

CITY OF BURLINGTON  
OPERATING BUDGET PERFORMANCE FOR THE PERIOD ENDING DECEMBER 31st, 2025  
VARIANCE BY COST ELEMENT

Outlined in the table below are the explanations of the major December 31st variance drivers

Major drivers	2025 Budget	2025 Actuals	December 31st Variance	F / (U)	Explanation of Variance
<b>Tax Supported Revenues</b>			\$ 4,489,398	F	
<b>External Recoveries</b>	\$ (6,637,244)	\$ (7,387,123)	\$ 749,879	F	The favourable variance is primarily due to higher-than-anticipated recoveries from Halton Region related to increased winter maintenance performed on the Regional portion of the City-maintained road network during the harsh winter season.
<b>Transit Fare Revenue</b>	\$ (5,732,400)	\$ (6,382,172)	\$ 649,772	F	Burlington Transit continues to experience year-over-year growth in ridership and fare revenue. In 2025, ridership increased by 4% compared to 2024, while fare revenue increased by 14%. Adult concession ridership grew by 7% and represents approximately 75% of total ridership, contributing significantly to the favourable variance. Expanded payment options through PRESTO, including mobile wallet and contactless payments, have increased adoption and revenue. Contactless fares (\$3.50) generate higher revenue than Adult PRESTO fares (\$2.75). PRESTO adoption is approximately 92%.
<b>Tenant Lease Revenue</b>	\$ (1,026,342)	\$ (1,484,119)	\$ 457,777	F	Tenant revenue at the Robert Bateman Community Centre exceeded anticipated amounts as lease agreements were still in development at the time of approval of the 2025 budget, resulting in a favourable year end variance that has been captured in the 2026 budget. In addition, Paletta Mansion tenant revenues exceeded their contractual base threshold, triggering the revenue sharing arrangement and generating additional revenue for the City.
<b>Ice Rentals</b>	\$ (3,608,775)	\$ (4,045,556)	\$ 436,782	F	2025 represents the first full fiscal year without the arena surcharge in place. Consequently, revenues that were previously allocated to servicing arena related debt are now reflected as operating revenue. Combined with an increase in ice rental bookings, this has contributed to an overall favourable variance. This increase in revenue has been captured in the 2026 budget.
<b>Fines - Parking</b>	\$ (1,250,000)	\$ (1,821,795)	\$ 571,795	F	The favourable variance can be partially attributed to increased ticket issuance for snow event violations, no stopping violations & parking on sand/grass on Municipal Property. The latter of these primarily affects Beachway Park in the summer months
<b>Rental Revenue</b>	\$ (3,735,682)	\$ (4,278,770)	\$ 543,089	F	Facility rentals experienced a broad overall increase, with the most notable growth occurring in Sportfields, Alton Community Centre, and Mainway Recreation Centre. Reduced cancellations and favourable summer weather conditions contributed to higher utilization, while increased demand across key sports was also a significant driver. Participation in baseball, football, soccer, and cricket continued to expand, with soccer and football making greater use of artificial turf surfaces and cricket activity reaching near maximum field utilization compared to the prior year.
<b>Registration Fees</b>	\$ (3,771,210)	\$ (4,099,631)	\$ 328,421	F	Registered program revenues exceeded budget expectations, driven by increased participation across most Recreation, Community & Culture program areas. The Adult program area expanded opportunities for high demand registered offerings such as pickleball and leisure programs by adding new locations and increasing program capacities. These enhancements, combined with more residents choosing to stay local, contributed to the favourable performance in admissions. In Aquatics, refinements to program delivery amid a moderate increase in program offerings enhanced customer experience and access. The early opening of outdoor pools, coinciding with an extended period of hot summer weather, also contributed to higher utilization and overall participation. Together, these factors drove increases in program attendance and revenue generation. Popular plays in the theatre program increased participation in summer theatre camps, supporting higher participation and revenues in the culture program area.
<b>Admissions</b>	\$ (643,660)	\$ (887,456)	\$ 243,796	F	Similar to registered programs above, drop in program revenues exceeded budget expectations, driven by increased participation across most Recreation, Community & Culture program areas. The Adult program area expanded opportunities for high demand drop in offerings such as pickleball and leisure programs by adding new locations and increasing program capacities. These enhancements contributed to the favourable performance in admissions. In Aquatics, refinements to program delivery, improved queue management, and a moderate increase in program offerings enhanced customer experience and access. The early opening of outdoor pools, coinciding with an extended period of hot summer weather, also contributed to higher utilization and overall participation. Together, these factors drove increases in program attendance and revenue generation.
<b>School Board Rental Revenue</b>	\$ (671,080)	\$ (871,434)	\$ 200,354	F	The growing popularity and increased utilization of artificial turf by the school boards has driven favourable performance. This favorability is offset by the city's use of school facilities
<b>Green Fees</b>	\$ (677,673)	\$ (874,391)	\$ 196,718	F	Favorability primarily due to additional capacity created by adjusting tee time intervals at Tyandaga. Favourable summer weather conditions also contributed to higher levels of golf activity.
<b>Miscellaneous Revenue</b>	\$ (297,580)	\$ (491,307)	\$ 193,727	F	Corporate Legal reported higher-than-average revenues due to several significant successful prosecutions that generated substantially more fine revenue than the City typically receives in a given year.
<b>Vending Machine Revenues</b>	\$ -	\$ (115,620)	\$ 115,620	F	Vending machine revenue reflects a new source of income that was confirmed after the 2025 budget had already been approved. As a result, this revenue was not included in the original 2025 budgeted amount, and has driven favourability in this revenue category. It has since been incorporated as a planned revenue line in the 2026 budget.

