



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: November 3, 2025

Report No: ES-046-25

Subject: Operating Budget Review - September 2025

Recommendation: THAT the operating report for the nine months ending September 2025 along with a projected surplus of \$3.6 million be received for information.

EXECUTIVE SUMMARY

This report provides a detailed review and update of the operating budget through September 2024 with the following information of note:

- Current forecasting suggests that the operating fund will be in a surplus of \$3.6 million for year end, primarily related to savings from staff vacancies and timing of development activity and associated planning application revenues.
- Gross investment income is expected to be \$4.1 million greater than budget due to largely to higher than budgeted portfolio balances.
- Reserve balances are expected to be \$58.0 million higher than anticipated, largely due to reclassifying the Project Variance Account to a Reserve along with capital refinancing as a result of grant funding and the reinvestment of excess investment income into infrastructure renewal reserves.

The financial position of the Town will continue to change throughout the balance of the year due to factors such as weather conditions, utility and fuel usage and rates, and position vacancies.

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

Background

its September 30 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.

Discussion

Operating Budget Monitoring for the period ending September 30, 2025

The following table reflects forecasted variances to the 2025 budget by department based on expectations for program delivery for the remainder of the year.

Department	2025 Approved Budget \$	Forecast Changes (Surplus)/Deficit \$	2025 Forecast \$
Mayor & Council	705,973	(26,976)	678,997
Executive Services	4,004,276	(344,732)	3,659,544
Corporate Services	40,030,176	(1,523,273)	38,506,903
General Government	(78,673,318)	762,248	(77,911,070)
Community Services	32,863,447	(434,832)	32,428,615
Development Services	1,069,446	(1,819,279)	(749,833)
Library		(150,498)	(150,498)
Hospital Expansion		-	-
BIA		(23,105)	(23,105)
Total Town of Milton		(3,560,447)	(3,560,447)

Note 1 Figures include rounding and may result in minor variances to the attached financial schedules

Staff are currently forecasting that the year end position of the Town will be a \$3.6 million surplus for 2025.

The main drivers of the surplus relate to increased savings from staff vacancies in the amount of \$1.43 million, a timing related increase in Planning application revenues of \$1.6 million, increased taxation penalties and interest on taxes receivable of \$0.6 million, developer revenues associated with Subsidized Transit Pass Agreements of \$0.56 million, savings in fuel and natural gas of \$0.57 million largely due to the carbon tax removal, savings in IT software maintenance and service agreements of \$0.45 million, and \$0.45 million due to the reversal of an Allowance for Bad Debts amount given a change in circumstances regarding the recovery of certain development related expenses.

Partially offsetting these favourable variances is \$0.85 million in increased winter maintenance costs resulting from severe storms during this past winter which brought record snowfall, prolonged blizzard conditions and required extended response efforts, WSIB

Discussion

claims in the amount of \$0.89 million and an anticipated shortfall in parking fines of \$0.4 million.

Building permit revenues are not expected to increase as much as originally anticipated, resulting in a forecasted unfavourable variance of \$3.9 million for 2025. Overall, there is no net impact to the Town's net operating budget as any variance will be offset by cost savings realized in the related program area as well as an adjustment to the transfer with the Building Stabilization Reserve.

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

Balance Sheet Monitoring as at September 30, 2025

Investments and Cash Management

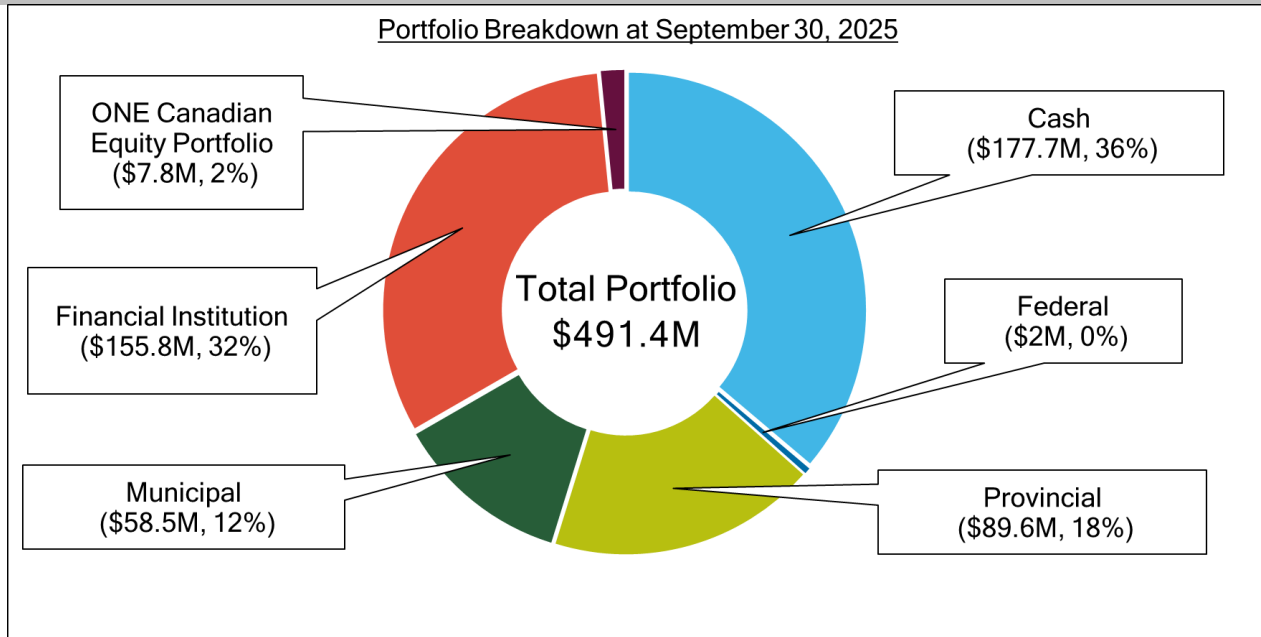
Economic Update

Throughout 2025, the Bank of Canada (BOC) decreased the overnight rate from 3.25% at the beginning of the year to 2.50% as of September 17, 2025. With a weaker economy and less upside risk to inflation economists are projecting one to two further reductions in the overnight rate through 2025 and 2026. 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 into 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. The impact of the economy on growth and development within the Town will also continue to be closely monitored.

Portfolio Summary / Cash and Investment Positions

A summary of the overall portfolio as of September 30, 2025 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 nine months of 2025 satisfied the Town's credit rating requirements.

Discussion



The Town is currently carrying approximately 36% of its portfolio balance in cash, including approximately \$22 million in a locked-in high interest account, due to upcoming capital project expenditures and timing of tax collections and payments. It is anticipated that throughout the balance of the year the composition of the Town's portfolio breakdown will continue to shift as the Town takes advantage of market opportunities and changing interest rates, as illustrated in Appendix 4. A continued reduction in cash holdings and increase in both short and long term investments is expected as the year progresses.

Through ES-033-25 Council provided direction to staff to proceed with a phased introduction of investments into the ONE Canadian Equity Portfolio. As of September 30, 2025 the Town has invested \$7.5 million and is projected to reach a planned initial investment of \$20 million by early 2026. The ONE Canadian Equity Portfolio aims to provide superior long-term investment returns by investing in a diversified, conservatively managed portfolio of equity securities issued by Canadian corporations. The initial investment of \$20 million has the potential to generate an incremental \$1 million in annual revenue that will be considered as part of the funding of the 2026 Operating Budget.

2025 Investment Income Forecast

Due to a higher than expected portfolio balance, current projections estimate gross investment income to be \$16.5 million for the year, which is \$4.1 million higher than what was incorporated into the 2025 budget. The additional investment income will have no impact on the operating budget in 2025 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 September 2025. As shown, the 2025 collection rate to date is in line with the Town's historical rate.

Tax Year	Total Billable Properties	Properties with Arrears as of Oct 4	Final Tax Levy ¹	Current Year Collections (as of Oct 4) ¹	Current Year Past Due ¹	Current Year % Paid
2025	44,608	10,220	293,828,101	243,582,570	22,743,548	82.9%
2024	43,389	8,935	266,160,764	225,699,742	18,406,816	84.8%
2023	42,788	8,264	246,649,259	194,952,421	14,945,333	79.0%

¹ Includes Town, Region and Educational shares

Debenture Obligations

As of September 30, 2025 the Town has an estimated \$41.9 million in total debt outstanding. Debenture repayments in the amount of \$5.9 million will have occurred this year, resulting in \$40.9 million in outstanding debt at the end of 2025. In addition to the debenture obligations outlined below, \$12.4 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 2025.

