

2024 Year-end Review

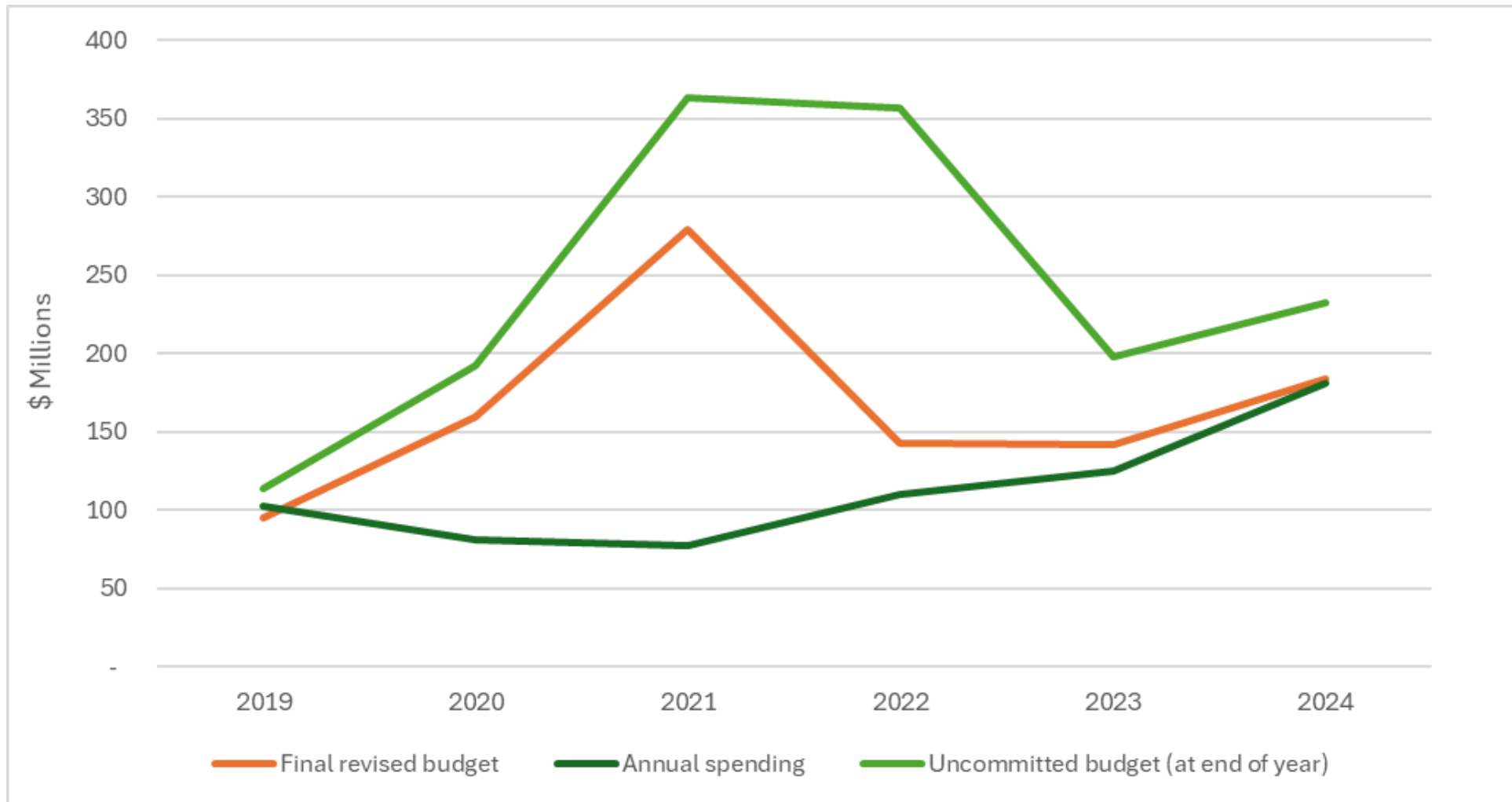
May 6, 2025

Agenda / Overview

Presentation of key highlights related to 2024 year-end reports:

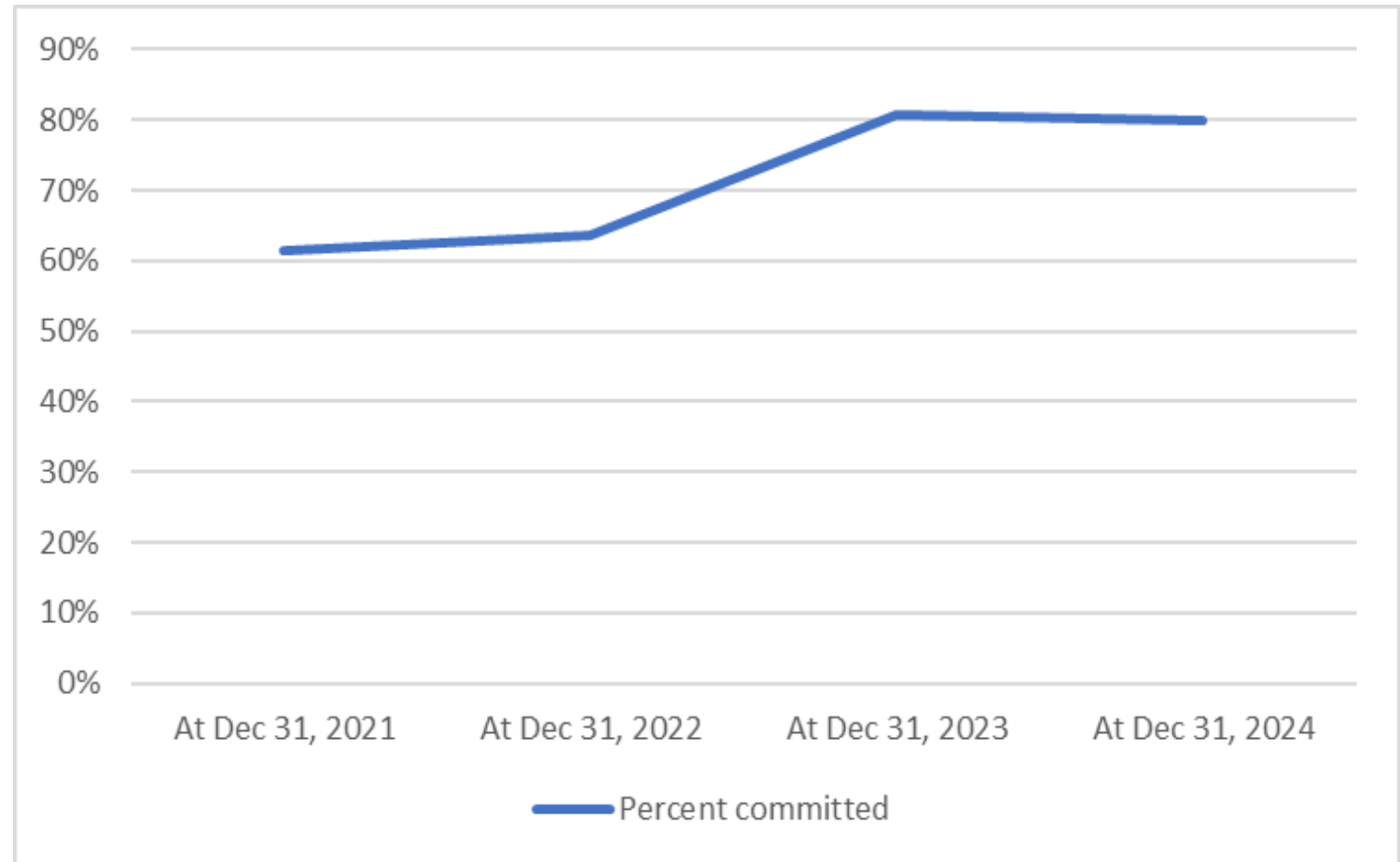
- ❖ 2024 Year-end Capital Budget Monitoring Report
- ❖ 2024 Year-end Operating Budget Monitoring and Surplus/Deficit Allocation Report
- ❖ 2024 Long-term Financial Statement – Reserves and Debt

