

Electronic General Committee Meeting

Agenda

Meeting No. 16 November 2, 2020, 9:30 AM Live streamed

Note: Members of the General Committee will be participating in the meeting remotely.

Due to COVID-19, our facilities are closed to the public. Access is not permitted to the Markham Civic Centre and Council Chamber.

Members of the public may submit written deputations by email to <u>clerkspublic@markham.ca</u>

Members of the public who wish to make virtual deputations must register by completing an online *Request to Speak Form* or e-mail clerkspublic@markham.ca providing full name, contact information and item they wish to speak to. Alternatively, you may connect via telephone by contacting the Clerk's office at 905-479-7760 on the day of the meeting.

General Committee meetings are video and audio streamed on the City's website at:

https://pub-markham.escribemeetings.com/



Electronic General Committee Agenda

Meeting Number: 16 November 2, 2020, 9:30 AM - 1:00 PM Live streamed

Please bring this General Committee Agenda to the Council meeting on November 10, 2020.

1. CALL TO ORDER

2. DISCLOSURE OF PECUNIARY INTEREST

3. APPROVAL OF PREVIOUS MINUTES

3.1. MINUTES OF THE OCTOBER 19, 2020 GENERAL COMMITTEE (16.0)

- 1. That the minutes of the October 19, 2020 General Committee meeting be confirmed.
- 4. **DEPUTATIONS**
- 5. COMMUNICATIONS
- 6. **PETITIONS**
- 7. CONSENT REPORTS FINANCE & ADMINISTRATIVE ISSUES

7.1. MINUTES OF THE AUGUST 12, 2020, SEPTEMBER 9, 2020 AND OCTOBER 15, 2020 BOARD OF MANAGEMENT UNIONVILLE BUSINESS IMPROVEMENT AREA (16.0)

 That the minutes of the August 12, 2020, September 9, 2020 and October 15, 2020 Board of Management Unionville Business Improvement Area Committee meetings be received for information purposes.

7.2. 2020 THIRD QUARTER INVESTMENT PERFORMANCE REVIEW (7.0)

M. Visser, ext. 4260

Pages

31

20

1. That the report dated November 2, 2020 entitled "2020 Third Quarter Investment Performance Review" be received.

7.3. TENDER 049-T-20 GRASS CUTTING AND MAINTENANCE SERVICES (RENEWAL YEARS 2021-2023) (6.0)

D. Plant, ext. 4893 and M. Lee, ext. 2239

- 1. That the report entitled "Tender 049-T-20 Grass Cutting and Maintenance Services (Renewal Years 2021- 2023)" be received; and,
- 2. That the contract for Tender 049-T-20 Grass Cutting and Maintenance Services be awarded to the lowest priced bidder, Markham Property Services Ltd., for an additional three (3) years (2021–2023), with a CPI increase in 2022 and 2023 as follows;
 - 2021 \$218,574.98 (inclusive of HST)
 - 2022 \$218,574.98 (inclusive of HST)*
 - 2023 \$218,574.98 (inclusive of HST)** 2022 and 2023 are subject to an annual price increase based on the Consumer Price Index for All Items Canada for the twelve (12) month period ending December 31 in the applicable year; and,
- 3. That the estimated 2021 costs of \$218,574.98 be funded from account 730-730-5399 (Contracted Services), subject to Council approval of the 2021 operating budget; and,
- 4. That the purchase orders for years 2022 and 2023 be adjusted for growth and/or price escalation, subject to Council approval of the respective year's budgets; and further,
- 5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

7.4. 2020 AUGUST YEAR-TO-DATE RESULTS OF OPERATIONS (7.4)

Jay Pak, ext. 2514 and Lisa Chen, ext. 3880

- 1. That the report titled "2020 August Year-To-Date Review of Operations and Year-end Projection" be received; and,
- 2. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

7.5. 2021 COUNCIL AND STANDING COMMITTEE MEETING CALENDAR (16.0)

M. Pettit, ext. 8220

- 1. That the 2021 Council and Standing Committee Meeting Calendar be approved; and,
- 2. That Staff be authorized and directed to do all things necessary to give

35

37

66

78

effect to this resolution.

8. PRESENTATIONS - FINANCE & ADMINISTRATIVE ISSUES

8.1. 2021 WATER / WASTEWATER RATE (5.1, 5.3)

A. Aziz, ext. 2432

Note: Phoebe Fu, Director, Environmental Services and Asif Aziz, Senior Financial Analyst, will provide a presentation on this matter.

- 1. That the presentation entitled "2021 Water/Wastewater Rate Public Consultation Meeting" be received and approved for presentation at the November 12th Public Consultation meeting; and,
- 2. That the report entitled "2021 Water/Wastewater Rate" be received; and,
- 3. That Staff be authorized to hold an electronic public meeting on November 12th, 2020 at 6:30 p.m. to gather resident feedback on the principle of, increasing the 2021 water/wastewater rate by the same percentage as the Region of York's wholesale rate and present two scenarios:
 - a. Scenario 1: Increase of 0%
 - b. Scenario 2: Increase of 2.9%, which is consistent with the Region of York's wholesale rate increase for 2021, as tabled at Regional Council in the Region's Water and Wastewater Financial Sustainability Plan from October 2015; and,
- 4. That feedback received at the public meeting along with the proposed 2021 water/wastewater rate tentatively scheduled to be put forward for consideration of Council on December 9th, 2020; and further,
- 5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

9. PRESENTATIONS - LAND, BUILDING & PARKS CONSTRUCTION ISSUES

9.1. SWAN LAKE PARK – PARKS OPERATIONS AND PARKS REFRESH DRAFT PLAN (6.3)

120

D. Plant, ext. 4893

Note: David Plant, Senior Manager, Operations, will provide a presentation on this matter.

- 1. That the presentation entitled "Swan Lake Park Parks Operations and Parks Refresh Draft Plan" dated November 2, 2020 be received; and,
- 2. That the recommended funding outlined in the presentation be

142

committed to the park refresh subject to Council approved; and further,

3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

10. REGULAR REPORTS - COMMUNITY SERVICES ISSUES

10.1. MAINTENANCE OF REGIONAL ROADS AND BOULEVARDS (5.10)

M. Jones, ext. 4857

- 1. That the memorandum entitled "Maintenance of Regional Roads and Boulevards" dated November 2, 2020 be received; and,
- 2. That staff recommend winter maintenance service provision remain as is at this time; and,
- 3. That staff recommend improved coordination in the operating field amongst front line supervisors to enhance winter maintenance service provision; and,
- 4. That staff recommend City residents and Council continue to utilize the City's Contact Centre to generate work orders for both the City and the Region for the following issues:
 - a. Dead animal removal
 - b. Pot hole repair
 - c. Fallen tree removal
 - d. Debris removal
 - e. Grass cutting; and,
- 5. That staff recommend further investigation of the City's and the Region's contracts to explore possible options in grass cutting download or upload; and,
- 6. That staff recommend requesting the Region to consider increasing their cutting cycles to align to the City's; and further,
- 7. That staff be authorized and directed to do all things necessary to give effect to this resolution.

11. MOTIONS

12. NOTICES OF MOTION

13. NEW/OTHER BUSINESS

As per Section 2 of the Council Procedural By-Law, "New/Other Business would generally apply to an item that is to be added to the **Agenda** due to an urgent statutory time requirement, or an emergency, or time sensitivity".

14. ANNOUNCEMENTS

15. ADJOURNMENT

Information Page		
General Committee Members: All Members of Council		
General CommitteeChair:Regional Councillor Jack HeathVice Chair:Councillor Khalid Usman		
Finance & Administrative IssuesCommunity Services IssuesChair:Regional Councillor Jack HeathChair:Councillor Karen ReaVice Chair:Councillor Khalid UsmanVice Chair:Councillor Isa Lee		
Environment & Sustainability Issues Chair:Land, Building & Parks Construction IssuesChair:Regional Councillor Joe Li Vice Chair:Chair:Councillor Keith Irish Vice Chair: Councillor Andrew Keyes		
General Committee meetings are audio and video streamed live at the City of Markham's website.		
Alternate formats are available upon request.		
Consent Items: All matters listed under the consent agenda are considered to be routine and are recommended for approval by the department. They may be enacted on one motion, or any item		

Note: The times listed on this agenda are approximate and may vary; Council may, at its discretion, alter the order of the agenda items.

may be discussed if a member so requests.

Note: As per the Council Procedural By-Law, Section 7.1 (h) General Committee will take a 10 minute recess after two hours have passed since the last break.



Electronic General Committee Meeting Minutes

Meeting Number: 14 October 19, 2020, 9:30 AM - 1:00 PM Live streamed

Roll Call	Mayor Frank Scarpitti Deputy Mayor Don Hamilton Regional Councillor Jack Heath Regional Councillor Joe Li Regional Councillor Jim Jones Councillor Keith Irish Councillor Alan Ho	Councillor Reid McAlpine Councillor Karen Rea Councillor Andrew Keyes Councillor Amanda Collucci Councillor Khalid Usman Councillor Isa Lee
Staff	Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner, Corporate Services Claudia Storto, City Solicitor and Director of Human Resources Joel Lustig, Treasurer Bryan Frois, Chief of Staff Kimberley Kitteringham, City Clerk Martha Pettit, Deputy City Clerk Phoebe Fu, Director of Environmental Services Mary Creighton, Director of Recreation Services Hersh Tencer, Manager, Real Property Alex Moore, Manager of Purchasing & Accounts Payable Morgan Jones, Director, Operations	Coordinator John Wong, Technology Support Specialist II Graham Seaman, Director, Sustainability & Asset Management Shane Manson, Senior Manager, Revenue & Property Taxation Jacqueline Chan, Assistant City Solicitor Terence Tang, Technology Support Specialist II Claudia Marsales, Senior Manager Waste Management & Environment

1. CALL TO ORDER

In consideration of the ongoing public health orders, this meeting was conducted electronically to maintain physical distancing of participants. With the recent passage of Bill 197 COVID-19 Economic Recovery Act, municipal Council Members are now permitted to meet remotely and count towards quorum.

The General Committee Meeting convened at the hour of 9:33 AM in the Canada Room with Regional Councillor Jack Heath presiding as Chair for all items on the agenda.

2. DISCLOSURE OF PECUNIARY INTEREST

None were disclosed.

3. APPROVAL OF PREVIOUS MINUTES

3.1 MINUTES OF THE OCTOBER 5, 2020 GENERAL COMMITTEE (16.0)

Moved by Councillor Alan Ho Seconded by Deputy Mayor Don Hamilton

1. That the minutes of the October 5, 2020 General Committee meeting be confirmed.

Carried

4. **DEPUTATIONS**

There were no deputations.

5. COMMUNICATIONS

5.1 YORK REGION COMMUNICATIONS (13.4)

Moved by Regional Councillor Joe Li Seconded by Councillor Khalid Usman

That the communication from York Region entitled Major Transit Station Areas Endorsement Report be received for information purposes.

Carried

6. **PETITIONS**

There were no petitions.

7. CONSENT REPORTS - FINANCE & ADMINISTRATIVE ISSUES

7.1 MINUTES OF THE JUNE 22, 2020 MARKHAM PUBLIC LIBRARY BOARD (16.0)

Moved by Councillor Keith Irish Seconded by Councillor Andrew Keyes

That the minutes of the June 22, 2020 Markham Public Library Board meeting be received for information purposes.

Carried

7.2 2021 INTERIM SPENDING AUTHORITY PENDING APPROVAL OF BUDGET (7.0)

Moved by Councillor Keith Irish Seconded by Councillor Andrew Keyes

- 1. That the report titled "2021 Interim Spending Authority Pending Approval of Budget", be received; and,
- That Council approve 50% of the City's 2020 Operating, Waterworks, Planning & Design, Building Standards and Engineering budgets, equal to \$205,261,876, as a pre-budget approval for 2021 operating expenditures; and further,
- 3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

7.3 2021 INTERIM SPENDING AUTHORITY PENDING APPROVAL OF UNIONVILLE AND MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA BUDGETS (7.0)

Moved by Councillor Keith Irish Seconded by Councillor Andrew Keyes

- That the report titled "2021 Interim Spending Authority Pending Approval of Unionville Business Improvement Area and Markham Village Business Improvement Area Budgets", be received; and,
- 2. That Council approve 50% of the 2020 Operating Budget equivalent to the amounts of \$107,111 for the Unionville BIA (UBIA) and \$154,976 for the Markham Village BIA (MVBIA) as pre-budget approval for 2021 operating expenditures; and further,
- 3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

7.4 2021 TEMPORARY BORROWING BY-LAW (7.3)

The Committee discussed the following in relation to the report:

- Inquiry into the feasibility of internal borrowing versus going outside the organization to borrow funds;
- The City's capacity to borrow any required funds internally;
- Inquiry into the current status of property tax collection;
- Consideration to review and address issues related to temporary borrowing on a regular basis and not after extended periods of time;
- That the Temporary Borrowing By-Law provides staff with authorization to borrow funds in the event they are required; and,
- The consideration of any risks associated with the by-law.

Joel Lustig, Treasurer, addressed the Committee and indicated that the report presented was standard in nature and that a temporary borrowing by-law is recommended in the event the City needs to borrow funds. The *Municipal Act* allows municipalities to borrow necessary funds for expenditures until property taxes and other revenue are received. Members of Council would be notified in advance if the need to borrow were to arise. The Treasurer confirmed that should the City need to borrow a decision to borrow internally or externally will be made at that time. He indicated that an update with regards to tax collection and cash flow impact will be provided at the Special General Committee Meeting on Wednesday, October 21, 2020.

Moved by Councillor Khalid Usman Seconded by Mayor Frank Scarpitti

- 1. That the report titled "2021 Temporary Borrowing By-law" be received; and,
- That a by-law be brought forward for Council approval to authorize the temporary borrowing, if required, of amounts not to exceed \$205,261,876 from January 1, 2021 to September 30, 2021, and \$102,630,938 from October 1, 2021 to December 31, 2021 to meet the expenditures of the municipality until taxes are collected and other revenues are received; and,
- 3. That the Treasurer report to Council in advance of borrowing, if temporary borrowing is required; and further,
- 4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

7.5 STAFF AWARDED CONTRACTS FOR THE MONTH OF SEPTEMBER 2020 (7.12)

The Committee made inquiries in relation to the following awarded contracts:

- 171-T-20 Angus Glen Community Centre Arena Condenser Replacement;
- 172-Q-20 Angus Glen Community Centre Rooftop Condenser Replacement;
- 187-T-20 Pedestrian Accessibility Improvements;
- 189-T-20 New Infill Residential Service Connections at Various Locations; and,
- 193-S-20 Metrolinx Crossing Rehabilitation of Castlemore.

Staff addressed the Committee in response to the inquiries raised.

Moved by Councillor Karen Rea Seconded by Councillor Isa Lee

- 1. That the report entitled "Staff Awarded Contracts for the Month of September" be received; and,
- 2. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

7.6 AWARD OF PROPOSAL 005-R-20 SUPPLY AND IMPLEMENTATION, UNIFIED COMMUNICATION AND VOIP PHONE SYSTEM (7.12)

The Committee made the following inquiries in relation to this award:

- The type of system currently used by the City and whether it entails Voice Over Internet Protocol (VOIP);
- Consideration to further evaluate the need for desk phones in offices given the current work from home environment;
- Options in the event of a power outage; and,
- Continued flexibility to be able to use a desk phone computer softphone or cellular mobile device with the ability to forward from one to another.

Trinela Cane, Commissioner, Corporate Services, addressed the Committee and confirmed that the City's current telephone system is Voice Over Internet Protocol (VOIP) and indicated that it is well past its expected service life and does not offer commonly available telecommunications features needed for a mobile and modern workplace. Staff consultations with users suggested that desk phones are not utilized in the same way as they require additional mobile functionality. This award will provide the flexibility required to assess and choose the required number of desk phones and optimize the system in consideration of existing cellular mobile devise use. Staff provided additional information regarding two back-up internet systems, call routing and Uninterrupted Power Supply (UPS) for battery backup in the network closet offering continued support in the event of a power outage and highlighted the recent enhancement that allows forwarding of incoming calls to user mobile cellular devices to support the work from home strategy.

Moved by Councillor Reid McAlpine Seconded by Deputy Mayor Don Hamilton

- 1. That the report entitled "Award of Proposal 005-R-20 Supply and Implementation, Unified Communication and VoIP Phone System; and,
- That the contract for 005-R-20 Supply and Implementation, Unified Communication and VoIP Phone System be awarded to the highest ranked/lowest priced bidder, Unity Connected Solutions Inc. in the amount of

\$1,364,866.34 inclusive of HST, to an upset limit of \$750,321.41 for the hardware, licenses, software, training and implementation costs and \$614,544.93 for nine years of warranty, ongoing support and maintenance; and,

- 3. That the hardware, licenses, software, training and implementation costs to the upset limit amount of \$750,321.41 be funded from capital project 18079, IT Life Cycle Asset Replacement, GL account 49-6150-18079-005 and capital project 19063, ITS - City Wide Telephone System Replacement, GL account 49-6150-19063-005, with a combined available budget of \$764,759.42; and,
- 4. That the cost of the warranty, support and maintenance fee for six (6) years in the amount of \$406,401.96 inclusive of HST and \$208,142.97 for the three (3) additional optional years be funded from #400-404-5461 with current annual budget of \$107,508.64 and subject to Council approval of the 2021-2029 operating budgets in the amounts of;
 - a. Year 1 (2021) \$ 67,733.66
 - b. Year 2 (2022) \$ 67,733.66
 - c. Year 3 (2023) \$ 67,733.66
 - d. Year 4 (2024) \$ 67,733.66
 - e. Year 5 (2025) \$ 67,733.66
 - f. Year 6 (2026) \$ 67,733.66
 - g. Year 7 (2027) \$ 69,380.99*
 - h. Year 8 (2028) \$ 69,380.99*
 - i. <u>Year 9 (2029) \$ 69,380.99*</u>Total \$614,544.93*Optional Year Renewal
- 5. That surplus capital budget in the amount of \$14,438.01 in Capital Project 19063 be returned to sources; THAT the 2021 operating budget of #400-404-5461 be reduced by \$39,774.98; and,
- 6. That the Chief Information Officer and Senior Manager Procurement & Accounts Payable be authorized to execute the additional renewal years for the life cycle of the project (at the sole discretion of the City); and,
- That Unity Connected Solutions Inc. be designated as the preferred vendor for the City's telephony service needs and for Mitel Hardware and software products for the term of this contract; and,

- 8. That the purchase orders may be adjusted to acquire additional Mitel hardware and software to support growth and/or future telephone system upgrade or integration related projects, subject to the Expenditure Control Policy and budget approval; and,
- 9. That the Chief Information Officer and Senior Manager, Procurement & Accounts Payable be authorized to approve any new purchases related to this contract needed due to growth and/or future telephone system upgrade due to change in technology or system integration with other applications related to the project during the term of this contract; subject to the Expenditure Control Policy and budget approval; and further,
- 10. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

7.7 2021 BUDGET SCHEDULE (7.0)

Moved by Councillor Keith Irish Seconded by Councillor Andrew Keyes

- 1. That the report dated October 19, 2020 titled "2021 Budget Schedule" be received; and
- That the following schedule for the 2021 Budget be approved with the dates and times below: Meeting #1 – Tuesday, November 3, 2020 (9:00 a.m. to 12:00 p.m.) Meeting #2 – Friday, November 6, 2020 (9:00 a.m. to 12:00 p.m.) Meeting #3 – Tuesday, November 10, 2020 (9:00 a.m. to 12:00 p.m.) Meeting #4 – Friday, November 13, 2020 (9:00 a.m. to 12:00 p.m.) General Committee – Monday, November 16, 2020 (9:30 a.m.) – Draft presentation of the proposed 2021 Budget for the public meeting Meeting #5 – Tuesday, November 17, 2020 (9:00 a.m. to 12:00 p.m.) Meeting #6 – Friday, November 20, 2020 (9:00 a.m. to 12:00 p.m.) Public Meeting – Wednesday, November 25, 2020 (7 p.m. to 9 p.m.) – Feedback from the public meeting will be incorporated into the report to Council Meeting #7 – Friday, November 27, 2020 (9:00 a.m. to 12:00 p.m.) – if required Council Decision – Wednesday, December 9, 2020 (1:00 p.m.) Press Conference – Thursday, December 10, 2020 (10:00 a.m.)
- 3. That the following schedule for the 2021 Water & Wastewater Rate be approved with the dates and times below:**General Committee** Monday,

November 2, 2020 (9:30 a.m.)**Public Meeting** – Thursday, November 12, 2020 (6:30 p.m. to 7:30 p.m.)– Feedback from the public meeting will be incorporated into the report to Council**Council Decision** – Wednesday, December 9, 2020 (1:00 p.m.); and further,

4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

8. CONSENT REPORTS - ENVIRONMENT & SUSTAINABILITY ISSUES

8.1 ASSET MANAGEMENT PLAN PROGRESS UPDATE – REVISED (5.0)

The Committee acknowledged and thanked staff for the revised update that was requested at a previous meeting.

