



Budget Committee Agenda

Meeting Number 4

November 17, 2020, 9:00 AM - 12:00 PM

Live streamed

	Pages
1. CALL TO ORDER	
2. DISCLOSURE OF PECUNIARY INTEREST	
3. APPROVAL OF MINUTES FROM THE NOVEMBER 10, 2020 BUDGET COMMITTEE # 3	3
4. 2021 BUDGET PRESENTATION	12
4.1. RESPONSES TO BUDGET COMMITTEE QUESTIONS	49
4.2. CULTURE - ART GALLERY LOBBY MAINTENANCE, PROJECT 21007 REDUCED AMOUNT	56
4.3. ENGINEERING SERVICES - 2022 DEVELOPMENT CHARGES STUDY UPDATE - NEW PROJECT 21182	58
4.4. ENGINEERING SERVICES - CITY WIDE WATER AND WASTEWATER SERVICING UPGRADE - NEW PROJECT 21183	60
4.5. LEGISLATED SERVICES - ANIMAL SERVICES DELIVERY MODEL	62
4.6. INFORMATION TECHNOLOGY - PORTAL UPDATE	64
4.7. 2021 PROPOSED BUILDING, PLANNING & DESIGN, ENGINEERING AND WATERWORKS OPERATING BUDGETS	
4.8. STATUS OF 2021 OPERATING BUDGET	
4.9. CORPORATE RATE STABILIZATION RESERVE	
4.9.1. Purpose	
4.9.2. Approved Uses	

4.10. 2021 OPERATING BUDGET RECOMMENDATION

4.11. NEXT STEPS

5. NEXT STEPS

6. NEW BUSINESS

7. NEXT MEETING DATE

8. ADJOURNMENT



Budget Committee Minutes

Meeting Number 3

November 10, 2020, 9:00 AM - 12:00 PM

Live streamed

Members	Councillor Amanda Collucci, Chair Councillor Andrew Keyes, Vice-Chair Deputy Mayor Don Hamilton Councillor Keith Irish	Councillor Reid McAlpine Councillor Karen Rea Councillor Khalid Usman
Regrets:	None	
Roll Call	Councillor Isa Lee Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner, Corporate Services Arvin Prasad, Commissioner of Development Services Claudia Storto, City Solicitor and Director of Human Resources Joel Lustig, Treasurer Officer Adam Grant, Deputy Fire Chief Phoebe Fu, Director of Environmental Services Christina Kakaflikas, Director of Economic Growth, Culture & Entrepreneurship Brian Lee, Director, Engineering	Mary Creighton, Director of Recreation Morgan Jones, Director, Operations Lisa Chen, Senior Manager, Financial Planning & Reporting, Financial Services Mark Visser, Senior Manager of Financial Strategy & Investments Laura Gold, Council and Committee Coordinator

1. CALL TO ORDER

The Budget Committee convened at 9:03 AM with Councillor Collucci in the Chair.

2. DISCLOSURE OF PECUNIARY INTEREST

There were no disclosures of Pecuniary Interest.

3. APPROVAL OF MINUTES

Moved by Councillor Khalid Usman

Seconded by Councillor Andrew Keyes

That the November 6, 2020, Budget Committee Minutes be approved as presented.

Carried

4. Capital Budget Review

4.1 Capital Budget Process Review - Deferred Capital Projects

Joel Lustig, Treasurer provided a detailed overview of the staff process undertaken to prepare the proposed 2021 Capital Budget Items. A list of all deferred projects was circulated to the Committee with the Agenda Package. Some of the considerations given when deciding to defer a project included: staff capacity to take on new projects; the City's resources; the urgency to complete the project; and the project's linkage to reaching the City's strategic goals.

There was no discussion on this item.

4.2 2021 Capital Budget Review - Continue from Operations - Roads, Project 21129, page 349

The Budget Committee continued its review of the proposed 2021 Capital Budget – Community & Fire Services Capital Budget Projects:

Operations - Parks

Staff provided the following responses to inquiries from the Committee:

Capital Budget No.	Project	Discussion
21029	Pathway Resurfacing	Staff advised that pathway surfaces in older parks can be upgraded under the City's Park Renaissance Programs. Staff were not aware of any City policy that standardizing paving surfaces at this time.

		<p>A Member suggested that pathway surfaces should be standardized Citywide, and noted that paving trails may be the direction to go if trails will continue to be plowed in the winter months.</p> <p>Staff will meet internally to review new park pathway design versus older existing pathways.</p>
21030	Play Structure Replacement	Staff confirmed that a condition assessment of the play structure equipment is undertaken prior to replacing the equipment, and that only the equipment deemed at the end of its lifecycle is replaced.
21131	Recycling Container Replacements	<p><i>Recycling Containers in Parks</i></p> <p>Staff advised that this project is for the replacement of very old recycling containers in parks that are at the end of their lifecycle. The City is working on improving its diversion rate at parks, recognizing there is contamination of recycling at parks. Waste and recycling containers at parks are also being used more frequently due to the pandemic, which may add to this issue.</p> <p>Committee suggested that unless staff have an educational strategy for improving the diversion rate at parks, this project should not be approved.</p> <p>Committee pulled this project, and requested that Staff to report-back with more information.</p> <p><i>Waste Containers on Markham's Main Streets</i></p> <p>Staff clarified that it is the City's responsibility to empty City waste and recycling containers on Main Street Unionville, and on Main Street Markham. The City empties these containers multiple times per day. Other types of waste and recycling containers are being explored for these streets.</p>
21135	Stairway Repair	Councillor Reid McAlpine requested that a map of the staircase's location, and a picture of the staircase be provided to him.

Moved by Councillor Keith Irish
Seconded by Councillor Karen Rea

Budget Committee
November 10, 2020

4 | Page

4

That the Budget Committee approve the Operations – Parks Capital Budget Item Nos. 21129-21135 (excluding 21131).

Carried

Operations - Fleet

Staff provided the following response to an inquiry from the Committee:

Capital Budget No.	Project	Discussion
21038	Corporate Fleet - Fire	<p>Staff advised that this project is for the replacement of 3 pumper trucks. The new trucks will replace the oldest pumper trucks in two years, as it takes two years for the trucks to be built and delivered to the City.</p> <p>A Member requested that the turning radius of the pumper truck be considered in the future, as trucks with a smaller turning radius are better designed for the types of communities the City is buildings.</p>

Moved by Councillor Andrew Keyes

Seconded by Councillor Keith Irish

That the Budget Committee approve the Operations Fleet Capital Budget Item Nos. 21136 - 21142.

Carried

Moved by Councillor Khalid Usman

Moved by Councillor Karen Rea

That the Budget Committee approve the Operations - Utility Inspection Survey Capital Budget Item No. 21143.

Carried

Moved by Councillor Karen Rea

Moved by Councillor Khalid Usman

That the Budget Committee approve the Operations – Business & Technical Services Item No. 21144.

Carried

Environmental Services – Infrastructure

Staff provided the following response to an inquiry from the Committee:

Capital Budget No.	Project	Discussion
21145	Bridges and Culverts – Condition Inspection	Phoebe Fu to provide Councillor Reid McAlpine with an update on the status of the bridge to be replaced on the north side of Toogood Pond. The specific location of the bridge was to be confirmed.

Moved by Councillor Khalid Usman

Moved by Councillor Karen Rea

That the Budget Committee approve the Environmental Services - Infrastructure Capital Budget Item Nos. 21145 - 21154.