Existing Debenture Obligation (\$000)	Debt at Dec 31, 2024	Principal Payments to Sep 30	Debt at Sep 30	2025 Principal Payments Outstanding	Forecast Dec 31, 2025
Tax Supported	\$29,557	\$(3,955)	\$25,602	\$0	\$25,602
Capital Provision (Hospital)	4,947	(1,606)	3,341	0	3,341
Hospital Expansion (see below)	12,275	(303)	11,973	0	11,973
Total	\$46,780	\$(5,864)	\$40,916	\$0	\$40,916

Discussion

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, 2025 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 2025 are outlined in the table below. Balances by individual reserve and reserve funds are shown in Appendix 5.

Reserves and Reserve Funds (\$000)	As at Dec 31, 2024	As at Sep 30, 2025	Forecasted Dec 31, 2025	Surplus/ (Deficit) to Budget
Stabilization	\$24,269	\$23,046	\$24,823	\$(1,446)
Corporate Use	15,200	15,517	15,237	(2,192)
Infrastructure Non Growth	105,827	106,929	119,687	33,310
Infrastructure Growth (Note 1)	123,010	148,028	139,144	24,858
Program Specific	16,906	17,074	17,977	259
Board, Committee & Other	12,611	20,633	11,601	4,162
Total	\$297,824	\$331,229	\$328,469	\$58,952

Note 1: Includes Development Charge Exemptions and the \$33.9 million in Cash Flow Assistance that will be repaid in 2028 and is currently on the Town's Balance Sheet as a Liability (see staff report CORS-016-24).

The forecasted 2025 balance includes projected 2025 activity as identified in the 2025 budget along with any forecasted adjustments that have been identified in 2025. Following is commentary on forecasted 2025 year end reserve balances that are expected to be significantly different than budget:

Stabilization Reserves & Reserve Funds

The Stabilization reserves are expected to be lower at the end of the year due to lower than anticipated building permit activity resulting in a decreased transfer to the Building Stabilization Reserve. This is partially offset from higher than expected balances in the Tax Rate Stabilization and Severe Weather reserves at the end of 2024 (see staff report ES-013-25).

Discussion

Corporate Use Reserves

The Corporate Use reserves are expected to be unfavourable to budget at the end of 2025 due to the lower than expected Per Unit Development Processing Fee revenues as a result of timing differences in development activity, and lower than expected balances at the end of 2024 (see staff report ES-013-25).

Infrastructure Non Growth

The Infrastructure Non Growth reserves are projecting a surplus to budget largely due to the reclassification of the Project Variance Account balance of \$8.15 million to a reserve (see staff report ES-012-25), \$9.5 million in capital project refinancing that was returned to the Project Variance Reserve and then redirected to various Infrastructure Non Growth reserves (see staff report ES-043-25), an additional \$3.8 million in investment income along with higher than expected balances at the end of 2024 (see staff report ES-013-25). The balance in the Project Variance Reserve will fluctuate based on the refinancing of projects following tender awards, grant funding received, etc.

Infrastructure Growth

The Infrastructure Growth reserves are forecasting a surplus due to shifts in timing of capital expenditures development activity that impacts Development Charge and Capital Provision revenue collections. These balances will continue to fluctuate as the year progresses.

Program Specific / Board, Committee & Other

The projected variances are related to year end transfers that occurred in 2024 (see staff report ES-013-25) and savings from capital projects that were returned to the Library Capital Infrastructure reserve (see staff report ES-043-25). Provincial and Federal Government Transfer reserve fund balances may fluctuate because unspent grant funds are held in interest bearing reserves until they are transferred to and recognized in various Council approved projects.



The Corporation of the Town of Milton

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Financial Impact

The September 2025 variance review process suggests that the operating fund may be in a surplus position of \$3.6 million for 2025. 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 variance review process will be used to inform the remainder of the Town's activities in 2025 as well as the 2026 Budget process. Council will have an opportunity to determine the allocation of the projected 2025 year end surplus as part of the year end operating report, which is typically presented around the end of the first quarter each year

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

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

Attachments

- Appendix 1 - September 2025 Operating Financial Statements
- Appendix 2 - September 2025 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
September 2025**

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
MAYOR AND COUNCIL	571,211	561,687	705,973	(26,976)	678,997	83%
EXECUTIVE SERVICES	2,120,828	1,634,616	4,004,276	(344,732)	3,659,544	45%
CORPORATE SERVICES	24,297,950	28,463,690	40,030,176	(1,523,273)	38,506,903	74%
GENERAL GOVERNMENT	(76,716,116)	(89,962,105)	(78,673,318)	762,248	(77,911,070)	115%
COMMUNITY SERVICES	20,956,098	24,388,788	32,863,447	(434,832)	32,428,615	75%
DEVELOPMENT SERVICES	(607,742)	(1,199,244)	1,069,446	(1,819,279)	(749,833)	160%
LIBRARY	(1,509,600)	(1,989,515)		(150,498)	(150,498)	1,322%
HOSPITAL EXPANSION	(410,274)	(397,781)				
BIA	(203,045)	(184,869)		(23,105)	(23,105)	800%
Total TOWN OF MILTON	(31,500,690)	(38,684,733)		(3,560,447)	(3,560,447)	

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

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
September 2025

MAYOR AND COUNCIL

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
MAYOR AND COUNCIL						
MAYOR AND COUNCIL						
EXPENDITURES						
Salaries and Benefits	517,274	499,928	622,011	(33,111)	588,900	85%
Administrative	50,205	58,090	62,875	5,455	68,330	85%
Financial	614		5,000		5,000	
Purchased Goods	526	380	976		976	39%
Purchased Services	2,590	3,288	20,111	680	20,791	16%
Total EXPENDITURES	571,209	561,686	710,973	(26,976)	683,997	82%
REVENUE						
Financing Revenue			(5,000)		(5,000)	
Total REVENUE			(5,000)		(5,000)	
Total MAYOR AND COUNCIL	571,209	561,686	705,973	(26,976)	678,997	83%
Total MAYOR AND COUNCIL	571,209	561,686	705,973	(26,976)	678,997	83%
Total MAYOR AND COUNCIL	571,209	561,686	705,973	(26,976)	678,997	83%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
September 2025

EXECUTIVE SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
EXECUTIVE SERVICES						
OFFICE OF THE CAO						
EXPENDITURES						
Salaries and Benefits	472,031	492,732	653,716		653,716	75%
Administrative	16,479	17,307	21,314		21,314	81%
Purchased Goods	7,129	4,123	5,442	(1,008)	4,434	93%
Purchased Services	5,849	5,608	29,549	(224)	29,325	19%
Total EXPENDITURES	501,488	519,770	710,021	(1,232)	708,789	73%
REVENUE						
Financing Revenue	(16,670)	(18,592)	(18,592)		(18,592)	100%
User Fees and Service Charges	(641)	(325)	(3,000)		(3,000)	11%
Total REVENUE	(17,311)	(18,917)	(21,592)		(21,592)	88%
Total OFFICE OF THE CAO	484,177	500,853	688,429	(1,232)	687,197	73%
STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT						
EXPENDITURES						
Salaries and Benefits	484,667	600,055	982,708	(68,966)	913,742	66%
Administrative	7,828	11,151	24,743		24,743	45%
Financial	175		2,608	(1,000)	1,608	
Purchased Goods	702	45,369	118,064	(17,150)	100,914	45%
Purchased Services	96,042	20,606	118,684	(14,794)	103,890	20%
Total EXPENDITURES	589,414	677,181	1,246,807	(101,910)	1,144,897	59%
REVENUE						
Financing Revenue	(11,197)	(34,663)	(11,706)	(40,713)	(52,419)	66%
User Fees and Service Charges	(460)					
Total REVENUE	(11,657)	(34,663)	(11,706)	(40,713)	(52,419)	66%
Total STRATEGIC INITIATIVES AND ECONOMIC DEVELOPMENT	577,757	642,518	1,235,101	(142,623)	1,092,478	59%
FINANCE						
EXPENDITURES						
Salaries and Benefits	4,173,660	4,690,767	6,691,649	(168,761)	6,522,888	72%
Administrative	42,834	38,456	93,237	(6,995)	86,242	45%
Financial	3,509	4,677	7,060		7,060	66%
Purchased Goods	17,147	8,600	30,546	(18,137)	12,409	69%
Purchased Services	213,387	205,727	313,177	18,939	332,116	62%
Total EXPENDITURES	4,450,537	4,948,227	7,135,669	(174,954)	6,960,715	71%
REVENUE						

