



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

If you require this document in an alternative format email at [clerks@newmarket.ca](mailto:clerks@newmarket.ca) or call 905-895-5193.

## Preliminary 2025 Fourth Quarter Financial Summary Staff Report to Council

Report Number: 2026-21

Department(s): Financial Services

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

Meeting Date: April 13, 2026

### Recommendations

1. That the report entitled Preliminary 2025 Fourth Quarter Financial Summary dated April 13, 2026 be received; and,
2. That the 2025 tax-supported operating surplus allocation be approved as outlined in the report; and,
3. That changes to the 2026 capital program, 2027 capital spending authority and the corresponding funding be approved as outlined in the report; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### Executive Summary

The Town's preliminary financial results for the year ended December 31, 2025 indicate a **favourable tax-supported operating surplus of \$1.7 million, representing a 1.6% deviation from budget**. This surplus reflects higher-than-budgeted revenues offset by higher winter control and parks maintenance expenditures.

It is recommended that the **\$1.7 million tax-supported operating surplus** be allocated as follows:

- **\$0.3 million** to the *Building Services Reserve* to fund Council-approved deferred/waived building fees for eligible charitable and not-for-profit housing projects;
- **\$1.4 million** to support major system implementations planned for 2026, including Human Resources Information System (HRIS) and Enterprise Asset Management (EAM) to the *General Capital Reserve*.

Capital expenditures totalled **\$78.7 million** against a revised 2025 capital budget of **\$101.5 million**, with several 2025 projects continuing into 2026. Council approval is requested to **transfer \$22.2 million** in unspent capital funding to complete these projects in 2026 and 2027.

In addition, amendments to the **2026 capital program** are proposed, including new and adjusted funding for asset condition assessment and Central York Fire Services projects. Subject to Council approval, the **2026 capital budget will increase from \$58.7 million to \$79.3 million**, and the **2027 capital spending authority will increase from \$49.9 million to \$50.6 million**, ensuring continued delivery of priority infrastructure and service needs.

## Purpose

The purpose of the report is to advise Council on the preliminary financial results for the fiscal year ended December 31, 2025.

In addition, to seek Council approval on:

- transfers to reserves and reserve funds outside of the Treasurer’s delegated authority; and
- changes to the 2026 capital program, 2027 capital spending authority, and the corresponding funding as outlined in the report.

## Background

The 2025 budget is \$274.1 million which includes Council approved in-year changes to the 2025 capital budget. Breakdown of the 2025 budget is as follows:

<b>Components</b>	<b>\$ in millions</b>
Tax-supported operating budget	106.9
Rate-supported operating budgets	65.7
Revised Capital Budget	101.5
<b>Total</b>	<b>274.1</b>

## Discussion

This report outlines the financial results on each component of the Town’s budget for the fourth quarter ending December 31, 2025.

## Tax-Supported Operating Budget

For the 2025 fiscal year ended December 31, 2025, the Town incurred a net favourable variance of \$1.7 million. The variance represents a 1.6% deviation from budget (or achieving 98.4% of budget). A generally acceptable percentage of deviation from an approved operating budget is between 5% and 10%.

Revenues were higher than budget by \$7.1 million. Bank interest income revenues were favourable by \$1.0 million due to higher interest rates. Interest and penalty revenues were \$1.3 million above budget, reflecting an increase in accounts in arrears in the current economic climate. Property tax revenues were \$0.8 million higher than budget, driven by additional assessment growth and in-year additions to the tax roll.

Recreation revenues were also higher than budget by \$2.2 million, primarily from increased participation in fitness memberships, summer camps, aquatics, tennis programs and ice rentals, partially offset by additional part-time wages to run the programs.

