



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 28, 2025

Report No: ES-012-25

Subject: 2024 Year End Capital Variances

Recommendation: THAT the new budget adjustments that amount to a net decrease of \$5,899,606 to approved capital projects, including the transfers to/from reserves and reserve funds as summarized in the Financial Impact section of report ES-012-25, be approved;

THAT the capital projects identified as pending closure in Appendix B, with an approved budget totalling \$39,441,829 be closed;

THAT \$1,500,000 be transferred to each of the Infrastructure Renewal - Roads and Structures and Infrastructure Renewal - Stormwater Reserves from the Project Variance Account.

EXECUTIVE SUMMARY

- This report summarizes the position of the Town's \$493 million capital program as of 2024 year end. It also outlines the capital budget adjustments that have been required since June 30, 2024 including those previously approved by Council or the Treasurer/CAO, as well as new adjustments that have been identified through the year end capital budget variance meetings.
- During the second half of 2024, net budget adjustments amounted to a \$5 million decrease, representing 1% of the approved capital program. This report is being presented in accordance with Corporate Policy No. 113 Budget Management.

REPORT

Background

Corporate Policy No. 113: Financial Management - Budget Management identifies that detailed variance reports relating to the Capital Budget will be submitted to Council twice

Background

annually for the periods ending June 30th and December 31st. This report satisfies the requirement as set out in that policy.

Discussion

The financial statements attached as Appendix D to this report reflect all currently approved and active capital projects as of the end of December 2024. Expenditures are presented on an accrual basis (as opposed to a cash basis). The following table summarizes the changes reflected in the approved budget between the July 1, 2024 financial statements as presented through ES-024-24 and the December 31, 2024 statements. Through this report approval is being requested for the net budget decreases of \$5,899,606.

Table 1 - Capital Program Approved Budget Continuity Schedule

	Approved Capital Budget as at July 1, 2024	Previously Approved Amendments (Appendix A)	New Budget Amendments (Appendix B)	Approved Capital Budget as at December 30, 2024*
Executive Services	8,748,774	(52,285)	(2,413)	8,694,076
Corporate Services	47,036,619	81,944	(209,926)	46,908,637
Community Services	415,800,076	919,104	(5,019,970)	411,699,210
Development Services	22,114,581	402,710	(661,309)	21,855,982
Library Services	4,827,904	(500,000)	(5,987)	4,321,917
Total	498,527,955	851,473	(5,899,606)	493,479,822

*Approved budget before recommended project closures

Previously Approved Budget Amendments (Appendix A) - \$851,473 increase

Various tenders, single source awards and/or department reports approved by Council in the second half of the year resulted in a net capital budget increase of \$1,660,898.

Budget amendments previously approved by the Treasurer, CAO, or Other Board, amounted to a net budget decrease of \$809,425, largely related to stormwater management facility rehabilitation tender award price coming in less than the budget due to lower mobilization, setup, traffic control, restoration and demobilization costs and reduction in the budget for the Library Collection - New project as well as savings on boulevard works along Louis St. Laurent. Partially offsetting these budget reductions were emergency culvert

Discussion

works to address the flood damage repairs following a significant rain storm this past summer.

Combined, these result in a net budget increase of \$851,473 in the capital program. All increases and decreases by project as well as the identified funding source are identified in Appendix A.

New Budget Amendments (Appendix B) - \$5,899,606 decrease

Through the 2024 year-end review, several capital projects were identified as being ready for closure. These projects are summarized in Appendix B and result in a net budget decrease of \$4,189,879 with funds either being drawn from or returned to the Project Variance Account and/or external funding sources as outlined on the appendix. Through this report staff are requesting Council approval to close these projects.

Staff have also identified budget amendments required on active capital projects and are requesting Council approval of these amendments through this report. These projects result in a net decrease of \$1,709,727, largely related to savings identified in 2023 Asphalt Overlay Program due to lower than expected cost.

