



Report to: Council

Report Date: January 29, 2013

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**SUBJECT:** 2013 Operating Budget – Supplementary Report  
**PREPARED BY:** Andrea Tang, Manager of Financial Planning

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**RECOMMENDATION:**

- 1) That the report dated November 19, 2012 entitled, “2013 Operating Budget” and the report dated January 29, 2013 entitled, “2013 Operating Budget – Supplementary Report” be received;
- 2) And that Council approve a 1.0% tax rate increase to the City’s tax levy;
- 3) And that Council approve an additional 0.5% tax rate increase for infrastructure to fund an extraordinary item, the Emerald Ash Borer infestation;
- 4) And that Council approve the establishment of an interest bearing infrastructure reserve fund for the Emerald Ash Borer program;
- 5) And that Council approve the 2013 Operating Budget for City services totalling \$180,795,409 (excluding the 2012 surplus/deficit) which includes a 1.5% tax rate increase over 2012 (\$171,553,698), of which the principal components are detailed in Appendix 1;
- 6) And that the gross operating expenditures of \$180,795,409, (excluding the 2012 surplus/deficit), be funded from the following sources:

	<u><b>2013 Budget \$</b></u>
<u><b>Revenue</b></u>	
Taxation Levies	124,765,727
Grants-in-lieu of Taxes	1,209,007
Grant & Subsidy Revenues	1,546,994
General Revenues (Investment Income, Fines, Permits, Interest & Penalties)	26,393,689
User Fees & Service Charges (User Fees, Rentals, Sales)	22,281,315
Other Income / Recoveries	4,598,677
<b>Total Revenues</b>	<u><b>180,795,409</b></u>

- 7) And that Council approve the 2013 Planning & Design Operating Budget totalling \$8,407,168, (excluding the 2012 surplus/deficit), the principal components of which are detailed in Appendix 2;
- 8) And that Council approve the 2013 Engineering Operating Budget totalling \$6,467,026, (excluding the 2012 surplus/deficit), the principal components of which are detailed in Appendix 3;
- 9) And that Council approve the 2013 Building Standards Operating Budget totalling \$9,026,380, (excluding the 2012 surplus/deficit), the principal components of which are detailed in Appendix 4;

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- 10) And that upon finalization of the 2012 audited financial statements, the 2013 Operating, Planning & Design, Engineering and Building Standards Operating Budgets be adjusted to reflect the 2012 operating results;
  - 11) And that a copy of the Budgets be made available to the public through the Clerk's Department, the City website and each of the Markham Public Libraries;
  - 12) And that the "Additional Financial Disclosure Requirements Pursuant to Ontario Regulation 284/09" be received for information purposes;
  - 13) And further, that Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council approval of the City of Markham's 2013 Operating Budget, which recommends a total 1.5% tax rate increase: a 1.0% tax rate increase to support the day-to-day operations; and, a 0.5% tax rate increase for infrastructure to address an extraordinary item, Emerald Ash Borer infestation.

**BACKGROUND:**

A total of seven Budget Sub-committee meetings were held in the period from October to November 2012 to discuss, review and finalize the 2013 Operating and Capital Budgets. As well, one public consultation meeting was held on October 10<sup>th</sup>.

All Budget Sub-committee meetings were open to the general public, and the following topics were discussed:

- a fiscal scan including economic trends and budgetary pressures;
- a review of the 2013 operating and capital budgets;
- a review of the 2013 new support staffing requests;
- a review of the 2013 Councillor requests;
- the City's asset lifecycle reserve study.

At the November 19, 2012 General Committee, the 2013 Operating Budget was approved. Below highlights the changes since November 19, 2012:

1. Capital Budget

November 19, 2012:

- "Staff will bring forward a report requesting approval of the 2013 Capital Budget to the December 10<sup>th</sup> General Committee meeting";

January 29, 2013:

- The 2013 Capital Budget totalling \$169,032,100 was approved on December 18, 2012;

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## 2. Development Fees

November 19, 2012:

- “A report on the proposed Development fee by-law update will be presented to Development Services Committee on November 20, 2012;

January 29, 2013:

- Council approved the Development Fee and Building Fee By-law on November 20, 2012. The approved fee increases for 2013 are 0% for Building Fees, 7.3% for Planning and Urban Design fees and 17.4% for Engineering fees. All fee increases took effect on January 1, 2013 and were incorporated into the 2013 Planning & Design, Engineering and Building Standards Operating Budgets. Recommendations 7-9 reflect the corresponding operating budgets;

## 3. 2013 Water & Wastewater Rate

November 19, 2012:

- “The proposed 2013 Water and Wastewater rate to take effect on April 1, 2013 will be presented to General Committee in January 2013”;

January 29, 2013:

- The proposed 2013 Water & Wastewater rate (effective April 1, 2013) and the 2013 Waterworks Operating Budget will be presented to General Committee on February 4, 2013. Subsequently, a public meeting will be held on February 12, 2013, feedback from the public meeting will be reported back to General Committee on February 25, 2013, followed by Council decision on February 26, 2013;

## 4. Assessment Growth

November 19, 2012:

- Included in the budget at 2.65%

January 29, 2013:

- 2013 final assessment growth of 2.36% (additional property taxes from new homes and businesses) was received in the second week of December 2012. The final assessment growth of 2.36%, combined with a 0.29% increase in supplemental taxes results in a net increase of 2.65%;

## 5. Ontario Regulation 284/09

November 19, 2012:

- Not provided;

January 29, 2013:

- 2013 Budget is restated to comply with Ontario Regulation 284/09 as part of the 2013 Budget approval process (details are provided on page 5 of the report and Exhibit 1).

**DISCUSSION:**

The following exhibit reconciles the 2012 approved Operating Budget to the 2013 Operating Budget from \$171,553,698 to \$180,795,409 (figures exclude Planning & Design, Engineering, Building Services and Waterworks):

<b><u>REVENUES</u></b>	<b><u>2013 Budget \$</u></b>
Approved 2012 Budget Revenues	171,553,698
Assessment Growth including Supplemental Taxes (Property taxes from new homes and businesses)	3,127,000
Proposed 1.0% Operating Tax Increase	1,180,398
Proposed 0.5% Tax Increase for Infrastructure	590,000
Cornell Community Centre and Library User and Program Fees	2,110,000
Parking Fines	474,000
CPI Adjustment for User and Program Fees	434,000
Investment Income	605,000
Financial Administrative Fees and Other User Fees	226,000
Other	495,313
Total 2013 Budget Revenues - excluding 2012 surplus / (deficit)	<b><u>180,795,409</u></b>
 <b><u>EXPENDITURES</u></b>	
Approved 2012 Budget Expenditures	171,553,698
Existing Collective Agreement Wage Settlements	2,310,084
Growth (roads, waste, parks, streetlights and winter maintenance)	3,724,627
Municipal Service Contracts	1,087,000
Transfer to Emerald Ash Borer reserve fund	590,000
Support Services for Building, Engineering, Planning & Design, Waterworks/Corporate Items/Other	1,530,000
Total 2013 Budget Expenditures - excluding 2012 surplus / (deficit)	<b><u>180,795,409</u></b>

The 2012 operating results are excluded from the above figures until the City's audited financial statements are finalized and approved by Council. Staff will present the preliminary year-end operating results to General Committee in March 2013. Upon finalization of the 2012 audited financial statements, the 2013 Operating, Planning & Design, Engineering, Building Standards and Waterworks budgets will be adjusted to reflect the surplus/deficit, if any, in revenues and offsetting expenditures.

Markham is the only municipality in Ontario to achieve a zero tax rate increase for three consecutive years from 2009 to 2011, and the lowest 2012 tax rate increase in the GTA of 1.5%, below the rate of inflation. These were accomplished through ongoing efforts to find operational efficiencies, while maintaining and/or enhancing service levels.

The City of Markham, as with all municipalities, is challenged to deliver a balanced budget with minimal tax rate increases in response to increased operating expenditures resulting from economic and growth pressures. Markham has met the challenge of mitigating the impact of economic and growth pressures in the 2013 Operating Budget process through our continuous improvement program, Excellence through Efficiency and Effectiveness (E3), which identified cost reduction initiatives and value for money to the residents in Markham. Opportunities to generate non-tax based revenues have also been explored.