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
September 2025

EXECUTIVE SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
Financing Revenue	(2,555,655)	(3,502,542)	(3,621,340)	(137,347)	(3,758,687)	93%
Recoveries and Donations	(5,453)					
User Fees and Service Charges	(633,755)	(683,786)	(1,080,003)	28,500	(1,051,503)	65%
Reallocated Revenue	(196,781)	(270,653)	(353,577)	82,924	(270,653)	100%
Total REVENUE	(3,391,644)	(4,456,981)	(5,054,920)	(25,923)	(5,080,843)	88%
Total FINANCE	1,058,893	491,246	2,080,749	(200,877)	1,879,872	26%
Total EXECUTIVE SERVICES	2,120,827	1,634,617	4,004,279	(344,732)	3,659,547	45%
Total EXECUTIVE SERVICES	2,120,827	1,634,617	4,004,279	(344,732)	3,659,547	45%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
September 2025

CORPORATE SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
CORPORATE SERVICES						
INFORMATION TECHNOLOGY						
EXPENDITURES						
Salaries and Benefits	2,753,767	3,042,794	4,628,562	(478,615)	4,149,947	73%
Administrative	15,825	52,307	78,048	(13,500)	64,548	81%
Transfers to Own Funds		114,396		114,396	114,396	100%
Purchased Goods	1,925,949	3,271,964	3,685,628	(166,274)	3,519,354	93%
Purchased Services	1,427,831	1,565,179	2,258,474	(357,978)	1,900,496	82%
Total EXPENDITURES	6,123,372	8,046,640	10,650,712	(901,971)	9,748,741	83%
REVENUE						
Financing Revenue	(832,572)	(667,207)	(990,978)		(990,978)	67%
User Fees and Service Charges	(1,663)		(100)		(100)	
Reallocated Revenue	(97,428)	(135,569)	(137,778)		(137,778)	98%
Total REVENUE	(931,663)	(802,776)	(1,128,856)		(1,128,856)	71%
Total INFORMATION TECHNOLOGY	5,191,709	7,243,864	9,521,856	(901,971)	8,619,885	84%
HUMAN RESOURCES						
EXPENDITURES						
Salaries and Benefits	2,073,495	1,509,704	2,166,100	6,450	2,172,550	69%
Administrative	128,789	124,680	200,435	108	200,543	62%
Purchased Goods	4,064	3,497	6,307	(1,056)	5,251	67%
Purchased Services	124,700	110,166	204,071	300	204,371	54%
Total EXPENDITURES	2,331,048	1,748,047	2,576,913	5,802	2,582,715	68%
REVENUE						
Financing Revenue	(472,658)	(407,266)	(543,324)	(41,694)	(585,018)	70%
Reallocated Revenue	(137,299)	(147,995)	(232,133)		(232,133)	64%
Total REVENUE	(609,957)	(555,261)	(775,457)	(41,694)	(817,151)	68%
Total HUMAN RESOURCES	1,721,091	1,192,786	1,801,456	(35,892)	1,765,564	68%
LEGISLATIVE & LEGAL SERVICES						
EXPENDITURES						
Salaries and Benefits	2,397,541	2,536,209	4,024,856	(171,046)	3,853,810	66%
Administrative	33,380	29,380	89,860	(29,566)	60,294	49%
Financial	17,396	23,971	49,573	(10,000)	39,573	61%
Transfers to Own Funds	235,323	163,189	163,189	211,480	374,669	44%
Purchased Goods	8,289	13,772	30,375	(11,877)	18,498	74%
Purchased Services	629,181	571,610	1,104,495	102,620	1,207,115	47%

TOWN OF MILTON
OPERATING FINANCIAL STATEMENT
September 2025

CORPORATE SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
Reallocated Expenses	154,128	96,852	162,643		162,643	60%
Total EXPENDITURES	3,475,238	3,434,983	5,624,991	91,611	5,716,602	60%
REVENUE						
Financing Revenue	(193,176)	(184,869)	(363,477)	(77,891)	(441,368)	42%
Recoveries and Donations	(13,312)	(10,094)	(21,500)		(21,500)	47%
User Fees and Service Charges	(1,532,132)	(1,674,752)	(3,016,030)	315,173	(2,700,857)	62%
Total REVENUE	(1,738,620)	(1,869,715)	(3,401,007)	237,282	(3,163,725)	59%
Total LEGISLATIVE & LEGAL SERVICE	1,736,618	1,565,268	2,223,984	328,893	2,552,877	61%
COMMUNICATIONS & CUSTOMER EXPENSES						
EXPENDITURES						
Salaries and Benefits	950,370	956,979	1,250,896	125,346	1,376,242	70%
Administrative	26,875	8,221	24,836	(3,135)	21,701	38%
Purchased Goods	2,941	1,627	8,300	(1,300)	7,000	23%
Purchased Services	51,448	31,136	128,958	(35,000)	93,958	33%
Total EXPENDITURES	1,031,634	997,963	1,412,990	85,911	1,498,901	67%
REVENUE						
Financing Revenue	(387,005)	(345,456)	(329,002)	(79,361)	(408,363)	85%
Total REVENUE	(387,005)	(345,456)	(329,002)	(79,361)	(408,363)	85%
Total COMMUNICATIONS & CUSTOMER SERVICE	644,629	652,507	1,083,988	6,550	1,090,538	60%
TRANSIT						
EXPENDITURES						
Salaries and Benefits	362,466	426,208	595,955	(100,338)	495,617	86%
Administrative	13,811	13,048	21,239		21,239	61%
Transfers to Own Funds	1,821,448	2,049,644	2,049,644		2,049,644	100%
Purchased Goods	10,950	15,168	14,518	650	15,168	100%
Purchased Services	3,839,291	4,816,888	7,304,567	68,729	7,373,296	65%
Fleet Expenses	1,219,597	1,344,433	2,373,659	(147,510)	2,226,149	60%
Reallocated Expenses	59,661	143,351	101,226	42,125	143,351	100%
Total EXPENDITURES	7,327,224	8,808,740	12,460,808	(136,344)	12,324,464	71%
REVENUE						
Financing Revenue	(978,745)	(1,380,330)	(1,486,554)	100,338	(1,386,216)	100%
Recoveries and Donations	(1,320,061)	(1,512,824)	(2,132,157)	(152,123)	(2,284,280)	66%
User Fees and Service Charges	(1,404,669)	(1,360,483)	(2,201,318)	(424,773)	(2,626,091)	52%
Total REVENUE	(3,703,475)	(4,253,637)	(5,820,029)	(476,558)	(6,296,587)	68%
Total TRANSIT	3,623,749	4,555,103	6,640,779	(612,902)	6,027,877	76%

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CORPORATE SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
FIRE						
EXPENDITURES						
Salaries and Benefits	10,134,025	11,224,650	16,570,642	(303,588)	16,267,054	69%
Administrative	122,473	108,589	182,562	(16,163)	166,399	65%
Financial	4,116	3,852	4,000		4,000	96%
Transfers to Own Funds	1,144,857	1,833,574	1,795,037	38,537	1,833,574	100%
Purchased Goods	79,822	72,799	96,991	8,096	105,087	69%
Purchased Services	221,624	241,606	504,436	22,925	527,361	46%
Fleet Expenses	129,897	139,335	161,529	8,287	169,816	82%
Total EXPENDITURES	11,836,814	13,624,405	19,315,197	(241,906)	19,073,291	71%
REVENUE						
Financing Revenue	(153,557)	(67,328)	(116,913)	(3,556)	(120,469)	56%
Grants		(22,740)	(27,500)	2,260	(25,240)	90%
Recoveries and Donations	(138,809)	(118,379)	(195,860)	(11,309)	(207,169)	57%
User Fees and Service Charges	(164,285)	(161,792)	(216,811)	(53,439)	(270,250)	60%
Total REVENUE	(456,651)	(370,239)	(557,084)	(66,044)	(623,128)	59%
Total FIRE	11,380,163	13,254,166	18,758,113	(307,950)	18,450,163	72%
Total CORPORATE SERVICES	24,297,959	28,463,694	40,030,176	(1,523,272)	38,506,904	74%
Total CORPORATE SERVICES	24,297,959	28,463,694	40,030,176	(1,523,272)	38,506,904	74%