Carried

Environmental Services – Stormwater Management

Staff provided the following responses to inquiries from the Committee:

Capital Budget No.	Project	Discussion
21160	Storm Water Management Cleaning Design & Contract Administration – ID #47, #119	Phoebe Fu to provide Councillor Reid McAlpine with a status update on the Stormwater Management Pond north of Toogood Pond that was scheduled to be cleaned

Budget Committee
November 10, 2020

6 | Page

6

21162	Water Quality Improvements	<p>Staff advised that this project is to address the hazing of the geese at Toogood Pond.</p> <p>Morgan Jones was requested to report-back on a request made at a Budget Committee meeting last year regarding the feasibility of landscaping the north side of Toogood Pond, as a geese deterrent measure.</p>
-------	----------------------------	---

Moved by Councillor Reid McAlpine

Moved by Councillor Andrew Keyes

That the Budget Committee approve the Environmental Services - Stormwater Management Capital Budget Item Nos. 21155 - 21165.

Carried

Environmental Services - Waste

Staff provided the following response to an inquiry from the Committee:

Capital Budget No.	Project	Discussion
21166	Incremental Growth Related Waste Management Vehicles	<p>Staff advised that this is an internal project to obtain development charges to offset the growth related portion of the City's waste management contract, as Miller is required to purchase more waste management vehicles to accommodate Markham's growth. Miller will own the new waste vehicles purchased.</p>

Moved by Councillor Reid McAlpine

Moved by Councillor Keith Irish

That the Budget Committee approve the Environmental Waste Capital Budget Item No. 21166.

Carried

Moved by Deputy Mayor Hamilton

Seconded by Councillor Keith Irish

Budget Committee
November 10, 2020
7 | Page

7

That the Budget Committee approve the Environmental Waterworks Capital Budget Item Nos. 21167 – 21176.

Carried

Moved by Councillor Khalid Usman
Seconded by Councillor Reid McAlpine

That the Budget Committee approve the Corporate Wide Capital Budget Item No. 21177.

Carried

4.3 Additions and Follow Up Items

a) 21179 Milliken Mills CC Main Pool Variable Frequency Drive Installation

This project is being added to the proposed 2021 Capital Budget, as staff originally thought the project could be funded by an existing project.

Moved by Councillor Khalid Usman
Seconded by Councillor Andrew Keyes

That the Budget Committee approved Capital Budget Item No. 21179 Milliken Mills Community Centre Pool Installation.

Carried

b) 21180 Recreation Waste Heat Recovery Systems

This project is being added to the proposed 2021 Capital Budget, as staff originally thought the project could be funded by an existing project.

Moved by Councillor Khalid Usman
Seconded by Councillor Reid McAlpine

That the Budget Committee approved Capital Budget Item No. 21180 Recreation Waste Heat Recovery Systems.

Carried

c) 21181 Elgin Mills - Victoria Square Blvd. to McCowan Road (Design)

Staff advised that the design work for the widening of Elgin Mills between Victoria Square and McCowan Road was originally on the deferred list, but staff recommended it be added to the 2021 Capital Budget. It was also confirmed that York Region will assume an unknown portion of Elgin Mills sometime in the future. When the road is transferred, an extensive process will be undertaken that could lead to the exchange of funds, and the City will have to transfer any remaining Development Charges collected for Elgin Mills.

Moved by Councillor Reid McAlpine
 Seconded by Councillor Khalid Usman

That the Budget Committee approve the Capital Budget Item No. 21181 Elgin Mills – Victoria Square Blvd. to McCowan Road (Design).

Carried

d) 21017 Secondary Plan – General

Staff confirmed that Capital Project 21017 – Secondary Plan will be funded through an existing funding source that has been approved by the City’s Finance Department, and the item will be removed.

4.4 Next Steps

The following items were discussed under next steps:

2021 Capital Budget

Staff will report-back on the following projects at the next meeting:

- 1) 21007 – Gallery Lobby Maintenance
- 2) 21131 – Recycling Containers

Water & Waste Water Public Consultation Meeting

The Water & Waste Water Public Consultation Meeting is scheduled to be held on Thursday, November 12, 2020, at 6:30 PM.

Budget Committee
November 10, 2020

9 | Page

9

2021 Operating Budget

Directors will not be providing a presentation on their Department's Operating Budgets this year. The Budget Committee decided last year that these presentations were only needed at the start of a new Council term to serve as an orientation for new Councillors.

Filling of Staff Vacancies

Directors can meet with the Executive Leadership Team regarding the filling of staff vacancies.

5. NEW BUSINESS

There was no new business.

6. NEXT MEETING DATE

The next meeting date of the Budget Committee is scheduled to be held on Friday, November 13, 2020. Staff advised that this meeting may be cancelled.

7. ADJOURNMENT

The Budget Committee adjourned at 10:01 AM.



BUILDING MARKHAM'S FUTURE TOGETHER

2020 – 2023 Strategic Plan



2021 Budget
Budget Committee Meeting #4
November 17, 2020

Heintzman House



Agenda

1. Approval of Minutes from November 10, 2020 Budget Committee Meeting #3
2. Responses to Budget Committee Questions
3. Culture – Art Gallery Lobby Maintenance (project 21007)
4. Engineering Services – additional capital projects
5. Legislated Services – Markham Animal Services
6. Information Technology – Portal Platform
7. 2021 proposed Building, Planning & Design, Engineering and Waterworks Operating Budgets
8. Status of 2021 Operating Budget
9. Corporate Rate Stabilization Reserve
 - a) Purpose
 - b) Approved Uses
10. 2021 Operating Budget Recommendation
11. Next Steps



2. Responses to Budget Committee Questions

- a) Ditching Program Locations (project 21106)
- b) Toogood Pond Stairway Location (project 21135)
- c) Toogood Pond Geese Fencing (related to project 21162)
- d) Recycling Containers (project 21131)



3. Gallery Lobby Maintenance

Gallery Lobby Maintenance (project 21007, reduced amount)



4. Engineering – Additional Capital Projects

- a) 2022 Development Charges Background Study Update (new project 21182)
- b) City Wide Water and Wastewater Servicing Update (new project 21183)



5. Markham Animal Services

Presentation from: Martha Pettit, Deputy City Clerk



5. City of Markham Animal Services

- The City has an animal services budget of \$724,056 and currently contracts with the following providers:
 - Domestic animal sheltering & enforcement – OSPCA (\$578,056)
 - Cat Adoption & Education Centre (CAEC) – OSPCA (\$106,000)
 - Wildlife rehabilitation & education – Shades of Hope Wildlife (\$40,000)
- Current staffing levels include 2 Officers on patrol - 8 AM – 8 PM Monday thru Friday and 8 AM - 4:30 PM Saturday and Sunday.
- The OSPCA's domestic animal shelter is open a minimum of 54 hours per week to allow for reunifications and adoptions.
- A third party review of the City's animal services program in 2012 identified that Markham was a leader in animal services, with one of the lowest costs per resident among Ontario municipalities.
- On January 20, 2020, Staff presented a report to General Committee requesting a one year extension of the OSPCA contract to March 31, 2021, (with no option to renew) which was approved.



5. City of Markham Animal Services

- At that time, Council was advised that Staff would report back later in 2020 on a proposed new animal services delivery model, as a result of new Provincial animal welfare legislation and related changes in the role of OSPCA.
- Based on the new provincial legislation, the OSPCA Board has restructured its organizational mandate to focus exclusively on domestic animal sheltering & public education – and will no longer provide enforcement services.
- OSPCA is prepared to continue to provide domestic animal shelter services and operate the CAEC at the Thornhill Community Centre on behalf of Markham.
- The City has extended its wildlife services contract with Shades of Hope at the same cost, for one additional year to December 31, 2021. Staff have found the services provided by Shades of Hope to be excellent. This has been supported by feedback received by the public.