Capital Budget Monitoring Results



Committed Capital Budget

- ❖ Budgeting in alignment with procurement timelines
- ❖ Increase in staff capacity gained through the Capital Program Resourcing Strategy
- ❖ Total net in year project reductions of \$24.5 million



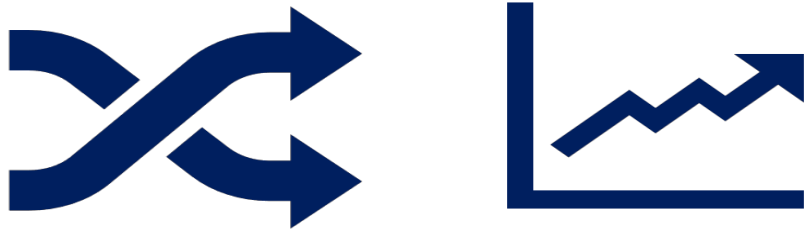
Capital Budget Recommendations

Recommendation 1 – Attachment-2

Table 4 - Budget reallocations & reductions >\$500k

Table 5 - Budget increase

Table 6 - Funding adjustments



Recommendation 2 – Advancing GG0280
Parkland Dedication By-Law Update

Recommendation 3 – Advancing PL0086
Affordable Housing Demonstration Project

Recommendation 4 – Advancing FS0079 Bunker
Gear

Recommendation 5 – Budget increase for
OB0001 OBC File Digitization

Capital Revenue - Grants

**\$12.1
million**

**\$15.0
million**

**\$14.5
million**

2024 Operating Budget Monitoring Summary

- ❖ Total deficit of 0.1% or \$64 thousand from budget (surplus 1.4% in 2023)
- ❖ Tax Supported deficit of 0.1% or \$397 thousand:
 - City Departments surplus \$4.7 million
 - Local Boards Shared Services deficit \$5.2 million
- ❖ Non-Tax Supported surplus \$334 thousand

