



MARKHAM

2022 Budget
Budget Committee Meeting #7
December 1, 2021



Agenda

2022 Budget Overview

1. Proposed 2022 Operating Budget
 - a. October 1, 2021 Recap and Staff Direction
 - b. Opportunity Assessment
 - c. Budget Reductions
 - d. Staffing Requests
 - e. Impact of Minimum Wage Increase
 - f. User Fee Updates
 - g. Municipal Election Contribution Rebate Program
2. Closed Session
3. 2021 Operating Budget Shortfall Phase-In
4. 2022 Budget Impact to Average Residential Property
5. Recommendations



Proposed 2022 Operating Budget – October 1, 2021 Recap

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

(\$ Millions)	2021 \$	2022 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Revenues	244.52	246.25	1.73	(1.05%)
Expenditures				
Personnel	143.75	146.11	2.36	
Non-Personnel	100.77	104.54	3.77	
Total Expenditures	244.52	250.65	6.13	3.72%
Shortfall: Day-to-day operations	(0.00)	4.40	4.40	2.67%
Infrastructure Investment		0.82	0.82	0.50%
Net Shortfall		5.22	5.22	3.17%



Proposed 2022 Operating Budget – October 1, 2021 Recap

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

(\$ Millions)		Tax Rate Increase
	\$	%
2022 Budget Shortfall	5.22	3.17%
2021 Budget Shortfall	3.60	2.19%
2022 Cumulative Budget Shortfall	8.82	5.36%

In addition to the 2022 Budget Shortfall, the City approved a 0% tax rate increase in 2021, funding the \$3.6M (2.19%) budget shortfall temporarily from the Corporate Rate Stabilization Reserve. The 2022 Cumulative Budget Shortfall is \$8.8M, or 5.36%.

On October 1, 2021, Budget Committee directed staff to look for ways to mitigate the 2022 tax rate increase:

1. Leveraging efficiencies through the investment in technology to the greatest extent possible
2. Realign services to leverage value in the City's operations (learn from the City's COVID experience).
3. Work to reduce the 2022 tax increase
4. Close the budgetary gap from the 2021 operating budget over the next 3-4 years



Proposed 2022 Operating Budget

Opportunity Assessment

Keeping Our
Community Safe and
Fiscally Sound

Serving our Community
Better and Smarter

Diversifying our
Revenue Sources



Proposed 2022 Operating Budget – Opportunity Assessment

KEEPING OUR COMMUNITY SAFE AND FISCALLY SOUND

Modernizing the
Fire Service

Markham Fire and
Emergency Services
Dispatch
Partnership with
Barrie

Traffic and
Pedestrian Crossing
Safety
Enhancements

Bylaw Services
Modernization



Proposed 2022 Operating Budget – Opportunity Assessment

SERVING OUR COMMUNITY BETTER AND SMARTER

After-hours
dispatch for
critical services

Modernize
customer
service and
implement
Community
Ambassador
model

Investment in
staff to plan for
new parks,
deliver
infrastructure
faster and
expedite the
development
process

Improved infill
construction
management

Support City's
sustainability
goals by going
paper-free

Optimization of
technology
tools



Proposed 2022 Operating Budget – Opportunity Assessment

DIVERSIFYING OUR REVENUE SOURCES

Recreation,
Library and
Culture user fee
increases to
mitigate
inflationary
pressures and
Ontario
Government's
minimum wage
increase

Digital Railway
Banner
Commercial
Advertising and
Community
Messaging

Cap election
rebate and
eliminate rebate
for non-Markham
residents

Expansion of
Administrative
Monetary
Penalties System

New parking,
towing and
licensing fees



Proposed 2022 Operating Budget – Budget Reductions

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

(\$ Millions)	2022 (Oct. 1, 2021) \$	2022 (Dec. 1, 2021) \$	2022 Inc. / (Dec.) from Oct. 1, 2021 \$
Revenues	246.25	246.62	0.37
Expenditures			
Personnel	146.11	145.14	(0.97)
Non-Personnel	104.54	103.87	(0.67)
Total Expenditures	250.65	249.00	(1.65)
Shortfall: Day-to-day operations	4.40	2.38	(2.02)
Infrastructure Investment	0.82	0.82	0.00
Net Shortfall	5.22	3.20	(2.02)
Tax Rate Increase	3.17%	1.95%	-1.22%



Proposed 2022 Operating Budget – Budget Reductions

in \$'000s

	Amount	% Impact
Day-to-day operations budget shortfall - October 1, 2021	5,225	3.17%
Personnel		
Labour relations	(1,555)	-0.94%
New staffing requests - net decrease from placeholder	(125)	-0.08%
Minimum wage impact effective January 1, 2022	431	0.26%
	(1,249)	-0.76%
Non-Personnel		
Print and Mail Strategy	(112)	-0.07%
Reduce contract escalations	(73)	-0.04%
Elimination of non-Markham residents Election Rebate + max of \$150 rebate	(129)	-0.08%
	(314)	-0.19%
Revenues		
Recreation, Sports Fields, Culture and Library user fees to mitigate minimum wage increases	(225)	-0.14%
Digital Railway Banner commercial advertising and community messaging	(230)	-0.14%
	(455)	-0.28%
Total Budget Reductions	(2,018)	-1.22%



