

Budget Committee Minutes

February 17, 2023, 9:00 AM - 12:00 PM

Live streamed

Members	<p>Mayor Frank Scarpitti</p> <p>Deputy Mayor Michael Chan</p> <p>Regional Councillor Jim Jones</p> <p>Regional Councillor Alan Ho</p> <p>Councillor Keith Irish</p> <p>Councillor Ritch Lau</p> <p>Councillor Reid McAlpine</p>	<p>Councillor Karen Rea</p> <p>Councillor Andrew Keyes</p> <p>Councillor Amanda Collucci</p> <p>Councillor Juanita Nathan</p> <p>Councillor Isa Lee</p> <p>Jay Pak, Senior Manager, Financial Planning & Reporting</p>
Regrets	<p>Regional Councillor Joe Li</p>	
Roll Call	<p>Andy Taylor, Chief Administrative Officer</p> <p>Trinela Cane, Commissioner, Corporate Services</p> <p>Alice Lam, Acting Commissioner, Community Services</p> <p>Arvin Prasad, Commissioner, Development Services</p> <p>Claudia Storto, City Solicitor and Director of Human Resources</p> <p>Bryan Frois, Chief of Staff</p> <p>Martha Pettit, Deputy City Clerk</p> <p>Catherine Biss, Chief Executive Officer</p> <p>Sumon Acharjee, Chief Information Officer</p> <p>Adam Grant, Fire Chief</p> <p>Heena Mistry, Senior Financial Analyst</p> <p>Ameen Khan, Manager of Financial Planning</p> <p>Janet Ashfield, Deputy Director Human Resources</p>	<p>Chris Bullen, Manager, By-Law & Regulatory Services</p> <p>Anthony Fabrizi, Assistant Manager, By-Law (Parking Operations)</p> <p>Jeffrey Rahim, Municipal Law Enforcement Supervisor</p> <p>Tod Wilkinson, Municipal Law Enforcement Supervisor</p> <p>Stephanie DiPerna, Director, Building Standards</p> <p>Mary Creighton, Director, Recreation Services</p> <p>Frank Clarizio, Director, Engineering</p> <p>Graham Seaman, Director, Sustainability & Asset Management</p> <p>Giulio Cescato, Director of Planning & Urban Design</p> <p>Chris Rickett, Director, Economic Development, Culture and Entrepreneurship</p> <p>John Yeh, Manager, Strategy & Innovation</p> <p>Mark Visser, Acting Treasurer</p>

Suk-Yin (Alison) Yu, Financial
Analyst
Jamie La, Senior Financial Analyst

Eddy Wu, Acting Director,
Environmental Services
Jemima Lee, Manager, Financial
Planning

1. CALL TO ORDER

The Budget Committee convened at 9:05 AM with Councillor Andrew Keyes in the Chair.

2. DISCLOSURE OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. APPROVAL OF MINUTES - FEBRUARY 6, 2023

Moved by Mayor Frank Scarpitti
Seconded by Councillor Alan Ho

That the Minutes of the February 6, 2023, Budget Committee, be approved as presented.

Carried

4. 2023 BUDGET PRESENTATION NO. 4

Councillor Andrew Keyes, Chair, provided opening remarks regarding the 2023 Operating Budget.

The Committee discussed the following relative to the staff presentation on the 2023 Operating Budget:

Distribution of Tax Dollars Connected

- Staff clarified that Markham's portion of the tax dollars collected was 24.19% in 2022, and that this percentage varies from year to year depending on the Region's increase;

Locate Services

- Staff explained the timelines and implications to the City with respect to *Bill 93, Getting Ontario Connected*;
- Staff advised that Bill 93 requires the City to provide locate services on its lands free of charge, and that staff are looking at bringing locate services in-house and streamlining internal processes to address the implications of the legislation;

- Staff clarified that bringing locate services in-house will lead to a direct offset to contracted services in the Operating Budget, for a net zero impact..

Development and Engineering Fees

- Staff advised that additional planners and engineering staff are funded from development and engineering fees;
- Staff clarified that engineering fees are collected to cover multiple years of staff work associated with a development application, for example staff undertake engineering related activities up until a sub-division is assumed by the City;
- Staff explained that under *Bill 109, More homes for Everyone Act*, development fees are required to be returned to the developer if a decision is not made within timeframes set-out in the *Planning Act*, noting changes to the legislation may be put forward that would allow municipalities to enter into an agreement with the developer pertaining to the timelines;

Corporate Rate Stabilization Reserve

- Staff advised that the City's policy is to maintain a balance of 15% of the tax levy in the Corporate Rate Stabilization Fund, and that reserve currently has a balance of 17% of the tax levy;
- Staff recommend paying back the full amount borrowed from the Corporate Rate Stabilization Fund during the pandemic to eliminate the one-time funding of the Operating Budget from the reserve; thereby eliminating the ongoing shortfall in the base budget and to reduce future budgetary pressures;
- The Committee's preference was to pay back the funds borrowed during the pandemic from the Corporate Rate Stabilization Reserve over the prescribed five year period;
- The Committee suggested that the financial impact of recent provincial legislation on municipal budgets will be experienced over time rather than all at once.