The budget amendments as well as the recommended funding sources, also outlined in Appendix B, amount to a net budget decrease of \$5,899,606.

Recommended Changes in Funding Source (Appendix C) - \$0 net change

Although the total approved budget will remain unchanged, certain projects require adjustments to the funding sources as further outlined on Appendix C.

Capital Program at Year End

The following table puts the 2024 year end position (including both active and closed projects) in a historical context. The size and balance of the capital projects can change from year-to-year based upon the specific initiatives that the Town is undertaking. Significant road and facility construction, for example, can contribute to the volatility in size of the program.

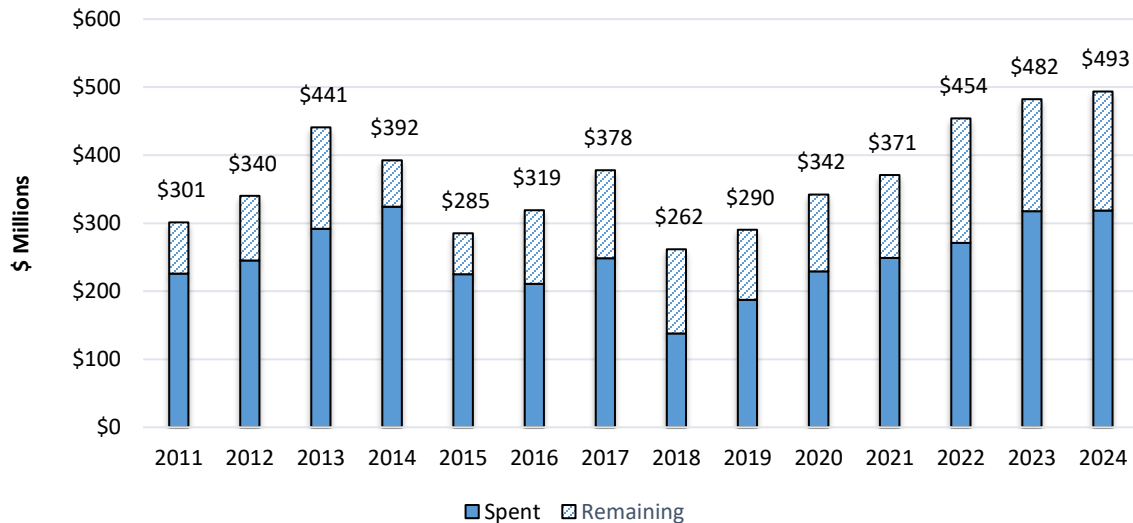


The Corporation of the Town of Milton

Report #:
ES-012-25
Page 4 of 11

Discussion

Figure 1 - Approved Capital Budget at Year End



Note: Approved budget figures are presented before closure of projects as approved through year end approvals.

Following the recommended project closures, projects with an approved budget of \$454,037,993 will carry forward to the balance of 2025 as shown in the table below.

Table 2 - Capital Program Summary as at December 31, 2024

	Approved Budget as of December 2024			Expenditure Status of Projects Carried Forward (at December 31, 2024)	
	Total	Projects Pending Closure	Projects Carried Forward	Spent	Remaining (Note 1)
Executive Services	8,694,076	5,686,697	3,007,379	636,014	2,371,365
Corporate Services	46,908,637	6,529,768	40,378,869	9,739,847	30,639,021
Community Services	411,699,210	25,453,453	386,245,757	252,861,641	133,384,116
Development Services	21,855,982	686,646	21,169,336	14,168,350	7,000,986
Library Services	4,321,917	1,085,265	3,236,652	1,751,198	1,485,454
Total	493,479,822	39,441,829	454,037,993	279,157,049	174,880,943

Note 1: Remaining includes funds that have been committed through a procurement process. At December 2024, the committed amount is in excess of \$24 million.