5. Markham Domestic Animal Services – Options

Staff investigated 3 options for the City's future animal service delivery model:

1: External Private Agency – Contracted domestic animal sheltering & enforcement services procured with an external agency through an RFP process.

- **Not recommended** as there is only one potential provider, with limited capacity, located at a significant distance from Markham.

2: Municipal Partnership - Domestic animal sheltering & enforcement services to be provided by another municipality through a municipal partnership agreement.

- **Not recommended at this time** – as potential municipalities currently do not have the capacity to provide domestic sheltering and enforcement services to meet the City timelines and would require significant operating and capital investment to ramp up service.
- A shared animal services model among York Region municipalities may provide opportunities for efficiencies in the future. Staff recommend that work be initiated with other York Region municipalities to actively pursue a shared service model for domestic animal enforcement and sheltering. This could also include a shared Cat Adoption and Education Centre.



5. Markham Domestic Animal Services – Options (cont'd)

3: Hybrid Model – Contract with OSPCA for domestic animal sheltering, and the management of the Cat Adoption and Education Centre, and establish in-house enforcement services.

- **Recommended**, based on staff's research and the limited service options immediately available.
- Staff request approval for Option 3 as an interim measure for the next 3 years:
 - Sole source contract with the OSPCA for domestic animal sheltering services and the continued management of the CAEC (3 year contract with potential for 2 additional years if required).
 - Establish new Animal Services enforcement unit staffed by an Animal Care Supervisor and Animal Care Officers (ACOs).
 - The potential for a shared service model among YR municipalities will be actively explored during the interim period.



5. Option 3 – Financial Considerations Operating Budget Impact

Program Operating Costs	2021 Initial Year	2022 Annualized
Base Contract		
OSPCA Contract (sheltering and enforcement) - January 1 to March 31, 2021	\$144,514	\$0
Animal Sheltering cost - April 1, 2021 and onwards	138,750	185,000
Subtotal Base Contract	283,264	185,000
Personnel In-house Enforcement (including benefits)		
1 Supervisor - starts on January 1, 2021	122,948	122,948
4 FT Officers - ramp up start on February 1, 2021	346,080	377,542
2 PT Officers - starts on April 1, 2021	55,494	73,992
Subtotal Personnel In-house Enforcement	524,522	574,482
Non-personnel In-house Enforcement		
Non-personnel costs (Uniforms, annual training, cell phones, vehicle fuel and maintenance)	25,230	26,400
Subtotal Non-personnel In-house Enforcement	25,230	26,400
Total Operating Costs (A)	833,016	785,882
Sources of Funding		
Operating Budget	578,056	578,056
Total Sources of Funding (B)	578,056	578,056
Operating Budget Shortfall (A)-(B)	\$254,960	\$207,826



5. Option 3 – Financial Considerations (cont'd)

Operating Budget Impact

Enforcement Staffing

Enforcement Staff now required as enforcement services will no longer be provided by the OSPCA after March 31, 2021. In order to provide the current level of service, the City will need to hire 1 full-time Animal Care Supervisor, 4 full-time Animal Care Officers, and 2 part-time Animal Care Officers.

Position Title	No. of Positions	Salary Pro-rated for 2021 \$	Salary Annualized (for 2022) \$
<u>New Position Requests - Full-Time</u>			
Animal Care Supervisor	1	96,241	96,241
Animal Care Officer - Full Time	4	270,904	295,532
<i>Total New Position Requests - Full-Time</i>	5	367,145	391,773
<u>New Position Requests - Part-Time</u>			
Animal Care Officer - Part-Time	2	51,241	68,321
<i>Total New Position Requests - Part-Time</i>	2	51,241	68,321
Benefits		106,136	114,388
<i>TOTAL TAX FUNDED POSITIONS</i>	7	524,522	574,482



5. Option 3 – Financial Considerations (cont'd)

Capital Budget Impact

Enforcement Vehicle Purchase

In the first year of operation, \$142,464 will be required for the one-time capital purchase & outfitting of 2 Animal Care vehicles, to be funded as follows:

- \$17,695 from public Animal Services donations.
- Remaining balance using Ramp-Up Reserve. Subsequent vehicle replacements (estimated at every 7 years) will be included in the Life Cycle Reserve Study.

Program Capital Costs	2021
Initial Purchase of Animal Control Officer Vehicles @ \$70,000 + HST Impact/van with a replacement life of 7 years.	\$142,464
Donations Received	(17,695)
Total Capital Costs	\$124,769



5. Markham Animal Services Staff Recommendations

1. That Council approve an increase in 2021 operating budget for Animal Services of \$254,960 to accommodate the change in service delivery; and,
2. That Council approve a new 2021 capital budget request of \$142,464 for the procurement of 2 animal care enforcement vehicles with funding as follows: \$124,769 from the Ramp-Up Reserve and \$17,695 from donations; and,
3. That staff be authorized to enter into a 3 year contract (plus possible 2 year extension) with the OSPCA for domestic animal sheltering services and CAEC management services, subject to the satisfaction of the City Clerk and City Solicitor; and,
4. That staff be authorized to hire 1 full-time Animal Care Supervisor, 4 full-time Animal Care Officers, and 2 part-time Animal Care Officers at a cost of \$524,522 for 2021 and \$574,482 annually for 2022 for the delivery of the City's animal enforcement services to maintain current service levels; and
5. That staff be directed to continue to explore opportunities with other municipalities for future shared domestic animal services delivery; and further,
6. That staff be directed to do all things necessary to give effect to this resolution.