Tax Rate Increase

- Staff clarified that a 1 % tax rate increase equates to a \$1.695M increase in tax revenue;

Property Taxes for Average House or Condominium

- Staff clarified that the average house and condominium price is based on the 2016 Municipal Property Assessment Corporation valuation, which would not reflect recent growth in prices;
- Staff noted that price growth in housing does not necessarily translate to increased property taxes, as one's property taxes would only increase if their home values increased more than the average for their property class.

Seniors Tax Rebate

- Staff are working on developing the Senior's Tax Rebate Program, noting that it would not be offered for this tax cycle.

New Staff Positions

- Staff advised that vacant positions can lead to a budget surplus at the end of the year, but still need to be budgeted for in the Operating Budget as the funds will be required once the position is filled;
- Staff clarified that new staff requests were vetted and prioritized by the Executive Leadership Team prior to being presented to the Budget Committee;
- The Committee noted that other areas of the corporation may benefit from new staff, but that these discussions should occur at Standing Committee level;
- Staff advised that a horticulture study is being undertaken in 2023 to determine the staffing needs in this area moving forward, noting that the study will look at whether the equation currently being used to measure staffing requirements needs to be updated to reflect changes that have occurred in Markham overtime as a result of growth;
- Staff advised that People Services is addressing salary issues related to retaining and attracting new staff;
- Staff advised that they are looking at hiring a researcher to conduct research on the over 300 houses registered on the City's Register of Properties of Cultural Value or Interest to ensure they are designated within the two year timeframe required by the Province under Bill 23 (note: more than one researcher will be hired if required);
- Staff advised that they will be bringing forward recommendations for addressing after hours phone calls in the near future;
- Staff clarified that a variety of strategies are used for addressing the City's staffing needs, including hiring temporary, seasonal, and contract staff.

The Mayor questioned if the City could prolong the approval of the Budget until mid-April, as there may be more information available on the implications of recent provincial legislations on municipal budgets at this time.

Mark Visser, Treasurer, advised that he would discuss this with staff and report back to the Budget Chair and Mayor.

The Committee gave permission for the staff to present a 3.0% tax rate increase, and a possible 2.0% tax rate increase for provisions related to *Bill 23, More Homes Built Faster Act, 2022*, at the March 7th General Committee, and at the March 9th Budget Public Meeting.

Moved by Mayor Frank Scarpitti

Seconded by Deputy Mayor Michael Chan

1. That the “2023 Budget Committee Meeting No. 4 – Operating Budget Details”, be received; and,
2. That the Budget Committee recommend that Council approve a 3.0 % property tax increase for the City's day to day operations; and,
3. That the Budget Committee further recommend that consideration be given to an additional 2.0% tax rate increase for provisions related to *Bill 23, More Homes Built Faster Act, 2022*; and,
4. That the final decision on the property tax rate be made at the Council meeting when the final the final 2023 Budget is approved, and,
5. That Council approve the 2023 Primary Operating Budget totalling \$263,059,647; and,
6. That Council approve the 2023 Building Standards Operating Budget totalling \$10,551,409; and,
7. That Council approve the 2023 Planning & Design Operating Budget totalling \$13,279,631; and
8. That Council approve the 2023 Engineering Budget totalling \$10,711,278; and further,
9. That Council approve the 2023 Waterworks Operating Budget totalling \$142,027,575.

Carried

5. 2023 CAPITAL BUDGET ADDITIONS

Jay Pak, Senior Manager, Financial Planning & Reporting, presented the 2023 Capital Budget Additional Items:

Project No. #23220 - Mount Joy Artificial Replacement

Staff advised that the Mount Joy Artificial Turf Replacement Capital Budget Project has been updated to include both the cost of the external consultant and the cost of turf replacement. Staff continue to work with the Markham Soccer Club on this matter.

A Committee Member noted that including the cost of turf replacement is a start in addressing the gap in artificial turfs in Markham, suggesting that more investment will be needed in the future.

Moved by Mayor Frank Scarpitti

Seconded by Councillor Isa Lee

That the Budget Committee approve Capital Budget Project No. 23220 - Mount Joy Artificial Replacement, including \$80,600 for external consulting, and \$1,060,300 for the turf replacement.

Carried

Additional Capital Project #23269 – 2023 Yonge North Subway Extension Salary Recovery

Staff advised that this Capital Budget Project is to approve up to seven full time contract staff to work on the Yonge North Subway Extension (YNSE). The positions will be fully funded by Metrolinx. No positions are to be filled until confirmation is received that that funding for the positions will be fully recovered.

Staff advised that they have had some discussions with York Region and neighboring municipalities to understand the work they are undertaking in regards to the YNSE to avoid duplication of work.

Moved by Mayor Frank Scarpitti

Seconded by Councillor Keith Irish

That the Budget Committee approved Capital Project No. 23269- 2023 Yonge North Subway Extension Salary Recovery in the amount of \$864,900.

Carried

6. NEW BUSINESS

There was no new business.

7. NEXT MEETING DATE

The February 27, 2023 Budget Committee is not required at this time.

8. ADJOURNMENT

Moved by Regional Councillor Jim Jones

Seconded by Deputy Mayor Michael Chan

That the Budget Committee adjourn at 12:51 PM.

Carried