



BUILDING MARKHAM'S FUTURE TOGETHER
2020 – 2023 Strategic Plan



**2021 Budget
Public Budget Consultation Meeting
November 25, 2020**

Heintzman House



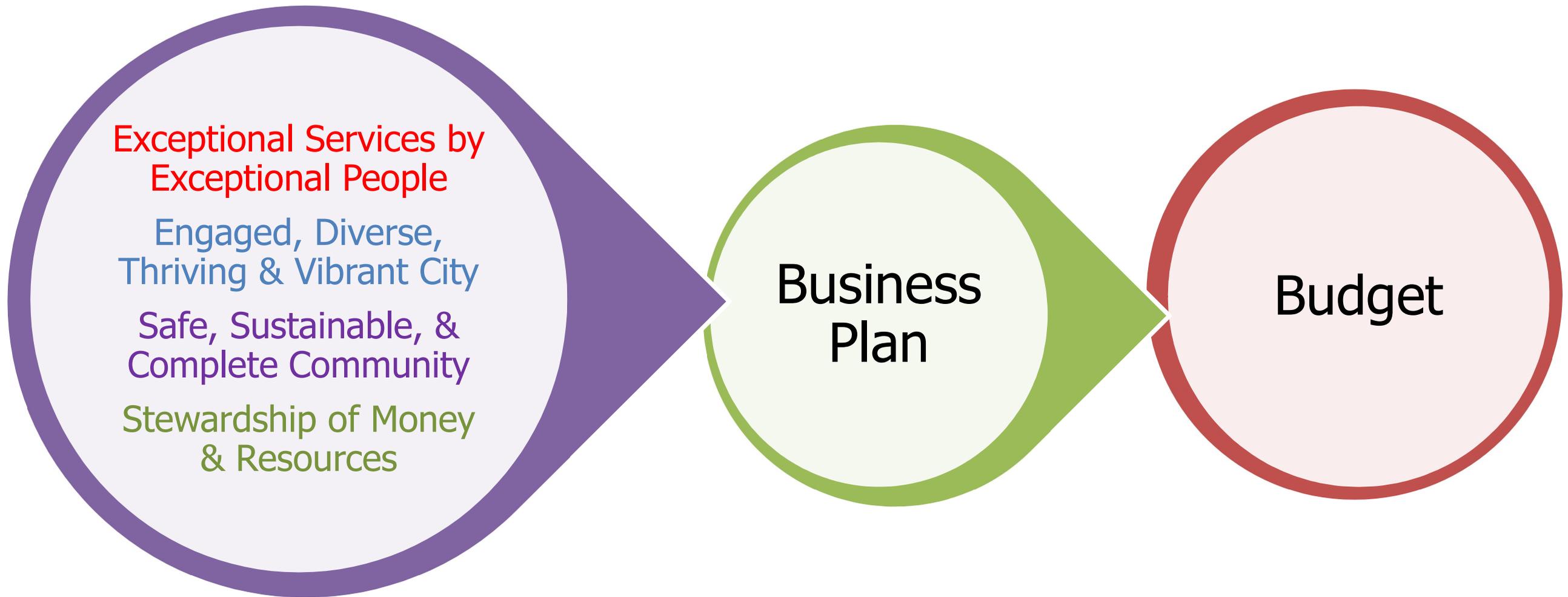
Agenda

1. 2021 Budget Process and Communication Plan
2. Economic Scan and Legislative Impacts
3. 2021 Proposed Capital Budget
4. 2021 Proposed Operating Budget
 - a. Markham Pressures
 - b. Operating Budget
 - c. COVID-19 Potential Impacts
 - d. Impact to Residents and Non-Residents
 - e. Property Tax Rate Increase Comparison
5. Recommendation
6. Next Steps



1. 2021 Budget Process and Communication Plan

Building Markham's Future Together: 2020 – 2023 Strategic Plan





1. 2021 Budget Process and Communication Plan





1. 2021 Budget Process and Communication Plan

	Date	Description
Meeting #1	Tuesday, November 3	Budget process, economic scan, overview of the Operating and Capital budgets, Life Cycle reserve study update
Meetings #2 - 4	Friday, November 6 Tuesday, November 10 Tuesday, November 17	Capital Budget review by exception
Meeting #5	Friday, November 20	Primary Operating Budget, Building, Planning, Engineering and Waterworks Operating Budgets
Public Meeting	Wednesday, November 25	7pm to 9pm – Open to the public
Council	Tuesday, December 9	Council decision
Press Conference	Wednesday, December 10	