Discussion

As noted in the table above, \$279.2 million (57%) of that approved budget has already been spent, with the remainder either committed (via previously approved contract awards) or remaining to be spent. The following table identifies the ten largest active projects at December 31, 2024 (based on size of remaining budget). These projects account for 60% of the \$174.9 million balance remaining.

Table 3 - Largest Capital Projects at December 2024

Project	Remaining Budget at December 31, 2024	% Spent	Status
Transit Operations Centre	\$48,028,274	3%	This project will provide for the detailed design and construction of a Transit Operations Centre, to be located adjacent to the Civic Operations Centre. A Transit and Rail Projects Assessment Process (TRPAP) has been initiated and is currently progressing.
5th Line (Derry Road to Britannia Road)	\$19,374,807	14%	This project will urbanize Fifth Line to a four (4) lane urban configuration in support of the Derry Green development. Design was awarded through CORS-040-22 Schedule D. The project budget includes anticipated land requirements, detailed design and utility relocation. Utilities reallocation is scheduled for 2025 following with construction to start in 2026.
Storm Sewer Network Program	\$8,319,508	14%	In early 2020, the Storm Sewer Network Study was completed, along with an addendum, which identifies the capital needs for the storm sewer system in the original urban area of Town. This program is addressing rehabilitation needs within 1-5 years. Design and investigation is ongoing with completion anticipated in early 2025, and will be followed by construction.

Discussion

Civic Precinct	\$7,121,163	9%	Through report ES-005-22, direction was provided to proceed with retaining consulting services to inform the development of the civic placemaking space, as well as the eventual detailed design. This project will address related parking issues and the preliminary design component of the Civic Precinct.
Boyne Pedestrian Railway Crossing	\$5,786,910	13%	The need for the Boyne Active Transportation Link was identified during the Boyne Secondary and Tertiary Plan work. The project is currently in the detailed design phase. Council endorsed the preferred preliminary design for the structure and approach (see staff report DS -044-21), and construction of the bridge, which will accommodate both pedestrians and cyclists. While originally anticipated to commence construction in 2022, detailed design is currently 80% complete. The construction tender, currently delayed due to adjacent development activity, is anticipated for late 2025 or early 2026.
Financial Enterprise Systems	\$4,801,076	17%	A contract for the implementation and annual licensing of a replacement Financial Management System was awarded to Workday Ltd in May 2024 via ES-011-24 Schedule F. This system upgrade will provide programming, reporting and process enhancements related to finance, accounting and procurement. A project team has been established and the Financial Management System replacement initiative continues to progress toward an expected go-live date at the end of Q4 2025.

Discussion

Sherwood Community Centre	\$4,064,018	91%	Substantial completion has been reached and the facility opened on September 21, 2019. Outstanding office furniture purchases and solar panels were completed in 2021 and became fully operational in 2022. Additional outdoor works are being considered to complement existing amenities. Planting is ongoing at the entrance area and additional works may be required following design of the Civic Precinct.
Bronte Street (Main St to Steeles Ave)	\$3,375,421	89%	Property acquisition for Phase 2 (Victoria to Steeles) continues (ENG-001-20) and should be completed in Q2 2025. The construction tender for Phase 2 was awarded in July 2021, via delegated authority (CORS-037-21). Construction substantial completion was reached in October 2023. All onsite construction works are complete, and warranty expires Fall 2025.
Mattamy National Cycling Centre Improvements	\$2,459,769	34%	This project is to ensure assets continue to perform at expected levels of services as well as implement solutions to reduce energy consumption. Key improvements include the installation of solar panels, the replacement of infield lights to LED, the replacement of the water/air cooled chiller, sound system upgrade and software upgrade.
Radio Communications Backup Upgrades	\$2,196,452	38%	This project provides upgrades for the life safety radio communications and emergency response capabilities for the Fire Department in collaboration with the Halton Regional Police. In 2023, the Town has begun a transition to Next-Generation 911 (NG911) emergency communications and dispatch services. This project will allow for the required hardware, software, internal and external resources to support this transition.
Total	\$105,527,398		



The Corporation of the Town of Milton

Report #:
ES-012-25
Page 8 of 11

Financial Impact

Net budget increases of \$851,473 have been previously approved since July 2024. Through this report, staff are recommending new budget changes resulting in a decrease of \$5,899,606 in required funding as illustrated in the shaded cells in the following table. The net capital budget changes since July 1, 2024 result in a net decrease of \$5,048,133 (or 1% of the approved capital program) as illustrated in the following chart.

