

CITY OF MARKHAM
Operating Budget
(Including Library, excluding Planning & Design, Engineering, Waterworks and Building Standards)
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Actual	2023 Budget	Variance fav./ (unfav.)	Annual Budget	% of YTD Budget
Revenues					
Property Taxation Revenues	181.67	180.30	1.37	180.30	
General Revenues	61.28	43.78	17.50	43.78	
User Fees & Service Charges	30.68	35.46	(4.78)	35.46	
Grant & Subsidy Revenues	3.46	2.12	1.34	2.12	
Other Income	7.25	5.96	1.29	5.96	
Revenues Total	284.34	267.62	16.72	267.62	106.2%
Expenditures					
Salaries & Benefits	147.75	147.27	(0.48)	150.11	
Material & Supplies	7.02	6.79	(0.23)	6.79	
Procured Services	47.99	47.78	(0.21)	47.78	
Transfers to Reserves	58.70	45.75	(12.95)	46.77	
Other Expenditures	1.62	5.64	4.02	4.27	
Expenditures Total	263.08	253.23	(9.85)	255.72	103.9%
Year-End Accounting Accruals & Other Adjustments	5.27	2.48	(2.79)		
Surplus not including winter maintenance	15.99	11.91	4.08	11.91	
Winter Maintenance	11.13	11.91	0.78	11.91	
Surplus including winter maintenance	4.86	0.00	4.86	0.00	

CITY OF MARKHAM
Planning & Design Operating Budget
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Actual	2023 Budget	Variance fav./.(unfav.)	Annual Budget	% of YTD Budget
Revenues					
Planning & Design Fees	14.05	11.57	2.48	11.57	
Revenues Total	14.05	11.57	2.48	11.57	121.4%
Expenditures					
Salaries & Benefits	7.83	9.42	1.59	9.42	
Material & Supplies	0.02	0.04	0.02	0.04	
Procured Services	3.72	3.77	0.05	3.77	
Expenditures Total	11.57	13.23	1.66	13.23	87.5%
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	2.48	(1.66)	4.14	(1.66)	
Transfer to Reserve	2.48	(1.66)	4.14	(1.66)	
Surplus After Transfer to Reserve	0.00	0.00	0.00	0.00	

Year-End Variance Explanation

Planning & Urban Design incurred a surplus of \$2.48M against a budgeted deficit of \$1.66M. The favourable variance of \$4.14M was mainly due to higher than anticipated development activity, favourability in Personnel of \$1.59M, due to 8 average temporary net vacancies positions throughout 2023 and savings from the Bill 23/109 contingency fund.

CITY OF MARKHAM
Engineering Operating Budget
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023	2023	Variance	Annual	% of
	Actual	Budget	fav./((unfav.)	Budget	YTD Budget
Revenues					
Engineering Fees	13.97	9.59	4.38	9.59	
Revenues Total	13.97	9.59	4.38	9.59	145.7%
Expenditures					
Salaries & Benefits	6.67	7.55	0.88	7.55	
Material & Supplies	0.01	0.04	0.03	0.04	
Procured Services	3.47	3.55	0.08	3.55	
Expenditures Total	10.16	11.14	0.99	11.14	91.2%
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	3.82	(1.55)	5.37	(1.55)	
Transfer to Reserve	3.82	(1.55)	5.37	(1.55)	
Surplus After Transfer to Reserve	0.00	0.00	0.00	0.00	

Year-End Variance Explanation

Engineering incurred a surplus of \$3.82M compared to a budgeted deficit of \$1.55M. The favourable variance of \$5.37M is mainly due to higher than expected Engineering revenue (major developments in 2023 included Kennedy Meadow-Minoltar and Mattamy Rinas) of \$4.38M and favourability in personnel of \$0.88M, from an average of 5 net temporary vacancies.

