



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 13, 2026

Report No: ES-015-26

Subject: 2025 Year End Capital Variances

Recommendation: THAT the new budget adjustments that amount to a net decrease of \$7,018,398 to approved capital projects, including the transfers to/from reserves and reserve funds as summarized in the Financial Impact section of report ES-015-26, be approved;

THAT the capital projects identified as pending closure in Appendix B, with an approved budget totalling \$87,201,887 be closed;

THAT a budget amendment be approved on previously closed capital project C30010923 - Transportation Master Plan to increase budgeted expenditures by \$7,689, funded from project variance reserve and development charges.

THAT a new capital project C56012426 Non-Fixed Route Bus (6M) - Replacement be established in the amount of \$1,043,049, funded from the Equipment Replacement Reserve and Federal Gov Transfer Reserve to replace capital project C56012226 Specialized Transit - 8 Metre Bus - Replacement which will be eliminated, resulting in a net neutral impact within the entire capital program.

THAT \$3,000,000 be transferred from the Project Variance Reserve with \$2,000,000 to the Infrastructure Renewal - Stormwater Reserve and \$1,000,000 to the Infrastructure Renewal - Roads and Structures Reserve.

EXECUTIVE SUMMARY

- This report summarizes the position of the Town's \$560 million capital program as of 2025 year end. It also outlines the capital budget adjustments that have been required since June 30, 2025 including those previously approved by Council or the



EXECUTIVE SUMMARY

Treasurer/CAO, as well as new adjustments that have been identified through the year end capital budget variance meetings.

- During the second half of 2025, net budget adjustments amounted to a \$7 million decrease, representing 1.3% 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 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 2025. 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, 2025 financial statements as presented through ES-043-25 and the December 31, 2025 statements. Through this report approval is being requested for the net budget decreases of \$7,018,398.

Table 1 - Capital Program Approved Budget Continuity Schedule

	Approved Capital Budget as at July 1, 2025	Previously Approved Amendments (Appendix A)	New Budget Amendments (Appendix B)	Approved Capital Budget as at December 30, 2025*
Executive Services	8,625,062	-	3,225,292	11,850,354
Corporate Services	59,572,103	(247,084)	(579,595)	58,745,423
Community Services	471,793,502	17,583	(9,606,647)	462,204,437
Development Services	23,381,165	200,300	32,323	23,613,788
Library Services	3,429,902	-	(89,770)	3,340,132
Total	566,801,734	(29,201)	(7,018,398)	559,754,135

*Approved budget before recommended project closures



Discussion

Previously Approved Budget Amendments (Appendix A) - \$29,201 decrease

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 \$1,170,369.

Budget amendments previously approved by the Treasurer, CAO, or Other Board, amounted to a net budget decrease of \$1,199,570, primarily due to the guide rail needs program tender award coming in below budget as certain locations were deferred to future years.

Combined, these result in a net budget decrease of \$29,201 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) - \$7,018,398 decrease

Through the 2025 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 \$9,275,375 with funds either being drawn from or returned to the Project Variance Reserve 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 increase of \$2,256,978, largely due to an increase in legislated DC exemptions—most notably resulting from the new legislated exemption for long-term care homes that received Royal Assent in mid-2025, as well as additional rental units and rental housing discounts.

The budget amendments as well as the recommended funding sources, also outlined in Appendix B, amount to a net budget decrease of \$7,018,398.

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.

Various projects have been refinanced as indicated with eligible grant funding, the most significant of which was Building Faster Funding in the amount of \$8,217,079.

Discussion

Budget Amendments on Previously Closed Projects - \$7,689 increase

Through staff report ES-043-25 the closure of capital project C30010923 - Transportation Master Plan was approved by Council and a surplus was reported. Subsequently, it was identified that an expense associated with this project was not recorded prior to closure of this project. Staff recommend amending the budget for this project by increasing expenditures in the amount of \$7,689 and funding from project variance reserve and development charges.

