



## Electronic Council Meeting

### Revised Agenda

Meeting No. 6  
April 20, 2021, 1:00 PM  
Live streamed

**Note:** Members of Council 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 [clerkspublic@markham.ca](mailto:clerkspublic@markham.ca).

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](mailto: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.

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

<https://pub-markham.escrimemeetings.com/>



# Electronic Revised Council Meeting Agenda

## Revised Items are Italicized.

Meeting No. 6  
April 20, 2021, 1:00 PM  
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Alternate formats for this document are available upon request.  
Council meetings are live video and audio streamed on the City's website.  
Closed captioning during the video stream may be turned on by clicking the **[cc]** icon located at the lower right corner of the video screen.

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

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### Pages

#### 1. CALL TO ORDER

##### INDIGENOUS LAND ACKNOWLEDGEMENT

We begin today by acknowledging that we walk upon the traditional territories of Indigenous Peoples and we recognize their history, spirituality, culture, and stewardship of the land. We are grateful to all Indigenous groups for their commitment to protect the land and its resources and we are committed to reconciliation, partnership and enhanced understanding.

#### 2. DISCLOSURE OF PECUNIARY INTEREST

#### 3. APPROVAL OF PREVIOUS MINUTES

##### 3.1. COUNCIL MINUTES - MARCH 31, 2021

12

1. That the Minutes of the Council Meeting held on March 31, 2021, be adopted.

#### 4. PRESENTATIONS

##### 4.1. 2020 CONSOLIDATED FINANCIAL STATEMENTS (7.0)

33

**Note: Lisa Chen, Senior Manager, Financial Planning and Reporting and Kevin Travers, KPMG will be in attendance to provide a presentation on this matter.**

Please see Item 11.1 under New/ Other Business for the Report.

**5. DEPUTATIONS**

**6. COMMUNICATIONS**

**7. PROCLAMATIONS**

**7.1. PROCLAMATIONS (3.4)**

No Attachment

1. That the following proclamations, issued by the City Clerk in accordance with the City of Markham Proclamation Policy, be received for information purposes:
  - a. Human Values Day - April 24, 2021
  - b. Complex Regional Pain Syndrome/ Reflex Sympathetic Dystrophy Syndrome (CRPS/ RSD) Awareness Day - November 5, 2021
2. That the following new request for proclamation be approved and added to the Five-Year Proclamations List approved by Council:
  - a. Establishment of New Cherish Integrated Services Centre - September 21-24, 2021
3. That the following new request for proclamation, issued by the City Clerk in accordance with the City of Markham Proclamation Policy, be received and added to the Five-Year Proclamations List approved by Council:
  - a. Organ and Tissue Donation Month - April 2021

**8. REPORT OF STANDING COMMITTEE**

**8.1. REPORT NO. 11 - GENERAL COMMITTEE (APRIL 6, 2021)**

Please refer to your April 6, 2021 General Committee Agenda for reports.

Mayor and Members of Council:

That the report of the General Committee be received & adopted. (Items 1 to 5):

**8.1.1. DEVELOPMENT CHARGES DECEMBER 31, 2020 RESERVE BALANCES AND ANNUAL ACTIVITY OF THE ACCOUNTS (7.11)**

45

1. That the report titled “Development Charges December 31,

2020 Reserve Balances and Annual Activity of the Accounts” be received by Council as required under Section 43(1) of the *Development Charges Act, 1997, as amended*; and further,

2. That staff be directed to do all things necessary to give effect to this report.

8.1.2. DEVELOPMENT CHARGES BACKGROUND STUDY UPDATE (7.11)

58

1. That the Development Charges Background Study Update presentation be received, and,
2. **That the following Council Members be appointed to a sub-committee:**
  - Mayor Frank Scarpitti;
  - Councillor Amanda Collucci, Chair of the Budget Sub Committee;
  - Councillor Andrew Keyes, Vice Chair of the Budget Sub Committee;
  - Regional Councillor Jim Jones, Chair of Development Services Committee;
  - Councillor Keith Irish, Vice-Chair of Development Services Committee; and,
  - Deputy Mayor Don Hamilton; and,
3. That an information session be scheduled to review the parameters and changes to the collection of Development Charges; and further,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

8.1.3. CELEBRATE MARKHAM GRANT PROGRAM - 2021-2022 FUNDING CYCLE STATUS UPDATE - ALTERNATIVE PROGRAM OPTIONS & IMPLICATIONS (7.0)

72

**Note: At the April 6, 2021 General Committee meeting, staff was directed to provide an update to include additional options for consideration at the April 20, 2021 Council meeting. Please see memorandum dated April 20, 2021.**

1. That the presentation entitled “Celebrate Markham Grant Program 2021-2022 Funding Cycle Status Update – Alternative Program Options and Implications”, be received;



and,

2. That the update memo entitled, “Celebrate Markham 2021-2022 Funding Cycle Alternative Program Options” be received; and,
3. That the 2021-22 Funding Cycle be approved to proceed with the following temporary modifications and to be re-evaluated prior to commencing the 2022-23 Funding Cycle:
  - a. That Council only support Celebrate Markham grant applications for virtual events (except Sports Events); and,
  - b. That Sports Events be given consideration for Celebrate Markham grants only if they are in compliance with current public health restrictions and return-to-play guidelines established by the relevant PSO/NSO but that spectator participation be restricted to virtual or livestream participation only; and,
  - c. That Council authorize a one-time carry-forward of unused Community Events monies (up to \$256,000) from the 2021-22 Funding Cycle to the 2022-23 Community Events funding envelope and be distributed proportionately to each funding category (up to a combined total maximum of \$512,000); and,
  - d. That there be no changes to the funding envelope for the City-led events category with a funding envelope of \$84,000 annually; and,
  - e. That there be no changes to the funding envelope for the Markham Arts Council annual net grant amount of \$23,400 (Celebrate Markham grant of \$30,000 less 2021 loan repayment of \$6,600 for a remaining balance owing of \$6,600 as of December 31, 2021) for their annual programs and activities conditional on receiving and approving 2020 audited financial statements; and,
  - f. That the special provision approved by Council in June 2020, allowing an applicant that is approved to receive grant funding during the current funding cycle and is subsequently forced to cancel their project/event due to changes in COVID-19 public health restrictions, be given consideration for financial relief towards unrecoverable/ non-deferrable expenses related to the project but not exceeding 50% of the approved grant amount and conditional on receiving and approving proof of such expenses, not be extended to the 2021-22 Funding Cycle; and,
  - g. That the special provision approved by Council in June 2020, allowing an applicant that is approved to receive grant funding during the current funding cycle and

subsequently decides to significantly alter/revise the way in which their proposed project/event proceeds (including a switch to virtual), that if necessary to maintain consistency with the established funding category guidelines, Staff be authorized to adjust the funding allocation based on the applicant's revised proposal but not exceeding the originally approved allocation and not exceeding 25% of the applicant's overall revised budget, conditional on receiving and approving a revised work plan, budget and impact estimates, be extended to continue to be in effect for the 2021-22 Funding Cycle; and,

- h. That the special provision approved by Council in June 2020 allowing an applicant that is approved to receive grant funding during the current funding cycle and subsequently decides to postpone their project/event to the following funding cycle (2022-23), be given the option to defer their application to 2022-23, thereby forfeiting their consideration for the current year and have their application directly carried forward for consideration as part of next year's 2022-23 funding cycle, without having to re-submit a new application form, so long as the postponed event is substantially the same in size, scope and budget as the original proposal, be extended to continue to be in effect for the 2021-22 Funding Cycle; and,
  - i. That in addition to requiring proof and approval of venue and liability insurance, that all applicants be required to sign an addendum/attestation acknowledging that they and their organization take full responsibility for ensuring adherence to Public Health restrictions (e.g., including safety plans, contract tracing records, etc.); and,
  - j. That grants be released no sooner than 30 days prior to the scheduled event; and
- 4. That Staff report back to Council in June recommending Celebrate Markham grant recipients; and further,
  - 5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

8.1.4. AWARD OF CONSTRUCTION TENDER 003-T-21 WEST THORNHILL – PHASE 3B STORM SEWER AND WATERMAIN REPLACEMENT (3.0)

88

- 1. That the report entitled "Award of Construction Tender 003-T-21 West Thornhill – Phase 3B Storm Sewer and Watermain Replacement" be received; and,

2. That the contract for Tender 003-T-21 West Thornhill – Phase 3B Storm Sewer and Watermain Replacement be awarded to the lowest priced Bidder, Direct Underground Inc. in the amount of \$4,263,945.97, inclusive of HST impact; and,
3. That a 10% contingency in the amount of \$426,394.60 inclusive of HST, be established to cover any additional construction costs and that authorization to approve expending of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
4. That the construction award in the amount of \$4,690,340.57 (\$4,263,945.97 + \$426,394.60) be funded from the following capital projects:
  - a. 058-6150-21164-005 “West Thornhill Flood Control Implementation - Phase 3B Construction”; and,
  - b. (b) 053-6150-21170-005 “Cast Iron Watermain Replacement – West Thornhill Phase 3B” as outlined under the financial considerations section in this report; and,
5. That the remaining funds in project #21164 “West Thornhill Flood Control Implementation - Phase 3B Construction” in the amount \$1,816,921.34 from the Stormwater Fee Reserve and the budget remaining in project #21170 “Cast Iron Watermain Replacement – West Thornhill Phase 3B” from the Waterworks Reserve in the amount of \$1,065,105.09 will be returned to the original funding source; and,
6. That a 5-year moratorium be placed on any major servicing and utility installation along restored areas including Johnston Street, Dove Lane, Ida Street, Wiarton Court, St. Andrews Court; and further,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

8.1.5. AWARD OF CONSTRUCTION TENDER 004-T-21 WEST THORNHILL – PHASE 4A STORM SEWER AND SANITARY SEWER UPGRADES (3.0)

95

1. That the report entitled “Award of Construction Tender 004-T-21 West Thornhill – Phase 4A Storm Sewer and Sanitary Sewer Upgrades” be received; and,
2. That the contract for Tender 004-T-21 West Thornhill – Phase 4A Storm Sewer and Sanitary Sewer Upgrades be awarded to the lowest priced Bidder, GFL Infrastructure Group, in the amount of \$12,477,267.18, inclusive of HST; and,

3. That a 10% contingency in the amount of \$1,247,726.72 inclusive of HST, be established to cover any additional construction costs and that authorization to approve expending of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
4. That the construction award in the amount of \$13,724,993.90 (\$12,477,268.18 + \$1,247,726.72) be funded from the following capital projects:
  - a. 058-6150-21165-005 “West Thornhill Flood Control Implementation - Phase 4A Construction”; and,
  - b. 053-5350-21172-005 “Royal Orchard Sanitary Sewer Upgrades (West Thornhill Phase 4A)” as outlined under the financial considerations section in this report; and,
5. That the remaining funds in project #21165 “West Thornhill Flood Control Implementation - Phase 4A Construction” in the amount of \$4,091,337.96 will not be required from the Stormwater Fee Reserve and the budget remaining in project #21172 “Royal Orchard Sanitary Sewer Upgrades – West Thornhill Phase 4A Construction” in the amount of \$7,186.76 will be returned to the waterworks reserve; and,
6. That a 5-year moratorium be placed on any major servicing and utility installation along restored areas including Royal Orchard Blvd (from Pomona Creek to Bayview), Kirk Drive, Knotty Pine Trail, Augusta Court, Doral Gate and Blue Spruce Lane; and further,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

8.2. *REPORT NO. 12 - DEVELOPMENT SERVICES COMMITTEE (APRIL 19, 2021)*

Please refer to your April 19, 2021 Development Services Committee Agenda for reports.

Mayor and Members of Council:

That the report of the Development Services Committee be received & adopted.  
(1 Item):

8.2.1. *PROVINCIAL CONSULTATION COMMENTS: GROWING THE SIZE OF THE GREENBELT (ERO 019-3136) (10.0)*

103

1. That the report entitled “Provincial Consultation Comments: Growing the Size of the Greenbelt (ERO 019-3136)” dated April 19, 2021 be received; and,
2. That this report be forwarded to the Ministry of Municipal

Affairs and Housing (MMAH) and York Region as the City of Markham's comments on ERO posting 019-3136 and as an expression of continued support for the Greenbelt Plan; and further,

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

## 9. MOTIONS

## 10. NOTICE OF MOTION TO RECONSIDER

## 11. 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".*

### 11.1. 2020 CONSOLIDATED FINANCIAL STATEMENTS (7.0)

108

1. That the presentation titled "2020 Consolidated Financial Statements" be received; and,
2. That the report titled "2020 Consolidated Financial Statements" be received; and,
3. That Council approve the draft Consolidated Financial Statements of The Corporation of the City of Markham (the City), including Community Boards, Business Improvement Areas (BIAs), Destination Markham Corporation and Investment in Markham Enterprises Corporation (MEC), for the fiscal year ended December 31, 2020; and,
4. That Council authorize Staff to publish the final audited Statements for the fiscal year ended December 31, 2020 upon receiving the Independent Auditors' Report; and,
5. That the KPMG LLP Audit Findings Report for the year ended December 31, 2020 be received; and further,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### 11.2. NEW/ OTHER BUSINESS: DECLARATION OF SURPLUS LANDS ADJACENT TO MOBIS DRIVE (8.5)

183

*Notice of Proposed Sale*

*City of Markham*

*Proposed Sale of Surplus Real Property*

*(Pursuant to By-law 178-96)*

1. That the notice of proposed sale for the City owned lands legally described as Part of Lot 28, Concession 3, designated as Parts 1, 2 and 3, Plan 65R-39300, City of Markham, Regional Municipality of York, be confirmed; and,
2. That subject to No. 1 above, the City enact a By-law to stop up and close the lands described as Part of Lot 28, Concession 3, designated as Parts 1, 2 and 3, Plan 65R-39300, City of Markham, Regional Municipality of York.

(Confidential Item No. 14.2.1, March 31, 2021 Council Meeting)

(By-law 2021-27)

### 11.3. PROVINCIAL FIRE SAFETY GRANT (7.6)

184

1. That the report entitled “Provincial Fire Safety Grant” dated April 20, 2021 be received; and,
2. That Council approve the Fire Safety Grant in the amount of \$85,700 from the Province of Ontario, to be used to fund the construction of a live fire training facility; and,
3. That a new 2021 capital project named “Fire Safety Grant” be created in the amount of \$85,700 to be funded from the Fire Safety Grant; and,
4. That the CAO be authorized and directed to execute the funding agreement and any related documents required to give effect thereto, in a form satisfactory to the City Solicitor; and further,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## 12. ANNOUNCEMENTS

## 13. BY-LAWS - THREE READINGS

That By-laws 2021-27 to 2021-31 be given three readings and enacted.

### Three Readings

### 13.1. BY-LAW 2021-27 A BY-LAW TO STOP UP AND CLOSE THE LANDS DESCRIBED AS PART OF LOT 28, CONCESSION 3, MORE PARTICULARLY DESCRIBED AS PARTS 1, 2 AND 3, PLAN 65R-39300

188

(Item 11.1, New/ Other Business)

- 13.2. BY-LAW 2021-28 LEPORIS CONSTRUCTION INC., PART 1, PLAN OF PART OF THE EAST HALF OF LOT 25, CONCESSION 3, ZONING BY-LAW AMENDMENT 189

A By-law to amend By-laws 304-87 and 177-96, as amended, in order to permit the development of a convention centre, office building, restaurants, and retail.

(Item 8.1.2, Report No. 2, February 9, 2021 Council Meeting)

- 13.3. BY-LAW 2021-29 A BY-LAW TO AMEND BY-LAW 2013-113, ABY-LAW TO DELEGATE AUTHORITY TO CONDUCT CERTAIN REAL PROPERTY TRANSACTIONS 194

- 13.4. BY-LAW 2021-30 ROAD DEDICATION BY-LAW (IAN BARON AVENUE) 196

A by-law to dedicate certain lands as part of the highways of the City of Markham (Part of Lot 6, Plan 2196, designated as Parts 1 and 2, Plan 65R-34639 - Ian Baron Avenue)

- 13.5. BY-LAW 2021-31 ROAD DEDICATION BY-LAW 198

A by-law to dedicate certain lands as part of the highways of the City of Markham (Blocks 277, 278, 279, 280 and 281, Plan 65M-4686 - Lane).

#### 14. CONFIDENTIAL ITEMS

That, in accordance with Section 239 (2) of the *Municipal Act*, Council resolve into a private session to discuss the following confidential matters:

##### 14.1. COUNCIL

- 14.1.1. COUNCIL CONFIDENTIAL MINUTES - MARCH 31, 2021 (16.0) [ Section 239 (2) (f)]

- 14.1.2. *APPOINTMENTS AND RESIGNATIONS TO BOARDS/COMMITTEES (16.24) [SECTION 239 (2)(b)]*

##### 14.2. NEW/ OTHER BUSINESS

- 14.2.1. GENERAL COMMITTEE CONFIDENTIAL MINUTES - MARCH 1, 2021 (16.0) [ Section 239 (2) (f)]

- 14.2.2. A PROPOSED OR PENDING ACQUISITION OR DISPOSITION OF LAND BY THE CITY OR LOCAL BOARD; REPORTING OUT OF REAL PROPERTY ACQUISITION (8.7) [SECTION 239 (2) (c)]

14.2.3. THE SECURITY OF THE PROPERTY OF THE MUNICIPALITY  
OR LOCAL BOARD; (8.2) [SECTION 239 (2) (a)]

**15. CONFIRMATORY BY-LAW - THREE READINGS**

That By-law 2021-32 be given three readings and enacted.

Three Readings

BY-LAW 2021-32 A BY-LAW TO CONFIRM THE PROCEEDINGS OF THE  
COUNCIL MEETING OF APRIL 20, 2021.

No attachment

**16. ADJOURNMENT**





## Electronic Council Meeting Minutes

**Meeting No. 5**

**March 31, 2021, 1:00 PM**

**Live streamed**

Roll Call	<p>Mayor Frank Scarpitti</p> <p>Deputy Mayor Don Hamilton</p> <p>Regional Councillor Joe Li</p> <p>Regional Councillor Jim Jones</p> <p>Councillor Keith Irish</p> <p>Councillor Alan Ho</p>	<p>Councillor Reid McAlpine</p> <p>Councillor Karen Rea</p> <p>Councillor Andrew Keyes</p> <p>Councillor Amanda Collucci</p> <p>Councillor Khalid Usman</p> <p>Councillor Isa Lee</p>
Regrets	<p>Regional Councillor Jack Heath</p>	
Staff	<p>Andy Taylor, Chief Administrative Officer</p> <p>Trinela Cane, Commissioner, Corporate Services</p> <p>Arvin Prasad, Commissioner, Development Services</p> <p>Claudia Storto, City Solicitor and Director of Human Resources</p> <p>Brian Lee, Director, Engineering</p> <p>Joel Lustig, Treasurer</p> <p>Bryan Frois, Chief of Staff</p> <p>Mary Creighton, Director, Recreation Services</p> <p>Meg West, Manager of Business Planning and Projects</p> <p>Kimberley Kitteringham, City Clerk</p>	<p>Martha Pettit, Deputy City Clerk</p> <p>John Wong, Technology Support Specialist II</p> <p>Hristina Giantsopoulos, Election/Council &amp; Committee Coordinator</p> <p>Morgan Jones, Director, Operations</p> <p>Victoria Chai, Assistant City Solicitor</p> <p>Margaret Wouters, Senior Manager, Policy &amp; Research</p> <p>Graham Seaman, Director, Sustainability &amp; Asset Management</p> <p>Cathy Molloy, Manager, Museum, Culture and Economic Development</p> <p>Lisa Chen, Sr. Manager, Financial Planning &amp; Reporting</p> <p>Barry Budhu, Sr. Mgr, Roads, Survey &amp; Utility, Operation</p>

**Alternate formats for this document are available upon request**

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**1. CALL TO ORDER**

The meeting of Council convened at 1:06 PM on March 31, 2021. Mayor Frank Scarpitti presided.

**INDIGENOUS LAND ACKNOWLEDGEMENT**

We begin today by acknowledging that we walk upon the traditional territories of Indigenous Peoples and we recognize their history, spirituality, culture, and stewardship of the land. We are grateful to all Indigenous groups for their commitment to protect the land and its resources and we are committed to reconciliation, partnership and enhanced understanding.

Mayor Frank Scarpitti recognized Markham resident, Paul Poirier, and his partner Piper Gilles, on winning the bronze medal at the World Figure Skating Championships.

Council recessed and reconvened at 2:45 pm.

**2. DISCLOSURE OF PECUNIARY INTEREST**

None disclosed.

**3. APPROVAL OF PREVIOUS MINUTES****3.1 COUNCIL MINUTES - MARCH 9, 2021**

Moved by Councillor Isa Lee

Seconded by Councillor Keith Irish

1. That the Minutes of the Council Meeting held on March 9, 2021, be adopted.

**Carried**

**4. PRESENTATIONS**

There were no presentations.

**5. DEPUTATIONS**

There were no deputations.

## **6. COMMUNICATIONS**

### **6.1 3-2021 - LIQUOR LICENCE APPLICATION - BANG BANG BURRITO (WARD 2) (3.21)**

Moved by Councillor Alan Ho

Seconded by Councillor Andrew Keyes

1. That the request for the City of Markham to complete the Municipal Information Form be received for information and be processed accordingly.

**Carried**

## **7. PROCLAMATIONS**

### **7.1 PROCLAMATIONS (3.4)**

Moved by Regional Councillor Jim Jones

Seconded by Regional Councillor Joe Li

1. That the following proclamations, issued by the City Clerk in accordance with the City of Markham Proclamation Policy, be received for information purposes:
  - a. Pakistan National Day - March 23, 2021
  - b. National Wildlife Week - April 6-10, 2021
  - c. Be Kind To Animals Week - May 3-9, 2021
  - d. World Turtle Day - May 23, 2021
  - e. Animal Health Week - October 4-10, 2021
  - f. National Feral Cat Day - October 16, 2021
2. That the following new requests for proclamation be approved and added to the Five-Year Proclamations List approved by Council:
  - a. 150th Anniversary of the Toronto & York Region Labour Council - April 12, 2021
  - b. Personal Support Worker (PSW) Day - May 19, 2021
  - c. Markham Group of Artists Celebrating 40 Years - September 9-16, 2021

**Carried**

## 8. REPORT OF STANDING COMMITTEE

### 8.1 REPORT NO. 8 - DEVELOPMENT SERVICES COMMITTEE (MARCH 8, 2021)

Moved by Regional Councillor Jim Jones

Seconded by Councillor Keith Irish

That the report of the Development Services Committee be received & adopted.  
(1 Item):

**Carried**

#### 8.1.1 FRIENDS OF THE MARKHAM MUSEUM BOARD MINUTES – DECEMBER 9, 2020 (16.0)

Moved by Regional Councillor Jim Jones

Seconded by Councillor Keith Irish

1. That the minutes of the Friends of the Markham Museum Board meeting held December 9, 2020, be received for information purposes.
2. That Council endorse the recommendation from the December 9, 2020 Friends of Markham Museum Board Minutes:

“That the Friends of the Markham Museum Board approve the transfer of control of the trust funds held by the City of Markham on behalf of the Markham Historical Society to the benefit of the Friends of the Markham Museum; and,

That a copy of this resolution be forwarded to the “members” of the Friends of the Markham Museum.”

**Carried**

### 8.2 REPORT NO. 9 - GENERAL COMMITTEE (MARCH 22, 2021)

Moved by Councillor Khalid Usman

Seconded by Councillor Karen Rea

That the report of the General Committee be received & adopted. (Items 1 to 6):

**Carried**

8.2.1 078-R-15 JANITORIAL CLEANING SERVICES FOR VARIOUS CITY LOCATIONS CONTRACT EXTENSION (7.0)

Moved by Councillor Khalid Usman

Seconded by Councillor Karen Rea

1. That the report entitled “078-R-15 Janitorial Cleaning Services for Various City Locations Contract Extension” be received; and,
2. That the contract for Janitorial Cleaning Services for various City locations be extended for one (1) year with National Cleaning Contractors from April 2021 to March 2022 in the 2019 (Pre-COVID) amount of \$441,587.24 (2021 - \$343,022.06 and 2022 - \$98,565.17) (inclusive of HST); and,
3. That the contract for additional janitorial cleaning services due to COVID-19 pandemic in the amount of \$171,088.60 inclusive of HST be awarded to National Cleaning Contractors; and,
4. That the 2021 award amount of \$343,022.06 inclusive of HST be funded from various City Department’s Operating Budgets; and,
5. That the 2022 award amount of \$98,565.17 inclusive of HST be subject to Council approval of the 2022 operating budgets and that the award amount be amended to reflect changes to the various departments’ budget accounts as approved by Council during the 2022 budget process; and,
6. That the Director, Sustainability and Asset Management and Senior Manager, Procurement and Accounts Payable be authorized to approve additional enhanced cleaning in the event other facilities open during 2021; and,
7. That the additional cleaning requirements arising as a direct result of COVID-19 in the amount of \$171,088.45 (\$99,897.13 + \$71,191.32) inclusive of HST be charged directly to the COVID-19 cost centre and that it be funded from the COVID-19 Reserve by an amount determined as part of the 2021 year-end process; and,
8. That the tendering process be waived in accordance with the City’s Purchasing By-law # 2017-8, Part II, Section 11.1(c), Non Competitive Procurement which states, “when the extension of an existing Contract would prove more cost-effective or beneficial”; and further,

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

**Carried**

8.2.2 ANNUAL WATER QUALITY REPORT (JANUARY-DECEMBER 2020) (5.0)

Moved by Councillor Khalid Usman

Seconded by Councillor Karen Rea

1. That the report titled “Annual Water Quality Report (January-December 2020)” as required by Schedule 22 of Ontario Regulation 170/03, under the *Safe Drinking Water Act, 2002*, enclosed herein be received; and
2. That the 2020 Annual Water Quality Report (Attachment “A”), containing information for the Ministry of the Environment, Conservation and Parks (MECP) on water supply and quality as required by Section 11 of Ontario Regulation 170/03, under the *Safe Drinking Water Act, 2002*, be received; and,
3. That Council acknowledge that staff posted the 2020 Annual Water Quality Report on the City’s website and that it has been made available electronically and in hard copy version by February 28, 2021 as per regulations; and further,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

8.2.3 AMENDMENT TO BY-LAW 2013-113 TO DELEGATE AUTHORITY TO CONVEY EASEMENTS TO ALECTRA (8.1)

Moved by Councillor Khalid Usman

Seconded by Councillor Karen Rea

1. That the report entitled “Amendment to By-Law 2013-113 to Delegate Authority to Convey Easements to Alectra” be received; and,

2. That By-Law 2013-113 – “A By-Law to Delegate Authority to Conduct Certain Real Property Transactions” be amended to authorize the Senior Manager of Real Property to:
  - a. execute any documents and/or agreements required to convey easements over City-owned lands to Alectra Utilities Corporation (“Alectra”) and/or its affiliates where such easements are required by Alectra to provide services to Cityowned property, provided the form of the easement is satisfactory to the Senior Manager of Real Property and the City Solicitor or his/her designate; and
  - b. to determine the purchase price to be paid by Alectra for easements over City-owned lands as described in resolution #2(a), provided that the purchase price is at least 90% of Fair Market Value; and
  - c. to determine the purchase price paid by Alectra, including a nominal purchase price where the requirement for easements as described in #2(a) are not prompted by third party development or construction
3. That Council adopt the By-law attached as Attachment No.1 of this Report to amend By-Law 2013-113 “A By-Law to Delegate Authority to Conduct Certain Real Property Transactions” at the next Council meeting; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

#### 8.2.4 2021-2022 THORNLEA POOL RESTORATION (3.0)

Moved by Councillor Khalid Usman  
 Seconded by Councillor Karen Rea

1. That the presentation entitled “2021-2022 Thornlea Pool Restoration” be received; and,

2. That a capital project for Phase 1 and 2 be established in the amount of \$2,307,412. The capital project will include the design and construction as outlined in this presentation; and,
3. That the project be funded from the Lifecycle Reserve; and,
4. That authority be given to the Sr. Manager of Procurement & Accounts Payable to work with the applicable Director to undertake an informal pre-qualification and award process with a minimum of three (3) vendors and consultants to expedite the procurement process when necessary, by allowing a preferred vendor list to be developed, used and released to the market; and,
5. That authority be given to the CAO to award the tenders outlined in recommendation 4; and,
6. That a new contract Project Manager position in the Sustainability and Asset Management Department be funded from this project; and further,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

#### 8.2.5 TRANSFER PAYMENT AGREEMENT FOR THE PROVINCIAL AUDIT AND ACCOUNTABILITY FUND (AAF) (7.0)

Moved by Councillor Khalid Usman

Seconded by Councillor Karen Rea

1. That the report entitled “Transfer Payment Agreement for Provincial Audit and Accountability Fund” be received; and,
2. That the Mayor and Clerk be authorized to execute the Ontario Transfer Payment Agreement with Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing (the “Province”) to fund the Plan for Expansion of the Administrative Monetary Penalties System (AMPS) , provided the agreement is in a form satisfactory to the Commissioner of Corporate Services and the City Solicitor; and,
3. That a new capital project named, “Plan for Expansion of the Administrative Monetary Penalties System” be created in the amount



of \$110,000.00 to be funded from the Provincial Audit and Accountability Fund; and,

4. That the tendering process be waived in accordance with Purchasing By-Law 2017-8 (Part II, Section 11.1 Non Competitive Procurement, item 1 item 1 (h)); and,
5. That the contract for consulting services for the expansion of the administrative penalties system be awarded to WSCS Consulting Inc. in the amount of \$89,511.25 (inclusive of HST); and,
6. That the remaining balance in the amount of \$20,488.75 be retained within the new capital project for any additional costs related to the project, and that authorization to approve expending of this amount up to the specified limit be in accordance with the Expenditure Control Policy; and further,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

8.2.6 ANIMAL CARE COMMITTEE MINUTES - NOVEMBER 18, 2020, DECEMBER 16, 2020 AND JANUARY 20, 2021 (16.34)

Moved by Councillor Khalid Usman

Seconded by Councillor Karen Rea

1. That the minutes of the Animal Care Committee meetings held November 18, 2020, December 16, 2020 and January 20, 2021 be received for information purposes, and,
2. That the Animal Care Committee express its sincere appreciation to Council for approving the Legislative Services Animal Care Model and that it request that staff report back in one year on any impacts on the service level.