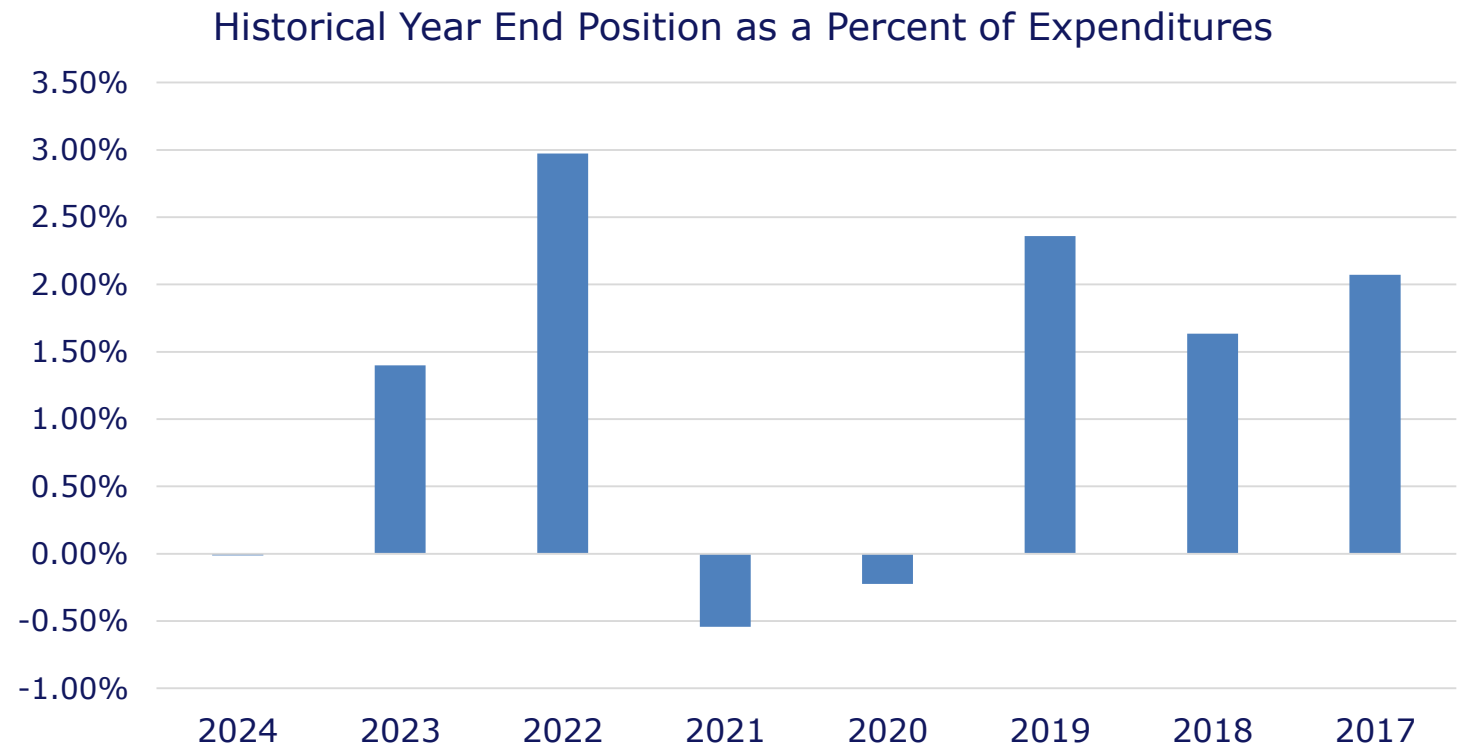


Chart represents combined Tax and Non-Tax Supported position excluding Safe Restart Funding (2020, 2021 and 2022).

2024 Operating Variance Drivers

- ❖ Revenue surplus of 3.4% driven by Transit and Recreation user fees, investment returns, higher tonnage at Solid Waste sites, sale of recycled goods, asset disposal proceeds, and grants.
- ❖ Minor 0.3% favourable variance for compensation driven by continued labour market challenges and employment trends resulting in vacancies. This served to mitigate budget pressures in overtime and part time hours to cover minimum staffing requirements and meet service delivery needs.
- ❖ Pressures in purchased services relating to repairs and maintenance resulting in 16% deficit.
- ❖ Corporate Fuel surplus of 7% with higher than budgeted gas prices mitigated through the stabilization of diesel costs.
- ❖ Local Boards and Shared Services net unfavourable position of 4% due to the phase in strategy to align City and County budgets.

2024 Funding Recommendations (Tax)

Tax Supported Surplus / (Deficit) Allocation	Amount \$
Transfer to Library Operating Contingency Reserve (102)	12,271
Transfer to Police Operating Contingency Reserve (115)	245,072
Transfer from Tax Rate Operating Contingency Reserve (180)	(654,948)
Tax Supported Total	(397,604)

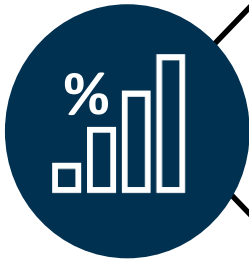
2024 Funding Recommendations (Non-tax)

Non-Tax Supported Surplus / (Deficit) Allocation	Amount \$
Transfer from Parking Operating Contingency Reserve (106)	(62,273)
Transfer to Stormwater Capital Reserve Fund (165)	566,747
Transfer from Water Operating Contingency Reserve (181)	(276,756)
Transfer to Wastewater Operating Contingency Reserve (182)	1,705,452
Transfer from Building Services OBC Stabilization Reserve Fund (188)	(1,752,995)
Transfer to Court Capital Reserve Fund (120)	153,639
Non-Tax Supported Total	333,814