Revision to 2026 Capital Projects

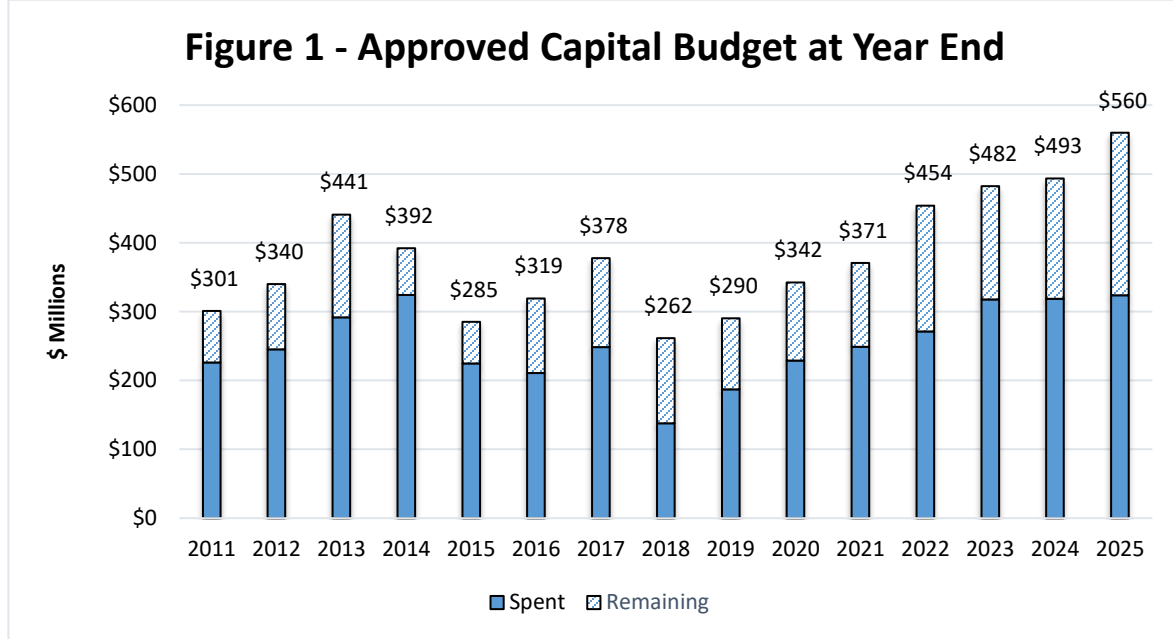
The 2026 capital program included project C56012226 - Specialized Transit - 8 Metre Bus - Replacement in the amount of \$1,043,049 for the replacement of four (4) gasoline-powered 6-metre mini-buses and associated equipment with a 7-year lifecycle. To better reflect the specifications of the buses to be replaced, staff recommend establishing a new capital project, C56012426 - Non-Fixed Route Bus (6M) - Replacement. The budgeted costs and funding will be reallocated from C56012226 to C56012426, resulting in a net-neutral impact on the overall capital program.

Capital Program at Year End

The following table puts the 2025 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.



Discussion



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 \$472,552,248 will carry forward to the balance of 2026 as shown in the table below.

Table 2 - Capital Program Summary as at December 31, 2025

	Approved Budget as of December 2025			Expenditure Status of Projects Carried Forward (at December 31, 2025)	
	Total	Projects Pending Closure	Projects Carried Forward	Spent	Remaining (Note 1)
Executive Services	11,850,354	198,989	11,651,366	8,691,667	2,959,698
Corporate Services	58,745,423	2,743,623	56,001,801	20,057,842	35,943,959
Community Services	462,204,437	82,074,165	380,130,272	190,766,780	189,363,491
Development Services	23,613,788	245,423	23,368,365	16,275,403	7,092,962
Library Services	3,340,132	1,939,687	1,400,445	680,568	719,877
Total	559,754,135	87,201,887	472,552,248	236,472,260	236,079,988

Note 1: Remaining includes funds that have been committed through a procurement process. At December 2025, the committed amount is in excess of \$56 million.

