



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 28, 2025

Report No: ES-013-25

Subject: 2024 Operating Variance and Journal Entries

Recommendation: THAT the 2024 Financial Statements be prepared on the basis of the year-end transactions set out in report ES-013-25;

THAT staff be directed to transfer \$500,000 from the Legal and Insurance Reserve to the Severe Weather Reserve;

THAT staff be directed to prepare accounting entries to transfer the surplus, estimated at \$5,790,875, from the operating fund to the following:

- \$2,290,875 to the Growth Capital - Other Reserve
- \$1,500,000 to the Tax Rate Stabilization Reserve
- \$1,000,000 to the Vehicle and Equipment Replacement Reserve
- \$1,000,000 to the IT Reserve

EXECUTIVE SUMMARY

This report provides a detailed review of the preliminary unaudited 2024 financial position of the Town with the following information of note:

- An estimated surplus in the amount of \$5,790,875 is largely the result of savings in Transit services due to increased ridership and associated GO Transit fare integration subsidies, savings due to staff vacancies and savings in Operations contracts and materials, which was primarily weather related
- It is recommended that the surplus be transferred to the Growth - Other Reserve, Tax Rate Stabilization Reserve, Vehicle and Equipment Replacement Reserve and IT

EXECUTIVE SUMMARY

Reserve in consideration of the investment needs from those reserves and to bring the balances in those reserves closer to the target balances identified in Appendix 3

- The audit of the 2024 financial position has progressed through the month of April and final results will be confirmed in the 2024 Financial Report scheduled to be presented at the May 26, 2024 Council meeting.

REPORT

Background

In accordance with Corporate Policies No. 113: Financial Management - Budget Management and No. 115: Accounting, this report explains the significant variances in the actuals compared to the approved 2024 operating budget as well as the allocation of the surplus. The information presented herein has been developed based on reviews that were held with operating budget managers to identify key variances as well as to finalize 2023 accounts payable and accounts receivable accruals.

This report also satisfies the requirements of Ontario Regulation 332/12 which states that the Town must make available to the public annual reports with respect to Building Fees imposed under the Building Code Act. Included in this report is information on the total amount of fees collected, the direct and indirect costs of delivering the services related to the administration and enforcement of the Act and the amount of the reserve fund established for the purpose of administration and enforcement of the Act.

Discussion

The final year end position of the Operating Fund is an estimated surplus of \$5.8 million for the Town (excluding library). This represents a variance of 5.8% on net budgeted expenditures of \$99.2 million and 3.0% on the gross expenditures of \$192.5.0 million.

	2020	2021	2022	2023	2024	Average
Variance (\$Millions)	\$1.85	\$4.45	\$0.45	\$(0.23)	\$5.79	\$2.5
% Variance to Net Budget	2.7%	6.0%	0.6%	(0.3)%	5.8%	3.0%

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% Variance to Gross Budget	1.3%	3.0%	0.3%	(0.1)%	3.0%	1.5%
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*Positive figures represents a favourable variance and a negative figure represents an unfavourable variance.

For consistency with prior years, the variance amounts above exclude the final positions of the library and BIA. If the final position of the BIA and Library were reflected in the 2025 year end figures, the net and gross percentages would be 6.1% and 3.2%, respectively.

The estimated Town position at the end of 2024 by department is as follows:

Department	Net Budget	Actuals	(Surplus)/ Deficit	Percent
Mayor & Council	\$691,453	\$646,660	\$(44,793)	94%
Executive Services	3,558,892	3,362,236	(193,656)	94%
Corporate Services	35,782,216	33,686,014	(2,096,202)	94%
General Government	(71,211,136)	(71,164,171)	46,965	100%
Community Services	31,310,174	28,051,303	(3,258,871)	90%
Development Services	(131,599)	(373,917)	(241,318)	283%
Library	-	(194,584)	(194,584)	
Hospital Expansion	-	-	-	
BIA	-	(104,409)	(104,409)	
Gross Surplus	-	(6,089,868)	(6,089,868)	
Less: Library Board Surplus (Note 2)		194,584	194,584	
Less: BIA Surplus (Note 3)		104,409	104,409	
Net Town Surplus		\$(5,790,875)	\$(5,790,875)	

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

Note 2 - Library surplus will be transferred to the Library Tax Rate Stabilization Reserve in accordance with the Town's Treasury Policy No. 116.

Note 3 - BIA surplus will be transferred to the DBIA Surplus Reserve Fund in accordance with the Town's Treasury Policy No. 116.

Variance Overview

The surplus is a result of Transit savings of \$1.5 million primarily due to increased ridership and associated GO Transit fare integration subsidies, staff vacancy savings which exceeded budget by \$1.2 million and savings of \$0.85 million in Operations contracts and materials due to a combination of a lighter winter and reduced work requirements in other areas. Further contributing to the surplus were lower than budgeted tax write offs of \$0.46 million, increased penalties and interest payments of \$0.87 million, IT savings of \$0.49 million in annual maintenance and service agreements, savings in recreation programs of \$0.7 million, savings in utilities due to reduced consumption and cost of \$0.39 million and higher recoveries of winter maintenance and streetlight costs from developers in the amount of \$0.3 million due to new subdivision registrations and the timing of subdivision assumptions. These areas of savings were partially offset by increased costs for HR legal



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matters in the amount of \$0.92 million and a shortfall in parking enforcement revenues of \$0.41 million.

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

Reserves and Reserve Funds

Reserves and reserve funds are an important element of the Town's long-term financial plan. 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.

A summary of reserve and reserve fund balances by type is outlined in the table below. A detailed continuity schedule by each reserve and reserve fund comparing ending 2024 balances to target balances is provided in Appendix 3.

Reserves and Reserve Funds (\$000)	Dec 31, 2023 Balance	In-Year Activity	Dec 31, 2024 Balance
Stabilization	\$22,074	\$194	\$22,269
Corporate Use	14,679	1,022	15,700
Infrastructure Non Growth	87,556	13,087	100,644
Infrastructure Growth	55,468	31,462	86,930
Program Specific	17,774	(868)	16,906
Board, Committee & Other	2,426	8,261	10,687
Total	\$199,978	\$53,158	\$253,136

The in-year activity includes transfers to/from the operating budget, and a number of those transfers are driven by external revenues and do not impact the operating surplus. It is important to understand where operating transfers deviate from budget as it will have resulting implications on reserve balances.

The following table presents a summary view of variances between budgeted and actual operating transfers to/from reserve and reserve fund by category.

Reserve/Reserve Funds (\$000)	Budgeted Transfer to/(from) Operating	Actual Transfer to/(from) Operating	Surplus/ (Deficit)
Stabilization	\$(678)	\$(299)	\$379
Corporate Use	1,660	1,345	(315)
Infrastructure Non Growth	42,862	48,614	5,752
Infrastructure Growth	7,527	6,253	(1,275)
Program Specific	(366)	(259)	107
Board, Committee & Other	685	330	(356)
Total	\$51,691	\$55,984	\$4,293

Discussion

Transfers to Stabilization reserves are in a surplus position primarily due to the overall savings in the Building Department that were transferred to reserve. Corporate Use reserve transfers are unfavourable to budget due to timing differences in development activity.

