



REPORT

Council

Meeting Date: June 19, 2023

FROM: Finance Department

DATE: June 6, 2023

SUBJECT: **March 31, 2023 Financial Results**

LOCATION:

WARD: Town-wide

Page 1

RECOMMENDATION:

1. That the information contained in the staff report dated June 6, 2023, entitled *March 31, 2023 Financial Results* from the Finance department, be received.
2. That the 2023 capital budget be amended to add \$200,000 to project 63102202 Midtown Implementation funded from the Capital Reserve.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The Financial Results report presents the town's financial activities from January 1, 2023 to March 31, 2023.
- The total projected town variance after reserve transfers is \$2.01 million favourable or 0.8% of the tax levy.
- Total capital expenditures of \$77.4 million have been incurred year to date.
- A total of 33 capital projects have been identified for closure this period resulting in \$1.9 million being returned to reserves and reserve funds.
- A total of 24 tendered contracts and 9 single source awards in excess of \$100,000 were awarded during this period.
- Inflation has been easing since the summer of 2022. June 2022 headline inflation hit 8.1% year over year, and the most recent reading for April 2023 was 4.4%. Capital project budgets have been under significant pressure due to the rising cost of construction, indicated by the non-residential Construction Price Index increase of 12.3% year over year in Q1 2023, which amounts to a total of 32% increase over the last two years. Rising costs have proved challenging for capital projects that are at the procurement stage, as supply chain and commodity volatility continue to have had a major impact on pricing.

BACKGROUND:

This report provides an update regarding the town's financial activities from January 1, 2023 to March 31, 2023 and covers all financial matters including operating budget, capital budget, reserve and reserve fund balances, investment and trust funds, and purchasing activities.

COMMENT/OPTIONS:**OPERATING BUDGET**

Based on the results for this period, the total projected town variance after policy related and recommended reserve transfers is \$2.01 million favourable or 0.8% of the tax levy.

\$ Millions	2023	2023	2023	2023
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
Emergency Services	43.20	9.44	42.80	0.40
Road Network	29.83	12.81	29.57	0.26
Oakville Transit	33.72	7.39	32.21	1.51
Recreation and Culture	21.05	2.21	20.50	0.55
Parks and Open Spaces (incl. Cemetery and Harbours)	21.90	2.83	21.90	0.00
Oakville Public Library	11.65	3.16	11.44	0.21
Community Development	4.36	0.62	3.50	0.86
Political Governance	4.20	1.13	4.18	0.02
Municipal Enforcement (incl. Parking)	2.41	0.42	2.07	0.34
Corporate Support Services	36.05	7.93	34.80	1.24
Total Program Variance	\$ 208.37	\$ 47.94	\$ 202.98	\$ 5.38
Corporate Hearings & Litigation	0.50	(0.04)	0.50	0.00
Corporate Revenue & Expenses	(208.87)	(302.08)	(205.76)	(3.10)
Town Variance before transfers	\$ -	\$ (254.18)	\$ (2.28)	\$ 2.28
Policy Related and Recommended Transfers for Programs:				
Transfer (to)/from Building Enterprise Reserve				(0.24)
Transfer (to)/from Parking Reserve fund				(0.02)
Total Town Variance after transfers				\$ 2.01

Note: Totals and subtotals in this and subsequent charts and tables may not add exactly due to rounding.

As shown above, the total projected Program variance is \$5.38 million favourable primarily due to personnel savings for various vacancies and higher Transit revenues due to higher ridership figures.

Corporate Revenue & Expenses includes \$3.21 million in budgeted Tax Stabilization funding as an interim measure to offset the Transit net revenue impact given the slower recovery of ridership that was anticipated during the 2023 budget process. Given that Transit ridership and revenue are projected to be higher than budgeted along with surpluses projected in various programs primarily due to personnel savings, \$2.41 million in less Tax Stabilization funding is projected to be required which contributes to the unfavourable variance shown in Corporate Revenue & Expenses.