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Economic pressures stem from general inflation, third party contract renewals (such as the winter maintenance contract and utility costs) and existing collective agreement wage settlements.

Markham is a growing municipality and it continues to add to its inventory of parks, streetlights, and roads each year which require additional resources to maintain and replace assets. Further, Markham has exhibited sound fiscal management by phasing-in future personnel costs related to facility openings for the South East Community Centre, Pan Am Facility, City of Markham Sports Park and Operations Work Yard. Markham continues the policy of allocating the first \$0.5M from new assessment growth revenues to support a sustainable capital program.

Various additional revenues have been identified to offset increased operating expenditures as they relate to economic and growth pressures. 2013 final assessment growth (additional property taxes from new homes and businesses) is 2.36%, combined with a 0.29% increase in supplemental taxes results in a net increase of 2.65%. As well, investment income has increased by \$0.6M, and Staff identified an opportunity to increase parking fine revenues through benchmarking study with other municipalities.

The opening of the state of the art Cornell Community Centre & Library in December 2012 is expected to generate additional user and program fees. Additional revenues are generated from CPI adjustments on existing user and programs fees.

The pressures and additional revenues result in a net shortfall of \$1.18M, equivalent to a 1.0% tax rate increase to the City's tax levy to maintain and/or enhance service levels.

Periodically, municipalities are faced with extraordinary circumstances such as the Emerald Ash Borer infestation. Staff identified a program of \$13.1M to address this environmental threat and protect homeowner property values. Of the total funding requirement, \$2.0M has been included in the 2013 capital budget, leaving an unfunded balance of \$11.1M. Therefore, a 0.5% tax rate increase is recommended to partially fund the program. This program will address the immediate needs to evaluate the condition of the Ash tree inventory and determine the remediation strategies. An interest bearing infrastructure reserve fund will be established for the Emerald Ash Borer program.

Markham has been recognized for sound fiscal management and stewardship through the receipt of the Government Finance Officers Association Distinguished Budget Presentation Award for best practices in budget presentation for twelve consecutive years. In addition, Markham was identified as one of the top three municipalities in Canada by the CD Howe Institute for fiscal management and transparency.

In summary, the 2013 Operating Budget has an increase in expenditures of \$9.24M, offset by an increase in revenues of \$7.47M, resulting in a net shortfall of \$1.77M, equivalent to a total tax rate increase of 1.5%. The 2013 Operating Budget achieves fiscal sustainability by not using one-time funding to balance the budget.

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**Additional Financial Disclosure Requirements Pursuant to Ontario Regulation 284/09**

Ontario Regulation 284/09 requires the 2013 Budget be provided in accordance to the Public Sector Accounting Board 3150 format prior to budget approval. The City's financial statements, specifically the Accumulated Surplus, now include the impact of tangible capital asset (TCA) amortization, and the full accrual method of accounting.

Ontario Regulation 284/09 states that municipalities may exclude from budgets, all or a portion of the estimated cost of certain expenses. Exclusion of these expenses allows for preparation & presentation of a traditionally balanced budget. Expenses eligible for exclusion from budget are:

1. Amortization;
2. Post-employment benefits; and
3. Solid waste landfill closure and post closure expenses.

Hence, the 2013 Budget is restated in accordance to Ontario Regulation 284/09 as part of the 2013 Budget approval process.

**FINANCIAL CONSIDERATIONS:**

The 2013 Budget excludes the following expenses:

1. The budget excludes TCA amortization expenses in the amount of \$61,533,190, and includes reserve contributions of \$41,281,381 to reserves and reserve funds. Therefore, these amounts require restatement of the budget to be compliant with the Regulation.

The Life Cycle and Waterworks reserve studies were implemented in 2005 and 2007 respectively to address the funding requirements for on-going capital replacements and preventative maintenance of the City's capital assets over their useful lives. The City updates the reserve studies annually to ensure that there are adequate funding in the reserves for the next 25 years.

The 2012 Life Cycle reserve study update was presented to the Budget Sub-committee in October 2012 and identified that there are sufficient funds for the major replacement and rehabilitation of existing assets with known work programs for the next 25 years (2013 to 2037), except for items relating to flood remediation programs and trees. The flood remediation programs are currently being reviewed as part of a stormwater rate study, and trees will be included in the 2013 Life Cycle reserve study update which will be presented to the Budget Sub-committee as part of the 2014 budget process.