Moved by Councillor Keith Irish Seconded by Councillor Andrew Keyes

That Council receive the Asset Management Plan Progress Update.

Carried

9. PRESENTATIONS - COMMUNITY SERVICES ISSUES

9.1 EAST MARKHAM WORKS YARD (5.0)

Trinela Cane, Commissioner, Corporate Services addressed the Committee and provided a brief introduction to the presentation. She indicated the East Markham Works Yard is a priority of Council to ensure effective winter maintenance service delivery. She provided a recap of the capital approval process to date for the project and indicated to the Committee that in the past several months, additional funding requirements had been identified which required Council approval. She also highlighted that there have been related project delays which will impact on the project completion date. She introduced Graham Seaman, Director, Sustainability and Asset Management who delivered the East Markham Works Yard presentation outlining the additional budget requirements, the budget increase request for \$1.5M, an updated project timeline and the authority request to grant an easement to Alectra for electrical services to the site.

There was discussion on the following relative to the presentation:

• Consideration to provide a more definitive opening date;

- Whether the site is still the most appropriate given the information available;
- The issues surrounding soil conditions and the number of necessary bore holes to conduct analysis;
- Accountability of the consultant vs staff in relation to due diligence;
- Consideration to request funding to undertake due diligence investigations in the future;
- Inquiry into the project funding source and whether there is enough to cover the costs;
- Where the responsibility to determine the project scope and cost assessment lies and whether there is an established process to determine it;
- The process to select consultants; and,
- Inquiry into entering closed session to discuss aspects of project responsibility.

Staff provided information in reference to the discussion. Commissioner Cane indicated that Staff rely on the advice provided by the expert contracted consultants and noted that Staff have tools such as the vendor evaluation process to evaluate vendor performance. Staff will look at due diligence requirements for future projects will be established for subsequent projects. Andy Taylor, Chief Administrative Officer, indicated that an independent third party review of this project will be undertaken.

Moved by Councillor Karen Rea Seconded by Councillor Reid McAlpine

- 1. That the presentation entitled "East Markham Works Yard General Committee October 19, 2020" be received; and,
- 2. That the request budget increase to the capital project in the amount of \$1,503,734 (incl HST) be funded from the Development Charges Reserve in the amount of \$1,455,140.65 or 97.5%, and the Non-DC Growth Reserve in the amount of \$37,593.35 or 2.5%; and,
- That the City grant an easement to Alectra Utilities, for nominal consideration over part of the lands municipally known as 10192 9th Line acceptable to the City's Senior Manager of Real Property in the event that such easement is required by Alectra to provide services to the site (the "Alectra Easement"); and,

- 4. That the Mayor and Clerk be authorized to execute agreement(s) with Alectra Utilities required for the development of a works yard on the land municipally known as 10192 9th Line and to convey the Alectra Easement, if required, provided the form of such agreement(s) is satisfactory to the City Solicitor and the CAO; and,
- 5. That an independent third party review of the East Works Yard Project be undertaken and its findings reported back to Council; and further,
- 6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried as Amended

10. REGULAR REPORTS - ENVIRONMENT & SUSTAINABILITY ISSUES

10.1 2020 MARKHAM ENVIRONMENTAL SUSTAINABILITY FUND (MESF), FUNDING APPLICATIONS APPROVAL (7.0, 5.7)

Moved by Councillor Isa Lee Seconded by Mayor Frank Scarpitti

- 1. That the report entitled "2020 Markham Environmental Sustainability Fund (MESF), Funding Applications Approval' be received; and,
- 2. That the external funding application Pollinators: Bees, Butterflies and Beyond submitted by Swan Lake for a pollinator awareness and planting project, for \$3,730.90, be approved to be funded from the MESF reserve; and,
- 3. That the internal funding application for a Smart Irrigation System Pilot at Milliken Mills Park for \$6,200.00, submitted by the Environmental Services Department be approved to be funded from the MESF reserve; and further,
- 4. That further, that Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

11. MOTIONS

There were no motions.

12. NOTICES OF MOTION

12

There were no notices of motion.

13. NEW/OTHER BUSINESS

13.1 PROPOSED EMPLOYMENT AREA MAPPING AND EMPLOYMENT CONVERSIONS - UPDATE

The Chair addressed the Committee to provide a verbal update on the Proposed Employment Area Mapping and Employment Conversions item that was addressed at the York Region Committee of the Whole meeting on October 15, 2020 and noted the commitment by Markham's Regional Councillor's in representing the City on this matter. The Mayor indicated that this item will move forward to Regional Council on October 22, 2020 and suggested that consideration to community amenities in relation industrial areas may constitute a better vision than those proposed.

14. ANNOUNCEMENTS

There were no announcements.

15. CONFIDENTIAL ITEMS

Moved by Councillor Amanda Collucci Seconded by Councillor Isa Lee

That, in accordance with Section 239 (2) of the <u>Municipal Act</u>, General Committee resolve into a confidential session to discuss the following matters:

Carried

15.1 FINANCE & ADMINISTRATIVE ISSUES

15.1.1 GENERAL COMMITTEE CONFIDENTIAL MINUTES OCTOBER 5, 2020 (16.0) [Section 239 (2) (b)(a)]

General Committee confirmed the October 5, 2020 confidential minutes.

15.1.2 A POSITION, PLAN, PROCEDURE, CRITERIA OR INSTRUCTION TO BE APPLIED TO ANY NEGOTIATIONS CARRIED ON OR TO BE CARRIED ON BY OR ON BEHALF OF THE MUNICIPALITY OR LOCAL BOARD;-TELECOMMUNICATION MUNICIPAL CONSENT (8.0) [SECTION 239 (2) (k)]

13

General Committee consented to place this matter on the October 27, 2020 confidential Council agenda for consideration.

15.2 LAND, BUILDING & PARKS CONSTRUCTION ISSUES

15.2.1 THE SECURITY OF THE PROPERTY OF THE CITY OR LOCAL BOARD; LEASE UPDATE (8.2) [SECTION 239 (2) (a)]

General Committee consented to place this matter on the October 27, 2020 confidential Council agenda for consideration.

Moved By Councillor Amanda Collucci

Seconded By Councillor Isa Lee

That the General Committee confidential session adjourn at 12:30 AM.

Carried

16. ADJOURNMENT

Moved by Councillor Amanda Collucci Seconded by Councillor Isa Lee

That the General Committee meeting adjourn at 11:09 AM.

Carried

HISTORIC MAIN STREET



SETTLED IN 1794

Zoom Meeting Unionville BIA Board Meeting Date: Wednesday, August 12th, 2020

BIA BOARD MEMBERS	Attendance	Regrets
Deputy Mayor Don Hamilton		X
Councillor Reid McAlpine	Yes	
Niina Felushko	Yes	
Natasha Usher	Yes	
Shibani Sahney	Yes	
Rob Kadlovski	Yes 10:20am	
Roger Kanda	Yes	
Tony Lamanna	Yes	
Sylvia Morris	Yes	
Sarah Iles	Yes	
ED: Sara Sterling	Yes	

Call to order by Chair Niina Felushko - At 10:02 am

Approval of Agenda

Motion by Councillor Reid McAlpine Seconded by Sarah Iles All in favour

Approval of July Minutes

Motion by Sylvia Morris Seconded by Shibani Sahney All in favour

Financial Updates by Chair Niina Felushko

Both June and July financials were presented as the June financials were not ready at the last meeting. We have only spent \$66,000 of our total budget and we are in August, due to COVID and event cancellations. We should look at productive ways to spend our funds this year including recovery and streetscape measures. We were approved for a \$10,000 Digital Main Street grant, we will be employing two Squad members to help the businesses with their digital issues.

HISTORIC MAIN STREET



SETTLED IN 1794

Approval of June Financials

Motion by Shibani Sahney Seconded by Sylvia Morris All in favour

Approval of July Financials

Motion by Natasha Usher Seconded by Sylvia Morris

Disclosure of Pecuniary Interest

There was no disclosure of Pecuniary Interest

City Update: Councillor Reid McAlpine

A proposed variance for 206 Main Street has been submitted by George LeDonne as he wants to put his office in the new white building he has built behind the Stiver House. Reid gave a brief history and overview of the ByLaw, which dosen't allow professional offices from being on the main level and street-facing. The variance for George may work because the white building is set back more than 10m from the street. There is a Committee of Adjustment meeting to consider this on September 2nd, the UBIA Board should be sure of their stance on this matter previous to the meeting. In general the UBIA Board expressed support for real estate offices but not other professional offices. Reid will share our thoughts with Heritage Markham, and Sara will set up a meeting with Regan Hutcheson and Brad Roberts from the City to get further information before the September 2 meeting.

Executive Director Update: Sara Sterling

Government visits: MP Bob Saroya visited the street 2 weeks ago, he stopped and met with various members to talk about their issues during COVID and recovery.

Patio expansions: The Arms, Jakes, and Espresso 21 were the only patios who ended up installing expansions. Chat Bar received their approval on July 16th but has not installed anything. Sara has sent them a note asking why but not received a response. Niina commented that restaurants would like the ability to expand next year as well, as they will still be recovering then.

Digital Main Street 2.0: We have received approval to spend \$10,000 servicing members with the help of a Service Squad. We have hired Christine Ng, who worked with us on the Squad last Fall, and Shorian Hutcheson, who has worked with Christine on various digital projects in the past. Sara is managing the program with them.

Shop Local Contest: We have launched the Shop Local Contest, and posted posters on the street as well as promote on Social Media. People are asked to take photos of items they bought or ordered to eat with a hashtag, to win one of 3 x \$100 gift cards to any store on the street.

ByLaws: Sara met with Mike Kilingsworth from the City about ByLaws on the street. He is going to have one of his junior staff come to the street to take an inventory of all signage and compare it against who has a permit and who does not. There is a general consensus that while ByLaws should be flexible during COVID the street is beginning to look a bit junky and we need to clean it up.



INION VILL.

SETTLED IN 1794

Member Package: Sara is finalizing a package to be delivered to all new (and existing) members that highlights all bylaws and pertinent info about the street including signage regulations, permits, parking and more.

New items:

Unionville Festival Subcommittee: Niina reminded the Board that the Unionville Festival will be ours to manage next year. We will be hiring a coordinator to help but also need the Board to step up and joining a Subcommitee to help out. Niina, Reid and Sylvia agreed to be part of this committee.

Unionville Market Subcommittee: Shibani agreed to be part of a Subcommittee to assist with the new Unionville Market next summer.

Red Tape Subcommittee: Natasha and Tony are on the committee, we have so far looked into parking spaces for restaurants and the pond issue at the Planning Mill. Thank you to Reid for assisting with both issues.

Building maintenance: Sarah commented on the terrible state of her building. She has asked her landlord several times to repair various items to no avail. She will report to by-laws if the matter persists. We need to make sure we include in the member package that landlords can apply to the City for a grant to help maintain and upgrade their buildings.

Leases: Rob asked if building maintenance and signage permits could be included as part of a new tenants lease. Sara will check with City litigators. Rob also suggested that we check with OBIAA how other BIA's manage this.

In-camera item:

Niina informed the Board that Sara has requested to move to a full-time position and salary. She presented valid information about her role; what she has accomplished in the year she has been in the role. Everyone agreed Sara has been a valuable resource and should be moved to full-time, as she is already putting in full-time hours as well. Rob suggested Niina also look into what other BIAs pay their EDs, as background information to have. The Board agreed to increase her hours and salary accordingly, at the same hourly rate.

Motion to increase Sara's hours to 37.5 per week at a rate of \$30.28 with 3 weeks vacation by Sylvia Morris Seconded by Shibani Sahney All in favour

Meeting adjourned: at 11:40am Motion by Chair Niina Felushko Seconded by Shibani Sahney All in favour



SETTLED IN 1794

Next Meeting: Wednesday, September 9th, 2020 at 10am

Parked Items:

From July: Tony Lamanna is concerned about the parking on the east side eventually. He recognized the importance of keeping this as a parked item for the future.

Traffic: Reid and Sara will be meeting with City staff soon to get all the information needed to make a decision on the possibility of a one-way street. They will report back at next meeting hopefully.

HISTORIC MAIN STREET



SETTLED IN 1794

Zoom Meeting Unionville BIA Date: Wednesday, September 9th, 2020

BIA BOARD MEMBERS	In Attendance	Regrets
Deputy Mayor Don Hamilton	Yes	
Councillor Reid McAlpine	Yes	
Niina Felushko	Yes	
Natasha Usher	Yes	
Shibani Sahney	Yes	
Rob Kadlovski	Yes	
Roger Kanda	No	
Tony Lamanna	Yes	
Sylvia Morris	Yes	
Sarah Iles	Yes	

Executive Director: Sara Sterling **Guest:** YRP Superintendent Chris Bullen

Call to order by Chair Niina Felushko - At 10:00 am

Report from YRP Superintendent Chris Bullen

The Superintendent was invited to speak to the Board about the recent robberies on the street. He gave a background and details of the robberies – they began at Shoppers Drug Mart at Kennedy and Highway 7, then Café 20 and the Unionville Smokes store. The 5 robberies on the Main Street came the following week. The robber passed a note and said that I may have a weapon. YRP caught him after he approached staff at Unionville Arms and II Postino.

There is another suspect too who YRP is trying to arrest. In stage 3 of the pandemic the police noticed break-ins increasing again, now that people were going back in to work. There seems to be a crime syndicate in the Unionville and Legacy area.

Board members asked what they should be doing to be safer, Chris suggested Sara touch base with Constable Greg Hines who will come and speak to the members with tips on safety for both businesses and residents.

There is increased police foot patrol in Unionville and Markville Mall.



SETTLED IN 1794

Sara asked Chris about his officers stopping people for the Local Traffic Only, he said they were finding a lot of people still just driving through. Reid said that overall the traffic has reduced this year, but not sure if it is because of Local Traffic Only or the pandemic.

Approval of Agenda

Motion by Tony Lamanna Seconded by Shibani Sahney All were in favour

Approval of August 2020 Minutes

Motion by Sara Iles Seconded by Don Hamilton All were in favour

Financial Updates by Chair Niina Felushko

For the month of August we do not have the financials yet. We will have the numbers ready by next month.

Disclosure of Pecuniary Interest

There was no disclosure of Pecuniary Interest

City Update: Councillor Reid McAlpine

There is an update on the variance for the application for the sales office at Stiver Mill, it has been approved. Jack Valianes wants to put a pizza place at 157 Main Street. Reid is encouraging Jack to apply to Committee of Adjustment for a parking Variance for the restaurant. He already has approval for the liquor license. <u>UPDATE:</u> Jack has told Sara he no longer intends to put a restaurant there and is hoping to lease the space to retail, through Sylvia.

ED Update by Sara Sterling

Streetscape: We purchased the larger Christmas item that you can sit on for \$16,000 and signed the contract with Judith Crombie from Visualize It for \$14,000 to install all the pole lights, purchase and install garland, and install all other items previously purchased. The \$14,000 is approximately the same amount we paid 3 separate vendors last year, now we have one vendor which should make the whole process smoother and a better look and feel to the street.

We will be requesting funds from Destination Markham to assist with payment for this item. We are also starting a project with Unionville High School for Instagram walls this Fall, and all will be co-ordinated.



SETTLED IN 1794

Digital Main Street: Christine and another employee Shorian Hutchinson have been hired for our Digital Service Squad. We received a grant of \$10,000. This is helping us to update our website. In addition to helping various businesses with their digital framework, they are also taking great photos of businesses to post on the website, including 360 videos.

History tours by George Duncan: George has retired from the Heritage Dept at the City and we asked him to do tours for us, for a fee. He will be offering them on Sundays for free this Fall, maximum 6 at once per social distancing. If they are successful we will start them again in Spring. We will also promote George's book.

Shibani suggested to post it on free things to do in the city on different platforms .Tony suggested engaging volunteer students who can be trained to talk about the history as well.

Marketing brochure: We decided to do marketing brochures instead this year and not the directory. We have approval from CCT for partnership dollars. We can place the brochure version in different places for example at the Panam center as well as mail to Tourism offices across Ontario.

Altus Group: They have been surveying people on the street for a retail study the City has required Harshal to do.

Meetings: Sara has attended the Markham Rotary meeting and will attend the Unionville Ratepayers Assoc meeting next week.

New Items: Councillor Reid McAlpine said that we should have something scaled down for Remembrance Day – Sara is waiting to hear back from the City she has already asked what we will be allowed to do for Remembrance Day. We should also be opening the bandstand for small events. Tony has a question about Harshal's properties and their maintenance. Reid said that we will be sending the bylaw officers to speak to them to fix the small superficial issues of property maintenance.

