

CITY OF MARKHAM
Operating Budget
(Including Library, excluding Planning & Design, Engineering, Waterworks and Building Standards)
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

	2024 Actual	2024 Budget	Variance fav./ (unfav.)	Annual Budget	% of YTD Budget
Revenues					
Property Taxation Revenues	189.51	187.74	1.77	187.74	
General Revenues	71.18	44.64	26.54	44.64	
User Fees & Service Charges	36.04	37.40	(1.36)	37.40	
Grant & Subsidy Revenues	3.77	2.62	1.15	2.62	
Other Income	7.56	5.93	1.63	5.93	
Revenues Total	308.06	278.33	29.73	278.33	110.7%
Expenditures					
Salaries & Benefits	152.14	151.84	(0.30)	151.84	
Material & Supplies	6.92	6.82	(0.10)	6.82	
Procured Services	48.28	50.30	2.02	50.30	
Transfers to Reserves	70.56	45.56	(25.00)	45.56	
Other Expenditures	1.85	5.01	3.16	5.01	
Expenditures Total	279.75	259.53	(20.22)	259.53	107.8%
Year-End Accounting Accruals & Other Adjustments	7.99	5.17	(2.82)	5.17	
Surplus not including winter maintenance	20.32	13.63	6.69	13.63	
Winter Maintenance	10.12	13.63	3.51	13.63	
Surplus including winter maintenance	10.20	(0.00)	10.20	0.00	

CITY OF MARKHAM
Planning & Design Operating Budget
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

	2024 Actual	2024 Budget	Variance fav./.(unfav.)	Annual Budget	% of YTD Budget
Revenues					
Planning & Design Fees	10.80	12.84	(2.04)	12.84	
Revenues Total	10.80	12.84	(2.04)	12.84	84.1%
Expenditures					
Salaries & Benefits	8.89	11.01	2.12	11.01	
Material & Supplies	0.01	0.04	0.03	0.04	
Procured Services	4.79	4.82	0.03	4.82	
Expenditures Total	13.69	15.87	2.18	15.87	86.3%
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	(2.89)	(3.03)	0.14	(3.03)	
Draw from Reserve	(2.89)	(3.03)	0.14	(3.03)	
Surplus After Draw from Reserve	0.00	0.00	0.00	0.00	

Year-End Variance Explanation

Planning & Urban Design incurred a deficit of \$2.89M against a budgeted deficit of \$3.03M. The favourable variance of \$0.14M was mainly due to favourability in Personnel of \$2.12M from 6 average temporary net vacancies positions throughout 2024 and savings from the Bill 23/109 contingency fund, partially offset by lower than anticipated development activity.

CITY OF MARKHAM
Engineering Operating Budget
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

	2024	2024	Variance	Annual	% of
	Actual	Budget	fav./((unfav.)	Budget	YTD Budget
Revenues					
Engineering Fees	14.18	10.50	3.68	10.50	
Revenues Total	14.18	10.50	3.68	10.50	135.0%
Expenditures					
Salaries & Benefits	7.75	8.50	0.75	8.50	
Material & Supplies	0.02	0.04	0.02	0.04	
Procured Services	3.22	3.18	(0.04)	3.18	
Expenditures Total	10.99	11.72	0.73	11.72	93.8%
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	3.19	(1.22)	4.41	(1.22)	
Transfer to Reserve	3.19	(1.22)	4.41	(1.22)	
Surplus After Transfer to Reserve	0.00	0.00	0.00	0.00	

Year-End Variance Explanation

Engineering incurred a surplus of \$3.19M compared to a budgeted deficit of \$1.22M. The favourable variance of \$4.41M is mainly due to higher than expected Engineering revenue (major developments in 2024 included Condor Properties Ltd. and TH (Warden) Developments Inc.) of \$3.68M and favourability in personnel of \$0.75M, from an average of 3 net temporary vacancies.