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<b>General Licenses</b>	\$ (652,856)	\$ (454,525)	\$ (198,332)	U	Revenues within the Licensing area experienced an unfavourable variance, primarily due to lower-than-anticipated business licensing revenues. The budgeted revenue was increased in anticipation of establishing a dedicated Licensing Section and expanding enforcement capacity. However, recruitment delays and staffing vacancies limited enforcement activity, impacting the achievement of budgeted revenue targets. Licensing revenues have since exceeded pre-pandemic levels, reaching \$454,000, the highest annual total since 2017. This increase is largely attributable to proactive enforcement efforts focused on unlicensed businesses. Proactive enforcement will continue through 2026 to support ongoing compliance and revenue stabilization.
<b>Non-Tax Supported Revenues /Expenditures</b>			\$ (1,409,168)	U	
<b>Planning Fee Revenue</b>	\$ (6,139,780)	\$ (2,439,684)	\$ (3,700,096)	U	Community Planning revenues were down by approximately 60% from a budgeted amount of \$6.1M to \$2.4M resulting in an unfavorable budget variance of \$3.7M. The unfavourable variance in Community Planning revenues is primarily attributed to challenging regional housing market conditions including low consumer confidence, slowed new home sales and home prices that remain elevated, despite slight reductions in interest rates in the second half of 2025. Combined, these factors have resulted in lower-than-average application volumes and in turn, revenues were lower than anticipated. This was particularly evident in residential site plan application volumes as the site plan process marks the final approval process before a building permit. While revenues from larger development applications are also lower than anticipated, pre-consultation and pre-application discussions remain strong. This suggests that development proponents are preparing applications for future submissions when market conditions improve. Further, staff note that there appears to be some applicants waiting for the adoption of the Community Planning Permit System, which offers a streamlined process and lower application costs and the New Zoning By-law which identifies new housing options in some areas that were not previously available.
<b>Draw from the Planning Fee Reserve Fund</b>	\$ -	\$ (3,700,096)	\$ 3,700,096	F	Staff continue to proactively engage with applicants and monitor files closely, reaching out to those with limited activity to facilitate movement and encourage timely submissions, which, when paired with the Burlington Residential Zoning By-laws and process improvements, positions the department well to be able to respond quickly when the market recovers and volumes increase. Planning Revenue losses were offset by a draw from the Planning Fee Stabilization Reserve Fund.
<b>Building Permit Revenue</b>	\$ (7,266,347)	\$ (4,224,152)	\$ (3,042,195)	U	As with previous years the Building Department has witnessed a decrease in high-density residential projects from the planning to building permit phase. While the number of building permits issued in 2025 was the same as 2024 (1,609 in 2025, 1,703 in 2024), the value of construction was 47.5% lower (\$408M in 2025 versus \$780M in 2024) resulting in lower revenues. This decrease resulted in lower than budgeted revenues. Building Revenue losses were partially offset by a draw from the Building Permit Stabilization Reserve Fund and savings in operational expenses as per the Bill 124 Model.
<b>Draw from the Building Reserve Fund</b>		\$ (1,837,555)	\$ 1,837,555	F	
<b>Downtown Parking Fees and Fine Revenue</b>	\$ (1,911,793)	\$ (2,078,184)	\$ 166,392	F	The favourable variance in parking fees and fine revenue is mainly due to higher demand for parking, particularly during peak periods and special events. The favourable variance in the overall operating expenses for Parking district resulted in a higher than budgeted provision to the Parking Reserve Fund.
<b>Provision to Parking Reserve Fund</b>	\$ 669,529	\$ 1,040,449	\$ (370,919)	U	
<b>Other Operational Impacts</b>			\$ (1,842,665)	U	
<b>Human Resource costs</b>	\$ 180,282,986	\$ 177,377,740	\$ 2,905,246	F	Gapping savings realized from the full year cost of vacant new positions approved in the 2025 Budget and other temporary vacancies. These savings are partially offset with higher than budgeted overtime costs in Transit and Fire
<b>IT related costs</b>	\$ 6,589,382	\$ 6,167,911	\$ 421,471	F	This favourable variance reflects deliberate and sustained financial stewardship. The team undertook proactive subscription reviews, vendor negotiations, application rationalization, and targeted decommissioning to reduce ongoing hosted software costs. Integration expenses were lower than anticipated, and certain cloud-related expenditures were strategically deferred to align with business readiness. Any structural savings identified through these efforts have been incorporated into the 2026 and 2027 budgets to ensure ongoing benefit.
<b>Grants</b>	\$ 17,967,092	\$ 17,682,148	\$ 284,944	F	Favourable variance primarily in Recreation, Community & Culture department. Grants to other agencies, including the open streets program, will be guided by the upcoming Neighbourhood Plan implementation. A phased rollout beginning in 2026 will support a launch aligned to community needs.
<b>Insurance Premium Payment</b>	\$ 3,783,877	\$ 3,616,161	\$ 167,716	F	Savings resulting from the renegotiation of the insurance contract in 2025
<b>Equipment Parts and Supplies</b>	\$ 3,482,886	\$ 4,913,382	\$ (1,430,496)	U	Increase in overall Transit fleet size as well as aging of the fleet contributed in high costs for Equipment Parts and Supplies and increased maintenance on winter response equipment exceeded budget allotment. Additionally higher procurement costs driven by inflationary pressures, supply chain constraints, and increases in raw material prices affecting equipment components and replacement parts, have contributed to the unfavourable variance city wide. This has been a consistent trend for the last several years and will need to be addressed in future budgets.
<b>Roads Parks and Forestry stores</b>	\$ 1,242,940	\$ 2,353,492	\$ (1,110,552)	U	Unfavourable variance is attributable to a higher than anticipated roads salt usage due to extreme winter conditions in 2025.
<b>Contracted Services</b>	\$ 14,968,187	\$ 16,921,576	\$ (1,953,390)	U	The unfavourable variance is primarily attributable to extreme winter conditions that required higher-than-anticipated contractor hours for winter maintenance. In addition, Transit incurred increased costs related to specialized service delivery, including supplemental taxi and contracted service provider support, as well as specialized centralized application processing and appeal fees.