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GENERAL GOVERNMENT

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
GENERAL GOVERNMENT						
GENERAL GOVERNMENT						
EXPENDITURES						
Administrative	191,320	953,282	120,000	886,996	1,006,996	95%
Financial	3,721,511	5,055,931	5,963,030		5,963,030	85%
Transfers to Own Funds	39,979,687	40,472,169	59,480,582	(751,756)	58,728,826	69%
Purchased Services	115,064	75,381	105,379	(7,355)	98,024	77%
Total EXPENDITURES	44,007,582	46,556,763	65,668,991	127,885	65,796,876	71%
REVENUE						
External Revenue Transferred to Rese	(9,317,038)	(9,416,895)	(18,411,871)	5,267,339	(13,144,532)	72%
Financing Revenue	(9,902,579)	(9,720,380)	(10,036,610)	(2,555,152)	(12,591,762)	77%
Taxation	(95,979,537)	(110,247,959)	(108,315,861)	(2,076,625)	(110,392,486)	100%
Payments In Lieu	(1,060,249)	(1,152,762)	(1,077,246)	(75,516)	(1,152,762)	100%
Recoveries and Donations	(5,000)					
User Fees and Service Charges	(2,686,518)	(3,076,426)	(3,550,272)	127,070	(3,423,202)	90%
Reallocated Revenue	(1,772,780)	(2,904,447)	(2,950,449)	(52,753)	(3,003,202)	97%
Total REVENUE	(120,723,701)	(136,518,869)	(144,342,309)	634,363	(143,707,946)	95%
Total GENERAL GOVERNMENT	(76,716,119)	(89,962,106)	(78,673,318)	762,248	(77,911,070)	115%
Total GENERAL GOVERNMENT	(76,716,119)	(89,962,106)	(78,673,318)	762,248	(77,911,070)	115%
Total GENERAL GOVERNMENT	(76,716,119)	(89,962,106)	(78,673,318)	762,248	(77,911,070)	115%

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COMMUNITY SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
COMMUNITY SERVICES						
RECREATION AND CULTURE FACILITIES						
EXPENDITURES						
Salaries and Benefits	4,757,983	5,042,030	7,029,880	(44,694)	6,985,186	72%
Administrative	18,639	21,472	42,396	2,622	45,018	48%
Financial	125,779	121,813	133,545	5,546	139,091	88%
Transfers to Own Funds	2,180,969	2,252,410	2,338,596		2,338,596	96%
Purchased Goods	431,421	596,537	809,637	72,159	881,796	68%
Purchased Services	3,779,915	4,339,898	5,996,787	114,351	6,111,138	71%
Reallocated Expenses	28,741	37,623	46,425	5,223	51,648	73%
Total EXPENDITURES	11,323,447	12,411,783	16,397,266	155,207	16,552,473	75%
REVENUE						
Financing Revenue	(329,157)	(345,625)	(426,758)	(28,613)	(455,371)	76%
Grants	(491,101)	(499,348)	(955,983)	(5,698)	(961,681)	52%
Recoveries and Donations	(124,333)	(146,449)	(219,856)	(10,575)	(230,431)	64%
User Fees and Service Charges	(4,998,947)	(5,287,666)	(7,322,672)	(157,725)	(7,480,397)	71%
Reallocated Revenue	(220,458)	(20,885)	(456,666)	(5,223)	(461,889)	5%
Total REVENUE	(6,163,996)	(6,299,973)	(9,381,935)	(207,834)	(9,589,769)	66%
Total RECREATION AND CULTURE F	5,159,451	6,111,810	7,015,331	(52,627)	6,962,704	88%
ADMINISTRATION AND CIVIC FACILITIES						
EXPENDITURES						
Salaries and Benefits	2,519,188	2,227,550	4,127,930	(888,294)	3,239,636	69%
Administrative	15,869	28,949	59,116	(2,500)	56,616	51%
Financial	49,067	52,918	39,944	13,254	53,198	99%
Transfers to Own Funds	326,063	440,369	514,599		514,599	86%
Purchased Goods	60,885	87,170	113,050	14,550	127,600	68%
Purchased Services	1,018,980	1,154,167	1,597,546	71,369	1,668,915	69%
Reallocated Expenses	30,305	33,477	21,542		21,542	155%
Total EXPENDITURES	4,020,357	4,024,600	6,473,727	(791,621)	5,682,106	71%
REVENUE						
Financing Revenue	(1,147,256)	(1,314,451)	(1,974,375)	175,177	(1,799,198)	73%
Recoveries and Donations	(16,693)	(31,238)	(32,138)		(32,138)	97%
User Fees and Service Charges	(144,904)	(85,087)	(272,653)	(13,764)	(286,417)	30%
Total REVENUE	(1,308,853)	(1,430,776)	(2,279,166)	161,413	(2,117,753)	68%
Total ADMINISTRATION AND CIVIC FA	2,711,504	2,593,824	4,194,561	(630,208)	3,564,353	73%

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COMMUNITY SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
PROGRAMS						
EXPENDITURES						
Salaries and Benefits	4,351,979	4,718,620	6,418,749	(239,824)	6,178,925	76%
Administrative	37,970	24,171	61,629	(3,886)	57,743	42%
Financial	205,610	229,049	713,041	36,850	749,891	31%
Transfers to Own Funds			78,350	(1,850)	76,500	
Purchased Goods	149,179	212,518	268,022	11,108	279,130	76%
Purchased Services	376,852	396,158	698,875	(57,027)	641,848	62%
Reallocated Expenses	107,661	107,661	107,661		107,661	100%
Total EXPENDITURES	5,229,251	5,688,177	8,346,327	(254,629)	8,091,698	70%
REVENUE						
Financing Revenue	(101,548)	(102,728)	(681,078)	1,850	(679,228)	15%
Grants	(76,681)	(83,850)	(83,070)	(45,749)	(128,819)	65%
Recoveries and Donations	(106,932)	(189,642)	(255,862)	14,357	(241,505)	79%
User Fees and Service Charges	(5,089,134)	(5,429,304)	(6,605,887)	(258,261)	(6,864,148)	79%
Reallocated Revenue		(11,843)	(6,500)	(4,000)	(10,500)	113%
Total REVENUE	(5,374,295)	(5,817,367)	(7,632,397)	(291,803)	(7,924,200)	73%
Total PROGRAMS	(145,044)	(129,190)	713,930	(546,432)	167,498	(77%)
OPERATIONS						
EXPENDITURES						
Salaries and Benefits	6,115,690	6,494,275	9,005,128		9,005,128	72%
Administrative	54,119	20,747	78,262	4,183	82,445	25%
Transfers to Own Funds	2,106,289	2,344,509	2,344,509		2,344,509	100%
Purchased Goods	1,071,686	1,722,320	1,956,775	312,362	2,269,137	76%
Purchased Services	3,923,630	5,707,416	8,259,330	616,301	8,875,631	64%
Fleet Expenses	1,057,735	1,035,917	1,504,332	(36,739)	1,467,593	71%
Reallocated Expenses	3,463,118	5,081,289	5,244,280	163,950	5,408,230	94%
Total EXPENDITURES	17,792,267	22,406,473	28,392,616	1,060,057	29,452,673	76%
REVENUE						
Financing Revenue	(261,021)	(279,490)	(277,734)	(1,756)	(279,490)	100%
Recoveries and Donations	(1,799,320)	(2,464,549)	(3,639,326)	336,480	(3,302,846)	75%
User Fees and Service Charges	(984,423)	(857,389)	(1,349,280)	(253,027)	(1,602,307)	54%
Reallocated Revenue	(3,724,799)	(5,374,707)	(5,543,216)	(206,075)	(5,749,291)	93%
Total REVENUE	(6,769,563)	(8,976,135)	(10,809,556)	(124,378)	(10,933,934)	82%
Total OPERATIONS	11,022,704	13,430,338	17,583,060	935,679	18,518,739	73%