**Carried**

8.3 REPORT NO. 10 - DEVELOPMENT SERVICES COMMITTEE (JANUARY 25, 2021)

Moved by Regional Councillor Jim Jones

Seconded by Councillor Keith Irish

That the report of the Development Services Committee be received & adopted.  
(1 Item):

**Carried**

8.3.1 RECOMMENDATION REPORT, NEST (VS) GP INC.,  
APPLICATIONS FOR ZONING BY-LAW AMENDMENT AND  
DRAFT PLAN OF SUBDIVISION TO PERMIT 12 TOWNHOUSES AT  
10165 VICTORIA SQUARE BLVD (WARD 2) (10.5, 10.7)

Moved by Regional Councillor Jim Jones

Seconded by Councillor Keith Irish

1. That the report titled “RECOMMENDATION REPORT, Nest (VS) GP Inc., Applications for Zoning By-law Amendment and Draft Plan of Subdivision to permit 12 townhouses at 10165 Victoria Square Blvd (Ward 2)” be received; and,
2. That the deputation from Joan Smith, be received; and,
3. That at the January 25, 2021 Development Services Committee, staff was directed to report back to a future Development Services Committee meeting on the following: a. The feasibility of the applicant covering all installation connection costs for municipal water and sanitary sewers to the property at 10183 Victoria Square Boulevard, at the time of construction as part of the reconstruction at Victoria Square Boulevard in 2022, and obtaining consent from the property owner; and, b. That staff be directed to discuss with the owner of 10183 Victoria Square Boulevard regarding the connection from the municipal property boundary to the private home and the associated costs, and whether the homeowner will be agreeing to pay for that connection.
4. That the update memorandum dated March 30, 2021 titled “Applications for Zoning By-law Amendment and Draft Plan of

Subdivision to permit 12 townhouses at 10165 Victoria Square Blvd (Ward 2)”, to address 3 (a) and 3 (b), be received, and,

5. That staff be directed to continue to work with the applicant to install landscaping along the north side of the property line adjacent to 10183 Victoria Square Boulevard;
6. That the maintenance of landscaping along the frontage of the development be maintained as part of the condominium development and ensure that the municipal boulevard is maintained;
7. That the record of the public meeting held on June 18, 2019, regarding the applications by Nest (VS) GP Inc. regarding the Draft Plan of Subdivision and Zoning By-law Amendment Applications to permit 12 townhouses at 10165 Victoria Square Blvd (Ward 2)” be received; and,
8. That the application submitted by Nest (VS) GP Inc. to amend Zoning By-law 304-87, as amended, be approved and the draft by-law attached as Appendix ‘B’ be finalized and brought forward to a future Council meeting to be enacted without further notice; and,
9. That Draft Plan of Subdivision application (SU 19 179147) submitted by Nest (VS) GP Inc. be approved subject to the conditions outlined as Appendix ‘A’ and the pre-conditions outlined in Appendix ‘C’; and,
10. That the Director of Planning and Urban Design, or his designate, be delegated authority to issue draft plan approval, subject to the conditions set out as Appendix ‘A’, as may be amended by the Director of Planning and Urban Design or designate; and,
11. That draft plan approval for Plan of Subdivision 19TM-19002 will lapse after a period of three (3) years from the date of issuance in the event that a subdivision agreement is not executed within that period; and,
12. That Council assign servicing allocation for a maximum of 12 townhouse units; and,
13. That in accordance with the provisions of subsections 45 (1.4) of the Planning Act, R.S.O. 1990, c.P.13, as amended, the Owners shall through this Resolution, be permitted to apply to the Committee of Adjustment for a variance from the provisions of the accompanying Zoning By-law, before the second anniversary of the day on which the by-law was approved by Council; and further,

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

(By-law 2021-26)

**Carried**

## **9. MOTIONS**

A request to waive the rules to introduce a Motion by Councillor Usman was lost.

## **10. NOTICE OF MOTION TO RECONSIDER**

There were no notices of motions.

## **11. NEW/OTHER BUSINESS**

### **11.1 2020 SUMMARY OF REMUNERATION AND EXPENSES FOR COUNCILLORS AND APPOINTEES TO BOARD (7.0)**

Moved by Councillor Amanda Collucci

Seconded by Councillor Andrew Keyes

1. That the report titled “2020 Summary of Remuneration and Expenses for Councillors and Appointees to Boards” be received; and further,
2. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

### **11.2 BILL 257, SUPPORTING BROADBAND AND INFRASTRUCTURE EXPANSION ACT, 2021 (7.13)**

Morgan Jones, Director, Operations introduced the item and Barry Budhu, Senior Manager, Roads, Survey & Utility, Operations presented the memorandum to Council on Bill 257. Marg Wouters, Senior Manager, Policy & Research discussed Schedule 3 of Bill 257, which proposes to amend the Planning Act to provide that Minister’s Zoning Orders are not required to be consistent with the Provincial Policy Statement.

Moved by Councillor Reid McAlpine  
Seconded by Councillor Andrew Keyes

Whereas the City of Markham supports the Province's initiatives to expand broadband infrastructure; and,

Whereas the Province of Ontario introduced Bill 257, Supporting Broadband and Infrastructure Expansion Act, 2021, on March 4, 2021; and,

Whereas the proposed legislation impacts municipal authorities and services in a manner that may be detrimental to the municipality, municipal stakeholders and the public; and,

Whereas Markham City Council has considered the proposed legislation; and,

Whereas City staff submitted correspondence dated March 26, 2021 to the Standing Committee on General Government identifying concerns with the proposed legislation;

Now therefore be it resolved that:

1. The City of Markham objects to certain proposed provisions in the Supporting Broadband and Infrastructure Expansion Act, 2021, (the "Act") including the following:
  - a. The Act removes the City of Markham's autonomy over its Rights of Way. It is important that municipalities have full autonomy and that the ability to make decisions for their rights of way. The municipality is best placed to make such decisions as it has the best knowledge of present and future planned projects and can make appropriate decisions based on all relevant factors;
  - b. The Act does not include adequate protections for public and stakeholder engagement. The Act does not mandate notification to the public and there may be limited opportunities and/or insufficient time for the municipality to address and/or accommodate conflicts or concerns that are raised by the public; and,

- c. The Act provides the Minister with the ability to authorize contractors to excavate in a Right of Way without obtaining locates, increasing the potential for damages including injuries, loss of life, and damage to or losses of existing services. This may impact existing utility owners and end users.
2. The City of Markham requests that the proposed legislation be amended to more adequately address these concerns and those identified in the letter from the City to the Standing Committee on General Government dated March 26, 2021; and,
  3. The City of Markham requests that this resolution be considered as part of the deliberations in respect of Bill 257; and further,
  4. A copy of this resolution be provided to the Premier of Ontario, the Standing Committee of General Government, the Minister of Infrastructure, the Minister of Municipal Affairs and Housing, Markham MPPs, the Regional Municipality of York, all municipalities within York Region, Alectra Utilities, Enbridge, and the Association of Municipalities of Ontario.

**Carried**

Moved by Regional Councillor Jim Jones  
Seconded by Councillor Keith Irish

Whereas on March 4, 2021, *Bill 257, Supporting Broadband and Infrastructure Expansion Act, 2021* (the “Act”) received first reading; and,

Whereas Schedule 3 of the Act proposes to amend Section 47 of the *Planning Act* to provide that Minister’s Zoning Orders (MZOs) are not required to be consistent with the Provincial Policy Statement (PPS) and that existing MZOs did not have to be consistent with the PPS, and specifies that the proposed amendment would not apply to lands within the Greenbelt Area; and,

Whereas the Ministry also issued an Environmental Registry of Ontario proposal (ERO) request specifically for comments on the legislative changes related to MZOs proposed in Schedule 3 of the Act and requested comments prior to the April 3, 2021 deadline; and,

Whereas, the ERO posting states the intent of this legislative change is to allow the Minister to take other considerations into account when making decisions to support strong communities, which would ensure that the Minister, acting at their discretion, has the authority to support and expedite the delivery of government

priorities, including transit-oriented communities, affordable housing, long-term care homes and strategic economic recovery projects by removing potential barriers and delays; and,

Whereas Markham City Council supports appropriate Provincial initiatives to streamline the development process; and,

Whereas The *Planning Act* provides for a land use system that is led by Provincial policy and provides the authority for the Minister to issue policy statements to address matters of Provincial interest and requires that planning decisions made by the council of a municipality, a local board, a planning board, a minister of the Crown and a ministry, board, commission or agency of the government, including the Tribunal shall be consistent with the PPS; and,

Whereas in removing the requirement for MZO's to be consistent with the PPS, the concern is that MZO's that are not consistent with the PPS will be used to achieve certain types of priority development at the expense of other equally important PPS principles such as environmental protection; and,

Whereas no other criteria have been identified for approval of MZO's if they do not comply with the PPS;

Now therefore be it resolved that:

1. The City of Markham does not support the proposed changes to the *Planning Act* in Bill 257 to provide that Minister's Zoning Orders are not required, and are deemed to never have been required, to be consistent with Provincial Policy Statements and recommend that Schedule 3 of Bill 257 be removed; and,
2. The Province be requested to provide criteria by which MZO's will be approved if not consistent with the PPS; and further,
3. A copy of this resolution be provided to the Premier of Ontario, the Standing Committee of General Government, the Minister of Infrastructure, the Minister of Municipal Affairs and Housing, Markham MPPs, the Regional Municipality of York, all municipalities within York Region, and the Association of Municipalities of Ontario.

**Carried**

## **12. ANNOUNCEMENTS**

There were no announcements.

**13. BY-LAWS - THREE READINGS**

Moved by Councillor Reid McAlpine

Seconded by Councillor Amanda Collucci

That By-laws 2021-21 to 2021-24 and 2021-26 be given three readings and enacted.

**Carried**

**Three Readings**

- 13.1 BY-LAW 2021-21 A BY-LAW TO AMEND PARKING BY-LAW 2005-188 (65M-2742)

**Carried**

- 13.2 BY-LAW 2021-22 A BY-LAW TO AMEND BY-LAW 2019-83 BEING A BY-LAW TO APPOINT DEPUTY CLERKS FOR THE CORPORATION OF THE CITY OF MARKHAM

**Carried**

- 13.3 BY-LAW 2021-23 B. MCGREGOR DEVELOPMENTS LIMITED, PART LOT CONTROL BY-LAW

**Carried**

- 13.4 BY-LAW 2021-24 LIVANTE HOLDINGS (VICTORIA SQUARE WOODBINE) INC.; HOLD REMOVAL BY-LAW

A By-law to amend By-law 177-96, as amended, in order to allow a mixed use mid-rise building.

**Carried**

- 13.5 BY-LAW 2021-26 NEST (VS) GP INC., PART OF LOT 22, CONCESSION 4, 10165 VICTORIA SQUARE BOULEVARD, ZONING BY-LAW AMENDMENT



A By-law to amend By-law 304-87, as amended, and to amend By-law 177-96, as amended in order to permit a residential development.

(Item 8.3.1, Report 10)

**Carried**

## **14. CONFIDENTIAL ITEMS**

Moved by Councillor Khalid Usman

Seconded by Councillor Isa Lee

That, in accordance with Section 239 (2) of the *Municipal Act*, Council resolve into a private session to discuss the following confidential matters at 2:18 pm:

### **14.1 COUNCIL**

14.1.1 APPROVAL OF CONFIDENTIAL COUNCIL MINUTES - MARCH 9, 2021 (10.0)

14.1.2 APPOINTMENTS AND RESIGNATIONS TO BOARDS/COMMITTEES (16.24) [SECTION 239 (2)(b)]

14.1.3 APPOINTMENTS AND RESIGNATIONS TO BOARDS/COMMITTEES - APPOINTMENT OF MEMBER TO THE BOARD OF MANAGEMENT FOR THE MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA (MVBIA) (16.24) [SECTION 239 (2)(b)]

### **14.2 NEW/ OTHER BUSINESS**

14.2.1 A PROPOSED OR PENDING ACQUISITION OR DISPOSITION OF LAND BY THE CITY OR LOCAL BOARD; SURPLUS LANDS REPORT (8.7) [SECTION 239 (2) (c)]

### **14.3 DEVELOPMENT SERVICES COMMITTEE**

14.3.1 LITIGATION OR POTENTIAL LITIGATION, INCLUDING MATTERS BEFORE ADMINISTRATIVE TRIBUNALS, AFFECTING THE MUNICIPALITY OR LOCAL BOARD – LPAT APPEAL DEVELOPMENT GROUP (100 SAW) INC. (8.0) [Section 239 (2) (e)]

**Carried**

That Council rise from Confidential session at 2:53 pm.

The following Confidential items were approved by Council:

#### 14.1 COUNCIL

##### 14.1.1 APPROVAL OF CONFIDENTIAL COUNCIL MINUTES - MARCH 9, 2021 (10.0)

Moved by Councillor Khalid Usman

Seconded by Councillor Andrew Keyes

1. That the confidential Council minutes of March 9, 2021, be adopted.

**Carried**

##### 14.1.2 APPOINTMENTS AND RESIGNATIONS TO BOARDS/COMMITTEES (16.24) [SECTION 239 (2)(b)]

Moved by Councillor Keith Irish

Seconded by Councillor Reid McAlpine

1. That the following individuals be re-appointed to the Canada Celebration Organizing Committee with a term expiry as indicated:

Teresa Ing	March 31, 2022
Zulaika Hoosainny	March 31, 2022
Edward Chiu	March 31, 2022
Saadia Zakki	March 31, 2022
Satya Arora	March 31, 2022

2. That the following individuals be appointed to the Heintzman House Community Centre Board with a term expiry as indicated:

Caitlin Ammendoli	November 30, 2024
Gordon Cheung	November 30, 2023
Susan Corbeil	November 30, 2024

3. That the composition of the Heintzman House Community Centre Board be increased from 10 citizen members to up to 15 citizen members (see the enclosed Board extract from the February 25, 2021 Heintzman House Community Centre Board meeting requesting this change to the composition).
4. That the following individuals be appointed or re-appointed to the Box Grove Community Centre Board with a term expiry as indicated:
 

Nimisha Patel	November 30, 2023
Yash Kapur	November 30, 2023
Marcus Bansavater	November 30, 2024
Sharon Gabriel	November 30, 2024
5. **That the composition of the Box Grove Community Centre Board be expanded by 2 extra citizen positions.**

**Carried as Amended**

14.1.3 APPOINTMENTS AND RESIGNATIONS TO BOARDS/  
COMMITTEES - APPOINTMENT OF MEMBER TO THE BOARD OF  
MANAGEMENT FOR THE MARKHAM VILLAGE BUSINESS  
IMPROVEMENT AREA (MVBIA) (16.24) [SECTION 239 (2)(b)]

Moved by Councillor Andrew Keyes  
Seconded by Councillor Karen Rea

1. That Council appoint the following individuals as board members for the Markham Village Business Improvement Area with a term expiry as indicated:

Michelle Brady	November 14, 2022
Aly Daya	November 14, 2022

**Carried**

14.2 NEW/ OTHER BUSINESS

14.2.1 A PROPOSED OR PENDING ACQUISITION OR DISPOSITION OF  
LAND BY THE CITY OR LOCAL BOARD; SURPLUS LANDS  
REPORT (8.7) [SECTION 239 (2) (c)]

Moved by Councillor Keith Irish

Seconded by Councillor Andrew Keyes

1. That the confidential report on a proposed or pending acquisition or disposition of land by the City or local board be received; and,
2. That staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

#### 14.3 DEVELOPMENT SERVICES COMMITTEE

##### 14.3.1 LITIGATION OR POTENTIAL LITIGATION, INCLUDING MATTERS BEFORE ADMINISTRATIVE TRIBUNALS, AFFECTING THE MUNICIPALITY OR LOCAL BOARD – LPAT APPEAL DEVELOPMENT GROUP (100 SAW) INC. (8.0) [Section 239 (2) (e)]

Moved by Councillor Andrew Keyes

Seconded by Deputy Mayor Don Hamilton

1. That the confidential report on litigation or potential litigation, including matters before Administrative Tribunals, affecting the municipality or local board – LPAT Appeal Development Group (100 SAW) Inc., dated March 30, 2021, be received; and,
2. That Council direct the City Solicitor, or designate, and Staff to appear before the Local Planning Appeal Tribunal (“LPAT”) as a party to the appeal to defend the City’s interests; and,
3. That Council authorize the City Solicitor, or designate, and Staff to continue to appear before the Local Planning Appeal Tribunal as a party in future site-specific appeals within Vaughan’s Yonge Steeles Corridor Secondary Plan area, where staff concerns are the same, or similar to, concerns related to this and other appeals to which the City is already a party to in this area; and further,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**Carried**

**15. CONFIRMATORY BY-LAW - THREE READINGS**

Moved by Councillor Karen Rea

Seconded by Councillor Reid McAlpine

That By-law 2021-25 be given three readings and enacted.

Three Readings

BY-LAW 2021-25 - A BY-LAW TO CONFIRM THE PROCEEDINGS OF THE  
COUNCIL MEETING OF MARCH 31, 2021.

**Carried**

**16. ADJOURNMENT**

Moved by Councillor Alan Ho

Seconded by Councillor Isa Lee

That the Council meeting be adjourned at 3:10 pm.

**Carried**

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Kimberley Kitteringham

City Clerk

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Frank Scarpitti

Mayor



# **2020 Consolidated Financial Statements**

## **Presentation to Council**

**April 20, 2021**



# Agenda

1. Introduction
2. Requirements
3. Audit Summary
4. Financial Results Discussion
5. Presentation by Mr. Kevin Travers, Partner, KPMG LLP – *Audit Findings Report*



# 1. Introduction

The Financial Statements are a report card on the financial position, health and strength of the City:

- reflect the financial position of the organization, the operating results, and how the City financed its activities and met its cash requirements
- confirm that the resources were obtained and used consistent with the budgets approved by Council

Statements consolidate the financial activities of:

- City of Markham
- Community Boards and Business Improvement Areas (BIAs)
- Destination Markham Corporation
- City's investment in Markham Enterprises Corporation





## 2. Requirements

The City is required by The *Municipal Act* to :

- ✓ prepare annual financial statements in accordance with Canadian Generally Accepted Accounting Principles for governments as recommended by the Public Sector Accounting Board,
- ✓ have the financial statements audited by a licensed auditor,
- ✓ report the financials to Council, and
- ✓ publish the statements



## 3. Audit Summary

- Schedule:
  - KPMG audit team was onsite one week in November 2020 performing interim and preliminary year end work.
  - The team continued the audit of the financial records of the City and associate corporations remotely from February 22<sup>nd</sup> to April 1, 2021 this year
- No adjustments or differences were communicated to Management
- Clean audit opinion



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet)

	\$ in millions		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
Financial Assets	853.32	813.62	39.70
Financial Liabilities	<u>358.89</u>	<u>336.74</u>	<u>22.15</u>
<b>Net Financial Assets</b>	<b>494.43</b>	<b>476.88</b>	<b>17.55</b>
Non-Financial Assets	4,270.61	4,221.99	48.62
<b>Accumulated Surplus</b>	<u><b>4,765.04</b></u>	<u><b>4,698.87</b></u>	<u><b>66.17</b></u>



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet) cont'd.

#### Financial Assets increased by \$39.70M

Financial Assets	Incr./ (Decr.)	Significant Changes
Cash and investments	\$26.87M	<ul style="list-style-type: none"><li>• Decrease in spending on capital projects</li><li>• Increase from receipt of \$9.67M Safe Restart Agreement funding</li><li>• Decrease in property taxes collected \$16.9M, and MAT revenues \$3.0M</li><li>• Decrease in revenues in Recreation, Culture and Library</li></ul>
Property taxes receivable	\$10.86M	<ul style="list-style-type: none"><li>• Decrease due to waiving of penalty and interest charges on property taxes in arrears to assist residents and businesses experiencing financial hardship due to COVID-19</li></ul>
Investment in MEC	\$3.50M	<ul style="list-style-type: none"><li>• Equity in income \$15.48M, offset by reduction in share capital \$1.70M and dividends paid \$10.28M</li></ul>



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet) cont'd.

#### Financial Liabilities increased by \$22.15M

Financial Liabilities	Incr./ (Decr.)	Significant Changes
Accounts payable and accrued liabilities	(\$10.28M)	<ul style="list-style-type: none"><li>Decrease in amounts owed to: Region of York for water and shared capital projects \$7.9M, vendors as a result of completion of capital works \$5.9M and payroll liabilities \$2.4M</li><li>Offset by increase in amounts owed to vendors for refundable deposits as a result of completion of projects</li></ul>
Deferred revenues	\$30.97M	<ul style="list-style-type: none"><li>Increase in amounts collected \$76.34M</li><li>Offset by amounts earned on capital projects \$45.36M</li></ul>
Employee future benefits liabilities	\$2.20M	<ul style="list-style-type: none"><li>Increase of \$1.4M due to actuarial valuation</li></ul>
Long term liabilities	\$(0.73)M	<ul style="list-style-type: none"><li>Scheduled payments for FCM and CMHC loans</li></ul>



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet) cont'd.

#### Non-Financial Assets increased by \$48.62M

Non-Financial Assets	Incr./ (Decr.)	Significant Changes
Tangible capital assets	\$47.91M	<ul style="list-style-type: none"><li>Land, Infrastructure, parks/pathways</li></ul>
Prepaid expenses and inventories	\$0.71M	<ul style="list-style-type: none"><li>Computer software licenses, insurance, maintenance agreements, winter control inventory</li></ul>



## 4. Financial Results

### Consolidated Statement of Operations and Accumulated Surplus (Income Statement)

	\$ in millions		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
Revenues	474.76	520.76	(46.00)
Less Expenses	<u>408.59</u>	<u>428.48</u>	<u>(19.89)</u>
<b>Annual Surplus</b>	<b>66.17</b>	<b>92.28</b>	<b>(26.10)</b>
Accumulated Surplus, Beginning of Year	4,698.87	4,606.59	92.28
Accumulated Surplus, End of Year	<u><b>4,765.04</b></u>	<u><b>4,698.87</b></u>	<u><b>66.17</b></u>



## 4. Financial Results

### Details of Accumulated Surplus

	\$ in millions		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
Operating surplus (excl. waterworks)	9.41	3.04	6.37
Waterworks	4.57	1.98	2.59
Destination Markham Corporation	2.16	-	2.16
Community Boards and BIAs	<u>0.50</u>	<u>0.44</u>	<u>0.06</u>
<b>Operating Surplus Total</b>	<b>16.64</b>	<b>5.46</b>	<b>11.18</b>
Equity in income of Markham Enterprises Corporation	384.98	381.48	3.50
Invested in Tangible Capital Assets and Other	4,265.76	4,217.85	47.91
Reserves and Reserve Funds	124.85	130.06	(5.21)
Other	(27.19)	(35.98)	8.79
<b>Total Accumulated Surplus</b>	<b><u>4,765.04</u></b>	<b><u>4,698.87</u></b>	<b><u>66.17</u></b>





## **5. Presentation of the Audit Findings Report**

**Kevin Travers, Partner KPMG LLP**



Report to: General Committee

Meeting Date: April 6, 2021

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**SUBJECT:** Development Charges December 31, 2020 Reserve Balances and Annual Activity of the Accounts

**PREPARED BY:** Shannon Neville, Financial Analyst, ext. 2659  
Kevin Ross, Manager, Development Finance & Payroll, ext. 2126

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**RECOMMENDATION:**

- 1) That the report titled “Development Charges December 31, 2020 Reserve Balances and Annual Activity of the Accounts” be received by Council as required under Section 43(1) of the *Development Charges Act, 1997, as amended*; and further,
- 2) That staff be directed to do all things necessary to give effect to this report.

**PURPOSE:**

Section 43(1) of the *Development Charges Act, 1997, as amended*, requires the Treasurer to submit annually to Council a financial statement relating to Development Charges by-laws and reserve funds established under Section 33 of the *Development Charges Act, 1997*. This report includes the financial statement required under the Act, as well as information regarding the semi-annual indexing that occurred during 2020.

**BACKGROUND:**

As part of the *Development Charges Act, 1997, as amended*, the Treasurer is to report annually on the funds received and dispersed as shown in the attached schedules.

Enclosed are the statistics for the twelve (12) months ended December 31, 2020.

**FINANCIAL CONSIDERATIONS****Summary of Activity**

The December 31, 2020 closing balance of the development charges (DC) reserve accounts, before accounting for approved capital commitments, was \$78,662,719 (Schedule A). This balance represents the cash, letters of credit and receivable balances in the reserves, but does not take into account commitments for approved capital projects.

Approved capital commitments against the reserves as at December 31, 2020 totaled \$57,117,182 resulting in an adjusted (committed) reserve balance of \$21,545,537 (\$78,662,719 less \$57,117,182).

As depicted in Schedule B, the net increase in the reserve fund before capital commitments from January 1, 2020 to December 31, 2020 was \$35,100,234 (\$78,662,719 less \$43,562,485). Schedule B also outlines the net amount of \$3,922,523 transferred to capital

projects in 2020, which is broken down into two components: transfer to capital and transfer from capital. These two components of the transfer include \$25,747,349 of growth-related projects funded from development charges (Schedule C), as well as transfers to development charges of \$21,824,826 resulting mainly from the closure of capital projects as well as the realignment of funding sources.

In addition to the \$25,747,349 of growth-related capital projects funded from development charges in 2020, there are other associated sources of project funding which are identified in Schedule C.

A summary of the development charge activity for the year is as follows:

January 1, 2020 opening balance	\$43,562,485
Development Charges received	\$38,900,721
Interest	\$122,036
Net amount transferred to capital projects	(\$3,922,523)
Balance as at December 31, 2020	<u>\$78,662,719</u>

The balance of the Development Charge Reserve Fund is made up of the following major categories:

City-Wide Soft	(\$5,174,711)
City-Wide Hard	\$76,371,372
Area-Specific	\$7,466,058
Total	<u>\$78,662,719</u>

In accordance with the Council-approved Development Charges Borrowing Policy, the City loaned \$20,000,000 to the development charges reserve in February 2020 to offset the negative balances of some reserves, and assist with cash flow. The negative reserves resulted from the pre-emplacment of facilities ahead of growth (i.e. Aaniin Community Centre). In June 2020, the \$20,000,000 loan was repaid from the DC reserves as the reserves had recovered and had an overall positive balance. The City charged interest at the prime rate on the loan, which dropped from 3.95% to 2.45% between February and June 2020 when the loan was repaid.

### **Interest**

During 2020, there were no long term investments of development charge reserve funds however, the cash on hand earned interest at a competitive rate at the bank in line with short term investment rates. The interest cost on the internal borrowing of \$20,000,000, which was repaid from the development charge reserves in June of 2020, amounted to less than the interest earned and therefore resulted in a positive net interest of \$122,036 (Schedule D).

**Development Charge Credits**

Schedule E provides information on credit agreements that the City has with developers. The City has future credit obligations in the amount of \$10,230,087, which is to be offset from development charges payable when the respective developers execute their agreements.

**Component Categories**

Schedule F provides the year-end balance of each reserve for 2018 through 2020 along with the percentage change over the three-year period.

The chart below summarizes the year-end DC reserve balances by component category, taking into account the total approved capital commitments:

	YEAR-END BALANCES			% CHANGE
	2018	2019	2020	2018 - 2020
CITY-WIDE SOFT SERVICES	(\$13,220,358)	(\$22,945,786)	(\$5,174,711)	61%
CITY-WIDE HARD SERVICES	\$53,416,339	\$60,034,173	\$76,371,372	43%
AREA SPECIFIC CHARGES	\$6,982,936	\$6,474,098	\$7,466,058	7%
TOTAL DEVELOPMENT CHARGE RESERVE	\$47,178,917	\$43,562,485	\$78,662,719	67%
CAPITAL COMMITMENTS AT YEAR-END	(\$28,611,850)	(\$50,982,025)	(\$57,117,182)	-100%
<b>ADJUSTED DC RESERVE BALANCES</b>	<b>\$18,567,067</b>	<b>(\$7,419,540)</b>	<b>\$21,545,537</b>	<b>16%</b>

The City Wide Soft services reserves negative balance has improved since 2018 due to reduced capital spending. The City Wide Soft services reserves are in a negative balance due to the pre-employment of recreational facilities.

The increase in the City Wide Hard reserve is primarily due to a slower pace of expenditures on engineering-related infrastructure than anticipated, to match growth patterns.

**Development Charges Committed To Approved Projects**

Growth-related capital projects approved as part of the annual budgets generally denote development charges as the major funding source, but the actual cash funding for capital expenditures totaling one million dollars or greater is not transferred to the project until required. This process retains cash within the Development Charge Reserve Fund to earn as much interest as possible for the reserve. Upon the approval of the budget, the reserve balances in the Development Charge Reserve Fund are considered to be committed to projects underway, or about to start.

The reserve balance for the year ended December 31, 2020 is significantly lower when capital commitments of \$57,117,182 are taken into account, leaving an adjusted (committed) reserve balance of \$21,545,537. The total capital commitments for 2020 represent an increase of \$6,135,157 (\$57,117,182 less \$50,982,025) compared to the prior year.

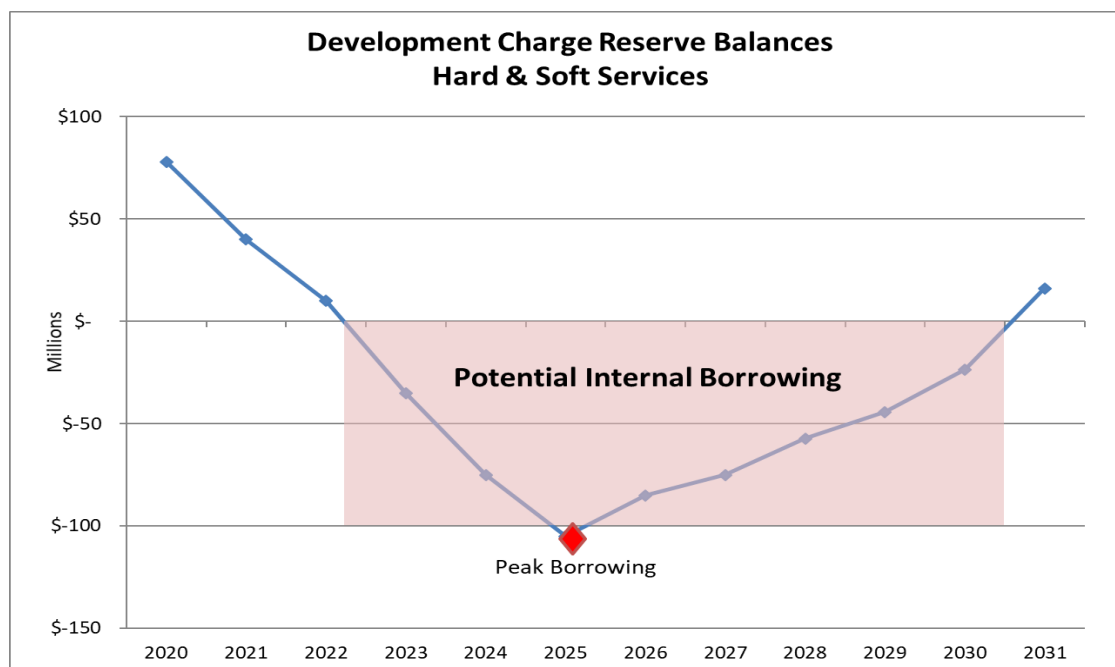
The capital commitments relate mainly to City Wide Hard and City Wide Soft services projects which total approximately \$32M and \$25M respectively. The City Wide Hard includes projects such as the Miller Pond Site Preparation and Property Acquisition (\$15M), Highway 404 Midblock Crossing, North of 16<sup>th</sup> Ave (\$5M), Miller Avenue – CN to Kennedy Road (\$4M), and construction of the John Street Multi-Use Pathway (\$3M). The City Wide Soft capital commitments includes projects such as the design & construction of the East Works Yard (\$8M) and projects relating to park development, such as construction for the Cornell Community Park (\$8M) and Box Grove Community Park (\$4M). The adjusted (committed) reserve balance of \$21.5M represents a \$28.9M increase from the prior year closing balance of (\$7.4M).

The chart below summarizes the 2020 year-end reserve balances and capital commitments:

	<b>YEAR-END RESERVE BALANCE</b>	<b>CAPITAL COMMITMENTS</b>	<b>ADJUSTED RESERVE BALANCE</b>
CITY-WIDE SOFT SERVICES	(\$5,174,711)	(\$24,840,698)	(\$30,015,409)
CITY-WIDE HARD SERVICES	\$76,371,372	(\$32,276,484)	\$44,094,888
AREA-SPECIFIC CHARGES	\$7,466,058	\$0	\$7,466,058
<b>TOTAL DEVELOPMENT CHARGE RESERVE</b>	<b>\$78,662,719</b>	<b>(\$57,117,182)</b>	<b>\$21,545,537</b>

### **Debt**

A DC cash-flow forecast was developed taking into consideration current capital commitments, identified growth-related projects included in the 2017 DC Background Study capital program, and anticipated DC collections. The capital infrastructure to service anticipated growth is required to be installed ahead of the new population and, this pre-emplacement of facilities will result in debt in the DC reserves (expenditure preceding revenue inflow). The forecast shows that peak borrowing is projected to occur in 2025 at approximately \$100M with recovery expected to occur around 2030, as shown in the graph below. The anticipated debt will mainly be financed through internal borrowing from the City's reserves. The timing and quantum of projected debt will be updated when the new Regional growth forecast (to 2051) and associated infrastructure requirements are received and assessed.



### **Indexing**

Section 15 of the City's Development Charge by-laws state that the charges referred to in each of the by-laws' shall be increased, if applicable, semi-annually without an amendment to the by-laws, on the first day of January and the first day of July, of each year, in accordance with the most recent change in the Statistics Canada Quarterly, *Construction Price Statistics* (Catalogue No. 62-007). Indexing the City's development charges helps to partially mitigate the impact of inflationary increases on future growth-related costs.