CITY OF MARKHAM
Planning & Engineering Development Fee Reserve Balance
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Budget	2023 Actual
Opening Balance at January 1, 2023	44.93	50.47
Transfer to Capital and Interest Charges	0.43	1.21
Transfer to/Draw (from) Reserves		
Planning & Design	(1.66)	2.48
Engineering	(1.55)	3.82
Planning & Engineering Reserve Ending Balance	42.15	57.98

Year-End Explanation

The Planning & Design and Engineering departments ended the year with a surplus of \$2.48M and a surplus of \$3.82M respectively. A transfer to the Reserve of \$6.30M will increase the balance from \$50.47 to \$57.98M. The year-end balance includes in-year interest adjustments and capital project funding transfers.

CITY OF MARKHAM
Building Standards Operating Budget
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Actual	2023 Budget	Variance fav./ (unfav.)	Annual Budget	% of YTD Budget
Revenues					
Building Permits	10.59	10.48	0.11	10.48	
Other Revenues	0.38	0.07	0.31	0.07	
Revenues Total	10.97	10.55	0.42	10.55	104.0%
Expenditures					
Salaries & Benefits	7.20	7.99	0.79	7.99	
Material & Supplies	0.05	0.06	0.01	0.06	
Procured Services	3.33	3.30	(0.03)	3.30	
Expenditures Total	10.58	11.35	0.77	11.35	93.2%
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	0.39	(0.80)	1.19	(0.80)	
Transfer to Reserve	0.39	(0.80)	1.19	(0.80)	
Surplus After Transfer to Reserve	0.00	0.00	(0.00)	0.00	

Year-End Variance Explanation

The Building Standards department incurred a surplus of \$0.39M against a budgeted deficit of \$0.80M. The favourable variance of \$1.19M was mainly due to higher revenues including building permit fees and favourability in personnel of \$0.79M due to an average of 4 net temporary vacancies.

CITY OF MARKHAM
Building Fee Reserve Balance

Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Budget	2023 Actuals
Opening Balance at January 1, 2023	14.09	13.50
Transfer to Capital and Interest Income	(0.26)	0.33
Projected Transfer to/Draw (from) Reserves	(0.80)	0.39
Building Reserve Ending Balance	13.04	14.22

Year-End Explanation

Building Standards ended the year with a surplus of \$0.39M. A transfer to Reserve of \$0.39M will be made increasing the balance from \$13.50M to \$14.22M. The year-end balance includes in-year interest adjustments and capital project funding transfers.

CITY OF MARKHAM
Waterworks Operating Budget
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Actual	2023 Budget	Variance fav./unfav.)	Annual Budget	% of YTD Budget
Sales & Purchases of Water					
Water Revenue					
Water & Sewer Billing	143.88	139.81	4.07	139.81	
Water Expenditure					
Contracted Municipal Services	108.00	107.99	(0.01)	107.99	
Net Sales & Purchases of Water	35.88	31.82	4.06	31.82	112.8%
Other Revenues Total	1.46	1.44	0.02	1.44	101.4%
Other Expenditures					
Salaries & Benefits	7.95	8.52	0.57	8.52	
Non Personnel Expenditures	7.74	7.91	0.17	7.91	
Expenditures Total	15.69	16.43	0.74	16.43	95.5%
Surplus Before Transfer to Reserve	21.65	16.83	4.82	16.83	
Transfer to Reserve	21.65	16.83	4.82	16.83	
Surplus After Transfer to Reserve	0.00	0.00	0.00	0.00	

Year-End Variance Explanation

The Waterworks department incurred a surplus of \$21.65M against a budgeted surplus of \$16.83M. The main drivers for the favourable variance of \$4.82M were as follows:

- The net sales and purchases of water is favourable to budget, driven by higher sales of water \$4.07M offset by higher purchases of water (\$0.01M). Year-to-date December average non-revenue water was 9.0% (NRW budgeted at 11%)
- Lower personnel costs resulting in a favourable variance of \$0.57M due to an average of 3 temporary net vacancies
- Lower non-personnel costs resulting in a favourable variance of \$0.17M due to lower operating and water, sewer and roadwork materials and supplies cost

CITY OF MARKHAM
Waterworks Reserve Balance

Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	2023 Budget	2023 Actual
Opening Balance - January 1, 2023	69.66	69.66
Transfer to Capital and Interest Income	(14.28)	(11.74)
Transfer to Reserve	16.83	21.65
Waterworks Reserve Ending Balance	72.21	79.57

Year-End Explanation

The Waterworks Department ended the year with a surplus of \$21.65M. A transfer of \$21.65M will be made to the Reserve increasing the balance from \$69.66M to \$79.57M. The year-end balance includes in-year interest adjustments and capital project funding transfers.

