



REPORT

Council

Meeting Date: June 23, 2025

FROM: Finance Department

DATE: June 10, 2025

SUBJECT: **March 31, 2025 Financial Results**

LOCATION:

WARD: Town-wide

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RECOMMENDATION:

1. That the information contained in the staff report dated June 10, 2025, entitled *March 31, 2025 Financial Results* from the Finance Department, be received.
2. That the 2025 capital budget be amended to add a new project with a budget of \$905,000 funded from the Capital Reserve for repairs of creek bank failure along 16 Mile Creek in Hogs Back Park.

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, 2025 to March 31, 2025.
- The Town is projecting a net surplus of \$0.11 million, which will be transferred to applicable reserves and reserve funds as per Town policy. After all policy related and recommended transfers, the net town position is projecting to be on budget.
- Total capital expenditures of \$179.1 million have been incurred year to date.
- A total of 37 capital projects have been identified for closure this period resulting in \$1.72 million being returned to reserves and reserve funds.
- A total of 16 tendered contracts and 9 single source awards in excess of \$100,000 were awarded during this period.
- The economy has slowed and inflation is on the rise in 2025 due to ongoing uncertainty and impacts from the trade war. Although April inflation came in at 1.7%, inflation measures that control for the removal of the carbon tax surprised on the upside at just above 3%, the fastest pace in a year.

BACKGROUND:

This report provides an update regarding the town's financial activities from January 1, 2025 to March 31, 2025 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**

The town is projecting to be on budget after all policy related and recommended reserve transfers.

\$ Millions	2025	2025	2025	2025
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
Emergency Services	51.05	10.79	50.95	0.10
Road Network	33.69	11.10	33.70	(0.01)
Oakville Transit	40.51	10.97	40.37	0.14
Recreation and Culture	22.84	4.32	23.13	(0.29)
Parks and Open Spaces (incl. Cemetery and Harbours)	26.77	4.27	26.72	0.05
Oakville Public Library	13.16	3.12	12.75	0.41
Community Development	4.95	0.57	4.19	0.75
Political Governance	4.47	1.16	4.44	0.03
Municipal Enforcement (incl. Parking)	2.24	(0.07)	1.86	0.37
Corporate Support Services	45.23	8.70	43.73	1.50
Total Program Variance	\$ 244.90	\$ 54.93	\$ 241.84	\$ 3.06
Corporate Hearings & Litigation	0.50	0.22	0.97	(0.47)
Corporate Revenue & Expenses	(245.40)	(144.81)	(242.92)	(2.48)
Town Variance before transfers	\$ -	\$ (89.66)	\$ (0.11)	\$ 0.11
Policy Related and Recommended Transfers for Programs:				
Transfer (to)/from Building Enterprise Reserve				(0.13)
Transfer (to)/from Cemetery Reserve				0.00
Transfer (to)/from Harbours Reserve fund				(0.00)
Transfer (to)/from Parking Reserve fund				(0.02)
Transfer (to)/from Election Reserve				0.04
Total Town Variance after transfers				\$ 0.00

1. Totals and subtotals in this and subsequent charts and tables may not add exactly due to rounding.
 2. The following programs are consolidated above: Road Network consists of Infrastructure Maintenance and Infrastructure Planning & Improvements. Community Development consists of Building Services and Planning & Development. Corporate Support Services consists of Administrative Executive Leadership, Economic Development, Communications and Customer Experience, Corporate Strategy and Government Relations, Financial Services, Human Resources, Regulatory Services, Information Technology Solutions, Legal Services, Corporate Asset Management, Facility Services, and Business Support Services.

As shown above, the total projected Program Variance is \$3.06 million favourable primarily due to personnel savings for various vacancies and higher revenue for the Automated Speed Enforcement program. This is partially offset by additional winter control costs given a higher number of snow events at the beginning of the year. Although the Storm Event reserve, with a current balance of \$7.45 million, is available to offset the unfavourable variance for winter control, a transfer was not included in this period given that the town is projecting to be on budget overall.

The variance projected in Corporate Revenue & Expenses is primarily due to the budgeted corporate gapping which offsets the personnel savings for vacancies found in the various programs. The total Program variance combined with Corporate Hearings & Litigations and Corporate Revenues & Expenses shows a total variance before transfers of \$0.11 million favourable.