Corporate Revenue & Expenses also includes revenue budgeted for the Automated Speed Enforcement (ASE) program. As outlined in the staff report entitled *Neighbourhood Traffic Safety Program - 2022 Annual Update* that went to Council on February 27, 2023, staff anticipate that the cameras for the ASE program will be activated in the third quarter of 2023. This delay in activation contributes \$0.70 million to the unfavourable variance projected in Corporate Revenue & Expenses. It should be noted that the corresponding expenses related to the ASE program were budgeted in Municipal Enforcement and Infrastructure Planning and \$0.70 million in savings associated with these expenses are also included in the year-end projections.

The total Program variance combined with Corporate Hearings & Litigations and Corporate Revenues & Expenses shows a total town variance before transfers of \$2.28 million favourable.

Legislation requires any surplus/shortfall generated from building permit revenues to be transferred to/from the Building Enterprise Reserve. A transfer of \$0.24 million to the Building Enterprise Reserve is projected. Town policy is to balance any surplus/deficit for Cemeteries, Harbours, Parking, and Election to their own program specific reserves. Cemeteries, Harbours and Election are projected to be on budget at this time while Parking is projecting a minor surplus which is recommended to be transferred to the Parking Reserve Fund.

After all policy related and recommended transfers, the total projected town variance after transfers is \$2.01 million favourable representing 0.8% of the tax levy.

Program Variance – by revenue/expense type

The total projected program variance is \$5.38 million favourable and the most significant variances to budget by expense and revenue type are discussed below.

\$ Millions	2023	2023	2023	2023
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	183.98	37.85	179.52	4.46
Materials & Supplies	27.33	7.61	27.35	(0.02)
Capital out of Operations	0.34	0.08	0.36	(0.01)
Purchased Services	44.49	18.98	44.96	(0.47)
Payments & Grants	6.27	1.80	6.32	(0.05)
Internal Expenses & Transfers	43.95	4.99	43.95	0.01
Total EXPENSES	\$ 306.36	\$ 71.31	\$ 302.45	\$ 3.90
REVENUES				
External Revenues	(71.53)	(17.95)	(72.86)	1.33
Internal Recovery & Fund Transfers	(26.46)	(5.42)	(26.61)	0.15
Total REVENUES	\$ (97.99)	\$ (23.37)	\$ (99.47)	\$ 1.48
Total Programs	\$ 208.37	\$ 47.94	\$ 202.98	\$ 5.38

Personnel Services & Benefits - \$4.46 million favourable. The projected savings are higher than normal primarily due to vacancies in various programs as well as positions which result in savings.

While we continue to experience some areas of increased challenge in attracting talent due to the demand for skilled workers is much greater than the supply, we are noticing a trend towards stabilization. The town's reliance on contract positions to address capital project and supplemental staffing needs continues to be significantly disrupted given readily available permanent positions elsewhere. Additionally, this is compounded by an increase in our full-time staff taking time off for various leaves including sick leaves, some of which are related to delays in surgeries or referrals to specialist or mental health issues coming out of the pandemic, and legislative leaves (maternity, parental, family caregiver, etc.).

Part-time positions also continue to be a challenge to fill but is improving over last year. Turnover is trending downward, however, all these factors combined have contributed to the Q1 project gapping which notably is the lowest it has been since 2020. Pre-COVID gapping was typically between \$0.6 million and \$1.0 million annually but with increased competition in the labour market, a higher 'new normal' is expected for the foreseeable future. Mitigation efforts including marketing and branding initiatives to support a more active recruitment strategy as well as increased staffing resources to keep up with recruitment administration and outreach are ongoing in 2023.

Purchased Services - \$0.47 million unfavourable. This is primarily attributed to the rising costs of contracted services. Staff continue to closely monitor the costs associated with contracted services and look for opportunities to mitigate the impact on the budget by engaging in contract negotiations with vendors and considering different ways of delivering the same levels of service where feasible.