Transfers to Infrastructure Non Growth related reserves were higher than anticipated largely due to higher than expected investment income, proceeds from the Ontario Lottery and Gaming Corporation (OLG), sale of equipment and additional dividends received from Milton Hydro.

Infrastructure Growth transfers were unfavourable to budget due to lower than anticipated Capital Provision revenues being collected through financial agreements resulting from the timing of development activity and lower than anticipated supplementary taxes.

Transfers to Program Specific Reserves were higher than budget primarily due to higher than anticipated revenue from the Ministry of Natural Resources for extracted aggregates and additional lease revenues. Board, Committee & Other are showing as a deficit due to unplanned grant funding that was transferred to the operating fund.

A detailed commentary on other significant variances in reserve and reserve fund transfers within the operating fund is presented in Appendix 4.

Review of Reserve Balances to Target and Recommended Transfers

Annually staff review and assess reserve balances relative to target. The Legal and Insurance Reserve is approximately \$1.3 million over target at year end. Staff recommend transferring \$500,000 from the Legal and Insurance Reserve to the Severe Weather Reserve to bring the Severe Weather Reserve closer to the 2024 target balance.

The Infrastructure Renewal Reserves continue to be well below target. The Town should continue its strategy of budgeting for a lifecycle contribution to those reserves for any new assets and, subject to the budget process, investing additional incremental amounts annually within the operating budget to reduce the deficit over time.

The Tax Rate Stabilization, Growth Capital - Other, Information Technology and Vehicles and Equipment Replacement reserves are all below their target balance by amounts ranging from \$2.4 million to \$6.2 million. There continues to be pressure on these reserves as well due to legislation (example - development charge exemptions), inflation and program needs. It is recommended that a portion of the 2025 surplus be allocated towards each of these reserves as discussed further below.

Debenture Obligations

The Town ended 2024 with \$46.8 million in total debt outstanding including a new issuance of \$10.5 million in 2024 as well as \$5.0 million in debenture repayments that occurred during the year.

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, it is expected that a debt issuance will take place in 2025.

Existing Debenture Obligations (\$000)	Debt at Dec 31, 2023	2024 New Issuance	Principal Payments for 2024	Debt at Dec 31, 2024
Tax Supported	\$22,231	\$10,475	\$(3,149)	\$29,557
Capital Provision (Hospital)	6,515	0	(1,567)	4,947
Hospital Expansion (see below)	12,578	0	(302)	12,275
Total	\$41,324	\$10,475	\$(5,019)	\$46,780

The Hospital sinking fund debenture is held and managed by the Region of Halton for the purpose of retiring the debt at maturity. The annual \$302,726 sinking fund contribution and

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the interest income to be earned on the investments of the sinking fund over 30 years are projected to fully cover the principal payment due at maturity.

Hospital Expansion Sinking Fund Debenture	Amount
Sinking Fund Debt (payable on Apr 6, 2045)	\$15,000,000
Annual Contributions to date to the Region of Halton (\$302,726 per year)	(2,724,534)
Sub-total	\$12,275,466
Interest Earned to Date by Region of Halton	(506,348)
Dec 31, 2024 Balance per the Region of Halton Performance Indicator Report	\$11,769,118

Recommendations for the Year End Surplus/Deficit

As part of the year-end process, staff consider the distribution of the year-end surplus or funding of deficit based on Council approved policies.

It is recommended that \$2,290,875 of the surplus be transferred to the Growth Capital - Other Reserve on the basis that

- The balance of the Growth Capital - Other Reserve at the end of 2024 was \$2.1 million as compared to a target balance of \$8.3 million.
- DC exemptions, which are funded from this reserve, currently have an annual funding deficit of \$2.8 million as identified within the 2025 Budget. This deficit has the potential to increase with the growth of additional residential units.

It is recommended that \$1,500,000 of the surplus be transferred to the Tax Rate Stabilization Reserve:

- This approach would re-instate the Tax Rate Stabilization Reserve funding used in the 2025 budget to mitigate pressures on the property tax increase. The year end balance in the Tax Rate Stabilization reserve is \$5.85 million relative to a 2024 target of \$8.2 million. The 2025 Budget forecasted this reserve to decline to \$4.68 million by the end of 2025 as a result of the tax mitigation funding used in the 2025 budget.

It is recommended that \$1,000,000 of the surplus be transferred to each of the Vehicle and Equipment Replacement and the Information Technology Reserves. These reserves are below target by \$2.6 million and \$3.8 million respectively at the end of 2024, and are forecasted to fall to very low levels in certain years within the 10 year capital forecast.



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Financial Impact

The estimated final year-end position of the operating fund is an estimated surplus of \$5.8 million for the Town. This report is providing information as to the allocation of the surplus necessary to facilitate the completion of the 2024 year-end accounting entries.

Where known at the time of 2025 budget development, the variances identified herein informed adjustments that were made to the 2025 budget. Any new budget variances identified will be considered in the 2026 budget process. All variances and reserve and reserve fund balances will also inform the management of the budget in 2025.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Jennifer Kloet, CPA, CA Phone: Ext. 2216

Attachments

Appendix 1 – 2024 Year End Operating Financial Statements

Appendix 2 – 2024 Year End Operating Variance Commentary by Department

Appendix 3 – Reserve and Reserve Fund Continuity Schedule

Appendix 4 – Reserve and Reserve Fund Transfer to/from Operating Variance and Commentary

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



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Recognition of Traditional Lands

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
OPERATING FINANCIAL STATEMENT
As of December 31, 2024

TOWN OF MILTON

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
MAYOR AND COUNCIL	629,779	646,660	691,453	(44,793)	94%
EXECUTIVE SERVICES	2,925,422	3,362,236	3,558,892	(196,656)	94%
CORPORATE SERVICES	31,147,366	33,686,014	35,782,216	(2,096,202)	94%
GENERAL GOVERNMENT	(63,797,170)	(71,164,171)	(71,211,136)	46,965	100%
COMMUNITY SERVICES	28,444,428	28,051,303	31,310,174	(3,258,871)	90%
DEVELOPMENT SERVICES	650,175	(372,917)	(131,599)	(241,318)	283%
LIBRARY		(194,584)		(194,584)	
BIA		(104,409)		(104,409)	
Total TOWN OF MILTON		(6,089,868)		(6,089,868)	

Note: Figures include rounding and may result in minor variances to the departmental financial statements

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2024

MAYOR AND COUNCIL

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
MAYOR AND COUNCIL					
MAYOR AND COUNCIL					
EXEXPENDITURES					
Salaries and Benefits	573,977	589,596	608,427	(18,831)	97%
Administrative	48,173	51,898	61,624	(9,726)	84%
Financial	5,000	614	5,000	(4,386)	12%
Purchased Goods	930	1,259	976	283	129%
Purchased Services	6,701	3,906	20,426	(16,520)	19%
Total EX EXPENDITURES	634,781	647,273	696,453	(49,180)	93%
REREVENUE					
Financing Revenue	(5,000)	(614)	(5,000)	4,386	12%
Total RE REVENUE	(5,000)	(614)	(5,000)	4,386	12%
Total MAYOR AND COUNCIL	629,781	646,659	691,453	(44,794)	94%
Total MAYOR AND COUNCIL	629,781	646,659	691,453	(44,794)	94%
Total MAYOR AND COUNCIL	629,781	646,659	691,453	(44,794)	94%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2024