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<b>Repair &amp; Maintenance - Building</b>	\$ 1,168,790	\$ 1,930,777	\$ (761,987)	U	The unfavourable variance in Building Repair and Maintenance is primarily driven by higher than anticipated costs for repairs at the Operations Centre supporting Roads, Parks and Forestry, as well as repairs and replacements related to aging infrastructure managed by Corporate Facilities, including window and HVAC systems at Transit facilities. Recreation, Community and Culture also experienced increased repair costs due to higher facility usage, which resulted in greater maintenance requirements. Additional expenses were incurred for larger maintenance items, system upgrades, and security enhancements. Recreation, Community and Culture is currently in Year 5 of 7 of implementing the preventative maintenance business case aimed at enhancing long-term asset management and operational efficiency. Once fully implemented, this initiative is expected to reduce maintenance-related variances.
<b>Reactive Maintenance</b>	\$ 100,000	\$ 467,665	\$ (367,665)	U	Primarily driven by Forestry Services as costs for reactive tree maintenance and severe weather response exceeded budget
<b>Commodities</b>	\$ 11,012,334	\$ 11,157,994	\$ (145,660)	U	Hydro costs increased across all arenas due to higher overall electrical demand, including the introduction of electric Zambonis, combined with extended air conditioning usage during a warmer than average summer and operational changes such as earlier ice removal. These costs were partially offset by savings in Natural Gas and Gasoline
<b>Other - various</b>			\$ 147,708	F	Miscellaneous other operating savings
<b>Corporate related Expenditures and Revenues</b>			\$ 1,756,804		
<b>Interest &amp; Penalty on Taxes</b>	\$ (2,300,000)	\$ (4,051,741)	\$ 1,751,741	F	Higher than anticipated penalty and interest on taxes were realized in 2025 due to increased property tax arrears for both prior year and current year amounts overdue
<b>Payments in Lieu of Taxes</b>	\$ (4,120,550)	\$ (4,488,825)	\$ 368,275	F	Higher payments reflecting property tax increase and some additional assets on payments in lieu
<b>Supplementary Taxes</b>	\$ (1,200,000)	\$ (836,788)	\$ (363,212)	U	The city realized lower than anticipated supplementary taxes for current and previous years.
<b>Investment Income</b>			\$ 2,015,450	F	Investment income exceeded budget due to realized capital gains, reinvestment at favourable interest rates, and higher than average cash balances. Active portfolio management and market monitoring allowed the City to capture strong yields while maintaining a conservative risk profile. Higher than average cash balances also provided additional funds for investment, contributing to the positive variance. The surplus investment income was allocated to identified
<b>Provision to Tax Rate Stabilization Reserve Fund</b>			\$ (882,725)	U	
<b>Provision to Infrastructure Renewal Reserve Fund</b>			\$ (882,725)	U	
<b>Provision to Green Initiatives Reserve Fund</b>			\$ (250,000)	U	Reserve Funds as per the Interest Allocation Policy.
<b>Year End Position</b>			\$ 2,994,369		