Table 4 - Summary of In-Year Funding Changes to the Capital Program in 2024

Funding Source	Q1 & Q2 Budget Increases/ (Decreases)	Q3 & Q4 2024 YTD Budget Increases/(Decreases)				
		Previously Approved	New Budget Amendments	New Funding Source Change	Total Q3 & Q4 2024 In-Year Funding Changes	Total December 2024 In-Year Funding Changes
Total Project Variance Account:	(8,887,654)	1,281,751	(4,880,050)	(109,794)	(3,708,093)	(12,595,747)
Reserves and Reserve Funds:						
Library Capital Works Reserve	10,769	(25,000)	(5,935)	-	(30,935)	(20,167)
Slot Reserve Fund	(484,562)	-	-	(22,643)	(22,643)	(507,205)
Canada Community Building Fund	(1,518,594)	-	-	-	-	(1,518,594)
Inv in the Arts Campaign Reserve	270,283	-	-	-	-	270,283
Building Stabilization Reserve	(106,261)	-	(55,172)	-	(55,172)	(161,433)
Total Reserves and Reserve Funds	(1,828,366)	(25,000)	(61,107)	(22,643)	(108,750)	(1,937,116)
Debentures:						
Tax Supported Debt	(1,900,000)	-	(400,000)	-	(400,000)	(2,300,000)
Total Debentures	(1,900,000)	-	(400,000)	-	(400,000)	(2,300,000)
Development Charges:						
Library DC	(492,652)	(450,000)	(6,080)	-	(456,080)	(948,732)
Roads DC	(1,171,647)	435,564	(716,605)	(425,098)	(706,139)	(1,877,785)
Public Works DC	(30,007)	-	(4,880)	-	(4,880)	(34,886)
Parks & Rec DC Fund	(95,508)	-	248,905	-	248,905	153,396
Transit DC	(1,408,704)	-	(15,839)	-	(15,839)	(1,424,543)
Administration DC	415,023	(44,844)	4,119	-	(40,725)	374,298
Stormwater Management DC	-	-	16,551	-	16,551	16,551
Fire DC	-	-	(8,481)	-	(8,481)	(8,481)
Post Period DC	(601,423)	-	(1,084)	-	(1,084)	(602,507)
Total Development Charges	(3,384,917)	(59,280)	(483,395)	(425,098)	(967,772)	(4,352,689)
Provincial Grants/ Subsidies	5,516,823	(778,338)	(21,740)	122,923	(677,155)	4,839,668
Federal Grants/ Subsidies	4,312,944	-	(2,851)	(567)	(3,417)	4,309,527
Developer Recovery	-	402,710	1,352	215,149	619,211	619,211
Regional Recovery	-	-	-	194,303	194,303	194,303
Recovery from Other Municipality	(521,292)	29,630	(42,286)	-	(12,656)	(533,947)
Donations	1,073,720	-	-	-	-	1,073,720
Other Recoveries	-	-	-	25,726	25,726	25,726
LT Developer Liability	-	-	(9,529)	-	(9,529)	(9,529)
Total External Funding Sources	10,382,195	(345,998)	(75,054)	557,534	136,483	10,518,678
Increase/(Decrease) in Funding	(5,618,742)	851,473	(5,899,606)	-	(5,048,133)	(10,666,875)

The Project Variance Account (PVA) has a balance of \$11.3 million as of December 2024. The Budget Management Policy No. 113 identifies a target balance of 10% of the average