6. Portal Platform

Presentation from: Robert Cole, Acting CIO



6. Current State of Markham Portal

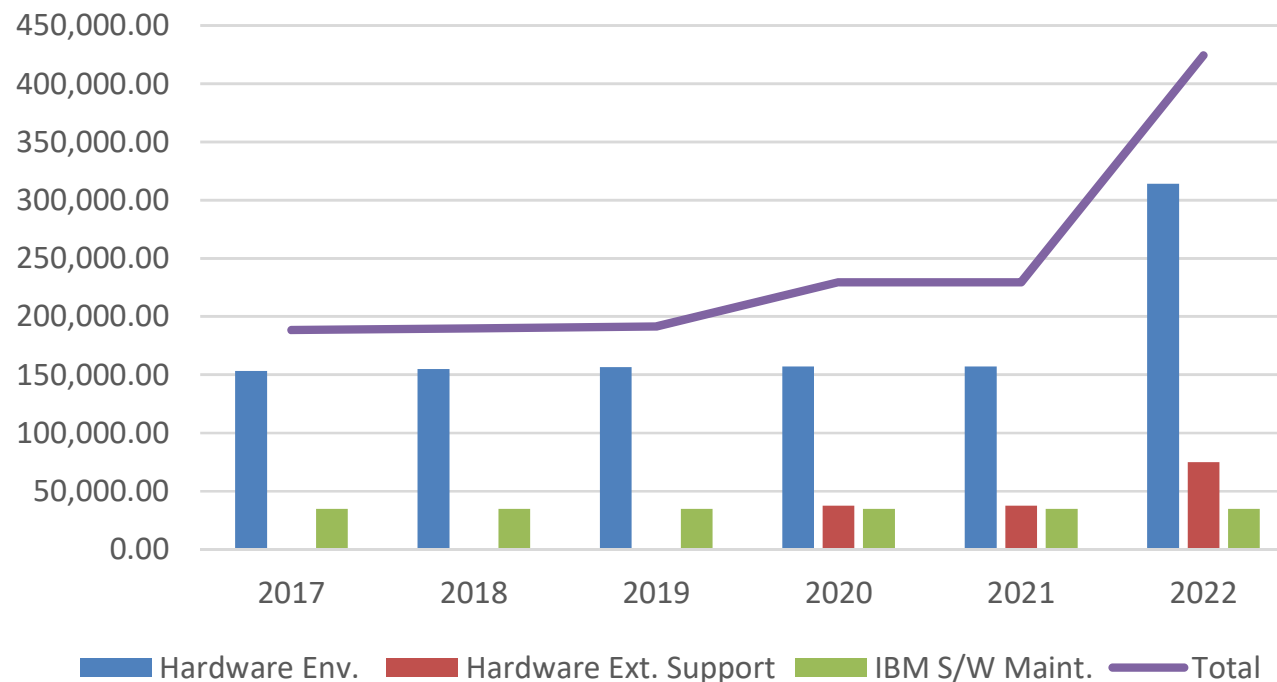
- Markham and York Region entered into a 5 year joint partnership for the Portal Environment to share costs in 2014-15
- The Joint Portal Platform hosts York Region (York.ca) and Markham.ca public websites
- Markham did a website (Software) refresh in 2017/18
- The Joint Portal Hardware Environment was at end of life between December 2019 – April 2020
- York and Markham entered into an Extended Support Contract with Compugen, extending the life of the environment to March 31, 2022
- York currently owns the relationship with the Portal – Markham is essentially “subletting” the environment from York
 - Currently Markham is dependent on the York relationship with Compugen
 - Beyond 4/2022 York plans to move off the platform to another more modern platform – using Drupal Technology
 - If Markham is to stay on this platform, we will need to re-negotiate our own contract with Compugen – which will increase costs significantly – including implementing required platform refresh
 - York placed the project on hold due to Covid-19. They have since revised the program and have released an RFP
- Markham needs to make a decision about its own future on the existing platform, given York Region’s decision to move forward



6. Current Portal Budget and Related Costs

- Current annual operating cost of the Compugen Joint Portal environment is shared between York Region and Markham. Markham's share is 50%. Costs below reflect Markham's current and projected costs
- Beyond 2022, Markham's costs will increase significantly if we do not follow York and exit the current Platform

Historical & Projected Portal Costs





6. Options Considered

- Option 1 – Extend the current platform
 - not recommended
- Option 2 – Refresh the hardware platform
 - not recommended
- Option 3 – Move to a new Digital Experience Platform
 - recommended



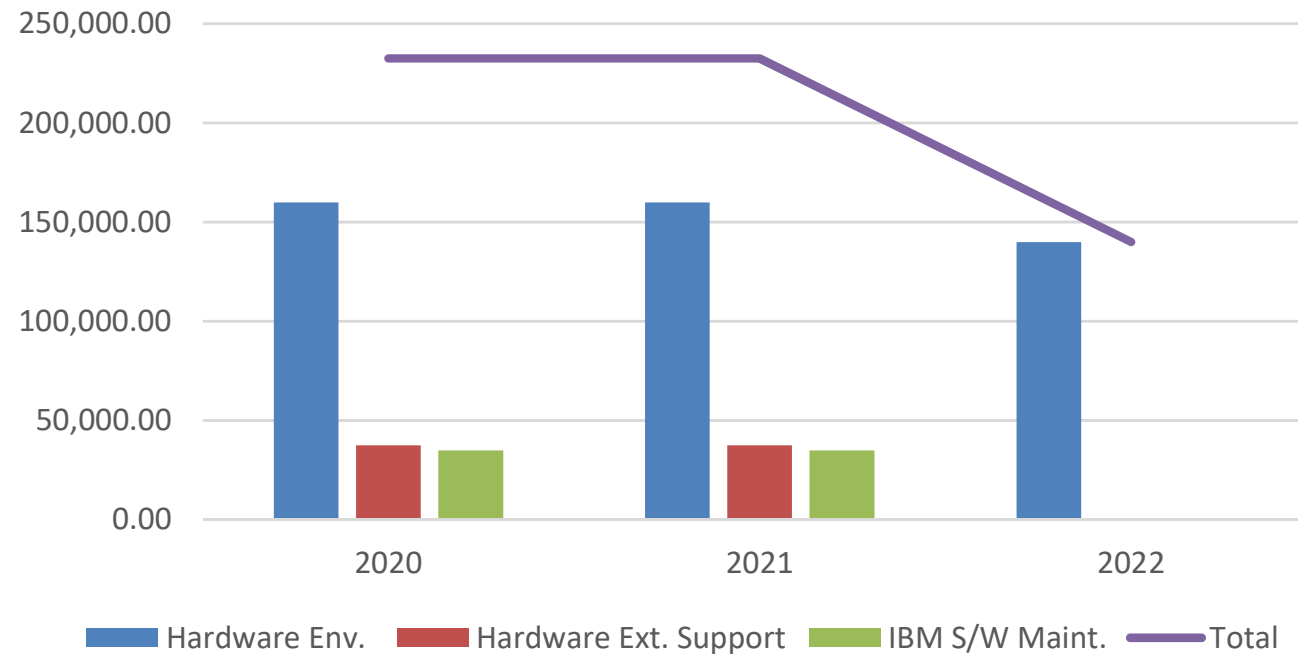
6. Staff Recommendation: Build New Platform

Similar to York Region, Markham recommends proceeding to rebuild our public website on a new Drupal Platform

Estimated Costs

Operational Costs: ~\$150k / year (projected based on similar sized municipality)

Opt 3. Annual Operating Cost



Capital Costs: \$407k implementation costs



6. Staff Recommendation: Build New Platform

Similar to York Region, Markham recommends proceeding to rebuild our public website on a new Drupal Platform

Benefits:

- Will reduce operating costs by up to \$82.5k / year, once transition from old platform is complete
 - No IBM software licensing costs (\$35k/year savings)
 - No extended maintenance support costs (\$37.5k future savings if we stay on the current platform)
 - Reduction of annual platform operating cost from \$160k to <\$150k
- New supported technology; providing > 7 year lifespan
- Easier for non-technical people to manage changes/updates to the environment (Content Authors)
- Software as a Service (SaaS) - based service, so no future life cycle investment will be required for hardware replacement (currently \$469k in Life Cycle for portal environment)
- Drupal is an open source platform. Drupal 9 released in Oct 2019

Risks:

- Failure to approve funding will mean further investment in the old WebSphere Platform
- Aggressive timeline for re-building platform (~1.5 years) some further costs may be required to further extend the life of the platform until Markham can cleanly exit



6. Financial Impact

Capital Budget Request

Implementation & Consulting \$407,000

Operating Budget Impact

	Current Annual	New Annual	Annual Saving
Platform Cost	\$160,000	\$150,000	\$10,000
Hardware Support			
- negotiated extended support	\$37,500	\$0	\$37,500
Software Support	\$35,000	\$0	\$35,000
Subtotal	\$232,500	\$150,000	\$82,500



6. Portal Platform Staff Recommendations

1. That the Project 21186, Portal Platform be approved in the amount of \$407,000, and be funded from the Life Cycle Reserve Fund
2. That the identified operating budget savings be incorporated into the 2022 Operating Budget
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution



6. Next Steps

- Collaborate with York Region to procure a portal platform and host
- Develop and issue RFP for Markham Implementation Partner
- Implement new platform and begin build for transition by April 1, 2022