Reserve Transfers

Legislation requires any surplus/shortfall generated from building permit revenues to be transferred to/from the Building Enterprise Reserve. A transfer of \$0.13 million to the Building Enterprise Reserve is projected. Town policy is to balance any surplus/deficit for Cemeteries, Harbours, Parking, and Election with their respective reserves and reserve funds which town staff is recommending be completed at year end. After all policy related and recommended transfers, the town is projecting to be on budget.

Program Variance – by revenue/expense type

The total projected program variance is \$3.06 million favourable and the most significant variances to budget by expense and revenue type are discussed below.

\$ Millions	2025 Annual Budget	2025 Q1 Actuals+ Commitments	2025 Q1 Year-end Projection	2025 Variance to Budget
EXPENSES				
Personnel Services & Benefits	210.24	45.63	207.36	2.88
Materials & Supplies	27.67	9.27	28.10	(0.42)
Capital out of Operations	0.40	0.04	0.34	0.05
Purchased Services	57.16	20.23	57.60	(0.43)
Payments & Grants	8.08	2.19	8.15	(0.08)
Internal Expenses & Transfers	65.91	8.05	66.34	(0.43)
Total EXPENSES	\$ 369.46	\$ 85.40	\$ 367.89	\$ 1.57
REVENUES				
External Revenues	(86.49)	(21.84)	(87.44)	0.95
Internal Recovery & Fund Transfers	(38.06)	(8.63)	(38.61)	0.55
Total REVENUES	\$ (124.56)	\$ (30.47)	\$ (126.05)	\$ 1.49
Total Programs	\$ 244.90	\$ 54.93	\$ 241.84	\$ 3.06

Personnel Services & Benefits - \$2.88 million favourable (or \$0.82 million favourable after considering the \$2.06 million budgeted gapping in the corporate section)

The turnover rate is 0.9% with 11 departures in Q1, reflecting pre-pandemic trending. The average annual vacancy rate for full time permanent positions continues to be on the decline. As of the end of Q1, the average vacancy rate is 5% (N=63). While there are a few positions that take longer to fill and attract talent due to skill shortages, the town's proactive recruitment approach and ability to address market pressures through compensation review have helped to mitigate prolonged impact.

Materials & Supplies and Purchased Services – total \$0.85 million unfavourable

This is primarily attributed to winter control given a higher number of snow events at the beginning of the year. Although the Storm Event reserve, with a current balance of \$7.45 million, is available to offset the unfavourable variance for winter control, a transfer was not included given that the town is projecting to be on budget overall.

External Revenue - \$0.95 million favourable

This is primarily attributed to higher revenue from the Automated Speed Enforcement (ASE) program. A memo will be provided to Council with an update on the ASE program.

Program Variance – by program

Details on variances for a select few programs are discussed below. Appendix A provides more detail of the projected variance by program area.

Recreation and Culture - \$0.29 million unfavourable

The projected variance shown below is primarily due to personnel savings partially offset by revenue loss for the pool closure at Iroquois Ridge community centre.

\$ Millions	2025 Annual Budget	2025 Q1 Actuals+ Commitments	2025 Q1 Year-end Projection	2025 Variance to Budget
EXPENSES				
Personnel Services & Benefits	20.76	3.98	19.84	0.93
Materials & Supplies	5.16	1.61	5.32	(0.16)
Capital out of Operations	0.00	-	-	0.00
Purchased Services	5.80	1.67	5.82	(0.03)
Payments & Grants	1.89	1.02	1.95	(0.05)
Internal Expenses & Transfers	12.95	2.40	13.39	(0.44)
Total EXPENSES	\$ 46.56	\$ 10.69	\$ 46.31	\$ 0.25
REVENUES				
External Revenues	(23.55)	(6.33)	(23.01)	(0.54)
Internal Recovery & Fund Transfers	(0.17)	(0.04)	(0.17)	-
Total REVENUES	\$ (23.72)	\$ (6.37)	\$ (23.18)	\$ (0.54)
Total Recreation and Culture	\$ 22.84	\$ 4.32	\$ 23.13	\$ (0.29)

Road Network - \$0.01 million unfavourable

The projected variance shown below is primarily due to personnel savings for various vacancies and higher revenue from the Automated Speed Enforcement program. This is offset by additional winter control costs given a higher number of snow events at the beginning of the year.