2. Economic Trends and Legislative Impacts

1. Inflation, CPI – All Items
 - a) Pre-COVID-19: February 2020 (compared to February 2019): Toronto 1.4%
 - b) October 2020 (compared to October 2019): Toronto 0.4%
2. Ontario unemployment rate was the highest in May 2020 (13.6%), but has decreased in October to 9.6% compared to 5.3% in October 2019
3. Markham housing: sales were up 1% with average price up 13.8% year-to-date September 2020 compared to 2019
4. Bank of Canada forecast: 0.25% interest until 2023, inflation at 1.0% (2021) and 1.7% (2022)

Sources

1. Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted
2. Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle, last 5 months
3. Toronto Real Estate Board – Market Watch September 2020, September 2019
4. <https://www.cbc.ca/amp/1.5779813>

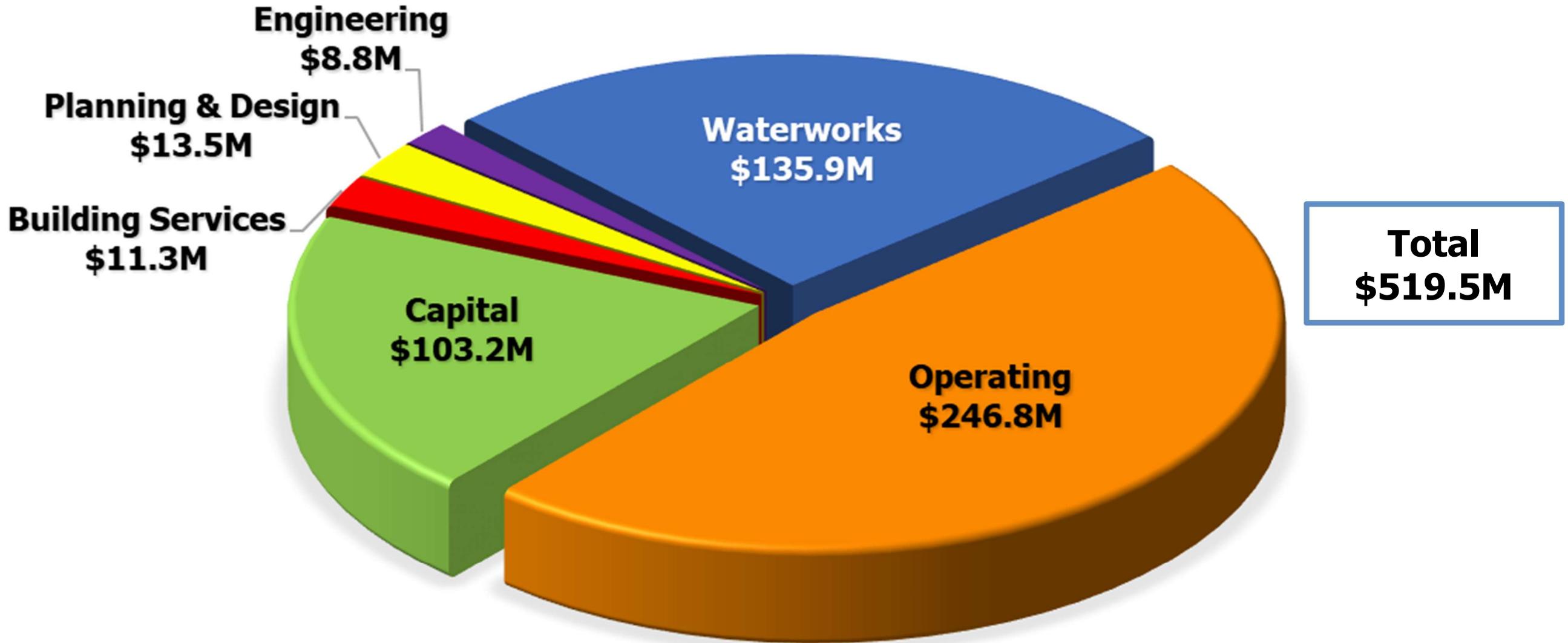


2. Economic Trends and Legislative Impacts

- 1. Reopening Ontario (A Flexible Response to COVID-19) Act July 24, 2020** – Act came into force to ensure health and safety measures remained in place after declared emergency ended. Measures include social distancing limits, facility or program closures and directly impact municipal operations
- 2. Proposed Provincial Blue Box Program Changes** – The Ministry of Environment Conservation and Parks released the new Blue Box recycling regulations on October 19, 2020. The proposed regulation would transition the municipal Blue Box program to producers between 2023 – 2025.
- 3. Official Plan 2014** – Markham Council in December 2013 adopted a new Official Plan which was approved by the Region of York in June 2014. The majority of the City-wide policies are in effect, with work continuing to resolve the remaining appeals. The Official Plan requires the preparation or update of a number of secondary plans and two are included in the 2021 Capital Budget.
- 4. Bill 197** – Municipalities will be able to recover 100% soft services development charges and collect up to 4% of a development's land value through a Community Benefits Charge to fund growth related costs. The Reinstated ability to collect up to the alternate rates for parkland dedication, justified through a DC background study, parkland study, parkland dedication by-law and a new community benefits charge by-law within 2 years
- 5. Accessibility** – The goal of the Accessibility for Ontarians with Disabilities Act is to make Ontario fully accessible. The City has submitted all required guidelines and reports based on compliance milestones and is on target for overall compliance by 2025.