2022 Proposed Operating Budget – Staffing Requests Approved Mid-Year 2021

Tax Funded Budget - Approved Mid-Year 2021	No. of Positions	A Salary and Benefits	B Expense / Revenue Offsets	C = A - B Net Tax Funded Impact
<u>New Position Requests - Full-Time (Tax Funded)</u>				
By-Law Supervisor	1	122,390	-	122,390
Assistant Manager By-Law	1	139,755	-	139,755
<i>Total New Position Requests - Full-Time</i>	2	262,144	-	262,144
<u>New Position Requests - Contract (Tax Funded)</u>				
Accounts Payable Supervisor (3-year contract)	1	95,422	-	95,422
<i>Total New Position Requests - Contract</i>	1	95,422	-	95,422
<i>TOTAL APPROVED MID-YEAR 2021</i>	3	357,566	-	357,566



Proposed 2022 Operating Budget – Staffing Requests

Tax Funded 2022 Requests

Tax Funded Budget - 2022 Request	No. of Positions	A Salary and Benefits	B Expense / Revenue Offsets	C = A - B Net Tax Funded Impact
<u>New Position Requests - Conversion (Tax Funded)</u>				
Senior Buyer	1	112,113	94,877	17,236
Building Automation Systems Coordinator	1	102,733	58,000	44,733
<i>Total New Position Requests - Conversion (Tax Funded)</i>	2	214,847	152,877	61,970
<u>New Position Requests - Contract (Tax Funded)</u>				
Right-of-Way Technician (2-year contract)	1	79,723	79,723	-
<i>Total New Position Requests - Contract</i>	1	79,723	79,723	-
TOTAL TAX FUNDED BUDGET	3	294,570	232,600	61,970



Proposed 2022 Operating Budget – Staffing Requests

Non-Tax Funded 2022 Requests

Non-Tax Funded Budget - 2022 Position	Funding Source	No. of Positions	A	B	C = A - B
			Salary and Benefits	Expense / Revenue Offsets	Non-Tax Funding
<u>New Position Requests - Full-Time (Non-Tax Funded)</u>					
Senior Environmental Engineer	Development Fees and DC	1	139,200	-	139,200
Capital Works Engineer	DC	1	139,200	-	139,200
Traffic Systems Engineer	DC	1	139,200	-	139,200
Parks Planning - Planner I	DC	1	102,733	-	102,733
Parks Planning - Senior Planner	DC	2	243,808	-	243,808
Parks Planning - Project Manager	DC	1	139,200	-	139,200
Committee of Adjustment Supervisor	Development Fees	1	122,390	-	122,390
Development Technician, Committee of Adjustment	Development Fees	1	77,325	-	77,325
Development Review Supervisor, Urban Design	Development Fees	1	139,755	-	139,755
Senior Planner	Development Fees	1	122,390	-	122,390
Client Advisor - Infrastructure and CyberSecurity	Life Cycle	1	144,358	-	144,358
<i>Total New Position Requests - Full-Time</i>		12	1,509,556	-	1,509,556



Proposed 2022 Operating Budget – Staffing Requests

Non-Tax Funded 2022 Requests (continued)

			A	B	C = A - B
Non-Tax Funded Budget - 2022 Position	Funding Source	No. of Positions	Salary and Benefits	Expense / Revenue Offsets	Non-Tax Funding
<u>New Position Requests - Conversion (Non-Tax Funded)</u>					
Client Advisor	Life Cycle	1	144,358	122,379	21,979
Manager, Corporate Security	Life Cycle	1	139,200	118,007	21,193
Development Technician, Applications Intake	Development Fees	2	143,118	81,771	61,347
Asset Management Analyst	Waterworks	1	114,000	160,000	(46,000)
<i>Total New Position Requests - Conversion (Non-Tax Funded)</i>		5	540,676	482,156	58,519
<u>New Position Requests - Contract (Non-Tax Funded)</u>					
Law Clerk (3-year contract)	Development Fees	1	87,439	-	87,439
Net Zero Project Manager (2.5-year contract)	Life Cycle	1	118,477	-	118,477
<i>Total New Position Requests - Contract (Non-Tax Funded)</i>		2	205,916	-	205,916
<i>TOTAL NON-TAX FUNDED BUDGET</i>		19	2,256,148	482,156	1,773,992



Minimum Wage Increase – January 1, 2022

In the 2021 Fall Economic Statement, the Ontario government announced it would introduce legislation to increase the general minimum wage from \$14.35 to \$15.00 per hour (4.5% increase) effective January 1, 2022

- The City will adjust Part-Time salaries where applicable and address compression issues and to remain competitive
- Total 2022 financial impact including 8.3% benefits is \$430,800
- Recreation portion \$362,000 (84%) of total impact
 - \$143,000 (39.5%) tax funded and \$219,000 (60.5%) user fee increase, partial year impact
 - 2.75% user fee increase



Proposed 2022 Operating Budget

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

(\$ Millions)	2021 \$	2022 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Revenues	244.52	246.62	2.10	(1.27%)
Expenditures				
Personnel	143.75	145.14	1.39	
Non-Personnel	100.77	103.87	3.09	
Total Expenditures	244.52	249.00	4.48	2.72%
Shortfall: Day-to-day operations	(0.00)	2.38	2.38	1.45%
Infrastructure Investment		0.82	0.82	0.50%
Net Shortfall		3.20	3.20	1.95%



Proposed 2022 Operating Budget

Diversifying our Revenue Sources Recreation, Sports Fields and Library User Fee Changes

Mary Creighton, Director, Recreation Services



Diversifying our Revenue Sources – User Fee Changes

Recreation including Sports Fields

OUR MISSION is to provide high quality, safe and fun programs and services that are inclusive, accessible and affordable for all residents.

