



Report to: General Committee

Report Date: March 21, 2022

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**SUBJECT:** Preliminary 2023 Budget Schedule  
**PREPARED BY:** Lisa Chen, Senior Manager, Financial Planning & Reporting

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**RECOMMENDATION:**

- 1) THAT the report dated March 21, 2022 titled “Preliminary 2023 Budget Schedule” be received; and
- 2) That staff report back to the Committee on the final 2023 Budget Schedule in December 2022; and
- 3) 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 Council with a high level overview of the proposed meeting dates for the 2023 Budget process which will be significantly different than during a non-election year.

**BACKGROUND:**

During a non-election year, the City’s budget is usually approved in December of the prior year. Under the Municipal Act, section 291 (5),

*“...if a year for which a budget is being reviewed and changed is a year immediately following a year in which a regular election is held, the budget may only be readopted in the year for which the budget is being reviewed and changed.”*

As a result of this requirement, the City’s 2023 Budget and Water and Wastewater Rate approval schedule will shift by approximately two to three months.

The annual budget process usually includes a Capital pre-approval submission in the fall, and approximately six Budget Committee meetings, up to eight if required, prior to Council consideration.

In addition, input is sought through public meetings prior to Council consideration. Staff will incorporate feedback from the public meeting into the report to Council in March 2023. Once a Council decision is made on 2023 Budget, a press conference will follow.

Meetings will be held in accordance with Public Health guidelines and may include a combined hybrid model with both on-site and virtual capabilities.

The 2023 Water & Wastewater rate will follow a Budget Committee and Public Consultation schedule, but due to lead times to implement rate changes, it will be tabled for Council consideration at the end of February 2023.

### **OPTIONS/ DISCUSSION:**

Markham is focused on effective fiscal management and operational excellence to ensure sustainability of our City for the future.

#### **A. 2023 Budget**

Staff will continue to follow the internal budget review process, starting with the annual Life Cycle Reserve Study update. The goal of the update is to determine if there are sufficient funds in the Life Cycle Replacement and Capital Reserve Fund at the end of the 25-year period. The 2023 update will be based on a new 25-year period, commencing from the end of the new Council term. Details of the 2023 update will be provided at the first Budget Committee meeting in January 2023.

Preliminary operating and capital budgets will be developed with consideration of items such as the departmental business plans, Life Cycle Reserve Study, and Development Charges Background Study. Consideration will also be given to findings from an economic (fiscal) scan, which is a forecast of items that may have a financial impact on the budget such as collective agreements, inflation, interest rates and legislative changes.

A comprehensive review of the capital and operating budgets will be conducted by Staff, Commissioners and the CAO prior to being presented to the Budget Committee, tentatively scheduled for the months of January and February 2023.

Throughout 2020 and 2021 budget years, the COVID-19 pandemic had a significant impact on the City. As restrictions start to lift in 2022, staff continue to work on mitigating strategies to offset any potential adverse financial impact. The 2023 Budget process will provide assumptions on the 2023 impact of the pandemic, and if applicable, identify areas of opportunities or concerns for the City going into 2023.

#### **Budget Committee Schedule**

A final 2023 Budget Schedule will be tabled for Committee's consideration in December 2022, with six to eight Budget Committee meetings likely to be scheduled on Tuesday and Friday mornings throughout January and February 2023.

Prior to budget approval, some capital projects are required to be initiated in order to prevent delays in design or construction, meet operational/program requirements and allow early commencement of the procurement process to potentially achieve competitive pricing. The pre-approval requests will be tabled for Committee's consideration approximately one month earlier than usual, on September 6, 2022, and then Council ratification on September 13, 2022. The earlier date is due to the revised Committee and Council schedule during an election year. Staff will only bring forward standard, annual capital programs that are straightforward, which Committee is accustomed to reviewing for pre-approval consideration.

**B. 2023 Water & Wastewater Rate**

Markham owns and operates the water distribution and wastewater collection systems, and purchases water supply and wastewater treatment from the Region of York. The Region of York purchases water from the City of Toronto and the Region of Peel.

The 2023 Water & Wastewater rate will be discussed at General Committee at the end of January 2023, and it will be tabled for Public Consultation, and Council deliberation throughout February 2023, pending Region of York's approval of the 2023 rates. This is about a month earlier than the 2023 Budget is brought forward to Council due to lead times required to update the rates in the billing system before the April 1, 2023 effective rate.

**RECOMMENDED**

Joel Lustig  
Treasurer

Trinela Cane  
Commissioner, Corporate Services