

Budget Committee Minutes

January 27, 2023, 9:00 AM - 12:00 PM

Live streamed

Members	Mayor Frank Scarpitti Deputy Mayor Michael Chan Regional Councillor Jim Jones Regional Councillor Alan Ho Councillor Keith Irish Councillor Ritch Lau	Councillor Reid McAlpine Councillor Karen Rea Councillor Andrew Keyes Councillor Amanda Collucci Councillor Isa Lee
Regrets	Regional Councillor Joe Li	Councillor Juanita Nathan
Roll Call	Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner, Corporate Services Alice Lam, Acting Commissioner, Community Services Arvin Prasad, Commissioner, Development Services Claudia Storto, City Solicitor and Director of Human Resources Adam Grant, Fire Chief Bryan Frois, Chief of Staff Kimberley Kitteringham, City Clerk Sumon Acharjee, Chief Information Officer Graham Seaman, Director, Sustainability & Asset Management Amanda Martin, Manager, Corporate Energy Richard Fournier, Senior Manager, Parks Planning, Design & Construction	Chris Bullen, Manager, By-Law Services Chris Rickett, Director, Economic Growth, Culture & Entrepreneurship Mary Creighton, Director, Recreation Services Shane Manson, Senior Manager, Revenue & Property Taxation Frank Clarizio, Director, Engineering Darryl Lyons, Deputy Director of Planning & Urban Design Mark Visser, Senior Manager Strategy Innovation & Investments Loy Cheah, Acting Director, Engineering Alain Cachola, Senior Manager, Infrastructure & Capital Projects Nhat-Anh Nguyen, Senior Manager, Development & Environmental Engineering, Municipal Inspections Jay Pak, Senior Manager, Financial Planning & Reporting Jemima Lee, Manager, Financial Planning

Giulio Cescato, Director, Planning and Laura Gold, Council/Committee
Urban Design Coordinator

Stephanie DiPerna, Director, Building
Standards

1. CALL TO ORDER

The Budget Committee convened at 9:03 am with Councillor Andrew Keyes in the Chair.

2. DISCLOSURE OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. BUDGET PRESENTATION

Jemima Lee, Manager, Financial Planning, provided a presentation on the 2023 Capital Budget.

The Committee discussed the following relative to the staff presentation:

- The implications of basing the Lifecycle Cycle Reserve on having enough funds to replace assets for next 20 years versus 25 years, noting that a 20 year timeframe would delay the eventual need to increase the annual infrastructure investment, and may require a higher annual infrastructure investment in later years, as the funds for the future replacement of assets would need to be collected over a shorter timeframe.
- That the outflows of the Life Cycle Reserve vary each year, as the outflows are based on the assets scheduled for replacement, which vary from year to year;
- That new home buyers pay for new infrastructure through Development Charges, and that the Life Cycle Reserve is used to replace these assets once they reach the end of their lifecycle;
- The implications of Bill 23 on the municipal collection of Development Charges, in particularly the phasing of rates;
- That a condition assessment is undertaken for all assets up for lifecycle renewal to see if their lifecycle can be extended prior to replacing the asset;

- That the lifecycle replacement of an asset can be moved forward if there is a business case for replacing it early.

Staff presented to the Budget Committee 2023 Capital Budget Projects over five million dollars in cost.

Development Services Commission

Project No. 23099 – Highway 404 Mid-Block Crossing North of 16th Avenue (Construction)

Frank Clarizio, Director of Engineering presented Capital Budget Project No. 23099 Highway 404 Mid-Block Crossing North of 16th Avenue (Construction). Mr. Clarizio clarified that this budget request is for Markham share of the project.

The Committee briefly discussed Markham's share of the project versus York Region, and Richmond Hill's share.

Staff explained that Markham's share is higher due to it including additional property acquisition and a bridge structure over the Rouge River, which is outside the cost sharing area.

Project No. 23113 – Victoria Square Boulevard – Phase: Construction

Frank Clarizio, Director of Engineering presented Capital Budget Project No. 23113 – Victoria Square Boulevard – Phase: Construction.

Alain Cachola, Senior Manager, Infrastructure & Capital Projects

A Committee Member noted that residents are highly anticipating this project, but are concerned with the cost of connecting to the sanitary sewer system, and are hoping that the City will be able to provide some type of financial assistance to assist residents with the cost.

Staff advised that sewer improvements will be undertaken along Victoria Square Boulevard, but not as part of this project. Staff clarified that in accordance with the *Local Improvement Act*, residents are responsible for local sanitary sewer improvements. Staff noted that that staff will be hosting individual meetings with the residents on this matter.

The Committee briefly discussed why it took so long to complete the Environmental Assessment for this project, and if the budget was exceeded for the project.

Staff advised that EA took so long to complete, as staff received a Part II Order for the project and it took the Ministry a few years to find a resolution. Staff clarified that the capital cost of this project has been updated to reflect incremental increases in the cost due to inflation.