External Revenue - \$1.33 million favourable. This is primarily attributed to higher Transit revenue due to higher ridership figures observed in the first quarter and projected to continue for the rest of the year. The 2023 budget assumed ridership figures to be 65% of pre-COVID levels while the actual ridership projected for the year based on the first quarter figures is 85% of pre-COVID levels. It should be noted that the revenue generating ridership, not including ridership for the free-ride program, represents 75% of these figures. Staff will continue to monitor Transit ridership and report back in the next quarterly report.

Program Variance – by program

The most significant variances to budget by program area are discussed below. Appendix A provides more detail of the projected variance by program area.

Oakville Transit - \$1.51 million favourable

The projected variance shown below is primarily due to higher fare revenue as ridership in the first quarter was higher than budgeted and is projected to continue for the rest of the year.

\$ Millions	2023	2023	2023	2023
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	23.40	4.82	23.34	0.06
Materials & Supplies	7.08	1.84	7.08	(0.00)
Capital out of Operations	0.01	0.00	0.01	(0.00)
Purchased Services	4.74	1.49	4.66	0.08
Payments & Grants	0.95	0.14	1.10	(0.15)
Internal Expenses & Transfers	5.19	0.00	5.19	(0.00)
Total EXPENSES	\$ 41.37	\$ 8.29	\$ 41.38	\$ (0.01)
REVENUES				
External Revenues	(4.91)	(0.89)	(6.43)	1.52
Internal Recovery & Fund Transfers	(2.74)	(0.02)	(2.74)	0.00
Total REVENUES	\$ (7.65)	\$ (0.90)	\$ (9.17)	\$ 1.52
Total Oakville Transit	\$ 33.72	\$ 7.39	\$ 32.21	\$ 1.51

Corporate Support Services - \$1.24 million favourable

The projected variance shown below is primarily due to personnel savings for various vacancies as the town continues to look to fill vacant positions.

\$ Millions	2023	2023	2023	2023
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	30.65	6.42	29.18	1.47
Materials & Supplies	1.17	0.45	1.17	(0.00)
Capital out of Operations	0.04	0.00	0.04	(0.00)
Purchased Services	10.11	2.89	10.17	(0.06)
Payments & Grants	0.70	0.17	0.71	(0.01)
Internal Expenses & Transfers	0.60	0.10	0.60	(0.00)
Total EXPENSES	\$ 43.28	\$ 10.05	\$ 41.88	\$ 1.40
REVENUES				
External Revenues	(2.51)	(0.63)	(2.54)	0.03
Internal Recovery & Fund Transfers	(4.72)	(1.49)	(4.54)	(0.18)
Total REVENUES	\$ (7.23)	\$ (2.11)	\$ (7.08)	\$ (0.15)
Total Corporate Support Services	\$ 36.05	\$ 7.93	\$ 34.80	\$ 1.24

Community Development - \$0.86 million favourable

The projected variance shown below is primarily due to personnel savings for various vacancies as the town continues to look to fill vacant positions.

\$ Millions	2023	2023	2023	2023
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	15.13	3.15	14.54	0.59
Materials & Supplies	0.08	0.01	0.08	(0.00)
Capital out of Operations	0.01	-	0.01	-
Purchased Services	0.56	0.16	0.57	(0.00)
Payments & Grants	0.14	0.01	0.14	0.00
Internal Expenses & Transfers	13.08	1.97	13.08	0.00
Total EXPENSES	\$ 29.01	\$ 5.29	\$ 28.42	\$ 0.58
REVENUES				
External Revenues	(22.49)	(4.17)	(22.70)	0.21
Internal Recovery & Fund Transfers	(2.16)	(0.50)	(2.22)	0.06
Total REVENUES	\$ (24.65)	\$ (4.67)	\$ (24.92)	\$ 0.27
Total Community Development	\$ 4.36	\$ 0.62	\$ 3.50	\$ 0.86

Recreation and Culture - \$0.55 million favourable

The projected variance shown below is primarily due to personnel savings for various vacancies as the town continues to look to fill vacant positions. This is partially offset by slightly lower revenues due to lower registrations in hockey leagues and slower uptake of fitness memberships.