CITY OF MARKHAM
Planning & Engineering Development Fee Reserve Balance
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

	2024 Budget	2024 Actual
Opening Balance at January 1, 2024	57.97	57.97
Transfer to Capital and Interest Charges	2.23	2.42
Transfer to/Draw (from) Reserves		
Planning & Design	(3.03)	(2.89)
Engineering	(1.22)	3.19
Planning & Engineering Reserve Ending Balance	55.95	60.69

Year-End Explanation

The Planning & Design and Engineering departments ended the year with a deficit of \$2.89M and a surplus of \$3.19M respectively. A transfer to the Reserve of \$0.30M will increase the balance from \$57.97 to \$60.69M. 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, 2024
(in millions of dollars)

	2024 Actual	2024 Budget	Variance fav./(unfav.)	Annual Budget	% of YTD Budget
Revenues					
Building Permits	14.24	11.33	2.91	11.33	
Other Revenues	0.45	0.22	0.23	0.22	
Revenues Total	14.69	11.55	3.14	11.55	127.2%
Expenditures					
Salaries & Benefits	8.07	8.44	0.37	8.44	
Material & Supplies	0.05	0.06	0.01	0.06	
Procured Services	3.85	3.87	0.02	3.87	
Expenditures Total	11.97	12.37	0.40	12.37	96.8%
Surplus/(Deficit) Before Transfer to/Draw (from) Reserve	2.72	(0.82)	3.54	(0.82)	
Transfer to Reserve	2.72	(0.82)	3.54	(0.82)	
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 \$2.72M against a budgeted deficit of \$0.82M. The favourable variance of \$3.54M was mainly due to higher revenues including building permit fees and favourability in personnel of \$0.37M due to an average of 3 net temporary vacancies.

CITY OF MARKHAM
Building Fee Reserve Balance

Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

	2024 Budget	2024 Actuals
Opening Balance at January 1, 2024	14.22	14.22
Transfer to Capital and Interest Income	0.11	0.72
Projected Transfer to/Draw (from) Reserves	(0.82)	2.72
Building Reserve Ending Balance	13.51	17.66

Year-End Explanation

Building Standards ended the year with a surplus of \$2.72M. A transfer to Reserve of \$2.72M will be made increasing the balance from \$14.22M to \$17.66M. 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, 2024
(in millions of dollars)

	2024 Actual	2024 Budget	Variance fav./((unfav.))	Annual Budget	% of YTD Budget
Sales & Purchases of Water					
Water Revenue					
Water & Sewer Billing	149.00	149.56	(0.56)	149.56	
Water Expenditure					
Contracted Municipal Services	109.95	115.08	5.13	115.08	
Net Sales & Purchases of Water	39.05	34.48	4.57	34.48	113.3%
Other Revenues Total	2.20	1.44	0.76	1.44	152.8%
Other Expenditures					
Salaries & Benefits	7.99	8.83	0.84	8.83	
Non Personnel Expenditures	8.41	7.81	(0.60)	7.81	
Expenditures Total	16.40	16.64	0.24	16.64	98.6%
Surplus Before Transfer to Reserve	24.85	19.28	5.57	19.28	
Transfer to Reserve	24.85	19.28	5.57	19.28	
Surplus After Transfer to Reserve	0.00	0.00	(0.00)	0.00	

Year-End Variance Explanation

The Waterworks department incurred a surplus of \$24.85M against a budgeted surplus of \$19.28M. The main drivers for the favourable variance of \$5.57M were as follows:

- The net sales and purchases of water is favourable to budget by \$4.57M, driven by lower cost of water purchases (\$5.13M) partly offset by lower sales of water (\$0.56M). Year-to-date December average non-revenue water was 8.0% (NRW budgeted at 11%)
- Other revenues favourable by \$0.76M mainly from service to developers and water meter sales.
- Lower personnel costs resulting in a favourable variance of \$0.84M due to an average of 3 temporary net vacancies
- Higher non-personnel costs resulting in a unfavourable variance of \$0.60M due to unbudgeted utility locate costs (\$0.35M) and higher operating and water, sewer and roadwork materials and supplies costs (\$0.25M).