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COMMUNITY SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
INFRASTRUCTURE MANAGEMENT						
EXPENDITURES						
Salaries and Benefits	1,898,125	1,887,499	2,852,065	(112,463)	2,739,602	69%
Administrative	26,871	29,244	53,135	(4,300)	48,835	60%
Financial	228,911	229,862	246,604		246,604	93%
Transfers to Own Funds	39,997	43,258	43,258		43,258	100%
Purchased Goods	19,385	36,806	63,760	1,300	65,060	57%
Purchased Services	1,298,960	1,424,842	2,200,773	(7,945)	2,192,828	65%
Reallocated Expenses			174		174	
Total EXPENDITURES	3,512,249	3,651,511	5,459,769	(123,408)	5,336,361	68%
REVENUE						
Financing Revenue	(1,083,793)	(1,047,192)	(1,710,002)	81,652	(1,628,350)	64%
Recoveries and Donations	(13,483)	(33,956)	(23,384)	(15,784)	(39,168)	87%
User Fees and Service Charges	(207,494)	(188,364)	(369,813)	(83,705)	(453,518)	42%
Total REVENUE	(1,304,770)	(1,269,512)	(2,103,199)	(17,837)	(2,121,036)	60%
Total INFRASTRUCTURE MANAGEMENT	2,207,479	2,381,999	3,356,570	(141,245)	3,215,325	74%
Total COMMUNITY SERVICES	20,956,094	24,388,781	32,863,452	(434,833)	32,428,619	75%
Total COMMUNITY SERVICES	20,956,094	24,388,781	32,863,452	(434,833)	32,428,619	75%

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DEVELOPMENT SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
DEVELOPMENT SERVICES						
PLANNING SERVICES						
EXPENDITURES						
Salaries and Benefits	1,708,640	1,913,864	3,069,677	(358,259)	2,711,418	71%
Administrative	27,094	33,278	47,832		47,832	70%
Purchased Services	24,596	87,277	64,204	28,595	92,799	94%
Reallocated Expenses		152,439		152,439	152,439	100%
Total EXPENDITURES	1,760,330	2,186,858	3,181,713	(177,225)	3,004,488	73%
REVENUE						
Financing Revenue	(326,596)	(384,076)	(650,432)	(13,911)	(664,343)	58%
Recoveries and Donations	(6,127)	(3,462)	(3,480)		(3,480)	99%
User Fees and Service Charges	(2,209,493)	(3,271,906)	(2,182,975)	(1,641,899)	(3,824,874)	86%
Total REVENUE	(2,542,216)	(3,659,444)	(2,836,887)	(1,655,810)	(4,492,697)	81%
Total PLANNING SERVICES	(781,886)	(1,472,586)	344,826	(1,833,035)	(1,488,209)	99%
BUILDING SERVICES						
EXPENDITURES						
Salaries and Benefits	3,072,749	3,194,316	4,867,141	(752,482)	4,114,659	78%
Administrative	69,596	68,154	192,527	(22,672)	169,855	40%
Financial	18,837	17,992	10,000	16,900	26,900	67%
Transfers to Own Funds	1,547,747		5,159,128	(3,199,113)	1,960,015	
Purchased Goods	5,561	5,597	19,001		19,001	29%
Purchased Services	31,848	26,495	53,576	(11,613)	41,963	63%
Reallocated Expenses	1,980,054	3,375,880	3,255,488	179,199	3,434,687	98%
Total EXPENDITURES	6,726,392	6,688,434	13,556,861	(3,789,781)	9,767,080	68%
REVENUE						
Financing Revenue	(9,876)	(10,329)	(10,329)		(10,329)	100%
User Fees and Service Charges	(6,716,514)	(6,778,582)	(13,546,534)	3,942,219	(9,604,315)	71%
Reallocated Revenue		(152,439)		(152,439)	(152,439)	100%
Total REVENUE	(6,726,390)	(6,941,350)	(13,556,863)	3,789,780	(9,767,083)	71%
Total BUILDING SERVICES	2	(252,916)	(2)	(1)	(3)	8,430,533%
DEVELOPMENT ENGINEERING						
EXPENDITURES						
Salaries and Benefits	1,695,087	2,000,100	2,970,269	(215,195)	2,755,074	73%
Administrative	25,050	21,183	49,104		49,104	43%
Financial	100		500		500	

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DEVELOPMENT SERVICES

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
Purchased Goods		206	200	206	406	51%
Purchased Services	259,119	455,036	330,254	282,548	612,802	74%
Total EXPENDITURES	1,979,356	2,476,525	3,350,327	67,559	3,417,886	72%
REVENUE						
Financing Revenue	(327,537)	(399,361)	(351,046)	(48,315)	(399,361)	100%
Recoveries and Donations	(33,947)	(9,516)	(127,479)	57,963	(69,516)	14%
User Fees and Service Charges	(1,694,542)	(1,633,121)	(2,585,371)	117,011	(2,468,360)	66%
Reallocated Revenue	(188,476)	(205,849)	(211,136)	(26,760)	(237,896)	87%
Total REVENUE	(2,244,502)	(2,247,847)	(3,275,032)	99,899	(3,175,133)	71%
Total DEVELOPMENT ENGINEERING	(265,146)	228,678	75,295	167,458	242,753	94%
ADMINISTRATION						
EXPENDITURES						
Salaries and Benefits	345,897	374,513	513,690		513,690	73%
Administrative	8,435	6,901	9,502		9,502	73%
Purchased Goods	6,784	1,665	15,000	(13,216)	1,784	93%
Purchased Services	175,603	228,952	223,597	89,122	312,719	73%
Total EXPENDITURES	536,719	612,031	761,789	75,906	837,695	73%
REVENUE						
Financing Revenue	(92,048)	(88,525)	(112,466)		(112,466)	79%
Recoveries and Donations	(5,379)	(70,073)		(73,757)	(73,757)	95%
Reallocated Revenue		(155,852)		(155,852)	(155,852)	100%
Total REVENUE	(97,427)	(314,450)	(112,466)	(229,609)	(342,075)	92%
Total ADMINISTRATION	439,292	297,581	649,323	(153,703)	495,620	60%
Total DEVELOPMENT SERVICES	(607,738)	(1,199,243)	1,069,442	(1,819,281)	(749,839)	160%
Total DEVELOPMENT SERVICES	(607,738)	(1,199,243)	1,069,442	(1,819,281)	(749,839)	160%

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LIBRARY

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
LIBRARY						
LIBRARY						
EXPENDITURES						
Salaries and Benefits	2,845,953	3,018,037	4,247,412	(130,409)	4,117,003	73%
Administrative	35,168	37,176	82,182	(8,000)	74,182	50%
Financial	4,622	4,994	6,500		6,500	77%
Transfers to Own Funds	710,139	753,543	753,543		753,543	100%
Purchased Goods	366,774	442,224	571,886	38,077	609,963	73%
Purchased Services	444,971	285,897	521,114	(20,586)	500,528	57%
Reallocated Expenses	206,303		420,766		420,766	
Total EXPENDITURES	4,613,930	4,541,871	6,603,403	(120,918)	6,482,485	70%
REVENUE						
Financing Revenue	(23,622)	(22,884)	(22,884)		(22,884)	100%
Taxation	(5,933,370)	(6,312,940)	(6,312,940)		(6,312,940)	100%
Grants	(51,910)	(29,897)	(55,704)	(4,897)	(60,601)	49%
Recoveries and Donations	(7,770)	(26,579)	(5,000)	(21,529)	(26,529)	100%
User Fees and Service Charges	(106,858)	(139,085)	(206,875)	(3,154)	(210,029)	66%
Total REVENUE	(6,123,530)	(6,531,385)	(6,603,403)	(29,580)	(6,632,983)	98%
Total LIBRARY	(1,509,600)	(1,989,514)		(150,498)	(150,498)	1,322%
Total LIBRARY	(1,509,600)	(1,989,514)		(150,498)	(150,498)	1,322%
Total LIBRARY	(1,509,600)	(1,989,514)		(150,498)	(150,498)	1,322%

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HOSPITAL EXPANSION

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
HOSPITAL EXPANSION						
HOSPITAL EXPANSION						
EXPENDITURES						
Financial	2,087,182	2,097,987	2,495,768		2,495,768	84%
Total EXPENDITURES	2,087,182	2,097,987	2,495,768		2,495,768	84%
REVENUE						
Financing Revenue	(2,497,455)	(2,495,768)	(2,495,768)		(2,495,768)	100%
Total REVENUE	(2,497,455)	(2,495,768)	(2,495,768)		(2,495,768)	100%
Total HOSPITAL EXPANSION	(410,273)	(397,781)				
Total HOSPITAL EXPANSION	(410,273)	(397,781)				
Total HOSPITAL EXPANSION	(410,273)	(397,781)				

