N/A
Asset Backed Securities				\$0.00	0%	10%	5%	5	R-1 (high)	AAA
Commercial paper or promissory notes				\$0.00	0%	10%	5%	1	R-1 (mid)	N/A
Total	\$143.56	\$80.86	\$108.43	\$332.86	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) Includes bonds, debentures or other evidence of indebtedness issued or guaranteed by the Government of Canada, or a Province of Canada. 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) Includes bonds, debentures, deposit receipts, deposit notes, certificates of deposit or similar instruments issued, accepted, guaranteed or endorsed by a bank in Schedule I or II or a Credit Union, including bail-in. 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). Credit Unions require financial statements or certification in writing that various financial criteria has been met as outlined in O. Reg. 438/97.
- (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) For securities of bonds, debentures, promissory notes or other evidence of indebtedness, issued or guaranteed by a bank listed in Schedule I, II or III to the Bank Act (Canada) with a term-to-maturity less than or equal to 2 years on the day the investment is made, the prescribed minimum credit rating is AA(low).
- (9) 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 4 - ES-015-24 Interest Rates and Bond Yields



Appendix 5 - ES-015-24
Reserve and Reserve Fund Balances

Reserves and Reserve Funds (\$000s)	As at Dec 31, 2023	As at May 31, 2024	Forecasted Dec 31, 2024	Surplus/ (Deficit) to Budget
Stabilization				
Tax Rate Stabilization	\$7,341	\$5,849	\$5,803	\$(269)
Severe Weather	2,063	2,063	2,063	0
Building Rate Stabilization	12,670	12,999	13,825	(624)
Subtotal	\$22,074	\$20,911	\$21,691	\$(893)
Corporate Use Reserves				
Insurance and Legal Matters	\$7,696	\$7,990	\$7,696	\$28
Per Unit Development Processing Fee	1,906	2,041	2,945	845
WSIB	5,077	5,375	5,375	0
Subtotal	\$14,679	\$15,405	\$16,016	\$873
Infrastructure Non Growth				
Infrastructure Renewal - Roads & Structures	\$39,920	\$46,786	\$51,036	\$267
Infrastructure Renewal - Stormwater	3,704	1,504	1,504	0
Infrastructure Renewal - Recreation, Facilities, Other	15,493	10,834	14,629	2,854
Information Technology	3,459	331	458	52
Studies and Other Non Growth Capital	1,648	879	1,202	0
Vehicles and Equipment Replacement	9,674	8,471	8,524	75
Canada Community-Building Fund	4,834	4,833	2,946	0
Ontario Lottery Corporation Proceeds	8,824	1,714	7,651	31
Subtotal	\$87,556	\$75,352	\$87,951	\$3,279
Infrastructure Growth				
Growth Capital - Other	\$3,844	\$2,055	\$2,305	\$306
Capital Provision	8,267	2,151	6,697	(1,096)
Payment-in-Lieu of Land Conveyance	23,108	23,434	24,813	102
Cash-in-lieu of Parking	356	356	192	1
Development Charges (Note 1)	20,300	60,012	61,382	0
Post Period Capacity	(407)	(450)	(4,302)	6
Subtotal	\$55,468	\$87,557	\$91,086	\$(680)
Program Specific				
Property Transactions	\$15,559	\$13,267	\$13,900	\$112
Provincial Gas Tax	1,471	503	1,515	6
Election	253	488	488	0
Aggregate Permit Fees	303	109	110	108
Seniors' Fundraising	76	76	76	0
Arts Programming	12	12	12	0
Mayor's Legacy Fund	100	100	103	0
Subtotal	\$17,774	\$14,554	\$16,204	\$227
Board, Committee & Other				
Library Tax Rate Stabilization	\$541	\$541	\$541	\$(5)
Library Capital Infrastructure	1,393	1,072	1,072	0
DBIA Surplus	304	279	279	86
Provincial Government Transfer	189	473	0	0
Federal Government Transfer	0	5,605	0	0
Subtotal	\$2,426	\$7,969	\$1,891	\$80
Total Reserve and Reserve Funds	\$199,978	\$221,747	\$234,839	\$2,887

Note 1: Includes Development Charge Exemptions.