As noted in the table above, \$236.5 million (42%) of that approved budget has already been spent, with the remainder either committed (via previously approved contract awards) or

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remaining to be spent. The following table identifies the ten largest active projects at December 31, 2025 (based on size of remaining budget). These projects account for 66% of the \$236.1 million balance remaining.

Table 3 - Largest Capital Projects at December 2025

Project	Remaining Budget at December 31, 2025	% Spent	Status
Transit Operations Centre	\$47,605,760	4%	This project will provide for the associated land development, detailed design, and construction of a Transit Operations Centre. Land development work is continuing.
Nipissing Road Redevelopment	\$28,175,229	10%	The project budget includes anticipated land requirements, detailed design, utility relocation and construction. Design work has been completed in early 2025. Construction was awarded through staff report ES-041-25 Schedule C in July 2025, started in the Fall of 2025, and is anticipated to be complete in late summer 2027.
Main Street (Fifth Line to Sixth Line)	\$18,567,092	5%	In order to connect new growth areas in the Agerton and Trafalgar Secondary Plans to the existing urban center, the extension of Main Street east of 5th Line is required. Environmental Assessment (EA) is underway, anticipated to be complete by end of 2026. The project budget includes the EA for the extension from 5th to Trafalgar, as well as the detailed design and property acquisition for the extension to 6th Line.



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5th Line (Derry Road to Britannia Road)	\$17,591,068	22%	This project will urbanize Fifth Line to a four (4) lane urban configuration in support of the Derry Green development. Design was awarded through staff report CORS-040-22 Schedule D. The project budget includes anticipated land requirements, detailed design and utility relocation. Design is currently approximately 90% complete. Utilities relocation and minor site works are anticipated for 2026 and construction anticipated to start either in late 2026 or early 2027, depending on property acquisition status.
Boyne Pedestrian Railway Crossing	\$10,480,500	9%	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. Detailed design is currently 80% complete. The construction tender timing is heavily dependent on adjacent development timing; currently the earliest tender could proceed is likely late 2026.
Louis St Laurent (James Snow Parkway to Fifth Line)	\$9,294,299	47%	To permit the advancement of the extension of Louis St. Laurent from James Snow Parkway to Fifth Line, a reimbursement agreement for the preliminary design was approved by Council (see staff report ENG-035-19). A separate agreement with the developer regarding construction and front end funding was signed in 2021 (see staff report DS-025-21). Under these agreements, the developer was to construct the extension with Town reimbursement upon assumption of the roadworks. Construction commenced in early 2022 and is substantially complete, with the road currently open for public use. The remaining budget mainly represents the reimbursement from



The Corporation of the Town of Milton

Discussion

			the Town to the developer for this project, which is anticipated for 2026.
Storm Sewer Network Program	\$7,102,594	27%	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, following with construction tender anticipated in 2026. Pending results of the investigations, some work may proceed as part of the asphalt overlay contract in 2027 (and beyond), funded from this project.
Civic Precinct	\$7,000,741	10%	Through staff report ES-015-25, direction was provided to proceed with Phase 1 of the Downtown Civic Precinct. Phase 1 will see a new public space created in the area to the north of Town Hall, as described further in ES-015-25. Staff continue to work towards implementing the direction provided, as progress to date has included the necessary land acquisition(s) to facilitate the first phase of the vision.
Appleby Line	\$6,410,024	12%	Design for the third, and final, phase of Appleby Line rehabilitation is currently underway, with utility relocation started in 2025 and to be completed in Q1 2026, with construction work planned for 2026.
Bronte Street (Main St to Steeles Ave)	\$3,352,478	89%	Construction substantial completion has been reached in October 2023. Project is currently under warranty.
Total	\$155,579,785		



The Corporation of the Town of Milton

Financial Impact

Net budget decreases of \$29,201 have been previously approved since July 2025. Through this report, staff are recommending new budget changes resulting in a decrease of \$7,018,398 in required funding as illustrated in the shaded cells in the following table. The net capital budget changes since July 1, 2025 result in a net decrease of \$7,047,598 (or 1.3% of the approved capital program) as illustrated in the following chart.