\$ Millions	2023	2023	2023	2023
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	25.98	4.80	25.14	0.85
Materials & Supplies	5.32	1.25	5.29	0.02
Capital out of Operations	-	0.01	0.01	(0.01)
Purchased Services	5.43	1.46	5.37	0.06
Payments & Grants	1.55	0.50	1.58	(0.03)
Internal Expenses & Transfers	4.73	0.12	4.73	(0.00)
Total EXPENSES	\$ 43.01	\$ 8.13	\$ 42.12	\$ 0.89
REVENUES				
External Revenues	(21.24)	(5.86)	(20.90)	(0.35)
Internal Recovery & Fund Transfers	(0.72)	(0.06)	(0.72)	-
Total REVENUES	\$ (21.96)	\$ (5.93)	\$ (21.61)	\$ (0.35)
Total Recreation and Culture	\$ 21.05	\$ 2.21	\$ 20.50	\$ 0.55

CAPITAL BUDGET

The total cumulative approved capital budget for active projects is \$820.9 million. Year to date, total expenditures of \$77.4 million have been incurred, bringing the total life-to-date or cumulative spending in active projects to \$379.6 million. Appendix B shows more information on total approved budget and expenditures by program. Some of the major projects underway with spending this year are shown below.

Capital Project	LTD Approved Budget	2023 Expenditures and Commitments	Total LTD Expenditures (incl. Prior Years)
52212102 Sixteen Mile Sports Park - South Parcel	15,606,000	14,049,345	15,242,937
53312202 Lakeshore Rd Improvements w/AT - Mississauga St to Dorval Dr - Design	5,083,000	4,092,335	4,147,635
43302203 Emergency Response Vehicles & Equipment	3,920,000	3,903,669	3,911,669
53311006 Sixth Line Urbanization and Widening w/AT - North Park to William Halton Parkway	35,812,700	3,288,088	16,262,732
53332101 Road Resurfacing and Preservation Program	15,995,000	2,586,205	14,587,853
54412201 Major Vehicle Refurbishment	1,917,000	1,905,110	1,911,110
52272309 EAB Management Program	1,847,000	1,505,349	1,505,349
Total	\$ 80,180,700	\$ 31,330,100	\$ 57,569,284

Capital Budget Request

Town retained a consultant consortia to provide overall project coordination and deliver all the necessary studies or assignments for the implementation of Midtown and be ready for development. At the May 23, 2023 Special Council Public meeting “Town-initiated Official Plan Amendment – Midtown Oakville Urban Growth Centre”, Council provided direction that the Midtown draft OPA be reviewed by Committee of the Whole. External subject matter experts are required to assist staff in the review on a variety of topics including development density, planning, urban design and public realm, transportation, infrastructure and climate change initiatives. The consultant consortia retained for the Midtown Implementation Program provides the necessary expertise in all the required disciplines to work alongside staff to complete the Midtown OPA. Staff recommend that the 2023 capital budget be amended to add \$200,000 to project 63102202 Midtown Implementation to include the additional OPA finalization consultant support assignment to be funded from the Capital Reserve. Staff is working with Region of Halton regarding cost recovery for their portion of the implementation plan and will be reflected in the 2024 budget.

Capital Budget Transfers and Closures

In accordance with the Financial Control Policy, Commissioners are authorized to approve the transfer of funds between projects for any project where the costs exceed budget by the lesser of 10% or \$200,000. The following transfers were approved by Commissioners.

Project	Transfer To/ (From)
52242009 Postridge Park Playground and Splash Pad Rehab	20,000
52262204 Pathway Rehabilitation	(20,000)

In addition, the CAO has authority to authorize funds from reserves, reserve funds or other appropriate sources up to \$350,000 provided the expenditures are within the original scope of the project. The following required funding was approved by the CAO in this period.