Recreation Services provide three service delivery methods that include:

- Direct programming – Represents 38.5% of revenue collected
- Drop in opportunities – Represents 14.5% of revenue collected
- Facility Permit: Provision of facilities for use by recreational and competitive sport delivered by community partners – Represents 32.2% of revenue collected



Diversifying our Revenue Sources – User Fee Changes

Direct Programs

Direct programs include “Learn to Programs” within aquatics, sports, camps and general programming.

These programs are instructional based and are accompanied by a paid instructor.

Learn to Programs are user fee based, participants pay a fee to take part in the program which are available for all age groups: parent and tots to older adults.

Staff recommend increasing all eligible base rates by 2.75% in this category with the exception of Aquatic Leadership training courses which are established in conjunction with the Life Saving Society, effective July 1, 2022



Diversifying our Revenue Sources – User Fee Changes

Drop In Programs

- **Drop In** opportunities include scheduled times in community centres where an activity is open for public use for a variety of age groups.
- These programs allow for the greatest benefit to the community based on cost and accessibility, which aligns with Recreation's priority to provide opportunities for accessible and affordable service for all residents without barriers to participation.

Staff recommend increasing all eligible base rates by 2.75% in this category, effective September 1, 2022



Diversifying our Revenue Sources – User Fee Changes

Fitness

- Fitness includes memberships, personal training and group classes.
- A supplementary review was completed on Fitness offerings within Recreation.
- This competitive analysis was excluded, because comparator municipalities are currently experiencing low participation levels and low membership enrollment in their Fitness portfolio, which they believe could be as a result of their current membership rates are priced above market trends.

Staff recommend increasing all eligible base rates by 2.75% in this category effective September 1, 2022



Diversifying our Revenue Sources – User Fee Changes

Facility Permits

- **Facility Permits** is the provision of facilities to local sport and community organizations, and private rentals.
- Recreation Services partners with over 200 sport organizations and permits space and city assets to groups to deliver competitive and community sport programming.
- User groups pay a permit fee for the use of City assets.
- City assets include hockey arenas, baseball diamonds, soccer fields, cricket pitches pools, meeting rooms and hall rentals.

Staff recommend increasing all eligible base rates by 2.75% in this category effective July 1, 2022, with the exception of midnight ice rental which is to remain at the current rate.



Diversifying our Revenue Sources – User Fee Changes

Library User Fees

Library services includes paid programming, room bookings and facility rentals.

Staff recommend increasing all eligible base rates by 2.75% effective September 1, 2022



Proposed 2022 Operating Budget

Diversifying our Revenue Sources Culture User Fee Changes

Christina Kakaflikas
Director, Economic Growth, Culture and Entrepreneurship



Diversifying our Revenue Sources – User Fee Changes

Culture Services User Fees

To mitigate wage rate increases and remain competitive, staff recommend the following user fees be increased in 2022:

Museum

All user fees increasing by 2.75% effective March 1, 2022

Art Gallery

Camp programs and rental fees, increasing by 2.75% effective July 1, 2022

Theatre

Camp programs and ticket handling fees increasing 2.75% effective July 1, 2022



Proposed 2022 Operating Budget

Diversifying our Revenue Sources Parking Initiatives and User Fee Changes

Anthony Fabrizi, Assistant Manager, By-Law Services
Christopher Bullen, Manager, By-Law Services



Overnight Exemption Fee Initiative

- Overnight parking exemptions currently have no fees associated with the requests. Administrative costs for managing these exemptions are not recovered.
- Charging a nominal fee will allow for cost recovery and assist in managing exemption volumes.
- Some surrounding municipalities (Vaughan, Richmond Hill, Newmarket and Toronto) charge a fee for providing an overnight parking exemption. Richmond Hill and Newmarket charges \$5.00 per night while Vaughan and Toronto charges \$7.00 per night. Others have temporary permits or visitor permits with fees related to length of stay.
- Based on similar fees charged, staff are proposing a \$7.00 fee per exemption. It is proposed that an online system built upon the Parking Penalty Payment program, could be utilized by customers to obtain an overnight permit using plate information and a credit card. If approved, it is anticipated to start April 1, 2022.
- A reduction in the number of customers utilizing this service is expected given the associated fees. However, experience from other municipalities indicates that only a 15% reduction in demand. Table 1 below illustrates the potential (annual) revenue, with the assumption of reduced customers by 15%.