Year-End Reserve and Reserve Fund Balances



Decrease of \$10.6 million (2.0%) to \$508.6 million before commitments

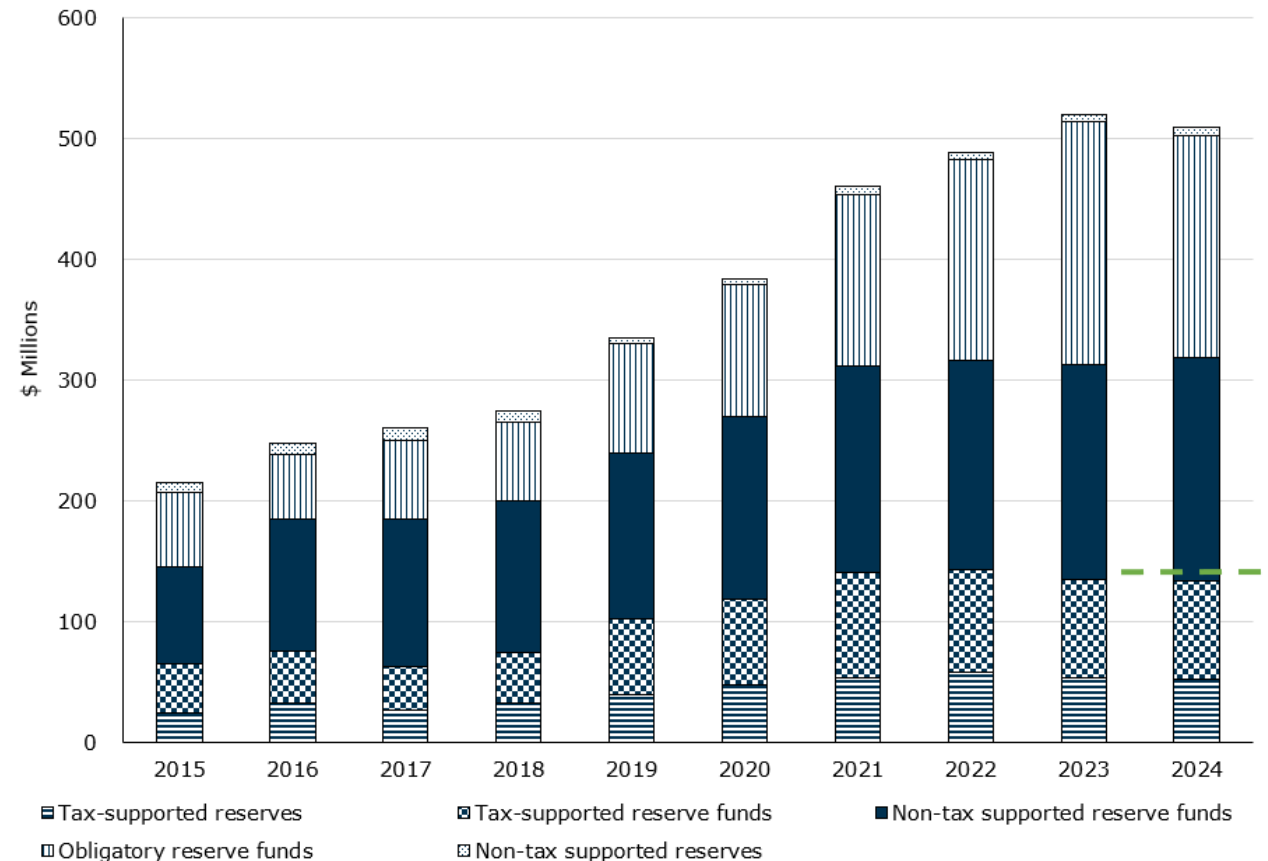


Driven by decreases in tax-supported capital and DC reserve funds



Decrease of \$18.3M (11.4%) after commitments

Reserve and reserve fund balances (before commitments) 2015 to 2024



Contingency Reserves

- ❖ Tax-supported contingency reserves

- ❖ Available balance - \$22.9M
- ❖ 60% of target

- ❖ Non-tax supported contingency reserves

- ❖ Available balance - \$6.8M
- ❖ 155% of target
- ❖ 132% of target after \$1 million transfer from Courts Contingency to Courts Capital

Contingency Reserve	2024 Target Comparison	2023 Target Comparison	Trend
Tax-supported	60%	62%	Declining
Non-tax supported	155%	122%	Improving

Capital Reserve Funds

Category	Year-end Position	Trend	Key Drivers
Tax Supported	-\$21.3M	↓ (\$17.4M)	<ul style="list-style-type: none"> • DC exemptions increase • Higher commitments at year end • Hold off on debt issuance
Non-Tax Supported	+\$106.5M	↑ \$11.5M	<ul style="list-style-type: none"> • Reduction in commitments through review of work-in-progress and closing projects

Development Charge (DC) Reserve Funds