Project No.	Project Title	Total Approved	Reserve, Reserve Fund or Other Financing Source	Note
54412301	On-Demand Supervisor Vehicle	\$ 55,000	23% DC funded; 77% Capital Reserve funded	Since originally budgeted, the requirement has changed to have the supplied vehicle fully AODA compliant (accessible to facilitate the transportation of ambulatory riders and persons with physical disabilities). Rising costs associated with both raw materials supply and manufacturing costs of these custom vehicles have also contributed to the additional funding needed.
54412304	Supervisory Vehicle Replacement	\$ 55,000	Transit Equipment Reserve	This asset has reached its useful life and extending this asset's lifecycle will lead to significant increases in operating costs as the model of the existing vehicle (MV-1) is no longer produced making it very challenging to maintain and source components for. Additional funding is needed to replace the asset with a model from a different manufacturer with costs having escalated significantly for raw materials supply and manufacturing costs.
52902207	BOH - Fuel Pump replacement	\$ 70,000	Harbours Reserve	The Bronte Outer Harbour fuel system requires replacement fuel dispensers as the current units are at the end of their life cycle. Once a major component is in need of replacement, the entire system is required to be compliant to TSSA standards and the Liquid Fuels Handling Code (2017). The increase in tender prices can be attributed to a 30% increase in fuel products and components since the project was originally budget. Additional costs in labour and material have also impacted the lowest bid.

As part of our ongoing capital project management, staff review the status of all active projects each quarter to ensure that as projects are completed and an asset goes into service the projects are closed. As a result of the review this period, a total of 33 projects will be closed. These closures represent a net surplus of \$2.0 million. \$1.78 million will be returned to town capital and equipment reserves and \$89 thousand will be returned to development charge and program specific reserve funds. There was \$28 thousand in higher than anticipated external recoveries and grants. Appendix C provides more details of the project closures by program.

	Project Budget vs Actual			Impact on Reserves (in \$1,000s) (Positive = surplus, negative = add'l funds required/received)			External Revenues
	TOTAL APPROVED BUDGET	TOTAL ACTUAL EXPENSES	PROJECT LIFE VARIANCE	Town Capital & Equipment Reserves	Dev. Charge & Prog. Specific Reserve Funds	Total to/(from) Reserves	
Net Impact	\$ 21,894.4	\$ 20,057.4	\$ 1,837.0	\$ 1,776.3	\$ 88.8	\$ 1,865.1	\$ (28.1)

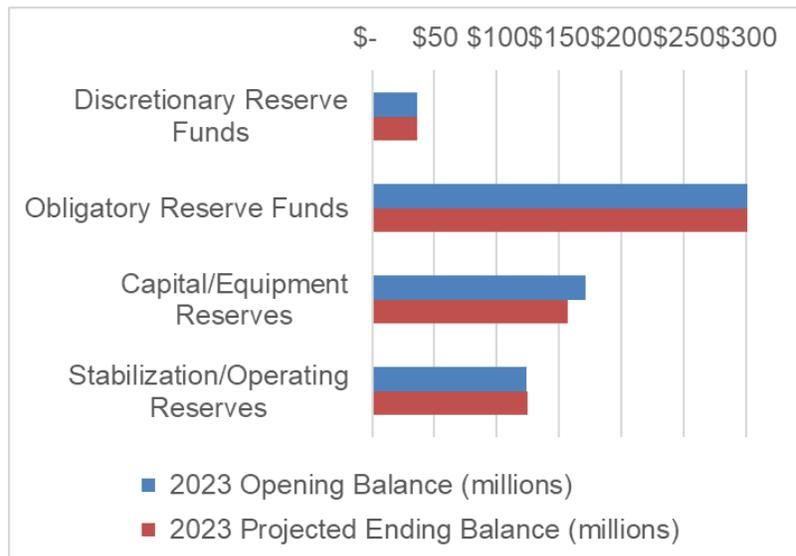
Two projects being closed exceed budget more than 10%; as the amounts are less than \$350,000 the CAO has the authority to approve the required funding to close these projects in accordance with town policy.