In accordance with the by-laws, the development charge rates were indexed up by 1.7% on January 1, 2020 and 1.2% on July 1, 2020. This represents the increase in the prescribed index, the Statistics Canada Quarterly, *Construction Price Statistics* for non-residential buildings in Toronto.

### **Compliance with the Development Charges Act, 1997**

For the year ended December 31, 2020, the Reserve Balance and Annual Activity Statement is in compliance with the *DCA 1997, as amended*. The City has not imposed additional levies in accordance with Subsection 59.1 (1) of the Act.

### **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:**

Schedule A – Summary Statement - Balances by Component of the Reserve Fund  
Schedule B – Continuity Statement - Funds Received and Dispersed by Category  
Schedule C – Capital Fund Transfers Addendum  
Schedule D – Summary of Investments - Reg. 74/97 Section 8 of the Municipal Act  
Schedule E – Credit Obligation Summary  
Schedule F – Statement of Change in Year-end Balances

**DEVELOPMENT CHARGES RESERVE**  
**Summary Statement Including Accounts Receivable**  
Balances by Category as at December 31, 2020

**SCHEDULE A**

	<b>CASH</b>	<b>LETTERS OF CREDIT</b>	<b>RECEIVABLE AT PERMIT STAGE</b>	<b>RESERVE BALANCE</b>	<b>COMMITMENTS TO APPROVED CAPITAL PROJECTS</b>	<b>ADJUSTED RESERVE BALANCE</b>
ADMINISTRATION	(\$12,482,889)	-	\$676,388	(\$11,806,501)	-	(\$11,806,501)
FIRE	\$3,130,407	-	\$937,460	\$4,067,867	-	\$4,067,867
LIBRARY	\$1,509,956	-	\$2,538,886	\$4,048,842	-	\$4,048,842
PARKLAND	\$36,360,941	-	\$6,199,081	\$42,560,022	(\$16,634,131)	\$25,925,891
RECREATION	(\$59,874,289)	-	\$9,255,764	(\$50,618,525)	-	(\$50,618,525)
PUBLIC WORKS	\$5,027,269	-	\$802,887	\$5,830,156	(\$8,206,567)	(\$2,376,411)
PARKING	\$218,528	-	\$41,200	\$259,728	-	\$259,728
WASTE MANAGEMENT	\$231,737	-	\$251,963	\$483,700	-	\$483,700
<b>TOTAL CITY WIDE SOFT SERVICES</b>	<b>(\$25,878,340)</b>	<b>-</b>	<b>\$20,703,629</b>	<b>(\$5,174,711)</b>	<b>(\$24,840,698)</b>	<b>(\$30,015,409)</b>
<b>CITY WIDE HARD SERVICES</b>	<b>\$65,180,385</b>	<b>\$10,079,052</b>	<b>\$1,111,935</b>	<b>\$76,371,372</b>	<b>(\$32,276,484)</b>	<b>\$44,094,888</b>
<b>AREA SPECIFIC CHARGES</b>	<b>\$7,457,766</b>	<b>\$8,292</b>	<b>-</b>	<b>\$7,466,058</b>	<b>-</b>	<b>\$7,466,058</b>
<b>TOTAL DEVELOPMENT CHARGE RESERVE</b>	<b>\$46,759,811</b>	<b>\$10,087,344</b>	<b>\$21,815,564</b>	<b>\$78,662,719</b>	<b>(\$57,117,182)</b>	<b>\$21,545,537</b>



**DEVELOPMENT CHARGES RESERVE**  
**Continuity Statement Including Accounts Receivable**  
Balances by Category as at December 31, 2020

**SCHEDULE B**

	BALANCE AT JANUARY 1 2020	DEVELOPMENT CHARGES EARNED	INTEREST	SUB TOTAL	TRANSFER TO CAPITAL PROJECTS	TRANSFER FROM CAPITAL PROJECTS <sup>1</sup>	BALANCE AT DECEMBER 31 2020	COMMITMENTS TO APPROVED CAPITAL PROJECTS	ADJUSTED BALANCE AT DECEMBER 31 2020
ADMINISTRATION	(\$12,064,685)	\$704,272	(\$399,617)	(\$11,760,030)	(\$252,180)	\$205,709	(\$11,806,501)	-	(\$11,806,501)
FIRE	\$3,055,595	\$955,122	\$57,150	\$4,067,867	-	-	\$4,067,867	-	\$4,067,867
LIBRARY	\$1,738,983	\$2,418,054	(\$44,115)	\$4,112,922	(\$64,080)	-	\$4,048,842	-	\$4,048,842
PARKLAND	\$38,239,021	\$5,904,044	\$816,523	\$44,959,588	(\$7,072,275)	\$4,672,709	\$42,560,022	(\$16,634,131)	\$25,925,891
RECREATION	(\$57,764,102)	\$8,815,253	(\$1,739,502)	(\$50,688,351)	-	\$69,826	(\$50,618,525)	-	(\$50,618,525)
PUBLIC WORKS	\$3,294,675	\$801,050	\$88,441	\$4,184,166	(\$7,939,087)	\$9,585,077	\$5,830,156	(\$8,206,567)	(\$2,376,411)
PARKING	\$213,082	\$41,902	\$4,744	\$259,728	-	-	\$259,728	-	\$259,728
WASTE MANAGEMENT	\$341,645	\$239,970	\$2,085	\$583,700	(\$100,000)	-	\$483,700	-	\$483,700
<b>TOTAL CITY WIDE SOFT SERVICES</b>	<b>(\$22,945,786)</b>	<b>\$19,879,667</b>	<b>(\$1,214,291)</b>	<b>(\$4,280,410)</b>	<b>(\$15,427,622)</b>	<b>\$14,533,321</b>	<b>(\$5,174,711)</b>	<b>(\$24,840,698)</b>	<b>(\$30,015,409)</b>
<b>CTIY WIDE HARD SERVICES</b>	<b>\$60,034,173</b>	<b>\$18,158,159</b>	<b>\$1,207,262</b>	<b>\$79,399,594</b>	<b>(\$10,319,727)</b>	<b>\$7,291,505</b>	<b>\$76,371,372</b>	<b>(\$32,276,484)</b>	<b>\$44,094,888</b>
<b>AREA SPECIFIC CHARGES</b>	<b>\$6,474,098</b>	<b>\$862,895</b>	<b>\$129,065</b>	<b>\$7,466,058</b>	<b>-</b>	<b>-</b>	<b>\$7,466,058</b>	<b>-</b>	<b>\$7,466,058</b>
<b>TOTAL</b>	<b>\$43,562,485</b>	<b>\$38,900,721</b>	<b>\$122,036</b>	<b>\$82,585,242</b>	<b>(\$25,747,349)</b>	<b>\$21,824,826</b>	<b>\$78,662,719</b>	<b>(\$57,117,182)</b>	<b>\$21,545,537</b>

Note:

1) Relates mainly to funds being returned from closed capital projects

## DEVELOPMENT CHARGES RESERVE

## SCHEDULE C

## Capital Fund Transfers Addendum - Total Project Funding

Balances by Category as at December 31, 2020

PROJECT	PROJECT DESCRIPTION	CITY WIDE SOFT DC FUNDING	NON-DC GROWTH FUNDING <sup>1</sup>	OTHER PROJECT FUNDING <sup>2</sup>	2020 PROJECT FUNDING
7352	Design Capital Contingency	\$37,344	-	-	\$37,344
13011	Kirkham Drive Park Phase 2 Construction	\$309,434	-	-	\$309,434
16170	Growth Related Park Improvements	\$25,000	-	(\$58)	\$24,942
17017	Cornell Community Park - Phase 1 of 3 Construction	\$6,694	-	-	\$6,694
19288	Design and Construction of Workyard	\$7,000,000	\$189,401	-	\$7,189,401
20016	Consultant Studies	\$82,800	-	\$9,200	\$92,000
20019	Housing Summit	\$18,000	-	\$2,000	\$20,000
20022	York Region Employment Survey	\$35,100	-	\$3,900	\$39,000
20024	Box Grove Community Park - Construction	\$1,900,000	-	\$679,990	\$2,579,990
20025	Cornell Community Park - Construction	\$800,000	-	\$984,010	\$1,784,010
20026	Cornell Parkette - Design & Construction	\$361,260	-	\$40,140	\$401,400
20027	Leitchcroft Building - Construction	\$642,060	-	\$71,340	\$713,400
20028	Leitchcroft Townhouse Park - Design & Construction	\$411,995	-	\$45,777	\$457,772
20029	Wismer McCowan Woodlot Park - Design & Construction	\$100,000	-	\$96,228	\$196,228
20030	York Downs Park - Design & Construction	\$593,421	-	\$65,936	\$659,357
20062	Bill 108 - Community Benefits Charge By-law	\$116,280	\$12,920	-	\$129,200
20063	Internal Project Management	\$162,000	-	\$766,800	\$928,800
20178	Markham Centre Library - Phase 1 of 2	\$64,080	\$7,120	-	\$71,200
20187	Incremental Growth Related Winter Maintenance Vehicles	\$450,000	-	-	\$450,000
20219	Corporate Fleet Growth - Non-Fleet	\$10,200	-	-	\$10,200
20225	New Fleet - Parks	\$98,900	-	-	\$98,900
20226	New Fleet - Roads	\$289,887	-	-	\$289,887
20231	Growth Related Parks Improvements	\$394,920	\$43,880	-	\$438,800
20253	Incremental Growth Related Waste Management Vehicles	\$100,000	-	-	\$100,000
20291	Construction of Reesor Park Tennis Bubbles	\$240,300	\$26,700	-	\$267,000
20294	Seasonal Tennis Bubble - Site Servicing	\$45,000	\$5,000	-	\$50,000
20295	Seasonal Tennis Bubble - Clubhouse Winterization and Fire Proofing	\$243,000	\$27,000	-	\$270,000
20296	Seasonal Tennis Bubble - Fire Access Route	\$166,500	\$18,500	-	\$185,000
20297	Seasonal Tennis Bubble - Consultant Costs	\$110,700	\$12,300	-	\$123,000
20298	Seasonal Tennis Bubble - Tree Removal, Stumping and Replanting	\$37,170	\$4,130	-	\$41,300
20305	Blodwen Davies Park Soil and Grading Works	\$427,707	-	\$47,523	\$475,230
21019	Berczy Beckett Park (Cherna Ave.) - Design & Construction	\$53,820	-	-	\$53,820
21022	Green Lane Park - Design and Construction	\$43,200	-	-	\$43,200
21023	Yonge and Grandview Park - Design and Construction	\$50,850	-	-	\$50,850
<b>TOTAL FUNDED CITY-WIDE SOFT</b>		<b>\$15,427,622</b>	<b>\$346,951</b>	<b>\$2,812,786</b>	<b>\$18,587,359</b>

Notes:

<sup>1</sup> Non-DC Growth Funding may not equal 10% of total funding for the year due to timing of project funding. Negative amounts reflect returns.<sup>2</sup> Other Project Funding includes sources such as grants, life cycle, developer funding and taxes

## SCHEDULE C (Cont'd)

PROJECT	PROJECT DESCRIPTION	CITY WIDE HARD DC FUNDING	NON-DC GROWTH FUNDING	OTHER PROJECT FUNDING	2020 PROJECT FUNDING
13881	Engineering Capital Contingency	\$1,590	-	-	\$1,590
14056	Rodick Extension - Phase 2 of 3 - Miller to 14th	\$529,026	-	-	\$529,026
14477	Class EA Study-Pumping Station Improvements	\$378,335	-	-	\$378,335
15062	Multi-Use Pathways 2015 - Phase 2 of 4	\$18,491	-	\$58,604	\$77,095
17037	404 North Collector Roads (EA)	\$13,315	-	-	\$13,315
18049	Rouge Valley Trail Multi-Use Pathway (Phase 4 of 5)	\$117,113	\$63,061	-	\$180,173
19023	Secondary Plans	\$446,389	-	-	\$446,389
19033	Elgin Mills Road Environmental Conditions Study	\$95,820	-	-	\$95,820
19035	Hwy 404 Midblock Crossing, N of 16th Ave & Cachet Woods	\$200,000	-	-	\$200,000
19037	John Street Multi-Use Pathway (MUP) (Construction)	\$100,000	-	-	\$100,000
19047	Stormwater Thermal Cooling Pilot Project	\$15,548	-	\$32,741	\$48,289
19262	Markham Centre Trails – Design (Phase 1 of 4)	\$17,752	-	\$9,559	\$27,311
20021	Planning & Design Growth Related Recovery	\$669,300	-	-	\$669,300
20031	404 North District Water Supply (PD7) - EA	\$467,800	-	-	\$467,800
20032	Active Transportation Awareness Program	\$61,880	\$33,320	-	\$95,200
20033	Denison Street Extension Environmental Assessment	\$560,700	-	-	\$560,700
20034	Downstream Improvements Program (Construction)	\$875,420	-	\$471,380	\$1,346,800
20035	Downstream Improvements Program (Design)	\$225,615	-	\$121,485	\$347,100
20038	Markham Centre Trails - Phase 1 (Construction)	\$665,723	-	\$358,466	\$1,024,189
20039	Markham Centre Trails - Phase 2 (Design)	\$163,085	-	\$87,815	\$250,900
20041	Pedestrian Accessibility Improvements Program-Phase 6 of 7	\$288,815	\$155,516	-	\$444,331
20042	Rouge Valley Trail (Kennedy Road North) – Design	\$72,505	\$48,987	-	\$121,492
20043	Servicing & Environmental Study- Markville Secondary Plan	\$483,700	-	-	\$483,700
20045	Sidewalk Program (Design)	\$485,500	-	-	\$485,500
20046	Smart Commute Markham-Richmond Hill	\$76,300	-	-	\$76,300
20047	Growth Related Recovery	\$713,400	-	-	\$713,400
20048	Streetlight Program (Construction)	\$833,200	-	-	\$833,200
20049	Streetlighting Program (Design)	\$190,365	-	-	\$190,365
20051	Traffic Operational Improvements	\$4,940	-	\$91,560	\$96,500
20052	Transportation Study – Markville Secondary Plan	\$250,900	-	-	\$250,900
20063	Internal Project Management	\$766,800	-	\$162,000	\$928,800
21029	Markham Centre Trail Phase 1B Construction	\$530,400	-	-	\$530,400
<b>TOTAL FUNDED CITY-WIDE HARD</b>		<b>\$10,319,727</b>	<b>\$300,883</b>	<b>\$1,393,610</b>	<b>\$12,014,220</b>

**DEVELOPMENT CHARGES RESERVE****SCHEDULE D****Summary of Investments**

Balances by Category as at December 31, 2020

<b>ISSUER</b>	<b>YIELD</b>	<b>DATE BOUGHT</b>	<b>MATURITY DATE</b>	<b>COST</b>	<b>MATURITY VALUE</b>	<b>INTEREST</b>
Internal Borrowing Interest						(\$195,589)
Bank Interest/Other						\$317,625
<b>TOTAL DCA INTEREST</b>						<b>\$122,036</b>

**DEVELOPMENT CHARGES RESERVE****SCHEDULE E****Credit Obligation Summary**

Balances by Category as at December 31, 2020

	BALANCE AT JANUARY 1 2020	NEW AGREEMENTS	REDUCTIONS IN CREDITS	BALANCE AT DECEMBER 31 2020
<b>AREA-SPECIFIC RESERVES</b>				
AREA 5 - ARMADALE				
Armadale Developers' Group	\$171,719	-	-	\$171,719
AREAS 9, 42B.6, 42B.8				
Markham Avenue 7 Developers Group	\$2,339,148	-	-	\$2,339,148
AREAS 9, 42B.6, 42B.8				
North Markham Avenue 7 Developers Group	\$3,434,788	-	-	\$3,434,788
AREA 9 - PD 1-7				
1820266 Ontario Inc & UDC Corp.	\$651,212	-	-	\$651,212
AREA 23 - Mount Joy				
Wismer Commons Developers Group Inc.	\$816,354	-	-	\$816,354
AREA 42A-1 HELEN AVENUE				
Abidien Inc.	\$343,373	-	-	\$343,373
AREA 42B.6 - MARKHAM CENTRE S. HWY 7				
1826918 Ontario Ltd.	\$526,893	-	-	\$526,893
AREA 43 -				
Cornell CSA Group Limited		\$3,629,890	\$3,379,890	\$250,000
AREA 45A - WISMER				
Wismer Commons Developers Group Inc.	-	-	-	-
AREA 46 - CATHEDRAL				
Woodbine Cachet West Inc.	\$109,150	-	-	\$109,150
<b>CITY WIDE HARD RESERVES</b>				
Angus Glen Village Limited	\$149,307	-	-	\$149,307
Forest Bay Homes Ltd.	1,294,393			\$1,294,393
Angus Glen Development (2003) Ltd.		\$1,490,004	\$1,490,004	-
Forest Bay Homes Ltd.	-	\$2,278,117	\$2,134,367	\$143,750
<b>TOTAL CREDIT OBLIGATIONS</b>	<b>\$9,836,337</b>	<b>\$7,398,011</b>	<b>\$7,004,261</b>	<b>\$10,230,087</b>

**DEVELOPMENT CHARGES RESERVE**  
**Statement of Change in Year-End Balances**  
Balances by Category as at December 31, 2020

**SCHEDULE F**

	2018	2019	2020	% CHANGE 2018 - 2020
<b>CITY-WIDE SOFT SERVICES</b>				
ADMINISTRATION	(\$11,032,652)	(\$12,064,685)	(\$11,806,501)	
FIRE	\$2,064,279	\$3,055,595	\$4,067,867	
LIBRARY	(\$385,372)	\$1,738,982	\$4,048,842	
PARKLAND	\$39,628,611	\$38,239,022	\$42,560,022	
RECREATION	(\$59,213,788)	(\$57,764,104)	(\$50,618,525)	
PUBLIC WORKS	\$15,333,890	\$3,294,676	\$5,830,156	
PARKING	\$163,273	\$213,083	\$259,728	
WASTE MANAGEMENT	221,401	\$341,645	\$483,700	
<b>CITY-WIDE SOFT SERVICES</b>	<b>(\$13,220,358)</b>	<b>(\$22,945,786)</b>	<b>(\$5,174,711)</b>	<b>61%</b>
<b>CTIY WIDE HARD SERVICES</b>	<b>\$53,416,339</b>	<b>\$60,034,173</b>	<b>\$76,371,372</b>	<b>43%</b>
<b>AREA SPECIFIC CHARGES</b>	<b>\$6,982,936</b>	<b>\$6,474,098</b>	<b>\$7,466,058</b>	<b>7%</b>
<b>TOTAL DEVELOPMENT CHARGE RESERVE</b>	<b>\$47,178,917</b>	<b>\$43,562,485</b>	<b>\$78,662,719</b>	<b>67%</b>

# **DEVELOPMENT CHARGES BACKGROUND STUDY UPDATE**

**General Committee  
April 6, 2021**

## Agenda

1. Current Development Charges By-laws
2. Bill 197, COVID-19 Economic Recovery Act, 2020
3. DC Background Study Objectives
4. DC Background Study Update
5. Growth-Related Capital
6. Policy Review
7. Public Consultation
8. Timeline for Background Study Update
9. Council Sub-Committee



# 1. Current Development Charge (DC) By-laws

- The City of Markham passed its City Wide Hard (CWH), City Wide Soft (CWS) and Area Specific Development Charge (ASDC) By-laws in December 2017
- DCs are governed by the *Development Charges Act, 1997* (*DCA*) which stipulates that the maximum life of a DC By-law is 5 years from date of enactment – may be repealed/replaced earlier
- The City is required to pass new CWH, CWS and ASDC By-laws by December 13, 2022

## 2. Bill 197, COVID-19 Economic Recovery Act, 2020

- Proclaimed September 18<sup>th</sup> 2020 and municipalities have two years to transition to new regime (i.e. September 18<sup>th</sup> 2022)
- Includes amendments to the *DCA* and the *Planning Act*
- Changes introduced to be reflected in the new DC bylaws:
  - Soft services under the amended *DCA* will no longer be subject to a mandatory 10% discount → Municipalities can update DC by-laws any time to recover 100% of eligible costs of services
  - Option to use DCs interchangeably with Community Benefits Charges to fund growth-related capital projects
  - The City is no longer able to collect for municipal parking

## 2. Bill 197, COVID-19 Economic Recovery Act, 2020

- Introduction of a Community Benefits Charge (CBC)
  - Essentially a replacement for current Section 37 (density bonusing)
  - Applies to only single and lower-tier municipalities
  - Can only be imposed on apartment buildings with at least 10 units and at least 5 storeys
  - Charge is capped based on 4% of the value of land to be developed
  - Can be used to fund growth-related eligible services not fully funded through DCs
  - As CBCs will likely be applied to the non-DC portion of projects identified in the Background Study, the CBC project will be undertaken concurrently

## 3. DC Background Study Objectives

- a) Recover Maximum Amount for Growth-Related Costs (e.g. to recover 10% of soft services)
- b) Promote/Incentivize Specific Development Types (e.g. affordable housing)
- c) Streamline Administration and Alignment with the Region

## 4. DC Background Study Update

- In doing DC Background Study updates, the City uses growth forecasts that are prepared by the Region as it identifies where growth is projected to occur and where the resulting service requirements should be built
- Draft Regional forecasts anticipated to receive Council approval later in 2021
- A Regional Transportation Master Plan (TMP) will then be developed → estimated to be approved Q2 2022
- With the estimated timelines above, there is not sufficient time for the City to determine its infrastructure requirements to support the new forecasts in order to meet a December 2022 timeline

## 4. DC Background Study Update

- As a result, staff will move forward with updating the DC Background Study using the 2031 forecast horizon, with an anticipated date of completion by April 2022
- This will allow the City to recover the additional 10% of soft services allowed under Bill 197 at an earlier date, as opposed to December 2022 (i.e. when the current by-laws expire)
- Note that DC by-laws can be repealed *within* the 5 year timeline. Therefore, once Regional projections/master plans have been finalized, the goal would be to not wait the full five years until the next Background Study is undertaken

## 5. Growth-Related Capital

- Only growth-related costs can be included in the development charge
- Portions of projects related to prior growth or replacement must be financed from other sources – e.g. taxes, grants
- Increases in service levels cannot be funded through DCs, but can be funded through CBCs
- Projects oversized for future growth may be recovered from future development if not financed from development charges
- Maintenance and replacement of new and existing facilities and infrastructure are funded through tax dollars, not DCs

## 6. Policy Review

- Reassess various by-law provisions and policies, e.g. review treatment of non-profit daycare facilities
- Explore possible alignment with York Region policies, as far as possible
  - Treatment of stacked townhouses to be reviewed
  - Continue with alignment of apartment sizes for consistency
  - Explore other policy initiatives as they become known



## 7. Public Consultation

- The *Development Charges Act* requires a minimum of one Public Meeting to be held prior to the adoption of the by-laws
  - A minimum of three weeks' notice must be given
  - The Background Study and proposed By-law(s) must be made available a minimum of two weeks prior to the meeting
- The Background Study must be available to the public 60 days prior to Council approval
- Staff will engage the development community throughout the process as per past practice

## 8. Timeline for Background Study Update

**April 2021 – June  
2021**

**July - September  
2021**

**September –  
December 2021**

**January 2022**

**February -  
March 2022**

**Review Growth  
Forecast, Growth-  
Related Capital  
Requirements.  
Policy Review with  
Sub-Committee**

**Determine  
Historic Service  
Levels,  
Preliminary  
Calculations**

**Meetings with  
Sub-Committee &  
Public Consultations**

**Finalize  
Background Study  
& Council  
Endorsement**

**Statutory Public  
Meeting, Finalize  
Study & By-laws**

**April 2022  
Approval of  
DC  
Background  
Study and By-  
laws**

## 9. Council Sub-Committee

- To align with past practice, staff will convene a Council Development Charge Sub Committee to:
  - Discuss the various policy updates
  - Review the preliminary data and charges
- Staff recommend the following participants:
  - Mayor
  - Chair of the Budget Sub Committee
  - Vice Chair of the Budget Sub Committee

# QUESTIONS



## MEMORANDUM

**To:** Mayor and Members of Council

**From:** A. Prasad, Commissioner, Development Services / C. Kakaflikas, ext. 6590, Acting Director, Economic Growth, Culture & Entrepreneurship

**Prepared by:** D. De Los Santos, ext. 3663, Manager, Markham Small Business Centre and Celebrate Markham Grant Program Coordinator

**Date:** April 20, 2021

**Re:** **Celebrate Markham 2021-2022 Funding Cycle Alternative Program Options**

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## RECOMMENDATION:

1. That the memo titled, "Celebrate Markham 2021-2022 Funding Cycle Alternative Program Options" be received; and
2. That the 2021-22 Funding Cycle be approved to proceed with the following temporary modifications and to be re-evaluated prior to commencing the 2022-23 Funding Cycle:
  - a. That Council only support Celebrate Markham grant applications for virtual events (except Sports Events); and
  - b. That Sports Events be given consideration for Celebrate Markham grants only if they are in compliance with current public health restrictions and return-to-play guidelines established by the relevant PSO/NSO but that spectator participation be restricted to virtual or livestream participation only; and
  - c. That Council authorize a one-time carry-forward of unused Community Events monies (up to \$256,000) from the 2021-22 Funding Cycle to the 2022-23 Community Events funding envelope and be distributed proportionately to each funding category (up to a combined total maximum of \$512,000); and
  - d. That there be no changes to the funding envelope for the City-led events category with a funding envelope of \$84,000 annually; and
  - e. That there be no changes to the funding envelope for the Markham Arts Council annual net grant amount of \$23,400 (Celebrate Markham grant of \$30,000 less 2021 loan repayment of \$6,600 for a remaining balance owing of \$6,600 as of December 31, 2021) for their annual programs and activities conditional on receiving and approving 2020 audited financial statements; and

- f. That the special provision approved by Council in June 2020, allowing an applicant that is approved to receive grant funding during the current funding cycle and is subsequently forced to cancel their project/event due to changes in COVID-19 public health restrictions, be given consideration for financial relief towards unrecoverable/ non-deferrable expenses related to the project but not exceeding 50% of the approved grant amount and conditional on receiving and approving proof of such expenses, not be extended to the 2021-22 Funding Cycle; and
  - g. That the special provision approved by Council in June 2020, allowing an applicant that is approved to receive grant funding during the current funding cycle and subsequently decides to significantly alter/revise the way in which their proposed project/event proceeds (including a switch to virtual), that if necessary to maintain consistency with the established funding category guidelines, Staff be authorized to adjust the funding allocation based on the applicant's revised proposal but not exceeding the originally approved allocation and not exceeding 25% of the applicant's overall revised budget, conditional on receiving and approving a revised work plan, budget and impact estimates, be extended to continue to be in effect for the 2021-22 Funding Cycle; and
  - h. That the special provision approved by Council in June 2020 allowing an applicant that is approved to receive grant funding during the current funding cycle and subsequently decides to postpone their project/event to the following funding cycle (2022-23), be given the option to defer their application to 2022-23, thereby forfeiting their consideration for the current year and have their application directly carried forward for consideration as part of next year's 2022-23 funding cycle, without having to re-submit a new application form, so long as the postponed event is substantially the same in size, scope and budget as the original proposal, be extended to continue to be in effect for the 2021-22 Funding Cycle; and
  - i. That in addition to requiring proof and approval of venue and liability insurance, that all applicants be required to sign an addendum/attestation acknowledging that they and their organization take full responsibility for ensuring adherence to Public Health restrictions (e.g., including safety plans, contract tracing records, etc.); and
  - j. That grants be released no sooner than 30 days prior to the scheduled event; and
- 3. That Staff report back to Council in June recommending Celebrate Markham grant recipients; and further
  - 4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **BACKGROUND:**

A presentation was delivered to General Committee on April 6, 2021 titled "Celebrate Markham Grant Program – 2021-2022 Funding Cycle Status Update – Alternative Program Options & Implications". This memo summarizes the recommendations and options to be considered for implementation in the upcoming 2021-2022 Funding Cycle.

Staff have considered the option of adding a new, separate funding category to the Celebrate Markham grant program, with simplified criteria and easier application process, issuing numerous smaller-scale grants, similar to the \$500 neighbourhood grants program that were disbursed in 2017 during Canada 150. Staff has considered this option but are concerned about the administrative burden such a program will place on existing staff resources.

### OPTIONS/DISCUSSION:

Table A provides an overview of selected program guideline areas of the Celebrate Markham grant program which require consideration and in some cases, potential modification in order to take into account impacts of the COVID-19 pandemic and the uncertainty around public health restrictions.

**TABLE A: Selected Program Guideline Areas of the Celebrate Markham Grant Program for Consideration**

Ref.	Current State	Recommendations
1.	In any given year, applicants may propose in-person activities as part of their application to Celebrate Markham	<ul style="list-style-type: none"> <li>That Council only support Celebrate Markham grant applications for virtual events (except Sports Events); and</li> <li>That Sports Events be given consideration for Celebrate Markham grants only if they are in compliance with current public health restrictions and return-to-play guidelines established by the relevant PSO/NSO but that spectator participation be restricted to virtual or livestream participation only</li> </ul>
2.	In any given year, any unallocated, remaining funds are to be included as part of the year-end results of operations	<ul style="list-style-type: none"> <li>That Council authorize a one-time carry-forward of unused Community Events monies (up to \$256,000) from the 2021-22 Funding Cycle to the 2022-23 Community Events funding envelope and distributed proportionately to each funding category (up to a combined total maximum of \$512,000)</li> </ul>
3.	City-led events are allocated \$84,000 annually	<ul style="list-style-type: none"> <li>No change</li> </ul>
4.	Markham Arts Council is allocated a net grant amount of \$23,400 (Celebrate Markham grant of \$30,000 less 2021 loan repayment of \$6,600 for a remaining balance owing of \$6,600 as of December 31, 2021) for their annual programs and activities conditional on receiving and approving 2020 audited financial statements	<ul style="list-style-type: none"> <li>No change</li> </ul>

Ref.	Current State	Recommendations
5.	<p>In June 2020, Council approved a special provision allowing an applicant that is approved to receive grant funding during the current funding cycle and is subsequently <b>forced to cancel</b> their project/event due to changes in COVID-19 public health restrictions, be given consideration for <b>financial relief towards unrecoverable/non-deferrable expenses</b> related to the project but not exceeding 50% of the approved grant amount and conditional on receiving and approving proof of such expenses</p>	<ul style="list-style-type: none"> <li>That this special provision not be extended to the 2021-22 Funding Cycle</li> </ul>
6.	<p>In June 2020, Council approved a special provision allowing an applicant that is approved to receive grant funding during the current funding cycle and subsequently decides to significantly alter/revise the way in which their proposed project/event proceeds (including a <b>switch to virtual</b>), that if necessary to maintain consistency with the established funding category guidelines, Staff be authorized to adjust the funding allocation based on the applicant's revised proposal but not exceeding the originally approved allocation and <b>not exceeding 25% of the applicant's overall revised budget</b>, conditional on receiving and approving a revised work plan, budget and impact estimates</p>	<ul style="list-style-type: none"> <li>That this special provision be extended to continue to be in effect for the 2021-22 Funding Cycle</li> </ul>
7.	<p>In June 2020, Council approved a special provision allowing an applicant that is approved to receive grant funding during the current funding cycle and subsequently decides to <b>postpone their project/event</b> to the following funding cycle (2022-23), be given the option to defer their application to 2022-23, thereby forfeiting their consideration for the current year and have their application directly carried forward for consideration as part of next year's 2022-23 funding cycle, without having to re-submit a new application form, so long as the postponed event is substantially the same in size, scope and budget as the original proposal</p>	<ul style="list-style-type: none"> <li>That this special provision be extended to continue to be in effect for the 2021-22 Funding Cycle</li> </ul>



Ref.	Current State	Recommendations
8.	For any approved applicant, proof and approval of a venue and liability insurance are required to be provided as a condition prior to the release of funds	<ul style="list-style-type: none"> <li>That in addition to this requirement, all approved applicants be required to sign an addendum/attestation acknowledging that they and their organization take full responsibility for ensuring adherence to Public Health restrictions (e.g., including safety plans, contact tracing records, etc.)</li> </ul>
9.	Release of grant funds can occur up to 60 days prior to the scheduled program/event	<ul style="list-style-type: none"> <li>That grants be released no sooner than 30 days prior to the scheduled event</li> </ul>

### **NEXT STEPS:**

Upon approval by Council, Staff will communicate final program modifications to applicants and allow up to 4 weeks for applicants to re-consider their position and either postpone for the year, or alter their plans to switch to virtual. The Celebrate Markham interdepartmental staff review committee will then evaluate applications.