\$ Millions	2025	2025	2025	2025
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	20.23	4.93	19.69	0.54
Materials & Supplies	7.97	3.25	8.27	(0.30)
Capital out of Operations	0.16	(0.01)	0.13	0.03
Purchased Services	16.48	7.20	17.28	(0.81)
Payments & Grants	1.35	0.30	1.34	0.02
Internal Expenses & Transfers	10.52	1.39	10.52	0.00
Total EXPENSES	\$ 56.71	\$ 17.07	\$ 57.24	\$ (0.53)
REVENUES				
External Revenues	(8.73)	(2.85)	(9.41)	0.69
Internal Recovery & Fund Transfers	(14.29)	(3.12)	(14.12)	(0.17)
Total REVENUES	\$ (23.02)	\$ (5.97)	\$ (23.54)	\$ 0.52
Total Road Network	\$ 33.69	\$ 11.10	\$ 33.70	\$ (0.01)

Community Development - \$0.75 million favourable

The projected variance shown below is primarily due to personnel savings for various vacancies and higher recoveries from capital projects.

\$ Millions	2025	2025	2025	2025
	Annual Budget	Q1 Actuals+ Commitments	Q1 Year-end Projection	Variance to Budget
EXPENSES				
Personnel Services & Benefits	14.96	3.04	14.50	0.45
Materials & Supplies	0.08	0.03	0.08	0.00
Capital out of Operations	0.01	-	0.01	-
Purchased Services	0.81	0.16	0.81	0.00
Payments & Grants	0.30	0.02	0.30	(0.00)
Internal Expenses & Transfers	14.26	2.10	14.26	0.00
Total EXPENSES	\$ 30.41	\$ 5.36	\$ 29.95	\$ 0.46
REVENUES				
External Revenues	(23.96)	(4.50)	(23.96)	(0.00)
Internal Recovery & Fund Transfers	(1.51)	(0.29)	(1.81)	0.30
Total REVENUES	\$ (25.46)	\$ (4.78)	\$ (25.76)	\$ 0.30
Total Community Development	\$ 4.95	\$ 0.57	\$ 4.19	\$ 0.75

Corporate Support Services - \$1.50 million favourable

The projected variance shown below is primarily due to savings on software maintenance and some personnel savings for vacancies.

	2025	2025	2025	2025
\$ Millions	Annual	Q1 Actuals+	Q1 Year-end	Variance to
	Budget	Commitments	Projection	Budget
EXPENSES				
Personnel Services & Benefits	47.04	10.14	46.81	0.23
Materials & Supplies	1.24	0.57	1.33	(0.09)
Capital out of Operations	0.04	(0.03)	0.03	0.00
Purchased Services	13.18	2.84	12.14	1.04
Payments & Grants	0.81	0.14	0.77	0.04
Internal Expenses & Transfers	1.57	0.18	1.57	(0.01)
Total EXPENSES	\$ 63.88	\$ 13.84	\$ 62.66	\$ 1.22
REVENUES				
External Revenues	(3.49)	(0.75)	(3.66)	0.16
Internal Recovery & Fund Transfers	(15.16)	(4.40)	(15.27)	0.12
Total REVENUES	\$ (18.65)	\$ (5.15)	\$ (18.93)	\$ 0.28
Total Corporate Support Services	\$ 45.23	\$ 8.70	\$ 43.73	\$ 1.50

CAPITAL BUDGET

The total cumulative approved capital budget for active projects is \$1,079.1 million. Total expenditures year-to-date of \$179.1 million have been incurred, bringing the total life-to-date or cumulative spending in active projects to \$595.0 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	2025 Expenditures	Total LTD Expenditures (incl. Prior Years)
46602104 Sixteen Mile Sports Complex and Library	104,862,000	28,183,081	93,730,898
54212307 Transit Facility Expansion	23,000,000	16,413,899	18,165,757
53361902 RWD Bridge Rehab over Metrolinx Rail	23,367,400	13,263,446	21,706,266
54412308 Electric Replacement Buses	12,720,800	12,546,083	12,578,783
54412402 Electric Replacement Buses	9,638,400	9,409,562	9,447,162
54412104 Electric Replacement Buses	11,099,000	7,808,219	10,987,152
54412202 Electric Expansion Buses	6,430,000	4,712,181	4,726,181
43302401 Emergency Response Vehicles & Equipment	3,987,300	3,865,484	3,887,284
Total	\$ 195,104,900	\$ 96,201,956	\$ 175,229,483