PROJECT TITLE	TOTAL APPROVED BUDGET	TOTAL ACTUAL EXPENSES	PROJECT SHORTFALL/ FUNDING REQUIRED	%	EXPLANATION
52902208 Annual Dockage/Property	\$20,000	\$26,665	(\$6,665)	33%	Harbours reserve fund will cover shortfall
52282001 Parks Facilities Repairs	\$298,100	\$356,107	(\$58,007)	19%	Capital reserve will cover shortfall

RESERVES, RESERVE FUNDS AND TRUST FUNDS

Reserve and reserve funds are an integral part of the municipal budget planning process and long-term financing plan that contributes to the municipality's sound financial position. Reserve Funds are established by Council for a specific purpose, and include funds that have been set aside in accordance with legislative requirements or at the discretion of Council. As such, the town has both obligatory reserve funds and discretionary reserve funds. Capital and Equipment reserves form an important component of the town's long-term capital financing plan and are used to finance maintenance and replacement of existing infrastructure to maintain assets in a state of good repair, provide for community enhancements as well as fund the town's share of new infrastructure to service the growing community. Stabilization and Operating reserves are used to offset extraordinary and unforeseen expenditure requirements, one-time expenditures, cyclical expenses, revenue shortfalls and help to minimize fluctuations in the tax levy. Trust funds are held by the town for the benefit of other agencies or entities in accordance with specific statutes or trust indenture.

The 2023 opening balances and 2023 projected ending balances are shown below with further details of individual reserve and reserve funds in Appendix D.



*Note: Obligatory reserve balances do not include approved funding for capital projects not transferred yet as funds can only be transferred to projects as spending occurs.

Reserves

Stabilization and Operating reserves are healthy and expected to remain relatively stable over the course of the year. Capital related reserves are expected to decrease during the year, as capital expenditures are projected to be higher than transfers to these reserves due to major projects such as Khalsa Gate Urbanization and Streetscape with active transportation, Capital Lease for Charging Infrastructure, and Sixteen Mile Sports Complex and Library.

Reserve Funds

Obligatory Reserve Funds, which include Development Charges, cash in lieu of Parkland, Community Benefits Charge, provincial Gas Tax and the Canada Community-Building Fund, are expected to increase from \$321.4 million to \$373.7 million, as expected revenue exceeds current year capital needs. Legislation for these reserve funds requires that funding only be transferred to capital projects once spending has been incurred; therefore, it is important to note that the fully committed balance, when considering all approved funding, is projected to be \$215.5 million at year end. Discretionary Reserve funds are expected to remain stable throughout the year.

Trust Funds

Funds segregated and held in trust in accordance with the specific terms of a statute or trust indenture total \$6.9 million at March 31, 2023 as detailed in the following table. Interest and investment earnings are allocated based on proportionate balance at year end in accordance with policy and procedures.

2023 Trust Funds				
(\$ Thousands)				
Trust Fund	2022 Ending Balance	2023 Activity		Balance at 3/31/2023
		Contributions	Transfers	
Cemetery Marker Care	382.3	2.0	-	384.3
Cemetery Perpetual Care	6,161.6	48.0	-	6,209.6
Library - Halton Information Providers	134.2	-	-	134.2
Burloak Canoe Club	37.4	-	-	37.4
Bronte Harbour Yacht Club	24.3	-	-	24.3
Oakville Power Boat Club	15.4	2.0	-	17.4
Bronte Community Tennis Club	24.6	-	-	24.6
Oakville Rugby Club	12.7	3.0	-	15.7
Oakville Yacht Squadron	8.5	2.0	-	10.5
Total	6,800.9	57.0	-	6,857.9

PURCHASING

In accordance with the town's Purchasing By-law 2017-095, a summary of the competitive bids, contract renewals and sole source awards in excess of \$100,000 are reported to Council quarterly. Appendix E provides details of the awards and contract renewals in excess of \$100,000 for this quarter.