TABLE 1

YEAR	HISTORICAL OVERNIGHT EXEMPTION REQUEST VOLUMES	POTENTIAL REVENUES (Annualized)
2020	39,489	\$0
2021	34,721	\$0
2022	29,750	\$208,250



Increases to Monthly Parking Permit Fees

- Monthly Permits currently have a fee of \$55.00.
- Approximately 100 streets have permit revenue, but 220 streets are approved City-Wide.
- Staff are proposing a fee increase of \$5.00 to reflect and recover higher operating costs. Most municipalities across the Greater Toronto Area have an increased fee structure related to CPI. The table below illustrates potential volumes and revenues.
- Potential additional annual revenues of \$17,500 could be realized if volumes remain at current levels. Effective date is April 1, 2022.
- Expansion of permit sales to additional streets could generate more revenue, however, parking penalty revenue may be impacted as or if more permits are sold.*

YEAR	PERMITS SOLD	\$55.00 CURRENT FEE AND REVENUES	PROPOSED \$60 FEE AND REVENUES
2020	4,755	\$261,525	
2021	1,740	\$95,700	
2022	3,500	\$192,500	\$210,000

*Expansion of Monthly Permits would generate additional revenues depending on uptake and enrollment, however, it is important to note that as Monthly Permit Sales increase, parking ticket issuance for those offences would decrease. Depending on the ratios, expanding monthly permit sales and areas could negatively impact parking revenues since some vehicles currently ticketed multiple times for overnight parking would no longer be ticketed and could result in a revenue loss.



Extended Driveways – Front Yard Parking

- Front-yard parking offences are currently enforced using Zoning related Bylaws. Little fine revenue is realized and the enforcement process is labour-intensive.
- Each year, approximately 600 front-yard parking complaints are received.
- Enforcing extended driveway parking by amending the Parking Bylaw, will address resident concerns about community standards, and enhance enforcement effectiveness. Effective date would be April 1, 2022
- Parking Enforcement Officers would enforce on a complaint basis and staff are recommending a penalty of \$60.00. This penalty is in line with other municipalities' sidewalk and boulevard related offences. The Table below illustrates potential revenues assuming complaint volume remains at current levels*

YEAR	OVERNIGHT OFFENCES	REVENUES
2021	600	\$0
2022	600	\$28,800

* A collection rate of 80% is being used given that disputed tickets may have fines cancelled or reduced.



Diversifying our Revenue Sources – User Fee Changes

Parking

Description	Current Fee	Fee Increase %	New Fee Effective (Jan. 1, 2022)	Rate Increase
Monthly Parking Permit	\$55.00	9.09%	\$60.00	\$5.00
Description			New Fee	Effective Date
Overnight Exemption Fee	New		\$7.00	Apr. 1, 2022
Front Yard Parking Offences	New		\$60.00	Apr. 1, 2022



Proposed 2022 Operating Budget

Diversifying our Revenue Sources New Business Licensing Fees

Anthony Fabrizi, Assistant Manager, By-Law Services
Christopher Bullen, Manager, By-Law Services



Proposed New Licensing Categories

- Staff propose to modify & expand the City's current business licensing categories to: 1. align with current practices of other Ontario municipalities; 2. to further support public health & safety and consumer protection.
- Proposed new licensing categories include:
 1. Private Transportation Companies (PTCs)
 2. Driving School Instructors
 3. Tow Truck Companies
 4. Food Trucks
 5. Commercial Dog Walkers
 6. Vape Stores
- New licensing fee revenues will offset unfavorable variances in licensing revenue budgets resulting from industry changes & the COVID19 Pandemic.



Proposed New Licensing Categories - PTCs

1. Private Transportation Companies (PTCs)

- Not currently licensed in Markham but are operating in the City.
- Staff to present a proposed PTC regulatory framework and associated by-law amendments at the December 7th General Committee meeting.
- Fees By-law will have to be amended to add an annual licensing fee for PTC companies as well as a .30 cent per ride levy.
- Projected annual licensing fee revenue of \$10,000 - \$15,000 and an additional \$125,000 in revenue from the “per trip” ride levy.
- 2022 projected revenue from traditional taxicabs is \$70,000 (far short of the budgeted amount for taxicabs \$309,000).
- The estimated PTC licensing revenue will help mitigate the unfavorable variance in taxicab licence revenue.



Proposed New Licensing Categories - Driving School Instructors

2. Driving School Instructors

- City currently licenses driving schools & administers a fee for the plate but does not currently license the Driving School Instructors themselves.
- Staff propose amending the *Fees By-law* to add a \$100 fee for each Driving School Instructor.
- This amendment aligns with current practice of licensing taxi, limo and tow truck drivers; some GTHA municipalities already license Driving School Instructors for public safety and consumer protection purposes.
- Staff anticipate between 120-140 licensed driving instructors for 2022, creating \$12,000 - \$14,000 in potential new annual revenue.



Proposed New Licensing Categories - Tow Truck Companies

3. Tow Truck Companies

- The City's current *Mobile Licensing By-law* has a fee for Tow Truck Owners and Tow Truck Drivers, but not for the Tow Truck Company (the single company (entity) that operates the fleet of tow trucks).
- Staff propose an amendment to add a definition for "Tow Truck Company" to the *Mobile Licensing By-law*, and amend the *Fees By-law* to add a \$550 annual fee for Tow Truck Companies.
- This amendment would assist with by-law enforcement and would be in alignment with the discussions currently underway at the Provincial Working Group.
- Newmarket has recently amended its by-law to include Tow Truck Companies.
- Based on current data, staff anticipate 45-50 Tow Truck Company licences, and project potential new revenue for 2022 to be \$24,000 - \$27,000.