EXECUTIVE SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
EXECUTIVE SERVICES					
OFFICE OF THE CAO					
EXEXPENDITURES					
Salaries and Benefits	618,060	649,560	635,514	14,046	102%
Administrative	15,576	18,487	21,046	(2,559)	88%
Purchased Goods	3,520	6,462	5,442	1,020	119%
Purchased Services	14,525	16,489	29,699	(13,210)	56%
Total EX EXPENDITURES	651,681	690,998	691,701	(703)	100%
REREVENUE					
Financing Revenue	(16,429)	(16,670)	(16,670)		100%
User Fees and Service Charges	(344)	(736)	(3,000)	2,264	25%
Total RE REVENUE	(16,773)	(17,406)	(19,670)	2,264	88%
Total OFFICE OF THE CAO	634,908	673,592	672,031	1,561	100%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT					
EXEXPENDITURES					
Salaries and Benefits	841,055	694,127	800,665	(106,538)	87%
Administrative	15,399	19,617	23,272	(3,655)	84%
Financial	2,851	2,699	2,608	91	103%
Transfers to Own Funds	13,387				
Purchased Goods	4,616	3,136	8,336	(5,200)	38%
Purchased Services	117,104	134,780	155,152	(20,372)	87%
Reallocated Expenses	913				
Total EX EXPENDITURES	995,325	854,359	990,033	(135,674)	86%
REREVENUE					
Financing Revenue	(29,083)	(11,197)	(11,197)		100%
Grants	(45,344)				
User Fees and Service Charges	(56,549)	(460)		(460)	
Total RE REVENUE	(130,976)	(11,657)	(11,197)	(460)	104%
Total STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT	864,349	842,702	978,836	(136,134)	86%
FINANCE					
EXEXPENDITURES					
Salaries and Benefits	5,144,099	5,683,408	5,620,788	62,620	101%
Administrative	38,876	47,669	88,229	(40,560)	54%
Financial	4,637	7,111	6,610	501	108%
Purchased Goods	19,585	21,655	40,357	(18,702)	54%

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OPERATING FINANCIAL STATEMENT
As of December 31, 2024

EXECUTIVE SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
Purchased Services	213,893	286,677	303,626	(16,949)	94%
Total EX EXPENDITURES	5,421,090	6,046,520	6,059,610	(13,090)	100%
REREVENUE					
Financing Revenue	(2,707,840)	(2,846,724)	(2,680,599)	(166,125)	106%
Recoveries and Donations	1	(6,552)		(6,552)	
User Fees and Service Charges	(1,015,933)	(1,087,466)	(1,127,330)	39,864	96%
Reallocated Revenue	(271,151)	(259,834)	(343,655)	83,821	76%
Total RE REVENUE	(3,994,923)	(4,200,576)	(4,151,584)	(48,992)	101%
Total FINANCE	1,426,167	1,845,944	1,908,026	(62,082)	97%
Total EXECUTIVE SERVICES	2,925,424	3,362,238	3,558,893	(196,655)	94%
Total EXECUTIVE SERVICES	2,925,424	3,362,238	3,558,893	(196,655)	94%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2024

CORPORATE SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
CORPORATE SERVICES					
INFORMATION TECHNOLOGY					
EXEXPENDITURES					
Salaries and Benefits	3,441,782	3,814,748	3,767,497	47,251	101%
Administrative	27,702	22,263	40,561	(18,298)	55%
Purchased Goods	2,284,589	2,672,953	2,985,011	(312,058)	90%
Purchased Services	1,261,563	1,513,119	1,664,997	(151,878)	91%
Total EX EXPENDITURES	7,015,636	8,023,083	8,458,066	(434,983)	95%
REREVENUE					
Financing Revenue	(661,614)	(1,061,360)	(630,098)	(431,262)	168%
User Fees and Service Charges	(66)	(1,663)	(100)	(1,563)	1,663%
Reallocated Revenue	(125,457)	(129,946)	(131,323)	1,377	99%
Total RE REVENUE	(787,137)	(1,192,969)	(761,521)	(431,448)	157%
Total INFORMATION TECHNOLOGY	6,228,499	6,830,114	7,696,545	(866,431)	89%
HUMAN RESOURCES					
EXEXPENDITURES					
Salaries and Benefits	1,465,945	2,606,655	1,618,186	988,469	161%
Administrative	159,311	183,250	257,019	(73,769)	71%
Purchased Goods	3,182	4,410	5,107	(697)	86%
Purchased Services	169,942	200,606	177,170	23,436	113%
Total EX EXPENDITURES	1,798,380	2,994,921	2,057,482	937,439	146%
REREVENUE					
Financing Revenue	(367,430)	(472,658)	(452,330)	(20,328)	104%
Reallocated Revenue	(167,036)	(184,594)	(189,187)	4,593	98%
Total RE REVENUE	(534,466)	(657,252)	(641,517)	(15,735)	102%
Total HUMAN RESOURCES	1,263,914	2,337,669	1,415,965	921,704	165%
LEGISLATIVE & LEGAL SERVICES					
EXEXPENDITURES					
Salaries and Benefits	3,080,492	3,280,658	3,378,457	(97,799)	97%
Administrative	49,113	42,665	76,118	(33,453)	56%
Financial	51,185	25,820	40,000	(14,180)	65%
Transfers to Own Funds	225,000	235,323	235,323		100%
Purchased Goods	17,130	16,711	30,190	(13,479)	55%
Purchased Services	998,996	946,122	1,045,282	(99,160)	91%
Reallocated Expenses	195,499	205,504	117,208	88,296	175%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2024

CORPORATE SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
Total EX EXPENDITURES	4,617,415	4,752,803	4,922,578	(169,775)	97%
REREVENUE					
Financing Revenue	(298,777)	(193,176)	(91,528)	(101,648)	211%
Recoveries and Donations	(27,586)	(24,557)	(21,500)	(3,057)	114%
User Fees and Service Charges	(2,316,410)	(2,171,349)	(2,620,046)	448,697	83%
Total RE REVENUE	(2,642,773)	(2,389,082)	(2,733,074)	343,992	87%
Total LEGISLATIVE & LEGAL SERVICE	1,974,642	2,363,721	2,189,504	174,217	108%
COMMUNICATIONS & CUSTOMER EXPENSES					
EXEXPENDITURES					
Salaries and Benefits	1,032,562	1,261,068	1,191,685	69,383	106%
Administrative	23,553	29,807	27,012	2,795	110%
Purchased Goods	4,203	4,042	8,300	(4,258)	49%
Purchased Services	45,538	58,131	101,335	(43,204)	57%
Total EX EXPENDITURES	1,105,856	1,353,048	1,328,332	24,716	102%
REREVENUE					
Financing Revenue	(202,003)	(387,005)	(253,402)	(133,603)	153%
Total RE REVENUE	(202,003)	(387,005)	(253,402)	(133,603)	153%
Total COMMUNICATIONS & CUSTOMER SERVICE	903,853	966,043	1,074,930	(108,887)	90%
TRANSIT					
EXEXPENDITURES					
Salaries and Benefits	452,290	484,115	572,794	(88,679)	85%
Administrative	9,974	14,739	19,627	(4,888)	75%
Financial			300	(300)	
Transfers to Own Funds	1,767,390	1,821,448	1,821,448		100%
Purchased Goods	35,105	46,417	14,095	32,322	329%
Purchased Services	5,748,208	6,588,555	6,429,114	159,441	102%
Fleet Expenses	1,775,820	2,257,624	2,424,840	(167,216)	93%
Reallocated Expenses	127,653	90,220	86,826	3,394	104%
Total EX EXPENDITURES	9,916,440	11,303,118	11,369,044	(65,926)	99%
REREVENUE					
Financing Revenue	(978,132)	(1,026,853)	(1,082,887)	56,034	95%
Recoveries and Donations	(1,007,230)	(2,020,976)	(805,993)	(1,214,983)	251%
User Fees and Service Charges	(1,220,626)	(2,037,297)	(1,738,606)	(298,691)	117%
Total RE REVENUE	(3,205,988)	(5,085,126)	(3,627,486)	(1,457,640)	140%
Total TRANSIT	6,710,452	6,217,992	7,741,558	(1,523,566)	80%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
As of December 31, 2024