Table 4 - Summary of In-Year Funding Changes to the Capital Program in 2025

Funding Source	Q1 & Q2 Budget Increases/ (Decreases)	Q3 & Q4 2025 YTD Budget Increases/(Decreases)				Total December 2025 In-Year Funding Changes
		Previously Approved	New Budget Amendments	New Funding Source Change	Total Q3 & Q4 2025 In-Year Funding Changes	
Total Project Variance Account*:	540,593	-	-	-	-	540,593
Reserves and Reserve Funds:						
Project Variance Reserve*	(9,829,318)	(1,092,136)	(1,304,344)	(596,582)	(2,993,062)	(12,822,379)
Studies & Other NonGrowth Capital	-	-	-	287,640	287,640	287,640
Library Capital Works Reserve	(570,093)	-	2,939	-	2,939	(567,154)
Slot Reserve Fund	(1,700,000)	-	-	-	-	(1,700,000)
Canada Community Building Fund	(1,227,954)	-	(102,863)	(4,186,960)	(4,289,823)	(5,517,777)
Building Stabilization Reserve	(26,414)	-	(4,617)	-	(4,617)	(31,031)
Total Reserves and Reserve Funds	(13,353,779)	(1,092,136)	(1,408,885)	(4,495,902)	(6,996,923)	(20,350,702)
Debentures:						
Tax Supported Debt	(1,210,000)	-	(500,000)	(3,511,000)	(4,011,000)	(5,221,000)
Total Debentures	(1,210,000)	-	(500,000)	(3,511,000)	(4,011,000)	(5,221,000)
Development Charges:						
Library DC	-	-	(1,560,899)	-	(1,560,899)	(1,560,899)
Roads DC	(11,811,915)	342,249	(68,940)	(590,866)	(317,558)	(12,129,473)
Public Works DC	(22,009)	58,842	(6,585)	-	52,257	30,248
Parks & Rec DC Fund	(214,465)	(7,210)	(3,599,214)	-	(3,606,424)	(3,820,889)
Transit DC	(3,250,109)	-	(38,422)	(123,117)	(161,539)	(3,411,648)
Administration DC	1,383,440	155,700	(15,303)	-	140,397	1,523,837
Stormwater Management DC	-	-	2,323	-	2,323	2,323
Fire DC	-	-	1,661	-	1,661	1,661
Post Period DC	(1,333,047)	-	-	(52,563)	(52,563)	(1,385,610)
Total Development Charges	(15,248,105)	549,581	(5,285,380)	(766,546)	(5,502,345)	(20,750,450)
Provincial Grants/ Subsidies	14,998,591	-	(816)	8,456,719	8,455,903	23,454,494
Federal Grants/ Subsidies	6,375,958	22,998	-	279,079	302,077	6,678,035
Developer Recovery	287,467	-	10,000	-	10,000	297,467
Regional Recovery	9,313,016	-	-	82,007	82,007	9,395,023
Recovery from Other Municipality	(119,953)	404,206	(5,590)	-	398,616	278,663
Contributed Goods/Services	-	-	172,273	-	172,273	172,273
Other Recoveries	-	86,150	-	(44,357)	41,793	41,793
LT Developer Liability	(522,093)	-	-	-	-	(522,093)
Total External Funding Sources	30,332,985	513,354	175,867	8,773,448	9,462,669	39,795,654
Increase/(Decrease) in Funding	1,061,695	(29,201)	(7,018,398)	(0)	(7,047,599)	(5,985,904)