CITY OF MARKHAM
Waterworks Reserve Balance

Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

	2024 Budget	2024 Actual
Opening Balance at January 1, 2024	86.23	86.23
Transfer to Capital and Interest Income	(3.22)	0.49
Transfer to Reserve	19.28	24.85
Waterworks Reserve Ending Balance	102.29	111.57

Year-End Explanation

The Waterworks Department ended the year with a surplus of \$24.85M. A transfer of \$24.85M will be made to the Reserve increasing the balance from \$86.23M to \$111.57M. The year-end balance also 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, 2024

(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
CAO'S OFFICE	(0.21)	(0.15)	0.00	(0.36)
CORPORATE COMMUNICATIONS	0.15	0.20	(0.10)	0.25
FIRE SERVICES	(1.65)	(0.41)	0.04	(2.02)
LEGAL DEPT.	(0.11)	(0.10)	0.24	0.03
PEOPLE SERVICES	0.69	0.19	0.00	0.88
Total	(1.13)	(0.27)	0.18	(1.22)

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

- **CAO's Office** - (\$0.36M) Unfavourable - Mainly due to additional part-time staff and consulting services
- **Corporate Communications** - \$0.25M Favourable - mainly due to promotion and advertising and an average of 1 temporary net vacancy
- **Fire Services** - (\$2.02M) Unfavourable - Overtime and overcomplement of firefighters to meet legislated standards
- **People Services** - \$0.88M Favourable - Mainly due to an average of 5 temporary net vacancies

CITY OF MARKHAM
Variations by Commission and Department
Community Services
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
COMMISSIONER'S OFFICE	0.31	0.02	-	0.33
ENVIRONMENTAL SERVICES (ES)	0.33	0.02	-	0.35
ES - WASTE	0.11	0.11	0.86	1.08
LIBRARY	0.12	0.06	(0.16)	0.02
OPERATIONS	0.57	(0.50)	0.05	0.12
RECREATION SERVICES	(1.00)	2.02	(1.02)	-
Total Excl. Winter Maintenance	0.44	1.73	(0.27)	1.90
WINTER MAINTENANCE	(0.35)	3.83	0.03	3.51
Total	0.09	5.56	(0.24)	5.41

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

- **Commissioner's Office** - \$0.33M Favourable - Mainly due to an average of 2 temporary net vacancies
- **Environmental Services** - \$0.35M Favourable - Mainly due to 2 average net vacancies
- **ES - Waste** - \$1.08M Favourable - Mainly due to favourable grant revenue from Resource Productivity and Recovery Authority
- **Operations** - \$0.12M Favourable - Mainly due to an average of lower personnel costs from temporary vacancies partially offset by streetlight hydro unfavourability
- **Recreation Services** - \$1.60M Unfavourable before COVID funding - Due to part-time salaries attributed to higher PT aquatic salaries and support of Xplor transition. Additionally, reduced revenues are attributed to lingering impact of COVID resulting in lower participation numbers in programs and aquatics (Q1 & Q2) and non-prime ice rentals.

CITY OF MARKHAM
Variations by Commission and Department
Corporate Services
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
LEGISLATIVE SERVICES	(0.22)	0.05	0.45	0.28
BY-LAW SERVICES	0.37	0.02	(0.66)	(0.27)
FINANCIAL SERVICES	0.05	0.03	0.35	0.43
IT SERVICES	0.87	0.37	0.02	1.26
(SAM)	0.30	(0.05)	0.08	0.33
COMMISSIONER'S OFFICE	0.01	0.01	-	0.02
Total	1.38	0.43	0.24	2.05