The Newmarket Automated Speed Enforcement (ASE) program generated net revenues of \$0.7 million since program inception in 2024. Surplus beyond operational costs was transferred to a reserve to support community safety initiatives. The Town also provided participating Municipal Partners with ticket processing services for their ASE programs, as well as Screening and Hearing Review services. A comprehensive report on ASE program is tabled at the April 13, 2026 Committee of the Whole (COW) meeting.

Expenditures were higher than budgeted by \$5.4 million. Winter control expenditures exceeded budget by \$1.0 million due to higher-than-anticipated snow activity volumes.

Parks maintenance and forestry expenditures were also above budget, primarily due to continued efforts to address deferred annual programs, including sports surface improvements, and the tree removal and planting program. Implementation delays during the pandemic created a backlog of work.

Spending on special events surpassed the budget. In addition to the Town's regular event programming, Ice Lounge, Stanley Cup viewing parties, and Summer Fest were hosted during the year. These events were well received by the community, generating strong attendance and local engagement.

Higher expenditures were incurred in facility maintenance and software licensing fees.

There were favourable expenditure variances where transfers to operating reserves were made within delegated authority in accordance with the budget:

- insurance premium – favourable variance of \$0.2 million (transfer to reserve);
- playground maintenance – favourable variance of \$0.2 million (transfer to reserve)

Unfavourable variances in winter control and parks maintenance were absorbed through additional one-time revenues from bank interest income, and interest and penalty revenues, avoiding the need for reserve draws.

In summary, the Town incurred a favourable variance of \$1.7 million and it is recommended to allocate the surplus as follows:

- \$0.3 million to the Building Services Reserve to fund Council approved deferred/waived building fees related to housing development projects by charity and not-for-profit organizations
- \$1.4 million to the General Capital Reserve to fund system implementations for HRIS and EAM

### **Central York Fire Services (CYFS)**

Newmarket's portion of the CYFS operating budget incurred a favourable variance of \$0.3 million.

A report on the fourth quarter preliminary results was tabled at the March 10, 2026 Joint Council Committee (JCC) meeting.

### **Newmarket Public Library**

The Library incurred a deficit of \$0.1 million of which there was a draw from the Library reserve to fund the deficit. The deficit was mainly from the purchase of book vending machines, and it was approved by the Library Board to fund the purchase from the Library Reserve.

The Newmarket Public Library audited 2025 Financial Statement will be tabled to the Library Board in June 2026.

## **Rate-Supported Operating Budgets**

### **Water and Wastewater**

At the end of the fourth quarter, the water and wastewater programs reported a combined surplus of \$1.5 million, compared to a budgeted surplus of \$1.9 million. The lower-than-budgeted surplus was primarily attributable to higher repairs and maintenance costs. Net surpluses were transferred to the respective water and wastewater reserves.

### **Stormwater**

Stormwater reported a surplus of \$0.5 million compared to a budgeted surplus of \$0.1 million. The higher-than-budgeted surplus was primarily due to lower expenditures related to the CCTV program, maintenance activities, and catch basin cleaning. The net surplus was transferred to the stormwater reserve.

## **Development Services**

A softer development market had an adverse impact on development-related services, particularly Building Services and Planning. This lower level of development activity is expected to continue into 2026.

The Building Division reported a net deficit of \$1.5 million, compared to a budgeted deficit of \$0.8 million. Planning reported a net deficit of \$0.6 million, compared to a budgeted deficit of \$0.4 million. Development Engineering reported a nominal deficit of \$37 thousand, compared to a budgeted surplus of \$0.2 million.

## **Capital Budget**

Capital expenditures of \$78.7 million (\$39.7 million in standard program and \$39.0 million in major projects) were incurred at the end of the 2025 against the revised capital budget of \$101.5 million.

Major projects included multi-year projects such as the construction of Mulock Park and the continuous roll-out of the Advanced Metering project.

Appendix 4 provides a summary of 2025 capital projects that remain underway and require Council approval to carry forward \$22.2 million of total available capital budget into 2026 and 2027 to support project completion.