Capital Budget Request

In July/August 2024 and again in April 2025, high creek flow events caused multiple sections of creek bank failure along 16 Mile Creek in Hogs Back Park. One high-priority site, along with two adjacent areas upstream and downstream, experienced the complete collapse of existing gabion basket erosion control structures, affecting approximately 150 meters of creek bank. While it is recognized that much of the gabion-lined channel in this area is approaching the end of its service life, the town intends to carry out interim repairs on these three critical sections. These temporary measures aim to prevent further bank erosion, channel obstruction, and slope instability, while allowing time for a comprehensive erosion mitigation strategy to be developed, designed, prioritized, and budgeted for the broader 1-kilometer stretch of creek bank. Staff recommend that the 2025 capital budget be amended to add a new project with a budget of \$905,000 funded from the Capital Reserve for repairs of creek bank failure along 16 Mile Creek in Hogs Back Park.

Capital Budget Transfers and Closures

Project consolidations and splits involve reallocating the original funding and scope of work between Council approved projects to facilitate effective management of the projects with no change to the original scope of work or funding requirements. The following project consolidations and splits occurred during this period.

Project	Transfer To/ (From)
42102508 - Properties under 12,000 SF Maintenance and Repair	69,500
42102323 - Properties under 12,000 SF Maintenance and Repair	(69,500)
42102411 - HVAC - Various Locations	87,000
42102501 - HVAC - Various Locations	(87,000)
42102503 - Sitework - Various Facilities (Drives)	47,500
46632501 - River Oaks - Facility Capital Replacements	(47,500)
53332502 - Road Resurfacing Program	1,600,000
53332403 - Road Resurfacing and Preservation Program	(1,600,000)

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 occurred during this period.

Project	Transfer To/ (From)
52242208 Coronation Park Renewal	60,000
52282201 Parks Facilities Repairs	(6,705)
52282302 Parks Facilities Repairs	(22,461)
52282401 Parks Facilities Repairs	(30,834)

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
21112404	Youth Climate Initiatives - Grants	\$ 139,800	Grant funding from Rockefeller Philanthropy Advisors	An additional \$139,800 was added to the project to continue the Youth Climate Action Fund program funded from the Rockefeller Philanthropy Advisors (RPA) grant to support the initiative engaging youth aged 15 to 24 in developing urgent climate solutions. The original funding was approved in 2024 through an initial grant from RPA and this is a further grant received in 2025 with no financial impact to the Town. Through a public application process, these grants are used to fund select youth-led projects through the Youth Climate Action Fund program.
43302504	Fire Services Vehicles & Equipment	\$ 42,700	Fire Equipment Reserve and Grant Funding	Additional funding is requested to acquire a UNIMAC Model UWT065V40LX Washer-Extractor with \$32,500 funded by the Ontario's Fire Protection grant to enhance firefighter safety by effectively decontaminating PPE and reducing exposure to hazardous substances. This investment aligns with NFPA 1851 standards and ensures operational consistency within the department while supporting long-term firefighter health and fiscal responsibility.
46602206	Events Strategy	\$ 15,000	46602101 Recreation Planning Studies	The Events Strategy, which began in March 2024, experienced delays due to changes in project and departmental leadership but has continued to progress with strong support from the consultant team. The project is now in its final stages of feedback, and a proposed budget increase is expected to cover all remaining costs.

As part of 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, projects are closed. For this quarter, a total of 37 projects will be closed. These closures represent a net surplus of \$1.72 million, of which \$1.46 million will be returned to reserves and \$0.26 million will be returned to reserve funds (subject to minor adjustments at final project close out). Appendix C provides more details of the project closures by program.

	Project Details			Impact on Reserves and Reserve Funds		
	LTD Budget	LTD Actuals	LTD Variance	Reserves (Capital & Equipment)	Reserve Funds (DC & Dedicated)	Total to/(from) Reserve/Reserve Funds
Net Impact (millions)	\$ 13,493.9	\$ 11,768.9	\$ 1,725.0	\$ 1,460.4	\$ 264.5	\$ 1,725.0

Three projects being closed incurred a budget variance greater than 10%.