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BIA

	2024 YTD ACTUAL	2025 YTD ACTUAL	2025 ANNUAL BUDGET	FORECAST CHANGES	2025 ANNUAL FORECAST	YTD PERCENT of FORECAST
BIA						
BIA						
EXPENDITURES						
Salaries and Benefits	158,635	157,244	220,714	(4,000)	216,714	73%
Financial	6,093	2,855	5,500	(1,900)	3,600	79%
Purchased Goods	4,498	12,851	37,730		37,730	34%
Purchased Services	111,848	134,577	232,709	292	233,001	58%
Reallocated Expenses	4,186	3,791	4,500		4,500	84%
Total EXPENDITURES	285,260	311,318	501,153	(5,608)	495,545	63%
REVENUE						
Financing Revenue	(25,000)	(22,126)	(22,126)		(22,126)	100%
Taxation	(269,472)	(285,125)	(284,539)		(284,539)	100%
Grants		(5,518)	(10,024)		(10,024)	55%
Recoveries and Donations	(52,934)	(47,247)	(29,750)	(17,497)	(47,247)	100%
User Fees and Service Charges	(33,238)	(28,509)	(47,053)		(47,053)	61%
Reallocated Revenue	(107,661)	(107,661)	(107,661)		(107,661)	100%
Total REVENUE	(488,305)	(496,186)	(501,153)	(17,497)	(518,650)	96%
Total BIA	(203,045)	(184,868)		(23,105)	(23,105)	800%
Total BIA	(203,045)	(184,868)		(23,105)	(23,105)	800%
Total BIA	(203,045)	(184,868)		(23,105)	(23,105)	800%

2025 Operating Variance Commentary By Department

Variances impacting multiple departments of the Town are highlighted below.

Staff Gapping

In 2025, the Town budgeted for savings from staff vacancies in the amount of \$1,125,000. 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 September variance review process is \$2,559,193. As such, the budgeted savings of \$1,125,000 have been reached and additional savings in the amount of \$1,434,193 are expected to be realized.

Insurance

As previously reported through ES-022-25, the Town's insurance policies were awarded for a 12 month period from July 2025 to June 2026 at a cost of \$1,475,215 for 2025. A favourable variance to budget of \$74,347 is being reported. Insurance costs have been allocated across departments and corresponding forecast changes reflecting variances to budget for each department have been completed.

Fuel and Utilities

With the federal government decision to remove the consumer carbon tax, it is estimated that the Town is projecting savings of \$569,932 related to reduced costs in fuel and natural gas. This is partially offset by increased hydro and water expenses of \$182,161.

Copies

The copies budget was reallocated from individual departments to the Information Technology division to better centralize the costs under the division responsible for management and realize administrative efficiencies through the elimination of the allocation of these costs across all divisions. These forecast changes have a net zero impact Town wide.

Variances identified within specific departments are as follows:

Mayor & Council - \$26,976 Projected Favourable

Savings in the Mayor and Council are primarily related to the vacancy in one of the Councillor positions. As reported through CORS-009-25, these savings will be used to partially fund costs associated with the by-election held in October 2025.

Executive Services - \$344,732 Projected Favourable

2025 Operating Variance Commentary By Department

Office of the CAO is reporting a surplus of \$1,232 which primarily relates to the reallocation of the copies budget to the Information Technology division.

The Strategic Initiatives and Economic Development is projecting a net surplus to budget of \$142,623. The primary driver is staff gapping savings of \$97,689, supplemented by savings in marketing initiatives and marketing goods and services of \$31,794, and program expenses of \$20,000. Savings are partially offset by increased software license costs of \$20,000 associated with GIS. The remaining variance relates to reallocations the copies budget, savings in property taxation, along with a minor insurance adjustment.

The Finance division is projecting savings of \$200,877, due largely to savings of \$317,308 from staff vacancies, combined with savings in purchased goods of \$18,137, mainly due to the reallocation of the copies budget to the Information Technology division. Various user fee revenues are anticipated to increase by \$35,500. These savings are partially offset by a reduction in overdue notice revenue of \$64,000 and increased postage expenses of \$25,000. The remaining variance is primarily related to a reduction in building reallocated revenue of \$82,924 due to a change in allocation methodology with no net impact on a Town-wide basis.

Corporate Services - \$1,523,272 Projected Favourable

Information Technology is reporting savings of \$901,971. The primary driver is due to savings from staff vacancies in the amount of \$389,438. Additional gapping savings of \$89,177 have been reallocated to Legislative and Legal Services and Communications and Customer Experience divisions to support contract extensions. Other variances include savings of \$250,000 in annual maintenance costs and \$200,000 in service agreements, resulting from delays in software acquisitions, lower-than-anticipated rates, and changes in renewal periods. Communication savings of \$152,000 are expected due to the deferred deployment of telephone and radio communication lines. An unbudgeted transfer to reserve of \$114,396 was to return grant funding related to Next Generation 9-1-1 - Phase 3 (NG911) provincial grant funding associated with expenditures that were deemed ineligible. To streamline administrative processes, the copies budget has been centralized under Information Technology, which manages copiers across the Town. This change results in a budget variance of \$85,726 within the division but has no net impact to the Town's overall financial position. Other miscellaneous savings are expected in areas such as professional development, contracts, and material & supplies.

Human Resources is reporting a surplus of \$35,892, primarily due to staff vacancies and savings in employee assistance program. Offsetting the full time staff vacancy savings are increased part time staffing costs of \$41,694 to support contract extensions, which are funded through capital projects resulting in no net impact to the Town.

The Legislative and Legal Services is forecasting a net deficit to budget of \$328,893, which is primarily related to a reduction of parking fine revenue of \$395,569 due to timing of revenue collection, and a shortfall of parking permit revenue of \$100,000 associated with the transitional neighbourhood parking strategy. These are partially offset by a net

2025 Operating Variance Commentary By Department

savings from staff vacancies of \$171,046. As presented in CORS-009-25 the fall 2025 By-election costs will be funded from the Councillor vacancy savings from the Mayor & Council department, with the balance funded from the Tax Stabilization Reserve. Other miscellaneous savings are expected in areas such as professional development and claims.

Communications and Customer Experience is reporting an unfavourable variance of \$6,550, primarily due to staffing contract extensions which are largely funded through gapping savings from the Information Technology division.

Transit is anticipating a favourable variance to budget of \$612,902. This is largely driven by developer revenues of \$561,709 associated with Subsidized Transit Pass Agreements, along with projected fuel savings of \$147,510. Commuter trends towards more in-office and hybrid work arrangements are resulting in increased GO Transit integration revenues and other municipal recoveries. However, the impact is being offset by Federal immigration policies and reduced post-secondary enrollment which is contributing to lower ridership compared to 2024. High demand associated with the SPLIT program is resulting in a net cost exceeding budget of \$20,000. Reallocated expenses are expected to be over budget by \$42,125 due to increased winter maintenance activity related to bus shelters which is managed by the Operations division.

Fire is projecting a surplus of \$307,950. Net staff savings of \$303,588 are expected, primarily due to vacancies and anticipated year-end accounting adjustments to vacation carry-over accruals. Fire call and false alarm revenue is anticipated to exceed budget by \$50,880. A radio audit conducted earlier this year resulted in a reduction of \$12,000 in contract costs. These favourable impacts are partially offset by increased program equipment costs of \$27,687 and an increase in transfer to reserve of \$38,537 to return grant funding related to NG911 expenditures that were deemed ineligible.

General Government - \$762,248 Projected Unfavourable

In 2025, the Town budgeted for savings from staff vacancies in the amount of \$1,125,000. 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 September 2025, the Town wide staff gapping savings identified were \$2,559,193. The budget of \$1,125,000 has been reached and additional savings in the amount of \$1,434,193 have been realized.

Costs associated with WSIB claims are tracked centrally within General Government. A deficit of \$886,996 is expected for 2025 due to the cost of claims received. In accordance with Town policy, funds may be transferred from the WSIB reserve at year end in order to manage the budget relative to actual levels of activity.

Within the area of taxation, penalties and interest on taxes receivable are expected to

2025 Operating Variance Commentary By Department

exceed budget by \$600,000. A further surplus of \$75,516 is anticipated in the final 2025 payments in lieu. These were partially offset by a shortfall to budget of \$23,375 in various taxation revenues. Supplementary taxes are projected to exceed budget by \$2.1 million which will be transferred to reserve in accordance with Town policy.