7. 2021 proposed Building, Planning & Design, Engineering and Waterworks Operating Budgets

Presentation from: Joel Lustig, Treasurer



7. 2021 Building Operating Budget \$ in millions

	2020	2020	2021	Budget 2021 vs. 2020	
	Budget	Forecast	Budget	Increase/ (Decrease)	Change
	\$	\$	\$	\$	%
Revenue	7.14	6.00	11.26	4.12	57.7%
Personnel	6.29	5.98	6.41	0.13	2.0%
Non-Personnel	<u>3.25</u>	<u>3.13</u>	<u>3.32</u>	<u>0.06</u>	<u>2.0%</u>
Total Expenses	9.54	9.10	9.73	0.19	2.0%
Net Revenues/(Expenditures)	(2.40)	(3.10)	1.53	3.93	163.9%
Transfer (to)/from Reserves	2.40	3.10	(1.53)		
Net Revenues/(Expenditures) after transfer from reserve	0.00	0.00	0.00		

The 2021 Budget includes a proposed 5% fee increase



7. Building Fee Reserve \$ in millions

	2020 Year End Forecast	2021 Budget
Opening Balance	10.36	6.94
Transfer to Capital and Interest Income	(0.32)	0.03
Projected Transfer to/Draw (from) Reserves	(3.10)	1.53
Building Reserve Ending Balance	6.94	8.50



7. 2021 Planning & Design Operating Budget \$ in millions

	2020	2020	2021	Budget 2021 vs. 2020	
	Budget	Forecast	Budget	Increase/ (Decrease)	Change
	\$	\$	\$	\$	%
Revenue	10.57	14.22	13.50	2.93	27.7%
Personnel	6.03	5.93	6.15	0.12	2.0%
Non-Personnel	<u>3.92</u>	<u>3.87</u>	<u>4.00</u>	<u>0.08</u>	<u>2.0%</u>
Total Expenses	9.95	9.80	10.15	0.20	2.0%
Net Revenues/(Expenditures)	0.62	4.42	3.35	2.73	443.9%
Transfer to Reserves	(0.62)	(4.42)	(3.35)		
Net Revenues/(Expenditures) after transfer from reserve	0.00	0.00	0.00		

The 2021 Budget includes a proposed 5% fee increase



7. 2021 Engineering Operating Budget \$ in millions

	2020 Budget \$	2020 Forecast \$	2021 Budget \$	Budget 2021 vs. 2020 Increase/ (Decrease) \$ Change %	
Revenue	8.79	8.13	8.84	0.06	0.6%
Personnel	5.71	5.00	5.82	0.12	2.0%
Non-Personnel	<u>2.96</u>	<u>2.87</u>	<u>3.01</u>	<u>0.05</u>	<u>1.8%</u>
Total Expenses	8.66	7.86	8.83	0.17	1.9%
Net Revenues/(Expenditures)	0.13	0.27	0.01	(0.11)	-88.5%
Transfer to Reserves	(0.13)	(0.27)	(0.01)		
Net Revenues/(Expenditures) after transfer from reserve	0.00	0.00	0.00		

The 2021 Budget includes a proposed 5% fee increase



7. Development Fee Reserve \$ in millions

	2020 Year End Forecast	2021 Budget
Opening Balance	(0.52)	3.87
Transfer to Capital and Interest Charges	(0.30)	(0.18)
Transfer to Reserves		
Planning & Design	4.42	3.35
Engineering	0.27	0.01
Planning & Engineering Reserve Ending Balance	3.87	7.04



7. 2021 Waterworks Operating Budget \$ in millions

				Budget 2021 vs. 2020	
	2020 Budget \$	2020 Forecast \$	2021 Budget \$	Increase/ (Decrease) \$	Change %
Sales & Purchases of Water					
Sales	139.17	137.43	135.58	(3.58)	-2.6%
Purchases	<u>109.35</u>	<u>106.62</u>	<u>104.31</u>	<u>(5.04)</u>	<u>-4.6%</u>
Water/Wastewater Sale Net of Purchase	29.81	30.81	31.27	1.46	4.9%
Operations					
Other Revenues	1.50	1.50	1.50	-	0.0%
Other Expenditures					
Personnel	8.02	8.02	8.18	0.16	2.0%
Non-personnel	<u>7.68</u>	<u>7.68</u>	<u>7.59</u>	<u>(0.08)</u>	<u>-1.1%</u>
Total Other Expenditures	15.70	15.70	15.77	0.08	0.5%
Net Surplus	15.62	16.62	17.00	1.39	8.9%
Transfer to Reserve	<u>(15.62)</u>	<u>(16.62)</u>	<u>(17.00)</u>	<u>(1.39)</u>	<u>8.9%</u>
Surplus after Transfer to Reserve	-	-	-	-	0.0%

York Region's component of the water rate is currently not known.

The City is proposing to increase the 2021 water rate by the same percentage as the Region.

The 2021 Budget includes a proposed 2.9% water rate increase, assuming the Region's increase is 2.9%.



7. Waterworks Reserve \$ in millions

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



8. Status of 2021 Operating Budget

(Excl. Planning & Design, Engineering, Building Standards and Waterworks)

(\$ Millions)	2020 \$	2021 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Revenues	240.96	244.02	3.06	(1.88%)
Expenditures				
Personnel	141.34	142.90	1.56	
Non-Personnel	99.62	103.24	3.62	
Total Expenditures	240.96	246.15	5.19	3.18%
Shortfall: Day-to-day operations	-	2.12	2.12	1.30%
Infrastructure Investment	-	0.82	0.82	0.50%
Net Shortfall	-	2.94	2.94	1.80%



9a. Corporate Rate Stabilization Reserve – Purpose

- Established: pre-2000
- Purpose is to:
 - Maintain the City's cash flow
 - Minimize the need for short-term borrowing
 - Fund urgent expenditure requirements
 - Minimize changes in the tax or rate levy, and to smooth out fluctuations due to one-time expenditures.
- Source: year-end operating surplus
- Target: 15% year local tax levy
- Balance: \$23.29M (currently at 15%)



9b. Corporate Rate Stabilization Reserve – Approved Uses

The Reserve has been used in the past to fund:

- Operating budget deficits
- 2013 ice storm costs
- August 19, 2005 rain storm costs
- Financial Assistance: Markham Interchurch Committee for Affordable Housing, Old Kennedy Co-Operative Development, and East Markham Non-Profit Homes
- Seneca College Campus grant
- Election Rebate funding shortfall



10. 2021 Operating Budget Recommendations

1. Consistent with the Corporate Rate Stabilization Reserve purpose, staff recommend funding the 2021 operating budget shortfall with a one-time \$2,940,000 transfer from the Corporate Rate Stabilization Reserve, resulting in a 0% property tax rate increase.
2. Due to this one-time draw from the Corporate Rate Stabilization Reserve, \$2,940,000 will need to be recovered in a future year's budget, or phased in over multiple years.



11. Next Steps

- Public Meeting: Wednesday, November 25 – 7:00 p.m.
- Council Decision: Wednesday, December 9 – 1:00 p.m.
- Press Conference: Thursday, December 10 – 1:00 p.m.



BUILDING MARKHAM'S FUTURE TOGETHER

2020 – 2023 Strategic Plan



Discussion

2021 Budget
Budget Committee Meeting #4
November 17, 2020

Heintzman House



MEMORANDUM

To: Mayor and Members of Council

From: Morgan Jones, Director of Operations

Date: November 12, 2020

Re: **2021 Ditching Program Locations**

This memo has been prepared in response to the requests made at the November 6th, 2020 Budget Committee meeting. The purpose is to provide:

1. Council a list of locations for the 2021 ditching program– Capital Project # 21106

Update:

Background

Council resolution was received on November 4th, 2019 to implement a ditch restoration program to further protect the City's roadway asset.