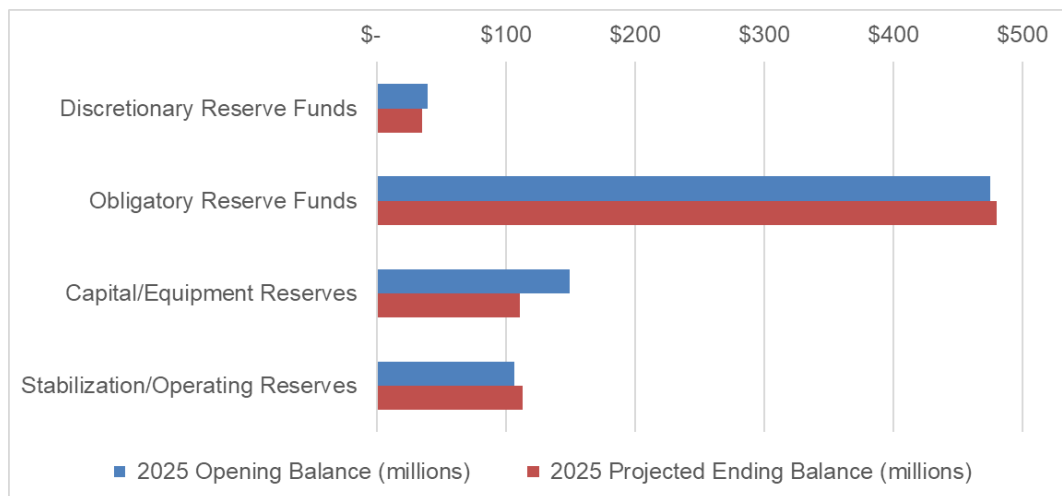
PROJECT TITLE	TOTAL APPROVED BUDGET	TOTAL ACTUAL EXPENSES	PROJECT SHORTFALL/ FUNDING REQUIRED	%	EXPLANATION
46312203 Ice Resurfacer Replacement - Electric	\$141,000	\$160,141	(\$19,141)	-13.6%	Project deficit will be funded from its original source, namely the recreation equipment reserve.
52222301 Graydon Banning Village Square	\$820,800	\$912,952	(\$92,152)	-11.2%	Project deficit will be funded from its original source, namely the Parks/Recreation DC reserve funds.
52262103 Bridge and Stair Renewal	\$75,000	\$97,810	(\$22,810)	-30.4%	Project deficit will be funded from its original source, namely capital reserve.

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 2025 opening balances and 2025 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 have remained 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 land purchases and major projects such as the Towne Square Rehabilitation, Electric/Conventional Expansion Buses, Traffic Calming Program, Sixteen Mile West Harbour Renewal, River Oaks - Rink A - Lifecycle Replacement, Station #4 Renovation and Expansion. Equipment reserves are expected to decrease as capital outlay is exceeding transfers from the operating budget.

Reserve Funds

Obligatory Reserve Funds are expected to increase from \$475.0 million to \$480.5 million, as expected revenue exceeds current year capital needs. Collections from the town's growth funding tools (GFTs) of development charges, community benefits charges, and cash-in-lieu of parkland appear to be slightly lower than anticipated, primarily due to slower development activity. Capital spending is projected to be lower than expected, based on the current timing of construction for major projects. 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 \$286.1 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 \$7.15 million at March 31, 2025 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.

2025 Trust Funds (\$ Thousands)				
Trust Fund	2025 Opening Balance	2025 Activity		Balance at 3/31/2025
		Contributions	Transfers	
Cemetery Marker Care	419.6	2.0	-	421.6
Cemetery Perpetual Care	6,475.8	33.3	-	6,509.1
Library - Halton Information Providers	63.9	-	-	63.9
Burloak Canoe Club	40.4	-	-	40.4
Bronte Harbour Yacht Club	26.3	-	-	26.3
Oakville Power Boat Club	20.9	2.0	-	22.9
Bronte Community Tennis Club	26.6	-	-	26.6
Oakville Rugby Club	20.1	3.0	-	23.1
Oakville Yacht Squadron	13.4	2.0	-	15.4
Total	7,106.8	42.3	-	7,149.1

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 to mitigate term and interest rate risk by maintaining a portfolio structure of high-quality, medium-term investments. For the period ended March 31, 2025, gross investment revenue from realized interest income and capital gains/losses, net of amortized premiums/discounts, was \$9.6 million, on a portfolio of cash and investments totaling \$1.03 billion (book value). The annualized rate of return based on average cash and investment holdings was 3.69%, with an average maturity of 4.92 years.