2. The budget excludes the current year's post employment benefit expenses estimated at \$1,650,900. This is consistent with prior year budgeting practice. However, the City will be fully funding the 2013 post employment benefit obligations in the year-end accounting adjustments;
3. All expenses related to the former Sabiston landfill site are included in the budget and are therefore not further mentioned in this report.

The restatement of the 2013 Budget in accordance with the full accrual method of accounting and Ontario Regulation 284/09 results in a projected surplus of \$70,237,711. Details of the restated budget are outlined in Exhibit 1 and restatement of revenues and expenses to the balanced budget are highlighted below:

	Reference to Exhibit 1	\$
Balanced budget		-
Revenues:		
Net (new) revenues to fund Capital	2	108,048,120
Expenses:		
Reversal of transfer to reserve/reserve funds	3	41,281,381
TCA amortization	4	(61,533,190)
Post-employment benefits	5	(1,650,900)
Non-tangible capital assets	6	(15,907,700)
Adjusted budget - 2013 budgeted surplus	7	<u>70,237,711</u>

**EXHIBIT 1                      2013 CONSOLIDATED BUDGET**

- Re-stated in Accordance with the Full Accrual Method of Accounting -  
 - In Compliance with Ontario Regulation 284/09 -

**REVENUES**

- City (excl. Planning & Design, Engineering, Building Standards and Waterworks)		\$180,795,409	
- Planning & Design		\$8,407,168	
- Engineering		\$5,867,563	
- Building Standards		\$9,026,380	
- Waterworks (subject to Council decision in February 2013)		\$89,789,481	
<b>Total Revenues from Operations</b>			<b>\$293,886,001</b>
Non-Tangible Capital		\$15,907,700	
Tangible Capital Assets		\$153,124,400	
<b>Total Capital - Tangible &amp; Non-Tangible</b>		<b>\$169,032,100</b>	
<i>Less: Transfer from Reserve / Reserve Funds</i>	<b>(1)</b>	<b>(\$60,983,980)</b>	
<b>Net (new) Revenues to fund Capital</b>			<b>(2) \$108,048,120</b>
<b>TOTAL REVENUES</b>			<b>\$401,934,121</b>

**EXPENSES**

- City (excl. Planning & Design, Engineering, Building Standards and Waterworks)		\$180,795,409	
- Planning & Design		\$8,407,168	
- Engineering		\$5,867,563	
- Building Standards		\$9,026,380	
- Waterworks (subject to Council decision in February 2013)		\$89,789,481	
<b>Total Operating Expenses</b>		<b>\$293,886,001</b>	
<i>Less: Transfer to Reserve / Reserve Funds</i>	<b>(3)</b>	<b>(\$41,281,381)</b>	
<i>Add: TCA Amortization Expenses</i>	<b>(4)</b>	<b>61,533,190</b>	
<i>Add: Post-employment benefit Expenses</i>	<b>(5)</b>	<b>\$1,650,900</b>	
<b>Net Operating Expenses</b>			<b>\$315,788,710</b>
Non-Tangible Capital	<b>(6)</b>	\$15,907,700	
Tangible Capital Assets		\$153,124,400	
<b>Total Capital Expenses</b>		<b>\$169,032,100</b>	
<i>Less: Tangible Capital Assets Capitalized</i>		<b>(\$153,124,400)</b>	
<b>Net Capital Expenses - Not Capitalized</b>			<b>\$15,907,700</b>
<b>TOTAL EXPENSES</b>			<b>\$331,696,410</b>
<b>ADJUSTED BUDGET: 2013 FULL ACCRUAL ACCOUNTING BUDGET SURPLUS / (DEFICIT)</b>	<b>(7)</b>		<b>\$70,237,711</b>

**NOTES:**

- (1) Represents transfers from reserves and/or reserve funds to fund expenditures. These are not considered revenues under the full accrual method of accounting.
- (2) Represents new revenues to fund the 2013 capital budget
- (3) Represents contributions to reserves and/or reserve funds. These are not considered expenditures under the full accrual method of accounting, but become part of the actual year end surplus (retained earnings).
- (4) TCA Amortization Expenses are calculated based on actual amortization expenses from "in-service" assets as of 2012 and amortization expenses for assets projected to be "in-service" in 2013 using the 1/2 year rule.
- (5) Post-employment Benefit Expenses are 2013 estimates provided by Morneau Shepell.
- (6) Non-Tangible Capital are included in the 2013 capital budget, and they will be restated as operating expenses.
- (7) Projected Surplus is based on the restated 2013 budget.