CORPORATE SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
FIRE					
EXEXPENDITURES					
Salaries and Benefits	12,629,536	13,719,669	14,257,650	(537,981)	96%
Administrative	147,171	153,486	155,054	(1,568)	99%
Financial	1,735	1,506	4,000	(2,494)	38%
Transfers to Own Funds	1,106,306	1,144,857	1,144,857		100%
Purchased Goods	116,449	112,792	92,791	20,001	122%
Purchased Services	347,567	373,244	359,857	13,387	104%
Fleet Expenses	244,744	182,875	186,479	(3,604)	98%
Total EX EXPENDITURES	14,593,508	15,688,429	16,200,688	(512,259)	97%
REREVENUE					
Financing Revenue	(82,886)	(192,094)	(183,074)	(9,020)	105%
Grants	(16,270)		(2,500)	2,500	
Recoveries and Donations	(180,494)	(202,122)	(187,482)	(14,640)	108%
User Fees and Service Charges	(247,853)	(323,737)	(163,918)	(159,819)	197%
Total RE REVENUE	(527,503)	(717,953)	(536,974)	(180,979)	134%
Total FIRE	14,066,005	14,970,476	15,663,714	(693,238)	96%
Total CORPORATE SERVICES	31,147,365	33,686,015	35,782,216	(2,096,201)	94%
Total CORPORATE SERVICES	31,147,365	33,686,015	35,782,216	(2,096,201)	94%

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GENERAL GOVERNMENT

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
GENERAL GOVERNMENT					
GENERAL GOVERNMENT					
EXEXPENDITURES					
Salaries and Benefits	171				
Administrative	997,666	351,208	120,000	231,208	293%
Financial	5,745,821	4,476,024	4,852,388	(376,364)	92%
Transfers to Own Funds	49,326,254	53,744,775	49,477,354	4,267,421	109%
Purchased Services	352,135	283,242	95,011	188,231	298%
Total EX EXPENDITURES	56,422,047	58,855,249	54,544,753	4,310,496	108%
REREVENUE					
External Revenue Transferred to Rese	(17,309,810)	(13,805,211)	(13,946,696)	141,485	99%
Financing Revenue	(10,509,167)	(12,428,318)	(8,559,600)	(3,868,718)	145%
Taxation	(85,724,731)	(96,341,298)	(96,315,737)	(25,561)	100%
Payments In Lieu	(1,041,432)	(1,060,249)	(1,057,284)	(2,965)	100%
Recoveries and Donations	106	(5,000)		(5,000)	
User Fees and Service Charges	(3,393,129)	(3,937,413)	(3,318,283)	(619,130)	119%
Reallocated Revenue	(2,241,054)	(2,441,934)	(2,558,289)	116,355	95%
Total RE REVENUE	(120,219,217)	(130,019,423)	(125,755,889)	(4,263,534)	103%
Total GENERAL GOVERNMENT	(63,797,170)	(71,164,174)	(71,211,136)	46,962	100%
Total GENERAL GOVERNMENT	(63,797,170)	(71,164,174)	(71,211,136)	46,962	100%
Total GENERAL GOVERNMENT	(63,797,170)	(71,164,174)	(71,211,136)	46,962	100%

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COMMUNITY SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
COMMUNITY SERVICES					
RECREATION AND CULTURE FACILITIES					
EXEXPENDITURES					
Salaries and Benefits	6,092,292	6,605,009	6,846,248	(241,239)	96%
Administrative	22,807	21,055	41,291	(20,236)	51%
Financial	114,852	143,397	130,018	13,379	110%
Transfers to Own Funds	2,074,259	2,267,598	2,265,423	2,175	100%
Purchased Goods	695,734	729,229	780,842	(51,613)	93%
Purchased Services	5,175,906	5,659,781	5,823,849	(164,068)	97%
Reallocated Expenses	151,519	49,093	46,730	2,363	105%
Total EX EXPENDITURES	14,327,369	15,475,162	15,934,401	(459,239)	97%
REREVENUE					
Financing Revenue	(375,796)	(408,695)	(389,573)	(19,122)	105%
Grants	(1,012,842)	(943,417)	(935,256)	(8,161)	101%
Recoveries and Donations	(128,481)	(178,643)	(95,592)	(83,051)	187%
User Fees and Service Charges	(6,501,270)	(7,198,070)	(7,098,209)	(99,861)	101%
Reallocated Revenue	(402,240)	(413,411)	(448,810)	35,399	92%
Total RE REVENUE	(8,420,629)	(9,142,236)	(8,967,440)	(174,796)	102%
Total RECREATION AND CULTURE FACILITIES	5,906,740	6,332,926	6,966,961	(634,035)	91%
ADMINISTRATION AND CIVIC FACILITIES					
EXEXPENDITURES					
Salaries and Benefits	3,507,943	3,323,083	4,079,783	(756,700)	81%
Administrative	36,655	22,885	51,902	(29,017)	44%
Financial	50,544	49,067	37,944	11,123	129%
Transfers to Own Funds	395,739	396,814	410,532	(13,718)	97%
Purchased Goods	77,796	119,147	111,371	7,776	107%
Purchased Services	1,453,228	1,442,245	1,660,782	(218,537)	87%
Reallocated Expenses	93,937	40,029	21,680	18,349	185%
Total EX EXPENDITURES	5,615,842	5,393,270	6,373,994	(980,724)	85%
REREVENUE					
Financing Revenue	(1,218,877)	(1,481,016)	(1,892,549)	411,533	78%
Recoveries and Donations	(15,817)	(19,565)	(32,138)	12,573	61%
User Fees and Service Charges	(304,422)	(172,218)	(381,180)	208,962	45%
Total RE REVENUE	(1,539,116)	(1,672,799)	(2,305,867)	633,068	73%
Total ADMINISTRATION AND CIVIC FACILITIES	4,076,726	3,720,471	4,068,127	(347,656)	91%