Meeting adjourned: at 11:02 am Motion by Rob Kadlovski Seconded by Shibani Sahney All were in favour

Next Meeting: Wednesday, October 14th,2020 Time :10am HISTORIC MAIN STREET



SETTLED IN 1794

Zoom Meeting Unionville BIA Date: Thursday, October 15th, 2020

BIA BOARD MEMBERS	In Attendance	Regrets
Deputy Mayor Don Hamilton		х
Councillor Reid McAlpine	Yes	
Niina Felushko	Yes	
Natasha Usher	Yes	
Shibani Sahney	Yes	
Rob Kadlovski		х
Roger Kanda	No	
Tony Lamanna	Yes	
Sylvia Morris	Yes	
Sarah Iles		х

Executive Director: Sara Sterling

Guest: Debbie Smrz (Naturopathic Clinic)

Call to order by Chair Niina Felushko - At 10:03 am

Approval of Agenda

Councillor McAlpine added an item to new business Motion by Shibani Sahney Seconded by Tony Lamanna All were in favour

Approval of September 2020 Minutes

Motion by Sylvia Morris Seconded by Tony Lamanna All were in favour



Financial Updates for August & September 2020 by Chair Niina Felushko

The August financials were not ready at our last meeting so we have circulated them with the September financials.

Digital Main Street grant was \$10,000 and CCT grant for holiday marketing was approved at \$18,000 – CCT will give us approx. \$10,000 of this, we contribute the remainder. Destination Markham also contributed \$5,000 to the cost of our new Christmas decor. There was an error by the city in calculating Sara Sterling's vacation pay but they have fixed it. We have a surplus of \$126,895.00 currently.

Approval of August Financials

Motion by Sylvia Morris Seconded by Shibani Sahney All were in favour

Approval of September Financials

Motion by Tony Lamanna Seconded by Natasha Usher All were in favour

Disclosure of Pecuniary Interest

There was no disclosure of Pecuniary Interest

City Update: Councillor Reid McAlpine

Yesterday Councillor McAlpine met with the Mayor, CAO Andy Taylor, Bryan Frois, Niina and Sara. We invited the Mayor to visit in order to review the state of the street, the road and sidewalks that are coming apart. The Mayor and CAO agreed that the street is in need of repair, but emphasized that the landlords need to do their part in ensuring their properties are also kept up to standard. The Mayor and CAO suggested that we find some KPI to support our request for the planned \$4million revitalization. There was also a discussion about the potential of paid parking in the future. Tony added that we should remind landlords about the Heritage grant for upkeep.

ED Update by Sara Sterling

CCT grant: CCT is providing us with a marketing grant that will cover the printing and distribution of our postcards and brochures, as well as advertising on Facebook, with Snapd Markham and with BlogTO on social media. We will be mailing the brochures to the tourism offices and distributing the postcards locally on our street and within York Region.



SETTLED IN 1794

Digital Main Street: Christine and Shorian from DMS are working currently with eight businesses. They have posted new 360 photos and updated content on the website, it is looking great Sara encouraged everyone to take a look at it.

Streetscape:

We bought a large new structure for holiday decor. It will be put up by Visualize It Inc. by early November. We sold our old snowman and gift boxes to the Town of Sutherland for \$1,700. Instagram walls will be produced by end of October as well, from UHS students. They will be placed at the bandstand and in the Chat Bar area. These will all be promoted with our marketing grant dollars.

Bylaws: ByLaws came two weeks ago and walked with Sara. The goal was to tell people about the ByLaws and try to encourage them to fix their signage where needed.

Unionville Festival: The first brainstorming meeting has taken place. We will decide by early February if we are able to host the Festival in 2021 or not, depending on COVID.

History Tours: The history tours by George Duncan are still going on with a limit of six people at a time. This will carry on until November 8th. This is a good winter strategy for the street and we should expand the timeline for this if George is willing to do it.

New Items:

Furniture on street: Councillor McAlpine showed us various options for tables and chairs to be installed at the top of the new stairs. Everyone gave opinion, he will take that back to the Operations department.

30KM/HR speed limit: Councillor McAlpine suggested we pass a motion to maintain the 30KM/HR that we have had since March. Everyone agreed.

Motion For a 30KM/HR an hour speed limit on Main Street Unionville

The Board of the UBIA supports maintaining the 30KM/HR speed limit that was introduced in March 2020 due to COVID and traffic calming measures. The Board encourages the City to amend the current speed limit and will encourage YRP to enforce.

Motion by Tony Lamanna Seconded by Niina Felushko All were in favour

Traffic calming: Councillor McAlpine reported that he had discussed the possibility of speed bumps with Fire and they were ok with them, as long as they were the shorter ones that did not affect fire trucks. Tony said we have a momentum right now, many are used to driving slower



SETTLED IN 1794

and safer we should continue with that. Sara suggested we keep the "no parking" rule into 2021, Reid suggested we speak with landlords and merchants to get their thoughts first.

Board participation: Tony inquired as to the participation of Board members, noting that Roger Khanda has only attended one meeting since May and does not respond to emails from ED or Board Chair. Niina agreed to call Roger to ask if he is still interested in being on the Board. Niina suggested that there are a few others on the street that may want to join.

Winter strategy: Councillor McAlpine suggested we try to come up with more of a winter "strategy" – on top of our new streetscape décor and advertising, what else can we look at doing. One suggestion was to install some colourful seating, maybe get some colourful Muskoka chairs like the ones in the park off Carlton. We do need to be cognizant of course of COVID numbers and gathering rules. Reid suggested that he and Sara review the Edmonton Winter Strategy for ideas.

Meeting adjourned: at 11:40am Motion by Tony Lamanna Seconded by Natasha Usher All were in favour

Next Meeting: Wednesday, November 18, 2020 at 10am on Zoom



Report to: General Committee

Meeting Date: November 2, 2020

SUBJECT:	2020 Third Quarter Investment Performance Review
PREPARED BY:	Mark Visser, Senior Manager, Financial Strategy

RECOMMENDATION:

1) THAT the report dated November 2, 2020 entitled "2020 Third Quarter Investment Performance Review" be received.

EXECUTIVE SUMMARY:

Not applicable

PURPOSE:

Pursuant to Regulation 438/97 Section 8, the Municipal Act requires the Treasurer to "prepare and provide to the Council, each year or more frequently as specified by Council, an investment report".

The investment report shall contain,

(a) a statement about the performance of the portfolio of investments of the municipality during the period covered by the report;

(b) a description of the estimated portion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;

(c) a statement by the Treasurer as to whether or not, in his opinion, all investments were made in accordance with the investment policies and goals adopted by the municipality;

(d) a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security;

(e) such other information that the Council may require or that, in the opinion of the Treasurer, should be included.

BACKGROUND:

Not applicable

OPTIONS/ DISCUSSION:

Not applicable

FINANCIAL CONSIDERATIONS

The 2020 budget for Income Earned on Investments is \$11.0 million. The \$11.0 million budget is based on a forecasted \$440 million average balance invested at an average rate of 2.5%.

Page 2

The following table shows the budgeted investment income by quarter. The quarterly budget allocations reflect the projected changing portfolio balances and rates of return throughout the year.

Period	Avg. Balance	Avg. Rate	Forecast
Q1	\$400.0m	2.76%	\$2,751,541
Q2	\$460.0m	2.36%	\$2,706,741
Q3	\$460.0m	2.36%	\$2,734,699
Q4	\$439.8m	2.53%	\$2,807,019
2020 Budget	\$440.0m	2.50%	\$11,000,000

The 2020 budget, through nine months, assumes an average general fund portfolio balance of \$440.0 million to be invested at an average rate of return of 2.49%. The actual average portfolio balance and the average rate of return were both above the forecasted levels.

For the nine months ending September 30, 2020, the City of Markham's Income Earned on Investments was \$11.001 million, compared to a budget of \$8.193 million, representing a \$2.808 million favourable variance.

Interest Rate

The Prime Rate was at 3.95% throughout the first two months of 2020. In March and April, the Bank of Canada reduced interest rates by 150 basis points in an attempt to minimize the economic impacts caused by the COVID-19 pandemic. The Prime Rate has remained at 2.45% since that time.

During the first three quarters of 2020, the City's general portfolio investments (including interest charged to reserves with negative balances) had an average interest rate of 2.80%. Through bond trading, the City earned \$1.163 million of capital gains, thereby increasing the rate of return to 3.13%; 64 basis points higher than forecast. The majority of the capital gains were earned in September through the sale of two investments. The difference in the rate of return accounts for a favourable variance of \$2.258 million.

Portfolio Balance

The forecasted average portfolio balance for the first three quarters of 2020 was \$440.0 million. The actual average general fund portfolio balance (including cash balances) for the first three quarters of 2020 was \$469.5 million. The higher portfolio balance accounts for a favourable variance of \$0.55 million

Variance Summary

-	Budget	Actual	Variance
Portfolio Balance	\$440.m	\$469.5m	\$29.5m
Interest Rate	2.49%	3.13%	0.64%
Investment Income	\$8.193m	\$11.001m	\$2.808m

Portfolio Balance Variance Impact	\$0.550m
-----------------------------------	----------

Meeting Date: November 2, 2020

\$2.258m

Page 3

Interest Rate Variance Impact

Portfolio Composition

All investments made in 2020 adhered to the City of Markham investment policy. At September 30, 2020, 38% of the City's portfolio (not including bank balances) was comprised of government issued securities. The remaining 62% of the portfolio was made up of instruments issued by Schedule 1 Banks (Exhibit 1). All of these levels are within the targets established in the City's Investment Policy.

The September 30, 2020 investment portfolio (not including bank balances) was comprised of the following instruments: Bonds 47%, Principal Protected Notes (PPNs) 35%, and GICs 18% (Exhibit 2).

At September 30, 2020, the City's general portfolio balance (all funds excluding DC) was \$394.7 million (including bank balances). The City's portfolio (all funds excluding DCA) was broken down into the following investment terms (Exhibit 3):

Under 1 month	43.2%
1 month to 3 months	2.0%
3 months to 1 year	12.1%
Over 1 year	42.7%
Weighted average investment term	1,688.3 days
Weighted average days to maturity	1,033.0 days

Money Market Performance

The City of Markham uses the 3-month T-bill rates to gauge the performance of investments in the money market. The average 3-month T-bill rate for the first three quarters of 2020 was 0.76% (source: Bank of Canada). Money market investments (including bank balances) held by the City of Markham during the first three quarters of 2020 had an average return of 1.22%. Therefore, the City's money market investments outperformed 3-month T-Bills by 46 basis points. See Exhibit 4 for all Money Market securities held by the City of Markham in 2020.

Bond Market Performance

The 2020 YTD highlights of Markham's bond portfolio are as follows:

- 4 bonds/PPNs purchased with a face value of \$27.0 million
- 4 bonds/PPNs sold with a face value of \$15.2 million
- \$1.163 million of capital gains earned

See Exhibit 5 for all Bonds held by the City of Markham in 2020.

Outlook

The COVID-19 pandemic has impacted the markets in a dramatic fashion. In March and April, the Bank of Canada reduced the prime rate by 150 basis points. Long term bond yields also went down as a result and are expected to stay low for the foreseeable future.

There are few opportunities to get good returns on investments. However, one surprising result has been the City's PPN holdings, which have performed much better than

The priority for 2020 has been to manage cash flows to ensure the ongoing operations of the City of Markham, as well as the being able to make scheduled tax remittances to the Province and York Region. This resulted in shorter term investments and maintaining higher bank balances.

Looking forward to 2021, the priority will continue to be on maintaining proper cash flows while trying to take advantage of any swings in the equity market by either increasing or decreasing the City's PPN portfolio.

HUMAN RESOURCES CONSIDERATIONS Not applicable

expected as the equity markets remain strong.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED: Not applicable

Not applicable

RECOMMENDED BY:

Joel Lustig, Treasurer

Trinela Cane, Commissioner, Corporate Services

ATTACHMENTS:

- Exhibit 1 Investment Portfolio by Issuer
- Exhibit 2 Investment Portfolio by Instrument
- Exhibit 3 Investment Terms
- Exhibit 4 2020 Money Market Investments
- Exhibit 5 2020 Bond Market Investments
- Exhibit 6 2020 DCA Fund Investments



Report to: General Committee

SUBJECT:	Tender 049-T-20 Grass Cutting and Maintenance Services (Renewal Years 2021-2023)
PREPARED BY:	David Plant, Sr. Manager – Operations - Parks, Horticulture & Forestry Ext 4893 Melita Lee, Senior Buyer, Ext 2239

RECOMMENDATION:

- 1. That the report entitled "Tender 049-T-20 Grass Cutting and Maintenance Services (Renewal Years 2021- 2023)" be received; and,
- 2. That the contract for Tender 049-T-20 Grass Cutting and Maintenance Services be awarded to the lowest priced bidder, Markham Property Services Ltd., for an additional three (3) years (2021–2023), with a CPI increase in 2022 and 2023 as follows;
 - 2021 \$218,574.98 (inclusive of HST)
 - 2022 \$218,574.98 (inclusive of HST)*
 - 2023 \$218,574.98 (inclusive of HST)*

* 2022 and 2023 are subject to an annual price increase based on the Consumer Price Index for All Items - Canada for the twelve (12) month period ending December 31 in the applicable year; and,

- 3. That the estimated 2021 costs of \$218,574.98 be funded from account 730-730-5399 (Contracted Services), subject to Council approval of the 2021 operating budget; and,
- 4. That the purchase orders for years 2022 and 2023 be adjusted for growth and/or price escalation, subject to Council approval of the respective year's budgets; and further,
- 5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to extend the contract for grass cutting and maintenance services for three (3) additional years.

BACKGROUND:

The contract is for 86.792 hectares (446 locations) of boulevard grass cutting and maintenance services throughout the City with a total of 15 cuts per season.
Staff awarded Tender 049-T-20 to the lowest priced bidder (Markham Property Services Ltd) in 2020 for a one (1) year term. The Tender had an option to renew for three (3) additional years at the same terms, conditions and subject to contractor's performance.

Under this report, staff are requesting approval to extend the contract for three (3) additional years. The 2021 pricing will be the same 2020 itemized pricing and 2022/23 will be subject to CPI.

Markham Property Services Ltd. has provided satisfactory services thus far and continue to work with Parks staff to address scheduling work to complete the services as required. Parks recommends moving forward with the option to renew the contract for future years.

Tender Information (049-T-20)

Bid closed on	March 16, 2020
Number picking up bid document	19
Number responding to bid	7

FINANCIAL CONSIDERATIONS

On April 19th, 2020, the initial staff award for year 1 (2020 season) of 049-T-20 Grass Cutting and Maintenance Services identified 2021 budget impacts. Subject to Council approval for the amendments previously identified, year 2 (2021 season), will not require further budget amendments.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

This project aligns with providing municipal services in a cost effective manner.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance and Operations (Parks)

RECOMMENDED BY:

David Plant Senior Manager, Parks, Horticulture & Forestry Morgan Jones Director, Operations

ATTACHMENTS: Not applicable



Report to: General Committee

Meeting Date: November 2, 2020

SUBJECT:	2020 August Year-To-Date Results of Operations
PREPARED BY:	Jay Pak, Senior Financial Analyst
	Lisa Chen, Senior Manager Financial Planning & Reporting

RECOMMENDATION:

- 1) THAT the report titled "2020 August Year-To-Date Review of Operations and Year-end Projection" be received; and,
- 2) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Council approved the 2020 annual operating budget of \$410.52M on December 10, 2019 which includes the City's primary operating budget, Planning & Design operating budget, Engineering operating budget, Building Standards operating budget and Waterworks operating budget.

This report provides an overview of the 2020 August year-to-date operating results comparing actual to budget including impacts related to the ongoing COVID-19 pandemic and a forecast of the year-end results.

Primary Operating Budget (Appendix 1)

(Includes winter maintenance, excludes Planning & Design, Engineering, Building Standards and Waterworks)

All figures (actual, budget and variance) reflect the year-to-date August results (January 1 to August 31).

	<u>20</u>	<u>20</u>	Variance	% of
<u>(\$ in millions)</u>	Actual	<u>Budget</u>	<u>fav./(unfav.)</u>	Budget
Revenues	\$193.16	\$209.68	(\$16.52)	92.1%
Expenses	<u>141.10</u>	<u>158.43</u>	<u>17.33</u>	89.1%
Surplus excluding winter maintenance	52.06	51.25	0.81	
Winter Maintenance	<u>\$6.19</u>	<u>\$7.61</u>	<u>\$1.42</u>	
Net surplus including winter maintenance	<u>\$45.87</u>	<u>\$43.64</u>	<u>\$2.23</u>	

City's Surplus excluding winter maintenance

Revenues	Fav. / (Unf	av.)	Expenditures	Fav. / (Un	lfav.)
Investment income	\$1.51	Μ	Salaries & benefits	\$8.58	Μ
Federal and Provincial grants	\$0.19	Μ	Utilities and Streetlight hydro	\$2.03	Μ
Recreation Services revenue	(\$11.94)	(\$11.94) M Professional services/ office supplies/		\$1.63	Μ
			training/ travel		
Theatre, Art Centre and Museum revenue	(\$2.27)	Μ	Maintenance & repairs	\$0.91	Μ
Property tax penalty and interest	(\$1.47)	Μ	Operating materials & supplies	\$0.84	Μ
Fines	(\$0.75)	Μ	Contract service agreements	\$0.90	Μ
License & Permits	(\$0.41)	Μ	Corporate contingency	\$0.72	Μ
Financial administrative & Legal fees	(\$0.26)	Μ	Promotion & advertising	\$0.48	Μ
Finance user fees	(\$0.23)	Μ	Municipal Contracted Services	\$0.28	Μ
Other	(\$0.89)	Μ	Communications	\$0.24	Μ
Total	(\$16.52)	Μ	Property Tax adjustments	\$0.13	Μ
			Other	\$0.59	Μ
			Total	\$17.33	Μ

The major variances are outlined in the chart below:

Winter Maintenance

The 2020 actual winter maintenance expenditures at the end of the August totaled \$6.19M against a budget of \$7.61M, resulting in a favourable variance of \$1.42M.

Year-End Projection including year-end accounting accruals and other adjustments

The year-end projection reflects COVID related impacts due to cancelled programs, closed facilities, foregone property tax late payment charges, reduced user fees, fines and licence collection (\$28.07M) and additional COVID related expenses (\$2.61M) totaling \$30.68M.

The impact of the strategic actions implemented by senior management and staff to reduce the COVID-19 related shortfall total \$24.12M. When combining the impact of COVID and the mitigating actions of senior management and staff, the net impact is forecasted to be \$6.56M. The City will receive Phase 1 safe-restart funding of \$6.56M by the end of October. This will be utilized to mitigate the remaining shortfall and balance out the impact of COVID in 2020. Based on current information, staff are confident that the tax funded impact has been mitigated.

Each year, there are non-COVID related items, which potentially generate a surplus at year-end. These items include corporate contingency, salary gapping and year-end accounting adjustments. In addition, investment income and the severity of winter storms may have an impact on the year-end results of operation. Winter maintenance operations is projected to be within a range of on budget by year-end to a favourable variance of \$0.77M using an assumption of 40% unfavourability for the last six weeks of the year based on historical trending. Should there be a surplus after Phase 1 funding, it will be transferred to reserves as per the Council approved policy.