The City of Markham has approximately 176 kilometres of roadside ditches. Ditches are a critical component of the broader storm drainage system. They convey stormwater from both public and private properties, including surface drainage, roadway sub-grade drainage and foundation drainage from private property. Ditches also provide storm water management functions such as sediment and pollutant removal and peak flow attenuation. There is a need to protect the integrity of ditches, maintain levels of service.

Current subdivision design standards utilize storm water management (SWM) ponds as the downstream component of the storm water management system, to improve water quality and control stormwater discharge during severe weather events, prior to the release of stormwater into local creeks, streams and rivers. In older developments, streets were constructed without storm sewers with ditches performing a similar water quality, storage and control function as SWM ponds.

List of locations included in the 2021 ditch restoration program subject to other more severe locations being identified by staff over the winter months and spring rain season are as follows :

Location	From	To
19th Ave	Warden Ave	Kennedy Rd
19th Ave	# 5007	# 5238
19th Ave	9th Line	York Durham Line
Elgin Mills Rd E (North Side Only)	Woodbine Ave	Warden Ave
Elgin Mills Rd E	Reesor Rd	York Durham Line
Reesor Rd	Hwy 407	16th Ave
Carolwood Cres	entirely	
Thomas Reid Rd	#5	#31
Personna Blvd	#12	#36
Cachet Pkwy	#38	#74
Allen Manor	entirely	
Langstaff Rd (North Side Only)	Cedar Ave	Essex Ave
Glenbourne Park Dr (East Side Only)	Glenhollow Crt	Glenmaple Crt

**MEMORANDUM**

To: Mayor and Members of Council

From: Morgan Jones, Director of Operations

Date: November 11, 2020

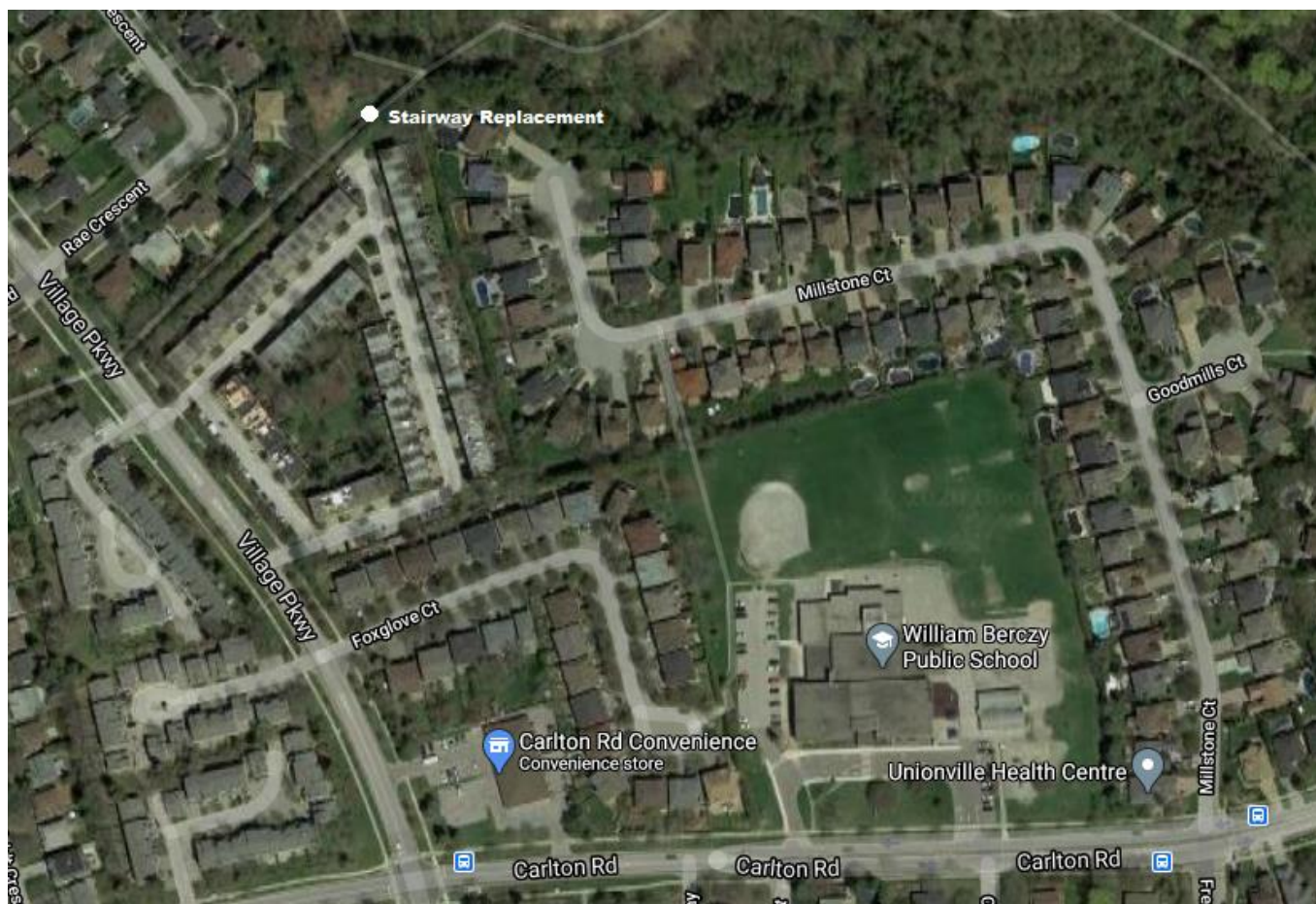
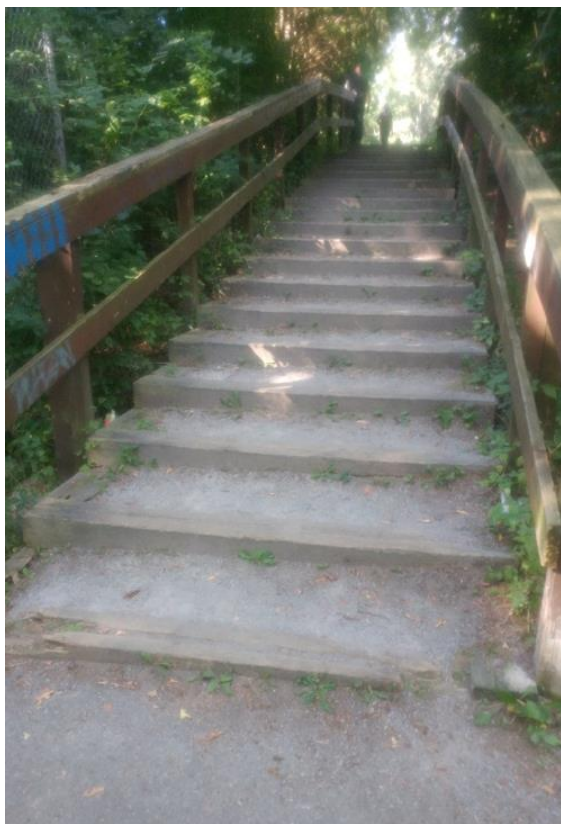
Re: **Toogood Pond Stairway Rehabilitation Location**

This memo has been prepared in response to the request made at the November 10th, 2020 Budget Committee meeting. The purpose is to:

1. Provide Council a picture and map of the Stairway Rehabilitation location at Toogood Pond – Capital Project # 21135

Update:

1. Please see the picture below of the existing pressure treated timber stairs and railing which will be replaced as part of the Stairway Repairs Project 21135 as well as map indicating its location. Note the bottom riser condition which is consistent on other steps as well as the limestone in each stair. This timber/aggregate stairway will be replaced with a poured in place concrete stairway similar to those recently completed in both Pomona Mills Park and the stairs connecting Main Street Unionville to the parking area on the east side of main street.