Bank interest and investment earnings increased dramatically over the past couple years, driven by increased inflation and the Bank of Canada (BOC) raising the key interest rate to a height of 5.00%, the highest rate since 2001. However, with inflation cooling down and within the 1%-3% target range, the BOC has steadily reduced the key interest rate to 2.75% as of March 2025, and further reductions are expected over the remainder of the year. Along with a corresponding decrease to the town's bank rate, fixed income yields have also shifted downwards as a result of lower inflationary expectations, putting downward pressure on investment earnings. Appendix F provides details on the components of the town's investment portfolio.

Economic Outlook

The economy ended 2024 in a solid position, with inflation just below the 2% midpoint of the Bank of Canada's (BOC) 1%-3% target range, healthy GDP growth of 2.6% in Q4 2024, and steady interest rate cuts from the BOC. In 2025, there has been, and continues to be, significant uncertainty in the economy for households, businesses, and governments. Even though Canada is facing the lowest tariff rate among US trade partners at this time, the magnitude and length of a trade war with the United States is unknown, and is expected to stall the economy and increase inflation.

Early signs of the trade war are beginning to show. Canada's unemployment rate increased to 6.9% in April (from 6.7% in March), due to slower hiring demand and losses in the manufacturing sector, which were largely Ontario based. Growth is slowing, with Q1 GDP expected to be below 2% and most of the increase coming in January.

Although headline inflation has averaged 2% over the past two quarters, one-off factors, such as the temporary GST tax holiday and the removal of the consumer carbon tax, had a significant downward impact on inflation data. In April inflation came in at 1.7%; however, inflation measures that control for the removal of the carbon tax (CPI trim and CPI median), surprised on the upside at just above 3%, the fastest pace in a year. Data showed higher prices for motor vehicles and groceries that could reflect the early impact of tariffs, but also included higher than expected numbers for domestically produced services. It was previously speculated that the BOC would continue to cut interest rates; however, economists are now mixed in their forecasts due to the upward inflation risk and economic pressures being seen.

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.

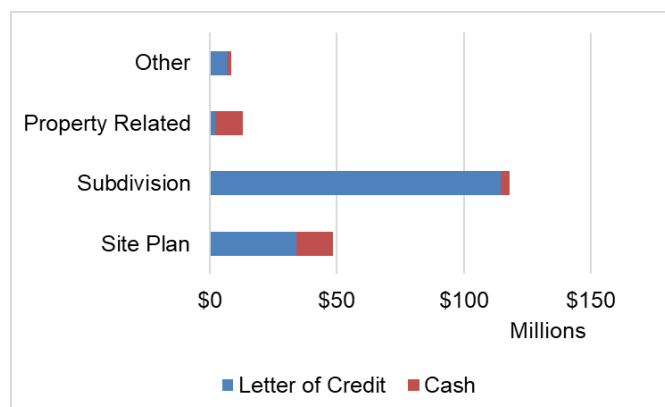
Total principal outstanding at the beginning of the year was \$143.3 million, and there is \$21.2 million in approved but not yet issued debt. Debt issuance is based on timing of the capital project spending, and when Halton Region plans to go to the market. Further details are provided in Appendix G.

The town is in a strong financial position with total debt charges in 2024 at 2.88% of net own source revenue. Full annual debt charges are not incurred in the year of issuance. When considering full debt charges for newly issued debt, and approved debt that is not yet issued, total debt charges (including capital lease payments) for approved debt are projected to rise to 6.1% of net own source revenue by 2026, which remains well within town policy of 12% and the Ministry limit of 25%.

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. Site plan and subdivision securities primarily relate to large scale residential and non-residential developments within the town and are predominantly secured by letter of credit. Property related securities are predominantly cash securities which safeguard development that requires permits i.e. site alteration, road cut, tree preservation etc. Other securities relate to miscellaneous security requirements relating to special events, temporary structures, election signage, etc.

As of March 31st, the town held \$188 million in securities, which has decreased from \$190 million in Q1 2024. \$158 million, or 84%, are secured by letters of credit and the remainder is cash. While legislation was passed in November 2024 allowing landowners to utilize surety bonds as a financial instrument to secure obligations under the *Planning Act*, the town does not yet hold any securities in the form of surety bonds. The below chart shows the securities held by type.



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 Council's strategic priority: Accountable Government.

(E) CLIMATE CHANGE/ACTION

Climate change/action is a key priority of Council. The proposed budget will incorporate climate change initiatives in alignment with this strategic priority.

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

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