Proposed New Licensing Categories – Food Trucks

4. Food Trucks

- Since the onset of the COVID19 Pandemic, the City has been approached by several operators requesting a City Food Truck licence.
- Toronto, Mississauga, Hamilton, Windsor, Richmond Hill and Georgina are among those who currently license Food Trucks.
- Staff propose an amendment to the current *Mobile Licensing By-law*, Schedule 5 (to add an additional category for Refreshment Vehicle type)
- Staff propose that separate fees be initiated for the Food Truck Vehicle and the Food Truck Driver/Operator (in line with tow trucks, taxis and refreshment vehicles)
- Potential revenue based on the number of inquiries received would be \$13,000 - \$16,000 (includes Food Truck Driver/Operator and Food Truck Vehicle fees).



Proposed New Licensing Categories – Commercial Dog Walkers

5. Commercial Dog Walkers

- Commercial dog walkers are a growing safety concern in the City's off-leash parks due to the number of dogs they bring to parks and their ability to control/monitor each dog in their care.
- Currently Toronto, Brampton and Mississauga license commercial dog walkers for health and safety and consumer protection purposes.
- A scan of Canada 411 indicates there are companies currently offering dog walking services in Markham.
- Staff propose an amendment to the City's *Animal Protection & Services By-law* to add a definition & provisions for Commercial Dog Walkers.
- Staff propose an amendment to the *Fees By-law* to add an annual fee of \$266 (based on benchmarking) for Commercial Dog Walkers.
- Staff project the potential new revenue associated with the licensing of Commercial Dog Walkers to be \$6,000 - \$8,000 annually.



Proposed New Licensing Categories – Vape Stores

6. Vape Stores

- Public health concerns have been raised around the sale & use of vaping products.
- Currently Toronto and Oakville license Vape Stores (fees are \$645 and \$191 respectively).
- Staff propose amendments to the *Stationary Licensing By-law* to provide for definitions and provisions for Vape Store Operators.
- Staff propose amendments to the City's *Fees By-law* to add an annual licence fee of \$399 for Vape Stores, which is in line with current fee for a tobacco license
- Based on current data, projected revenue from this proposed licence category would be \$30,000 - \$39,000



Summary

- The City is committed to the well-being of all residents and visitors.
- Business Licensing and Standards staff continue to promote and support public health & safety and consumer protection measures as part of their licensing frameworks.
- The proposed 6 new licensing categories have been identified by staff as areas where new regulations are required.
- Staff feel the fees and regulations being proposed are fair and in-line with other municipalities who have similar licensing frameworks.



Diversifying our Revenue Sources – User Fee Changes

New Licensing Fees

Description	New Fee	Effective Date
Private Transportation Companies 1 - 50 vehicles	\$750.00	Apr. 1, 2022
Private Transportation Companies 51 to 100 vehicles	\$2,500.00	Apr. 1, 2022
Private Transportation Companies 101 to 500 vehicles	\$7,500.00	Apr. 1, 2022
Private Transportation Companies 500 or more vehicles	\$15,000.00	Apr. 1, 2022
Private Transportation Companies (PTCs) - per ride levy	\$0.30	Apr. 1, 2022
Driving School Instructors	\$100.00	Jan. 1, 2022
Tow Truck Companies	\$550.00	Jan. 1, 2022
Food Trucks - per vehicle	\$530.00	Apr. 1, 2022
Food Trucks - per driver/attendant	\$265.00	Apr. 1, 2022
Commercial Dog Walkers	\$266.00	Apr. 1, 2022
Vape Stores	\$399.00	Apr. 1, 2022



Proposed 2022 Operating Budget

Diversifying our Revenue Sources Municipal Election Contribution Rebate Program

Scott Chapman, Manager, Elections

Kimberley Kitteringham, Director, Legislative Services & Communications



Background

- Candidate Contribution Rebate Program (CCRP) established in 2003
- Provides fundraising support to candidates running for Markham City Council in a municipal election
- Policy Objectives:
 - Level the playing field between incumbent and non-incumbent candidates
 - Foster engagement among voters in the election of their own Council
 - Curtail the influence of wealthier donors, corporations, and special interest groups on Markham election financing

CCRP Rebate Formula (Current)

Contribution Amount	Rebate
\$551 – \$1,200 (max.)	\$350
\$301 – \$550	\$225 + 50% of contribution amount in excess of \$300
\$50 – \$300	\$75% of contribution amount



Background (Continued)

CCRP Cost Impact (2003-2018)

Election Year	Rebates Issued (Count)	Rebates Issued (\$)
2003	1,996	\$ 157,275
2006	2,229	\$ 368,435
2010*	2,583	\$ 459,181
2014	2,781	\$ 546,363
2018	2,300**	\$ 549,964**
Total		\$ 2,081,028
<i>*2010 includes rebates issued for 2009 Ward 3 By-Election</i>		