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COMMUNITY SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
PROGRAMS					
EXEXPENDITURES					
Salaries and Benefits	4,720,790	5,655,933	5,922,216	(266,283)	96%
Administrative	29,805	47,085	64,713	(17,628)	73%
Financial	651,752	702,028	691,891	10,137	101%
Transfers to Own Funds	51,968	31,745	78,350	(46,605)	41%
Purchased Goods	218,309	222,851	274,572	(51,721)	81%
Purchased Services	400,651	461,500	916,362	(454,862)	50%
Reallocated Expenses	116,873	107,661	107,661		100%
Total EX EXPENDITURES	6,190,148	7,228,803	8,055,765	(826,962)	90%
REREVENUE					
Financing Revenue	(630,423)	(658,082)	(725,738)	67,656	91%
Grants	(65,398)	(118,660)	(112,137)	(6,523)	106%
Recoveries and Donations	(157,458)	(183,929)	(405,308)	221,379	45%
User Fees and Service Charges	(5,693,901)	(6,483,016)	(6,294,585)	(188,431)	103%
Reallocated Revenue	(1,850)	(1,357)	(6,500)	5,143	21%
Total RE REVENUE	(6,549,030)	(7,445,044)	(7,544,268)	99,224	99%
Total PROGRAMS	(358,882)	(216,241)	511,497	(727,738)	(42%)
OPERATIONS					
EXEXPENDITURES					
Salaries and Benefits	7,314,239	8,246,522	8,793,190	(546,668)	94%
Administrative	23,577	60,232	57,584	2,648	105%
Transfers to Own Funds	1,986,091	2,106,289	2,106,289		100%
Purchased Goods	1,753,341	1,559,118	1,880,377	(321,259)	83%
Purchased Services	7,684,139	6,521,005	7,209,655	(688,650)	90%
Fleet Expenses	1,728,206	1,455,919	1,383,197	72,722	105%
Reallocated Expenses	3,617,099	4,497,790	4,424,052	73,738	102%
Total EX EXPENDITURES	24,106,692	24,446,875	25,854,344	(1,407,469)	95%
REREVENUE					
Financing Revenue	(228,895)	(261,021)	(257,987)	(3,034)	101%
Recoveries and Donations	(2,552,381)	(2,835,648)	(3,404,349)	568,701	83%
User Fees and Service Charges	(1,500,384)	(1,554,434)	(1,157,322)	(397,112)	134%
Reallocated Revenue	(4,184,096)	(4,855,992)	(4,663,288)	(192,704)	104%
Total RE REVENUE	(8,465,756)	(9,507,095)	(9,482,946)	(24,149)	100%
Total OPERATIONS	15,640,936	14,939,780	16,371,398	(1,431,618)	91%

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COMMUNITY SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
INFRASTRUCTURE MANAGEMENT					
EXEXPENDITURES					
Salaries and Benefits	2,224,552	2,634,233	2,878,364	(244,131)	92%
Administrative	26,045	36,681	43,358	(6,677)	85%
Financial	246,332	247,555	246,945	610	100%
Transfers to Own Funds	33,920	39,997	39,997		100%
Purchased Goods	69,823	121,842	69,777	52,065	175%
Purchased Services	2,275,420	2,062,513	2,193,925	(131,412)	94%
Reallocated Expenses	179				
Total EX EXPENDITURES	4,876,271	5,142,821	5,472,366	(329,545)	94%
REREVENUE					
Financing Revenue	(1,152,618)	(1,385,993)	(1,640,883)	254,890	84%
Recoveries and Donations	(36,832)	(25,444)	(96,803)	71,359	26%
User Fees and Service Charges	(507,916)	(457,012)	(342,485)	(114,527)	133%
Total RE REVENUE	(1,697,366)	(1,868,449)	(2,080,171)	211,722	90%
Total INFRASTRUCTURE MANAGEME	3,178,905	3,274,372	3,392,195	(117,823)	97%
Total COMMUNITY SERVICES	28,444,425	28,051,308	31,310,178	(3,258,870)	90%
Total COMMUNITY SERVICES	28,444,425	28,051,308	31,310,178	(3,258,870)	90%

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DEVELOPMENT SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
DEVELOPMENT SERVICES					
PLANNING SERVICES					
EXEXPENDITURES					
Salaries and Benefits	2,257,331	2,390,988	2,571,584	(180,596)	93%
Administrative	29,039	30,831	45,665	(14,834)	68%
Purchased Services	59,686	36,141	100,069	(63,928)	36%
Total EX EXPENDITURES	2,346,056	2,457,960	2,717,318	(259,358)	90%
REREVENUE					
Financing Revenue	(442,726)	(474,338)	(601,993)	127,655	79%
Recoveries and Donations	(29,227)	(7,019)	(3,345)	(3,674)	210%
User Fees and Service Charges	(1,765,035)	(2,570,983)	(2,591,774)	20,791	99%
Total RE REVENUE	(2,236,988)	(3,052,340)	(3,197,112)	144,772	95%
Total PLANNING SERVICES	109,068	(594,380)	(479,794)	(114,586)	124%
BUILDING SERVICES					
EXEXPENDITURES					
Salaries and Benefits	3,792,888	4,247,631	4,731,348	(483,717)	90%
Administrative	98,497	100,615	152,087	(51,472)	66%
Financial	(2)	24,194		24,194	
Transfers to Own Funds		1,183,962	749,432	434,530	158%
Purchased Goods	4,849	6,969	16,301	(9,332)	43%
Purchased Services	43,888	38,190	59,471	(21,281)	64%
Reallocated Expenses	2,511,772	2,725,238	2,751,382	(26,144)	99%
Total EX EXPENDITURES	6,451,892	8,326,799	8,460,021	(133,222)	98%
REREVENUE					
Financing Revenue	(1,634,587)	(9,876)	(9,876)		100%
Recoveries and Donations	(3,562)				
User Fees and Service Charges	(4,813,740)	(8,316,925)	(8,450,145)	133,220	98%
Total RE REVENUE	(6,451,889)	(8,326,801)	(8,460,021)	133,220	98%
Total BUILDING SERVICES	3	(2)		(2)	
DEVELOPMENT ENGINEERING					
EXEXPENDITURES					
Salaries and Benefits	2,044,251	2,386,931	2,209,368	177,563	108%
Administrative	27,485	38,305	39,938	(1,633)	96%
Financial		475	500	(25)	95%
Transfers to Own Funds	85,430				

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DEVELOPMENT SERVICES

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
Purchased Goods		50	200	(150)	25%
Purchased Services	81,726	177,095	321,042	(143,947)	55%
Total EX EXPENDITURES	2,238,892	2,602,856	2,571,048	31,808	101%
REREVENUE					
Financing Revenue	(366,249)	(359,061)	(419,515)	60,454	86%
Recoveries and Donations	(95,472)	(62,846)	(93,210)	30,364	67%
User Fees and Service Charges	(1,616,156)	(2,305,604)	(2,296,498)	(9,106)	100%
Reallocated Revenue	(200,709)	(253,361)	(65,355)	(188,006)	388%
Total RE REVENUE	(2,278,586)	(2,980,872)	(2,874,578)	(106,294)	104%
Total DEVELOPMENT ENGINEERING	(39,694)	(378,016)	(303,530)	(74,486)	125%
ADMINISTRATION					
EXEXPENDITURES					
Salaries and Benefits	455,365	480,541	492,073	(11,532)	98%
Administrative	8,900	9,137	12,227	(3,090)	75%
Purchased Goods	12,653	10,371	22,950	(12,579)	45%
Purchased Services	296,586	397,057	233,289	163,768	170%
Total EX EXPENDITURES	773,504	897,106	760,539	136,567	118%
REREVENUE					
Financing Revenue	(97,518)	(106,353)	(108,816)	2,463	98%
Recoveries and Donations	(94,928)	(191,275)		(191,275)	
User Fees and Service Charges	(257)				
Total RE REVENUE	(192,703)	(297,628)	(108,816)	(188,812)	274%
Total ADMINISTRATION	580,801	599,478	651,723	(52,245)	92%
Total DEVELOPMENT SERVICES	650,178	(372,920)	(131,601)	(241,319)	283%
Total DEVELOPMENT SERVICES	650,178	(372,920)	(131,601)	(241,319)	283%