DC collections:

- ❖ 2024 - \$12.0M
- ❖ 2023 - \$26.3M

DC exemptions and discounts:

- ❖ 2024 - \$15.3M
- ❖ 2023 - \$11.6M

DC capital expenditures:

- ❖ South End Community Centre - \$43.0M
- ❖ Speedvale Rd. Reconstruction - \$5.1M
- ❖ Electric Transit Vehicles - \$2.2M
- ❖ Baker St. Reconstruction - \$2.1M
- ❖ Silvercreek Pkwy Reconstruction - \$1.4M
- ❖ York Rd. Reconstruction - \$1.4M
- ❖ UFMP Implementation - \$1.1M

DC Reserve Fund Activity	Total (\$)
Opening balance	138,158,780
Collections	11,953,495
Exemptions	15,340,583
Interest earned	9,280,300
Capital expenditures	(66,680,000)
Debt interest charges	(1,244,467)
Closing Balance	106,808,691
Commitments not yet spent	(161,788,583)
Closing Balance after commitments	(54,979,892)
Year-end DC debt outstanding	59,426,332
Net DC Reserve Fund Balance	4,446,440

Other Development Fee Reserve Funds

Parkland Dedication (PD) Payment-in-Lieu (PIL)

Description	PD (300) (\$)	Downtown PD (301) (\$)
Opening balance	17,795,000	366,656
PIL collected	2,022,149	-
Capital expenditures	-	-
Interest earned	887,917	17,311
Closing balance	20,705,065	383,967
Year-end commitments	(1,500,000)	-
Available balance	19,205,065	383,967

Community Benefit Charges (CBC)