**Notes on 2018 Municipal Election

- City paid \$549,964 in rebates
- Additional \$226,096 in rebates invalidated due to non-compliance with CCRP by-law
- Non-compliance sources:
 - Contributor did not apply for rebate
 - Candidate did not file a complete campaign financial statement
- Had full by-law compliance been achieved, the City would have paid **\$776,060** in rebates



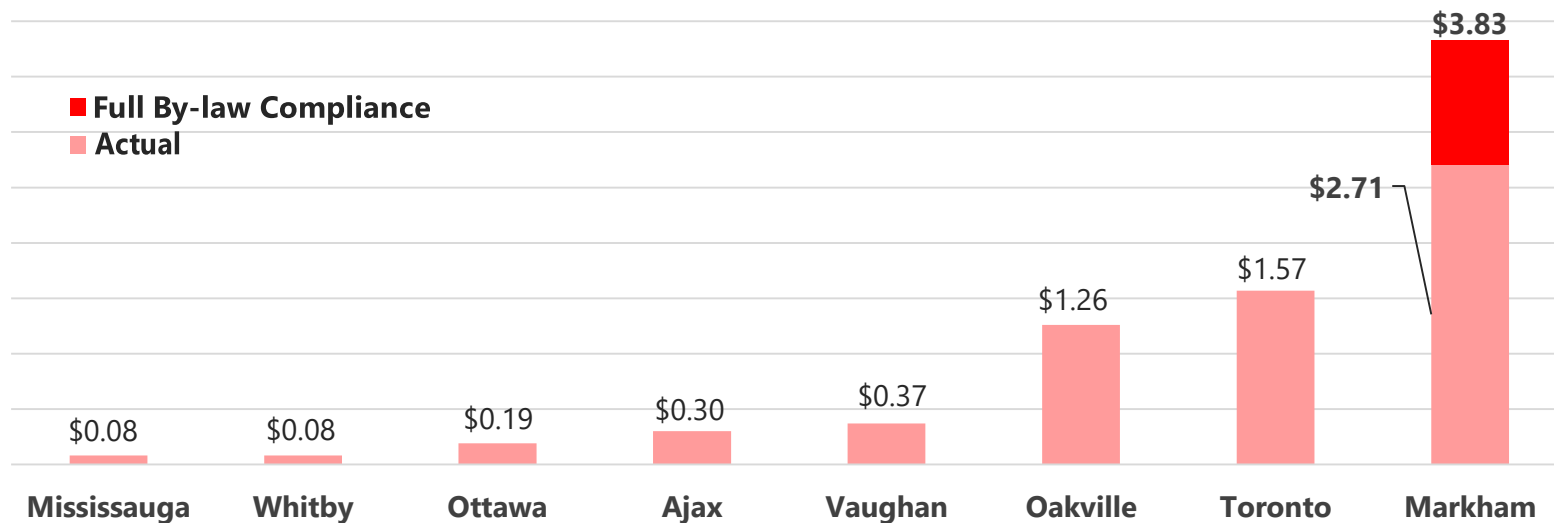
Discussion

- CCRP is the City's most significant election-related expense
 - Equivalent to nearly 50% of City's overall election budget
- Funds historically allocated to less than 1% of all Markham voters
- Program costs have increased with each election
- Unclear whether the program's policy objectives are being furthered
 - Program used equally by incumbents and non-incumbents
 - Upward pressure on average donation size under existing cap



Municipal Comparison

Rebate Program Cost Per Voter (2018 Municipal Election)



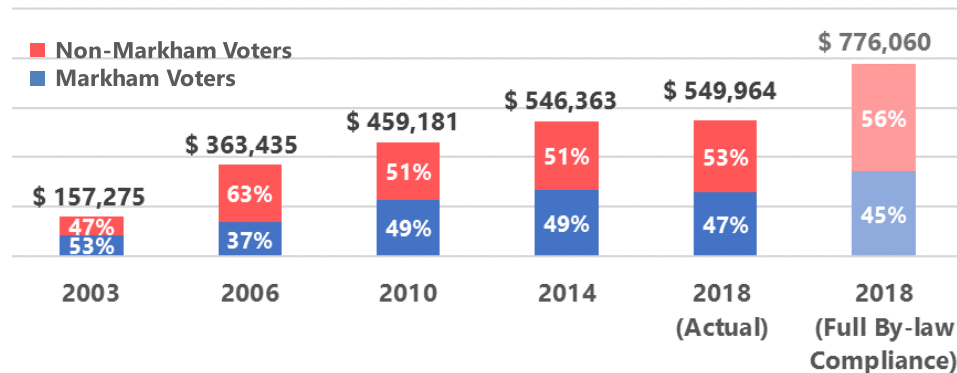


Recommendation 1

Recommendation 1: Restrict rebates to Markham voters

- CCRP funded entirely by Markham voters (i.e., taxpayers)
- Currently, rebates can be claimed by Markham and non-Markham voters
- 53% of rebates issued to date (\$1.1 million) claimed by non-Markham voters
- Policy rationale:
 - Ensures program funds are directed toward the people supplying them
 - Added incentive to get on the Voters' List
- This would not prevent non-voters from donating to candidates in Markham

Rebates Issued (\$) in Markham Municipal Elections
(2003-2018)