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LIBRARY

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
LIBRARY					
LIBRARY					
EXEXPENDITURES					
Salaries and Benefits	4,051,620	3,824,890	4,341,824	(516,934)	88%
Administrative	73,363	56,467	66,052	(9,585)	85%
Financial	6,999	6,232	6,500	(268)	96%
Transfers to Own Funds	673,604	710,139	710,139		100%
Purchased Goods	475,906	476,869	428,779	48,090	111%
Purchased Services	482,838	586,408	543,057	43,351	108%
Reallocated Expenses	388,076	383,766	412,605	(28,839)	93%
Total EX EXPENDITURES	6,152,406	6,044,771	6,508,956	(464,185)	93%
REREVENUE					
Financing Revenue	(21,696)	(23,622)	(21,696)	(1,926)	109%
Taxation	(5,901,548)	(5,933,370)	(6,190,338)	256,968	96%
Grants	(112,767)	(103,626)	(81,288)	(22,338)	127%
Recoveries and Donations	(17,294)	(24,378)	(14,596)	(9,782)	167%
User Fees and Service Charges	(99,101)	(154,359)	(201,037)	46,678	77%
Total RE REVENUE	(6,152,406)	(6,239,355)	(6,508,955)	269,600	96%
Total LIBRARY		(194,584)	1	(194,585)	
Total LIBRARY		(194,584)	1	(194,585)	
Total LIBRARY		(194,584)	1	(194,585)	

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HOSPITAL EXPANSION

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
HOSPITAL EXPANSION					
HOSPITAL EXPANSION					
EXEXPENDITURES					
Financial	2,486,984	2,484,971	2,497,455	(12,484)	100%
Total EX EXPENDITURES	2,486,984	2,484,971	2,497,455	(12,484)	100%
REREVENUE					
Financing Revenue	(2,486,984)	(2,484,971)	(2,497,455)	12,484	100%
Total RE REVENUE	(2,486,984)	(2,484,971)	(2,497,455)	12,484	100%
Total HOSPITAL EXPANSION					
Total HOSPITAL EXPANSION					
Total HOSPITAL EXPANSION					

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BIA

	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	(SURPLUS)/ DEFICIT	PERCENT of BUDGET
BIA					
BIA					
EXEXPENDITURES					
Salaries and Benefits	202,500	208,978	203,440	5,538	103%
Administrative	22				
Financial	3,250	6,495	4,700	1,795	138%
Transfers to Own Funds	85,796				
Purchased Goods	21,716	6,696	31,600	(24,904)	21%
Purchased Services	211,016	213,812	243,435	(29,623)	88%
Reallocated Expenses	4,717	4,623	4,500	123	103%
Total EX EXPENDITURES	529,017	440,604	487,675	(47,071)	90%
REREVENUE					
Financing Revenue	(29,740)	(25,000)	(25,000)		100%
Taxation	(258,162)	(269,943)	(270,990)	1,047	100%
Grants	(23,559)	(10,224)	(10,024)	(200)	102%
Recoveries and Donations	(85,525)	(87,390)	(30,500)	(56,890)	287%
User Fees and Service Charges	(23,618)	(44,794)	(43,500)	(1,294)	103%
Reallocated Revenue	(108,411)	(107,661)	(107,661)		100%
Total RE REVENUE	(529,015)	(545,012)	(487,675)	(57,337)	112%
Total BIA	2	(104,408)		(104,408)	
Total BIA	2	(104,408)		(104,408)	
Total BIA	2	(104,408)		(104,408)	

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 departments 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 for full time staff in 2024 was \$2,224,461. As such, the budgeted savings of \$1,025,000 were met, with an excess of \$1,199,461 over budget resulting in a net favourable variance to the Town. Additional savings from the temporary leaves of part-time staff are reported within each affected department below.

Insurance

As previously reported through ES-022-24, the Town's insurance policies were renewed for a 12-month period from July 2024 to June 2025 at a cost of \$1,407,472 for 2024. A favourable variance to budget of \$64,078 is being reported. Insurance costs have been allocated across departments and corresponding forecast changes reflecting variances to budget for each department have been completed.

Utilities

Reducing hydro consumption has been the focus of several recent capital programs. LED lighting upgrades at the Milton Sports Centre, and the Milton Leisure Centre have reduced consumption and maintenance costs. These projects, along with reduced rates have led to hydro and gas savings of \$431,855 being reported within the Town. Partially offsetting this are water cost increases of \$55,265, which is due to a combination of increased rates and consumption.

Grant Funding

The Town was successful in receiving provincial grant funding in 2024 for Next Generation 9-1-1 (NG911) to support the Town's transition to the new NG911 requirements. Total funding of \$1,004,243 was received in 2024, of which \$346,411 was applied towards IT and Fire related expenditures within the operating budget. A portion of the funding received is also offsetting costs incurred in the capital program in 2024.

Variances identified within specific departments are as follows:

Mayor & Council - \$44,794 Favourable

2024 Operating Variance Commentary By Department

The favourable variance is primarily a result of savings in benefits, contracts and professional development.

Executive Services - \$196,655 Favourable

Office of the CAO is reporting a slight unfavourable variance of \$1,561.

Strategic Initiatives and Economic Development is reporting a surplus of \$136,134 due largely to savings from staff vacancies.

The Finance division is reporting savings of \$62,082, which is the result of savings due to staff vacancies as well as savings in professional development and purchased goods and services.

Corporate Services - \$2,096,201 Favourable

Information Technology is reporting savings of \$866,431. This is largely due to savings in annual maintenance and service agreement costs of \$491,156 as a result of timing changes in acquiring certain software, lower than anticipated rates and change of renewal periods. The balance is due to NG911 grant funding of \$261,518 and savings from staff vacancies.

Human Resources is reporting a deficit of \$921,704. Of this amount, \$256,968 relates to transfer of two positions from the Library to the Town with a net zero impact Town wide and the majority of the balance relates to HR related legal matters.

Legislative and Legal Services is reporting an unfavourable variance to budget of \$174,217. This variance is primarily due to a shortfall in parking enforcement revenue of \$409,010 as well as increased legal costs of \$119,529. Partially mitigating these deficits are contract savings of \$125,071 which largely relate to favourable pricing on the overnight parking enforcement contract and savings from staff vacancies of \$194,089 as well as other miscellaneous items.

Communications and Customer Experience is reporting a surplus of \$108,887 primarily due to savings from staff vacancies and purchased services.

Transit is reporting a favourable variance of \$1,523,566. This is largely driven by increased GO Transit fare integration subsidies and ticket sales due to growth of post-secondary and cross-boundary transit markets, combined with savings in fleet expenses.

Fire is reporting savings of \$693,238. Net staff savings of \$537,981 are largely the result of staff vacancies. Also contributing to the surplus is higher than expected fee revenue and an allocation of a portion of the NG911 grant funding.