Corporate Services Commission

Project No. 23134 – ITS Lifecycle Asset Replacement- 2

Sumon Acharjee, Chief Information Officer presented Capital Budget Project No. 23134 – ITS Lifecycle Asset Replacement- 2.

Staff responded to the following questions from Committee:

- 1) Are staff looking at upgrading any of the other meeting rooms at Civic Centre to make them more suitable for hosting hybrid meetings?*

Staff will be installing an integrated audio visual system in key Civic Centre meeting rooms, which will make it easier to host hybrid meetings

- 2) Will the server will be kept onsite or will all storage be moved to the Cloud?*

Staff are trying to balance the use of cloud storage versus onsite storage, as in some cases it is less expensive to replace equipment to support the City's legacy systems than move to a cloud based system.

- 3) Does the firewall need to be replaced if we are moving towards the use of more Cloud based systems?*

The firewall is still required to protect assets within the City network and locations. The technology is also outdated and need to be replaced so that it permits for connectivity with the City's Cloud and internal system.

- 4) Is the City partnering with other municipalities to help keep cost down?*

The City actively seeks partnerships with other municipalities to reduce or share costs. The City also utilizes Vendor of Records and preferred pricing afforded to the Broader Public Sector. The City currently has a number of partnerships with other Municipalities.

- 5) Is the staff resource being requested as a contract or permanent position, and why is the cost coming out of the lifecycle?*

Staff are looking at hiring a contract staff resource to help with the replacement of ITS equipment. The cost of the staff resource is being paid for through the Lifecycle Reserve Fund, as it is a temporary position that supports various ITS capital projects.

Project No. 23138 – Water Billing Transition Project

Shane Manson, Senior Manager, Revenue and Property Taxation, presented Capital Budget Project No. 23138 – Water Billing Transition Project. The project is required as Alectra will discontinue its water billing services, as of December 31, 2024.

The Committee inquired if new staff will need to be hired and if the proposed call centre support staff will be combined with the City's Contact Centre. The Committee also suggested that staff should try to work with other municipalities or other partners to benefit from economies of scale, or possibly explore other options that will reduce the cost of the project.

Staff advised that the consultant has provided staff cost estimates based on their recommendation to have an in-house back office and call centre support. However, staff requirements and costs will be better determined once the Cloud CIS and Customer Portal system is selected. A place holder has been put in the 2023 Capital Budget for new staff to support this initiative. The new staff will be funded through the Waterworks Reserve.

Staff advised that they are actively trying to leverage efficiencies by partnering with other organizations when purchasing IT solutions.

Project No. 23143 – Centennial Near Net-Zero Emissions Retrofit Pilot

Graham Seaman, Director of Sustainability & Asset Management, presented Capital Budget Project No. 23143 – Centennial Near Net-Zero Emissions Retrofit Pilot.

Amanda Martin, Manager, Corporate Energy, was available to answer questions.

The Committee asked for clarification on the following: 1) the staffing requests for the project; 2) if there are any lessons learned from similar projects that the City has undertaken that can be applied to this project; 3) the assumptions that have been made regarding the Province's plans to possibly de-carbonize Ontario's electrical grid; and, 4) the cost of making the facility net zero.

Staff advised that the staffing request is for one contract project manager for Centennial's project and one shared contract project manager for Thornhill and Clatworthy's projects, noting that the staffing request is contingent on obtaining an Infrastructure Canada, Green and Inclusive Community Building Grant. Additionally, Fire Station 97's project will be completed with existing staff (no new staff). Staff noted that similar past projects have been successful, but that this project is larger in scale. Staff clarified that they are monitoring the Province's plan with respect to the de-carbonization of the electricity grid and the implication of this. Staff explained that it would cost approximately \$1M more to move to an 84% greenhouse reduction, which would increase the facility's short-term energy cost, therefore, this option was not recommended.

**Moved by Mayor Frank Scarpitti
Second by Deputy Michael Chan**

That the Budget Committee approve the following projects:

- **Project No. 23099 – Highway 404 Mid-block Crossing North of 16th Avenue (construction)**
- **Project No. 23113 – Victoria Square Boulevard – Phase: Construction**
- **Project No. 23138 – Water Billing Transition Project**
- **Project No. 23143 – Centennial Near Net-Zero Emissions Retrofit Pilot**

Carried

The Committee continued its review of the Capital Budget Items under \$5 Million, starting with the Development Services Commission.

Development Services Commission

Project No. 23063 – Ecological Restoration of City Owned/ Managed Natural Area

A Committee Member inquired what type of warranty is provided with these projects, and if there is anything the City can do to improve the survival rate of the plantings.

Staff advised that the Toronto Region and Conservation Authority does not provide any warranty for the plantings, but that they do monitor the plantings.

The Committee suggested that staff need to ensure that ecological restorations are being watered sufficiently to avoid having to do the planting twice.