A staff report recommending Celebrate Markham grant recipients will be made to Council in June 2021.

Depending on the Covid situation and evolving public health restrictions, there may be an opportunity to reintroduce larger in-person events in 2022.



# **Celebrate Markham Grant Program**

## **2021-2022 Funding Cycle Status Update & Alternative Program Options & Implications**

### **Presentation to General Committee April 6, 2021**

Prepared by:  
Christina Kakaflikas, Acting Director, Economic Growth,  
Culture & Entrepreneurship

Don De Los Santos, Manager,  
Markham Small Business Centre



## Recommendations

Status Quo	Recommendations	Funding Implications
<p>4 Funding Categories (and caps per <b>applicant</b>):</p> <ul style="list-style-type: none"> <li>Cultural Events &amp; Programs (up to \$5k)</li> <li>Major Community Festivals (up to \$10k – minimum 10,000 attendees and over multiple days)</li> <li>Seniors Clubs (up to \$3k)</li> <li>Sports Events (up to \$10k or \$20k)</li> </ul>	<ul style="list-style-type: none"> <li>2021-22 Funding Cycle – require applicants in the Major Community Festivals category to <b>switch to virtual</b> (or submit a smaller scale in-person) which would effectively reduce the funding cap per applicant for the Major Community Festivals category from \$10k down to \$5k</li> </ul>	<ul style="list-style-type: none"> <li>2021-22 Funding Cycle – for the Major Community Festivals category, the funding cap per <b>applicant</b> would be reduced from \$10k down to \$5k <ul style="list-style-type: none"> <li>For all other categories maintain funding caps per applicant, per category as per status quo</li> </ul> </li> </ul>
<p>Total Funding envelope for Community events is \$256k (and caps per <b>category</b>):</p> <ul style="list-style-type: none"> <li>Cultural Events &amp; Programs - \$76k</li> <li>Major Community Festivals - \$100k</li> <li>Seniors Clubs - \$40k</li> <li>Sports Events - \$40k</li> </ul> <p>And for other categories:</p> <ul style="list-style-type: none"> <li>City-led Events - \$84k</li> <li>Markham Arts Council - \$30k</li> </ul>	<ul style="list-style-type: none"> <li>2021-22 Funding Cycle – maintain funding caps per <b>category</b> as per status quo</li> <li>2022-23 Funding Cycle – THAT any unused community events funding envelope (up to \$256k) from 2021-22 Funding Cycle be carried forward in order to expand the total 2022-23 community events funding envelope, allowing for increased flexibility in providing support to a broader set of applicants</li> <li>Maintain funding envelopes for both City-led events and the Markham Arts Council as per status quo</li> </ul>	<ul style="list-style-type: none"> <li>2021-22 Funding Cycle unused community events funding envelope (up to \$256k) would be <b>carried forward</b> into the subsequent cycle</li> <li>2022-23 Funding Cycle overall community events funding envelope would be <b>expanded</b> by an amount equal to the 2021-22 unused community events funding envelope and distributed proportionately to each funding category</li> </ul>



## Purpose

- To seek Council direction on proposed changes to Celebrate Markham's intake, approval and pre-allocation/funding processes for the 2021-22 Funding Cycle
- Certain event/program organizers have contacted the City for information about the City's position with respect to Celebrate Markham, specifically regarding:
  - Direction on allowable in-person gatherings
  - Considerations for switch to virtual format
  - Considerations for postponement to the following year
- Internal staff departments that support certain event organizers in the execution of their events have identified the need to take a consistent and aligned approach to funding pre-allocations/commitments made under the Celebrate Markham grant program, with the limitations imposed by anticipated public health restrictions and reduced staff capacity to actually support execution of these event proposals



## Update on Celebrate Markham Program

### Background

- For last year's 2020-21 funding cycle, Council approved funding recommendations to 53 Celebrate Markham applicants, totaling \$184,500 out of \$256,000 available, as well as \$30,000 to Markham Arts Council
- Council approved certain special provisions allowing for:
  - Events unexpectedly forced to cancel: consideration of financial relief of up to 50% of approved grant amount
  - Events that switch to virtual have the opportunity to be considered but that the allocation be limited to up to 25% of the revised budget
  - Events may postpone to the following year without having to fill out a new application form



## Update on Celebrate Markham Program

### Background

- During last year's 2020-21 funding cycle, out of the 53 applicant funding recommendations approved:
  - 18 grants released so far
    - 4 fully virtual
    - 14 mix of virtual and in-person
  - 12 decided to postpone to the following year (2021-22)
  - 5 cancelled
  - 18 pending decisions
- For the upcoming 2021-22 funding cycle, 64 applications are under consideration (including 12 postponements and 18 pending decisions from last year's 2020-21 funding cycle)
  - 44 proposing in-person activity (tentatively)
  - 14 proposing in-person but built-in plan to switch to virtual
  - 4 mix of virtual and in-person
  - 2 fully virtual



## Recommendations For 2021-22 Funding Cycle

Status Quo	Recommendations	Funding Implications
<ul style="list-style-type: none"><li>City-led Events (\$84k) typically include:<ul style="list-style-type: none"><li>Senior's Hall of Fame</li><li>Canada Day Celebrations</li><li>Doors Open Markham</li><li>Markham Milliken Children's Festival</li><li>Earth Hour</li><li>Markham Santa Claus Parade</li><li>Black History Month celebrations</li></ul></li></ul>	<ul style="list-style-type: none"><li>As per Corporate Communications and Community Engagement, any <b>in-person</b> activation of these events is temporarily suspended until further notice. Virtual events may be pursued.</li></ul>	<ul style="list-style-type: none"><li>Unused funding from City-led events in the 2021-22 Funding Cycle will <b>not</b> be carried forward into next year's funding cycle</li></ul>
<ul style="list-style-type: none"><li>Markham Arts Council is separately considered and allocated funding of \$30,000 annually</li></ul>	<ul style="list-style-type: none"><li>Maintain allocation as per status quo</li></ul>	<ul style="list-style-type: none"><li>No change</li></ul>
<ul style="list-style-type: none"><li><b>Sports Events</b> typically involve two groups of in-person participants:<ul style="list-style-type: none"><li>a) Athletes/coaches/judges/referees/organizers</li><li>b) Spectators</li></ul></li></ul>	<ul style="list-style-type: none"><li>In compliance with Public Health restrictions and Return-to-Play guidelines from relevant PSO/NSO, allow in-person participation from group (a) BUT not for group (b) – <b>only virtual/livestream</b> options will be considered for spectators</li></ul>	<ul style="list-style-type: none"><li>n/a</li></ul>



## Recommendations For 2021-22 Funding Cycle

Status Quo	Recommendations	Funding Implications
<ul style="list-style-type: none"><li>• <b>Special provisions</b> were introduced in 2020-21 Funding Cycle for:<ul style="list-style-type: none"><li>○ Cancellations (relief of up to 50% of grant allocation);</li><li>○ Postponements (no need to reapply the following year); and,</li><li>○ Alterations/switch to virtual (approve up to 25% of revised budgeted costs)</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Maintain special provisions for Cancellations and Postponements<ul style="list-style-type: none"><li>○ BUT for organizers who opt to alter plans and <b>switch to a virtual</b> format – allow support for up to 50% of budgeted costs instead of 25% as currently stated as per status quo (note: a limit does not and would not apply to Seniors Clubs applicants who switch to virtual)</li></ul></li><li>• Event and program organizers have expressed concern that private/corporate sponsorships and donations are scarcer than ever – a switch to a virtual format further exacerbates that scarcity, with sponsors less willing to participate; as well as this provision further limiting the amount that Celebrate Markham is able to support (down to 25%); forcing the organization to have to cover a greater proportion of the overall costs</li><li>• Increasing the Celebrate Markham allowable funding support from 25% to 50% provides additional assistance to offset these revenue shortfalls</li><li>• Such a change would help encourage organizers to at least pursue some continuing level of community engagement through virtual alternative programming thereby contributing to enhancing social cohesion, mental health and resilience in the community.</li></ul>	<ul style="list-style-type: none"><li>• Funding caps and envelope are not affected, only the amount made available for a <b>virtual</b> program would be expanded (from 25% to up to 50%)</li></ul>





## Recommendations For 2021-22 Funding Cycle

### Example A: Impact on a Major Community Festival Applicant

- ABC Festival Group originally applied, hoping to qualify for the full \$10k available in the category, for an event they intended to spend \$50,000 on. They now decide to switch to virtual with a revised budget of \$10k.
- The switch to virtual already reduces the funding cap down to \$5k for Major Festival applicants, exacerbating lost sponsorships
- In addition at a 25% cap (on a \$10k revised budget), they would only qualify for up to \$2,500, rather than the full \$5k available.
- By making up to 50% available to the organization, their revised total budget need only be \$10,000 to qualify for the full \$5k available in this category; assuming of course, that the merits of the revised proposal meet the conditions necessary to recommend the full \$5k.

### Example B: Impact on a Smaller scale Cultural Programs Applicant

- XYZ Cultural Group originally applied, hoping to qualify for the full \$5k available in the category, for an event they intended to spend \$10,000 on. They now decide to switch to virtual with a revised budget of \$6k.
- The switch to virtual already exacerbates lost sponsorships
- In addition at a 25% cap (on an \$6k revised budget), they would only qualify for up to \$1,500, rather than the full \$5k available.
- By making up to 50% available to the organization, even on their revised budget of \$6k, they can at least qualify to receive \$3k instead of \$1,500; assuming of course, that the merits of the revised proposal meet the conditions necessary to recommend the \$3k amount.



## Recommendations For 2021-22 Funding Cycle

Status Quo	Recommendations	Funding Implications
<ul style="list-style-type: none"><li>Events and Programs that require special events permits can typically apply and have funding <b>pre-allocated</b> to their proposal even if they have <b>not</b> actually secured confirmation of the location (note: funding would not be released until proof of venue permission is provided)</li></ul>	<ul style="list-style-type: none"><li>Event proposals planned to occur in-person at locations such as:<ul style="list-style-type: none"><li>Use of Civic Centre (indoor and/or outdoor);</li><li>Require road closures;</li><li>Occur in public parks; or,</li><li>Any other outdoor private property but that requires municipal approval (e.g., noise exemption, building permit, traffic management);</li></ul></li><li>Would only be given consideration towards a <b>virtual event only</b> (i.e., no pre-allocation will be considered for in-person proposals planned to occur at these locations)</li></ul>	<ul style="list-style-type: none"><li>Such virtual events would be subject to the above consideration of allowing for up to 50% of budgeted costs.</li></ul>
<ul style="list-style-type: none"><li>Indoor and Outdoor gatherings have no limits (other than as per physical capacity of space)</li></ul>	<ul style="list-style-type: none"><li>Regardless of category, any in-person proposal shall be limited to less than 50 for indoors, and less than 100 outdoors (or for unstaffed venues – indoor not permitted and for outdoors less than 25 permitted).</li></ul>	<ul style="list-style-type: none"><li>n/a</li><li>Based on advice received from special events experts, during 2021, Ontario will likely continue to remain in the Provincial Framework</li><li>The suggested limits represent the best-case scenario of Markham being in Green-Prevent under the Provincial framework</li></ul>



## Recommendations For 2021-22 Funding Cycle

Status Quo	Recommendations	Funding Implications
<ul style="list-style-type: none"><li>• Proof/approval of venue and insurance is required from <b>all</b> event organizers as a condition before funds will be released</li></ul>	<ul style="list-style-type: none"><li>• Maintain requirement as per status quo</li><li>• Add additional requirement that organizers must sign addendum/attestation acknowledging that organizers take full responsibility for ensuring adherence to Public Health restrictions and suggest a checklist of requirements (e.g., safety plan, contact tracing plan, etc.)</li></ul>	<ul style="list-style-type: none"><li>• n/a</li><li>• But time/capacity required for Legal Dept. to draft addendum/attestation</li></ul>
<ul style="list-style-type: none"><li>• Release of grant funds <b>can</b> occur up to 60 days prior to the scheduled event</li></ul>	<ul style="list-style-type: none"><li>• Shorten release to up to 30 days prior to increase certainty of event proceeding as expected</li></ul>	<ul style="list-style-type: none"><li>• n/a</li></ul>



## Next Steps

- Upon Council approval of these recommendations, communicate updates to applicants
- Allow 4 weeks for applicants who had originally proposed in-person activity to re-consider their position and either postpone for the year, or alter their plans to switch to virtual.
- Subsequently allow 6 more weeks to draft, review and present a final recommendation report to Council by June 2021.



Report to: General Committee

Meeting Date: April 6, 2020

**SUBJECT:** Award of Construction Tender 003-T-21 West Thornhill – Phase 3B Storm Sewer and Watermain Replacement

**PREPARED BY:** Rob Grech, Acting Senior Manager, Infrastructure, Ext. 2357  
Flora Chan, Senior Buyer, Ext. 3189

**RECOMMENDATION:**

- 1) That the report entitled “Award of Construction Tender 003-T-21 West Thornhill – Phase 3B Storm Sewer and Watermain Replacement” be received; and,
- 2) That the contract for Tender 003-T-21 West Thornhill – Phase 3B Storm Sewer and Watermain Replacement be awarded to the lowest priced Bidder, Direct Underground Inc. in the amount of \$4,263,945.97, inclusive of HST impact; and,
- 3) That a 10% contingency in the amount of \$426,394.60 inclusive of HST, be established to cover any additional construction costs and that authorization to approve expending of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
- 4) That the construction award in the amount of \$4,690,340.57 (\$4,263,945.97 + \$426,394.60) be funded from the following capital projects:
  - (a) 058-6150-21164-005 “West Thornhill Flood Control Implementation - Phase 3B Construction”; and,
  - (b) 053-6150-21170-005 “Cast Iron Watermain Replacement – West Thornhill Phase 3B” as outlined under the financial considerations section in this report; and,
- 5) That the remaining funds in project #21164 “West Thornhill Flood Control Implementation - Phase 3B Construction” in the amount \$1,816,921.34 from the Stormwater Fee Reserve and the budget remaining in project #21170 “Cast Iron Watermain Replacement – West Thornhill Phase 3B” from the Waterworks Reserve in the amount of \$1,065,105.09 will be returned to the original funding source; and,
- 6) That a 5-year moratorium be placed on any major servicing and utility installation along restored areas including Johnston Street, Dove Lane, Ida Street, Wiarton Court, St. Andrews Court; 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 report is to obtain Council approval to award the contract for the West Thornhill – Phase 3B Storm Sewer and Watermain Replacement.

**BACKGROUND:**

The stormwater flood control implementation strategy was approved by Council on November 8, 2011 for the West Thornhill area in accordance with the City's November 2010 Class EA Study. The City-wide Flood Control Program is a 30-year program with an estimated cost of \$367M - \$382M (2018 dollars). The first phase (1A, 1B & 1C) of the remediation included storm sewer capacity upgrades in the Bayview Glen neighbourhood, second phase (2A, 2B, 2C & 2D) includes the Grandview area and Phase 3 includes Clark Ave./ Henderson area. Implementation schedule is outlined in the table below:

Area	Proposed Implementation Schedule	Status
Phase 1A: Bayview Glen Area	2014 - 2015	Substantially completed as of Nov 2015; Maintenance completion Nov 2017
Phase 1B: Bayview Glen Area	2015 - 2016	Substantially completed as of Aug 2016; Maintenance completion Aug 2018
Phase 1C: Canadiana Road	2016	Substantially completed as of Dec 2016; Maintenance completion Dec 2018;
Phase 2A: Grandview Area	2016 - 2017	Substantially completed as of Dec 2016; Maintenance completion Dec 2018
Phase 2B: Grandview Area (Park & Proctor Ave)	2017 - 2018	Substantially completed as of Dec 2017; Maintenance completion Dec 2019
Phase 2C: Grandview Area	2018 - 2019	Substantially completed as of Nov 2019; Maintenance completion Nov 2021
Phase 2D: Grandview Area	2019 - 2020	Substantially completed as of Nov 2019; Maintenance completion Nov 2021
Phase 3A: Clark Ave./ Henderson Area	2020 - 2021	Scheduled Substantially completed Oct 2021 Scheduled Maintenance completion Oct 2023
Phase 3B: <b>Johnson Street Area (This Award)</b>	2021	<b>Construction Commencement April 2021</b>
Phase 3C: Clark Ave./ Henderson Area	2022 - 2023	
Phase 4A: Royal Orchard/Kirk Drive	2021 – 2022	Construction Commencement May 2021
Phase 4B: Romfeld Circuit	2023 - 2024	
Phase 4C: Royal Orchard/Silver Aspen	2024 – 2025	
Phase 4D: Baythorn/Inverlochy	2025 - 2026	

To support the program, on June 24, 2014, Council approved the structure of the stormwater fee rates in order to meet the annual revenue target for the first 5-year cycle of

the Program. The new stormwater fee supports the 30-year initiative, to improve storm drainage capacity and limit flooding risks in urban areas.

On April 16, 2019, Council approved a \$50 annual fee per residential property for 2020 and further increase of \$1 per year up to 2024 and an increase of 2% per \$100,000 of current value assessment (CVA) and 2% annual increase thereafter for non-residential properties. Stormwater fees will be re-assessed in 2025.

### **Construction Tender for Phase 3B**

Due to the scope of the project, contractors were prequalified to ensure that they had the necessary qualifications, experience and resources to complete the work in accordance with the City's requirements and within the specified timelines. Prequalification 196-P-20 was issued in accordance with the Purchasing By-law 2017-8.

### **Pre-Qualification Information (196-P-20)**

Prequalification closed on	October 5, 2020
Number of Contractors picking up the Pre-qualification document	40
Number of Contractors responding to the Pre-qualification	31
Number of Contractors Pre-qualified	15

### **Construction Tender Information (003-T-21)**

Bids closed on	February 26, 2021
Number picking up the Bid document	14
Number responding to the Bid	11

### **Price Summary**

<b>Bidder</b>	<b>Bid Price (Inclusive of HST Impact)</b>
<b>Direct Underground Inc.</b>	<b>\$4,263,945.97</b>

### **OPTIONS/ DISCUSSION:**

#### Watermain Replacement

The existing cast iron watermain on Johnson Street, Dove Lane, Wiarton Crt, Ida St and St. Andrews Crt. are close to the end of their life cycle. Combined replacement of services will minimize disruption to the local community by avoiding replacement of watermain and repair of the roadway at a later date.

The replacement of cast iron watermain is consistent with the City's strategy to upgrade aged and deficient watermain to improve supply capacity and reliability. Replacement of these old cast iron watermain will also offer improved reliability (less risk of breaks) as well as improve water quality and flows for domestic and fire demand. Based on experience, cast iron watermain are susceptible to internal and external corrosion as they age which leads to poor water quality and increased watermain breaks. The new watermain replacement material will be PVC pipe, which has a service life of 90 years and is superior as it is heat resistant, chemical resistant and non-corrosive.

The Tender award includes the replacement of the existing watermain at a cost of \$2,773,794.91 inclusive of 10% contingency and HST impact.

#### Public Input

A Public Information Committee (PIC) meeting will be scheduled in April 2021, prior to construction, to provide an update to the area residents and businesses, as well as to address any potential issues or concerns that the public may have on the proposed construction.

#### Traffic Management Plan

The objective of the traffic management plan is to limit the traffic within the construction zone (only local traffic will be allowed) and divert through traffic onto adjacent roadways.

#### Communications Plan

Staff will provide regular updates to the affected stakeholders as well as early notification for any disruptions to driveway access or municipal services. The City's website will provide up-to-date information, as required, on the status of the project.

#### Construction Moratorium

Environmental Services staff is requesting that Council approve a 5-year moratorium on major construction work within the following roadway, which is to be enforced immediately after construction is complete. Minor and emergency repairs would be permitted. The moratorium would not affect any utility projects within the boulevard area.

- Johnson Street
- Dove Lane
- Ida Street
- Wiarton Court
- St Andrews Court

#### Project Schedule for Phase 3B:

- April 2021 - Issue of Purchase Order
- May 2021 - Commencement of work
- September, 2021 – Substantial completion of work
- October, 2021 – Final Restoration

### **FINANCIAL CONSIDERATIONS**

The following table summarizes the financial considerations for Phase 3B:

	<b>Storm Sewer Project #21164</b>	<b>Watermain Project #21170</b>	
Budget Available for Construction component of this Project (A)	\$3,733,467.00	\$3,838,900.00	058-6150-21164-005 053-6150-21170-005
Less: Construction Cost (B)	\$1,742,314.23	\$2,521,631.74	} Awarded to Direct Underground Inc. (003-T-21)
Less: Construction Contingency (10%) (C)	\$ 174,231.42	\$ 252,163.17	
<b>Total Cost (D) = (B) + (C)</b>	<b>\$1,916,545.66</b>	<b>\$2,773,794.91</b>	



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Budget Remaining (E) = (A) – (D)	\$1,816,921.34	\$1,065,105.09	*
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\*The remaining funds in project #21164 “West Thornhill Flood Control Implementation - Phase 3B Construction” in the amount \$1,816,921.34 will be returned to the original funding source (Stormwater Fee Reserve). The remaining funds in project #21170 “Cast Iron Watermain Replacement – West Thornhill Phase 3B” in the amount of \$1,065,105.09 will be returned to the original funding source (Waterworks Reserve).

## **HUMAN RESOURCES CONSIDERATIONS**

None

## **ALIGNMENT WITH STRATEGIC PRIORITIES:**

The proposed flood remediation program is aligned with City’s goal to provide better quality services to the public and is consistent with the Building Markham’s Future Together strategic priority on the “Growth Management” and “Environment” as it considers sustainability on the built environment.

## **BUSINESS UNITS CONSULTED AND AFFECTED:**

The Finance department has been consulted and their comments have been incorporated.

## **RECOMMENDED BY:**

Eddy Wu  
Acting Director, Environmental Services

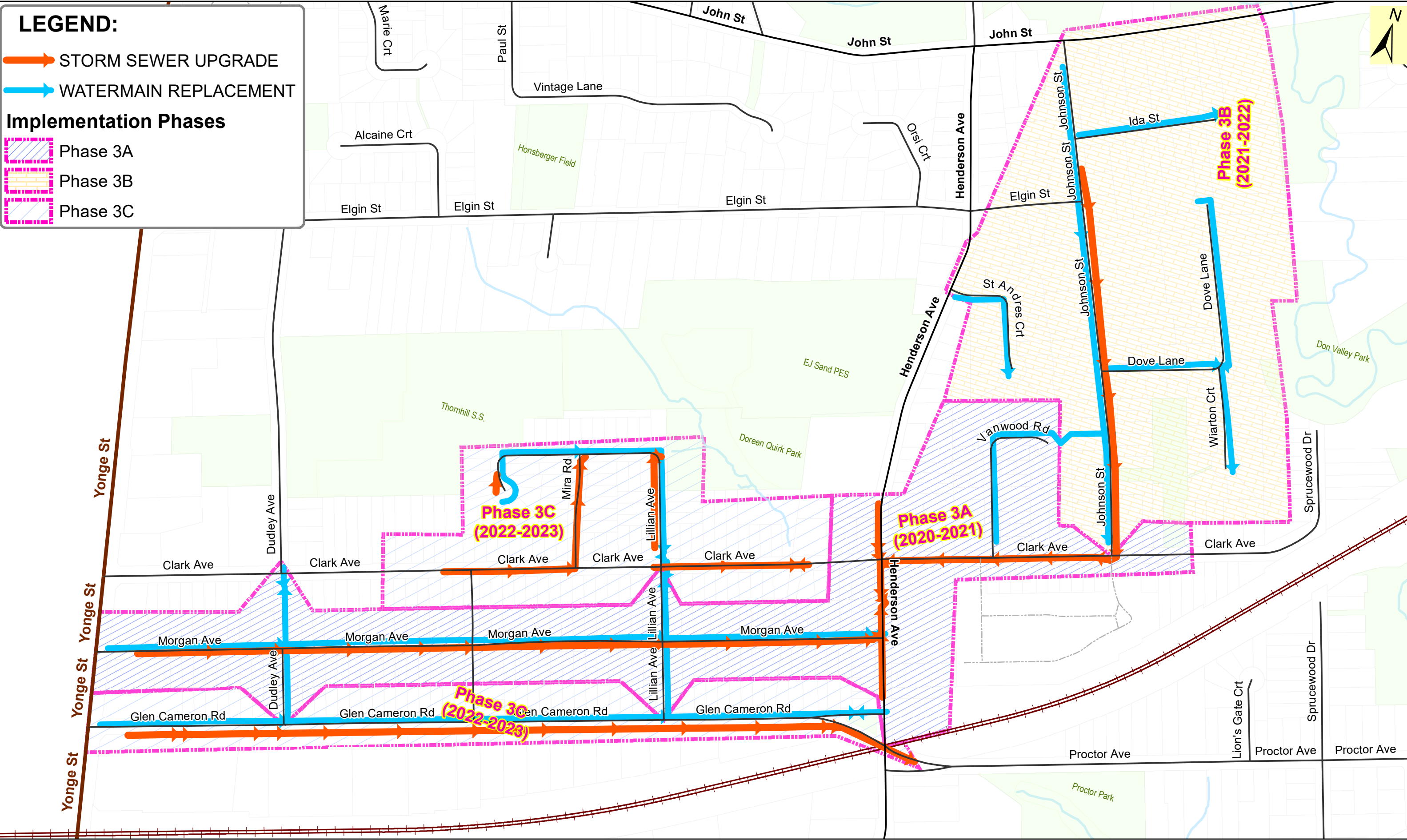
Andy Taylor  
CAO

## **ATTACHMENTS:**

Attachment A – Location Map

Attachment B – West Thornhill Flood Control Implementation Phases

# LOCATION MAP - WEST THORNHILL - PHASES 3A, 3B & 3C





## Page 94 of 199





Report to: General Committee

Meeting Date: April 6, 2020

**SUBJECT:** Award of Construction Tender 004-T-21 West Thornhill – Phase 4A Storm Sewer and Sanitary Sewer Upgrades  
**PREPARED BY:** Rob Grech, Acting Senior Manager, Infrastructure, Ext. 2357  
 Flora Chan, Senior Buyer, Ext. 3189

### RECOMMENDATION:

- 1) That the report entitled “Award of Construction Tender 004-T-21 West Thornhill – Phase 4A Storm Sewer and Sanitary Sewer Upgrades” be received; and,
- 2) That the contract for Tender 004-T-21 West Thornhill – Phase 4A Storm Sewer and Sanitary Sewer Upgrades be awarded to the lowest priced Bidder, GFL Infrastructure Group, in the amount of \$12,477,267.18, inclusive of HST; and,
- 3) That a 10% contingency in the amount of \$1,247,726.72 inclusive of HST, be established to cover any additional construction costs and that authorization to approve expending of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
- 4) That the construction award in the amount of \$13,724,993.90 (\$12,477,268.18 + \$1,247,726.72) be funded from the following capital projects:
  - (a) 058-6150-21165-005 “West Thornhill Flood Control Implementation - Phase 4A Construction”; and,
  - (b) 053-5350-21172-005 “Royal Orchard Sanitary Sewer Upgrades (West Thornhill Phase 4A)” as outlined under the financial considerations section in this report; and,
- 5) That the remaining funds in project #21165 “West Thornhill Flood Control Implementation - Phase 4A Construction” in the amount of \$4,091,337.96 will not be required from the Stormwater Fee Reserve and the budget remaining in project #21172 “Royal Orchard Sanitary Sewer Upgrades – West Thornhill Phase 4A Construction” in the amount of \$7,186.76 will be returned to the waterworks reserve; and,
- 6) That a 5-year moratorium be placed on any major servicing and utility installation along restored areas including Royal Orchard Blvd (from Pomona Creek to Bayview), Kirk Drive, Knotty Pine Trail, Augusta Court, Doral Gate and Blue Spruce Lane; 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 report is to obtain Council approval to award the contract for the West Thornhill – Phase 4A Storm Sewer and Sanitary Sewer Upgrades.

**BACKGROUND:**

The stormwater flood control implementation strategy was approved by Council on November 8, 2011 for the West Thornhill area in accordance with the City's November 2010 Class EA Study. The City-wide Flood Control Program is a 30-year program with an estimated cost of \$367M - \$382M (2018 dollars). The first phase (1A, 1B & 1C) of the remediation included storm sewer capacity upgrades in the Bayview Glen neighbourhood, second phase (2A, 2B, 2C & 2D) includes the Grandview area and Phase 3 includes Clark Ave./ Henderson area. Phase 4 includes Royal Orchard / Romfield / Silver Aspen / Baythorn / Inverlochy. The implementation schedule is outlined in the table below:

Area	Proposed Implementation Schedule	Status
Phase 1A: Bayview Glen Area	2014 - 2015	Substantially completed as of Nov 2015; Maintenance completion Nov 2017
Phase 1B: Bayview Glen Area	2015 - 2016	Substantially completed as of Aug 2016; Maintenance completion Aug 2018
Phase 1C: Canadiana Road	2016	Substantially completed as of Dec 2016; Maintenance completion Dec 2018;
Phase 2A: Grandview Area	2016 - 2017	Substantially completed as of Dec 2016; Maintenance completion Dec 2018
Phase 2B: Grandview Area (Park & Proctor Ave)	2017 - 2018	Substantially completed as of Dec 2017; Maintenance completion Dec 2019
Phase 2C: Grandview Area	2018 - 2019	Substantially completed as of Nov 2019; Maintenance completion Nov 2021
Phase 2D: Grandview Area	2019 - 2020	Substantially completed as of Nov 2019; Maintenance completion Nov 2021
Phase 3A: Clark Ave./ Henderson Area	2020 - 2021	Anticipated substantial completion Sep 2021
Phase 3B: Johnson Street Area	2021	Construction Commencement May 2021
Phase 3C: Clark Ave./ Henderson Area	2022 - 2023	
<b>Phase 4A: Royal Orchard/Kirk Drive (This Award)</b>	<b>2021 – 2022</b>	<b>Construction Commencement May 2021</b>
Phase 4B: Romfeld Circuit	2023 - 2024	
Phase 4C: Royal Orchard/Silver Aspen	2024 – 2025	
Phase 4D: Baythorn/Inverlochy	2025 - 2026	



To support the program, on June 24, 2014, Council approved the structure of the stormwater fee rates in order to meet the annual revenue target for the first 5-year cycle of the Program. The new stormwater fee supports the 30-year initiative, to improve storm drainage capacity and limit flooding risks in urban areas.

On April 16, 2019 Council approved a \$50 annual fee per residential property for 2020 and further increase of \$1 per year up to 2024 and an increase of 2% per \$100,000 of current value assessment (CVA) and 2% annual increase thereafter for non-residential properties. Stormwater fees will be re-assessed in 2025.

#### **Construction Tender for Phase 4A**

Due to the scope of the project, contractors were prequalified to ensure that they had the necessary qualifications, experience and resources to complete the work in accordance with the City's requirements and within the specified timelines. Prequalification 196-P-20 was issued in accordance with the Purchasing By-law 2017-8.

#### **Pre-Qualification Information (196-P-20)**

Prequalification closed on	October 5, 2020
Number of Contractors picking up the Pre-qualification document	40
Number of Contractors responding to the Pre-qualification	31
Number of Contractors Pre-qualified	15

#### **Construction Tender Information (004-T-21)**

Bids closed on	March 8, 2021
Number picking up the Bid document	14
Number responding to the Bid	8

#### **Price Summary**

<b>Bidder</b>	<b>Bid Price (Inclusive of HST)</b>
<b>GFL Infrastructure Group.</b>	<b>\$12,477,267.18</b>

#### **OPTIONS/ DISCUSSION:**

##### Royal Orchard Sanitary Sewer Upgrades:

The existing sanitary sewer on Royal Orchard was constructed in and around the mid-1960s, and had been identified in previous city-initiated studies as operating beyond design capacity under existing conditions.