CITY OF MARKHAM

Variances by Commission and Department

CAO'S Office, Corporate Communications, Fire Services, People Services and Legal Department

Financial Results for the Twelve Months Ended December 31, 2023

(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
CAO'S OFFICE	(0.09)	0.02	0.00	(0.07)
CORPORATE COMMUNICATIONS	(0.01)	0.24	(0.25)	(0.02)
PEOPLE SERVICES	0.99	(0.06)	0.00	0.93
FIRE SERVICES	(2.25)	(0.37)	0.04	(2.58)
LEGAL DEPT.	(0.06)	(0.14)	0.24	0.04
Total	(1.42)	(0.31)	0.03	(1.70)

Year-End Variance Explanation (Items Greater than \$0.05M)

- **CAO's Office** - (\$0.07M) Unfavourable - Mainly due to one additional part-time staff
- **People Services** - \$0.93M Favourable - Mainly due to an average of 9 temporary net vacancies
- **Fire Services** - (\$2.58M) Unfavourable - Overtime and overcomplement of firefighters to meet legislated standards

CITY OF MARKHAM
Variations by Commission and Department
Community Services
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
OPERATIONS	0.50	(1.49)	0.34	(0.65)
LIBRARY	0.16	0.04	(0.30)	(0.10)
RECREATION SERVICES	0.14	3.73	(3.87)	-
ENVIRONMENTAL SERVICES	0.24	0.01	-	0.25
WASTE	0.04	0.18	0.90	1.12
COMMISSIONER'S OFFICE	0.30	0.01	-	0.31
Total Excl. Winter Maintenance	1.38	2.48	(2.93)	0.93
WINTER MAINTENANCE	(0.11)	0.92	(0.03)	0.78
Total	1.27	3.40	(2.96)	1.71

Year-End Variance Explanation (Items Greater than \$0.05M)

- **Operations** - (\$0.65M) Unfavourable - Mainly due to higher utility locates costs
- **Library** - (\$0.10M) Unfavourable - Unachieved fines and fees revenue
- **Recreation Services** - \$3.87M Unfavourable - Lower aquatics, programs and fitness fees, and rentals offset by the COVID Reserve and an average of 2 temporary net vacancies
- **Environmental Services** - \$0.25M Favourable - Due to increased salary recoveries
- **Waste** - \$1.12M Favourable - Mainly due to higher revenue from Waste Diversion Ontario (WDO) grant
- **Commissioner's Office** - \$0.31M Favourable - Mainly due to an average of 2 temporary net vacancies

CITY OF MARKHAM
Variances by Commission and Department
Corporate Services
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
LEGISLATIVE SERVICES	0.13	(0.08)	(0.36)	(0.31)
BY-LAW SERVICES	0.42	0.01	(0.99)	(0.56)
FINANCIAL SERVICES	0.52	(0.03)	0.10	0.59
IT SERVICES	0.72	(0.20)	0.03	0.55
SUSTAINABILITY & ASSET MANAGEMENT (SAM)	0.22	(0.14)	0.44	0.52
COMMISSIONER'S OFFICE	-	(0.01)	-	(0.01)
Total	2.01	(0.45)	(0.78)	0.78

Year-End Variance Explanation (Items Greater than \$0.05M)

- **Legislative** - (\$0.31M) Unfavourable - Mainly due to revenue shortfalls from chapel rental, dog and marriage licences
- **By-Law** - (\$0.56M) Unfavourable - Mainly due to lower volume of parking fines
- **Financial Services** - \$0.59M Favourable - Mainly due to an average of 3 temporary net vacancies
- **IT Services** - \$0.55M Favourable - Mainly due to an average of 4 temporary net vacancies
- **SAM** - \$0.52M Favourable - Mainly due to higher revenue from MECO Utility Incentive