CASH MANAGEMENT and INVESTMENTS

Cash flows are managed to ensure the funding requirements of the town are met while providing for a reasonable rate of return on invested funds not needed in current operations. The investment strategy follows a conservative approach in order to mitigate term and interest rate risk by maintaining a portfolio structure of high-quality, medium-term investments. For the period ended March 31, 2023, gross investment revenue from realized interest income and capital gains/losses, net of amortized premiums/discounts, was \$7.9 million, on a portfolio of cash and investments totaling \$895 million (book value). The annualized rate of return based on average cash and investment holdings was 3.60%, with an average maturity of 5.1 years.

Bank interest and investment earnings increased dramatically in 2022. The Bank of Canada (BOC) aggressively tightened monetary policy in response to increased heightened inflation raising the key interest rate by 4.25% since March 2022, from

the effective lower bound of 0.25% to 4.50%. Along with a corresponding increase to the town's bank rate, fixed income yields have risen as a result of inflationary expectations. While inflation has begun to ease, it is not happening as fast as expected, and longer term yields indicate continued expectations for higher inflation. Appendix F provides details on the components of the town's investment portfolio.

Inflation Outlook

There has been a lagging effect of higher interest rates on inflation; however, inflation has been easing since the summer of 2022. June 2022 headline inflation hit 8.1% year over year, and the most recent reading for April was 4.4%. This was a slight uptick from the March reading of 4.3%, largely due to gasoline prices. The BOC is expected to hold interest rates as is, and allow higher interest rates to weigh on economic growth. Capital project budgets have been under significant pressure due to the rising cost of construction, indicated by the non-residential Construction Price Index increase of 12.3% year over year in Q1 2023, which amounts to a total 32% increase over the last two years. These increases have proved challenging for capital projects that are at the procurement stage, as supply chain and commodity volatility have had a major impact on pricing.

Debt

Debt financing complements the funding of capital works and is generally used for specific initiatives. Issuance of town debt is through Halton Region in compliance with provincial legislation.

Following approval of the 2023 Capital Budget, there is \$50.7 million in outstanding approved debt not yet issued. Debt issuance is based on timing of the capital project spending, and when Halton Region plans to go to the market.

Total principal outstanding at the beginning of the year was \$103.9 million, and subject to potential new issuance, will lower to \$98.5 million at year end. The town is in a strong financial position with total debt charges for the year at 3.1% of net own source revenue. When considering approved debt that is not yet issued, debt charges could rise to 5.5% of net own source revenue, which remains well within town policy of 12% and the Ministry limit of 25%. Further details are provided in Appendix G.

Development Related Securities

Securities are required to ensure performance to town standards of development related work done by third parties. Staff monitor the progress of the various projects to ensure that adequate security is held by the town relative to the value of the outstanding work, and releases of securities are contingent on satisfactory

inspection. Securities are generally held for site plan and subdivision related residential and non-residential development as well as specific property related works. As of March 31, the town held \$183 million in securities, which has increased from \$169.3 million in Q1 2022. \$148.7 million, or 81%, are secured by letters of credit and the remainder is cash.

CONSIDERATIONS:

(A) PUBLIC

This report provides information to the public regarding the town's financial performance. No specific groups have been notified directly regarding this report.

(B) FINANCIAL

This report and the information contained therein are in compliance with the town's financial policies.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Financial results have been estimated and reflected in consultation with the other departments

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

- Reporting on the town's financial results is a key component of being an Accountable Government

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

- Appendix A – Operating Budget Variance Results
- Appendix B – Capital Project Summary by Commission and Department
- Appendix C – Summary of Capital Closures
- Appendix D – Reserves and Reserve Funds
- Appendix E – Purchasing Awards in excess of \$100,000
- Appendix F – Investment Portfolio
- Appendix G – Outstanding Debt
- Appendix H – Municipal Act Reporting Requirements Report

Prepared by:

Dalibor Stancovici
Manager of Financial Planning & Policy

Matt Day
Manager of Development Financing & Investments

Recommended by:
Jonathan van der Heiden
Deputy Treasurer and Director of Finance

Submitted by:
Nancy Sully
Commissioner of Corporate Services and Treasurer