Based on current information, staff are forecasting a surplus within a range of \$2.00M to \$5.87M including winter maintenance as shown in the chart below:

Projected Year-End Variance	Best			Worst		
	Fav./(Unfav.)		Fav./(Unfav.)			
Total Projected Year-End Variance	\$	5.10	Μ	\$	2.00	Μ
Winter maintenance favourable variance	\$	0.77	Μ	\$	-	Μ
Net Surplus	\$	5.87	Μ	\$	2.00	Μ

Planning & Design (Appendix 2)

Actual 0.03M - Budget 0.71M = Unfavourable variance (0.68M)

Year-End Projection:

Planning & Design is projecting a year-end surplus of \$0.61M which is equivalent to the 2020 budget.

Engineering (Appendix 3)

Actual (\$0.82M) – Budget (\$0.27M) = Unfavourable variance (\$0.55M)

Year-End Projection:

Engineering is projecting a year-end surplus of \$0.13M which is equivalent to the 2020 budget. Lower than expected Engineering revenues are offset by a projection of favourability in personnel, assuming the continuation of 7 net average vacancies through to year-end.

Based on the above year-end projections in Planning, Design and Engineering, the reserve is anticipated to be in a deficit position of (\$0.08M) at year-end (see Appendix 4).

Building Standards (Appendix 5)

Actual (\$2.15M) – Budget (\$0.76M) = Unfavourable variance (\$1.39M)

Year-End Projection:

Building is projecting a year-end deficit of (\$2.79M) compared to a budgeted deficit of (\$2.39M). This will result in an additional draw from reserve of \$0.40M. The variance is due to lower building permit fees than budgeted.

Based on the above year-end projection in Building Services, the balance of the reserve is anticipated to be \$7.25M at year-end (see Appendix 6).

Waterworks (Appendix 7)

Actual \$11.67M – Budget \$9.46M = Favourable variance \$2.21M

Year-End Projection:

Waterworks is projected to have a year-end surplus in the range of \$0.7M to \$1.3M, or \$1.0M on average. This will result in the transfer to reserve increasing from \$15.62M to \$16.62M, an increase of \$1.0M. The favourable variance is primarily due to higher water consumption.

This is independent of maintaining the 2020 water rate at 2019 levels. The Waterworks reserve balance is projected to be \$67.06M at year-end (see Appendix 8).

PURPOSE:

To report on the year-to-date actual 2020 operating budget results versus the budgeted 2020 operating budget as at August 31, 2020.

BACKGROUND:

Council approved the 2020 annual operating budget of \$410.52M on December 10, 2019 which includes the City's primary operating budget, Planning & Design operating budget, Engineering operating budget, Building Standards operating budget and Waterworks operating budget.

The Planning & Design, Engineering, Building Standards and Waterworks operating budgets are primarily user fee funded, including planning and engineering fees, building permit fees and water billings. Separate reserves have been established to support the department's day-to-day operations and capital programs.

The year to date operating budget is calendarized based on available current year information, historical spending patterns and trends and future projections. The intent and focus of this report is to communicate actual performance against the annual plan and to highlight variances.

All budgets are monitored on a monthly basis and departments provide details of material variances (actual to budget). The variances are reviewed, substantiated and summarized by the Financial Planning department.

This report provides a variance analysis by:

- 1. City's primary operating budget by Commission/Department; and
- 2. City's primary operating budget by major accounts

OPTIONS/ DISCUSSION: <u>1. CITY'S PRIMARY OPERATING BUDGET BY</u> <u>COMMISSION/DEPARTMENT</u>

Net results (revenues – expenses) for the eight months ended August 31, 2020 by each Commission and Department, summarized by personnel expenditures, non-personnel expenditures and revenues, are provided in Appendices 9 to 14.

The following table is a summary of all commissions' year-to-date August results (\$ in millions):

	YTD A	ug	<u>2020</u>		Variance
<u>Commission</u>	Actual		Budget	fav	<u>./(unfav.)</u>
CAO's Office, Human Resources and Legal	\$ 3.32	\$	4.02	\$	0.70
Community & Fire Services (excl. winter maintenance)	\$ 69.13	\$	67.64	\$	(1.49)
Corporate Services	\$ 14.74	\$	15.20	\$	0.46
Development Services	\$ 5.06	\$	5.06	\$	-
Mayor & Council	\$ 1.99	\$	2.13	\$	0.14
Corporate Items	\$ (146.32)	\$	(145.32)	\$	1.00
Net Expense/ (Revenue)	\$ (52.08)	\$	(51.26)	\$	0.81

Explanations for variances greater than \$0.05M by each Commission and Department are provided on the following pages.

CAO's Office, Human Resources and Legal Department (Appendix 9)

	YTD Aug 2020			Variance
Department	Actual	Budget	fav	./(unfav.)
CAO's Office	0.41	0.52	\$	0.11
Human Resources	1.71	2.12	\$	0.41
Legal	1.20	1.38	\$	0.18
Net Expense	\$ 3.32 \$	4.02	\$	0.70

CAO's Office (Actual \$0.41M – Budget \$0.52M = Variance \$0.11M)

Favourable variance of \$0.11M is mainly due to a year-to-date average of one temporary net vacancy.

Human Resources (Actual 1.71M – Budget 2.12M = Variance 0.41M) Favourable variance of 0.41M is mainly due to a year-to-date average of one temporary net vacancy 0.09M and timing of expenses related to health and safety training and legal fees for union bargaining forecasted to be spent by the end of the year 0.20M.

Legal (Actual \$1.20M – Budget \$1.38M = Variance \$0.18M) Favourable variance of \$0.18M is mainly due to external legal services \$0.09M and a year-to-date average of one temporary net vacancy \$0.05M.

Page 5

	YTD Aug 2020			Variance
Department	<u>Actual</u>	<u>Budget</u>	fav	v./(unfav.)
Operations	16.13	17.44	\$	1.31
Fire Services	27.85	27.17	\$	(0.68)
Library	7.54	9.08	\$	1.54
Recreation Services	11.09	6.91	\$	(4.18)
Environmental Services	0.59	0.66	\$	0.07
Waste	5.61	5.96	\$	0.35
Commissioner's Office	0.32	0.42	\$	0.10
Net Expense	\$ 69.13	\$ 67.64	\$	(1.49)

<u>Community and Fire Services – excluding winter maintenance (Appendix 10)</u>

Operations (Actual \$16.13M – Budget \$17.44M = Variance \$1.31M) Favourable variance mainly due part-time savings of \$0.76M, utility locates \$0.15M, vehicle fuel and parts \$0.15M, and streetlight maintenance \$0.06M. These variances are primarily driven by reduced activity from the COVID-19 pandemic and timing.

Fire Services (Actual \$27.85M – Budget \$27.17M = Variance (\$0.68M)) Unfavourable variance mainly due to YTD overcomplement of 4 net positions (\$0.39M) and overtime & shift premiums (\$0.30M) partially offset by operating materials & supplies (eg. programs expenses, uniforms, public education and training supplies) \$0.06M.

Library (Actual \$7.54M – Budget \$9.08M = Variance \$1.54M) Favourable variance mainly due to part-time savings \$1.65M, program expenses and materials \$0.06M and building maintenance \$0.07M partially offset by lost revenue of (\$0.58M) related to the closure of facilities and cancellation of programs from the COVID-19 pandemic.

Recreation Services (Actual \$11.09M – Budget \$6.91M = Variance (\$4.18M)) Unfavourable variance mainly program registration fees and membership revenues (\$8.91M) and facility rentals (\$2.88M) partially offset by part-time savings \$4.42M, utilities \$1.35M, operating materials and supplies \$0.49M, contract service agreements \$0.38M and facility maintenance \$0.36M. These variances are due to the closure of facilities and cancellation of programs from the COVID-19 pandemic.

Environmental Services (Actual \$0.59M – Budget \$0.66M = Variance \$0.07M) Favourable variance is mainly due to a year-to-date average of one temporary net vacancy.

Waste (Actual \$5.61M – Budget \$5.96M = Variance \$0.35M) Favourable variance mainly due to waste collection charges \$0.28M.

Report to: General Committee

Corporate Services (Appendix 11)

	YTD Au	Variance		
<u>Department</u>	Actual Budget		fav	./(unfav.)
Legislative Services & Corporate				
Communications	3.87	3.08	\$	(0.79)
Financial Services	2.72	2.88	\$	0.16
ITS	5.82	6.42	\$	0.60
Sustainability & Asset Management	2.07	2.53	\$	0.46
Commissioner's Office	0.26	0.29	\$	0.03
Net Expense	\$ 14.74	\$ 15.20	\$	0.46

Page 7

Legislative Services & Corporate Communications (Actual \$3.87M – Budget \$3.08M = Variance (\$0.79M))

Unfavourable variance mainly due to lower volume of parking fines (\$0.75M) and business licenses (\$0.41M) as a result of school and business closures from the COVID-19 pandemic, partially offset by a year-to-date average of four temporary net vacancies \$0.28M

Financial Services (Actual \$2.72M – Budget \$2.88M = Variance \$0.16M)

Favourable variance mainly due to a year-to-date average of two net vacancies \$0.29M partially offset by property tax overdue notice fees (\$0.12M) based on Council decision to waive penalty and interest charges on property taxes in 2020 in response to the COVID-19 pandemic and full year salary gapping (\$0.03M).

ITS (Actual \$5.82M – Budget \$6.42M = Variance \$0.60M)

Favourable variance mainly due to a year-to-date average of four temporary net vacancies \$0.47M partially offset by full year salary gapping (\$0.03M).

Sustainability & Asset Management (Actual \$2.07M – Budget \$2.53M = Variance \$0.46M)

Favourable variance mainly due to building and facility maintenance contracts \$0.08M related to the closure of facilities from the COVID-19 pandemic, the timing of personnel recoveries \$0.34M and a year-to-date average of two temporary net vacancies \$0.08M.

	YTD Aug 2020			Variance
<u>Department</u>	Actual	Budget	fav	v./(unfav.)
Culture & Economic Development	3.21	2.78	\$	(0.43)
Traffic Operations	0.70	1.10	\$	0.40
Commissioner's Office	1.15	1.18	\$	0.03
Net Expense	\$ 5.06	\$ 5.06	\$	-

Development Services (Appendix 12)

Culture & Economic Development (Actual \$3.21M – Budget \$2.78M = Variance (\$0.43M))

Meeting Date: November 2, 2020

Unfavourable variance mainly due to Theatre ticket sales, charges and rentals (\$1.45M), Art Centre and Museum program fees (\$0.82M) partially offset by part time salaries \$0.58M professional services (eg. artist fees) \$0.30M, discretionary advertising \$0.19M, one-time Economic Development federal and provincial grants \$0.09M and program related expenditures \$0.04M. The primary reason for the variances is due to the closure of facilities and cancellation of programs from the COVID-19 pandemic.

Traffic Operations (Actual \$0.70M – Budget \$1.10M = Variance \$0.40M) Favourable variance mainly due professional services (school crossing guards) \$0.24M related to the closure of schools from the COVID-19 pandemic.

Mayor & Council (Appendix 13)

	YTD Aug 2020				Variance
Department	Actual		Budget	fay	v./(unfav.)
Mayor & Council	\$ 1.99	\$	2.13	\$	0.14
Net Expense	\$ 1.99	\$	2.13	\$	0.14

Mayor & Council includes personnel costs for all Members of Council and Councillor assistants, non-personnel and Councillor discretionary budgets. The YTD variance is due to Councillor discretionary budgets.

Corporate Items (Appendix 14)

	YTD Au	YTD Aug 2020		
Department	Actual	<u>Budget</u>	fav.	./(unfav.)
Corporate Items	\$(146.32)	\$(145.32)	\$	1.00
Net Revenue	\$(146.32)	\$(145.32)	\$	1.00

Favourable variance mainly due to higher investment income \$1.51M, lower than budgeted corporate contingency of \$0.72M, utilities and streetlight hydro budgeted savings \$0.56M and property tax adjustments \$0.13M. These are partially offset by property tax penalty and interest (\$1.47M) and financial administrative fees (\$0.26M).

2. CITY'S PRIMARY OPERATING BUDGET BY MAJOR ACCOUNTS (excl. winter maintenance)

At the end of August the actual operating results, excluding winter maintenance, against budget netted a favourable variance of \$0.81M and the breakdown is as follows:

REVENUES

At the end of August, revenues totalled \$193.16M against a budget of \$209.68M resulting in an unfavourable variance of \$16.52M or 92.1% of the year-to-date budget.

<u>Revenues</u>	Actual	Budget	<u>Fav./(Unfav.)</u>
Property Taxation Revenues	\$ 166.00 M	\$ 166.14 M	(\$ 0.14 M)
General Revenues	\$ 15.12 M	\$ 16.24 M	(\$ 1.12 M)
User Fees & Service Charges	\$ 7.07 M	\$ 22.38 M	(\$ 15.31M)
Grant & Subsidy Revenues	\$ 1.36 M	\$ 1.17 M	\$ 0.19 M
Other Income	\$ 3.61 M	\$ 3.75 M	(\$ 0.14 M)
Net Variance	\$ 193.16 M	\$ 209.68 M	(\$ 16.52 M)

Property Taxation Revenues (Actual \$166.00M – Budget \$166.14M= Variance (\$0.14M))

Property taxation revenue YTD budget includes property tax levy.

<u>General Revenues</u> (Actual \$15.12M – Budget \$16.24M = Variance (\$1.12M)) The general revenues YTD budget of \$16.24M includes investment income (budget \$9.16M), property tax penalty and interest (budget \$2.99M), parking fines (budget \$2.33M) and business, taxi, marriage and other licences (budget \$1.75M).

General revenues also include Alectra interest and dividends (YTD budget \$1.94M) with a corresponding transfer to the Life Cycle Replacement and Capital Reserve Fund. At year-end, a net \$1.00M is retained in the Operating Budget from Alectra interest and dividends.

YTD general revenues totaled \$15.12M at the end of August against a YTD budget of \$16.24M. The main drivers for the unfavourable variance of (\$1.12M) are property tax penalty and interest (\$1.47M), parking fines (\$0.75M) and tow truck, marriage and taxi licenses (\$0.41M) partially offset by investment income of \$1.51M resulting from a higher than budgeted rate of return. While investment income is favourable YTD, it is anticipated to be on budget at year-end due to lower interest rates related to the impact of the COVID-19 pandemic.

<u>User Fees and Service Charges</u> (Actual \$7.07M – Budget \$22.38M= Variance (\$15.31M))

The user fees and services charges YTD budget of \$22.38M includes revenues from programs offered by Recreation, Culture Services and Library departments and service fees such as new property tax account set-up fees, ownership change administrative fees and utility permit fees (budget \$15.61M), and facility rentals for arenas, pools, gym and halls (budget \$6.35M).

User fees and service charges were unfavourable by (\$15.31M), the main drivers of which were unfavourable Recreation user fees and rentals (\$11.94M) and Theatre,

Museum and Arts Centres user fees and rentals (\$2.27M) due to the closure of facilities and cancellation of programs from the COVID-19 pandemic.

<u>Grants & Subsidy Revenues</u> (Actual \$1.36M – Budget \$1.17M = Variance \$0.19M) The YTD budget includes Provincial and Federal grants of \$1.17M. The favourable variance of \$0.19M resulted from the receipt of one-time federal and provincial grants.

<u>**Other Income**</u> (Actual 3.61M – Budget 3.75M = Variance (0.14M)) The unfavourable variance of (0.14M) is mainly due to unfavourability in financial administrative fees on development agreements (0.26M) partially offset by miscellaneous department recoveries 0.10M.

PERSONNEL EXPENDITURES

At the end of August, personnel expenditures were favourable by \$8.58M or spending of 91.0% of the year-to-date budget.

<u>Personnel</u>	Actual	Budget	Fav./(Unfav.)
Full time net of vacancy backfills and part time salaries	\$ 85.01 M	\$ 95.07 M	\$ 10.06 M
Overtime and other personnel costs	\$ 2.04 M	\$ 0.56 M	(\$ 1.48 M)
Total	\$ 87.05 M	\$ 95.63 M	\$ 8.58 M

At the end of August, there were 51 net temporary vacancies resulting in a favourable variance of \$1.97M. There were also part-time savings of \$8.55M. This was partially offset by full year budgeted salary gapping of (\$0.45M) netting a favourable variance of \$10.06M.

Overtime and other personnel costs were unfavourable by (\$1.48M).

NON-PERSONNEL EXPENDITURES

At the end of August, non-personnel expenditures were favourable by \$8.75M or spending of 86.1% of the year-to-date budget.

Non Personnel Items	<u>Actual</u>	Budget	Fav./(Unfav.)
Materials & Supplies	\$ 2.60 M	\$ 3.92 M	\$ 1.32 M
Procured Services	\$ 21.88 M	\$ 28.47 M	\$ 6.59 M
Transfers to Reserves	\$ 28.31 M	\$ 28.06 M	(\$ 0.25 M)
Other Expenditures	\$ 1.26 M	\$ 2.35 M	\$ 1.09 M
Total	\$ 54.05 M	\$ 62.80 M	\$ 8.75 M

<u>Materials & Supplies</u> (Actual \$2.60M – Budget \$3.92M = Variance \$1.32M) Materials & supplies YTD budget of \$3.92M includes facility maintenance supplies, uniforms, recreation and other program supplies (budget \$2.41M), vehicle supplies such

Page 10

Page 47 of 147

as fuel and repair parts (budget \$1.18M), and printing and office supplies (budget \$0.33M).

The favourable variance of \$1.32M is primarily due to operating materials and supplies \$0.84M (eg. uniforms, equipment and program expenses), vehicle fuel (gas and diesel) and parts \$0.16M and printing and office supplies \$0.16M.

<u>Procured Services</u> (Actual \$21.88M – Budget \$28.47M = Variance \$6.59M) Procured services YTD budget of \$28.47M includes utilities and streetlight hydro (budget \$7.36M), waste collection (budget \$6.22M), maintenance & repairs of City assets (budget \$3.70M), insurance (budget \$2.30M), and professional services such as Theatre artist/entertainer fees, school crossing guards and external legal services (budget \$1.89M).

Procured Services were favourable \$6.59M primarily due to:

- \$2.03M favourable in utilities and streetlight hydro primarily due to lower than budgeted usage related to the closure of facilities from the COVID-19 pandemic
- \$1.71M favourable in professional fees, communications, training, and travel (excl. office supplies of \$0.16M which is included under materials & supplies)
- \$0.91M favourable in maintenance and repairs (streetlight and facility maintenance)
- \$0.89M contract service agreements (facility maintenance contracts)
- \$0.48M promotion and advertising

<u>**Transfers to Reserves**</u> (Actual \$28.31M – Budget \$28.06M = Variance (\$0.25M)) The majority of funds are transferred to the Life Cycle and Capital Reserve Fund.