Recommendation 2

Recommendation 2: Lower the maximum rebate cap per person from \$350 to \$150

- Markham currently awards one of the highest maximum rebates of any municipal rebate program in Ontario (\$350 per person)
- Maintaining existing cap has required continuous increases to program funding
- Upward pressure on average donation size under existing cap
- Policy rationale:
 - Encourage fundraising through smaller-dollar donations to produce campaigns reflecting broad support for the candidate



Recommendations 1 & 2 – Cost Impact

CCRP Cost Impact - 2018 Municipal Election (Recommendations 1 & 2)

	A	B	C=A+B
	Actual \$	Non-Compliant \$	Total \$
2018 Rebate Program	549,964	226,096	776,060
Less: Non-Markham Voters (i) <i>Recommendation 1</i>	(292,022)	(132,033)	(424,055)
Markham Voters Only	257,942	94,063	352,005
\$150 Rebate Cap per Person (ii) <i>Recommendation 2</i>	(105,469)	(38,536)	(144,005)
Markham Voters Only with \$150 Rebate Cap per Person	152,473	55,527	208,000
Projected Cost Avoidance (i + ii)	(397,491)	(170,569)	(568,060)



Financial Considerations

- The City currently sets aside \$181,000 annually for the CCRP, which ramps up to \$724,000 per election (\$181,000 x 4 years)
- Should Council approve the proposed program amendments, approximately \$208,000 (\$52,000 per year) would be required for the 2022 Municipal Election
- This would achieve a cost reduction of:
 - 2022 Municipal Election: \$516,000 (\$724,000 - \$208,000); AND
 - 2022 City Budget: \$128,000 (\$181,000 - \$52,000)



Proposed 2022 Operating Budget **in camera session**



2021 Budget Shortfall Phase-In

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

(\$ Millions)	\$	Tax Rate Increase %
2021 Budget Shortfall	3.60	2.19%
Extend Markham Centre Library ramp-up from 8 to 12 years, ending 2032 (2 of 12)	(0.08)	
Extend year-end accounting accrual ramp-up from 8 to 10 years, ending 2025 (7 of 10)	(0.12)	
Increase salary gapping	(0.25)	
	<u>(0.45)</u>	-0.27%
2021 Budget Shortfall to be phased in 2023 to 2025	3.15	1.91%
Transfer from Corporate Rate Stabilization	(3.15)	-1.91%
2022 Budget Impact from 2021 Budget Shortfall	-	0.00%

Staff will seek ways to address the 2021 budget shortfall through modernization and efficiencies to mitigate future tax rate increases in the 2023 - 2025 budgets



Proposed 2022 Operating Budget

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

(\$ Millions)	2021 \$	2022 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Revenues	244.52	246.62	2.10	(1.27%)
Expenditures				
Personnel	143.75	145.14	1.39	
Non-Personnel	100.77	103.87	3.09	
Total Expenditures	244.52	249.00	4.48	2.72%
Shortfall: Day-to-day operations	(0.00)	2.38	2.38	1.45%
Infrastructure Investment		0.82	0.82	0.50%
Net Shortfall		3.20	3.20	1.95%

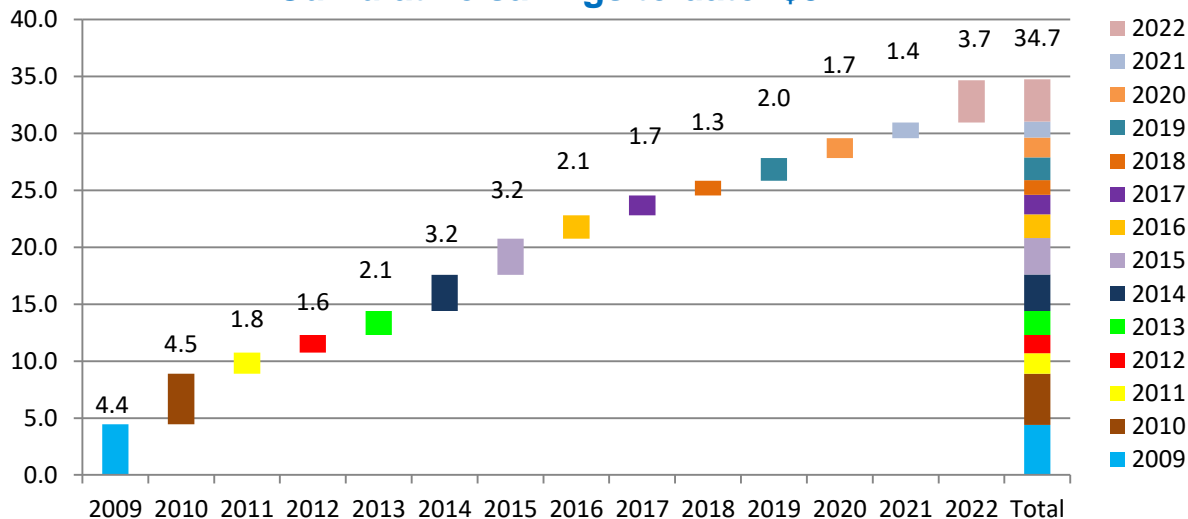


Proposed 2022 Operating Budget

Excellence Through Efficiency and Effectiveness (E3)