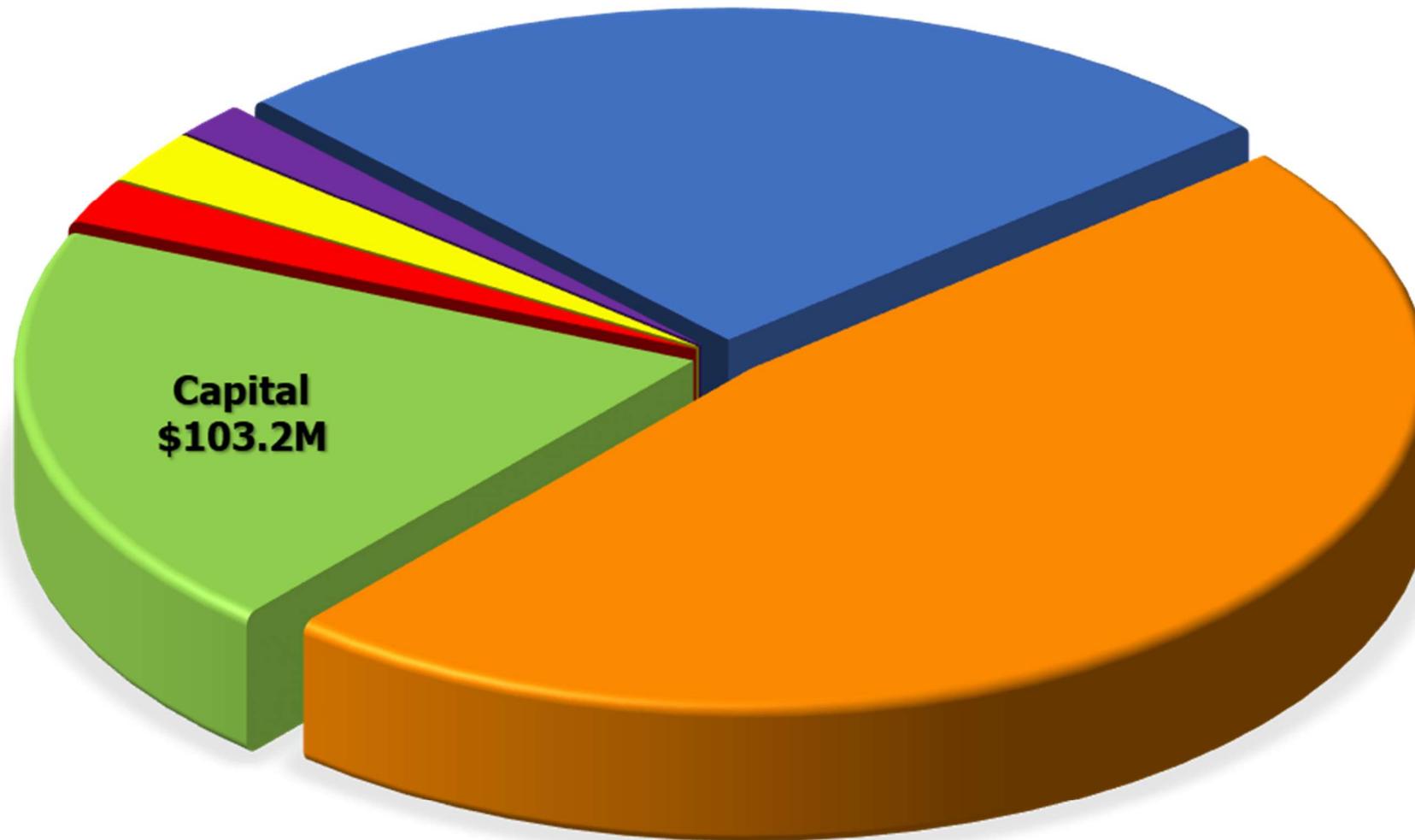


3. 2021 Proposed Budget





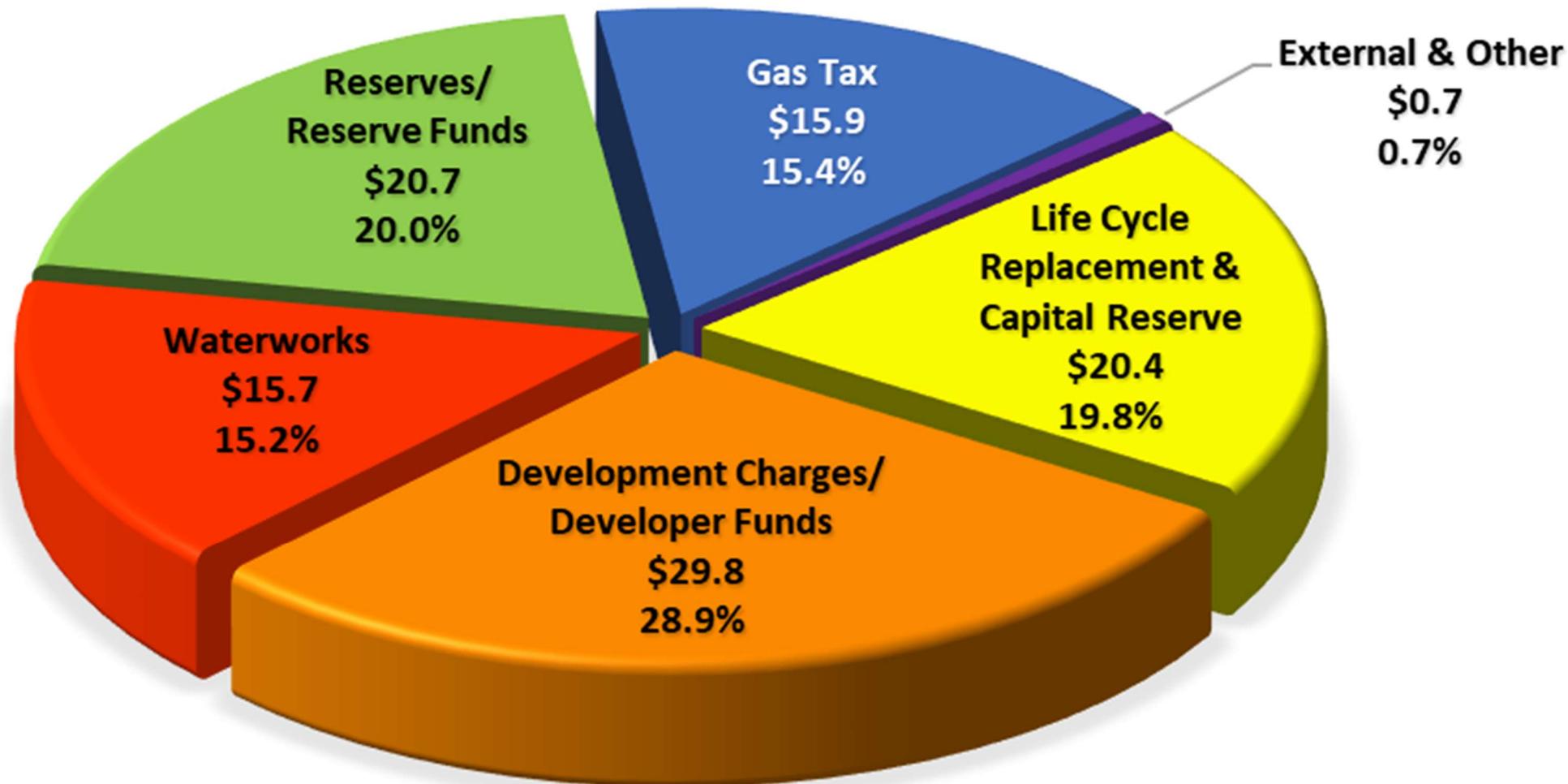
3. 2021 Proposed Capital Budget





3. 2021 Proposed Capital Budget Funding Sources

Total \$103.2M (\$ millions)