<u>**Other Expenditures**</u> (Actual \$1.26M – Budget \$2.35M = Variance \$1.09M) Other expenditures YTD budget of \$2.35M includes contingency expense and nonpersonnel ramp-ups of \$1.18M and property tax adjustments \$0.56M. Year to date variance of \$1.09M is mainly due to lower corporate contingency expenditures of \$0.72M and lower property tax adjustments \$0.13M.

3. YEAR-END PROJECTION INCLUDING YEAR-END ACCOUNTING ACCRUALS AND OTHER ADJUSTMENTS

The year-end projection reflects COVID related impacts due to cancelled programs, closed facilities, foregone property tax late payment charges, reduced user fees, fines and licence collection (\$28.07M) and additional COVID related expenses (\$2.61M) totaling \$30.68M.

Major contributors to the projected COVID related impacts \$30.68M at year-end include \$21.54M in Recreation, Culture, and Library lost revenue due to closure of facilities, \$3.90M due to foregone Property Tax Penalty & Interest and foregone and reduced collection of Supplemental Tax revenue & Finance user fees, \$2.63M in Legislative services due to lower parking fines and taxi licenses and additional COVID related expenses such as additional cleaning requirements in facilities, IT related infrastructure and other items totaling \$2.61M.

Page 48 of 147

Senior management and staff mobilized quickly to implement significant strategic actions to contain expenses in order to reduce the tax-funded shortfall from the COVID-19 pandemic.

The following strategic actions were implemented to mitigate the tax-funded shortfall from the COVID-19 pandemic:

- Rebalancing of the workforce to meet the needs of essential services
- Reduced discretionary expenditures & program-related costs
- Procurement efforts to contact vendors to maintain 2020 pricing on multi-year contracts continuing into 2021
- Mitigating strategies to reduce the forecasted deficit in Recreation and Culture to be as close as possible to the budgeted subsidy for the last 4 months of 2020. This included the strategic opening of select facilities and amenities with the goal of generating a positive net revenue impact.

The impact of the strategic actions implemented by senior management and staff to reduce the COVID-19 related shortfall total \$24.12M and include \$15.75M in savings in Recreation and Culture from mitigating actions including part-time, seasonal and contract staff layoffs, redeployment of staff to existing vacant positions, and non-personnel expenditure reductions, \$3.94M in savings from the closure of libraries, and savings from the reduction of discretionary expenses in other tax funded departments as well as the maintenance of vacant positions, lay-offs of part-time and seasonal staff, and early termination of employee contracts, along with savings associated with maintaining salary rates for all non-union staff and Members of Council until December 31st, 2020 totaling \$4.43M.

When combining the impact of COVID and the mitigating actions of senior management and staff, the net impact is forecasted to be \$6.56M. The City will receive Phase 1 saferestart funding of \$6.56M by the end of October. This will be utilized to mitigate the remaining shortfall and balance out the impact of COVID in 2020. Based on current information, staff are confident that the tax funded impact has been mitigated.

Each year, there are non-COVID related items, which potentially generate a surplus at year-end.

Based on current information, staff are forecasting a surplus within a range of \$2.00M to \$5.87M including winter maintenance.

Projected Year-End Variance	Best			Worst			
	Fav. /(Fav./(Unfav.)			Fav./(Unfav.)		
Total Projected Year-End Variance	\$	5.10	Μ	\$	2.00	Μ	
Winter maintenance favourable variance	\$	0.77	М	\$	-	Μ	
Net Surplus	\$	5.87	Μ	\$	2.00	Μ	

Should there be a surplus after Phase 1 funding, it will be transferred to reserves as per the Council approved policy:

- a. Corporate Rate Stabilization Reserve to top up to a level equivalent to 15% of local tax levies
- b. Remaining, if any, to the Life Cycle Replacement and Capital Reserve Fund

Planning & Design (Appendix 2)

Actual \$0.03M – Budget \$0.71M = Unfavourable variance (\$0.68M)

At the end of August, the Planning department had a surplus of \$0.03M against a budgeted surplus of \$0.71M. The unfavourable variance of (\$0.68M) was mainly due to lower than budgeted planning and design fees of (\$1.49M) from the impact of the COVID-19 pandemic partially offset by Full Time salaries favourability of \$0.74M due to a year-to-date average of five temporary net vacancies.

Actual (\$0.82M) – Budget (\$0.27M) = Unfavourable variance (\$0.55M)

Engineering (Appendix 3)

At the end of August, the Engineering Department had a deficit of (\$0.82M) against a budgeted deficit of (\$0.27M). The unfavourable variance of (\$0.55M) was due to lower than budgeted Engineering fees from the impact of the COVID-19 pandemic.

Building Standards (Appendix 5)

Actual (\$2.15M) – Budget (\$0.76M) = Unfavourable variance (\$1.39M)

At the end of August, the Building Standards department had a deficit of (\$2.15M) against a budgeted deficit of (\$0.76M). The unfavourable variance of (\$1.39M) was mainly due to lower building permit fees received from the impact of the COVID-19 pandemic.

Waterworks (Appendix 7)

Actual \$11.67M – Budget \$9.46M = Favourable variance \$2.21M

At the end of August, the Waterworks department had a surplus of \$11.67M against a budgeted surplus of \$9.46M. The main drivers for the favourable variance of \$2.21M were as follows:

• Higher than budgeted consumption and lower non-revenue water (10.8% actual consumption vs 11% budgeted) resulted in a net favourable variance of \$1.32M. The favourable variance was partially offset by (\$0.34M) from the decision by both the City and Region to not increase the sales and purchase price

Page 50 of 147

as planned on April 1. The net water sales and purchase variance is \$0.98M favourable.

- Lower revenues resulting in an unfavourable variance of (\$0.37M) due primarily to lower water meter installation fees and developer fees for services
- Lower non-personnel costs resulting in a favourable variance of \$1.16M due to lower operating and water, sewer and roadwork materials and supplies cost

Lower personnel costs resulting in a favourable variance of \$0.44M due to temporary vacancies

FINANCIAL CONSIDERATIONS

Staff will continue to monitor the results of operations on a monthly basis and will provide further 2020 updates as required.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not Applicable

BUSINESS UNITS CONSULTED AND AFFECTED: Not Applicable

RECOMMENDED BY:

Joel Lustig, Treasurer

Trinela Cane, Commissioner, Corporate Services

ATTACHMENTS: Appendices 1 to 14:

CITY OF MARKHAM Operating Budget (Including Library, excluding Planning & Design, Engineering, Waterworks and Building Standards) Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Actual	2020 Budget	Variance fav./(unfav.)	Annual Budget	% of YTD Budget
Revenues	Actual	Duuget	iav./(uiiiav.)	Duuget	11D Duuget
Property Taxation Revenues	166.00	166.14	(0.14)	166.67	
General Revenues	15.12	16.24	(1.12)	34.56	
User Fees & Service Charges	7.07	22.38	(15.31)	32.14	
Grant & Subsidy Revenues	1.36	1.17	0.19	1.94	
Other Income	3.61	3.75	(0.14)	5.52	
Revenues Total	193.16	209.68	(16.52)	240.83	92.1%
Expenditures					
Salaries & Benefits	87.05	95.63	8.58	141.27	
Material & Supplies	2.60	3.92	1.32	5.83	
Procured Services	21.88	28.47	6.59	40.15	
Transfers to Reserves	28.31	28.06	(0.25)	39.23	
Other Expenditures	1.26	2.35	1.09	4.02	
Expenditures Total	141.10	158.43	17.33	230.50	89.1%
Surplus not including winter maintenance	52.06	51.25	0.81	10.33	
Winter Maintenance	6.19	7.61	1.42	10.33	
Surplus including winter maintenance	45.87	43.64	2.23	(0.00)	

CITY OF MARKHAM Planning & Design Operating Budget Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

(In	millions	OI	dollar

	2020 Actual	2020 Budget	Variance fav./(unfav.)	Annual Budget	% of YTD Budget	Year-end Surplus/ (Deficit)
Revenues	Inclum	Duuget	iuv»(uniuvi)	Duuget		(Denen)
Planning & Design Fees	5.33	6.82	(1.49)	10.57		
Revenues Total	5.33	6.82	(1.49)	10.57	78.2%	
Expenditures						
Salaries & Benefits	3.37	4.11	0.74	6.03		
Material & Supplies	0.01	0.03	0.02	0.04		
Procured Services	1.92	1.97	0.05	3.89		
Expenditures Total	5.30	6.11	0.81	9.96	86.7%	
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	0.03	0.71	(0.68)	0.61		0.61
Transfer to Reserve	0.00	0.00	0.00	0.61		0.61
Surplus After Transfer to Reserve	0.03	0.71	(0.68)	0.00		0.00

CITY OF MARKHAM Engineering Operating Budget Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Actual	2020 Budget	Variance fav./(unfav.)	Annual Budget	% of YTD Budget	Year-end Surplus/ (Deficit)
Revenues		0		<u> </u>		
Engineering Fees	4.12	5.27	(1.15)	8.79		
Revenues Total	4.12	5.27	(1.15)	8.79	78.2%	
Expenditures						
Salaries & Benefits	3.52	4.03	0.51	5.70		
Material & Supplies	0.00	0.02	0.02	0.03		
Procured Services	1.42	1.49	0.07	2.93		
Expenditures Total	4.95	5.54	0.60	8.66	89.4%	
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	(0.82)	(0.27)	(0.55)	0.13		0.13
Transfer to Reserve	0.00	0.00	0.00	0.13		0.13
Surplus After Transfer to Reserve	(0.82)	0.00	0.00	0.00		0.00

Page 55 of 147

APPENDIX 5

CITY OF MARKHAM Planning & Engineering Development Fee Reserve Balance Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Budget	2020 Forecast
Opening Balance at January 1, 2020	(0.51)	(0.51)
Transfer to Capital and Interest Charges	(0.30)	(0.30)
Transfer to/Draw (from) Reserves		
Planning & Design	0.61	0.61
Engineering	0.13	0.13
Planning & Engineering Reserve Ending Balance	(0.08)	(0.08)

CITY OF MARKHAM Building Standards Operating Budget Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Actual	2020 Budget	Variance fav./(unfav.)	Annual Budget	% of YTD Budget	Year-end Surplus/ (Deficit)
Revenues		0	× /	8	0	, <i>,</i> ,
Building Permits	3.38	5.08	(1.70)	7.07		
Other Revenues	0.10	0.05	0.05	0.07		
Revenues Total	3.48	5.13	(1.65)	7.14	67.8%	
Expenditures						
Salaries & Benefits	4.07	4.21	0.14	6.28		
Material & Supplies	0.01	0.05	0.04	0.07		
Procured Services	1.55	1.63	0.08	3.18		
Expenditures Total	5.63	5.89	0.26	9.53	95.6%	
Surplus/(Deficit) Before Tr	(2.15)	(0.76)	(1.39)	(2.39)		(2.79)
Transfer to Reserve	0.00	0.00	0.00	(2.39)		(2.79)
Surplus After Transfer to 1	(2.15)	(0.76)	(1.39)	0.00		0.00

Page 57 of 147

APPENDIX 7

CITY OF MARKHAM Building Fee Reserve Balance nancial Results for the Fight Months Ended Aug 31-2

Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Budget	2020 Forecast
Opening Balance at January 1, 2020	10.36	10.36
Transfer to Capital and Interest Income	(0.32)	(0.32)
Projected Transfer to/Draw (from) Reserves	(2.39)	(2.79)
Building Reserve Ending Balance	7.65	7.25

CITY OF MARKHAM Waterworks Operating Budget Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Actual	2020 Budget	Variance fav./(unfav.)	Annual Budget	% of YTD Budget
Sales & Purchases of Water	Tictuui	Duuget	iuv. (umuv.)	Dudget	TTD Duugee
Water Revenue					
Water & Sewer Billing	93.35	93.15	0.20	139.26	
Water Expenditure					
Contracted Municipal Services	72.32	73.04	0.72	109.35	
Net Sales & Purchases of Water	21.03	20.11	0.92	29.90	104.6%
Other Revenues Total	0.45	0.76	(0.31)	1.41	59.7%
Other Expenditures					
Salaries & Benefits	5.05	5.50	0.45	8.02	
Non Personnel Expenditures	4.76	5.92	1.16	7.68	
Expenditures Total	9.81	11.41	1.60	15.70	86.0%
Surplus Before Transfer to Reserve	11.67	9.46	2.21	15.62	
Transfer to Reserve	0.00	0.00	0.00	15.62	
Surplus After Transfer to Reserve	11.67	9.46	0.00	0.00	

CITY OF MARKHAM Waterworks Reserve Balance Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	2020 Budget	2020 Actual
Opening Balance - January 1, 2020	61.85	61.85
Transfer to 2019 Capital	(12.68)	(12.68)
Interest Income	0.70	0.70
Transfer from closed capital projects	0.00	0.57
Transfer to Reserve	15.62	16.62
Waterworks Reserve Ending Balance	65.50	67.06

Page 60 of 147

APPENDIX 10

CITY OF MARKHAM

Variances by Commission and Department

CAO'S Office, Human Resources and Legal Department Financial Results for the Eight Months Ended Aug 31, 2020 (in millions of dollars)

	Fav./ (Unfav.)				
Department	Personnel	Non-Personnel	Revenue	Total	
CAO'S OFFICE	0.07	0.04	0.00	0.11	
HUMAN RESOURCES	0.09	0.32	0.00	0.41	
LEGAL DEPT.	0.05	0.12	0.01	0.18	
Total	0.21	0.48	0.01	0.70	

CITY OF MARKHAM

Variances by Commission and Department

Community and Fire Services

Financial Results for the Eight Months Ended Aug 31, 2020

		Fav./ (Unfav.)					
Department	Personnel	Non-Personnel	Revenue	Total			
OPERATIONS	0.99	0.74	(0.42)	1.31			
FIRE SERVICES	(0.72)	0.06	(0.02)	(0.68)			
LIBRARY	1.85	0.27	(0.58)	1.54			
RECREATION SERVICES	4.78	2.97	(11.93)	(4.18)			
ENVIRONMENTAL SERVICES	0.06	0.01	-	0.07			
WASTE	0.07	0.33	(0.05)	0.35			
COMMISSIONER'S OFFICE	0.05	0.05	-	0.10			
Total Excl. Winter Maintenance	7.08	4.43	(13.00)	(1.49)			
WINTER MAINTENANCE	(0.03)	1.50	(0.06)	1.41			
Total	7.05	5.93	(13.06)	(0.08)			

CITY OF MARKHAM

Variances by Commission and Department

Corporate Services

Financial Results for the Eight Months Ended Aug 31, 2020

		nfav.)		
Department	Personnel	Non-Personnel	Revenue	Total
LEGISLATIVE SERVICES & CORPORATE	0.24	0.50	(1.53)	(0.79)
COMMUNICATIONS				
FINANCIAL SERVICES	0.19	0.20	(0.23)	0.16
ITS DEPARTMENT	0.46	0.13	0.01	0.60
SUSTAINABILITY & ASSET	0.34	(0.06)	0.18	0.46
MANAGEMENT				
COMMISSIONER'S OFFICE	0.01	0.02	-	0.03
Total	1.24	0.79	(1.57)	0.46

Page 63 of 147

APPENDIX 13

CITY OF MARKHAM

Variances by Commission and Department Development Services

Financial Results for the Eight Months Ended Aug 31, 2020

	Fav./ (Unfav.)				
Department	Personnel	Non-Personnel	Revenue	Total	
CULTURE & ECONOMIC DEVELOPMENT	0.73	1.00	(2.16)	(0.43)	
TRAFFIC OPERATIONS	0.07	0.30	0.03	0.40	
COMMISSIONER'S OFFICE	-	0.03	-	0.03	
Total	0.80	1.33	(2.13)	0.00	

CITY OF MARKHAM

Variances by Commission and Department

Mayor & Council

Financial Results for the Eight Months Ended Aug 31, 2020

Department	Personnel	Non-Personnel	Revenue	Total
MAYOR & COUNCIL	0.08	0.06	-	0.14
Total	0.08	0.06	-	0.14

CITY OF MARKHAM

Variances by Commission and Department

Corporate Items

Financial Results for the Eight Months Ended Aug 31, 2020

	Fav./ (Unfav.)					
Department	Personnel	Non-Personnel	Revenue	Total		
CORPORATE ITEMS	(0.77)	1.60	0.17	1.00		
Total	(0.77)	1.60	0.17	1.00		





	February 2021								
Sun	Mon	Tue	Wed	Thu	Fri	Sat			
	1 General Committee 9:30 am - 1:00 pm	2 7:00 pm Planning Public Meeting	3	4	5	6			
7	8 Development Serv. Ctte 9:30 am - 1:00 pm	9 Council 1:00 pm – 4:30 pm	10	11	12 Chinese New Year	13			
14	15 Family Day Nirvana Day (Buddhist)	16 General Committee 9:30 am - 1:00 pm 7:00 pm Planning Public Meeting	17	18	19	20			
21	22 Development Serv. Ctte 9:30 am - 1:00 pm	23 Council 1:00 pm – 4:30 pm	24	25	26	27			
28									



	March 2021							
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
	1 General Committee 9:30 am - 1:00 pm	2 7:00 pm Planning Public Meeting	3	4	5	6		
7	8 Development Serv. Ctte 9:30 am - 1:00 pm	9 Council 1:00 pm – 4:30 pm	10	11	12	13		
14	15 March Break	16 March Break	17 March Break	18 March Break	19 March Break	20		
21	22 General Committee 9:30 am - 1:00 pm	23 7:00 pm Planning Public Meeting	24	25	26	27 Passover Begins At Sunset (Jewish)		
28 Passover	29 Passover	30 Development Serv. Ctte 9:30 am - 1:00 pm	31 Council 1:00 pm – 4:30 pm					



Page 69 of 147

			April 2021			
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2 Good Friday	3 Passover
4 Easter Sunday		6 General Committee 9:30 am - 1:00 pm	7	8	9	10
Passover ends		7:00 pm Planning Public Meeting				
11	12 Ramadan Begins at Sunset (Muslim)	13 Ramadan	14 Khalsa Day - Vaisakhi (Sikh)	15	16	17
18	19 Development Serv. Ctte 9:30 am - 1:00 pm	20 Council 1:00 pm – 4:30 pm	21	22	23	24
25	General Committee	27 7:00 pm Planning Public Meeting	28	29	30 Holy Friday (Orthodox)	



May 2021							
Sun	Mon	Tue	Wed	Thu	Fri	Sat	
	3	4	5	6	7	8	
Easter (Orthodox)	Development Serv. Ctte 9:30 am - 1:00 pm	Council 1:00 pm – 4:30 pm					
	10 General Committee 9:30 am - 1:00 pm	11 7:00 pm Planning Public Meeting	12 Eid-Al-Fitr Begins at Sunset (Muslim)	13 Eid-Al-Fitr	14	15	
		10	10				
6 Shavuot Begins at Sunset (Jewish)	17 Shavuot	18 Shavuot	19 Buddha Day (Buddhist)	20	21	22	
3	24	25	26	27	28	29	
	Victoria Day	Development Serv. Ctte 9:30 am - 1:00 pm	Council 1:00 pm – 4:30 pm				
30	31						
	General Committee 9:30 am - 1:00 pm						