A surplus of \$449,747 is being reported related to the reversal of an Allowance for Bad Debts whereby the Town now has certainty that costs associated with watermain works on Pan Am Boulevard will be recovered from MEV landowners through future agreements.

Additional revenue of \$90,003 relates to the recognition of income for items that had previously been reflected in the Town's deferred revenue balance. The remaining variance is primarily related to an increase in building reallocated revenue of \$52,753 due to a change in the allocation methodology. This adjustment is cost-neutral at the Town-wide level.

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 \$4.1 million favourable to budget, with \$3.7 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.

An increased dividend for 2024 was declared by Milton Hydro Holdings and remitted to the Town in 2025 in the incremental amount of \$48,344. Furthermore, based on the most current projections from Milton Hydro, 2025 dividends are expected to be \$93,805 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.

Deferred timing of development activity is resulting in an expected deficit of \$5,122,872 in capital provision and per unit processing fees. This results in no impact to the Operating Budget bottom line however it will result in a lower balance transferred to reserve. The revenue delay has timing implications for the 10 year capital forecast which will be considered through future budgets.

Community Services - \$434,833 Projected Favourable

Recreation and Culture Facilities is projecting a favourable variance \$52,627. While emergency repairs and increasing costs of materials and supplies are expected to result in a negative variance to budget of \$376,744, it is expected to be more than offset by increased facility rental fees and concession revenues, savings in utilities due to the

2025 Operating Variance Commentary By Department

removal of the carbon tax and a savings in staffing costs due to vacancies and staff movement between divisions.

Administration and Civic Facilities is forecasting a surplus of \$630,208. This is largely due to reduced staffing costs of \$888,294, resulting from vacancies and the reallocation of staff positions between departments. Correspondingly, staff recoveries from the capital program have decreased by \$179,377 due to the staff vacancies. The remaining variances reflect increased costs in the areas of hydro, contracts and materials and supplies as well as savings in the areas of insurance and increased facility rental revenues.

Programs is reporting a surplus of \$546,432, largely due to additional revenue of \$258,261 resulting from increased registrations, particularly in the areas of fitness and aquatics. These revenues are partially offset by associated increases in transaction processing costs of \$35,000. Further contributing to the surplus are savings in staffing costs of \$239,824 largely due to staff vacancies and as well as savings in purchased services of \$57,027. Additional grant funding of \$45,749 is expected to be received which will more than offset a slight shortfall in fundraising and donation revenue of \$12,237.

Operations is expecting an overall deficit of \$935,679. Of this amount, \$845,373 relates to increase winter maintenance costs resulting from severe storms during the past winter, which brought record snowfall, prolonged blizzard conditions, and required extended response efforts. Emergency cross connection repairs have led to an increase in contract expenses of \$306,764. Increased outsourcing costs for fleet maintenance and repairs have resulted in an unfavourable variance of \$181,684. Park water costs are \$71,000 higher than expected due to dry summer weather. These pressures are partially offset by projected fuel savings of \$162,741 and increased recoveries from developers for winter maintenance of \$120,700, driven by new subdivision registrations and changes in the timing of assumptions for existing subdivisions. Additional revenue increases include \$132,327 from park rentals. A favourable variance of \$54,185 is also expected due to the insurance allocation.

Infrastructure Management is projecting a favourable variance to budget of \$141,245. This includes net savings of \$30,811 resulting from staff vacancies, and \$59,690 in increased developer recoveries for streetlight hydro and maintenance costs due to a shift in the timing of subdivision assumptions and the addition of new subdivisions not anticipated in the original budget. Contract savings of \$20,160 are anticipated, along with an increase in user fee revenue of \$30,409.

Development Services - \$1,819,281 Projected Favourable

Planning Services is expecting a surplus in the amount of \$1,833,035. This includes savings of \$358,259 due to staff vacancies and an increase in revenues of \$1,591,392, reflecting the timing of planning application activity. An increase in building reallocated expenses of \$152,439 is anticipated due to a change in the allocation methodology;

2025 Operating Variance Commentary By Department

however, this adjustment is cost-neutral at the Town-wide level. The remaining variance is attributed to an expected increase in other user fee revenues.

Within Building Services, a decrease in projected building permit revenues of \$3,934,219 is forecast for 2025, driven largely by a decrease in industrial, commercial and institutional applications and permit issuance through 2025 combined with a small decrease in residential units. However, this is partially offset by savings due to staff vacancies in the amount of \$647,483, along with savings of \$105,000 in overtime pay. The net impact will be offset by a decrease in transfers to the Building Stabilization Reserve resulting in no net impact to the Town's net operating budget.

Development Engineering is reporting a deficit of \$167,458. This is primarily related to increased costs of \$317,661 related to performing more work on undeveloped subdivisions than will be recovered through Engineering and Inspection Fees. An additional \$13,250 in consultant costs have also contributed to the variance. These pressures are partially offset by savings from staff vacancies of \$91,166 and contract savings of \$50,000. An increase in user fee revenue of \$19,978 further mitigates the overall impact.

Administration is projecting a favourable variance to budget of \$153,703, primarily driven by an increase in building reallocated revenue of \$155,852 due to a change in allocation methodology with no net impact Town-wide. The remaining variance is attributed to variances associated with insurance costs and the reallocation of the copies budget.

Library - \$150,498 Projected Favourable

Library Services is expecting a surplus of \$150,498, largely due to savings of \$132,889 from staff vacancies with remainder due to fundraising and donations exceeding budget by \$14,077 and other miscellaneous variances.

Hospital - No Projected Net Variances

BIA - \$23,105 Projected Favourable

The BIA is projecting a favourable variance primarily due to additional fundraising and donation revenues of \$17,497, savings of \$4,000 in part-time staffing costs and \$2,000 in charities rebates.

Appendix 3 – ES-046-25

Investment Portfolio Holdings and Limitations

Authorized Investments and Limitations and Cash Balance as of Sep 30 2025											
Category / Sector ⁽¹⁾	Remaining Term			Total	% of Portfolio	Portfolio Maximum	Individual Maximum ⁽²⁾	Port Min	Term Limitation (Years)	Minimum DBRS Rating ⁽³⁾	
	Less than 1 Year	1 to 5 Years	5 to 10 Years							Short-term	Long-Term
Cash	\$177.67	-	-	\$177.67	36%						
Federal and Federal Guaranteed⁽⁴⁾	\$0.00	-	\$1.98	\$1.98	0%	100%	100%		20	N/A	A (low)
Provincial and Provincial Guaranteed⁽⁴⁾											
Alberta	\$2.02	\$3.14	\$6.02	\$11.18	2%		20%				
British Columbia	-	-	\$6.53	\$6.53	1%		20%				
Manitoba	-	\$3.45	\$17.27	\$20.72	4%		20%				
New Brunswick	-	-	\$5.06	\$5.06	1%		20%				
Ontario	-	\$2.44	\$15.94	\$18.38	4%		20%		15	R-1 (low)	A (low)
Prince Edward Island	-	-	\$0.99	\$0.99	0%		20%				
Quebec	-	-	\$25.68	\$25.68	5%		20%				
Saskatchewan	-	\$1.03	-	\$1.03	0%		20%				
Provincial and Provincial Guaranteed Sub-total	\$2.02	\$10.06	\$77.50	\$89.58	18.2%	100%		10%			
Municipal and Municipal Guaranteed											
BC Municipal Finance Authority	-	\$3.10	\$5.40	\$8.50	2%		10%				
City of Toronto	-	\$0.99	\$3.81	\$4.80	1%		10%				
Regional Municipality of York	\$5.24	\$3.28	\$4.27	\$12.79	3%		10%				
Regional Municipality of Peel	-	\$1.02	-	\$1.02	0%		10%				
Laval	-	-	\$2.95	\$2.95	1%		10%				
City of Montreal	\$1.50	\$4.38	\$8.21	\$14.09	3%		10%				
Quebec City	-	-	\$4.81	\$4.81	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	-	\$1.03	-	\$1.03	0%		10%				
Municipal and Municipal Guaranteed Sub-total	\$6.73	\$15.30	\$36.48	\$58.51	12%	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)											
Bank of Montreal	-	\$7.00	\$22.31	\$29.31	6%		20%				
Bank of Nova Scotia (The)	\$5.00	\$16.71	\$24.74	\$46.44	9%		20%				
Canadian Imperial Bank of Commerce	-	\$10.00	\$2.99	\$12.99	3%		20%				
Royal Bank of Canada	\$1.98	\$18.99	-	\$20.98	4%		20%				
Toronto-Dominion Bank (The)	-	\$14.23	\$3.99	\$18.22	4%		20%				
Schedule I Bank (Six Majors) Sub-total	\$6.98	\$66.93	\$54.03	\$127.94	26%	60%					
Other Sch I, Sch II, Trust Loan, Credit Union											
First Ontario	\$15.90	-	-	\$15.90	3.2%		10%				
Meridian	\$12.00	-	-	\$12.00	2.4%		10%				
Other Sch I/Sch II/Trust/Credit Union Sub-total	\$27.90	\$0.00	\$0.00	\$27.90	6%	20%			2	R-1 (low)	A(low) ⁽⁸⁾
Financial Institution Sub-total⁽⁷⁾	\$34.88	\$66.93	\$54.03	\$155.84	32%	60%					
ONE Investment Program⁽⁹⁾											
Canadian Equity Portfolio	-	-	\$7.78	\$7.78	2%		10%		N/A	N/A	N/A
ONE Investment Program⁽⁹⁾	\$0.00	\$0.00	\$7.78	\$7.78	2%	25%					
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	\$221.30	\$92.29	\$177.77	\$491.36	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:

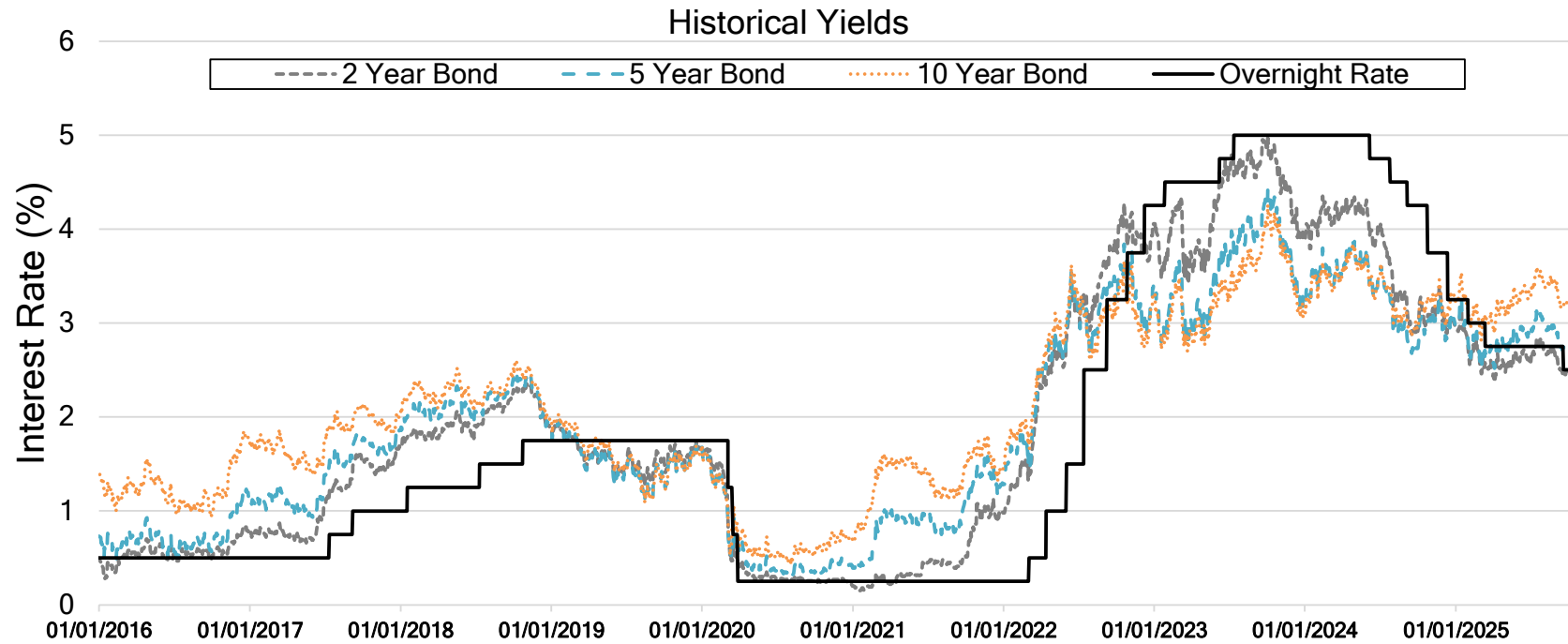
- i) Aggregate holdings of the Six major Schedule I Banks shall not exceed 60% of the total portfolio; and
- ii) Aggregate holdings of Schedule II & Other Schedule I Banks not listed above and Trust Loan / Credit Union's shall not exceed 20% of the total portfolio.

(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. The Canadian Equity Portfolio is reported at market value at month end.

Appendix 4 - ES-046-25

Interest Rates and Bond Yields



Note: 2, 5 and 10 year yields represent Government of Canada Benchmark bonds per Bank of Canada (<https://www.bankofcanada.ca/rates/interest-rates/lookup-bond-yields/>). Overnight Rate per the Bank of Canada (<http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>)

Appendix 5 - ES-046-25
Reserve and Reserve Fund Balances

Reserves and Reserve Funds (\$000s)	As at Dec 31, 2024	As at Sep 30, 2025	Forecasted Dec 31, 2025	Surplus/ (Deficit) to Budget
Stabilization				
Tax Rate Stabilization	\$7,350	6,226	\$6,148	\$1,468
Severe Weather	2,563	2,563	2,563	500
Building Rate Stabilization	14,356	14,257	16,112	(3,414)
Subtotal	\$24,269	\$23,046	\$24,823	\$(1,446)
Corporate Use Reserves				
Insurance and Legal Matters	\$7,143	\$7,459	\$7,086	\$(585)
Per Unit Development Processing Fee	2,683	2,846	3,081	(990)
WSIB	5,375	5,213	5,071	(617)
Subtotal	\$15,200	\$15,517	\$15,237	\$(2,192)
Infrastructure Non Growth				
Infrastructure Renewal - Roads & Structures	\$56,132	\$53,773	\$56,818	\$6,179
Infrastructure Renewal - Stormwater	6,504	7,195	7,195	3,000
Infrastructure Renewal - Recreation, Facilities, Other	15,212	13,532	19,333	5,284
Information Technology	1,493	1,578	1,584	1,035
Studies and Other Non Growth Capital	1,202	743	1,116	(55)
Vehicles and Equipment Replacement	9,923	8,601	8,654	3,452
Canada Community-Building Fund	7,109	8,792	7,320	3,066
Ontario Lottery Corporation Proceeds	8,252	4,560	9,509	3,193
Project Variance Reserve	0	8,155	8,157	8,157
Subtotal	\$105,827	\$106,929	\$119,687	\$33,310
Infrastructure Growth				
Growth Capital - Other	\$4,418	\$3,930	\$6,280	\$4,213
Capital Provision	5,600	6,644	8,017	(5,703)
Payment-in-Lieu of Land Conveyance	27,194	27,385	28,815	225
Cash-in-lieu of Parking	371	371	214	12
Development Charges (Note 1)	85,874	110,259	97,805	21,511
Post Period Capacity	(448)	(561)	(1,987)	4,601
Subtotal	\$123,010	\$148,028	\$139,144	\$24,858
Program Specific				
Property Transactions	\$14,137	\$14,517	\$15,029	\$237
Provincial Gas Tax	1,893	1,518	1,906	5
Election	488	651	651	0
Aggregate Permit Fees	179	179	180	0
Seniors' Fundraising	76	76	76	0
Arts Programming	29	29	29	16
Mayor's Legacy Fund	104	104	107	1
Subtotal	\$16,906	\$17,074	\$17,977	\$259
Board, Committee & Other				
Library Tax Rate Stabilization	\$762	\$762	\$762	\$221
Library Capital Infrastructure	1,092	1,448	1,448	576
DBIA Surplus	396	373	373	117
Provincial Government Transfer	4,978	7,497	3,982	3,982
Federal Government Transfer	5,384	10,553	5,036	(733)
Subtotal	\$12,611	\$20,633	\$11,601	\$4,162
Total Reserve and Reserve Funds	\$297,824	\$331,229	\$328,469	\$58,952

Note 1: Includes Development Charge Exemptions and the \$33.9 million in Cash Flow Assistance that will be repaid in 2028 and is currently on the Town's Balance Sheet as a Liability.