In March 2018, Tridel Group (Tridel) submitted an application to amend the existing Official Plan and Zoning By-Law to permit a residential hi-rise development on the eastern portion of the Ladies Golf Course. With the submission of their application, Tridel requested the existing sanitary sewer to be upgraded on Royal Orchard to service their proposed development.

Under the cost sharing arrangement, Tridel will provide a one-time fixed payment to the City, in the amount of \$3,684,062.64 (\$3,274,490.67 for construction + \$409,571.97 for engineering and contract administration). to coordinate, manage and execute the sanitary

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sewer upgrade together with the flood control works planned for this area (West Thornhill – Phase 4 Flood Control Implementation), The arrangement is contingent on the sanitary sewer being constructed by the end of 2021, which has been incorporated into the project schedule.

The Tender award includes the replacement of the existing sanitary sewers at a cost of \$3,267,303.86 inclusive of 10% contingency and HST impact.

#### Public Input

An on line Public Information Committee (PIC) meeting will be scheduled in April 2021, prior to construction, to provide an update to the area residents and businesses, as well as to address any potential issues or concerns that the public may have on the proposed construction.

#### Traffic Management Plan

The objective of the traffic management plan is to limit the traffic within the construction zone (only local traffic will be allowed) and divert through traffic onto adjacent roadways.

#### Communications Plan

Staff will provide regular updates to the affected stakeholders as well as early notification for any disruptions to driveway access or municipal services. The City's website will provide up-to-date information, as required, on the status of the project.

#### Construction Moratorium

In August 2020, Environmental Services staff advised all utility companies (e.g. Alectra Utilities Enbridge, Rogers and Bell Canada) that all upgrades to their infrastructure be completed prior to permanent restoration of roads in 2022.

Environmental Services staff is requesting that Council approve a 5-year moratorium on major construction work within the following roadway, which is to be enforced immediately after construction is complete. Minor and emergency repairs would be permitted. The moratorium would not affect any utility projects within the boulevard area.

- Royal Orchard Boulevard (From Bayview Ave to Pomona Creek)
- Blue Spruce Lane
- Knotty Pine Trail
- Kirk Drive
- Doral Gate
- August Court

#### Project Schedule for Phase 4A:

- April 2021 - Issue of Purchase Order
- May 2021 - Commencement of work
- December 2021 – Completion of Sanitary Sewer
- August, 2022 – Substantial completion of work
- Summer, 2023 – Final Restoration

## FINANCIAL CONSIDERATIONS

The following table summarizes the financial considerations for Phase 4A:

	<b>Storm</b>	<b>Sanitary</b>	
Budget Available for Construction component of this Project (A)	\$14,549,028.00	\$3,274,490.62	058-6150-21165-005 053-6150-21172-005
Less: Construction Cost (B)	\$ 9,506,990.95	\$3,267,303.86	} Awarded to GFL Infrastructure Group
Less: Construction Contingency (10%) (C)	\$ 950,699.09	\$ 297,027.62	
<b>Total Cost (D) = (B) + (C)</b>	<b>\$10,457,690.04</b>	<b>\$3,267,303.86</b>	
Budget Remaining (E) = (A) – (D)	\$ 4,091,337.96	\$ 7,186.76	*

\*The remaining funds in project #21165 “West Thornhill Flood Control Implementation - Phase 4A Construction” in the amount of \$4,091,337.96 will not be required from the Stormwater Fee Reserve. The remaining funds in project #21172 “Royal Orchard Sanitary Sewer Upgrades (West Thornhill Phase 4A)” in the amount of \$7,186.76 will be returned to the waterworks reserve to offset costs incurred by the City in the design of the project.

## OPERATING BUDGET AND LIFE CYCLE RESERVE IMPACT

The constructed stormwater and sanitary sewers, and associated infrastructure is estimated to last 100 years. As such, there is no incremental impact to the Life Cycle Reserve Study over the next 25 years. There is no incremental operating budget impact.

## HUMAN RESOURCES CONSIDERATIONS

None

## ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed flood remediation program is aligned with City’s goal to provide better quality services to the public and is consistent with the Building Markham’s Future Together strategic priority on the “Growth Management” and “Environment” as it considers sustainability on the built environment.

## BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance department has been consulted and their comments have been incorporated.

## RECOMMENDED BY:



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Eddy Wu  
Acting, Director of Environmental  
Services

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Andy Taylor  
CAO

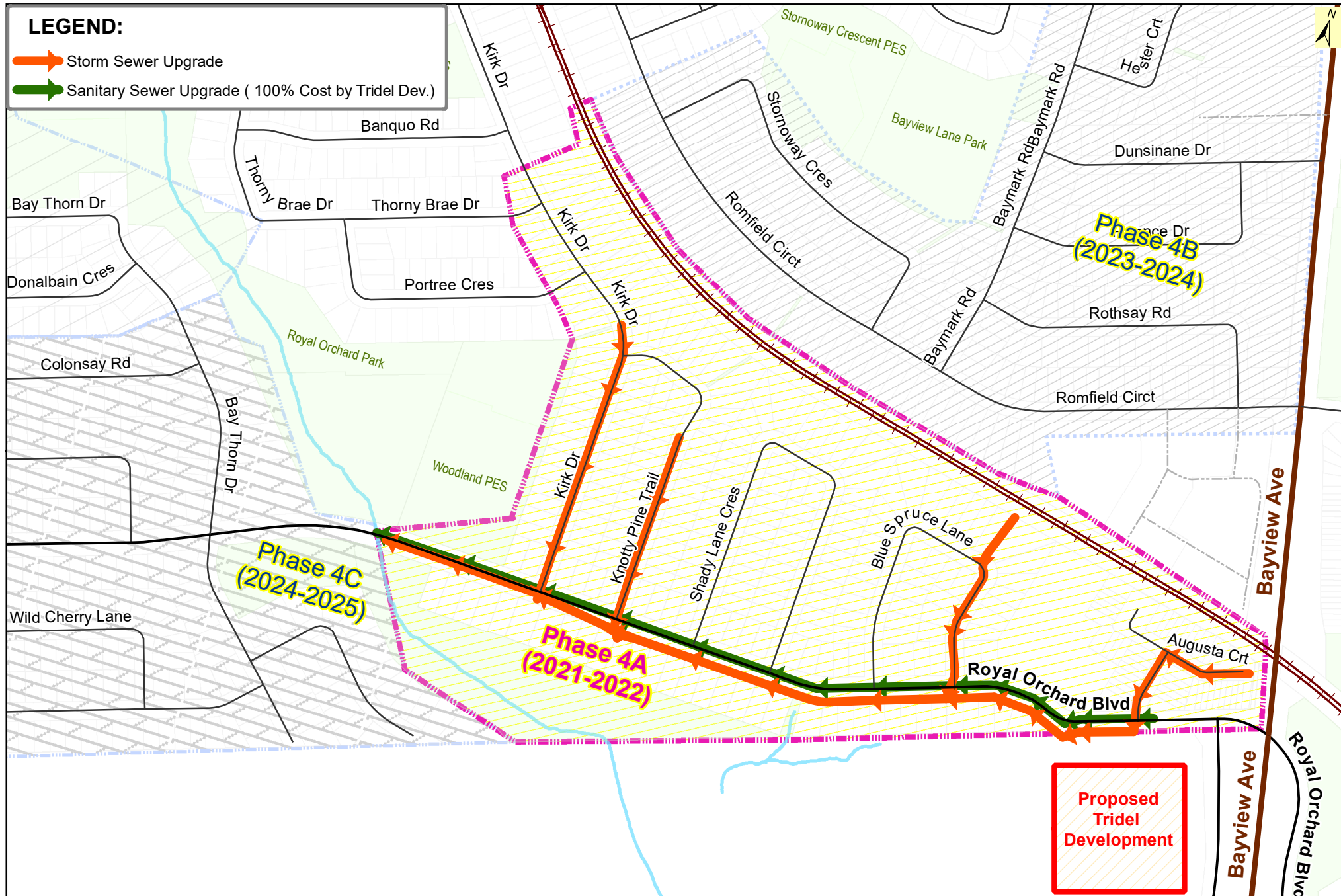
**ATTACHMENTS:**

Attachment A – Location Map

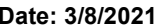
Attachment B – West Thornhill Flood Control Implementation Phases

# Location Map: West Thornhill Flood Control Implementation – Phase 4A Construction

ES-Infrastructure (2021)









Report to: Development Services Committee

Meeting Date: April 19, 2021

**SUBJECT:** Provincial Consultation Comments: Growing the Size of the Greenbelt (ERO 019-3136)

**PREPARED BY:** Marg Wouters, MCIP, RPP, Senior Manager, Policy & Research, ext 2909

### **RECOMMENDATION:**

1. That the report entitled “Provincial Consultation Comments: Growing the Size of the Greenbelt (ERO 019-3136)” dated April 19, 2021 be received;
2. That this report be forwarded to the Ministry of Municipal Affairs and Housing (MMAH) and York Region as the City of Markham’s comments on ERO posting 019-3136 and as an expression of continued support for the Greenbelt Plan;
3. And further, 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 provide comments on the Province’s ‘Growing the Size of the Greenbelt’ consultation. The Province is seeking input on adding lands within the Paris Galt Moraine to the Greenbelt (Guelph area) and ideas for adding, expanding and further protecting Urban River Valleys.

### **BACKGROUND:**

On February 17, 2021 the Ministry of Municipal Affairs and Housing (MMAH) launched consultation on growing the size of the Greenbelt through ERO Notice 019-3136. MMAH is seeking feedback on ways to grow the size and further enhance the quality of the Greenbelt. The component of the consultation that affects Markham is the request for ideas for adding, expanding and further protecting Urban River Valleys. The consultation period ends on April 19, 2021.

### **OPTIONS/ DISCUSSION:**

The Province has identified the principles for this review, which include:

1. No consideration of removal requests or land exchanges
2. No consideration of policy changes
3. Supports Greenbelt Plan objectives, vision and goals
4. Follows existing amendment process
5. Connects physically and/or functionally to the current Greenbelt
6. Considers impacts on existing provincial priorities

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**Greenbelt Expansion**

There are no additional lands in Markham that meet the criteria for Greenbelt expansion at this time. Most of the City's natural heritage lands that are not already in the Greenbelt are contained within the City's Greenway designation and are already protected through policies in the Official Plan. As such, staff do not recommend a Greenbelt (Protected Countryside) expansion be considered in Markham at this time. City staff will review opportunities to expand the Greenbelt during the next Markham Official Plan Review.

**Greenbelt Urban River Valley Designation**

The Urban River Valley (URV) designation was introduced through Amendment No. 1 to the Greenbelt Plan in 2013, and applies to watercourses within the urban area which generally connect the Greenbelt's protected countryside lands to Lake Ontario and inland lakes.

The Greenbelt Plan currently identifies 21 Urban River Valleys and associated coastal wetlands. Six of these are located within Markham as listed below and shown in Figure 1:

- Don River (East Branch)
- Rouge River
- Berczy Creek (south of Major Mackenzie Drive)
- Bruce Creek (south of Major Mackenzie Drive)
- Robinson Creek (south of Major Mackenzie Drive)
- Mount Joy Creek (south of Major Mackenzie Drive)

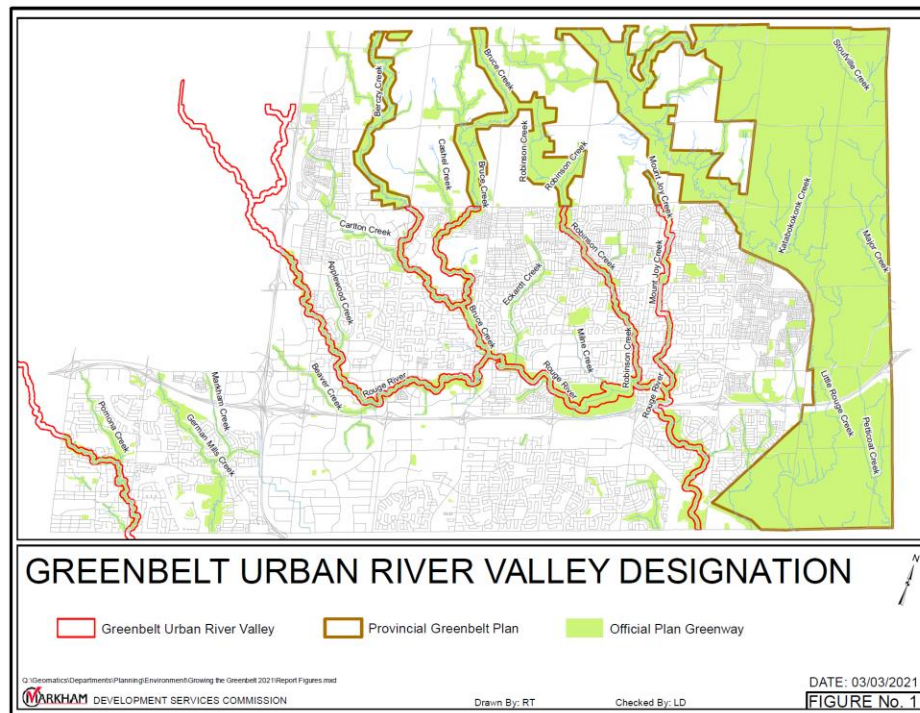
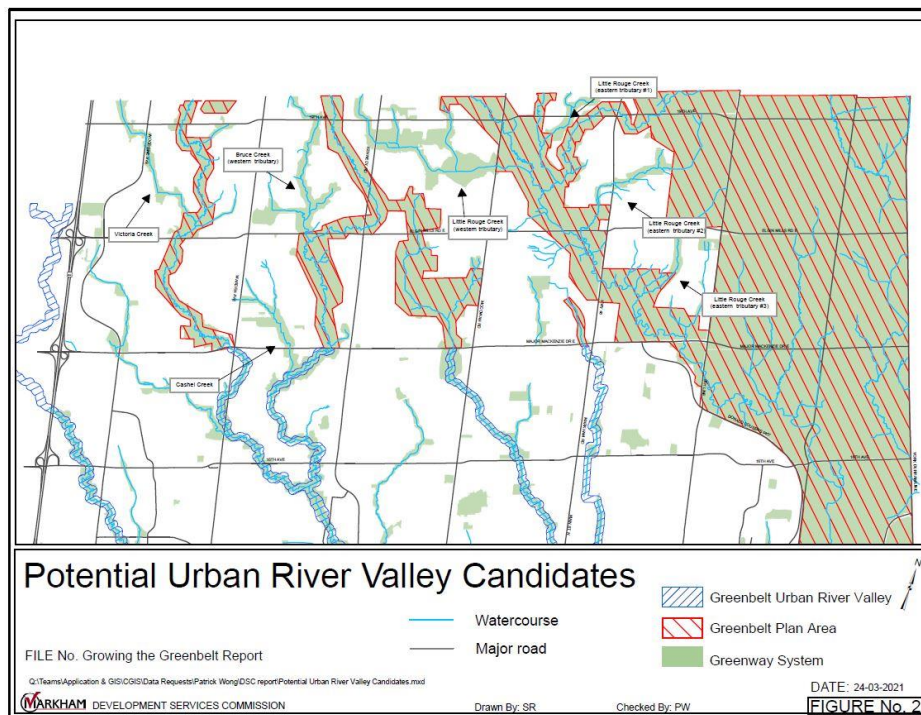
The Urban River Valley corridor is not a surveyed boundary but rather a continuous, conceptual boundary measured 60 metres from the water's edge on both sides of a watercourse (generally a 120 metre corridor). The 120 metre corridor does not factor into defining the limit of development.

The URV policies, which apply only to the publicly owned lands within this designation, defer to the applicable policies of municipal official plans for the protection and management of these lands. Therefore, it is the policies of Markham's Official Plan, and not the Protected Countryside or Natural Heritage System policies of the Greenbelt Plan, that continue to prevail over these lands. In addition, where the URV designation extends beyond the City's Greenway designation the City's Greenway designation and delineation policies still prevail.

**Benefits of URV designation to the City**

Although the URV designation does not provide additional environmental protection, it provides the benefit of the Greenbelt branding which illustrates the importance of these watercourses as linkages to the larger protected Greenbelt, thus providing a positive contribution to Markham's natural heritage program. The designated URVs may also benefit from funding support for education events and for restoration and enhancement of the lands. The City has provided signage for the URVs in Markham that are already designated in the Greenbelt Plan.



**Figure 1: Existing Greenbelt Urban River Valleys in Markham****Figure 2: Potential Urban River Valley Candidates in Markham**

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**Staff recommend that the potential for additional URV designations in Markham be considered comprehensively as part of Markham's next Official Plan Review**

The six watercourses in Markham that were designated as URV in 2013 were within the boundary of Markham's Urban Area at the time, generally south of Major Mackenzie Drive. These will be reflected in the City's Official Plan as part of the next Official Plan Review.

Since the 2013 URV amendment to the Greenbelt Plan, additional lands have been added to Markham's Urban Area through the 2014 Official Plan, namely the Future Urban Area (FUA) lands north of Major Mackenzie Drive. Additional urban expansion north of Major Mackenzie Drive is now being proposed by the Region to meet growth forecasts to 2051.

The main tributaries of the Berczy, Bruce, Robinson and Little Rouge Creeks north of Major Mackenzie Drive are already part of the of the Greenbelt as shown in Figure 1. However there may be opportunities for additional URV designations on watercourses feeding into these major Creeks both north and south of Major Mackenzie Drive as shown in Figure 2. These watercourses are currently protected through the Greenway System policies in the Official Plan.

Staff continue to be supportive of the Greenbelt Plan and the URV designation but recommend that any additional URV designations within the City be considered comprehensively as part of the next Official Plan Review rather than through this 60-day ERO consultation. Staff will also consider the merits of including privately owned lands within the URV designation at that time. Recommendations arising from the OP Review would form input to the Province during the next provincial comprehensive review of the Greenbelt Plan. Staff note that the City also has the opportunity, through the Region, to submit a request to the Province to add URV designations at any time prior to the next provincial review of the Greenbelt Plan.

It is recommended that this report be forwarded to the Province as Markham's comments regarding ERO 019-3136 as an expression of continued support for the Greenbelt Plan and the Urban River Valley designation.

**FINANCIAL CONSIDERATIONS:**

There are no financial implications related to the recommendations of this report.

**HUMAN RESOURCES CONSIDERATIONS:**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The Provincial Greenbelt Plan supports the City's efforts to provide improved protection of the natural heritage system and green spaces as components of a linked natural heritage system

**BUSINESS UNITS CONSULTED AND AFFECTED:**

The Planning and Urban Design Department was consulted in the preparation of this report.

**RECOMMENDED BY:**

Arvin Prasad, MCIP, RPP  
Commissioner of Development Services

**FIGURES:**

Figure 1: Existing Greenbelt Urban River Valleys in Markham

Figure 2: Potential Urban River Valley Candidates in Markham





Report to: Council

Report Date: April 20, 2021

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**SUBJECT:** 2020 Consolidated Financial Statements  
**PREPARED BY:** Lisa Chen, Senior Manager Financial Planning and Reporting  
Kishor Soneji, Senior Accountant

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**RECOMMENDATION:**

- 1) That the presentation titled “2020 Consolidated Financial Statements” be received; and,
- 2) That the report titled “2020 Consolidated Financial Statements” be received; and,
- 3) That Council approve the draft Consolidated Financial Statements of The Corporation of the City of Markham (the City), including Community Boards, Business Improvement Areas (BIAs), Destination Markham Corporation and Investment in Markham Enterprises Corporation (MEC), for the fiscal year ended December 31, 2020; and,
- 4) That Council authorize Staff to publish the final audited Statements for the fiscal year ended December 31, 2020 upon receiving the Independent Auditors’ Report; and,
- 5) That the KPMG LLP Audit Findings Report for the year ended December 31, 2020 be received; and further,
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**EXECUTIVE SUMMARY:**

KPMG LLP has completed an audit of the Consolidated Financial Statements of the City of Markham and has expressed an unqualified opinion that the Statements present fairly, in all material respects, the consolidated financial position of the City.

The audited Statements are a report card on the financial position, health and strength of the City. The 2020 financial results continue to demonstrate Markham’s strong leadership and excellence in financial planning and fiscal prudence.

Following approval, the audited Statements will be included in the 2020 Annual Report which will be published on the City’s website and will be distributed to Council upon completion.

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**PURPOSE:**

The purpose of this report is to obtain Council adoption of the 2020 Statements and to seek authority to publish the audited financial information as required by the Municipal Act (*the Act*).

**BACKGROUND:**

The 2020 Consolidated Financial Statements, this report and its appendices are prepared in accordance with *the Act* as follows:

- *Section 286 (1)* requires the Treasurer to report the financial affairs of the municipality to Council.
- *Section 294.1* requires a municipality to prepare, for each fiscal year, annual financial statements in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC).
- *Section 296 (1)* requires a municipality to appoint an auditor, licensed under the Public Accounting Act, who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit.

PSAB issues recommendations and reporting requirements that serve the public's interest by strengthening accountability in the public sector through the development, recommendation, and acceptance of accounting and financial reporting standards.

The Statements reflect the financial position of the City, the operating results, and how the City financed its activities and met its cash requirements. Additionally, the Statements confirm that the resources were obtained and used consistent with the Council-approved budgets.

The City engaged the external audit firm KPMG LLP, Chartered Professional Accountants to audit the Statements as at December 31, 2020 and their accompanying Notes to Financial Statements (Notes). The Notes comprise a summary of significant accounting policies and other explanatory information. The audit is conducted in accordance with Canadian Generally Accepted Auditing Standards to obtain reasonable assurance as to whether the Statements are free from material misstatement.

The Statements include the City's wholly owned investment in MEC, including MEC's shares in Alectra Inc. (Alectra) of 15% (2019: 15%) and Markham District Energy Inc. (MDE) of 100%.

**DISCUSSION:****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(Balance Sheet, Appendix A – Page 1)**

The Statement of Financial Position outlines the City's financial assets, financial liabilities and non-financial assets. The outcome of the statement shows an Accumulated Surplus at year end of \$4,765.04M, an increase of \$66.17M (1.4%) over 2019.

	<b>\$ in millions</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Incr. /</u></b> <b><u>(Decr.)</u></b>
Financial Assets	853.32	813.62	39.70
Financial Liabilities	<u>358.89</u>	<u>336.74</u>	<u>22.15</u>
<b>Net Financial Assets</b>	<b>494.43</b>	<b>476.88</b>	<b>17.55</b>
Non-Financial Assets	4,270.61	4,221.99	48.62
<b>Accumulated Surplus</b>	<b><u>4,765.04</u></b>	<b><u>4,698.87</u></b>	<b><u>66.17</u></b>

**Financial Assets**

Financial assets are the resources controlled by the organization as a result of past events and from which future economic benefits are expected. Financial assets include cash and other assets expected to be converted to cash, sold or consumed either within a year or in the operating cycle. These assets are continually turned over in the course of normal business activities.

The City ended the year with financial assets totalling \$853.32M, a increase of \$39.70M (4.9%) from 2019.

**Cash and investments** increased in 2020 from \$371.35M to \$344.48M (\$26.87M, 7.8%). The increase in cash inflows was driven by a decrease in spending on capital projects in 2020 compared to 2019 (\$38.2M), an increase from the Safe Restart Agreement funding (\$9.67M), an increase in development charges collected (\$6.9M) and an increase in the Markham Enterprises Corporation (MEC) dividends (\$1.8M). This was partially offset by a decrease in the property taxes collected (\$16.9M), municipal accommodation tax revenue (\$3.0M) and a decrease in revenues for Recreation, Library and Culture. The average rate of return on investments in 2020 was 2.84% (2019: 3.40%), a decrease of 56 basis points from 2019.

**Property taxes receivable** increased from \$26.65M to \$37.51M (\$10.86M, 40.8%). In 2020, Council approved property tax and fee relief measures to help residents and businesses experiencing financial hardship due to the COVID-19 pandemic. Due to waiving of penalty and interest charges on property taxes in arrears, the property receivable balance increased in 2020.

**Accounts receivable** decreased from \$61.02M to \$59.48M (\$1.54M, 2.5%) in 2020 due to a decrease in receivables from the Region of York for shared projects.

**Investment in MEC** increased by \$3.50M (0.9%) in 2020. This increase in investment includes the 2020 equity in income of \$15.48M. This was offset by a reduction in the dividends of \$10.28M and a reduction in share capital of \$1.70M.

A summary of the overall change in the City's investment in MEC is shown in the following chart:

	<b>\$ in millions</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Incr. / (Decr.)</u></b>
Equity in MEC, January 1, 2020	381.48	380.32	1.16
Gain on merger of Guelph Municipal Holdings with Alectra Inc.	-	0.66	(0.66)
Equity in income for the year	15.48	10.81	4.67
Increase / (Decrease) in share capital	(1.70)	(1.85)	0.15
Dividend paid by MEC to City	(10.28)	(8.46)	(1.82)
<b>Equity in MEC, December 31, 2020</b>	<b><u>384.98</u></b>	<b><u>381.48</u></b>	<b><u>3.50</u></b>

### **Financial Liabilities**

Financial liabilities are financial obligations to outside organizations or other individuals that are the result of transactions or events that occurred on or before the end of the accounting period.

Financial liabilities were \$358.89M at the end of 2020, an increase of \$22.15M (6.6%) from 2019.

**Accounts payable and accrued liabilities** decreased in 2020 from \$151.24M to \$140.96M (\$10.28M, 6.8%) mainly due to decreases in net amount owed to Region of York for water purchases and shared capital projects (\$7.9M), vendors for construction projects (\$5.9M) and payroll liabilities (\$2.4M). These were offset by a \$3.70M increase in outstanding amounts owed to vendors for refundable deposits as a result of completion of capital works due to timing.

**Deferred revenues** increased from \$142.61M to \$173.58M (\$30.97M, 21.7%) in 2020. Increases included \$30.37M in development charges collected, and \$7.78M in parkland cash-in-lieu funds from developers for capital projects. These were offset by a decrease in the Federal Gas Tax and Section 37 funds of \$1.07M.

**Employee future benefits liabilities** increased by \$2.20M which included an increase of \$1.4M as per actuarial valuations for the current year end.

**Long-term liabilities** decreased from 10.80M to \$10.04M (\$0.76M, 7.0%) in recognition of payments toward long-term loans from the Federation of Canadian Municipalities (FCM) and Canada Mortgage & Housing Corporation (CMHC).

**Non-Financial Assets**

Non-financial assets are assets with physical, rather than cash value. They include tangible capital assets (TCA) such as land and buildings, inventories of supplies such as salt and sand, as well as prepaid expenses.

Non-financial assets totalled \$4,270.61M at the end of 2020, an increase of \$48.62M (1.2%), which is almost entirely (99.9%) related to the addition of tangible capital assets of \$4,265.76. The major assets purchased, acquired through development or put into service following construction completion in 2020 were land, roads, stormwater & waterworks infrastructure and parks & pathways.

**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**(Income Statement, Appendix A – Page 2)**

This statement accounts for the City's consolidated revenues and expenses from operations, and includes other accounting adjustments such as the value of contributed assets from developers of \$53.02M, deferred revenues earned of \$14.37M, the equity in income of MEC of \$15.49M and the amortization of TCA in the accounting period of \$79.26M. The major components of the statement are illustrated in the chart below.

	<b>\$ in millions</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Incr. / (Decr.)</u></b>
Revenues	474.76	520.76	(46.00)
Less Expenses	<u>408.59</u>	<u>428.48</u>	<u>(19.89)</u>
<b>Annual Surplus</b>	<b>66.17</b>	<b>92.28</b>	<b>(26.10)</b>
Accumulated Surplus, Beginning of Year	4,698.87	4,606.59	92.28
Accumulated Surplus, End of Year	<b><u>4,765.04</u></b>	<b><u>4,698.87</u></b>	<b><u>66.17</u></b>

**Revenues**

The year-over-year decrease in revenues of \$46.00M was driven by decreases in deferred revenues earned (\$51.18M), storm water fees (\$8.82M) and user charges (\$5.92M), partially offset by increases in contributions from developers (\$11.39M), equity in income of MEC (\$4.67M), and property taxes (\$4.48M).

**Expenses**

The expenses decreased by \$19.89M in 2020 compared to 2019. This was mainly in the areas of Recreation, Library and Culture (\$12.43M) and Transportation Services (\$11.25M), partially offset by increases in General Government and Planning & Development Services (\$3.96M).

**Accumulated Surplus (Appendix A – page 19)**

The accumulated surplus of \$4,765.04M consists of individual operating fund surplus', equity in MEC, tangible capital assets, and reserves and reserve funds as outlined in the following table:

	<b>\$ in millions</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Incr. / (Decr.)</u></b>
Operating surplus (excl. waterworks)	9.41	3.04	6.37
Waterworks	4.57	1.98	2.59
Destination Markham Corporation	2.16	-	2.16
Community Boards and BIAs	<u>0.50</u>	<u>0.44</u>	<u>0.06</u>
<b>Operating Surplus Total</b>	<b>16.64</b>	<b>5.46</b>	<b>11.18</b>
Equity in income of Markham Enterprises Corporation	384.98	381.48	3.50
Invested in Tangible Capital Assets and Other	4,265.76	4,217.85	47.91
Reserves and Reserve Funds	124.85	130.06	(5.21)
Other	<u>(27.19)</u>	<u>(35.98)</u>	<u>8.79</u>
<b>Total Accumulated Surplus</b>	<b><u>4,765.04</u></b>	<b><u>4,698.87</u></b>	<b><u>66.17</u></b>

**Operating Surplus**

The unaudited 2020 year-end results of operations was presented to General Committee on March 1, 2021. Pending audit results, Council approved the transfer of operating surplus to reserves. The actual surplus from operations is \$9.41M. Combining this with a surplus of \$4.57M from Waterworks operations, \$2.16M from Destination Markham Corporation, \$0.50M from the Community Boards and BIAs, results in the Operating Surplus total of \$16.64M as noted above.

**Equity in Markham Enterprises Corporation**

This represents the value of the City's investment in MEC of \$384.98M as detailed in the Financial Assets section on page 4 of this report.

**Invested in Tangible Capital Assets**

The investment in tangible capital assets and other totaled \$4,265.76. This represents the net book value of TCA such as land, buildings, equipment, infrastructure and other adjustments at year end.

**Reserves and Reserve Funds**

The Reserves and Reserve Funds represent the means by which the City keeps track of monetary resources set aside by Council for specific, future purposes. The inflows into these funds are largely from the operating budget and the outflows are generally to fund capital projects, employee future benefit needs and other initiatives as directed by Council. The Reserves and Reserve Funds totalled \$124.85M at the close of 2020, a decrease of \$5.21M from 2019.

The \$124.85M total Reserve and Reserve Funds plus the \$149.29M Deferred Reserve Funds are fully funded as illustrated in the comparison to the total cash and investments below.