June 2021					
Mon	Tue	Wed	Thu	Fri	Sat
	1 7:00 pm Planning Public Meeting	2	3 FCM Conference (tentative)	4 FCM Conference (tentative)	5 FCM Conference (tentative)
7 Development Serv. Ctte 9:30 am - 1:00 pm	8 Council 1:00 pm – 4:30 pm	9	10 FCM Conference (tentative)	11 FCM Conference (tentative)	12 FCM Conference (tentative)
14 General Committee 9:30 am - 1:00 pm	15 7:00 pm Planning Public Meeting	16	17	18	19
21 Development Serv. Ctte 9:30 am - 1:00 pm	22 Council 1:00 pm – 4:30 pm	23	24	25	26
28	29	30			
	7 Development Serv. Ctte 9:30 am - 1:00 pm 14 General Committee 9:30 am - 1:00 pm 21 Development Serv. Ctte 9:30 am - 1:00 pm	17:00 pm Planning Public Meeting78Development Serv. Ctte 9:30 am - 1:00 pm8Council 1:00 pm - 4:30 pm1415General Committee 0:30 am - 1:00 pm7:00 pm Planning Public Meeting2122Development Serv. Ctte 9:30 am - 1:00 pm22Council 1:00 pm - 4:30 pm1:00 pm - 4:30 pm	MonTueWed1 7:00 pm Planning Public Meeting27 Development Serv. Ctte 9:30 am - 1:00 pm8 Council 1:00 pm - 4:30 pm914 General Committee D:30 am - 1:00 pm15 7:00 pm Planning Public Meeting1621 Development Serv. Ctte 9:30 am - 1:00 pm22 Council 1:00 pm - 4:30 pm23	MonTueWedThu1 7:00 pm Planning Public Meeting23 FCM Conference (tentative)7 Development Serv. Ctte 9:30 am - 1:00 pm8 Council 1:00 pm - 4:30 pm910 FCM Conference (tentative)14 General Committee 9:30 am - 1:00 pm15 7:00 pm Planning Public Meeting161721 Development Serv. Ctte 9:30 am - 1:00 pm22 Council 1:00 pm - 4:30 pm2324	MonTueWedThuFri1 7.00 pm Planning Public Meeting23 FCM Conference (tentative)4 FCM Conference (tentative)7 Development Serv. Ctte 9:30 am - 1:00 pm8 Council 1:00 pm - 4:30 pm910 FCM Conference (tentative)11 FCM Conference (tentative)14 General Committee 9:30 am - 1:00 pm15 7:00 pm Planning Public Meeting16171821 Development Serv. Ctte 9:30 am - 1:00 pm22 Council 1:00 pm - 4:30 pm232425


	July 2021								
Sun	Mon	Tue	Wed	Thu	Fri	Sat			
				1 Canada Day	2	3			
4	5	6	7	8	9	10			
11	12	13	14	15	16	17			
18	19 Eid-Al-Adha Begins at Sunset (Muslim)	20 Eid-Al-Adha	21	22	23	24			
25	26	27	28	29	30	31			



Thu Fri 6 7 13 14	Sat
13 14	
20 21	
27 28	



MARKHAM

September 2021								
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
			1	2	3	4		
5	6 Labour Day Rosh Hashanah Begins at Sunset (Jewish)	7 Rosh Hashanah	8 Rosh Hashanah	9	10 Ganesh Chaturthi (Hindu)	11		
12	13 General Committee 9:30 am - 1:00 pm	14 7:00 pm Planning Public Meeting	15 Yom Kippur Begins at Sunset (Jewish)	16 Yom Kippur	17	18		
19	20 Sukkot Begins at Sunset (Jewish)	21 Sukkot	22 Sukkot	23	24	25		
26	27 Development Serv. Ctte 9:30 am - 1:00 pm	28 Council 1:00 pm – 4:30 pm	29	30				

ARKHAM



	November 2021									
Sun	Mon	Tue	Wed	Thu	Fri	Sat				
	1 General Committee 9:30 am - 1:00 pm	2 7:00 pm Planning Public Meeting	3	4 Diwali (Hindu)	5	6				
7	8 Development Serv. Ctte 9:30 am - 1:00 pm	9 Council 1:00 pm – 4:30 pm	10	11 Remembrance Day	12	13				
14	15 General Committee 9:30 am - 1:00 pm	16 7:00 pm Planning Public Meeting	17	18	19 Birthday Of Guru Nanak Dev Sahib (Sikh)	20				
21	22 Development Serv. Ctte 9:30 am - 1:00 pm	23 Council 1:00 pm – 4:30 pm	24	25	26	27				
28	29 General Committee 9:30 am - 1:00 pm	30 7:00 pm Planning Public Meeting								



MARKHAM

December 2021								
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
			1	2	3	4		
5	6 Development Serv. Ctte 9:30 am - 1:00 pm	7 Council 1:00 pm – 4:30 pm	8	9	10	11		
12	13	14	15	16	17	18		
19	20	21	22	23	24	25 Christmas Day		
26 Boxing Day	27	28	29	30	31			



Report to: General Committee

SUBJECT:	2021 Water/Wastewater Rate
PREPARED BY:	Asif Aziz, Senior Financial Analyst

RECOMMENDATION:

- THAT the presentation entitled "2021 Water/Wastewater Rate Public Consultation Meeting" be received and approved for presentation at the November 12th Public Consultation meeting;
- 2) AND THAT the report entitled "2021 Water/Wastewater Rate" be received;
- 3) AND THAT Staff be authorized to hold an electronic public meeting on November 12th, 2020 at 6:30 p.m. to gather resident feedback on the principle of, increasing the 2021 water/wastewater rate by the same percentage as the Region of York's wholesale rate and present two scenarios:
 - a. Scenario 1: Increase of 0%
 - b. Scenario 2: Increase of 2.9%, which is consistent with the Region of York's wholesale rate increase for 2021, as tabled at Regional Council in the Region's Water and Wastewater Financial Sustainability Plan from October 2015.
- AND THAT feedback received at the public meeting along with the proposed 2021 water/wastewater rate tentatively scheduled to be put forward for consideration of Council on December 9th, 2020;
- 5) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

The City is proposing to increase the 2021 water/wastewater rate by the same percentage as the Region of York's wholesale rate once it is approved by Regional Council. A report is being tabled to Regional Council in December.

On November 13^{th} , 2019, Council approved a rate increase, effective April 1, 2020, of $0.3500/\text{m}^3$ (from $4.4680/\text{m}^3$ to $4.8180/\text{m}^3$) or 7.8%. This increase included an increase of 9% on the wholesale rate from the Region. In response to the COVID-19 pandemic both the City and Region waived the scheduled increases.

As a result, the City's portion of the 2020 rate increase which was waived will need to be recovered in the 2021 rate or phased in, in future years, to ensure that there is adequate funding in the Waterworks Reserve to sustain future replacement and rehabilitation requirements of the City's water and wastewater infrastructure for the next 25 years.

PURPOSE:

The purpose of the report is to receive direction on the proposed 2021 water/wastewater rate and obtain approval to hold an electronic public meeting on November 12^h, 2020 at 6:30 p.m. to discuss the 2021 proposed water/wastewater rate increase.

BACKGROUND:

Markham owns and operates the water distribution and wastewater collection systems, and purchases its water supply and wastewater treatment from the Region of York (Region). The Region purchases water from the City of Toronto and Region of Peel. The Region's current wholesale rate is \$3.0743/m³ and Markham's current rate is \$4.4680/m³. Revenues are used to fund Regional purchases (i.e., water and wastewater costs), Waterworks day-to-day operations and capital expenditures.

On November 13^{th} , 2019, Council approved a rate increase, effective April 1, 2020, of $0.3500/\text{m}^3$ (from $4.4680/\text{m}^3$ to $4.8180/\text{m}^3$) or 7.8%. This increase included an increase of 9% on the wholesale rate from the Region.

Subsequently in March 2020, due to the COVID-19 pandemic, in an effort to provide relief to the residents and businesses of Markham, Council waived the scheduled increase of \$0.3500/m³, or 7.8%, to the 2020 water/waste water rate. In April 2020, Regional Council also waived its scheduled increase of \$0.2767/m³ or 9% resulting in no increase to the Region's 2020 wholesale rate.

In March 2020, Staff indicated to Council, that waiving the increase to the 2020 rate, by both the City and Region, would result in an unfavourable variance of \$1.0M to the 2020 Waterworks operating budget. It is anticipated the shortfall will be recovered in the future.

In May 2020, Staff reported back to Council, that due to the mandated closure to nonessential businesses, there was an expected reduction on water consumption resulting in an additional 2.6M unfavourable variance, for a total unfavourable variance of 3.6M(1.0M + 2.6M). The forecasted reduction in consumption was based on very limited pandemic data. Therefore, assumptions were made by Staff that included an increase in residential consumption as there would be more people working from home, and a significant reduction in non-residential consumption due to mandated closure of nonessential businesses.

Since then, data related to water consumption during the pandemic has become available, showing that the reduction in consumption was not as severe as initially thought. Staff are now projecting a favourable variance in the range of \$0.7M to \$1.3M. Both non-residential and residential consumption have been higher than what was forecasted and presented to Council in May. To date residential consumption has been higher than budget, this increase has more than offset the reduction in non-residential consumption to budget, resulting in a net consumption increase to budget during the pandemic period.

The City's portion of the 2020 rate increase which was waived will need to be recovered in the 2021 rate or phased in, in future years, to ensure that there is adequate funding in the

Page 3

Waterworks Reserve to sustain future replacement and rehabilitation requirements of the City's water and wastewater infrastructure for the next 25 years.

In 2015, the Region completed a water rate study to determine the rates required to: build adequate reserves for future asset rehabilitation and replacement; maintain existing assets; cover day-to-day operations; eliminate the need to issue rate-supported debt; and achieve full cost recovery pricing by 2021. The outcome of the water rate study was an increase of 9% from 2016 to 2020 and 2.9% for 2021. Due to the pandemic, the Region waived the 9% increase scheduled for 2020, and is updating the water rate study. A report will be tabled at Regional Council in December, with a proposed wholesale rate for 2021 and future year increases.

Accordingly, Staff have prepared two scenarios:

- 1. No increase to Region's wholesale rate and the City's water/wastewater rate
 - If this is the case, the deferred 2020 and 2021 increase will need to be recovered in a future year, or phased in over multiple years
- 2. Regional increase to the wholesale rate of 2.9%, matched with an increase to the City's water/wastewater rate of 2.9%
 - 2.9% is the increase approved by Regional Council in 2015
 - Incorporates full recovery of 2020 waived rate increase

If the Region's rate increase differs from the scenarios above, the City plans to match the Region's increase.

It is Markham's practice to hold a public meeting before passing an amendment to the Fee By-law for a water/wastewater rate change. The electronic public meeting will be held November 12th, 2020 at 6:30 p.m. to discuss the 2021 proposed water/wastewater rate change.

Notice of the public meeting will be posted on the "City Page" in local newspapers, the City website, electronic information boards in City facilities and through social media. Councillors will receive copies of the notice to send to residents.

Staff propose to provide information on the feedback received at the public meeting along with the proposed 2021 water/wastewater rate tentatively scheduled for consideration of Council at the December 9th Council meeting.

OPTIONS/ DISCUSSION: Water/Wastewater Rate

Markham's water/wastewater rate is comprised of the following 4 components:

- A. Regional wholesale rate
- B. Non-revenue water
- C. Operational expenditure
- D. Reserve contribution

A. Region's Wholesale Rate Increase

The Region provides water supply and wastewater treatment to the nine municipalities within the Region. On October 15, 2015, the Region approved annual rate increases for water and wastewater user rates effective April 1, 2016 through April 1, 2021.

In response to the COVID-19 pandemic the Region waived the 9% increase scheduled for April 1, 2020 and held its rate at the previous year's level. A report will be tabled to Regional Council in December with a proposed wholesale rate for 2021 and future year increases.

	<u>Appr</u> October	<u>roved</u> 15, 2015	<u>Revised due to COVID-</u> <u>19 Pandemic</u>			
Year Starting	Wholesale Rate (\$/m ³)	Increase from Prior Year	Wholesale Rate (\$/m ³)	Increase from Prior Year		
April 1, 2016	2.3741	9.0%	2.3741	9.0%		
April 1, 2017	2.5876	9.0%	2.5876	9.0%		
April 1, 2018	2.8205	9.0%	2.8205	9.0%		
April 1, 2019	3.0743	9.0%	3.0743	9.0%		
April 1, 2020	3.3510	9.0%	3.0743	0.0%		
April 1, 2021	3.4468	2.9%	TBD	TBD		

The Region's increases support the following ongoing requirements including:

- Building adequate reserves for future asset rehabilitation and replacement
- Maintaining existing assets
- Covering day-to-day operations
- Elimination of the need to issue rate-supported debt; and
- Achieving full cost recovery pricing in 2021.

Scenario 1: Based on the Region's assumed change of 0% for 2021, the Region's wholesale rate will not increase and remain at $3.0743/m^3$.

Scenario 2: Based on the Region's assumed increase of 2.9% for 2021, the Region's wholesale rate will increase by $0.0892/m^3$ from $3.0743/m^3$ to $3.1635/m^3$.

As per the City's policy, the City will match the Region's monetary increase once it is approved by Regional Council.

B. Non-Revenue Water

For every 1,000 litres of water that Markham buys from the Region, it is budgeted to sell only 890 litres. This unsold water is known as non-revenue water (NRW). The most frequent occurrences of non-revenue water are through system leakage and watermain breaks, metering inaccuracies, system flushing to maintain water quality and other uses such as fire fighting and unauthorized uses.

Scenario 1: Based on the Region's assumed change of 0%, the NRW component will not change and will remain at $0.3800/m^3$.

Page 82 of 147

Page 5

Scenario 2: Based on the Region's assumed increase of 2.9%, the NRW component will be increased from \$0.3800/m³ to \$0.3911/m³, an increase of \$0.0110/m³ from 2020.

The City will increase the NRW component by the same percentage increase as the Regions wholesale rate increase, once it is approved by Regional Council.

C. Operational Expenditure

The Operational Expenditure component is required in order to fund the operations and maintenance of the water and wastewater systems.

Scenario 1 and 2: The rate for this component will be increased by $0.0170/m^3$, or 3.8%, from $0.4450/m^3$ to $0.4620/m^3$ to cover operational increases such as cost of living adjustment, collective bargaining agreements and contract escalation.

The increase to this component includes the recovery of the 2020 increases that were waived and the 2021 increases to operations.

D. Reserve Contribution

The Reserve Contribution component addresses the ongoing replacement and rehabilitation requirements for Waterworks infrastructure and other Waterworks related capital assets.

Scenario 1: The rate for this component will be decreased by $0.0170/m^3$, or -3%, from $0.5687/m^3$ to $0.5517/m^3$. The reduction to this component is required to match the Region's overall rate change of 0%. In doing so, both the 2020 and 2021 increases to this component are being deferred, and will need to be recovered in a future year or phased in over multiple years.

Scenario 2: The rate for this component will be increased by $0.0124/m^3$, or 2.2%, from $0.5687/m^3$ to $0.5811/m^3$. The increase to this component includes the full recovery of the 2020 increases that were waived.

2021 Water/Wastewater Rate Increase by Component Summary

Below is a summary of the proposed changes by component for Scenario 1 (change of 0%) and Scenario 2 (increase of 2.9%):

	Α	B=D-A	C=B/A	D=A+B	E=G-A	F=E/A	G=A+E
		1. Rate	with Regi	ion @ 0.0%	2. Rate	2. Rate with Region @ 2.99	
				2021			2021
				Proposed			Proposed
	2020 Rate	Increase	%	Rate	Increase	%	Rate
	\$/m ³	\$/m ³	Increase	\$/m ³	\$/m ³	Increase	\$/m ³
A. Region's Wholesale Rate	3.0743	0.0000	0.0%	3.0743	0.0892	2.9%	3.1635
B. Non-Revenue Water	0.3800	0.0000	0.0%	0.3800	0.0110	2.9%	0.3910
C. Operating Expenditures	0.4450	0.0170	3.8%	0.4620	0.0170	3.8%	0.4620
D. Reserve Contribution	0.5687	-0.0170	-3.0%	0.5517	0.0124	2.2%	0.5811
City's Water/Wastewater Rate	4.4680	0.0000	0.0%	4.4680	0.1296	2.9%	4.5976

FINANCIAL CONSIDERATIONS

It is proposed that the 2021 water/wastewater rate increase by the same percentage as the Region's wholesale rate once it is approved by Regional Council.

In advance of the Region approval of the wholesale rate Staff have prepared the two scenarios below:

Scenario 1: Assumes that the 2021 water/wastewater rate will not increase and remain at \$4.4680/m³. In doing so both, the 2020 and 2021, increases to component D are being deferred and will need to be recovered in a future year or phased in over multiple years.

Scenario 2: Assumes that the 2021 water/wastewater rate will increase by $0.1296/m^3$ (2.9%) from $4.4680/m^3$ to $4.5976/m^3$. The increase incorporates full recovery of the 2020 increases that were waived.

Impact to Residents & ICI Customers

Based on an average household water consumption of 208 m³ per year and assuming an increase of 2.9%, there will be an increase of approximately \$27 to an average total annual household bill.

2020: $4.4680 \times 208 \text{ m}^3 = 929 \text{ (A)}$ 2021: $4.5976 \times 208 \text{ m}^3 = 956 \text{ (B)}$ Increase in 2021 27 (C = B - A)

The impact to the top 10 ICI customers, including manufacturers, office buildings and hospitality providers, will range from \$9,000 to \$13,000 per year.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Environmental Services have reviewed this report and their comments have been incorporated.

Page 7

RECOMMENDED BY:

Phoebe Fu Director, Environmental Services

Andy Taylor Chief Administrative Officer Joel Lustig Treasurer

Trinela Cane Commissioner, Corporate Services

ATTACHMENTS:

2021 Water and Wastewater Rate Public Consultation Meeting Presentation

City of Markham 2021 Water/Wastewater Rate Public Consultation Meeting November 12, 2020









- 1. About Markham's Waterworks Department
- 2. Markham Water/Wastewater System
- 3. COVID-19 Pandemic Impact and Markham's Historical Water/Wastewater Rate
- 4. 2020 Comparative Municipal Water/Wastewater Rates (\$/m³)
- 5. Components of the 2021 Water/Wastewater Rate
- 6. Summary of 2021 City's Water/Wastewater Rate
- 7. Impact to Residents and Top 10 Institutional, Commercial and Industrial Customers
- 8. Reserve Balance
- 9. Recommendations
- 10. Next Steps



BUILDING MARKHAM'S FUTURE TOGETHER 2015-2019 Strategic Plan

1. About Markham's Environmental Services Department

- Manages 81% of the City's Right-of-Way assets valued at \$6.45 billion including water (1,079 km watermains), wastewater (919 km sanitary sewers), stormwater, bridges, culverts, streetlights, watercourses and erosion sites
- Markham's water and wastewater assets are valued at \$3.67 billion out of the \$6.45 billion total Right-of-Way assets
- Responsible for waste management and environmental stewardship initiatives



1. About Markham's Environmental Services Department

Provides water service to more than 83,000 residential and ICI customers with consumption close to 30M m³ annually

- Drinking water in Ontario is required to meet strict water quality standards. Markham's Drinking Water Quality Management Standard (DWQMS) adopts a risk management approach to operate the system, monitor and report on water quality and respond to emergencies.
 - We continuously monitor water quality in-part through use of an on-line chlorine analyser
 - We continuously monitor our 5 sanitary pumping stations through remote operation and monitoring equipment (Supervisory Control and Data Acquisition - SCADA)
- The Ministry of Environment regularly audits and inspects our DWQMS, our operations and any associated documentation. In 2019, the Ministry renewed Markham's Drinking Water License for another 5 years.