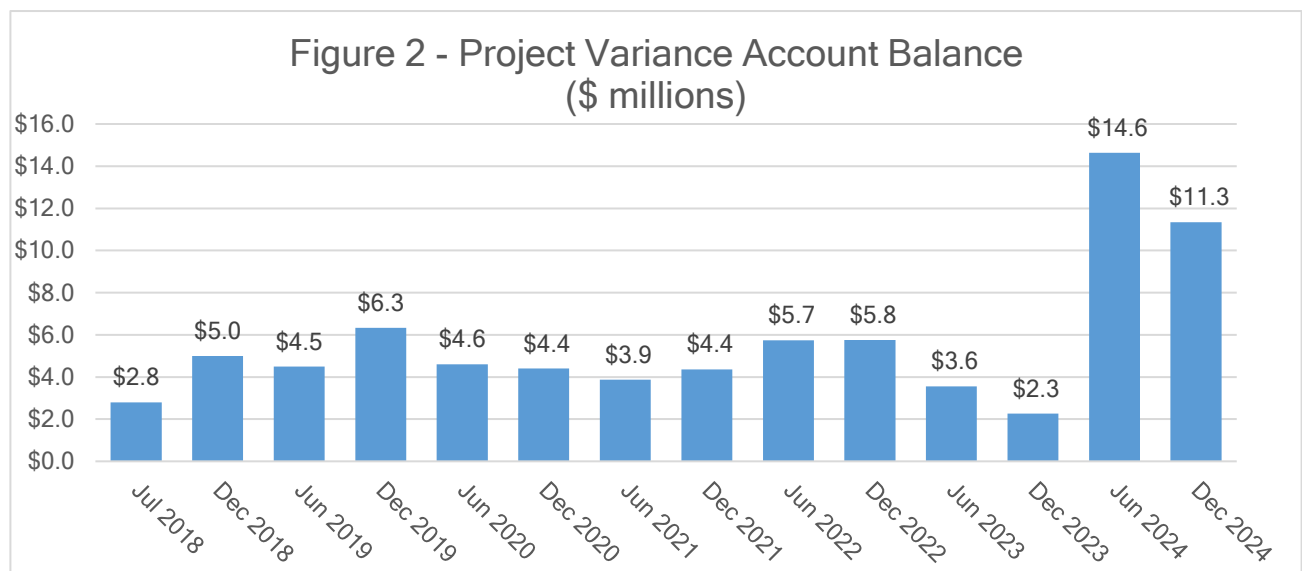
The Corporation of the Town of Milton

Report #:
ES-012-25
Page 10 of 11

Financial Impact

annual non-growth revenue sources which suggests a current target balance of \$7.1 million.

As a result, it is recommended that \$1.5 million be transferred to each of the Infrastructure Renewal - Roads and Structures and Infrastructure Renewal - Stormwater Reserves from the Project Variance Account. This will re-align the Project Variance Account closer to its target balance and re-direct funding back to source reserves.



Note: To align the PVA more closely with the target balance, reallocations between the PVA and reserves were made in each of 2019, 2023 and 2024, combining for an aggregate net transfer to reserve of \$5.9 million since the PVA was established. Should the two \$1.5 million transfers recommended herein be approved, the total transfer from PVA to reserve will amount to \$8.9 million.

It should be noted that as of April 1, 2025, the PVA has been re-classified as the Project Variance Reserve (PVR), in accordance with the Council approvals associated with report ES-009-25. This re-classification will be reflected in the next detailed capital program review, which will be based upon the project balances as of June 30, 2025.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer



The Corporation of the Town of Milton

Report #:
ES-012-25
Page 11 of 11

For questions, please contact: Shirley Xie

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Attachments

Appendix A - Previously Approved Budget Amendments

Appendix B - New Budget Amendments

Appendix C - Recommended Changes in Funding Source

Appendix D - December 2024 Capital Financial Statements

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.