	<u>\$ in millions</u>
<b>A. Total Cash &amp; Investments</b>	<b>371.35</b>
Reserves	183.96
Reserve Funds	(59.12)
Deferred Reserve Funds (DCs, Parkland cash-in-lieu, Gas Tax & Section 37)	<u>149.29</u>
<b>B. Total Reserves, Reserve Funds &amp; Deferred Reserve Funds</b>	<b><u>274.13</u></b>
<b>A. - B.</b>	<b><u>97.22</u></b>

**Reserves** totalled \$183.96M, an increase of \$10.43M over 2019. The net increase was the result of the following changes to the Reserves:

	<u>\$ in millions</u>		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
<b>Reserves</b>			
Building fee	7.48	11.16	(3.68)
Capital gains	4.16	4.16	0.00
Corporate rate stabilization	23.28	22.53	0.75
Development fee	10.01	0.36	9.65
Facility ramp up	23.89	19.53	4.36
Firefighters sick leave benefits	6.78	6.78	0.00
Insurance	4.06	4.06	0.00
Long-term disability benefit	22.87	21.98	0.89
Waterworks	80.13	82.16	(2.03)
Other	1.30	0.81	0.49
<b>Total Reserves</b>	<b><u>183.96</u></b>	<b><u>173.53</u></b>	<b><u>10.43</u></b>

**Reserve Funds** decreased by \$15.64M from 2019. The decrease was a result of the following changes to the Reserve Funds:

	<b>\$ in millions</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Incr. / (Decr.)</u></b>
<b>Reserve Funds</b>			
Environmental land acquisition	10.71	10.33	0.38
Land acquisition	(243.05)	(215.24)	(27.81)
Library infrastructure	6.45	6.37	0.08
Life cycle replacement and capital	133.01	120.80	12.21
Non-DC growth	12.73	9.06	3.67
Post retirement benefits	14.76	14.57	0.19
Public art acquisition	4.02	3.16	0.86
Stormwater fee	(6.47)	(0.13)	(6.34)
Workplace Safety & Insurance Board	5.31	4.33	0.98
Other	3.41	3.27	0.14
<b>Total Reserve Funds</b>	<b><u>(59.12)</u></b>	<b><u>(43.48)</u></b>	<b><u>(15.64)</u></b>

## COMMUNICATION

*Section 295 (1) of the Act* requires municipalities to annually communicate to its ratepayers, the results of the municipality's year end. The financial statements will be published on the City's website upon receipt of the final audited version from KPMG LLP and will form an important part of the City's 2020 Annual Report publication.

For the past nineteen consecutive years, the City has received the Government Finance Officers Association (GFOA) '*Canadian Award for Financial Reporting*'. The award provides recognition for excellence in governmental accounting and financial reporting. The receipt of this award signifies that Markham delivered a comprehensive annual financial report that demonstrates full transparency and disclosure over and above the minimum requirements of Generally Accepted Accounting Principles. Upon receiving the Independent Auditors' Report, the 2020 Annual Report will again be submitted to the GFOA.

## RECOMMENDED BY:

Joel Lustig  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

## ATTACHMENTS:

2020 Consolidated Financial Statements Presentation  
Appendix A – 2020 Consolidated Financial Statements  
Appendix B – 2020 Audit Findings Report





# **2020 Consolidated Financial Statements**

## **Presentation to Council**

**April 20, 2021**



## Agenda

1. Introduction
2. Requirements
3. Audit Summary
4. Financial Results Discussion
5. Presentation by Mr. Kevin Travers, Partner, KPMG LLP – *Audit Findings Report*



# 1. Introduction

The Financial Statements are a report card on the financial position, health and strength of the City:

- reflect the financial position of the organization, the operating results, and how the City financed its activities and met its cash requirements
- confirm that the resources were obtained and used consistent with the budgets approved by Council

Statements consolidate the financial activities of:

- City of Markham
- Community Boards and Business Improvement Areas (BIAs)
- Destination Markham Corporation
- City's investment in Markham Enterprises Corporation



## 2. Requirements

The City is required by The *Municipal Act* to :

- ✓ prepare annual financial statements in accordance with Canadian Generally Accepted Accounting Principles for governments as recommended by the Public Sector Accounting Board,
- ✓ have the financial statements audited by a licensed auditor,
- ✓ report the financials to Council, and
- ✓ publish the statements



## 3. Audit Summary

- Schedule:
  - KPMG audit team was onsite one week in November 2020 performing interim and preliminary year end work.
  - The team continued the audit of the financial records of the City and associate corporations remotely from February 22<sup>nd</sup> to April 1, 2021 this year
- No adjustments or differences were communicated to Management
- Clean audit opinion



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet)

	\$ in millions		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
Financial Assets	853.32	813.62	39.70
Financial Liabilities	<u>358.89</u>	<u>336.74</u>	<u>22.15</u>
<b>Net Financial Assets</b>	<b>494.43</b>	<b>476.88</b>	<b>17.55</b>
Non-Financial Assets	4,270.61	4,221.99	48.62
<b>Accumulated Surplus</b>	<u><b>4,765.04</b></u>	<u><b>4,698.87</b></u>	<u><b>66.17</b></u>



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet) cont'd.

#### Financial Assets increased by \$39.70M

Financial Assets	Incr./ (Decr.)	Significant Changes
Cash and investments	\$26.87M	<ul style="list-style-type: none"><li>• Decrease in spending on capital projects</li><li>• Increase from receipt of \$9.67M Safe Restart Agreement funding</li><li>• Decrease in property taxes collected \$16.9M, and MAT revenues \$3.0M</li><li>• Decrease in revenues in Recreation, Culture and Library</li></ul>
Property taxes receivable	\$10.86M	<ul style="list-style-type: none"><li>• Decrease due to waiving of penalty and interest charges on property taxes in arrears to assist residents and businesses experiencing financial hardship due to COVID-19</li></ul>
Investment in MEC	\$3.50M	<ul style="list-style-type: none"><li>• Equity in income \$15.48M, offset by reduction in share capital \$1.70M and dividends paid \$10.28M</li></ul>



## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet) cont'd.

#### Financial Liabilities increased by \$22.15M

Financial Liabilities	Incr./((Decr.)	Significant Changes
Accounts payable and accrued liabilities	(\$10.28M)	<ul style="list-style-type: none"><li>Decrease in amounts owed to: Region of York for water and shared capital projects \$7.9M, vendors as a result of completion of capital works \$5.9M and payroll liabilities \$2.4M</li><li>Offset by increase in amounts owed to vendors for refundable deposits as a result of completion of projects</li></ul>
Deferred revenues	\$30.97M	<ul style="list-style-type: none"><li>Increase in amounts collected \$76.34M</li><li>Offset by amounts earned on capital projects \$45.36M</li></ul>
Employee future benefits liabilities	\$2.20M	<ul style="list-style-type: none"><li>Increase of \$1.4M due to actuarial valuation</li></ul>
Long term liabilities	\$(0.73)M	<ul style="list-style-type: none"><li>Scheduled payments for FCM and CMHC loans</li></ul>





## 4. Financial Results

### Consolidated Statement of Financial Position (Balance Sheet) cont'd.

#### Non-Financial Assets increased by \$48.62M

Non-Financial Assets	Incr./ (Decr.)	Significant Changes
Tangible capital assets	\$47.91M	<ul style="list-style-type: none"><li>Land, Infrastructure, parks/pathways</li></ul>
Prepaid expenses and inventories	\$0.71M	<ul style="list-style-type: none"><li>Computer software licenses, insurance, maintenance agreements, winter control inventory</li></ul>



## 4. Financial Results

### Consolidated Statement of Operations and Accumulated Surplus (Income Statement)

	\$ in millions		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
Revenues	474.76	520.76	(46.00)
Less Expenses	<u>408.59</u>	<u>428.48</u>	<u>(19.89)</u>
<b>Annual Surplus</b>	<b>66.17</b>	<b>92.28</b>	<b>(26.10)</b>
Accumulated Surplus, Beginning of Year	4,698.87	4,606.59	92.28
Accumulated Surplus, End of Year	<u><b>4,765.04</b></u>	<u><b>4,698.87</b></u>	<u><b>66.17</b></u>



## 4. Financial Results

### Details of Accumulated Surplus

	\$ in millions		
	<u>2020</u>	<u>2019</u>	<u>Incr. / (Decr.)</u>
Operating surplus (excl. waterworks)	9.41	3.04	6.37
Waterworks	4.57	1.98	2.59
Destination Markham Corporation	2.16	-	2.16
Community Boards and BIAs	<u>0.50</u>	<u>0.44</u>	<u>0.06</u>
<b>Operating Surplus Total</b>	<b>16.64</b>	<b>5.46</b>	<b>11.18</b>
Equity in income of Markham Enterprises Corporation	384.98	381.48	3.50
Invested in Tangible Capital Assets and Other	4,265.76	4,217.85	47.91
Reserves and Reserve Funds	124.85	130.06	(5.21)
Other	(27.19)	(35.98)	8.79
<b>Total Accumulated Surplus</b>	<b><u>4,765.04</u></b>	<b><u>4,698.87</u></b>	<b><u>66.17</u></b>



## **5. Presentation of the Audit Findings Report**

**Kevin Travers, Partner KPMG LLP**

Consolidated Financial Statements of

**THE CORPORATION OF THE  
CITY OF MARKHAM**

December 31, 2020

# **Independent Auditor's Report**

*(To be provided following Council adoption of the financial statements)*

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Consolidated Statement of Financial Position**  
**December 31, 2020 with comparative figures for 2019**  
**(All dollar amounts are in \$000's)**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>FINANCIAL ASSETS</b>			
Cash and investments	<b>4</b>	<b>\$371,353</b>	344,476
Property taxes receivable	<b>5</b>	<b>37,506</b>	26,653
Accounts receivable		<b>59,477</b>	61,016
Investment in Markham Enterprises Corporation	<b>6</b>	<b>384,983</b>	381,477
		<b>\$853,319</b>	813,622
<b>FINANCIAL LIABILITIES</b>			
Accounts payable and accrued liabilities	<b>7</b>	<b>\$140,962</b>	\$151,241
Deferred revenues	<b>8</b>	<b>173,584</b>	142,603
Employee future benefits liabilities	<b>9</b>	<b>34,305</b>	32,103
Long-term liabilities	<b>10</b>	<b>10,043</b>	10,800
		<b>\$358,894</b>	\$336,747
<b>NET FINANCIAL ASSETS</b>		<b>\$494,425</b>	\$476,875
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	<b>11</b>	<b>\$4,265,760</b>	\$4,217,849
Inventories		<b>1,632</b>	2,118
Prepaid expenses		<b>3,220</b>	2,021
		<b>\$4,270,612</b>	\$4,221,988
Contingency	<b>16</b>		
Contractual rights	<b>20</b>		
Financial risk management	<b>21</b>		
<b>ACCUMULATED SURPLUS</b>	<b>14</b>	<b>\$4,765,037</b>	\$4,698,863

The accompanying notes are an integral part of these financial statements.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For the year ended December 31, 2020 with comparative figures for 2019**  
**(All dollar amounts are in \$000's)**

	<b>Note</b>	<b>Budget</b>	<b>2020</b>	<b>2019</b>
		<b>(Note 18)</b>		
<b>Revenues</b>				
Property taxes		\$166,674	\$167,013	\$162,536
User charges	12	204,394	183,161	189,080
Government transfers	13	12,961	20,112	15,573
Contributions from developers and others		2,811	53,025	41,637
Investment income		14,893	14,201	14,824
Tax penalties		4,276	1,438	4,811
Gain (loss) on sale of tangible capital assets		-	(134)	128
Deferred revenue earned		32,569	14,365	65,543
Equity in income of Markham				
Enterprises Corporation	6	-	15,486	11,476
Other		6,157	6,092	15,149
<b>TOTAL REVENUES</b>		<b>\$444,735</b>	<b>\$474,759</b>	<b>\$520,757</b>
<b>Expenses</b>				
General government		\$48,747	\$46,714	\$44,799
Protection to persons and property		54,271	51,704	52,041
Transportation services		75,513	64,260	75,509
Environmental services		165,305	159,650	159,498
Recreation and cultural services		92,855	73,195	85,622
Planning and development services		18,239	13,033	10,986
Other		34	29	24
<b>TOTAL EXPENSES</b>		<b>\$454,964</b>	<b>\$408,585</b>	<b>\$428,479</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>		<b>(\$10,229)</b>	<b>\$66,174</b>	<b>\$92,278</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>4,698,863</b>	<b>4,698,863</b>	<b>4,606,585</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	14	<b>\$4,688,634</b>	<b>\$4,765,037</b>	<b>\$4,698,863</b>

The accompanying notes are an integral part of these financial statements.



**THE CORPORATION OF THE CITY OF MARKHAM**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the year ended December 31, 2020 with comparative figures for 2019**  
**(All dollar amounts are in \$000's)**

	<b>Budget</b>	<b>2020</b>	<b>2019</b>
<b>Annual surplus</b>	<b>(\$10,229)</b>	<b>\$66,174</b>	<b>\$92,278</b>
Acquisition of tangible capital assets	<b>(141,737)</b>	<b>(127,641)</b>	(182,824)
Amortization of tangible capital assets	<b>79,630</b>	<b>79,258</b>	78,188
Loss on disposal of tangible capital assets	-	<b>134</b>	(128)
Proceeds from disposal of tangible capital assets	-	<b>338</b>	272
	<b>(\$72,336)</b>	<b>\$18,263</b>	<b>(\$12,214)</b>
Acquisition of inventories of supplies	-	<b>(1,546)</b>	(2,032)
Acquisition of prepaid expenses	-	<b>(3,220)</b>	(2,021)
Consumption of inventories of supplies	-	<b>2,032</b>	1,503
Use of prepaid expenses	-	<b>2,021</b>	2,119
	-	<b>(\$713)</b>	<b>(\$431)</b>
<b>Change in net financial assets</b>	<b>(\$72,336)</b>	<b>\$17,550</b>	<b>(\$12,645)</b>
Net financial assets, beginning of year	<b>476,875</b>	<b>476,875</b>	489,520
Net financial assets, end of year	<b>\$404,539</b>	<b>\$494,425</b>	<b>\$476,875</b>

The accompanying notes are an integral part of these financial statements.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Consolidated Statement of Cash Flows**  
**For the year ended December 31, 2020 with comparative figures for 2019**  
**(All dollar amounts are in \$000's)**

	<u>2020</u>	<u>2019</u>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	<b>\$66,174</b>	\$92,278
Add (deduct) items not involving cash		
Amortization of tangible capital assets	<b>79,258</b>	78,188
Loss (gain) on disposal of tangible capital assets	<b>134</b>	(128)
Change in employee future benefits and other liabilities	<b>2,202</b>	454
Equity in income of Markham Enterprises Corporation	<b>(15,486)</b>	(11,476)
Contributed tangible assets	<b>(50,842)</b>	(39,796)
Change in non-cash assets and liabilities		
Property taxes receivable	<b>(10,853)</b>	(1,062)
Accounts receivable	<b>1,539</b>	(1,990)
Accounts payable and accrued liabilities	<b>(10,279)</b>	2,717
Long term liabilities	<b>(757)</b>	(730)
Deferred revenue	<b>30,981</b>	(30,244)
Inventories	<b>486</b>	(529)
Prepaid expenses	<b>(1,199)</b>	98
<b>Net change in cash from operating activities</b>	<b>\$91,358</b>	\$87,780
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	<b>(76,799)</b>	(143,028)
Proceeds from disposal of tangible capital assets	<b>338</b>	272
<b>Net change in cash from capital activities</b>	<b>(\$76,461)</b>	(\$142,756)
<b>INVESTING ACTIVITIES</b>		
Dividend from Markham Enterprises Corporation	<b>10,280</b>	8,460
Decrease in share capital of Markham Enterprises Corporation	<b>1,700</b>	1,851
<b>Net change in cash from investing activities</b>	<b>\$11,980</b>	\$10,311
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>\$26,877</b>	(\$44,665)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>344,476</b>	389,141
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>\$371,353</b>	\$344,476
<b>Supplementary information:</b>		
Interest paid	<b>360</b>	387
Interest received	<b>7,274</b>	9,468

The accompanying notes are an integral part of these consolidated financial statements.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

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## **1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of The Corporation of The City of Markham (the City) are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada). Significant accounting policies adopted by the City are as follows:

### **a) Reporting Entity**

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the City, and which are owned or controlled by the City, including the following:

- City of Markham Public Library Board
- Old Markham Village Business Improvement Area
- Unionville Business Improvement Area
- Destination Markham Corporation

Inter-entity transactions and balances are eliminated on consolidation.

### **b) Investment in Markham Enterprises Corporation**

Markham Enterprises Corporation (MEC) and its subsidiaries are accounted for on a modified equity basis, consistent with the Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of MEC in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from MEC are reflected as reductions in the investment asset account.

### **c) Accounting for Region and School Board Transactions**

The property taxes, other revenues, expenses, assets and liabilities with respect to the operations of the Regional Municipality of York (the Region) and the York Region District School Boards (School Boards) are not reflected in the municipal fund balances of these financial statements.

### **d) Trust Funds**

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Financial Position" and the "Trust Funds Statement of Operations and Fund Balances".

**THE CORPORATION OF THE CITY OF MARKHAM**  
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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e) Basis of Accounting**

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenses are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

**f) Investments**

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. If there is a loss of value that is other than a temporary decline in value, the respective investment will be written down to market value to recognize the loss in the consolidated statement of operations.

**g) Government Transfers**

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occurred, providing that the transfers are authorized, any eligibility criteria and stipulations have been met, and reasonable estimates of the amounts can be made.

The City adopted PS 3410, *Government Transfers* that establishes the recognition, measurement and disclosure requirements for government transfers. It provides specific revenue recognition criteria for transferring government and recipient government.

**h) Deferred Revenue**

Funds received for specific purposes are accounted for as deferred revenue until the City discharges the obligation, which led to receipt of the funds.

**i) Property Taxes and Related Revenues**

Property tax billings are prepared by the City based on assessment rolls compiled by the Municipal Property Assessment Corporation (MPAC). Property tax rates are established annually by City Council, incorporating amounts to be raised for local services and amounts that the City is required to collect on behalf of the Region and School Boards for education purposes. Realty taxes are billed based on the assessment rolls provided by MPAC.

A normal part of the assessment process is the issuance of supplementary assessment rolls that provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the property taxes applicable and issues supplementary tax bills. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the impact shared with the Region and School Boards as appropriate.

The City is entitled to collect interest and penalties on overdue property taxes. These revenues are recorded in the period the interest and penalties are levied.

**THE CORPORATION OF THE CITY OF MARKHAM**  
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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j) Employee Future Benefits**

The City accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, which is accounted for as a defined contribution plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the City's employment. Other employee future benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by

reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

Unamortized actuarial gains or losses for event-triggered liabilities, such as those determined as claims related to Workplace Safety and Insurance Board (WSIB) are amortized over the average expected period during which the benefits will be paid. The cost of plan amendments is accounted for in the period they are adopted.

Management, on approval from City Council, has set aside funds specifically for the financing of future costs.

**k) Investment Income**

Investment income is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue and/or obligatory reserve funds balance.

**l) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives in number of years as follows:

<b>Asset</b>	<b>Useful Life - Years</b>
Buildings and building improvements	40
Equipment	5 – 20
Furniture and fixtures	10 – 15
Infrastructure	10 – 100
Library furniture and fixtures	10
Library media collection	7
Park and pathways	10 – 60
Vehicles	7 – 9
Waterworks equipment	9
Waterworks infrastructure	15 – 100
Waterworks vehicles	7

Amortization is prorated to six months in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**(ii) Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at the time of registration.

**(iii) Works of Art and Cultural and Historic Assets**

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

**(iv) Interest Capitalization**

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

**(v) Inventories**

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost. Inventories of heritage land held for sale are recorded at cost.

**m) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
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**(All dollar amounts are in \$000's)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n) Budget Figures**

The approved operating and capital budgets for 2020 are reflected on the Consolidated Statement of Operations and Accumulated Surplus and on the Consolidated Statement of Change in Net Financial Assets. The Capital budget is on a project-oriented basis, the costs of which may be carried but over one or more years and, therefore, may not be comparable with the current year actual amounts. The budget presented in these financial statements has been reconciled to the approved budgets to reflect the accrual basis of accounting in Note 18.

**o) Segment Disclosure**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has provided definitions of the segments used and presented financial information in segmented format in Note 17.

**p) Reporting for Contaminated Sites**

Contaminated sites are defined as sites that are contaminated as a result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- an environmental standard exists
- contamination exceeds the environmental standard
- the organization is directly responsible or accepts responsibility for the liability
- future economic benefits will be given up, and
- a reasonable estimate of the liability can be made.

**q) Future accounting pronouncements**

These standards and amendments were not effective for the year ended December 31, 2020, and have not been applied in preparing consolidated financial statements. Management is currently assessing the impact of the following accounting standards update on the future consolidated financial statements.

*Standards applicable for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end):*

- (i) PS 3450 Financial Instruments establishes the standard on how to account for and report all types of financial instruments including derivatives.
- (ii) PS 2601 Foreign Currency Translation, which replaces PS 2600, establishes the standard on how to account for and report transactions that are denominated in a foreign currency in government financial statements.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

- (iii) PS 1201 Financial Statement Presentation, which replaces PS 1200, establishes general reporting principles and standard for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains or Losses, which reports changes in the values of financial assets and financial liabilities arising from their remeasurement at current exchange rates and/or fair value.
- (iv) PS 3401 Portfolio Investments, which replaces PS 3040, establishes standards on how to account for and report portfolio investments in government financial statements.
- (v) PS 3280 Asset Retirement Obligations, establishes on how to account for and report a liability for asset retirement obligations.

*Standards applicable for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end):*

- (vi) PS 3400 Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions and transactions that do not have performance obligations, referred to as non-exchange transactions.

**2. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF YORK**

Further to Note 1, requisitions were made by the Region and School Boards requiring the City to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

	<b>School Boards</b>	<b>Region of York</b>	<b>2020</b>	<b>2019</b>
Taxation	<b>\$248,502</b>	<b>\$340,232</b>	<b>\$588,734</b>	\$568,398
Payment-in-lieu of taxes	<b>352</b>	<b>1,023</b>	<b>1,375</b>	1,295
Supplementary taxes	<b>1,571</b>	<b>2,546</b>	<b>4,117</b>	5,957
<b>Amount requisitioned and transferred</b>	<b>\$250,425</b>	<b>\$343,801</b>	<b>\$594,226</b>	\$575,650

**3. PENSION AGREEMENTS**

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of credited service and average earnings. Employees contribute between 9.0% and 15.9% of their salary and the City matches the employee contribution.

Total OMERS contributions amounted to \$22,930 (2019 - \$24,512) of which \$11,465 (2019 - \$12,256) represented the City's portion and \$11,465 (2019 - \$12,256) represented employees portion. Since OMERS is a multi-employer pension plan, the City does not recognize any share of the pension plan deficit of \$3.2 billion as of 2020 (2019 - \$3.4 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.



**THE CORPORATION OF THE CITY OF MARKHAM**  
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**4. CASH AND INVESTMENTS**

	<b>2020</b>	<b>2019</b>
Cash	<b>\$177,336</b>	\$142,544
Investments	<b>194,017</b>	201,932
	<b>\$371,353</b>	\$344,476

Cash balance includes investments in the amount of \$16,000 (2019 - \$10,000) which have a maturity date of less than three months. Investments consist of authorized investments pursuant to the provisions of the Municipal Act and include short-term instruments of various financial institutions, government bonds, and Treasury Bills. Investments, which are reported at cost for money market and face value for bonds, had a market value of \$211,575 (2019 - \$213,099) at the end of the year.

**5. PROPERTY TAXES RECEIVABLE**

The balance in property taxes receivable, including penalties and interest, is comprised of the following:

	<b>2020</b>	<b>2019</b>
Current year	<b>\$27,365</b>	\$21,711
Prior years	<b>11,142</b>	5,943
	<b>38,507</b>	27,654
Less: Allowance for uncollectible taxes	<b>(1,001)</b>	(1,001)
	<b>\$37,506</b>	\$26,653

The Municipal Property Assessment Corporation (MPAC) is responsible for the valuation of the current value assessment (CVA) of all properties in Ontario. MPAC determines the CVA for all properties and provides it annually to municipalities in the form of an Assessment Roll, which the municipalities use to calculate property taxes for each individual property.

The Province of Ontario introduced a four-year property assessment cycle in 2009, which included a mandatory phase-in of reassessment increases for all properties. The Province chose to repeat the four-year assessment cycle and therefore, for the 2017 through 2020 tax years, all properties are assessed and taxed based on their CVA as of the valuation date of January 1st, 2016. The 2020 taxation year marks the fourth and last year of the current phase-in cycle.

The City of Markham's property tax revenue and property tax receivables rely on the stability of the assessment roll, which is subject to annual assessment appeals that create an amount of uncertainty related to the amount of property tax receivables. This financial uncertainty continues to illustrate the requirement of the provision allowance, which was established in the amount of \$1,001 (2019 - \$1,001). Further, as a result of an initiative by the Chair of the Assessment Review Board (ARB), a commitment was made by the ARB to address the regular and systemic backlog of all property assessment appeals.

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**6. INVESTMENT IN MARKHAM ENTERPRISES CORPORATION**

Markham Enterprises Corporation (MEC) is wholly owned by the City of Markham. MEC owns 100% of Markham District Energy Inc. (MDE) and 15.00% of Alectra Inc. (2019 – 15.00%).

The following consolidated financial statements of Markham Enterprises Corporation include the financial information of its subsidiaries Markham District Energy Inc. and Alectra Inc. for the period from January 1, 2020 to December 31, 2020.

	2020	2019
<b>Assets</b>		
Current	20,304	21,811
Capital	123,999	127,105
Investment in Alectra Inc.	307,066	309,255
Other	1,778	1,778
<b>Total Assets</b>	<b>453,147</b>	<b>459,949</b>
<b>Liabilities</b>		
Current	10,575	9,616
Other	53,939	57,878
Long Term	3,650	10,977
<b>Total Liabilities</b>	<b>68,164</b>	<b>78,471</b>
<b>Shareholder's Equity</b>		
Common shares	94,365	96,065
Promissory notes payable	79,184	79,184
Retained earnings and contributed Surplus	211,434	206,228
<b>Total Shareholder's Equity</b>	<b>384,983</b>	<b>381,477</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>453,147</b>	<b>459,948</b>
<b>Results of Operations</b>		
Revenues	39,310	37,030
Operating expenses	23,824	25,020
Gain on acquisition of GHESI	-	657
<b>Net Income</b>	<b>15,486</b>	<b>12,667</b>
Impact of adoption of IFRS 16 on retained earnings	-	(1,191)
Net equity in income of Markham Enterprises Corporation	15,486	11,476
Return of capital	(1,700)	(1,851)
Dividend	(10,280)	(8,460)
<b>Net change in equity in Markham Enterprises Corporation</b>	<b>3,506</b>	<b>1,165</b>
Opening shareholder's equity	381,477	380,312
Closing shareholder's equity	384,983	381,477

**THE CORPORATION OF THE CITY OF MARKHAM**  
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## **7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the accounting period. They are the result of contracts, agreements and legislation in force at the end of the accounting period that require Markham to pay for goods and services acquired or provided prior to the accounting date. A breakdown of the accounts payable and accrued liabilities is as follows:

	<b>2020</b>	2019
Trade accounts payable	<b>\$59,545</b>	\$53,416
Payable to other governments	<b>63,481</b>	71,279
Payroll liabilities	<b>4,157</b>	6,873
Accrued liabilities	<b>13,779</b>	19,673
	<b>\$140,962</b>	\$151,241

## **8. DEFERRED REVENUE**

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. The following is the current status of the deferred revenues:

	<b>Opening balance</b>	<b>Amounts received</b>	<b>Revenue earned</b>	<b>Closing balance</b>
Development charges	<b>\$38,412</b>	<b>\$42,808</b>	<b>\$12,440</b>	<b>\$68,780</b>
Parkland cash-in-lieu	<b>50,695</b>	<b>8,268</b>	<b>484</b>	<b>58,479</b>
Federal Gas Tax	<b>15,132</b>	<b>10,212</b>	<b>10,782</b>	<b>14,562</b>
Section 37 funds	<b>8,470</b>	<b>370</b>	<b>1,374</b>	<b>7,466</b>
Other	<b>70</b>	<b>-</b>	<b>67</b>	<b>3</b>
	<b>\$112,779</b>	<b>\$61,658</b>	<b>\$25,147</b>	<b>\$149,290</b>
Deferred revenue and deposits	<b>29,824</b>	<b>14,683</b>	<b>20,213</b>	<b>24,294</b>
	<b>\$142,603</b>	<b>\$76,341</b>	<b>\$45,360</b>	<b>\$173,584</b>

**THE CORPORATION OF THE CITY OF MARKHAM**  
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**9. EMPLOYEE FUTURE BENEFITS LIABILITIES**

	<b>2020</b>	<b>2019</b>
Long-term disability	<b>\$5,944</b>	\$5,903
Post-employment benefits	<b>12,997</b>	13,050
Vested sick leave benefits	<b>6,609</b>	6,214
Workplace Safety and Insurance Board	<b>4,824</b>	3,837
	<b>\$30,374</b>	\$29,004
 Vacation pay - City	 <b>3,748</b>	 2,938
Vacation pay - Library	<b>183</b>	161
	<b>\$34,305</b>	\$32,103

**a) Long-Term Disability Benefits (LTD)**

The City provides long-term disability benefits to eligible employees. At the year end, the accrued liability of \$5,944 (2019 – \$5,903) represents the actuarial valuation of benefits to be paid on the history of claims with employees. The City has established a long-term disability reserve to reduce future impact of these obligations. The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2017.

**b) Post-Employment Benefits**

The City provides for post-employment benefits (extended health and dental benefits) to eligible retiring employees to age 65. The City recognizes these post-employment costs as they are earned during the employee's tenure of service. The benefit liability at December 31, 2020 is \$12,997 (2019 – \$13,050). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2018.

**c) Vested Sick-Leave Benefits**

Under the sick-leave benefit plan, which is available only to the City's Firefighters, employees can accumulate unused sick leave and may become entitled to a cash payment when they leave the City's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to approximately \$6,609 (2019 - \$6,214). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2018.

**d) Workplace Safety and Insurance Board (WSIB) Obligations**

Effective January 1, 1999, the Corporation of the City of Markham became a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self-insurance for all its employees. The City remits payments to the WSIB as required to fund disability payments. The estimated future liability relating to WSIB amounted to \$4,824 (2019 - \$3,837) and was determined by an actuarial valuation. A Workplace Safety and Insurance Reserve Fund, funded by annual contributions from the Operating Fund, has been established to protect against any unknown future liability. The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2019.

**THE CORPORATION OF THE CITY OF MARKHAM**  
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**9. EMPLOYEE FUTURE BENEFITS LIABILITIES (continued)**

Information about the City's self-insured, defined benefit plans is as follows:

	LTD	Post- employment benefits	Vested sick- leave	WSIB	2020	2019
Accrued benefit liability, beginning of year	\$5,903	\$13,050	\$6,214	\$3,837	\$29,004	\$28,732
Service cost	920	489	570	955	2,934	2,147
Interest cost	194	454	268	204	1,120	1,090
Benefit payments	(894)	(1,000)	(478)	(445)	(2,817)	(2,935)
Amortization of actuarial loss (gain)	(179)	4	35	273	133	(30)
<b>Accrued benefit liability, end of year</b>	<b>\$5,944</b>	<b>\$12,997</b>	<b>\$6,609</b>	<b>\$4,824</b>	<b>\$30,374</b>	<b>\$29,004</b>
Unamortized actuarial (gain) loss	(168)	(1,458)	403	1,137	(86)	(366)
<b>Accrued benefit obligation, end of year</b>	<b>\$5,776</b>	<b>\$11,539</b>	<b>\$7,012</b>	<b>\$5,961</b>	<b>\$30,288</b>	<b>\$28,638</b>

The actuarial valuations of the plans were based upon a number of assumptions about the future events, which reflect management's best estimates. The following represents the more significant assumptions made:

	LTD	Post- employment benefits	Vested sick- leave	WSIB
Expected inflation rate	N/A	2.00%	1.75%	1.75%
Expected level of salary increase	N/A	3.00%	2.75%	3.00%
Interest discount rate	3.50%	4.00%	4.00%	3.50%
Expected average remaining service life in years	N/A	13	13	12

**10. LONG-TERM LIABILITIES**

On July 1, 2010 and April 14, 2014, the City received a loan of \$12,000 from Canada Mortgage Housing Corporation (CMHC) and a \$4,000 low-interest loan from Federation of Canadian Municipalities (FCM) respectively through the Region. As a lower-tier municipality the City does not have the ability to borrow long-term funds, and as such the borrowing was done through the Region. The loan received on July 1, 2010 was used to fund the purchase of the Markham District Energy Birchmount plant. The plant was subsequently leased back to Markham District Energy (MDE), a 100% subsidiary of MEC. The loan received on April 14, 2014 was used to fund the cost of Cornell Community Centre.