CITY OF MARKHAM
Variances by Commission and Department
Development Services
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
ECONOMIC GROWTH, CULTURE & ENTREPRENEURSHIP	(0.12)	0.32	(0.22)	(0.02)
COMMUNITY & CORPORATE EVENTS	0.04	-	-	0.04
TRAFFIC OPERATIONS	0.03	0.25	-	0.28
COMMISSIONER'S OFFICE	0.09	(0.02)	-	0.07
Total	0.04	0.55	(0.22)	0.37

Year-End Variance Explanation (Items Greater than \$0.05M)

- **Traffic Operations** - \$0.28M Favourable - Mainly due to favourability in professional services related to school crossing guards
- **Commissioner's Office** - \$0.07M Favourable - Due to an average of 1 temporary net vacancy

CITY OF MARKHAM
Variances by Commission and Department
Mayor & Council
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
MAYOR & COUNCIL	0.49	(0.15)	0.00	0.34
Total	0.49	(0.15)	-	0.34

Year-End Variance Explanation (Items Greater than \$0.05M)

• **Mayor & Council** - \$0.34M Favourable - Mainly due to an average of 2 temporary net vacancies

CITY OF MARKHAM
Variances by Commission and Department
Corporate Items
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
CORPORATE ITEMS	(5.76)	(11.49)	20.62	3.37
Total	(5.76)	(11.49)	20.62	3.37

Year-End Variance Explanation (Items Greater than \$0.05M)

- **Corporate Items** - \$3.37M Favourable - Mainly due to Investment Income, partially offset by Transfers to Reserves

CITY OF MARKHAM
ONE-TIME ITEMS IMPACTING SURPLUS/(DEFICIT)
Financial Results for the Twelve Months Ended December 31, 2023
(in millions of dollars)

	<u>2023</u>	<u>Comments</u>
<u>One-Time Favourability</u>		
Investment Income	11.19	• Net of annual transfer to Capital Gains Reserve of \$5.29M
Draw from COVID-19 Reserve	3.71	• Mainly to relieve shortfall from Recreation and Culture programs impacted by the pandemic
Corporate Contingency	2.94	• Budget \$2.68M, 1.0% of the City's Operating Budget of \$267.62M
Holdback from Expired Contracts	1.14	• To be transferred directly into the Corporate Rate Stabilization Reserve
Winter Maintenance	0.78	• Favourability due to lower than anticipated incidence of snow events
Sub-Total	<u>19.76</u>	
<u>One-Time Unfavourability</u>		
Transfer to Ramp up Reserve	(4.00)	• To provision for possible future City obligation(s)
Shortfall in Recreation and Culture Programs	(3.66)	• Shortfalls in Recreation and Culture programs due to lagging demand following the pandemic
Transfer to Life Cycle Reserve	(2.00)	• To provision for future IT requirements
Transfer to WSIB Reserve	(1.87)	• Based on updated actuarial valuation as required by Public Sector Accounting Board (PSAB)
Repayment related to Combined Heat and Power System	(1.82)	• Repayment for historical draw from Life Cycle to fund CHP system at Angus Glen CC
Transfer to Corporate Rate Stabilization Reserve	(1.14)	• Funded from holdback from expired contracts
Other Items less than \$0.05M	(0.41)	
Sub-Total	<u>(14.90)</u>	
TOTAL ONE-TIME SURPLUS / (DEFICIT)	4.86	

Safe Restart and COVID-19 Recovery Funding Availability

	2020	2021	2022	2023	2024	Total
Funding Received						
Safe Restart Agreement Phase 1 Allocation	6.66	-	-	-	-	6.66
Safe Restart Agreement Phase 2 Allocation	2.82	-	-	-	-	2.82
2021 Provincial COVID-19 Recovery Funding for Municipalities	-	8.99	-	-	-	8.99
	9.47	8.99	-			18.47
Use or Proposed Use of Funding						
Recreation, Culture, and Other COVID impacts	5.72	-	4.74	3.71	-	14.17
Provision for future tax appeals	1.30	-	-	-	-	1.30
COVID Recovery funding to address 2024 budget pressures	-	-	-	-	3.00	3.00
	7.02	-	4.74	3.71	3.00	18.47