3. Proposed 2021 Capital Budget Highlights - \$103.2M

\$22.0M

Flood control and stormwater management

\$18.9M

Water and wastewater system replacement/upgrade program

\$12.4M

Road construction, repairs and rehabilitation

\$11.7M

New parks/trails design and construction



\$9.4M

Exterior and interior facility improvement program

\$4.9M

Fleet replacement and repairs

\$4.3M

Park Maintenance and Tree Pruning Program

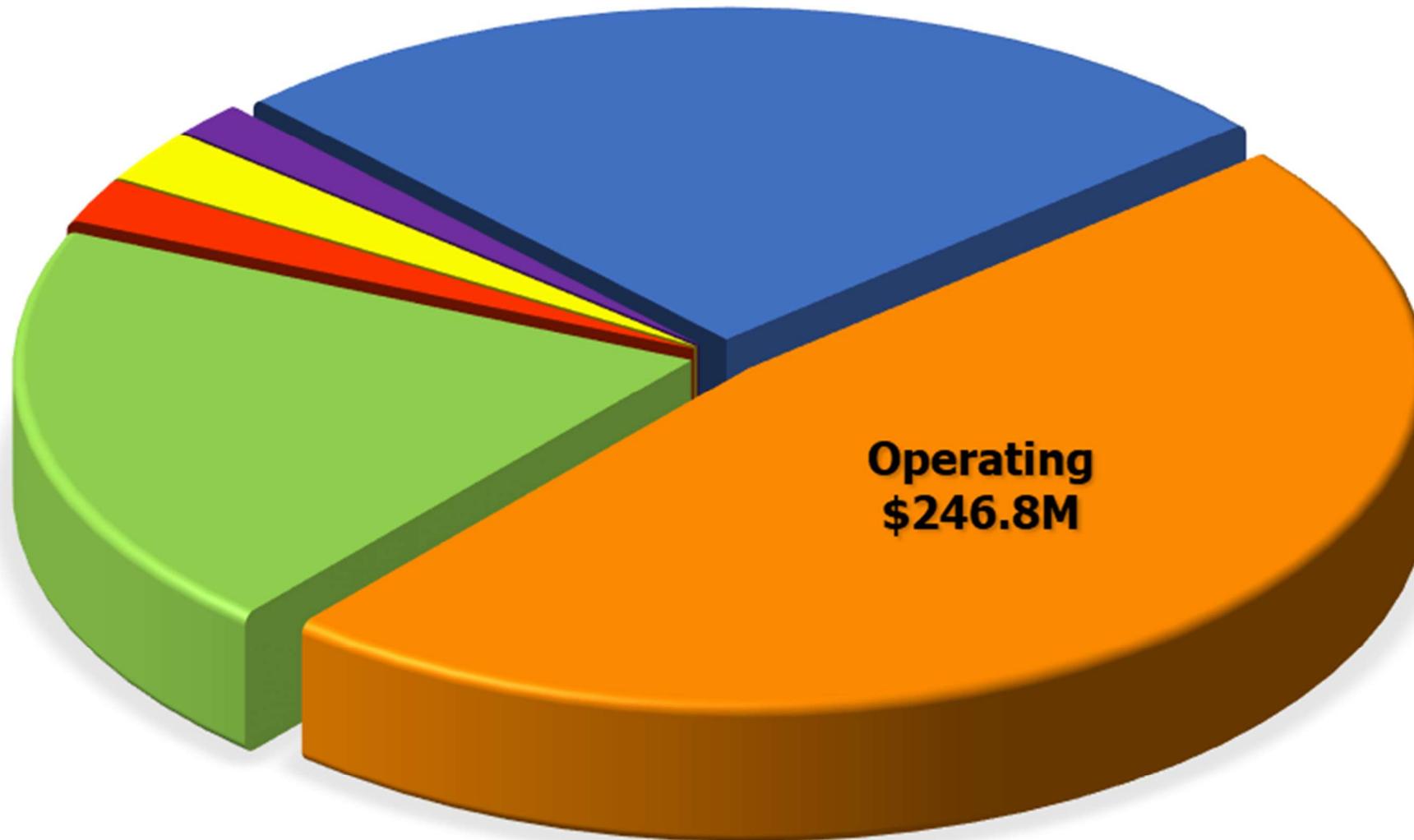
\$2.6M

Library collections and e-resources





4. 2021 Proposed Operating Budget





4a. Markham Pressures



Operating Expenditures Impact

\$5.1M
Equivalent to a gross tax rate increase of 3.10%





4b. Proposed Operating Budget - Expenditures

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

(\$ Millions)	2020 \$	2021 \$	Increase/ (Decrease) \$	Tax Rate Increase %
Total Expenditures	240.96	246.01	5.05	
Personnel Costs				
Existing staff and benefits			1.04	
New staffing requests			0.39	
			1.43	
Growth				
Growth (roads & parks including part-time staff, waste, winter maintenance)			0.67	
Transfer to capital program			0.55	
Capital induced operating costs			0.28	
			1.51	
Municipal Service Contracts				
Contract escalations (Waste contract renewal, Catchbasin cleaning, IT software)			3.32	
Other			0.15	
			3.48	
E3 - net savings based on operational review, support services and awards			(1.36)	
Total Expenditure Increases			5.05	3.10%