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

- **Legislative** - \$0.28M favourable - Mainly due to revenue favourability from licensing including Private Transportation Companies (PTC)
- **By-Law** - (\$0.27M) Unfavourable - Mainly due to lower volume of by-law infractions
- **Financial Services** - \$0.43M Favourable - Mainly due to property tax overdue notice fees and tax/water certificates
- **IT Services** - \$1.26M Favourable - Mainly due to an average of 7 temporary net vacancies and timing delays related to some IT initiatives
- **SAM** - \$0.33M Favourable - Mainly due to an average of 2 temporary net vacancies

CITY OF MARKHAM
Variations by Commission and Department
Development Services
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
ECONOMIC GROWTH, CULTURE & ENTREPRENEURSHIP	(0.35)	0.62	0.07	0.34
COMMUNITY & CORPORATE EVENTS	0.02	0.02	0.01	0.05
TRAFFIC OPERATIONS	0.03	0.12	-	0.15
COMMISSIONER'S OFFICE	0.37	0.01	-	0.38
Total	0.07	0.77	0.08	0.92

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

- **Economic Growth, Culture and Entrepreneurship** - \$0.19M Unfavourable before COVID funding - Mainly due to lower user fees revenue, offset by one-time transfer from the COVID-19 reserve
- **Traffic Operations** - \$0.15M Favourable - Mainly due to traffic signal maintenance
- **Commissioner's Office** - \$0.38M Favourable - Due to an average of 2 temporary net vacancies

CITY OF MARKHAM
Variations by Commission and Department
Mayor & Council
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
MAYOR & COUNCIL	0.85	(0.11)	0.00	0.74
Total	0.85	(0.11)	-	0.74

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

• **Mayor & Council** - \$0.74M Favourable - Mainly due to an average of 4 temporary net vacancies

CITY OF MARKHAM
Variations by Commission and Department
Corporate Items
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

Department	Fav./ (Unfav.)			
	Personnel	Non-Personnel	Revenue	Total
CORPORATE ITEMS	(1.91)	(22.47)	29.50	5.12
Total	(1.91)	(22.47)	29.50	5.12

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

• **Corporate Items** - \$5.12M 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, 2024
(in millions of dollars)

<u>One-Time Favourability</u>	<u>2024</u>	<u>Comments</u>
Investment Income	14.47	• Net of transfer to Capital Gains Reserve of \$9.86M
Draw from COVID-19 Reserve	3.00	• Mainly to relieve shortfall from Recreation and Culture programs impacted by the pandemic
Property Tax and Interest Penalty	2.01	• Favourability from property tax and interest penalties
Utilities	1.43	• One-time volume and rate related favourability
Supplementary Taxes	1.24	• One-time favourability in supplementary taxes
Federal and Provincial Grants	1.15	• Mainly from one-time favourability from Resource Productivity and Recovery Authority (RPR) grant
Other Income	1.63	• Mainly from favourability in finance admin fees, developer contributions and service to other agencies
Winter Maintenance	3.51	• Favourability due to lower incidence of snow events and lower requirement for road cleaning operations
Other Items less than \$0.05M	0.04	
Sub-Total	28.48	
<u>One-Time Unfavourability</u>		
Transfer to Reserves	(13.88)	• To provision for future City obligations and expenditures
Year-End Accounting Adjustments	(2.82)	• Severance, salary continuance, firefighter sick leave payouts, post-employment benefits and salary accruals
No Draw from Corporate Rate Stabilization Reserve	(1.58)	• One-time decision to not draw from corporate rate stabilization reserve
Sub-Total	(18.28)	
TOTAL ONE-TIME SURPLUS / (DEFICIT)	10.20	

CITY OF MARKHAM
Financial Results for the Twelve Months Ended December 31, 2024
(in millions of dollars)

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	3.00	17.17
Provision for future tax appeals	1.30	-	-	-	-	1.30
	7.02	-	4.74	3.71	3.00	18.47