MEMORANDUM

To: Mayor and Members of Council

From: Morgan Jones, Director of Operations

Date: November 11, 2020

Re: **Toogood Pond Geese Fencing**

This memo has been prepared in response to the request made at the November 10th, 2020 Budget Committee meeting. The purpose is to:

1. Update Council on the status of the Toogood Pond Shoreline Geese Fencing and Planting;

Update:

1. Operations Parks, Horticulture and Forestry staff advise they are connecting with Toronto Region Conservation Authority requesting permission to install the fence portions beginning December 2020. This type of work is typically completed over winter months by in house resources. Further, shoreline planting enhancements will take place in May 2021 once species are approved by TRCA as well. Once the plantings become established these modifications will be similar to those completed on the west side of Toogood Pond.





2021 PROJECT FUNDING REQUEST FORM

Number:

Project Cost: \$16,900

Project Name: Replace Aging Recycling Containers (Yr 4 of 10)

Commission: Community & Fire Services

Repair/Replace

Department: Operations - Parks

Useful Life: 10 Pre Approval:

Project Mgr: Matt Busato

Category: Minor

Ward(s): CW 1 2 3 4
5 6 7 8

Cost Validation: Internal peer review

Requirement Validation: Condition assessment

DETAILED DESCRIPTION (SCOPE OF PROJECT):

Replacement of aging recycle containers with waste containers.

BUILDING MARKHAM'S FUTURE TOGETHER: Safe & Sustainable Community

<u>PROJECT COSTS (\$)</u>	<u>2021</u>	<u>Future Phases</u>
Cost/Quote:	16,600	106,797
Internal Charges:	0	0
External Consulting:	0	0
Sub Total:	<u>16,600</u>	<u>106,797</u>
HST Impact:	292	1,880
Total Project Cost:	<u>16,900</u>	<u>108,700</u>

NOTES

There are approximately 500 seasonal recycling bins in parks. Project will replace aging recycling containers with standard waste receptacles driven by close to 100% contamination of park recycling. Amount requested is consistent with the 2020 Life Cycle Reserve Study update.

<u>SOURCE(S) OF FUNDING (\$)</u>	<u>Components</u>						<u>Future Phases</u>
<u>Funding Type</u>	<u>Budget</u>					<u>TOTAL</u>	<u>Phases</u>
Operating Funded Life Cycle	16,900	0	0	0	0	0	108,700
TOTAL FUNDING	<u>16,900</u>					<u>0</u>	<u>108,700</u>

<u>OPERATING BUDGET IMPACT</u>	<u>Personnel</u>	<u>Non Personnel</u>	<u>Revenues</u>	<u>Expenditures/(Revenues)</u>
	\$0	\$0	\$0	\$0

DCA/LIFE CYCLE DETAILS

<u>DCA Name</u>	<u>Year</u>	<u>Amount</u>	<u>Amount in Study</u>	<u>Life Cycle</u>
				Amount in Study: <input type="text" value="16,900"/>
				Amount Incl HST <input type="text" value="16,900"/>
				Year in the study <input type="text" value="2021"/>
DCA and/or Life Cycle: Explain if there is a change in the year and/or cost:				



2021 PROJECT FUNDING REQUEST FORM

Number: **21007**

Project Cost: **\$26,100**

Project Name: **Gallery Lobby Maintenance**

Commission: Development Services

Repair/Replace

Department: Arts Centres

Useful Life: 20 Pre Approval:

Project Mgr: Niamh O'Laoghaire

Category: Minor

Ward(s): CW 1 2 3 4
5 6 7 8

Cost Validation: Internal peer review

Requirement Validation: Condition assessment

DETAILED DESCRIPTION (SCOPE OF PROJECT):

Maintenance of the Varley Art Gallery Lobby, now extremely run down. Replace floor for improved sanitation, particularly in a post COVID-19 environment. Upgrade communications via a wall mounted flat screen and an improved sound system to create a clean, multi-functional space attractive to the community to renters and program registrants.

BUILDING MARKHAM'S FUTURE TOGETHER: Exceptional Services by Exceptional People

PROJECT COSTS (\$)	2021	Future Phases
Cost/Quote:	25,650	0
Internal Charges:	0	0
External Consulting:	0	0
Sub Total:	25,650	0
HST Impact:	451	0
Total Project Cost:	26,100	0

NOTES

During winter, the uneven tiled floor shows all mud and salt, despite daily mopping, creating an unclean appearance. Refinishing the floor and upgrading the sound system will have a dramatic effect, creating a clean, functional, and much easier to maintain lobby. Costs: Removal and disposal of floor tiles \$5,000; Supply and install vinyl plank flooring \$7,400; supply and install waterproof, industrial grade baseboard \$1,750; Flat screen TV and media player \$1,500; Sound system, \$10,000 Total: \$25,650

SOURCE(S) OF FUNDING (\$)	Components					TOTAL	Future Phases
Funding Type	Budget						
Operating Funded Life Cycle	26,100	0	0	0	0	0	0
TOTAL FUNDING	26,100					0	0

OPERATING BUDGET IMPACT	Personnel	Non Personnel	Revenues	Expenditures/(Revenues)
	\$0	\$0	\$0	\$0

DCA/LIFE CYCLE DETAILS

DCA	Year	Amount	Amount in Study	Life Cycle
Name				Amount in Study: <input type="text" value="130,000"/>
				Amount Incl HST <input type="text" value="26,100"/>
				Year in the study <input type="text" value="2021"/>
DCA and/or Life Cycle: Explain if there is a change in the year and/or cost:				



2021 PROJECT FUNDING REQUEST FORM

Number: 21182

Project Cost: \$267,400

Project Name: 2022 Development Charges Background Study Update

Commission: Development Services

New Asset/Expansion

Department: Engineering

Useful Life: 0 Pre Approval:

Project Mgr: Ali Hasan

Category: Major

Ward(s): CW 1 2 3 4
5 6 7 8

Cost Validation: Internal peer review

Requirement Validation: Legislative compliance

DETAILED DESCRIPTION (SCOPE OF PROJECT):

For Engineering-related studies required for the upcoming 2022 Development Charges Background Study Update. Development Charges Act requires municipalities to update their Development Charges By-law every five (5) years. The last DC update was completed in December 2017. Engineering Department will be required to engage a consultant to complete the review and assessment.