4b. Proposed Operating Budget - Revenues

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

(\$ Millions)	2020 \$	2021 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Total Revenues	240.96	246.83	5.87	
Assessment and supplemental growth (1.20%)			1.95	
Lease revenue (7100 Birchmount)			0.83	
E3 - net revenue based on operational review			0.33	
Other			(0.05)	
Transfer from Corporate Rate Stabilization Reserve			2.81	
Total Revenue Increases			5.87	(3.60%)



4b. Proposed 2021 Operating Budget

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

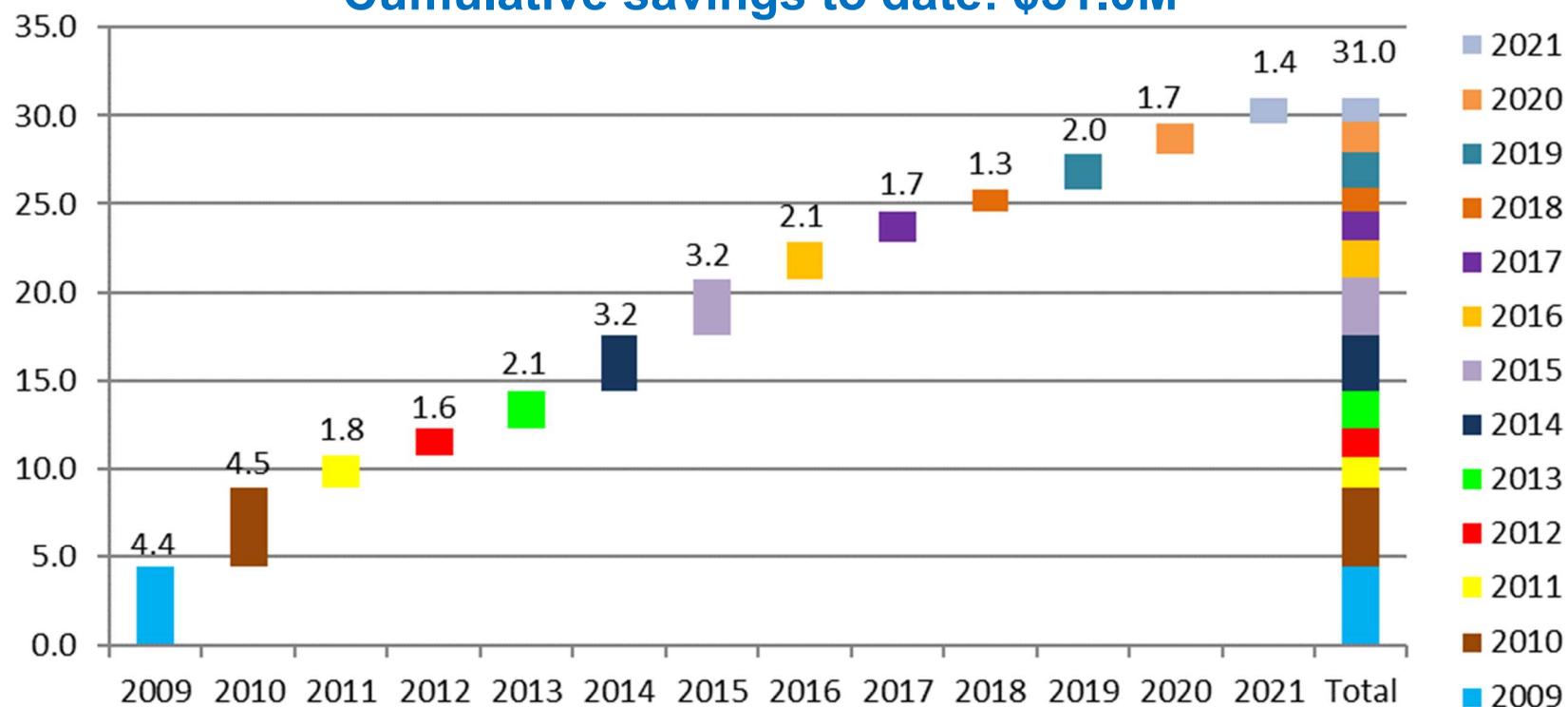
(\$ Millions)	2020 \$	2021 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Revenues	240.96	246.83	5.87	(3.60%)
Expenditures				
Personnel	141.34	142.77	1.43	
Non-Personnel	99.62	103.24	3.62	
Total Expenditures	240.96	246.01	5.05	3.10%
Shortfall: Day-to-day operations	-	(0.82)	(0.82)	(0.50%)
Infrastructure Investment	-	0.82	0.82	0.50%
Net Shortfall	-	(0.00)	(0.00)	0.00%