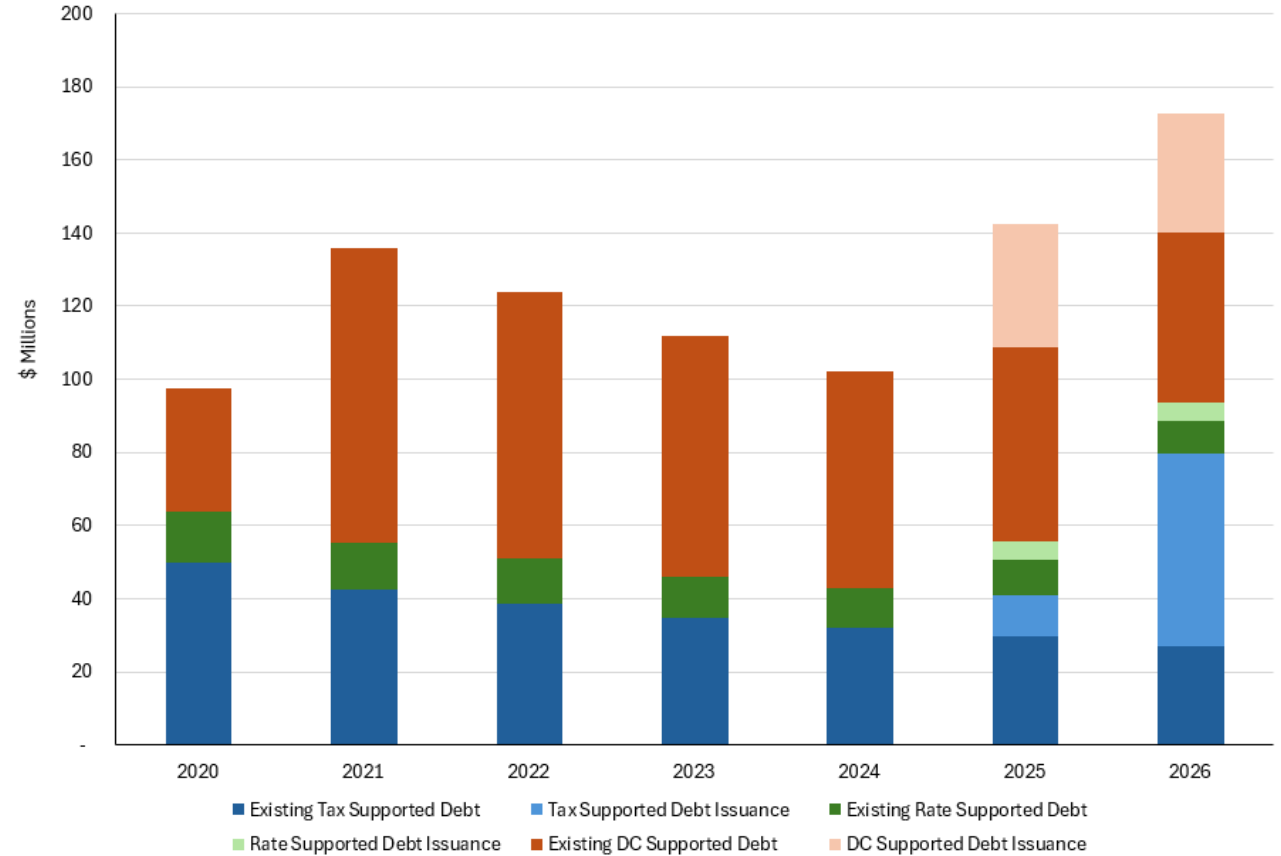
Description	CBC (302) (\$)
Opening balance	951,856
CBC collected	-
Capital expenditures	(2,465)
Interest earned	44,883
Closing balance	994,274
Year-end commitments	(6,445)
Available balance	987,829

Debt

Metric	Maximum	2024 year-end position	2024 change from 2023
Debt servicing costs to own source revenue (legislated annual repayment limit)	25%	2.6%	Decreasing (improving)
Direct debt (principal) to operating revenue	55%	21.9%	Decreasing (improving)

- ❖ Year-end debt outstanding totalled \$102.3 million after principal repayment of \$9.6 million in 2024.

Historical Debt Outstanding and Planned Debt Issuances



Summary

- ❖ Proactive and responsive financial management is demonstrating positive progress over time on financial results compared to budget.
- ❖ Phase-in strategy implemented in 2024 MYB to offset increasing social services costs with temporarily higher interest costs was successful in 2024.
- ❖ Capital strategies related to managing inflation and project execution are working; we will continue this momentum to ensure every available dollar is activated.
- ❖ Reserve and Reserve Funds are decreasing, with multiple large capital projects in the execution phase, low DC collections, and high DC exemptions; staff are monitoring financial strategies to guide future budget recommendations.
- ❖ Maximizing grants and debt capacity to get infrastructure and amenities to our community faster, and at the lowest tax and rate impact.

Thank you!