BUILDING MARKHAM'S FUTURE TOGETHER: Stewardship of Money & Resources

PROJECT COSTS (\$)	2021	Future Phases
Cost/Quote:	0	0
Internal Charges:	33,360	0
External Consulting:	230,000	0
Sub Total:	263,360	0
HST Impact:	4,048	0
Total Project Cost:	267,400	0

NOTES

The 2018 DCBS was done internally and it affected City's capacity to complete other projects and therefore the 2022 update will need to be outsourced.
 -2012 DCBS update total expenditure was \$67k
 -2018 DCBS update total expenditure was \$59k

SOURCE(S) OF FUNDING (\$)	Components						TOTAL	Future Phases
Funding Type	Budget							
DCA	267,400	0	0	0	0	0	0	
TOTAL FUNDING	267,400					0	0	

OPERATING BUDGET IMPACT	Personnel	Non Personnel	Revenues	Expenditures/(Revenues)
	\$0	\$0	\$0	\$0

DCA/LIFE CYCLE DETAILS

DCA Name	Year	Amount	Amount in Study	Life Cycle
Hard - City Wide - Trans., Servicing, Enviro., Cycling, Traffic Calming, Noise, Subwatershed, Erosion Study Update etc.		267,400	10,602,000	Amount in Study: <input style="width: 80px;" type="text"/>
				Amount Incl HST <input style="width: 80px;" type="text"/>
TOTAL FUNDING		267,400	10,602,000	Year in the study <input style="width: 80px;" type="text"/>

DCA and/or Life Cycle: Explain if there is a change in the year and/or cost:



2021 PROJECT FUNDING REQUEST FORM

Number: **21183**

Project Cost: **\$458,000**

Project Name: **City Wide Water and Wastewater Servicing Update**

Commission: Development Services

Studies/Pilot Programs

Department: Engineering

Useful Life: 0 Pre Approval:

Project Mgr: Farshed Kawasia

Category: Major

Ward(s): CW 1 2 3 4
5 6 7 8

Cost Validation: Internal peer review

Requirement Validation: Other(specify in Notes)

DETAILED DESCRIPTION (SCOPE OF PROJECT):

Retain water and wastewater consultants to prepare update to city wide water and wastewater servicing to identify constraints and improvements to support growth. Results of study will provide input to the DC Background Study Update. The last study was completed in 2017.

BUILDING MARKHAM'S FUTURE TOGETHER: Safe & Sustainable Community

PROJECT COSTS (\$)	2021	Future Phases
Cost/Quote:	0	0
Internal Charges:	51,000	0
External Consulting:	400,000	0
Sub Total:	451,000	0
HST Impact:	7,040	0
Total Project Cost:	458,000	0

NOTES

1. Wastewater Update: \$200k
 2. Water update: \$200k
 Cost for Water update developed in consultation with Waterworks based on proposed scope. Cost for Wastewater upate developed based on proposed scope and estimate from consultant.

 This study can also be used to assist in the preparation of the update of the DC Background Study.

SOURCE(S) OF FUNDING (\$)	Components						TOTAL	Future Phases
	Funding Type	Budget						
DCA	458,000	0	0	0	0	0	0	
TOTAL FUNDING	458,000					0	0	

OPERATING BUDGET IMPACT	Personnel	Non Personnel	Revenues	Expenditures/(Revenues)
	\$0	\$0	\$0	\$0

DCA/LIFE CYCLE DETAILS

DCA	Year	Amount	Amount in Study	Life Cycle
Name				Amount in Study: <input type="text"/>
Hard - City Wide - Trans., Servicing, Enviro., Cycling, Traffic Calming, Noise, Subwatershed, Erosion Study Update etc.		458,000	10,602,000	Amount Incl HST <input type="text"/>
TOTAL FUNDING		458,000	10,602,000	Year in the study <input type="text"/>

DCA and/or Life Cycle: Explain if there is a change in the year and/or cost:



2021 PROJECT FUNDING REQUEST FORM

Number: **21185**

Project Cost: **\$142,500**

Project Name: **New Fleet - By-law Enforcement**

Commission: Community & Fire Services

New Asset/Expansion

Department: Operations - Fleet

Useful Life: 7 Pre Approval:

Project Mgr: Peter Englezakos

Category: Minor

Ward(s): CW 1 2 3 4
5 6 7 8

Cost Validation: Third party estimate

Requirement Validation: Legislative compliance

DETAILED DESCRIPTION (SCOPE OF PROJECT):

Purchase, acquisition and up-fitting of two (2) full-size cargo vans for the purpose of animal services. Up-fitting to include vehicle lighting package, onboard computer terminal, and interior kennel system. These vehicles are required in order to provide animal services that will be carried out in-house. The City does not currently own any vehicles that serve this purpose.

BUILDING MARKHAM'S FUTURE TOGETHER: Exceptional Services by Exceptional People

PROJECT COSTS (\$)	2021	Future Phases
Cost/Quote:	140,000	0
Internal Charges:	0	0
External Consulting:	0	0
Sub Total:	140,000	0
HST Impact:	2,464	0
Total Project Cost:	142,500	0

NOTES

New vehicles required for enforcement of animal services, which will be brought in-house on April 1, 2021. Two vehicles @ \$71,250 each, with a replacement life of 7 years, will be outfitted for the purposes of animal enforcement.

SOURCE(S) OF FUNDING (\$)		Components					Future Phases
Funding Type	Budget	Vehicles			TOTAL	Phases	
Other External	17,695	17,695	0	0	17,695	0	
Ramp Up	124,805	124,805	0	0	124,805	0	
TOTAL FUNDING	142,500				142,500	0	

OPERATING BUDGET IMPACT	Personnel	Non Personnel	Revenues	Expenditures/(Revenues)
	\$0	\$11,550	\$0	\$11,550

DCA/LIFE CYCLE DETAILS

DCA Name	Year	Amount	Amount in Study	Life Cycle
				Amount in Study: <input type="text"/>
				Amount Incl HST <input type="text"/>
				Year in the study <input type="text"/>
DCA and/or Life Cycle: Explain if there is a change in the year and/or cost:				



2021 PROJECT FUNDING REQUEST FORM

Number: **21186**

Project Cost: **\$407,000**

Project Name: **Portal Platform**

Commission: Corporate Services

Repair/Replace

Department: ITS

Useful Life: 6 Pre Approval:

Project Mgr: Robert Cole

Category: Major

Ward(s): CW 1 2 3 4
5 6 7 8

Cost Validation: Other(specify in Notes)

Requirement Validation: Other(specify in Notes)

DETAILED DESCRIPTION (SCOPE OF PROJECT):

York Region and Markham entered into a joint partnership to host our Web Portal sites on a Joint Platform. This hardware platform was at end of life in 2020. York and Markham have negotiated an extension to the end of March 2022. York has indicated that they will abandon the platform at this time. This request is to seek funding to obtain a new Drupal platform and implementation partner to host and build the Markham website prior to the end of March 2022.

BUILDING MARKHAM'S FUTURE TOGETHER: Engaged, Diverse & Thriving City

PROJECT COSTS (\$)	2021	Future Phases
Cost/Quote:	350,000	0
Internal Charges:	0	0
External Consulting:	50,000	0
Sub Total:	400,000	0
HST Impact:	7,040	0
Total Project Cost:	407,000	0

NOTES

Operating saving will start in 2022 after completion of the project. Costs for new platform were based on high level estimates provided by Aquia Vendor based on similar sized municipalities.

SOURCE(S) OF FUNDING (\$)	Components						Future Phases
	Funding Type	Budget				TOTAL	
Operating Funded Life Cycle	407,000	0	0	0	0	0	0
TOTAL FUNDING	407,000					0	0

OPERATING BUDGET IMPACT	Personnel	Non Personnel	Revenues	Expenditures/(Revenues)
	\$0	-\$82,500	\$0	-\$82,500

DCA/LIFE CYCLE DETAILS

DCA	Year	Amount	Amount in Study	Life Cycle
Name				Amount in Study: <input type="text"/>
				Amount Incl HST <input type="text"/>
				Year in the study <input type="text"/>
DCA and/or Life Cycle: Explain if there is a change in the year and/or cost:				
To redirect the \$469k amount currently in the study for the portal hardware replacement to this project.				