1. About Markham's Environmental Services Department

Promotion of Markham's tap water, water efficiency/conservation and source water protection

- "Get to Know H2O" goes virtual! School outreach program to date 76 presentations to 2,000 students
- F.O.G. Clogs Protect Your Pipes! Campaign won Gold in Promotion & Education from the Municipal Waste Association!
 - Average 55% decrease in residential sewer backup calls received by the City of Markham Contact Centre
 - Over 200k commercial views by residents (social media, website, Cineplex)



h building MARKHA









1. About Markham's Environmental Services Department

- Proactive capital program to manage water assets
 - Leak detection and associated repairs (metallic watermain only)
 - Cathodic protection (ductile/cast iron watermain)
 - Watermain replacement program
 - Curb box and water meter replacement
 - Life cycle condition assessment













2. Markham's Water/Wastewater System

- Markham does not own or operate a water filtration plant or a wastewater treatment plant (water distribution and wastewater collection only system)
- Markham purchases water through York Region (YR) and YR provides Markham with wastewater treatment services. The purchase price for the water includes the Region's cost for water filtration and wastewater treatment services.
- > York Region:
 - Purchases water from the City of Toronto and from the Region of Peel. The source is Lake Ontario.
 - Pumps water into reservoirs to provide adequate supply and maintain system pressure.
 - Conveys wastewater to their jointly owned treatment facility (in Durham) that treats and releases the water back to Lake Ontario.





3. COVID-19 Pandemic Impact

- In 2019, pre-pandemic, the Region approved an increase of 9% to the wholesale rate and the City approved a rate increase of 7.8% to the 2020 water / wastewater rate
- Due to the COVID-19 pandemic both the Region and City waived their scheduled increases and held their rates at the 2019 levels
 - Waiving of the City's portion of the 2020 rate increase results in the need for the City to recover the forgone increase in the future
- Region is undertaking a reserve study and a report will be tabled at Regional Council in December with a proposed rate for 2021 and future year increases
 - In 2015, YR Council approved rates from 2016 to 2021 which included an increase of 2.9% in 2021
- Staff have prepared two scenarios:
 - 1. No increase to Region's wholesale rate and City's water/wastewater rate
 - the deferred 2020 and 2021 increase will need to be recovered in a future year or phased in over multiple years
 - 2. Region increase to wholesale rate of 2.9%, matched with an increase to the City's water/wastewater rate of 2.9%
 - 2.9% is the increase approved by Regional Council in 2015
 - incorporates full recovery of 2020 waived rate increase
- If the Region's rate increase differs from the scenarios above, the City plans to match the Region's increase





3. Markham's Historical Water/Wastewater Rate

					Original	Actual
	2016	2017	2018	2019	2020	2020
Wholesale Rate Increase	9.0%	9.0%	9.0%	9.0%	9.0%	0.0%
Markham's Water/Wastewater Rate Increase*	7.8%	7.8%	7.5%	7.8%	7.8%	0.0%
Markham Water/Wastewater Rate (\$/m ³)*	\$3.5751	\$3.8555	\$4.1442	\$4.4680	\$4.8180	\$4.4680

*Includes Region's wholesale rate increase

Markham's water/wastewater rate increases have historically ranged from 7.5% to 7.8%. This includes the Region's wholesale rate increase.

Both the City and Region waived the 2020 increases in response to the COVID-19 pandemic



4 2020 Comparative Municipal Water/Wastewater Rates (\$/m3)



\$6.2468 4 1% Incr

% increase refers to 2020 vs. 2019 rate increase





4. Components of the Water/Wastewater Rate

Markham customers pay a per cubic metre rate (1,000 litres) for their water use. Included in this charge is;

- A. Region Wholesale Rate The actual cost Markham pays to buy water from YR
- B. Non-Revenue Water Cost of water that is used but not billed to the customer
- **C. Operating Expenditures** Funding needed to operate, upkeep and maintain the water and wastewater systems
- **D. Reserve Contribution** Funding used for long term infrastructure rehabilitation and replacement





5. Components of the Water/Wastewater Rate

Based on the two scenarios modeled the City's 2021 Water/Wastewater rate is:

		1. Rate	1. Rate with Region @ 0.0%			2. Rate with Region @ 2.9%		
				2021			2021	
				Proposed			Proposed	
	2020 Rate	Increase	%	Rate	Increase	%	Rate	
	\$/m ³	$/m^3$	Increase	$/m^3$	$^{m^3}$	Increase	\$/m ³	
A. Region's Wholesale Rate	3.0743	0.0000	0.0%	3.0743	0.0892	2.9%	3.1635	
B. Non-Revenue Water	0.3800	0.0000	0.0%	0.3800	0.0110	2.9%	0.3910	
C. Operating Expenditures	0.4450	0.0170	3.8%	0.4620	0.0170	3.8%	0.4620	
D. Reserve Contribution	0.5687	-0.0170	-3.0%	0.5517	0.0124	2.2%	0.5811	
City's Water/Wastewater Rate	4.4680	0.0000	0.0%	4.4680	0.1296	2.9%	4.5976	

Scenario 1: Increase of \$0.0000/m³ or 0.0% Scenario 2: Increase of \$0.1296/m³ or 2.9%





- York Region:
 - ✓ Purchases water from the City of Toronto and from the Region of Peel. The source is Lake Ontario.
 - Pumps water into reservoirs to provide adequate supply and maintain system pressure.
 - Conveys wastewater to their jointly owned treatment facility (in Durham) that treats and releases the water back to Lake Ontario.





In October 2015, YR Council adopted a strategy to move towards financial sustainability and recommended rate increases to support the following requirements:

- ✓ Build adequate reserves for future asset rehabilitation and replacement
- \checkmark Maintain existing assets
- \checkmark Cover day to day operations
- ✓ Eliminate the need to issue rate-supported debt
- ✓ Achieve full cost recovery pricing in 2021





The Region approved annual rate increases for wholesale rate effective April 1, 2016 through April 1, 2021.

In response to the COVID-19 pandemic the Region waived the 9% increase scheduled on April 1, 2020 and held its rate at the previous year's level.

A report will be tabled at Regional Council in December with a proposed wholesale rate for 2021 and future year increases.

	<u>Approved</u> October 15, 2015		<u>Revised due to COVID-</u> <u>19 Pandemic</u>			
Year Starting			Wholesale Rate (\$/m ³)	Increase from Prior Year		
April 1, 2016	2.3741	9.0%	2.3741	9.0%		
April 1, 2017	2.5876	9.0%	2.5876	9.0%		
April 1, 2018	2.8205	9.0%	2.8205	9.0%		
April 1, 2019	3.0743	9.0%	3.0743	9.0%		
April 1, 2020	3.3510	9.0%	3.0743	0.0%		
April 1, 2021	3.4468	2.9%	TBD	TBD		





The Region's assumed water and wastewater (also known as the Region's wholesale rate) blended rate increase of 0.0% and 2.9%, includes the wholesale water rate increases from the City of Toronto and Region of Peel. These increases are passed on to the City.

	Region's			Region's	
	2020			2021	
	Wholesale			Wholesale	% of Total
	\$/m3	% Increase	\$ Increase/m ³	\$/m3	Rate
1. Water and Wastewater Rate	3.0743	0.0%	0.0000	3.0743	69%
2. Water and Wastewater Rate	3.0743	2.9%	0.0892	3.1635	69%

Scenario 1: Increase of \$0.0000/m³ or 0.0% Scenario 2: Increase of \$0.0892/m³ or 2.9%





5. Components of the Water/Wastewater Rate

			Scenario 1 2021 Rate	Scenario 2 2021 Rate
		Description	\$/m ³	\$/m ³
✓ A	A. Region's Wholesale Rate	The actual cost Markham pays to buy water from YR	3.0743	3.1635
В	3. Non-Revenue Water	Cost of water that is used but not billed to the customer	0.3800	0.3910
		Funding needed to operate, upkeep and maintain the		
С	C. Operating Expenditures	water and wastewater systems	0.4620	0.4620
		Funding used for long term infrastructure rehabilitation		
D	D. Reserve Contribution	and replacement	0.5517	0.5811
С	City's Water/Wastewater Rate		4.4680	4.5976



5. Components of the Water/Wastewater Rate B. Non-Revenue Water

For every 1,000 litres of water that Markham buys from YR, it is budgeted to sell only 890 litres. This unsold water is known as **Non Revenue Water (NRW).**

The additional 110 litres or 11% of the purchased water is for:

1. System leakage and watermain breaks (76 L)

- 2. Meter inaccuracies on YR supply meters and customer meters (15 L)
- 3. Operational Water System flushing to maintain water quality and other uses such as fire fighting (16 L)
- 4. Unauthorised Use Water theft or illegal connections (3 L)





5. Components of the Water/Wastewater Rate B. Non-Revenue Water

Best Practices

- Markham's budget of 11% NRW is considered a well managed system
- The International Water Association established a global benchmark for water agencies known as the Infrastructure Leakage Index (ILI) where;
- ILI = Actual System Leakage/ Allowable System Leakage;
- Allowable System Leakage represents the minimum expected leakage of the system based on best management practices. An ILI close to 1 is considered 'World Class'.
- Markham's 2019 ILI is 1.25





5. Components of the Water/Wastewater Rate B. Non-Revenue Water

Based on a Region's assumed increase of 0.0% and 2.9%, the NRW component of the 2021 Water Rate will increase by the same percentages

	City's 2020 NRW			City's 2021 NRW		
	Component			Component	% of Total	
	\$/m3	% Increase	\$ Increase/m ³	\$/m3	Rate	
1. Water and Wastewater Rate	0.3800	0.0%	0.0000	0.3800	9%	
2. Water and Wastewater Rate	0.3800	2.9%	0.0110	0.3910	9%	

Scenario 1: Increase of \$0.0000/m³ or 0.0% Scenario 2: Increase of \$0.0110/m³ or 2.9%





5. Components of the Water/Wastewater Rate

			Scenario 1 2021 Rate	Scenario 2 2021 Rate
		Description	\$/m ³	\$/m ³
\checkmark	A. Region's Wholesale Rate	The actual cost Markham pays to buy water from YR	3.0743	3.1635
\checkmark	B. Non-Revenue Water	Cost of water that is used but not billed to the customer	0.3800	0.3910
		Funding needed to operate, upkeep and maintain the		
	C. Operating Expenditures	water and wastewater systems	0.4620	0.4620
		Funding used for long term infrastructure rehabilitation		
	D. Reserve Contribution	and replacement	0.5517	0.5811
	City's Water/Wastewater Rate		4.4680	4.5976





5. Components of the Water/Wastewater Rate C. Operating Expenditures

The Operating Expenditures component is required to pay for operations and maintenance of the water and wastewater systems. Rate increase includes operational increases such as cost of living adjustments, collective agreements and contract escalations.

	City's 2020 Operating		City's 2021		
			Operating		
	Component			Component	% of Total
	\$/m3	% Increase	\$ Increase/m ³	\$/m3	Rate
1. Water and Wastewater Rate	0.4450	3.8%	0.0170	0.4620	10%

Scenario 1 & 2: Increase of \$0.0170m³ or 3.8%





5. Components of the Water/Wastewater Rate

			Scenario 1 2021 Rate	Scenario 2 2021 Rate
1		Description	\$/m ³	\$/m ³
\checkmark	A. Region's Wholesale Rate	The actual cost Markham pays to buy water from YR	3.0743	3.1635
\checkmark	B. Non-Revenue Water	Cost of water that is used but not billed to the customer	0.3800	0.3910
		Funding needed to operate, upkeep and maintain the		
\checkmark	C. Operating Expenditures	water and wastewater systems	0.4620	0.4620
		Funding used for long term infrastructure rehabilitation		
	D. Reserve Contribution	and replacement	0.5517	0.5811
	City's Water/Wastewater Rate		4.4680	4.5976




5. Components of the Water/Wastewater Rate D. Reserve Contribution

- The City implemented the Water & Wastewater Reserve Study with the purpose of addressing the ongoing replacement and rehabilitation requirements for Waterworks infrastructure and other Waterworks related capital assets, such as Fleet, Facilities and ITS infrastructure, over their useful lives.
- The Reserve Study is updated annually to:
 - Establish the water and wastewater rate
 - Ensure that there is adequate funding in the Waterworks Reserve to sustain future replacement and rehabilitation requirements of the City's water and wastewater infrastructure for the next 25 years





D. Reserve Contribution 25-Year Projected Life Cycle Expenditures – By Component



Total projected expenditures of \$385M (Average \$15.4M/year) for the next 25 years or \$523M inflated dollars (Average \$20.9M inflated dollars/year)





26

5. Components of the Water/Wastewater Rate D. Reserve Contribution

- Transfer to Reserves = Sales Purchases Operations
- The Reserve Contribution component ensures there is adequate funding in the Waterworks Reserve to sustain replacement and rehabilitation requirements for the next 25 years
- In scenario 1, the 2020 and 2021 increases, to this component are being deferred and will need to be recovered in a future year or phased in over multiple years
- Scenario 2 incorporates full recovery of 2020 rate increase which was waived

	City's 2020			City's 2021	
	Transfer to			Transfer to	% of Total
	Reserve \$/m3	% Increase	\$ Increase/m ³	Reserve \$/m3	Rate
1. Water and Wastewater Rate	0.5687	-3.0%	-0.0170	0.5517	12%
2. Water and Wastewater Rate	0.5687	2.2%	0.0124	0.5811	12%
Scenario Scenari	o 1: Decreas io 2: Increas	e of \$0.01 e of \$0.01	70/m³ or -3. 24/m³ or 2.2	0% 2%	





5. Components of the Water/Wastewater Rate

		Description	Scenario 1 2021 Rate \$/m ³	Scenario 2 2021 Rate \$/m ³
/	A. Region's Wholesale Rate	The actual cost Markham pays to buy water from YR	3.0743	3.1635
1	B. Non-Revenue Water	Cost of water that is used but not billed to the customer	0.3800	0.3910
/	C. Operating Expenditures	Funding needed to operate, upkeep and maintain the water and wastewater systems	0.4620	0.4620
/	D. Reserve Contribution	Funding used for long term infrastructure rehabilitation and replacement	0.5517	0.5811
	City's Water/Wastewater Rate		4.4680	4.5976

Scenario 1: Increase of \$0.0000/m³ or 0.0% Scenario 2: Increase of \$0.1296/m³ or 2.9%





6. Summary of 2021 Scenario 2 Water/Wastewater Rate







6. Summary of 2021 Proposed Water/Wastewater Rate

Markham's portion of the rate increase is necessary in order to:

- Fund the day-to-day operations of the Waterworks department
- Fund the future replacement of existing assets over the next 25 years
- Avoid higher rate increases in the future





7. Impact to Residents and Top 10 Institutional, Commercial, Industrial (ICI) Customers

Based on Scenario 2 a 2.9% increase to the 2021 water/wastewater rate of \$4.5976m³ Rate increase of \$0.1296/m³ (Region's rate increase of \$0.0892/m³, City's increase \$0.0404/m³)

Year over Year Impact to Residents

Year	Water Rate	Average Consumption	Average Water Bill
2020 (A)	\$4.4680/m ³	208 m ³ per year	\$929
2021 (B)	\$4.5976/m ³	208 m ³ per year	\$956
Difference (C=B-A)	2.9% Increase		\$27





7. Impact to Top 10 Institutional, Commercial, Industrial (ICI) Customers

Based on Scenario 2 a 2.9% increase to the 2021 water/wastewater rate of \$4.5976m³ Rate increase of \$0.1296/m³ (Region's rate increase of \$0.0892/m³, City's increase \$0.0404/m³)

Increase ranges from \$9,000 to \$13,000 per year

(Top 10 list includes manufacturers, office buildings and hospitality providers)







Average Household Spending



Source (excluding water & wastewater): Statistics Canada 2016 Household Spending – Ontario (adjusted for inflation)





8. Reserve Balance

		Scenario 1	Scenario 2
	2020 Year-End Forecast	2021 Proposed Budget	2021 Proposed Budget
Opening Balance	61.85	67.06	67.06
Transfer to Capital	(12.68)	(15.72)	(15.72)
Interest Income	0.70	0.70	0.70
Transfer from closed capital projects	0.57	0.50	0.50
Transfer to Reserve	16.62	16.14	17.00
Waterworks Reserve Ending Balance	67.06	68.68	69.54

Scenario 1 & 2: Projected Reserve Balance represents 1.8% of the total replacement cost of \$3.67B for waterworks infrastructure





9. Recommendations

That the following, which is tentatively schedule to be put forward for consideration of Council on December 9th:

- 1. THAT the minutes from the Thursday November 12th, 2020, 2021 Water/Wastewater Rate Public Consultation meeting be received;
- AND THAT the 2021 City of Markham's ("City") water/wastewater rate be increased by the same percentage increase as the Region or York's wholesale rate, once it is approved by Regional Council, effective April 1, 2021;
- 3. AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.





10. Next Steps

- Council Decision Tentatively scheduled for Wednesday December 9, 2020
- Implementation of 2021 Water/Wastewater Rate April 1, 2021





Swan Lake Park

Parks Operations and Parks Refresh Draft Plan

November 2, 2020

Operations Department





Agenda

- Background/Purpose Parks Refresh Plan
- Citywide park improvement/refresh criteria
- Parks service level standards Citywide
- Parks capital lifecycle replacements Citywide
- Swan Lake Park/Laura and Alf Weaver Park
 - Current Amenities
 - Outcomes of public and third party consultation
- Park Refresh Plan Initiatives
- Parks Refresh Timelines
- Next Steps



Background/Purpose – Parks Refresh Plan

At the June 23rd, 2020 Council meeting, Environmental Services staff presented the Swan Lake Water Quality Improvement Program. Council asked staff to report back:

- In Fall of 2020 on additional options relating to vegetation, tree planting and strobe lights with regard to geese control, and report back in fall of 2020 with recommendations (Phase 1);
- In 2021, on an overall water quality (with service levels) and a park improvement program (Parks Refresh Plan) that will be sustainable (Phase 2);
- To General Committee through the Markham Sub-Committee with the participation of Friends of Swan Lake;

The purpose of this meeting is to obtain feedback from the Friends of Swan Lake on a Park Refresh Plan prior to developing both Capital and Operating budget requests for Capital for consideration in the 2021/22 budget cycle.