2024 Operating Variance Commentary By Department

General Government - \$46,962 Unfavourable

Savings from staff vacancies in 2024 have been budgeted at \$1,025,000 within General Government. While the Town met and exceeded the budgeted staff vacancy savings, those savings are not reflected in General Government but rather in each specific department to which they relate.

Within the area of taxation, tax write-offs were lower than budget by \$461,590 while penalties and interest payments exceeded budget by \$867,377. 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.

Costs associated with claims insurance related incidents are tracked centrally within General Government. A deficit in this area of \$329,344 was realized which included a combination of the mitigation works that were undertaken by the Town as well as the legal costs incurred during the period. In addition, WSIB costs were \$217,236 unfavourable to budget.

According to Town policy, investment income from reserve funds, including development charge reserve funds, is allocated directly to the respective reserve fund, with any remaining income processed through the operating budget. Due to a higher than expected portfolio balance and an overall increase in yields, the Town's investment income exceeded the budget by \$4.7 million. Of this, \$4.2 million was directed through Financing Revenue within General Government and subsequently allocated to specific reserves as outlined in the budget process, with no impact on the bottom line.

Dividends from Milton Hydro were \$354,559 greater than what had been included in the Town's 2024 budget. In accordance with the Town's Treasury Policy, transfers to reserve were used to stabilize the net impacts relative to the budgeted Milton Hydro funding distributions such that there is no net impact to the Town from annual fluctuations.

Community Services - \$3,258,870 Favourable

Recreation and Culture Facilities is reporting a net surplus of \$634,035. Savings from both consumption and price of utilities in the amount of \$338,051 were realized. A further \$241,239 of the surplus is due to staff vacancies and a reallocation of staff positions that has no net impact to the Town's bottom line. Savings of \$63,633 from materials and supplies is mainly due to less than expected ice maintenance. User fees were also higher than budget by \$99,861, primarily in the area of gymnasium rentals. Partially offsetting these savings are increased facility contracts costs of \$172,972 due to a combination of inflationary pressures and emergency works.

Administration and Civic Facilities is reporting a favourable variance of \$347,656. Although the recovery of staff time working on capital projects and subdivision development was lower than budget by \$398,797 and \$207,055 respectively, it was more than offset by staff savings of \$756,700 which is a combination of staff vacancies and a

2024 Operating Variance Commentary By Department

reallocation of staff positions that has no net impact to the Town's bottom line. Further contributing to the surplus was reduced utility consumption of \$107,390 and savings in insurance expenses of \$92,833.

Programs is reporting a surplus of \$727,738. This is largely due to staff savings of \$266,283, primarily in the area of part time staff, combined with a net user fee revenue increase of \$188,431 associated with increased program demand. Further contributing to the surplus was contract savings of \$101,154 as well as \$131,986 of savings in materials, service agreements and trip expenditures.

Operations is reporting an overall favourable variance of \$1,431,618. Of this amount, \$546,668 relates to staff savings, largely due to vacancies. Due to a lighter winter season, winter maintenance contract and materials costs for Town roadways were lower than budget by \$269,073. A further \$582,427 in savings is being reported in non winter contract and material costs for road and park maintenance. These savings were partially offset by increased spending of \$120,488 in fleet maintenance costs, increased utility costs in the parks of \$43,790 and higher than anticipated insurance costs of \$88,348. Park rental revenues exceeded budget by \$82,193. Additional revenues of \$175,711 relate 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.

Infrastructure Management is reporting savings of \$117,823. This variance is largely due to staff savings of \$244,131 which includes a transfer of positions between departments with a net zero impact Town wide. Partially offsetting this is a lower than budget recovery of staff time working on capital projects in the amount of \$182,890 as well as increased material and supply costs of \$52,734 related to the cost of streetlight maintenance. Additional revenues of \$124,010 relate to increased 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 - \$241,319 Favourable

Planning Services is reporting a surplus in the amount of \$114,586. Savings due to staff vacancies in the amount of \$180,596 is being reported along with savings from advertising of \$39,985. This is partially offset by a shortfall to budget of \$127,655 in the recovery of staff time working on capital projects.

Within Building Services, there was a slight shortfall in building permit revenues of \$134,171 due to a shift in timing of applications. This was more than mitigated by savings in staffing and other costs and resulted in a higher than budgeted transfer to the Building Rate Stabilization Reserve for 2024 with no net impact to the Town's bottom line.

Development Engineering is reporting savings of \$74,486. This primarily relates to a deferral in the timing of the CLI ECA monitoring program resulted in contract savings of \$100,000 in 2024. Increased revenue of \$188,066 relates to a higher volume of work associated with building permit activities. Partially offsetting these savings are an

2024 Operating Variance Commentary By Department

additional \$177,563 in staffing costs as a result of the reallocation of positions between departments that had no net impact to the Town. The remaining variance is the result of shortfalls in the recovery of staff time working on capital projects of \$60,454.

The Administration division has a surplus of \$52,245 largely due to savings in purchased goods, postage, insurance and legal costs.

Library - \$194,585 Favourable

Savings in staff costs and unplanned grant revenue received in an amount of \$22,338 have been partially offset by increased costs associated with program expenses and purchased services as well as a shortfall in fee revenue. In 2024 there was also a transfer of two positions from the Library to the Town with an associated impact in each area of \$256,968 and a net zero impact Town-wide.

Hospital - No Projected Net Variances

BIA - \$104,408 Favourable

The BIA is reporting a net surplus position due to additional fundraising and donation revenues received of \$56,890 and savings of \$54,760 in material and supplies and purchased services. The BIA surplus is inclusive of the Town's increased contribution to the BIA in the amount of \$76,281, which was funded from the Ontario Lottery and Gaming Corporation Proceeds and will be reviewed through future budget discussions.

Appendix 3 - ES-013-25
Reserve and Reserve Fund Continuity Schedule

Reserves and Reserve Funds (\$000s)	Balance as at Dec 31, 2023	Transfers (to)/from Operating	Transfers to/From Capital	Other Transfers (incl interest)	Balance as at Dec 31, 2024	2024 Reserve Target
Stabilization						
Tax Rate Stabilization	\$7,341	\$(1,491)	\$0	\$0	\$5,850	\$8,211
Severe Weather	2,063	0	0	0	2,063	2,463
Building Rate Stabilization	12,670	1,192	(71)	564	14,356	10,803
Stabilization Subtotal	\$22,074	\$(299)	\$(71)	\$564	\$22,269	
Corporate Use						
Insurance and Legal Matters	\$7,696	\$270	\$0	\$(324)	\$7,643	\$6,300
Per Unit Development Processing Fee	1,906	777	0	0	2,683	1,153
WSIB	5,077	298	0	0	5,375	5,600
Corporate Use Subtotal	\$14,679	\$1,345	\$0	\$(324)	\$15,700	
Infrastructure Non Growth						
Infrastructure Renewal - Roads & Structures	\$39,920	\$19,373	\$(4,662)	\$0	\$54,632	\$282,249
Infrastructure Renewal - Stormwater	3,704	2,799	(1,499)	0	5,004	20,754
Infrastructure Renewal - Recreation, Facilities, Other	15,493	9,668	(9,949)	0	15,212	86,047
Information Technology	3,459	3,654	(6,621)	0	493	4,257
Studies and Other Non Growth Capital	1,648	1,377	(2,147)	324	1,202	1,945
Vehicles and Equipment Replacement (Note 1)	9,674	5,563	(6,313)	0	8,923	11,500
Canada Community-Building Fund	4,834	0	(2,374)	4,466	6,925	N/A
Ontario Lottery Corporation Proceeds	8,824	6,180	(7,000)	248	8,252	
Infrastructure Non Growth Subtotal	\$87,556	\$48,614	\$(40,564)	\$5,037	\$100,644	
Infrastructure Growth						
Growth Capital - Other	\$3,844	\$3,967	\$(5,684)	\$0	\$2,127	\$8,303
Capital Provision	8,267	2,286	(4,953)	0	5,600	N/A
Payment-in-Lieu of Land Conveyance	23,108	0	0	4,087	27,194	
Cash-in-lieu of Parking	356	0	0	15	371	
Development Charges (Note 2)	20,300	0	(11,087)	42,871	52,084	
Post Period Capacity	(407)	0	(22)	(18)	(448)	
Infrastructure Growth Subtotal	\$55,468	\$6,253	\$(21,746)	\$46,955	\$86,930	