4b. Proposed 2021 Operating Budget

Excellence Through Efficiency and Effectiveness (E3)

Cumulative savings to date: \$31.0M



In constant \$ in millions

2021 savings to date
\$1.4M

Cumulative savings to date
\$31.0M

Total savings \$31.0M – equates to tax rate increase avoidance of 25.30%



4c. COVID-19 Potential Impacts

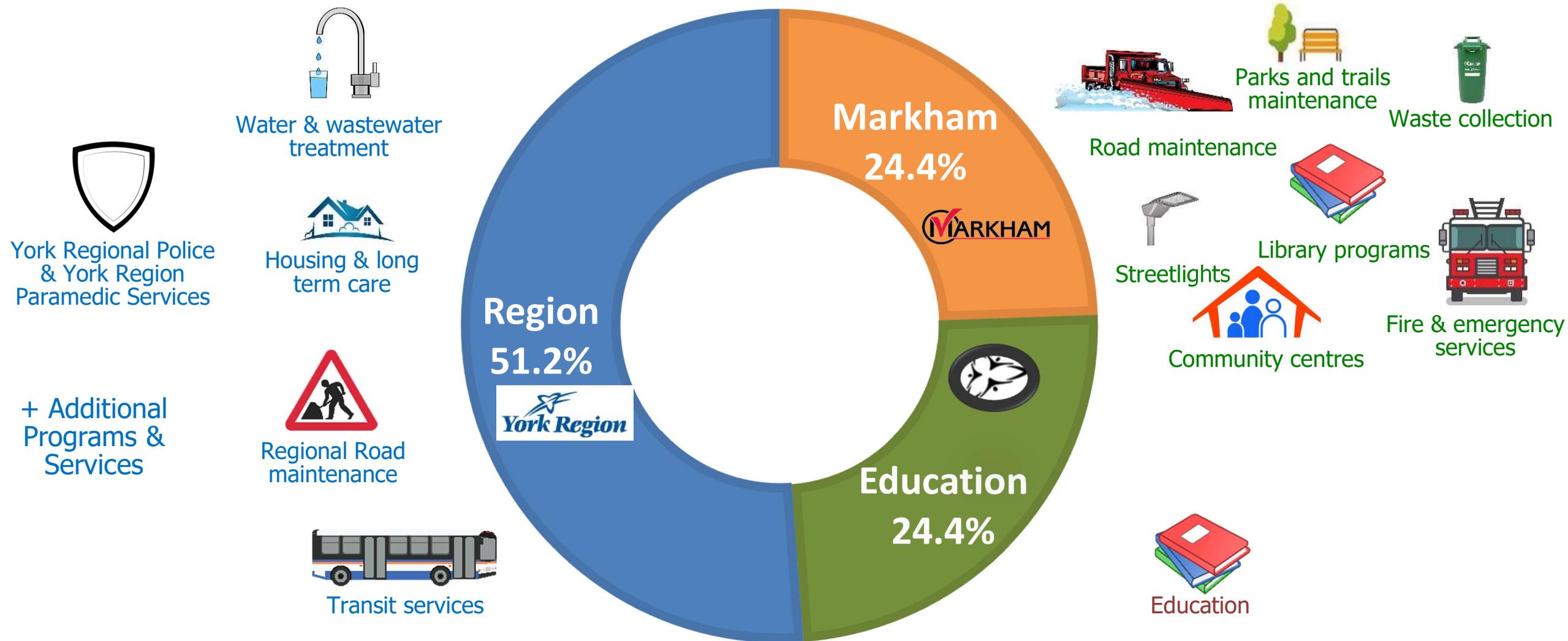
(\$ millions) Business Area	Change Fav/(Unfav)
Recreation	(\$0.45)
Culture	(0.13)
Library	2.49
Legislative Services	(1.23)
Supplemental Taxes	0.92
Assessment Growth	(0.49)
COVID-19 related costs	(1.10)
Net Impact	\$0.0

COVID-19 impacts expected to be neutral and will be monitored and reported throughout 2021