Project No. 23066 - Housing Strategy Implications

A Committee Members asked for clarification on why a consultant is required for this project, and suggested that the City should establish a housing committee to ensure housing matters are addressed on an ongoing basis.

The Chair recommended that the establishment of a housing committee be addressed at the Development Services Committee.

Staff clarified that a consultant is needed to update the required third party market assessment that was previously undertaken to address changes in the market and legislation. Another consultant is also required complete a peer review of the market assessment. This budget item also includes work related to the use of public lands that may be suitable for affordable housing.

Project No. 23068 – Ada Mackenzie Park Phase 3 Design Construction

The Committee questioned if the washroom being installed in Ada Mackenzie Park will be winterized, as it is a well-used park that does not have access to washrooms within a Community Centre.

Staff advised that it is the City's policy not to winterize its park washrooms. Staff agreed to report back on the cost of winterizing the washrooms.

This item was deferred to a future Budget Committee meeting.

Project No. 23702 – Frisbee Golf – Mildred Temple Park

A Committee Member inquired if Mildred Temple Park was an appropriate location for a frisbee golf, as it does not have a lot of open space.

Staff will report back on why Mildred Temple Park was selected for frisbee golf.

This item was deferred to a future Budget Committee meeting.

Project No. 23084 - South Cornell Parkette 156 Design and Construction

A Committee Member inquired why the design and construction of the South Cornell Parkette is so costly.

Staff advised that the parkette is particularly expensive to design and build due to its size.

Project No. 23076 – Park Redevelopment Strategy & Implementation Plan

A Committee Member inquired how this project is different from the Parks Renaissance Strategy.

Staff advised that the Parks Redevelopment Strategy focuses on developing an evaluation framework for the redevelopment of existing parks. Staff clarified that the Parks Renaissance Strategy will likely become part of the Parks Redevelopment Strategy once completed.

Project No. 23079 – Light Post Banners

The Committee requested that staff work with the BIAs and other stakeholders when implementing the new light post banner program.

Project No. 23105 – Markham Transportation Strategic Plan (MTSP) Update

A Member inquired why a consultant is needed to conduct this study and if it would be more cost effective to hire someone in-house to do the work given the high cost of having the consultant undertake the study.

Staff advised that the engineering consultant is being hired to look at the electrification of the City's transportation system. Staff noted that this is being looked at as the City has a responsibility to understand its role in regards to this matter. Staff clarified that a consultant is being hired due the work being short-term and temporary in nature, noting the cost of engineering consultants has significantly increased due to high demand.

Councillor Rea requested a copy of the 2012 Transportation, Services and Utilities Plan.

Project No. 23093 – Centurian/Frontenac Intersection and Sidewalk

A Committee Member inquired what type of properties were acquired to undertake the intersection improvements at Centurian Drive and Frontenac Drive.

Staff advised that the property acquisition includes private property that needed to be acquired to improve the intersection. Staff noted that the majority of the project's costs are associated with actual intersection improvements.

Project No. 23101 - Installation of Wayfinding Signs at Rouge Valley Trail

A Committee Member noted that staff should ensure that older signs that are no longer relevant be removed and that the new wayfinding signs are erected in the right locations.

Project No. 23106 – New Traffic Signal Design

A Member inquired what is safer for moving pedestrians - four-way stop signs or traffic signals.

Staff advised that it is in their opinion that traffic signals are safer than four-way stop signs for pedestrians, as stop signs can provide a false sense of security. Staff noted that a report on the current process for review and implementation of traffic control measures will be brought forward to the January 31, 2023 Development Services Committee.

Project No. 23107 - Pedestrian Cross-Over (PXO) Design and Construction

A Committee Member inquired if pedestrian crossing could be installed on Village Parkway at the entrance to Carlton Park near the Unionville Presbyterian Church.

Staff advised that if a pedestrian crossing is warranted, it could be included in the 2024 Capital Budget request.

Project No. 23108 – RVT Extension – Under Highway 7 and Bullock (Design)

A Committee Member inquired if the connection under the bridge was determined to be feasible and if the possibility of flooding will be looked at as part of the study.

Staff advised including a connection under the bridge was determined to be within the projects budget, and that the environmental assessment will identify if the connection will be prone to flooding. Staff noted that they will also ensure that the consultant looks at lessons learned from similar past City projects.

Moved by Councillor Isa Lee

Seconded by Regional Councillor Jim Jones

That the Budget Committee approve the Development Services Capital Budget Items, save and except Capital Budget Item Nos. 23608, 23702, 23074, 23087, 23088, 23089, 23090, and 23091.

Carried

5. NEW BUSINESS

There was no new business.

6. NEXT MEETING DATE

The next meeting of the Budget Committee will be held on Monday, January 30, 2023 at 9:00 AM.

7. ADJOURNMENT

Moved by Councillor Isa Lee

Seconded by Regional Councillor Jim Jones

That the Budget Committee adjourned at 12:28 PM.

Carried