Citywide Park Improvement/Refresh Criteria

- Citywide park improvements are intended to enhance missing or resident group desired amenities in existing parks to make the park more relevant to users, subject to yearly budget approvals and maximum spending limits.
- Citywide park improvements include pollinator, tree and wetland garden plantings, benches, games tables and where not present small shade structures subject to yearly budget approvals and maximum spending limits.
- Citywide park improvements are considered to be "light touches" and do not include large scale projects. Parks operating budgets cover the needs of over 200 parks in all 8 wards. New initiatives and changes in all parks are subject to available funds.
- Citywide park improvements do not include regular maintenance activities such as pathway repairs, horticultural garden renovations, enhanced grass maintenance or lifecycle related replacements.





Parks Service Level Standards Citywide

Parks grass cutting per Council approved service level of 12-14 day cycle Citywide. Includes cutting parks, pathway allowances, City boulevards, facilities, naturalized area perimeters.

Waste receptacle servicing varies by location and park use and type of container. Litter and debris pick-up year round is the second most time consuming task for Operations staff next to grass cutting in summer months of operation.







Parks Service Level Standards Citywide

Parks pathway resurfacing is a yearly Citywide program which addresses trip edges greater than 2.0cm meeting Provincial Legislation O.Reg. 239/02. Minimum Maintenance Standards. Replacements are based on yearly condition assessments in all parks and priority rated subject to approved budgets.

Horticultural bed rejuvenation is yearly Citywide program to address overgrown beds no longer performing as intended and replace with low maintenance options using pollinators where possible. Priority rated subject to approved budgets.









Parks Capital Lifecycle Replacements

Playground structures along with the site specific safety surfaces are replaced based on condition assessment and CSA compliance. Similar assets include splash pads and exercise equipment.

Parks assets are refurbished or replaced based on condition assessment. Assets included are gazebos, stairs, sports field lighting, fences, court surfacing, gates and bollards, City furniture and fountains.









Swan Lake Park/Laura and Alf Weaver Park





Swan Lake Park/Laura & Alf Weaver Park

- Swan Lake was formed through quarrying activities performed in the 1970s and 1980s and has been developed in sections related to residential development over the last 15+ years.
- Laura and Alf Weaver Park was completed in 2018 following public consultation adding an additional playground, tennis courts and skate spot literally across the road from Swan Lake Park.
 The area on the west side of Swan Lake was completed in 2019.
- The section of the park from Williamson Road to the Amica site was previously a naturalized area until development in 2019. The City conducted a comprehensive pruning, removal and clean-up in the spring of 2020 to address the change in use.
- Plantings in the naturalized area on the north side occurred in the summer of 2020 adding to previous pollinator plantings.





Swan Lake Park/Laura & Alf Weaver Park Combined Amenities

Total area:	Swan Lake Park 5.6 hectares	Laura and Alf Weaver Park 1.6 hectares
Total pathways:	2250m	750m
Splash Pad:	1	
Play Structures:	1	1
Benches:	24	16
Gazeebos:	1	1
Observation Dock:	1	
Bridges:	3	



Public Consultation Swan Lake Park/Laura and Alf Weaver Park

Public consultation for Laura & Alf Weaver Park took place on March 29, 2016 which included feedback on the newest section of Swan Lake Park. The meeting had the following outcomes.

- Residents felt the southeast corner of Swan Lake Park should be naturalized
- Residents were in favor of a playground for Laura and Alf Weaver Park and requested a rubberized surface the same as Swan Lake Park
- Residents were in favor of tennis courts provided that they were located close to Williamson Road citing parking concerns
- Residents were in favor of a skateboard facility and basketball courts. It was noted that basketball was supported at local schools
- Residents requested buffers on north and south sides of park to act as wildlife corridors between this park and Swan Lake Park.





Third Party Consultation - TRCA

- Successful shoreline improvement projects provided by the Toronto and Region Conservation Authority (TRCA) for review. Design consultation project for Swan Lake shoreline improvements will be submitted to Council in 2021 seeking approval for consideration in 2022. Design stage will include invasive plant reduction and replacement strategy. Shoreline improvement construction projects dependent upon design outcomes and subject to future budget approvals.
- Consultation to investigate the introduction of fish species will be part of the water quality assessment exercise and not part of the Park Refresh program.





Parks Refresh Plan - Initiatives

1. Pollinator Plantings – add to existing naturalized areas and create new sites to plant and naturalize.

2. Rain Garden – plant the bio swale on Williamson Road with plant materials suited to wet areas as a demonstration garden

3. Understory Plantings – introduce new native species of trees on the periphery of the woodlots and in naturalized areas

4. Invasive Species Strategy – treatment (Hypena moth) and removal of Dog Strangling Vine. Address Black locust close to walkways to reduce risk from thorns. Understand the long term strategy to address removal of Manitoba Maple and Black Locust understanding that they comprise valuable canopy.

5. Shoreline Improvements – engage the TRCA for the design stage of modifications to establish options to consider.

6. Education and Outreach Opportunities – signage, aimed at education and engagement. Community group events (once allowable) for planting and maintenance opportunities





Initiatives 1&2 – Pollinator and Rain Garden



Overview of Options

Additional pollinator plantings in northeast area, new area on west side of pond Newly created Rain Garden in swale along Williamson Road

Cost

\$3.0K to \$4.0K over 2 years to be funded through Parks Renaissance and Parks Horticulture budgets subject to approval

PROS

- Pollinator and Rain Gardens:
 - create habitat for birds, insects and small mammals
 - support healthy ecosystems that clean air, stabilize soils, manage ground water and protect from severe weather
 - provide colour and natural beauty

CONS

- Pollinator and Rain Gardens:
 - are not widely understood and can appear to be areas which are simply neglected rather than places that are providing homes for insects and birds.
 - are not interactive and can be damaged by human interaction, sometimes rain gardens can be fenced to provide a clear delineation.

Staff Recommend this option for implementation in 2021 subject to budget approval.





Initiative 3 – Understory/New Plantings



Overview of Option

- Introduce favorable tree and shrub species well in advance of decline or removal of existing trees
- Mitigate canopy loss to a lesser degree through restorative plantings which are proactive

Cost

\$1.0K over 2 years to be funded through Trees for Tomorrow budgets subject to approval.

PROS

- Generally use smaller container grown stock with higher survivability, while also planting whips in select areas to compete with certain species seed beds
- Select species to add to diversity, ecosystem support and habitat creation.

CONS

May be damaged when removing existing large trees Staff recommend this option for 2021 implementation subject to budget approval.



Invasive Species – Friends of Swan Lake Map

Invasive Species in Swan Lake Park – June 2020



Page 135 of 147 (WARKHAM



Initiative 4 – Invasive Species



Overview of Option

- Identify species and degree of impact to prioritize removal strategy
- Long term strategy subject to shoreline improvement design plan (common reed grass)
- Use biocontrol agent Hypena moth for control of dog strangling vine
- Reduce contact with black locust trees

Cost

\$2.5K over 2 years to be funded through Parks Operations operating budgets subject to approval.

PROS

CONS

- Promotes growth of more productive species without restrictions
- Reduces the spread of plants to non infected areas
- Generally considered to be environmentally friendly

- Is not 100% effective and requires continued efforts
- Not always practical due to location
- Invasive species may be identified as technically invasive but also serve an urban environmental purpose
- This would be an ongoing initiative

Staff recommend further review commencing 2021 subject to budget approval.





Initiative 5 – Shoreline Improvements



Overview of Option

- Improve the current vegetation in areas around the lake subject to design construction costs
- Requires multi-year implementation 2022-2023 (pending budget approval) with proposed works to align with water quality initiative

Cost

\$35K design consultation 2022, construction costs/timing pending design outcome 2022-2023 subject to budget approvals.

PROS

CONS

- Proven to be a long term, effective solution in reducing resident geese populations by City, TRCA and Canadian Wildlife Service
- Environmental-friendly and non-intrusive may attract a larger variety of wild bird species
- To be designed to enhance and not detract from the user experience of the park/lake

- Could not be implemented in the short term
- Has no significant impact on migratory geese
- May increase the number of geese in surrounding parks/open spaces

Staff Recommend TRCA design consultation 2022 subject to budget approval





Potential Shoreline Improvement Opportunities Access Points from Land to Water









Initiative 6- Education and Outreach

		e trees and scrubs you see in man arks and storm ponds throughour f naturalization projects. Auturalization involves: People assisting nature to encourage the establishment of native tree and shub species.	v of our valleyland	ek to provide for birds,
		The creation of wildflower meadows, wet meadows and ponds enriches habitat diversity.	Once established, the created habitat becomes set If gradually gets larger and more complex, thus is the diversity of animals that will seek to us	ncreasing
Streament and		Eatern Cottontal	R	
	Northe	m Cardinal parks beau	American Goldinen	RKHAM

Overview of Option

- Multi-language or pictorial signage can be provided to provide more information to the public to increase understanding of natural habitats
- Promote understanding of species diversity
- Provide resource links for further information ie. TRCA, MNR
- Engagement with community groups

Cost

\$1.5K over 2 years to be funded through Parks Operating budgets subject to budget approval.

PROS	CONS	Staff recommend for further review
Low cost option that can be implemented immediately	• n/a	in 2021 subject to budget approvals
Recommended by TRCA		



Summary – Parks Refresh Initiatives - Swan Lake Park

Option #	Title	Evaluation	Cost
#1	Pollinator Plantings	Capacity in existing and newly identified areas to add valuable green infrastructure	\$1.0K—\$1.5K 2021 \$.5K-\$.75K 2022
#2	Wetland Garden	Swale area on Williamson Road is an ideal location	\$2.0K - \$2.5K 2022
#3	Understory/New Plantings	Can be a yearly program commencing in 2021	\$.5K 2021 \$.5K 2022
#4	Invasive Species	Species evaluation required for long term strategy	\$1.0K 2021 \$1.5K 2022
#5	Habitat Modifications	Requires design consultation before plan consideration	\$35K design plan consultation TRCA 2022
#6	Education and Outreach	Lots of opportunity for outdoor education	\$.75K 2021 \$.75k 2022





Questions?



MEMORANDUM

Re:	Maintenance of Regional Roads and Boulevards
Date:	November 2, 2020
Prepared by:	Alice Lam, Sr. Manager, Roads, Survey and Utility Division, Operations David Plant, Sr. Manager, Parks, Horticulture and Forestry Division, Operations
From:	Morgan Jones, Director of Operations
То:	Mayor and Members of Council

RECOMMENDATIONS

- 1. That the memorandum entitled "Maintenance of Regional Roads and Boulevards" dated November 2, 2020 be received; and,
- 2. That staff recommend winter maintenance service provision remain as is at this time; and,
- 3. That staff recommend improved coordination in the operating field amongst front line supervisors to enhance winter maintenance service provision; and,
- 4. That staff recommend City residents and Council continue to utilize the City's Contact Centre to generate work orders for both the City and the Region for the following issues:
 - a. Dead animal removal
 - b. Pot hole repair
 - c. Fallen tree removal
 - d. Debris removal
 - e. Grass cutting; and,
- 5. That staff recommend further investigation of the City's and the Region's contracts to explore possible options in grass cutting download or upload; and,
- 6. That staff recommend requesting the Region to consider increasing their cutting cycles to align to the City's; and further,
- 7. That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE

The purpose of this memorandum to Mayor and Council is a follow up to the General Committee meeting of July 6, 2020 in which Councillor Karen Rea issued a motion seconded by Councillor Andrew Keyes requesting staff to investigate a list of potential services the City of Markham may consider taking over from the Region of York. Potential services discussed at the July 6, 2020 meeting centred on boulevard grass cutting, winter snow removal, pothole repair, debris and dead animal removal, with the Region being responsible for all costs incurred by the City to undertake these activities.

BACKGROUND

Over the past four months, staff connected with their colleagues at the Region as well as internal City of Markham staff to consider all impacts of potential downloading of service provision. Discussions considered identified issues of current service delivery, opportunity for service level improvements, logistical impacts of both downloading and uploading services, staffing level impacts, legal and financial implications.

Within the Operations Department, the identified services are primarily undertaken by two divisions; Operations Roads, Survey and Utility and Operations Parks, Horticulture and Forestry. Generally, all hard surface issues reside with the Roads, Survey and Utility Division and all soft surfaces or often called 'Green' surfaces reside with the Parks, Horticulture and Forestry Division.

HARD SURFACE ISSUES

Council identified their dissatisfaction with an apparent lack of response from the Region for many calls such as dead animals, potholes, winter maintenance on Regional roads as well as sidewalks plowed in during winter operations. When calls are directed to the Region either by residents or Council it often takes more time to address issues versus the response times provided by City staff.

Standards for roadway maintenance activities such as pothole repair and winter maintenance are regulated by the Province and set out in O. Reg. 239/02: Minimum Maintenance Standard Act. Road classification and service levels currently differ between both agencies. The majority of the Regional roads require higher levels of service related to response time due to traffic volume and speed limit, while the majority of the City roads have lower traffic volumes and speed resulting in different service levels and response times. The City currently has one operations yard with a new east yard expected to be operational in early 2021. In order to manage the Regional road network, additional yard space, staff, and resources such as winter material will need to be increased significantly.

The Region and the City have existing contracts with different vendors. These contracts contain different specifications including standby and operating pricing as well as liquidated damages all based on meeting the respective Council approved service levels in both agencies. Such contracts may need to be renegotiated or terminated if the proposed changes in responsibilities are implemented. Contract negotiations with each existing vendors will pose significant challenges for each agency and could have a significant financial consequences. If such contracts need to be terminated, there may be legal challenges. Staff at the Region and the City would need to conduct a fulsome review of the existing contracts to determine the parties' position, which will require much more time and discussion between staff from both the Region and the City.

Maintaining Regional roads will have further legal implications for the City. The City would be exposed to additional claims relating to the failure to complete pothole repairs, removal of dead animals and winter maintenance on Regional roads in accordance with applicable standards. The Regional roads are also a higher class of roads with higher volume and speed limitations which is associated with more claims often related to more severe automobile accidents. The City could ask the Region to provide an indemnity to the City relating to such claims but it is unlikely that the Region would agree. The Region would not want to be responsible for claims caused by the City's own failure to carry out its obligations. Any claims naming the City relating to Regional roads would increase the City's insurance premiums.

SOFT SURFACE ISSUES

Council has identified their dissatisfaction with an apparent lack of response from the Region for calls such as grass cutting on regional roads, fallen trees, debris and litter. When calls are directed to the Region either by residents or Council it often takes more time to address versus the response times provided by City staff.

Grass cutting service levels currently differ between both agencies. The Region reduced their service level from 14 cuts to 12 cuts yearly, compared to the City service level of 15 cuts. The Region pays their contractor \$185.00/ha for cutting 106 ha in Markham and \$24.00/ha for litter picking for a combined rate of \$209.00/ha. The City has 87 ha to maintain and pays our contractor \$165.00/ha which is cutting and litter picking combined.

The City service level of 15 cuts (every 2 weeks) exceeds the Regional level by 3 cuts making coordination and timing of cutting extremely challenging. Combining services with the Region's contractor is cost prohibitive at this time and it appears to be in the City's best interest to renew the contract with the City's existing vendor to continue to leverage the existing pricing.

IMMEDIATE IMPROVMENTS TO SERVICE DELIVERY

In the past four months, staff from both the Region and the City initiated a process which shares on-call rotations and contact numbers amongst front line supervisory and 24/7 patrol staff. While early in the process staff are observing much timelier and coordinated responses from the Region of York for after hour calls for summer and fall related issues. Debris, dead animal, grass cutting and tree issues have been promptly dealt with including those raised by City Ward Councillors. Staff will continue to monitor and will further observe winter maintenance issues commencing Q4 2020 through to spring 2021.

Issue Description	Recommendation	Comments
Winter maintenance download	 Staff recommend winter service provision remain as is at this time Staff recommend improved coordination in the operating field amongst front line supervisors to enhance service provision 	 Increased liability relating to claims, lack of facilities required to stage equipment and staffing increases impact this issue On call standby staff rotations have been shared amongst Supervisory staff for both agencies
Dead animal removal	• Staff recommend City residents and Council continue to utilize the City's Contact Centre generating work orders for both the City and the Region.	 On call standby staff rotations have been shared amongst Supervisory staff for both agencies
Pot hole repair	• Staff recommend City residents and Council continue to utilize the City's Contact Centre generating work orders for both the City and the Region.	 On call standby staff rotations have been shared amongst Supervisory staff for both agencies
Fallen tree removal	• Staff recommend City residents and Council continue to utilize the City's Contact Centre generating work orders for both the City and the Region	 On call standby staff rotations have been shared amongst Supervisory staff for both agencies
Debris removal	• Staff recommend City residents and Council continue to utilize the City's Contact Centre generating work orders for both the City and the Region	 On call standby staff rotations have been shared amongst Supervisory staff for both agencies
Grass cutting download/upload	 Staff recommend City residents and Council continue to utilize the City's Contact Centre generating work orders for both the City and the Region Staff recommends further investigation of both contracts to explore possible options 	 On call standby staff rotations have been shared amongst Supervisory staff for both agencies Engage Finance and Purchasing staff in both agencies to explore this issue for possible implementation in 2021

RECOMMENDATIONS

Align grass	 Staff recommend requesting the Region	 Staff have requested the Region
cutting schedules	consider increasing their cutting cycles	explore this issue and will report back Q1
and service levels	to align to the City's	2021
Differing service levels between both agencies	 Service levels for both the Region and the City are dictated by Provincial Regulation ON. 239/02 specific to winter maintenance, pothole repair, streetlights and sidewalks Service levels for grass cutting, dead animal removal, debris and fallen trees are typically respective Council driven. 	City of Markham service levels are outlined in the chart below.

CITY OF MARKHAM SERVICE LEVELS

Winter Maintenance	2 – 16 hours
Dead Animals	Within 24 hours
Pot Holes	1 – 30 days per MMS requirement based on highway class
Grass Cutting	Boulevard grass cutting-15 cuts/year
Fallen Trees	Within 24 hours
Debris	Mobilization is dictated by severity, quantity and location

24/7 CONTACT INFORMATION

	City of Markham	York Region	City of Toronto	Ministry of Transportation
Contact	905.477.5530	1.877.464.9675	311	511
Number				
Email	customerservice@markham.ca	accessyork@york.ca	311@toronto.ca	mtoinfo@ontario.ca
Address				
Afterhours	905.477.7000	1.877.464.9675	311	511
Emergency		Ext. 75200		

APPENDIX

Attachment A – "Roads Map by Owner" PDF



Document Path: P:\General\Data Requests\Worgan Jones\Roads Map by Owner - 2010-10-16\Roads Map by Owner.mxd - Date Saved: 10/8/2020 9:54:26 Al