4d. Impact to Residents

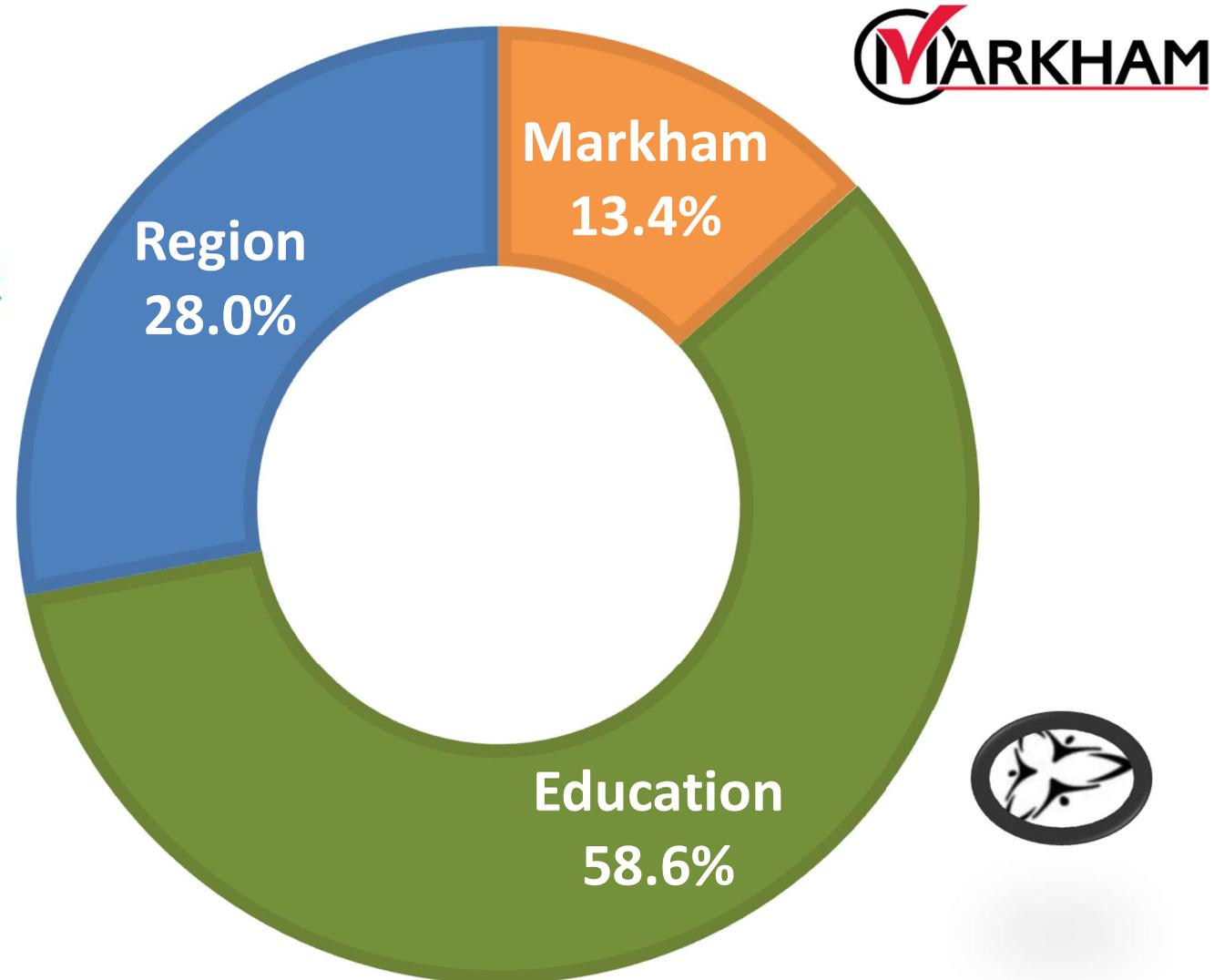
Assessment and Property Taxes, 2020 Residential Property Tax Distribution





4d. Impact to Non-Residents

Assessment and Property Taxes, 2020 Non-Residential Property Tax Distribution





5. Recommendations

1. That the 2021 Budget report be tabled at the December 9th, 2020 Council meeting; and
2. That the minutes from the November 25th, 2020 “Public Budget Consultation Meeting” be tabled at the December 9th, 2020 Council meeting; and
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.



6. Next Steps

- Council Decision: Wednesday, December 9 – 1:00 p.m.
- Press Conference: Thursday, December 10 – 1:00 p.m.



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THANK YOU FOR ATTENDING

Heintzman House