Note 1: Reserve target per 2024 Fleet Charge-out Review.

Note 2: Includes Development Charge Exemptions.

Appendix 3 - ES-013-25
Reserve and Reserve Fund Continuity Schedule

Reserves and Reserve Funds (\$000s)	Balance as at Dec 31, 2023	Transfers (to)/from Operating	Transfers to/From Capital	Other Transfers (incl interest)	Balance as at Dec 31, 2024	2024 Reserve Target
Program Specific						
Property Transactions	\$15,559	\$418	\$(2,443)	\$603	\$14,137	N/A
Provincial Gas Tax	1,471	(969)	0	1,390	1,893	
Election	253	235	0	0	488	
Aggregate Permit Fees	303	70	(194)	0	179	
Seniors' Fundraising	76	0	0	0	76	
Arts Programming	12	(14)	30	1	29	
Mayor's Legacy Fund	100	0	0	4	104	
Program Specific Subtotal	\$17,774	\$(259)	\$(2,607)	\$1,998	\$16,906	
Board, Committee & Other						
Library Tax Rate Stabilization	\$541	\$0	\$0	\$0	\$541	\$590
Library Capital Infrastructure	1,393	710	(1,011)	0	1,092	1,520
DBIA Surplus	304	(25)	0	12	291	N/A
Provincial Government Transfer	189	5,524	(3,279)	946	3,380	
Federal Government Transfer	0	5,605	(448)	227	5,384	
Board, Committee & Other Subtotal	\$2,426	\$11,814	\$(4,738)	\$1,185	\$10,687	
Total Reserve and Reserve Funds	\$199,978	\$67,469	\$(69,727)	\$55,416	\$253,136	

Appendix 4 -ES-013-25
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Stabilization				
Tax Rate Stabilization	\$(1,435)	\$(1,491)	\$(56)	Transfers from reserve to fund the expansion to the Administrative Penalty Program based on CORS-011-24.
Severe Weather	0	0	0	
Building Rate Stabilization	758	1,192	435	Overall savings in the Building Department were transferred to reserve.
Stabilization Subtotal	\$(678)	\$(299)	\$379	
Corporate Use				
Insurance and Legal Matters	\$324	\$313	\$(10)	A portion of the Per Unit Development Processing fees are transferred to Legal Matters. Actual transfers are lower than budget due to timing differences in development activity.
Per Unit Development Processing Fee	1,039	734	(305)	The per unit processing fees were lower than expected due to timing differences in development activity.
WSIB	298	298	0	
Corporate Use Subtotal	\$1,660	\$1,345	\$(315)	
Infrastructure Non Growth				
Infrastructure Renewal - Roads & Structures	\$17,728	\$19,373	\$1,644	An additional \$1.2 million was earned from interest on unspent capital funds due to higher interest rates and balances throughout the year. Higher-than-expected Milton Hydro dividends resulted in a \$0.4 million transfer to reserves, in accordance with the Town's Treasury Policy No. 116. Additionally, \$0.1 million in cost savings from approved but unissued debentures was transferred to reserves.
Infrastructure Renewal - Stormwater	2,799	2,799	0	
Infrastructure Renewal - Recreation, Facilities, Other	6,589	9,668	3,079	Additional investment income due to higher interest rates and portfolio balances was transferred to reserve in accordance with the 2024 budget allocations and the Town's Treasury Policy No. 116.
Information Technology	3,619	3,654	35	Additional photocopier recoveries were transferred to reserve.
Studies and Other Non Growth Capital	1,377	1,377	0	

Appendix 4 -ES-013-25
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Vehicles and Equipment Replacement	5,164	5,563	399	Proceeds from the sale of equipment were transferred to reserve.
Canada Community-Building Fund	0	0	0	
Ontario Lottery Corporation Proceeds	5,585	6,180	595	Proceeds from the Ontario Lottery and Gaming Corporation (OLG) were greater than anticipated.
Infrastructure Non Growth Subtotal	\$42,862	\$48,614	\$5,752	
Infrastructure Growth				
Growth Capital - Other	\$4,145	\$3,967	\$(178)	Supplementary taxes were below budget, resulting in a reduced transfer to reserve.
Capital Provision	3,383	2,286	(1,096)	Timing differences in development activity resulted in fewer residential building permits and lower Capital Provision revenues being collected through financial agreements in 2024.
Payment-in-Lieu of Land Conveyance	0	0	0	
Cash-in-lieu of Parking	0	0	0	
Development Charges (Note 1)	0	0	0	
Post Period Capacity	0	0	0	
Infrastructure Growth Subtotal	\$7,527	\$6,253	\$(1,275)	
Program Specific				
Property Transactions	\$366	\$418	\$52	Lease rental revenue was higher than anticipated.
Provincial Gas Tax	(969)	(969)	0	
Election	235	235	0	
Aggregate Permit Fees	1	70	69	Revenues collected from the Ministry of Natural Resources for extracted aggregates were higher than anticipated.
Seniors' Fundraising	0	0	0	
Arts Programming	0	(14)	(14)	Funds were transferred from reserves to support arts programming due to a favorable reserve balance, rather than requesting the funds from the Community Foundation of Halton North (CFHN) endowment fund.
Mayor's Legacy Fund	0	0	0	
Program Specific Subtotal	\$(366)	\$(259)	\$107	

Appendix 4 -ES-013-25
Reserve and Reserve Fund - Transfers to/from Operating

Reserves and Reserve Funds (\$000s)	Budgeted Transfers to/(from) Reserve	Actual Transfers to/(from) Reserve	Surplus/ (Deficit)	Explanation for Variances
Board, Committee & Other				
Library Tax Rate Stabilization	\$0	\$0	\$0	
Library Capital Infrastructure	710	710	0	
DBIA Surplus	(25)	(25)	0	
Provincial Government Transfer	0	(356)	(356)	Grant funding was transferred from reserves to the operating fund to cover eligible NG911 implementation costs.
Board, Committee & Other Subtotal	\$685	\$330	\$(356)	
Total Reserve and Reserve Funds	\$51,691	\$55,984	\$4,293	

Note 1: Includes Development Charge Exemptions.