The loan of \$12,000 is to be amortized over a period of 20 years, at an interest rate of 4.04%. An annual payment to the Region of \$886 consists of principal and interest. The first payment was due July 1, 2011. The loan of \$4,000 is to be amortized over a period of 20 years, at an interest rate of 2%. An annual payment to Region of \$244 consists of principal and interest. The first payment was due October 4, 2014.

**THE CORPORATION OF THE CITY OF MARKHAM**  
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**10. LONG-TERM LIABILITIES (continued)**

Principal payments are repayable annually as follows:

2021	\$784
2022	811
2023	840
2024	870
2025	901
2026 and thereafter	5,837
	<b><u>\$10,043</u></b>

**11. TANGIBLE CAPITAL ASSETS**

**a) Capital work in progress**

Assets under construction having a value of \$42,284 (2019 - \$24,379) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**b) Contributed Tangible Capital Assets**

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contribution assets received during the year is \$50,842 (2019 - \$39,796) comprised of land in the amount of \$37,239 (2019 - \$5,957), roads infrastructure in the amount of \$9,959 (2019 - \$25,683) and water and wastewater infrastructure in the amount of \$3,644 (2019 - \$8,156).

**c) Tangible Capital Assets Disclosed at Nominal Values**

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only asset where nominal values were assigned.

**d) Works of Art and Historical Treasures**

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

**11. TANGIBLE CAPITAL ASSETS (continued)**

	<b>Cost</b>				<b>Accumulated Depreciation</b>				<b>Net book value 2020</b>	<b>Net book value 2019</b>
	Jan 1, 2020	Additions	Disposals & adjustments	Dec 31, 2020	Jan 1, 2020	Depreciation expense	Disposals & adjustments	Dec 31, 2020		
Land	2,125,946	47,139	(433)	2,172,652	-	-	-	-	2,172,652	2,125,946
Buildings	418,314	4,970	(161)	423,123	136,228	10,196	(120)	146,304	276,819	282,086
Equipment	33,325	5,719	(3,546)	35,498	18,254	3,663	(3,547)	18,370	17,128	15,071
Furniture & fixtures	8,062	119	(535)	7,646	6,218	578	(535)	6,261	1,385	1,844
Infrastructure	1,494,529	23,912	(8,534)	1,509,907	517,246	38,395	(8,534)	547,107	962,800	977,283
Library materials, furniture & fixtures	21,778	1,427	(3,695)	19,510	12,862	2,402	(3,695)	11,569	7,941	8,916
Parks & pathways	96,902	6,224	(2,909)	100,217	36,216	5,423	(2,909)	38,730	61,487	60,686
Vehicles	16,794	1,706	(1,360)	17,140	9,721	1,930	(1,360)	10,291	6,849	7,073
Waterworks equipments & infrastructure	1,074,271	18,520	(2,217)	1,090,574	359,706	16,671	(2,218)	374,159	716,415	714,565
<b>Total</b>	<b>5,289,921</b>	<b>109,736</b>	<b>(23,390)</b>	<b>5,376,267</b>	<b>1,096,451</b>	<b>79,258</b>	<b>(22,918)</b>	<b>1,152,791</b>	<b>4,223,476</b>	<b>4,193,470</b>
Capital Work in progress	24,379	17,905	-	42,284	-	-	-	-	42,284	24,379
<b>Grand Total</b>	<b>5,314,300</b>	<b>127,641</b>	<b>(23,390)</b>	<b>5,418,551</b>	<b>1,096,451</b>	<b>79,258</b>	<b>(22,918)</b>	<b>1,152,791</b>	<b>4,265,760</b>	<b>4,217,849</b>

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

**12. USER CHARGES**

	<b>2020</b>	<b>2019</b>
Water and sewer billing to ratepayers	<b>\$137,100</b>	\$130,470
Building permits	<b>5,244</b>	6,184
Culture venues	<b>537</b>	3,772
Engineering	<b>10,182</b>	7,385
Facility rentals	<b>4,510</b>	9,458
Licenses	<b>1,360</b>	1,617
Landscaping	<b>4,477</b>	1,581
Parking violations	<b>2,333</b>	3,493
Planning	<b>11,555</b>	5,922
Recreation programs	<b>2,244</b>	13,901
Other	<b>3,619</b>	5,297
<b>Total</b>	<b>\$183,161</b>	\$189,080

**13. GOVERNMENT TRANSFERS**

The City recognizes the transfer of government funding as revenue in the year the events giving rise to the transfer occurred. The details of government transfers for the year are:

	<b>2020</b>	<b>2019</b>
<b>Provincial Grants:</b>		
General government - Safe Restart Agreement and others	<b>\$6,958</b>	\$ -
Environmental services	<b>1,603</b>	1,297
Recreation and cultural services	<b>359</b>	647
Planning and development services	<b>257</b>	308
	<b>\$9,177</b>	\$2,252
<b>Federal Grants:</b>		
General government - Gas Tax	<b>10,787</b>	13,321
Recreation and cultural services	<b>148</b>	-
	<b>\$10,935</b>	\$13,321
<b>Total</b>	<b>\$20,112</b>	\$15,573



**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

**14. ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2020	2019
City operating fund surplus including library, community boards, and business improvement areas	\$16,641	\$5,462
Equity in Markham Enterprises Corporation	384,983	381,477
Invested in tangible capital assets	4,265,760	4,217,849
Other	(27,192)	(35,978)
	<b>\$4,640,192</b>	<b>\$4,568,810</b>
<b>Reserves set aside for specific purposes by Council</b>		
Berczy landscape feature	\$203	\$203
Building fee	7,483	11,155
Capital gains	4,160	4,160
Corporate rate stabilization	23,280	22,527
Development fee	10,011	364
Election expenses	531	231
Election rebates	566	385
Facility ramp up	23,891	19,535
Firefighters sick leave benefits	6,776	6,776
Insurance	4,059	4,059
Long-term disability benefits	22,872	21,975
Waterworks	80,130	82,159
	<b>\$183,962</b>	<b>\$173,529</b>
<b>Reserve Funds set aside for specific purposes by Council</b>		
Cemetery expenses	\$122	\$120
Emerald Ash Borer	192	387
Environmental land acquisition	10,713	10,326
Environmental sustainability fund	95	95
Heritage	339	339
Land acquisition	(243,055)	(215,236)
Library infrastructure	6,449	6,366
Life cycle replacement and capital	133,008	120,800
Museum	19	19
Non-DC growth	12,728	9,063
Post retirement benefits	14,757	14,566
Public art acquisition	4,018	3,158
Stormwater fee	(6,470)	(133)
Theatre	895	879
Trees for Tomorrow program	7	6
Workplace Safety and Insurance Board (WSIB)	5,314	4,334
WSIB excess compensation	1,752	1,435
	<b>\$(59,117)</b>	<b>\$(43,476)</b>
<b>Total</b>	<b>\$4,765,037</b>	<b>\$4,698,863</b>

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

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## **15. LEASE OBLIGATIONS**

As at December 31, 2020, the City is committed to minimum annual operating lease payments for premises and equipment as follows:

2021	\$89
2022	67
2023	43
2024	43
2025	43
2026 and thereafter	130
	<u><b>\$415</b></u>

## **16. CONTINGENCY**

### **Unsettled Legal Claims and Potential Other Claims**

The City has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable at this time and, accordingly, no provision has been made in these financial statements for any liability that may result.

## **17. SEGMENTED INFORMATION**

The City is a diverse municipal government that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized functionally based on services provided. Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenues are allocated to the segments based upon the segment that generated the revenue. Government transfers are allocated to the segment based upon the purpose for which the transfer was made. Deferred revenues earned and developer contributions are allocated to General Government.

The segmented information with a brief description of the service area is as follows:

### **a) General Government**

General government service area includes the Office of Mayor and Members of Council, Chief Administrative Officer, Human Resources, Legal, Sustainability Office, Legislative Services, Financial Services, Corporate Communications and Community Engagement, and Information Technology Services. The departments are responsible for general governance and corporate management.

### **b) Protection to Persons and Property**

Protection service area includes Fire and Emergency Services and Building Standards. The departments are responsible to perform fire prevention and protection, fire alarm, building services and other auxiliary services.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

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**17. SEGMENTED INFORMATION (continued)**

**c) Transportation Services**

Transportation service area includes Roads, Parking Control and Asset Management. The departments are responsible for road maintenance, hard-top and loose-top maintenance, winter patrol, salt, sanding, snow removal, street lighting and administration of facilities and parking.

**d) Environmental Services**

Environmental service area includes Waterworks and Waste Management. The departments are responsible for the administration of the sanitary and storm sewer system, distribution of water, and the administration of garbage collection and garbage recycling.

**e) Recreation and Cultural Services**

The recreation and cultural service area includes Park, Recreation services, Culture services and Markham Public Libraries. The departments are responsible for providing and facilitating the development and maintenance of high-quality parks, recreation services and cultural services, and administration of libraries.

**f) Planning and Development Services**

Planning and development services area includes Planning and Urban Design and Engineering. The departments are responsible for administration of land use plans and policies for sustainable development of the City.

**g) Other**

The Legislative Services department is responsible for administration of cemetery maintenance and morgues.

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**Year ended December 31, 2020**  
**(All dollar amounts are in \$000's)**

**17. SEGMENTED INFORMATION (continued)**

	<i>General Government</i>	<i>Protection to persons and property</i>	<i>Transportation services</i>	<i>Environmental Services</i>	<i>Recreation and Cultural services</i>	<i>Planning and Development</i>	<i>Others</i>	2020	2019
<b><u>Revenues</u></b>									
Property taxes	\$167,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$167,013	\$162,536
User charges	2,778	6,455	13,132	138,032	6,733	16,031	-	183,161	189,080
Government transfers	17,744	-	-	1,604	507	257	-	20,112	15,573
Contribution from developers and others	53,025	-	-	-	-	-	-	53,025	41,637
Investment income	14,201	-	-	-	-	-	-	14,201	14,824
Tax penalties	1,438	-	-	-	-	-	-	1,438	4,811
Gain on sale of tangible assets	(134)	-	-	-	-	-	-	(134)	128
Deferred revenue earned	14,365	-	-	-	-	-	-	14,365	65,543
Equity in income of Markham Enterprises Corporation	15,486	-	-	-	-	-	-	15,486	11,476
Others	3,836	339	652	775	481	-	9	6,092	15,149
<b>Total</b>	<b>289,752</b>	<b>6,794</b>	<b>13,784</b>	<b>140,411</b>	<b>7,721</b>	<b>16,288</b>	<b>9</b>	<b>474,759</b>	<b>520,757</b>
<b><u>Expenses</u></b>									
Salaries, Wages and employee benefits	22,209	47,593	14,711	8,288	33,795	7,651	-	134,247	143,121
Operating Materials and Supplies	12,291	958	4,512	1,297	9,205	486	29	28,778	39,863
Contracted Services	10,235	1,168	13,700	123,300	10,866	4,771	-	164,040	164,549
Rents and Financial Expenses	(2,052)	109	145	2,825	293	125	-	1,445	1,964
External Transfers to others	402	-	-	-	55	-	-	457	407
Long Term Debt Charges	360	-	-	-	-	-	-	360	387
Amortization of tangible capital assets	3,269	1,876	31,192	23,940	18,981	-	-	79,258	78,188
<b>Total Expenses</b>	<b>46,714</b>	<b>51,704</b>	<b>64,260</b>	<b>159,650</b>	<b>73,195</b>	<b>13,033</b>	<b>29</b>	<b>408,585</b>	<b>428,479</b>
<b>Annual Surplus (Deficit)</b>	<b>\$243,038</b>	<b>\$(44,910)</b>	<b>\$(50,476)</b>	<b>\$(19,239)</b>	<b>\$(65,474)</b>	<b>\$3,255</b>	<b>\$(20)</b>	<b>\$66,174</b>	<b>\$92,278</b>

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020**  
**(All dollar amounts are in \$000's)**

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## **18. BUDGET FIGURES**

The budget figures presented in these consolidated financial statements are based on the Council approved 2020 budget. The following table reconciles the approved budget figures as presented in these financial statements using the accrual basis of accounting.

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Approved operating budget	<b>\$408,129</b>	\$393,712
Approved capital budget	<b>111,488</b>	124,686
Transfer from reserve funds	<b>(65,082)</b>	(66,239)
<b>Total revenues</b>	<b>\$454,535</b>	\$452,159
<b>Expenses</b>		
Approved operating budget	<b>408,129</b>	393,712
Transfer to reserve funds	<b>(53,191)</b>	(53,178)
Expenses not capitalized	<b>30,249</b>	21,733
Post-employment benefit expenses	<b>(53)</b>	106
Amortization	<b>79,630</b>	78,565
<b>Total expenses</b>	<b>\$464,764</b>	\$440,938
<b>Annual surplus (deficit)</b>	<b>\$(10,229)</b>	\$11,221

## **19. TRUST FUNDS**

Trust funds administered by the City for the benefit of others amounting to \$2,441 (2019 - \$2,436) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations and Accumulated Surplus". The details of trust funds administered by the City and their Financial Position and Statement of Financial Activities and Fund Balances are as follows:

### **a) Morgan Park Trust Fund**

The T. & G. Morgan Memorial Fund in Markham Village was established in 1918 as a result of the last Will and Testament of George Morgan to hold funds, the interest earned on can be used to offset certain maintenance costs of Morgan Park. As at December 31, 2020 the balance was \$86 (2019 - \$84).

### **b) Varley-McKay Art Foundation Trust Fund**

The Varley-McKay Art Foundation Trust Fund was established by Council Resolution on December 11, 2001. This trust is funded by the amount received from the Estate of Kathleen G. McKay. Interest earned on these funds is available to the Varley-McKay Art Foundation of Markham to fund art appreciation and development. As at December 31, 2020 the balance was \$1,299 (2019 - \$1,299).

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020**  
**(All dollar amounts are in \$000's)**

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**19. TRUST FUNDS (continued)**

**c) Markham Environmental Advisory Committee Trust Fund**

The Markham Environmental Advisory Committee (previously the Markham Conservation Committee) Trust Fund was established by Council Resolution on April 15, 1992 to receive donations, grants, subsidies, and other amounts, to be used to cover costs associated with conservation and naturalization programs and projects undertaken by the Markham Environmental Advisory Committee. As at December 31, 2020 the balance was nil (2019 - \$nil).

**d) Cemetery Trust Fund**

The Cemetery Trust Fund was established under the Regulations of the Cemeteries Act to accumulate certain funds from the sale or transfer of an interment right to a purchaser in accordance with the Regulations. These funds are to be held in trust for the care and maintenance of the cemetery. Interest earned on amounts held by the Fund is used towards the maintenance, security and preservation of the cemetery, its grounds, buildings, equipment and markers in accordance with the Regulations. As at December 31, 2020 the balance was \$943 (2019 - \$943).

**e) Older Adults In Action Trust Fund**

Council Resolution established the Older Adults In Action Trust Fund on March 10, 1998 to collect donations for the Club and Older Adult Centre. As at December 31, 2020 the balance was \$11 (2019 - \$10).

**f) Markham History - Research and Publication Trust Fund**

The Markham History – Research and Publication Trust Fund was established by Council Resolution on June 1, 2004 to plan and monitor the implementation of research, writing, digitizing and production of historical media that illuminates various themes in Markham's history. As at December 31, 2019 the balance was \$102 (2019 - \$100).

**20. CONTRACTUAL RIGHTS**

City revenues to be generated in the future, in relation to existing lease agreements are approximately \$32,783. The City has also entered into Provincial funding agreements, whereby the estimated future funding is \$31,753.

	Lease agreements	Provincial funding agreements
2021	\$3,469	\$10,433
2022	3,447	10,433
2023	3,060	10,887
2024	3,026	-
2025	4,060	-
2026 and thereafter	15,721	-
	<b>\$32,783</b>	<b>\$31,753</b>

**THE CORPORATION OF THE CITY OF MARKHAM**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2020**  
**(All dollar amounts are in \$000's)**

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## **21. FINANCIAL RISK MANAGEMENT**

It is management's opinion that the City is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have resulted in a decline in revenues due to the cancellation of events and lockdown measures.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

## **22. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

# The Corporation of the City of Markham

Audit Findings Report  
for the year ended December 31, 2020

*KPMG LLP*

Licensed Public Accountants

April 2021

[kpmg.ca/audit](https://kpmg.ca/audit)





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# KPMG contacts

The contacts at KPMG in connection with this report are:



**Kevin Travers**  
**Lead Audit Engagement Partner**  
 Tel: (416) 228-7004  
[ktravers@kpmg.ca](mailto:ktravers@kpmg.ca)



**Reagen Travers**  
**Audit Senior Manager**  
 Tel: (416) 549-7963  
[rtravers@kpmg.ca](mailto:rtravers@kpmg.ca)



**Naketa Wright**  
**Audit Senior Manager**  
 Tel: (416) 549-7951  
[naketawright@kpmg.ca](mailto:naketawright@kpmg.ca)

## Our refreshed Values

### What we believe



# Executive summary

## Purpose of this report<sup>1</sup>

The purpose of this Audit Findings Report is to assist you, as a member of Council, in your review of the results of our audit of the consolidated financial statements (“financial statements”) of the Corporation of the City of Markham, (the “Entity”) as at and for the year ended December 31, 2020.

### What’s new in 2020

There have been significant changes in 2020 which impacted financial reporting and our audit:

- COVID-19 pandemic – See page 5
- New CAS auditing standards – See page 7

### Changes from the audit plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to management.

### Uncorrected differences

For the City financial statements, we did not identify differences that remain uncorrected. We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

See page 17

### Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with City Council;
- Obtaining evidence of Council's approval of the financial statements;
- Final internal quality control review;
- Receipt of signed management representation letter (to be signed upon approval of the financial statements).

We will update you on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditors' report, a draft of which is provided in Appendix 4, will be dated upon the completion of any remaining procedures.

<sup>1</sup> This Audit Findings Report should not be used for any other purpose or by anyone other than City Council. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

# Executive summary (continued)

## Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

## Control deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

## Independence

We are independent with respect to the City of Markham, within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation.

## Accounting estimates

Overall, we are satisfied with the reasonability of accounting estimates.

The critical areas of estimates relate to: amortization of tangible capital assets, valuation of employee future benefits and contingent liabilities.

See pages 14 and 15.

# What's new in 2020

## COVID-19 pandemic

We adapted our audit to respond to the continued changes in your business, including the impacts on financial reporting.

Area of Impact	Key Observations
Entity's financial reporting impacts	<ul style="list-style-type: none"> <li>— We considered impacts to financial reporting due to COVID 19 pandemic and the increased disclosures needed in the financial statements as a result of the significant judgements.</li> <li>— In areas of the financial statements where estimates involved significant judgements, we evaluated whether the method, assumptions and data used by Management to derive the accounting estimates, and their related financial statement disclosures were still appropriate per the relevant financial reporting framework given the changed economic conditions and increased estimation uncertainty – See Audit Risk and Results for discussion over specific estimates.</li> <li>— The areas of the financial statements that are relevant included:               <ul style="list-style-type: none"> <li>○ Employee future benefits</li> <li>○ Amortization of tangible capital assets</li> <li>○ Contingent liabilities</li> </ul> </li> </ul>
Materiality	<ul style="list-style-type: none"> <li>— We considered impacts to financial reporting on both the determination and the re-assessment of materiality for the audit of the financial statements.</li> <li>— Materiality has not been changed from the amount communicated in our audit planning report due to no reduction to the metrics used to determine materiality.</li> </ul>
Risk Assessment	<ul style="list-style-type: none"> <li>— We performed a more thorough risk assessment specifically targeted at the impacts of the COVID 19 pandemic, including an assessment of fraud risk factors (i.e., conditions or events that may be indicative of an incentive/pressure to commit fraud, opportunities to commit fraud, rationalizations of committing fraud).</li> <li>— We did not identify any <i>additional</i> risks of material misstatement as a result of impacts to financial reporting, which required an audit response compared to the prior year.</li> </ul>
Working remotely	<ul style="list-style-type: none"> <li>— We used virtual work rooms, video conferencing, and internally shared team sites to collaborate in real-time, both amongst the audit team as well as with Management.</li> </ul>

**COVID-19 pandemic**

We adapted our audit to respond to the continued changes in your business, including the impacts on financial reporting.

Area of Impact	Key Observations
	<ul style="list-style-type: none"> <li>— We used secure and innovative technologies to conduct walkthroughs, perform tests of controls and observe and reperform certain procedures.</li> <li>— We increased our professional skepticism when evaluating electronic evidence received and performed additional procedures to validate the authenticity and reliability of electronic information used as audit evidence.</li> </ul>
<b>Direction and Supervision of the audit</b>	<ul style="list-style-type: none"> <li>— The manager and partner were actively involved in determining the impact that the COVID-19 pandemic had on the audit (as discussed above), including the impact on the City's financial reporting.</li> <li>— Managers and partners implemented new supervision processes to deal with working in a remote environment, and our audit approach allowed us to manage the audit using meaningful milestones and frequent touch points.</li> </ul>
<b>Group audit</b>	<ul style="list-style-type: none"> <li>— In response to the increased risks of material misstatement to the group financial statements, we re-evaluated our group scoping for the group audit of the consolidated entity and noted that the initial scoping continues to be reasonable.</li> <li>— The same team serves as group and component auditor and thus there were no issues arising from a communication standpoint. As a result of audit work performed, we did not identify any additional risks at the component level that would impact the group audit of financial statements.</li> </ul>

# What's new in 2020 (continued)

## New auditing standards

The following new auditing standards that are effective for the current year had an impact on our audit.

Standard	Key observations
<b>CAS 540, Auditing Accounting Estimates and Related Disclosures</b>	<ul style="list-style-type: none"> <li>— The new standard was applied on all estimates within the financial statements that had a risk of material misstatement due to estimation uncertainty and not just “key estimates”, “critical accounting estimates”, or “estimates with significant risk”.</li> <li>— The granularity and complexity of the new standard along with our interpretation of the application of that standard necessitated more planning and discussion and increased involvement of more senior members of the engagement team.</li> <li>— We performed more granular risk assessments based on the elements making up <u>each</u> accounting estimate such as the method, the assumptions used, the data used and the application of the method.</li> <li>— We considered the potential for Management bias.</li> <li>— We assessed the degree of uncertainty, complexity, and subjectivity involved in making each accounting estimate to determine the level of audit response; the higher the level of response, the more persuasive the audit evidence was needed.</li> <li>— We involved professionals with appropriate skills and knowledge to assist us in auditing certain estimates as appropriate.</li> </ul>

# Audit risks and results

Professional requirements	Why is it significant?
Fraud risk from management override of controls	<ul style="list-style-type: none"> <li>This is a presumed risk of material misstatement due to fraud.</li> <li>Although the level of risk of management override of controls will vary from entity to entity, professional standards presume the risk of management override of controls is nevertheless present in all entities and requires the performance of specific procedures to address this presumed risk.</li> </ul>
<b>Our response and significant findings</b>	
<ul style="list-style-type: none"> <li>As this risk is not rebuttable, our audit methodology incorporated the required procedures in professional standards to address this risk.</li> <li>These procedures included the testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.</li> <li>We did not identify any issues or concerns regarding management override of controls.</li> </ul>	
Professional requirements	Why is it significant?
Risk of material misstatement due to fraud resulting from fraudulent revenue recognition.	<ul style="list-style-type: none"> <li>This is a presumed risk of material misstatement due to fraud.</li> <li>Audit standards require us to assume there are generally pressures/incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition. This can be perpetrated through revenue cut-off or manual journal entries and other adjustments related to revenue recognition.</li> </ul>
<b>Our response and significant findings</b>	
<ul style="list-style-type: none"> <li>Our audit methodology incorporated the required procedures in professional standards to address this risk.</li> <li>Our audit approach consisted of evaluating the design and implementation of selected relevant controls. We tested journal entries that meet specific criteria. This criteria was designed during the planning phase of the audit and is based on areas and accounts that are susceptible to manipulation through management override. We also designed search filters that allowed us to identify any unusual journal entries.</li> <li>As part of our audit approach to address the inherent risk of error in revenue recognition, we substantively tested revenues (both recognized and amounts held as deferred at year end) and recalculated management's computation of deferred revenue.</li> <li>We did not identify any issues related to fraud risk associated with revenue recognition.</li> </ul>	



# Audit risks and results (continued)

Other areas of focus	Why are we focusing here?
Markham Enterprises Corporation ("MEC") Investment	Accounting for the City's investment in Markham Enterprises Corporation ("MEC")
<b>Our response and significant findings</b>	
<ul style="list-style-type: none"> <li>— The City recognizes its investment in MEC using the modified equity method.</li> <li>— We reviewed the criteria per PS 3070 – Investment in Government Business Enterprises and noted the City's investment in MEC continues to meet the criteria of the section and therefore it is appropriate to continue to record the investment in MEC using the modified equity method of accounting.</li> <li>— We reviewed the MEC modified equity method calculation. We noted that there are two major components to the calculation. They are: MEC's current year net income / other comprehensive income and MEC's dividend declared and paid to the City. These transactions are disclosed in Note 6 of the financial statements.</li> <li>— Included in the annual surplus for the City for the year is \$15.5M (2019 - \$11.5M), which represents 100% of the net income of MEC for the year.</li> <li>— During the year, MEC paid the City dividends of \$10.3M (2019 – \$8.5M), which are treated as a reduction to the investment under the modified equity method.</li> <li>— There was a return of capital to the City of \$1.7M (2019 – \$1.8M), which is also treated as a reduction to the investment.</li> </ul>	

# Audit risks and results (continued)

Other areas of focus	Why are we focusing here?
Tangible Capital Assets	Risk of material misstatement related to existence and accuracy of tangible capital assets and accuracy of timing of revenue recognition, particularly related to funds intended for tangible capital asset additions, deferred capital contributions, and contributed assets.
Our response and significant findings	
<ul style="list-style-type: none"> <li>— During our substantive testing of tangible capital asset additions, we noted that the City recognized \$109.7M (2019 - \$186.3M) in total additions, which is comprised of \$58.9M (2019 - \$148.2M) of assets capitalized from work in progress ("WIP"), \$17.2M (2019 - \$36.7M) relating to assets capitalized from developer contributions and \$33.6M (2019 - \$1.43M) relating to land purchases/acquisitions.</li> <li>— We reviewed on a sample basis the additions to tangible capital assets and noted that management has appropriately capitalized the additions from work in progress to capital assets and developer contributions land acquisitions.</li> <li>— In our testing, we reviewed the contributions from developers and others recognized of \$50.8M (2019 - \$39.8M) on the statement of operations and accumulated surplus.</li> <li>— No exceptions were noted during testing.</li> </ul>	

## Audit risks and results (continued)

Other areas of focus	Why are we focusing here?
Deferred Revenue Earned	Recognition of revenue relating to amounts previously deferred as a result of legislation or contractual agreements.
<b>Our response and significant findings</b>	
<ul style="list-style-type: none"> <li>— During our substantive testing, we noted that the City recognized \$14.4M (2019 - \$65.5M) of deferred revenue earned.</li> <li>— We obtained the deferred revenue continuity schedule and selected samples for testing to determine if the selected amounts had been recognized in the current year in accordance with the appropriate legislation or agreements that the revenues pertain to.</li> <li>— No exceptions were noted during testing.</li> </ul>	

# Audit risks and results (continued)

Other areas of focus	Why are we focusing here?
Safe Restart Funding	Recognition of revenue relating to amounts previously deferred as a result of Funding agreement with the government of Ontario
<b>Our response and significant findings</b>	
<ul style="list-style-type: none"> <li>— During the year, the City recognized \$6.7M of grant revenue and \$2.8M of deferred revenue in relation to the Phase 1 and Phase 2 Safe Restart funding provided by the government of Ontario as a response to the COVID-19 pandemic.</li> <li>— The deferred amount of \$2.8 was appropriately deferred as it is specifically intended to alleviate financial pressures of the pandemic relating to future periods. This amount will be recognized as revenue by the City in future periods to offset additional pandemic related impacts.</li> <li>— We obtained the Safe Restart funding letters, agreed amounts recorded to the funding agreements and vouched to supporting documentation of receipt of payment.</li> <li>— No exceptions were noted during testing.</li> </ul>	

# Audit risks and results (continued)

Other areas of focus	Why are we focusing here?
Destination Markham Corporation (Destination Markham)	Accounting for the Destination Markham operations
<b>Our response and significant findings</b>	
<ul style="list-style-type: none"> <li>— In 2017, the Province of Ontario passed a legislation that provided lower and single tier municipalities in Ontario with the authority to levy a transient accommodation tax (referred as Municipal Accommodation Tax “MAT”). The legislation further prescribed that at least 50% of MAT revenue be allocated to a non-profit entity with a mandate that includes the promotion of tourism in Ontario or in a municipality.</li> <li>— In 2018, Markham Council approved the implementation of 4% Municipal Accommodation Tax on all the Markham hotels effective January 1, 2019. Destination Markham’s main operations relate to collecting municipal accommodation tax from the city of Markham hotels.</li> <li>— Effective April 1, 2020, the City temporarily suspended the collection of MAT for 2020 and 2021 as a response to the pandemic.</li> <li>— The results of operations and balance sheet of Destination Markham are consolidated into the City’s financial statements.</li> <li>— During the year, Destination Markham recognized \$299K (2019 - \$1.86M) of municipal accommodation tax revenue.</li> </ul>	

# Audit risks and results – Estimates

Management is required to disclose information in the consolidated financial statements about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a risk of resulting in a material adjustment to carrying amounts of assets and liabilities within the next financial year.

We believe management's process for identifying estimates with significant risk is considered adequate.

We have summarized our assessment of the subjective areas.

Expense / Liability	Amount (\$'000s)
Amortization expense	\$ 79,258
Employee future benefits obligation	\$ 34,305
<b>KPMG Comment</b>	
<p><b>Amortization expense:</b></p> <ul style="list-style-type: none"> <li>— We have reviewed the estimated useful lives of the various additions from work in progress to tangible capital assets.</li> <li>— We reviewed, and reperformed management's calculation of amortization expense.</li> <li>— No exceptions were noted during testing.</li> </ul> <p><b>Employee future benefits obligation:</b></p> <ul style="list-style-type: none"> <li>— We reviewed actuarial reports regarding estimates related to Employee future benefits, and conducted tests of detail to assess the reliability of the underlying data used within the reports.</li> <li>— We recalculated the accruals based on the information noted above, and did not identify any discrepancies.</li> </ul>	

# Audit risks and results – Estimates

Expense / Liability	Amount (\$'000s)
Contingent liabilities	See discussion below
<b>KPMG Comment</b>	
<p><b>Contingent liabilities:</b></p> <ul style="list-style-type: none"> <li>— The Chartered Professional Accountants Handbook PS3300 Contingent Liabilities requires that the City recognize a liability when “...it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated.”</li> <li>— At any point in time, the City is subject to a number of matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to matters such as legal claims, contract settlement accruals etc.</li> <li>— We reviewed the City's assessments of contingent liabilities and the process employed to develop and record the estimated liabilities. Where applicable, we met with the individuals responsible for the process and are satisfied that the methodology used is consistent with the approach taken in prior years and has been appropriately reviewed.</li> <li>— As these items are resolved, it is possible that the final amounts recorded for these liabilities may change, however the amounts currently recorded represent management's best estimates of exposure given the information presently available.</li> <li>— We did not note any issues in the City's assessment of contingent liabilities and amount of related liabilities for the year-ended December 31, 2020.</li> </ul>	

# Financial statement presentation and disclosure

Misstatements, including omissions, if any, related to financial statement presentation and disclosure items are in the management representation letter.

We also highlight the following:

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Form, arrangement, and  
content of the financial  
statements

The form, arrangement and content of the financial statements is adequate.

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Significant qualitative  
aspects of financial  
statement presentation  
and disclosure

We did not note any material disclosure omissions in the financial statements.

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# Uncorrected differences and corrected adjustments

Differences and adjustments include disclosure and presentation differences and adjustments.

Professional standards require that we request of management and the audit committee that all identified differences be corrected. We have already made this request of management.

## Uncorrected differences

We did not identify differences that remain uncorrected.

## Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

# Current developments and audit trends

## Public Sector Accounting Standards

Details	Link
<b>Public Sector Update –connection series</b> Public Sector Accounting Standards are evolving – Get a comprehensive update on the latest developments from our PSAB professionals. Learn about current changes to the standards, active projects and exposure drafts, and other items.	Contact your KPMG team representative to sign up for these webinars.  <a href="#">Public Sector Minute Link</a>  <a href="https://home.kpmg/ca/en/home/insights/2020/01/public-sector-accounting-minute-newsletters.html">https://home.kpmg/ca/en/home/insights/2020/01/public-sector-accounting-minute-newsletters.html</a>

The following are upcoming changes that will be effective in future periods as they pertain to Public Sector Accounting Standards. We have provided an overview of what these standards are and what they mean to your financial reporting so that you may evaluate any impact to your future financial statements.

Standard	Summary and implications
<b>Asset Retirement Obligations</b> (applicable for the year ending December 31, 2023 with a retrospective application effective December 31, 2021)	<ul style="list-style-type: none"> <li>— The new standard is effective for fiscal years beginning on or after April 1, 2022 (the City's 2023 year-end).. The effective date was deferred by one year due to COVID-19.</li> <li>— The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.</li> <li>— The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life.</li> <li>— As a result of the new standard, the public sector entity will have to:               <ul style="list-style-type: none"> <li>— Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li> <li>— Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;</li> <li>— Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.</li> </ul> </li> </ul>

Standard	Summary and implications
<b>Impact of COVID-19</b>	<ul style="list-style-type: none"> <li>— In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.</li> </ul>
<b>Revenue</b>	<ul style="list-style-type: none"> <li>— The new standard is effective for fiscal years beginning on or after April 1, 2023 (the City's 2024 year-end). The effective date was deferred by one year due to COVID-19.</li> <li>— The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li> <li>— The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li> <li>— The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li> </ul>
<b>Financial Instruments and Foreign Currency Translation</b>	<ul style="list-style-type: none"> <li>— New accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> have been approved by PSAB and are effective for years commencing on or after April 1, 2021 (the City's 2022 year-end).</li> <li>— Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the government's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable.</li> <li>— Hedge accounting is not permitted.</li> <li>— A new statement, the Statement of Re-measurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.</li> <li>— Based on stakeholder feedback received, PSAB is considering certain scope amendments to PS 3450 <i>Financial Instruments</i>. An exposure draft with the amendments is expected to be issued in 2020. The proposed amendments are expected to include the accounting treatment of bond repurchases, scope exclusions for certain activities by the federal government, and improvements to the transitional provisions.</li> </ul>
<b>Employee Future Benefit Obligations</b>	<ul style="list-style-type: none"> <li>— PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. Given the complexity of issues involved and potential implications of any changes that may arise from this review, the project will be undertaken in phases. Phase I will address specific issues related to measurement of employment benefits. Phase II will address accounting for plans with risk sharing features, multi-employer defined benefit plans and sick leave benefits.</li> <li>— Three Invitations to Comment were issued and have closed. The first Invitation to Comment sought guidance on whether the deferral provisions in existing public sector standards remain appropriate and justified and the appropriateness of accounting for various components of changes in the value of the accrued benefit obligation and plan assets. The second Invitation to Comment sought guidance on the present value measurement of accrued benefit obligations. A third Invitation to Comment sought guidance on non-traditional pension plans.</li> <li>— The ultimate objective of this project is to issue a new employment benefits section to replace existing guidance.</li> </ul>

Standard	Summary and implications
<b>Public Private Partnerships (“P3”)</b>	<ul style="list-style-type: none"> <li>— PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB is in the process of reviewing feedback provided by stakeholders on the exposure draft.</li> <li>— The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.</li> <li>— The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.</li> <li>— The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.</li> <li>— The final standard was approved in December 2020 with an issuance date of April 1, 2021 and an effective date of April 1, 2023. (the City’s 2024 year-end).</li> </ul>
<b>Concepts Underlying Financial Performance</b>	<ul style="list-style-type: none"> <li>— PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>— PSAB is developing two exposure drafts (one for a revised conceptual framework and one for a revised reporting model) with two accompanying basis for conclusions documents and resulting consequential amendments. PSAB expects to issue the two exposure drafts and accompanying documents in 2020.</li> <li>— A Statement of Concepts (“SOC”) and Statement of Principles (“SOP”) were issued for comment in May 2018.</li> <li>— The SOC proposes a revised, ten chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.</li> <li>— The SOP includes principles intended to replace PS 1201 <i>Financial Statement Presentation</i>. The SOP proposes: <ul style="list-style-type: none"> <li>— Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>— Restructuring the statement of financial position to present non-financial assets before liabilities.</li> <li>— Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities).</li> <li>— A new provision whereby an entity can use an amended budget in certain circumstances.</li> <li>— liabilities that are externally restricted and/or not available to settle the liabilities or financial assets.</li> </ul> </li> <li>— Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li> </ul>

# Current development and audit trends

Our discussions with you and what KPMG is seeing in the marketplace—both from an audit and industry perspective—indicate the following is specific information that will be of particular interest to you. We would, of course, be happy to further discuss this information with you at your convenience.

Thought Leadership	Overview	Links
<b>Accelerate</b>	Accelerate is a KPMG trends report and video series that includes the perspective of subject matter leaders from across KPMG in Canada on seven key issues impacting organizations today that are disrupting the audit committee mandate.	<a href="https://home.kpmg/ca/en/home/insights/2019/10/accelerate-introduction.html">https://home.kpmg/ca/en/home/insights/2019/10/accelerate-introduction.html</a>
<b>Bracing for digital disruption</b>	The digital revolution may be well into its prime, but the disruption is far from over. New and emerging technologies continue to shape (and reshape) how organizations operate and adapt to their customers. While these tools have opened the doors to new capabilities and market opportunities, they have also driven the need for stronger and more adaptive risk management strategies.	<a href="https://home.kpmg/ca/en/home/insights/2019/10/digital-disruption.html">https://home.kpmg/ca/en/home/insights/2019/10/digital-disruption.html</a>

# Appendices

## Content

**Appendix 1: Other Required communications**

**Appendix 2: KPMG's System of Quality Control**

**Appendix 3: Audit and Assurance Insights**

**Appendix 4: Management Representation Letter**



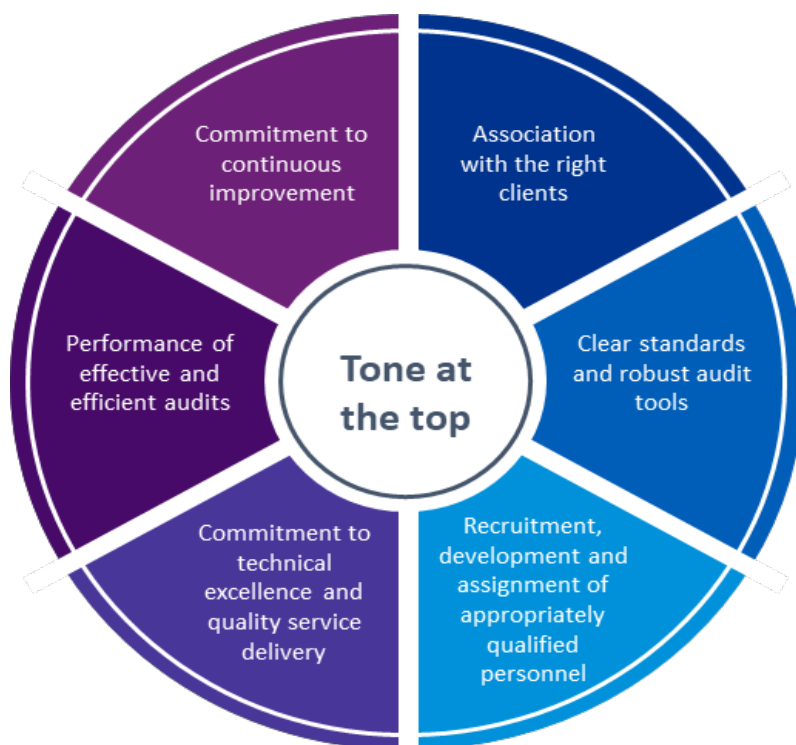
# Appendix 1: Other Required Communications

Auditor's Report	Representations of management
The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.	A copy of the management representation letter is attached in Appendix 4.
Audit Quality in Canada	

Visit our [Audit Quality Resources page](#) for more information including access to our [Transparency report](#).

## Appendix 2: KPMG's System of Quality Control

Quality control is fundamental to our business and is the responsibility of every partner and employee. To help all audit professionals concentrate on the fundamental skills and behaviors required to deliver a quality audit, KPMG has developed the Audit Quality Framework shown below. These are the cornerstones of how we execute our responsibilities.



### What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls.

All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Visit our [Audit Quality Resources page](#) for more information including access to our [Transparency report](#).



# Appendix 3: Audit and Assurance Insights

Our latest thinking on the issues that matter most to audit committees, Boards and Management.

Featured insight	Summary	Reference
<b>Audit &amp; Assurance Insights</b>	Curated thought leadership, research and insights from subject matter experts across KPMG in Canada.	<a href="#"><u>Learn more</u></a>
<b>The business implications of coronavirus (COVID 19)</b>	Resources to help you understand your exposure to COVID-19, and more importantly, position your business to be resilient in the face of this and the next global threat.	<a href="#"><u>Learn more</u></a>
	Financial reporting and audit considerations: The impact of COVID-19 on financial reporting and audit processes.	<a href="#"><u>Learn more</u></a>
	KPMG Global IFRS Institute - COVID-19 financial reporting resource center.	<a href="#"><u>Learn more</u></a>
<b>Accelerate 2020</b>	Perspective on the key issues driving the audit committee agenda.	<a href="#"><u>Learn more</u></a>
<b>IFRS Breaking News</b>	A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.	<a href="#"><u>Learn more</u></a>
<b>Momentum</b>	A quarterly Canadian newsletter which provides a snapshot of KPMG's latest thought leadership, audit and assurance insights and information on upcoming and past audit events – keeping management and board members abreast on current issues and emerging challenges within audit.	<a href="#"><u>Sign-up now</u></a>
<b>Current Developments</b>	Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.	<a href="#"><u>Learn more</u></a>
<b>Board Leadership Centre</b>	Leading insights to help board members maximize boardroom opportunities.	<a href="#"><u>Learn more</u></a>

## Appendix 4: Management Representation Letter



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Report to: Council

Meeting Date: April 20, 2021

**SUBJECT:** Provincial Fire Safety Grant  
**PREPARED BY:** Adam J. Grant, Fire Chief x 5982

**RECOMMENDATION:**

- 1) That the report entitled “Provincial Fire Safety Grant” dated April 20, 2021 be received; and,
- 2) That Council approve the Fire Safety Grant in the amount of \$85,700 from the Province of Ontario, to be used to fund the construction of a live fire training facility; and,
- 3) That a new 2021 capital project named “Fire Safety Grant” be created in the amount of \$85,700 to be funded from the Fire Safety Grant; and,
- 4) That the CAO be authorized and directed to execute the funding agreement and any related documents required to give effect thereto, in a form satisfactory to the City Solicitor; and,
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**EXECUTIVE SUMMARY:**

Markham Fire has applied and been approved for a Provincial grant to assist in improving our service’s ability to conduct fire inspections or complete training during pandemic-type circumstances. A condition of the grant requires Council approval to access the funding. Fire and Emergency Services recommends that a live fire training facility built from shipping containers will provide a realistic, cost-effective and made-in-Markham solution to fire training during pandemic-like conditions.

**PURPOSE:**

The Province of Ontario has approved a one-time grant for municipalities to support efforts to minimize the impacts related to COVID-19 in either training or fire prevention inspections. Council approval is required in order to have the funds released to the municipality for use.

**BACKGROUND:**

On March 11, 2021, Solicitor General Sylvia Jones announced that the Ontario government would be providing \$5 million in new funding to assist municipal fire services address the impacts of COVID-19. The funds are to be focused on the departments’ challenges in providing either fire service training or fire safety inspection programs during situations such as the current pandemic.

Each municipal fire department in Ontario is eligible to receive a minimum base-funding grant, plus additional funding based upon population per capita. These funds are coming from the fiscal year ending March 31, 2021 budget; therefore, there are very short timelines to apply and receive approval to have funds released.

Markham Fire submitted a proposal to the Fire Marshal on March 18, 2021 for a grant amount to fund increased on-site training opportunities. On March 29, 2021 the Fire Marshal approved our submission for the funding, contingent on Council approval to be received on or before April 30, 2021.

Our current model for live fire training includes going offsite by leasing the Richmond Hill Burn Tower and having two Markham fire apparatus out of area during the training.

**OPTIONS/ DISCUSSION:**

Two options were carefully considered. They included investing in additional resilience in fire prevention inspections or training. Throughout the ongoing pandemic our Fire Prevention team has been well equipped to deal with the impacts of COVID-19, and continue life-safety inspections and other duties. Training, however, has been significantly limited due to our lack of autonomy and reliance on another municipality for a live fire training facility.

By directing this Provincial grant towards our own live fire facility, not only will we be able to provide important training throughout situations such as this pandemic, but we will keep our fire apparatus within Markham during the on-shift training, should they be needed for an actual incident.

The proposed live fire training facility will be installed in the back compound of the 8100 Warden property. It will consist of 6 intermodal shipping containers (“sea cans”) welded together in a single-storey to create a 40’X40’ structure. It has been designed to meet National Fire Protection Association (NFPA) standard 1402, the standard associated with fire training facilities. The inside will be fabricated to replicate the City of Markham’s most significant risk to life and property with regards to fire, a single-family residential dwelling. Some interior walls will be fabricated to move which will allow the layout to be changed and provide ongoing training challenges. This structure will require little to no maintenance and will have a structural base to support two additional levels in the future. The training that will occur in this facility will include Class A burning (straw and wood) to realistically simulate fire conditions; fire control; search and rescue; forcible entry; wall breach and entanglement; ladder raises and hoisting; firefighter survival; and many other topics.

The Fire Safety Grant requires that all funds be utilized by August 31, 2021.

## FINANCIAL CONSIDERATIONS

<b>Grant Funding (A)</b>	<b>\$85,700.00</b>
<b>Proposed allocation, with HST impact (B)</b>	
Supply and fabrication of cans	(\$61,056.00)
Foundation and engineering services	(\$15,264.00)
Transportation and installation of shipping containers	(\$10,176.00)
Building Permit Fee	(\$1,831.68)
<b>Net (A) - (B)</b>	<b>(\$2,627.68)</b>

The shortfall will be funded from Fire's program expenses budget. The live fire facility will be added to the next Life Cycle Reserve Study.

## HUMAN RESOURCES CONSIDERATIONS

Not Applicable

## ALIGNMENT WITH STRATEGIC PRIORITIES:

### Exceptional Services by Exceptional People

A well-trained emergency responder will perform as expected at incidents and effect better outcomes that directly contribute to increased public safety. Our fire facility will allow firefighters to practice skills related to rescue and suppression in very realistic fire conditions. The ability to practice these skills multiple times per year will allow them to remain in the highest state of readiness.

### Safe, Sustainable & Complete Community

Being able to maintain our fire services skill level at all times contributes to public safety. Having the training facility located within Markham allows us to train more frequently while also being available to mitigate emergency incidents with little delay. Being reliant on other municipalities has the potential to create a situation (such as in the pandemic) where we are vulnerable to disruption of our training—this facility will solve that problem.

### Stewardship of Money & Resources

The live fire training facility that we are proposing is built and designed to our specifications and not “off the shelf”. Not only is it modular and scalable, but it's designed with Markham building stock in mind. Off the shelf shipping container training facilities similar to this can easily cost 5 times as much. Traditional training facilities (such as the one we lease in Richmond Hill) could easily cost 100 times as much. Since this training facility is assembled of individual containers it can also be moved, should the need arise.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance

Environmental Services

Building Dept

Asset Management

Legal Services

**RECOMMENDED BY:**

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Adam Grant

Fire Chief, Fire Services

**ATTACHMENTS:**

Not applicable





**By-law 2021 -**

A by-law to close part of Mobis Drive described as  
Part of Lot 28, Concession 3, more particularly described as  
Parts 1, 2 and 3, Plan 65R-39300, City of Markham, Regional Municipality of York

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Now therefore the Council of The Corporation of the City of Markham hereby enacts  
as follows:

- 1. That the lands described as Part of Lot 28, Concession 3, more particularly  
described as Parts 1, 2, 3 Plan 65R-39300 are hereby stopped up and closed.

Read a first, second, and third time and passed on , 2021.

\_\_\_\_\_  
Kimberley Kitteringham  
City Clerk

\_\_\_\_\_  
Frank Scarpitti  
Mayor



BY-LAW 2021-\_\_\_\_\_

A By-law to amend By-law 304-87, as amended  
(to delete lands from the designated areas of By-law 304-87)  
and to amend By-law 177-96, as amended  
(to incorporate lands into the designated area of By-law 177-96)

The Council of The Corporation of the City of Markham hereby enacts as follows:

- 1. That By-law 304-87, as amended, are hereby further amended by deleting the lands shown on Schedule ‘A’ attached hereto, from the designated areas of By-law 304-87, as amended.
- 2. That By-law 177-96, as amended, is hereby further amended as follows:
  - 2.1 By expanding the designated area of By-law 177-96, as amended, to include additional lands as shown on Schedule “A” attached hereto.
  - 2.2 By zoning the lands outlined on Schedule “A” attached hereto:  
  
from:  
**Rural Residential (RR4) Zone**  
  
to:  
**Business Corridor\*670 (BC\*670) Zone**  
**Business Park\*671 (BP\*671) Zone**  
**Open Space One (OS1) Zone**
- 3. By adding the following subsections to Section 7 – EXCEPTIONS:

Exception 7.670	Leporis Construction Inc. 2705 and 2755 Elgin Mills Road East	Parent Zone BC
File ZA 16 137567		Amending By-law 2021-____
Notwithstanding any other provisions of this By-law, the following provisions shall apply to the land denoted by the symbol *670 on the schedules to this By-law. All other provisions, unless specifically modified/amended by this section, continue to apply to the lands subject to this section.		
7.670.1 Additional Permitted Uses		
a)	Child Care Centre	
b)	Place of Amusement	
c)	Place of Entertainment	
d)	Kennel, Day	
e)	Pet Grooming	
7.670.2 Special Zone Standards		
The following special zone standards shall apply:		
a)	Notwithstanding any further division or partition of the land subject to this Section, all lands zoned with Exception *670 shall be deemed to be one <i>lot</i> for the purposes of this By-law and all zone standards are applicable to the lands zoned with Exception *670 as a whole and not to any subdivided part thereof.	
b)	For the purposes of this By-law, the <i>lot line</i> abutting Elgin Mills Road East shall be deemed to be the <i>front lot line</i> .	
c)	Maximum building <i>height</i> : i. Office building – 22 metres ii. All other buildings – 14 metres	

d)	Maximum <i>front yard</i> shall not apply.
e)	Maximum Depth of <i>parking area</i> in the <i>front yard</i> shall not apply.
f)	The minimum required width of <i>landscaping</i> shall be: <ul style="list-style-type: none"><li>i. Adjacent to the front lot line – 5.5 metres</li><li>ii. Adjacent to any other <i>lot line</i> – 1.2 metres</li></ul>
g)	Within 40 metres of the Elgin Mills Road East <i>streetline</i> , the following additional provisions shall apply: <ul style="list-style-type: none"><li>i. Minimum building <i>height</i> – 8.0 metres</li><li>ii. Maximum setback from front lot line – 6.0 metres</li><li>iii. <i>Drive-through service facilities</i> and <i>queuing lanes</i> are not permitted within 5.5 metres of the front lot line.</li></ul>
h)	Special Provisions #3, #5, and #6 of Table A4 shall not apply.
i)	Retail stores are only permitted subject to the following: <ul style="list-style-type: none"><li>i. A <i>retail store</i> shall have a minimum <i>gross floor area</i> of 150 square metres per <i>premises</i>;</li><li>ii. In all building types, a <i>retail store</i> shall have a maximum <i>gross floor area</i> of 1,000 square metres per <i>premises</i> unless the <i>retail store</i> is an office supply or computer supply store which may have a maximum <i>gross floor area</i> of up to 3,000 square metres per <i>premises</i>;</li><li>iii. The total combined <i>gross floor area</i> for all individual <i>retail store premises</i> shall not exceed 30% of the combined <i>gross floor area</i> of all buildings.</li></ul>
j)	Notwithstanding Section 6.9, where one loading space is required in accordance with section 6.9.1, the minimum size of the loading space shall be not less than 5.8 metres long, 3.5 metres wide, and have a vertical clearance of not less than 4.2 metres

Exception 7.671	Leporis Construction Inc. 2705 and 2755 Elgin Mills Road East	Parent Zone BP
File ZA 16 137567		Amending By-law 2021-____
Notwithstanding any other provisions of this By-law, the following provisions shall apply to the land denoted by the symbol *671 on the schedules to this By-law. All other provisions, unless specifically modified/amended by this section, continue to apply to the lands subject to this section.		
7.671.1 Additional Permitted Uses		
a)	Child Care Centre	
b)	Place of Entertainment	
c)	Schools, Commercial	
d)	Commercial Fitness Centre	
7.671.2 Special Zone Standards		
The following special zone standards shall apply:		
a)	Notwithstanding any further division or partition of the land subject to this Section, all lands zoned with Exception *671 shall be deemed to be one lot for the purposes of this By-law and all zone standards are applicable to the lands zoned with Exception *671 as a whole and not to any subdivided part thereof.	
b)	Maximum Depth of parking area in the front yard shall not apply.	
c)	A Place of Entertainment shall only be located within an office building or a building containing a hotel	
d)	The minimum required width of landscaping shall be: i. Adjacent to any lot line not abutting a street – 0.0 metres ii. Adjacent to a lot line abutting a cul de sac – 0.0 metres	
e)	The maximum floor space index shall be 2.0.	
f)	For lands zoned with Exception *671, Special Provision #2 of Table A4 shall be replaced with the following:  “An accessory retail store in which goods produced and/or stored in a building containing an industrial use is permitted provided the retail store has a net floor area that does not exceed the lessor of 500 square metres or 15 percent of the net floor area of the building containing the industrial use.”	
g)	Special Provision #3 of Table A4 shall not apply.	
h)	Maximum building height – 15 metres	

Read and first, second and third time and passed on \_\_\_\_\_, 2021.

\_\_\_\_\_  
Kimberley Kitteringham  
City Clerk

\_\_\_\_\_  
Frank Scarpitti  
Mayor



**EXPLANATORY NOTE**

**BY-LAW 2021-\_\_\_\_**  
**A By-law to amend By-laws 304-87 and 177-96, as amended**

**Leporis Construction Inc.**  
**Part 1, Plan of Part of the East Half of Lot 25, Concession 3 (Geographic Township of Markham)**  
**2705 and 2755 Elgin Mills Road East**  
**ZA 16 137567**

**Lands Affected**  
The proposed by-law amendment applies to a parcel of land with an approximate area of 7.835 hectares (19.361 acres), which is located south of Elgin Mills Road East and west of Woodbine Avenue.

**Existing Zoning**  
The subject lands are zoned Rural Residential Four (RR4) Zone under By-law 304-87, as amended.

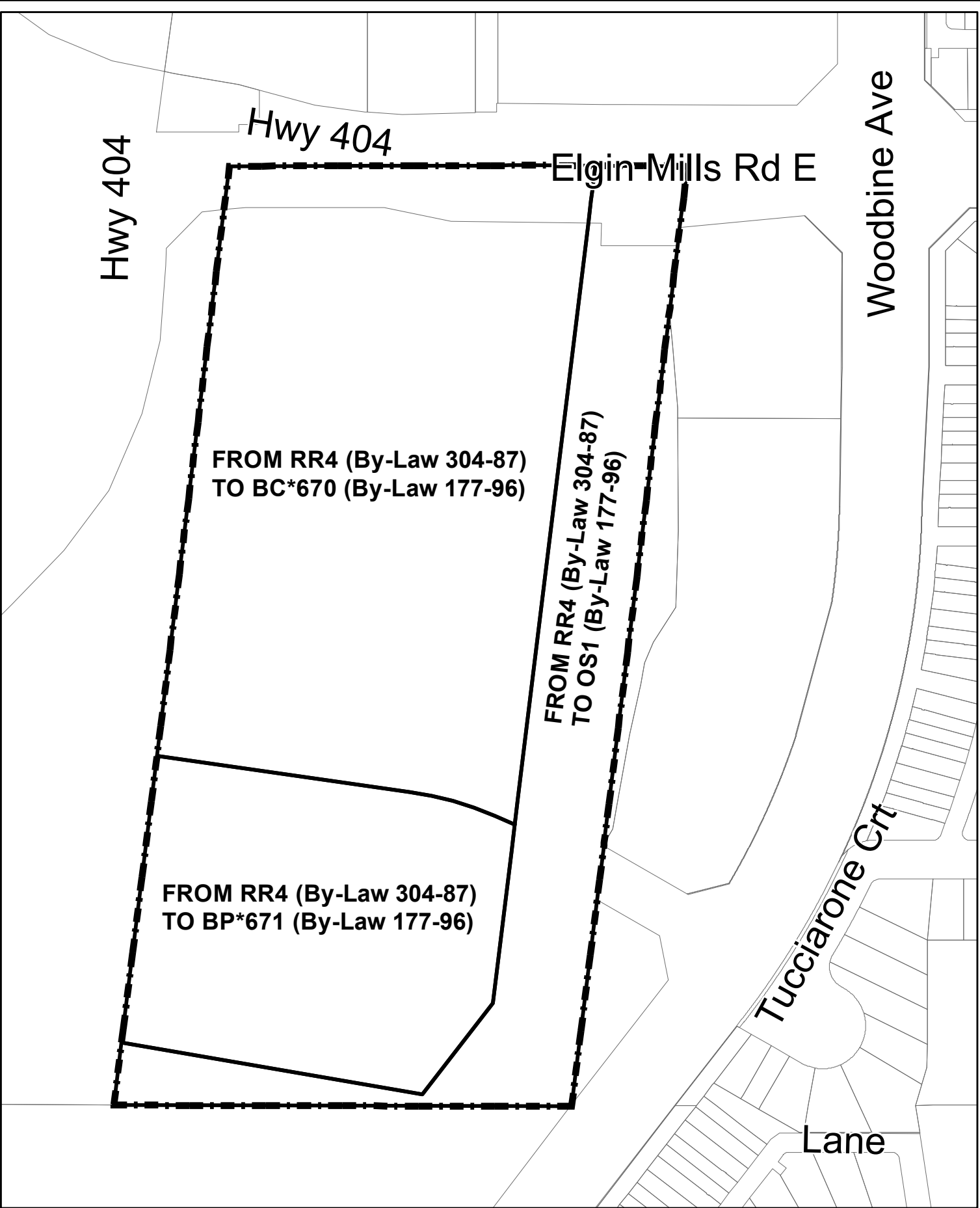
**Purpose and Effect**  
The purpose and effect of this By-law is to rezone the subject lands under By-law 177-96, as amended as follows:

from:  
**Rural Residential Four (RR4) Zone**

to:  
**Business Corridor\*670 (BC\*670) Zone;**  
**Business Park\*671 (BP\*671) Zone; and**  
**Open Space One (OS1) Zone.**

in order to permit the development of a convention centre, office building, restaurants, and retail.

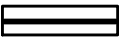
**Note Regarding Further Planning Applications on this Property**  
The *Planning Act* provides that no person shall apply for a minor variance from the provisions of this by-law before the second anniversary of the day on which the by-law was amended, unless the Council has declared by resolution that such an application is permitted.



# SCHEDULE "A" TO BY-LAW AMENDING BY-LAWS 304-87 AND 177-96 DATED



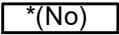
BOUNDARY OF AREA COVERED BY THIS SCHEDULE  
TO BE DELETED FROM BY-LAW 304-87 AND ADDED TO BY-LAW 177-96



BOUNDARY OF ZONE DESIGNATION(S)



BUSINESS CORRIDOR



EXCEPTION NUMBER



BUSINESS PARK



OPEN SPACE ONE



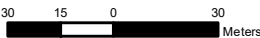
RURAL RESIDENTIAL FOUR

THIS IS NOT A PLAN OF SURVEY. Zoning information presented in this Schedule is a representation sourced from Geographic Information Systems. In the event of a discrepancy between the zoning information contained on this Schedule and the text of zoning by -law, the information contained in the text of the zoning by -law of the municipality shall be deemed accurate.

Q:\Geomatics\New Operation\By-Laws\ZA\ZA16137567\Schedule A.mxd



DEVELOPMENT SERVICES COMMISSION



Drawn By: RT    Checked By: MR

DATE:12/04/2021

NOTE: This Schedule should be read in conjunction with the signed original By-Law filed with the City of Markham Clerk's Office



## By-law 2021-

### A By-Law to Amend By-Law 2013-113

#### A By-Law to Delegate Authority to Conduct Certain Real Property Transactions

**WHEREAS** Section 23.1 (1) of the *Municipal Act* S.O 2001, c, as amended, provides that a municipal council may delegate its powers and duties under the Municipal Act to officers or employees of the municipality;

**AND WHEREAS** on June 17, 2013, Council enacted By-Law 2013-113 A By-Law to Delegate Authority to Conduct Certain Real Property Transactions;

**AND WHEREAS** Council considers it desirable to amend By-Law 2013-113 to delegate authority to execute agreements and/or documents to grant easements to Alectra Utilities Corporation, and/or its affiliates required to service City-owned lands to the City's Senior Manager, Real Property;

#### **NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF MARKHAM HEREBY ENACTS AS FOLLOWS:**

1. THAT By-Law 2013-113 A By-Law to Delegate Authority to Conduct Certain Real Property Transactions is amended as follows:

- (a) The following be added as a new Section 2. (j) immediately following section 2. (i):

(i) Easements to Alectra	<p>The authority to execute documents and/or agreements to grant easements over City-owned lands to Alectra Utilities Corporation and/or its affiliates required to service City-owned lands outside of rights-of-way and to determine the purchase price for such easements is delegated to the Manager, provided that:</p> <ol style="list-style-type: none"> <li>(a) The form of such agreements and/or documents are satisfactory</li> </ol>
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	<p>to the City Solicitor; and:</p> <p>(b) Subject to the exception noted below, the purchase price is at least 90% of Fair Market Value.</p> <p>In the event that the requirement for such easement is not prompted by third party development or construction, the Manager, is authorized to agree on a purchase price that is less than 90% of Fair Market Value, including a nominal purchase price.</p>
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Read a first, second, and third time and passed on ,2021

\_\_\_\_\_  
Kimberley Kitteringham  
City Clerk

\_\_\_\_\_  
Frank Scarpitti  
Mayor





# By-law 2021-xx

A by-law to dedicate certain lands as  
part of the highways of the City of Markham

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WHEREAS Part of Lot 6, Plan 2196, designated as Parts 1 and 2, Plan 65R-34639 were conveyed to the City of Markham, Regional Municipality of York for public use.

NOW THEREFORE the Council of the Corporation of the City of Markham enacts as follows:

- 1. THAT Part of Lot 6, Plan 2196, designated as Parts 1 and 2, Plan 65R-34639 in the City of Markham, Regional Municipality of York are hereby established and laid out as part of the public highways of the City of Markham and named Ian Baron Avenue.

Read a first, second, and third time and passed on April 20, 2021.

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Kimberley Kitteringham  
City Clerk

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Frank Scarpitti  
Mayor





Ian Baron Ave

Harry Cook Dr

65R-34639 Parts 1 and 2







**By-law 2021-xx**

A by-law to dedicate certain lands as  
part of the highways of the City of Markham

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WHEREAS Blocks 277, 278, 279, 280 and 281, Plan 65M-4686 were conveyed to the City of Markham, Regional Municipality of York for public use.

NOW THEREFORE the Council of the Corporation of the City of Markham enacts as follows:

1. THAT Blocks 277, 278, 279, 280 and 281, Plan 65M-4686 in the City of Markham, Regional Municipality of York are hereby established and laid out as part of the public highways of the City of Markham and named Lane.

Read a first, second, and third time and passed on May 4, 2021.

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Kimberley Kitteringham  
City Clerk

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Frank Scarpitti  
Mayor