Cumulative savings to date: \$34.M

In constant
\$ in millions



2022 savings to date
\$3.7M

Cumulative
savings to date
\$34.7M

Total savings
\$34.7M – equates to
tax rate increase
avoidance of 27.6%



2022 Budget Overview



Budget	Amount
Primary Operating	\$ 249.8
Waterworks Operating	137.4
Engineering Operating	12.8
Planning & Design Operating	10.2
Building Services Operating	9.6
Total Operating	419.9
Total Capital	99.6
Total Budget (in millions)	\$ 939.3

Funding Sources	Amount
Property Taxes	\$ 173.1
Water and Wastewater Fees	137.4
Reserves and Reserve Funds	68.6
Development Fees	33.2
Development Charges	27.8
Investment Income	25.2
Rentals, Licences, Permits, Fines and Penalties	23.9
User Fees	21.6
Other	8.7
Total Funding Sources (in millions)	\$ 519.5

Primary Operating Budget includes a \$28M contribution to the Life Cycle Capital Repair and Replacement Reserve Fund



2022 Budget Impact to Average Residential Property




Property Type	2021 Average Current Value	1.95% Tax Rate Increase
Residential Homes* 	\$987,755	\$29.56
Residential Condominiums 	\$421,000	\$12.60
Average (Homes and Condominiums)	\$846,462	\$25.33

Every 1% tax rate increase (local portion only) is equivalent to an increase of \$12.99 in property taxes for an average residential property

* Residential Homes include single family detached, linked homes, freehold townhouses, and semi-detached.



2022 Budget Impact to Average Residential Property

		2022 % Increase	Increase \$
Tax rate increase – Markham (includes 0.5% Infrastructure Investment)		1.95%	25.33
Tax rate increase – York Region		2.96%	81.79
Water & wastewater fee		3.30%	30.85
Total			\$137.97

Note: Excludes continuation of the \$52 stormwater fee



Recommendations

Budget Public Meeting Presentation

1. That Budget Committee approve a \$3,150,000 transfer from the Corporate Rate Stabilization to provide temporary funding for the 2021 Budget shortfall; and
2. That Budget Committee approve a proposed operating budget tax rate increase of 1.95% be presented at the December 8, 2021 Budget Public meeting; and
3. That Staff do all things necessary to give effect to this resolution



Recommendations

Recreation, Library, and Culture User Fees

1. That all direct program and facility permit rate increase by 2.75%, effective July 1, 2022
2. That all drop in programs and fitness rates increase by 2.75%, effective September 1, 2022
3. That all Library services user fees including paid programming, room bookings and facility rentals increase by 2.75%, effective September 1, 2022
4. That all Museum user fees increase by 2.75%, effective March 1, 2022
5. That all Art Gallery camp programs and rental fees increase by 2.75%, effective July 1, 2022
6. That all Theatre camp programs and ticket handling fees increase by 2.75%, effective July 1, 2022
7. That Staff do all things necessary to give effect to this resolution



Recommendations

Parking Initiatives - User Fees

1. That the increase in fees for monthly parking permits and overnight parking permits be approved, and that a new parking offence be created for parking on extended driveways; and further
2. That Staff do all things necessary to give effect to this resolution



Recommendations

New Licensing Fees

1. That the following new licensing fees be approved:

Description	New Fee	Effective Date
Private Transportation Companies 1 - 50 vehicles	\$750.00	Apr. 1, 2022
Private Transportation Companies 51 to 100 vehicles	\$2,500.00	Apr. 1, 2022
Private Transportation Companies 101 to 500 vehicles	\$7,500.00	Apr. 1, 2022
Private Transportation Companies 500 or more vehicles	\$15,000.00	Apr. 1, 2022
Private Transportation Companies (PTCs) - per ride levy	\$0.30	Apr. 1, 2022
Driving School Instructors	\$100.00	Jan. 1, 2022
Tow Truck Companies	\$550.00	Jan. 1, 2022
Food Trucks - per vehicle	\$530.00	Apr. 1, 2022
Food Trucks - per driver/attendant	\$265.00	Apr. 1, 2022
Commercial Dog Walkers	\$266.00	Apr. 1, 2022
Vape Stores	\$399.00	Apr. 1, 2022

2. That Staff do all things necessary to give effect to this resolution



Recommendations

Municipal Election Contribution Rebate Program

1. That the City of Markham's Municipal Election Candidate Contribution Rebate Program's enabling by-law (By-law 2018-17) be amended to:
 - Restrict rebates to Markham voters;
 - Lower the maximum rebate cap per person from \$350 to \$150
2. That staff be authorized and directed to do all things necessary to give effect to this resolution.



Next Steps

	Date	Description
Meeting #8	Friday, December 3	If required
Public Meeting	Wednesday, December 8	Budget presentation for the Public Meeting 6:30 pm to 8:30pm – open to the public by Zoom
Council	Tuesday, December 14	Council decision 1 to 4:30pm
Press Conference	Wednesday, December 15	10:00 am to noon



2022 Budget
Budget Committee Meeting #7
December 2, 2021



East Works Yard
(artist rendering)