## **Additional 2026 Capital and Funding Requests**

Staff identified the following amendments to the 2026 capital program for consideration:

**Fairy Lake Dam Condition Assessment and Engineering Study** - \$0.3 million – proposed funding from Asset Management Fund (AMF)

Project Scope: A request is being made as the Town recently reached an agreement with LSRCA that included transfer of ownership for the Fairy Lake Dam, a new asset for the Town to manage. The Condition Assessment & Engineering Study will engage a professional engineering firm experienced in dam structures to collect and analyze information about the dam. The engineer will provide detailed recommendations about future capital works, operations and maintenance programs, management strategies, and ownership requirements to meet provincial legislation.

**Station 4-5 Remediation – CYFS** – proposed additional funding from CYFS AMF: Additional budget of \$15,000 is being requested to complete the project. This project includes reinforcing the upper slab for the training room exit, installing a crane, and adding a bail-out window.

**Replacement of SUV (CH45) – CYFS** – proposed additional funding from CYFS AMF: Additional budget of \$23,000 is being requested to account for the enhanced emergency lighting system and the associated installation costs. Product pricing and installation labour costs have risen significantly since the budget was requested.

**Training Building / Burn Tower - CYFS:** A request is being made to transfer the remaining budget of \$198,000 from the completed capital project “Training Building and Fence” to capital project “Training Building/Burn Tower”.

The capital requests from CYFS outlined above were presented and endorsed by JCC on March 10, 2026.

### **Capital Project Overspend**

There were several projects where actual spending was higher than the approved budgets by more than \$0.25 million.

**Roof Replacements** – Actual \$3.2 million against budget \$2.1 million – overspend due to higher costs and additional roof replacements. The overspend can be funded from remaining budgets from 2025 completed projects with the same funding source

**Municipal Infrastructure Project** – Actual \$10.5 million against budget \$9.2 million – overspend due to excess capacity to complete more work in 2025. This is an annual program with approved capital spending authority in 2026 and 2027. The additional spending will be accelerated from the 2027 capital spending authority; therefore the 2027 capital spending authority will be reduced by \$1.3 million.

**Hasket Breathing Space & Trail** – Actual \$2.9 million against budget \$2.4 million – this is a multi-year project, and additional work was accelerated to 2025. The additional funds of \$0.5 million will be funded from Development Charges. The 2026 capital spending authority was reduced during the 2026 budget process.

### **Capital Summary**

Upon Council approval of the proposed capital changes, the 2026 capital program will be increased from \$58.7 million to \$79.3 million, and the 2027 capital spending authority will be increased from \$49.9 million to \$50.6 million.

### **Consultation**

Strategic Leadership Team (SLT) and various Business Units have been consulted.

### **Conclusion**

This report provides a summary on the preliminary 2025 financial results. Audited 2025 financial statements will be tabled to Committee of the Whole (CoW) in June 2026.

## **Council Priority Association**

This report aligns with the following Council Priority: Community and Economic Vibrancy

## **Human Resource Considerations**

Not applicable.

## **Budget Impact**

The 2025 tax-supported operating budget surplus will be transferred to the reserve and reserve funds as outlined in the report.

Upon approval of the changes to the capital programs, the 2026 capital budget will be amended to \$79.3 million (based on the 2026 approved budget of \$58.7 million, carry forward requests of \$20.2 million and additional requests totaling \$0.4 million as outlined in this report).

## **Attachments**

Appendix 1 – 2025 Fourth Quarter Operating Results

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

Appendix 3 – 2025 Fourth Quarter Capital Expenditures

Appendix 4 - 2025 Approved Capital Budget Transfers to 2026

## **Approval for Submission**

Esther Armchuk, LL.B

Commissioner, Corporate Services

Ian McDougall

Chief Administrative Officer, Office of the CAO

## **Report Contact**

For more information on this report, contact [info@newmarket.ca](mailto:info@newmarket.ca).