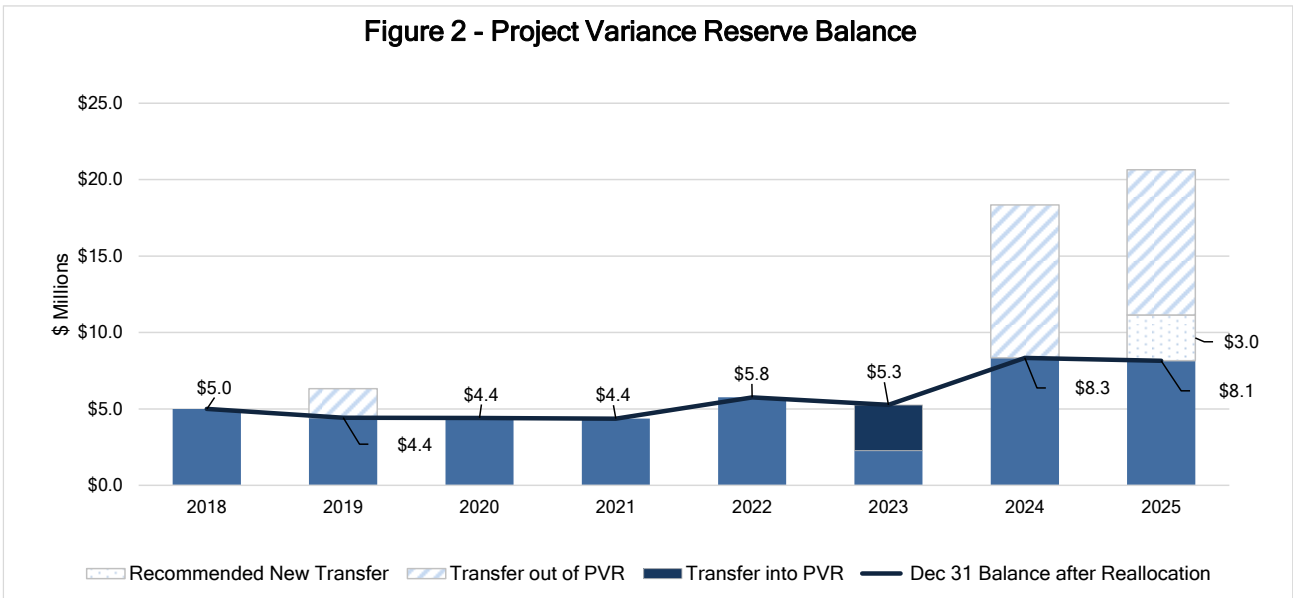
*Note: In accordance with staff report ES-009-25 the Project Variance Account was re classified as a Project Variance Reserve effective April 1, 2025.



Financial Impact

Due to savings on projects to date in 2025, combined with the proposed refinancing of certain projects with Building Faster Funding and other grant funding, the Project Variance Reserve is at a balance of \$11.1 million as of December 2025. The Budget Management Policy No. 113 identifies a target balance of 10% of the average annual non-growth revenue sources which suggests a current target balance of \$7.9 million.

As a result, it is recommended that \$3 million be transferred from the Project Variance Reserve with \$1 million to the Infrastructure Renewal - Roads and Structures Reserve and \$2 million to the Infrastructure Renewal - Stormwater Reserve. This will re-align the Project Variance Reserve to its target balance and re-direct funding back to source reserves.



Note: In accordance with ES-009-25 the Project Variance Account was re-classified as a Project Variance Reserve effective April 1, 2025. Reallocations from the PVA/PVR to Town source reserves have been made for an aggregate net transfer to reserve of \$18.4 million since the PVA/PVR was established. Should the \$3 million in transfers recommended herein be approved, the total transfer from the PVR back to source reserves will amount to \$21.4 million.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer



For questions, please contact: Shirley Xie

Phone: 905-878-
7252 Ext. 2472

Attachments

Appendix A - Previously Approved Budget Amendments

Appendix B - New Budget Amendments

Appendix C - Recommended Changes in Funding Source

Appendix D - December 2025 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.