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First Quarter 2025 Financial Update Staff Report to Council

Report Number: 2025-26

Department(s): Financial Services

Author(s): Andrea Tang, Director, Financial Services / Treasurer

Meeting Date: May 26, 2025

Recommendations

1. That the report entitled First Quarter 2025 Financial Update dated May 26, 2025 be received; and,
2. That changes to the 2025 capital budget and capital spending authority be made as outlined in the report; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of the report is to:

- provide a financial status update on the 2025 Budget for the first quarter ending March 31, 2025; and
- obtain Council approval on changes to the 2025 capital program and capital spending authority.

Background

Council approved the 2025 budget on December 9, 2024. Council approved the reports 2024 Third Quarter Financial Update, and Preliminary Fourth Quarter Financial Update, that increased the 2025 capital program from \$74.6 million to \$92.6 million. The changes represent continuation of 2024 Capital Projects into 2025.

Components	\$ in millions
Tax-supported operating budget	106.9
Rate-supported operating budgets	65.7
Revised Capital Budget	92.6
Total	265.2

Discussion

This report outlines the financial results on each component of the Town's budget for the first quarter ending March 31, 2025.

Tax-Supported Operating Budget

At the end of the first quarter, revenues were higher than budget by \$0.5 million, and expenditures were lower than budget by \$0.9 million resulting in a net favourable variance of \$1.4 million.

The favourable variance in revenues was mainly due to higher interest income, and higher than budgeted revenues from tennis memberships and recreation passes.

Expenditures were favourable due to wage gapping from temporary staffing vacancies, and timing differences such as consulting and training.

Central York Fire Services (CYFS)

CYFS incurred a net favourable variance of \$0.6 million mainly due to temporary vacancies and approved leave of absences. The first quarter results will be presented to the Joint Council Committee (JCC) on June 3, 2025.

Newmarket Public Library

The Library incurred a nominal unfavourable variance due to timing difference. It is anticipated that the Library will be on budget by year-end. The first quarter results will be presented to the Library Board on May 21, 2025.

Rate-Supported Operating Budget

Water and Wastewater

At the end of the first quarter, water and wastewater incurred a net favourable variance of \$0.5 million. This was mainly due to temporary staff vacancies, lower expenditures in the CCTV program, cathodic protection program and general maintenance & repairs due to timing. Expenditures in these programs are anticipated to incur throughout the year.

Stormwater

Stormwater incurred a net favourable variance of \$0.1 million. This was mainly due to lower expenditures in the CCTV program due to timing. It is anticipated that expenditures in the program will incur throughout the year.

Capital Budget

Capital expenditures of \$4.8 million were incurred at the end of the first quarter against the approved capital program of \$92.6 million. Capital expenditures usually start to pick up in the second quarter during construction season.

The newly constructed Keith Davis Tennis Facility was open to the public in November 2024. Additional work associated with electrical and foundation totaling \$0.5 million were incurred during construction. The additional capital expenditures will be funded by Development Charges.

Upon approval of the above request, the 2025 capital budget will be revised from \$92.6 million to \$93.1 million.

Consultation

Business units were consulted on the financial results.

Conclusion

This report provides a summary of the first quarter financial results on the tax-supported operating budget, rate-supported operating budgets and capital budget. Staff will continue to monitor the budgets and provide quarterly financial updates. Second Quarter Financial Update report will be tabled to Committee of the Whole (CoW) in September 2025.

Council Priority Association

This report supports the core value of financial sustainability and stewardship.

Human Resource Considerations

None.

Budget Impact

Upon approval of the additional funding request, the 2025 capital budget will be amended from \$92.6 million to \$93.1 million.

Attachments

Appendix 1 – 2025 First Quarter Operating Results

Appendix 2 – 2025 First Quarter Water, Wastewater and Stormwater Operating Results

Appendix 3 – 2025 First Quarter Capital Expenditures

Approval for Submission

Andrea Tang, CPA, CA

Director, Financial Services / Treasurer

Esther Armchuk, LL.B

Commissioner, Corporate Services

Report Contact

For more information on this report, contact info@newmarket.ca.