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**HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

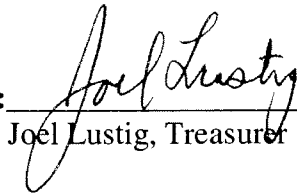
Not applicable.

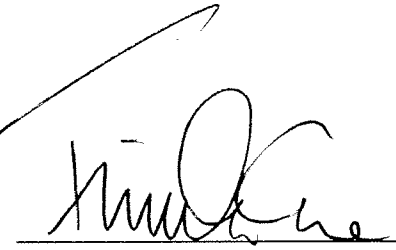
**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not applicable.

**RECOMMENDED**

BY:

  
Joel Lustig, Treasurer



Trinela Cane, Commissioner,  
Corporate Services

**ATTACHMENTS:**

- Appendix 1 – 2013 Total Corporation Operating Budget (Excluding Planning & Design, Engineering, Building Standards and Waterworks)
- Appendix 2 – 2013 Planning & Design Operating Budget
- Appendix 3 – 2013 Engineering Operating Budget
- Appendix 4 – 2013 Building Standards Operating Budget



## CITY OF MARKHAM - 2013 OPERATING BUDGET

Total Corporation (Excluding Planning &amp; Design, Engineering, Building Standards and Waterworks)

<u>Description</u>	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>2013 Bud. vs. 2012 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>				
TAX LEVIES	\$118,197,329	\$122,995,329	\$4,798,000	4.1%
Proposed 1.0% Operating Tax Increase	\$1,671,000	\$1,180,398	-\$490,602	-29.4%
Proposed 0.5% Tax Increase for Infrastructure	\$0	\$590,000	\$590,000	100.0%
GRANTS-IN-LIEU OF TAXES	\$1,209,007	\$1,209,007	\$0	0.0%
GRANTS AND SUBSIDIES	\$1,529,273	\$1,546,994	\$17,721	1.2%
LICENCES & PERMITS	\$1,418,394	\$1,418,394	\$0	0.0%
INTEREST & PENALTIES	\$3,375,000	\$3,375,000	\$0	0.0%
INCOME FROM INVESTMENTS	\$18,546,065	\$19,151,065	\$605,000	3.3%
FINES	\$1,970,730	\$2,449,230	\$478,500	24.3%
USER FEES & SERVICE CHARGES	\$12,395,023	\$14,908,403	\$2,513,380	20.3%
RENTALS	\$6,974,859	\$6,797,604	(\$177,255)	-2.5%
SALES	\$559,834	\$575,308	\$15,474	2.8%
RECOVERIES & CONTRIBUTIONS	\$1,487,920	\$1,605,800	\$117,880	7.9%
OTHER INCOME	\$2,219,264	\$2,992,877	\$773,613	34.9%
<b>Total Revenues</b>	<b>\$171,553,698</b>	<b>\$180,795,409</b>	<b>\$9,241,711</b>	<b>5.4%</b>
<u>Expenses</u>				
SALARIES AND BENEFITS	\$101,831,262	\$107,573,175	\$5,741,913	5.6%
PRINTING & OFFICE SUPPLIES	\$612,239	\$617,359	\$5,120	0.8%
PURCHASES FOR RESALE	\$334,536	\$332,336	(\$2,200)	-0.7%
OPERATING MATERIALS & SUPPLIES	\$2,636,500	\$2,906,550	\$270,050	10.2%
VEHICLE SUPPLIES	\$1,598,886	\$1,667,335	\$68,449	4.3%
SMALL EQUIPMENT SUPPLIES	\$15,091	\$15,091	\$0	0.0%
BOTANICAL SUPPLIES	\$267,197	\$267,197	\$0	0.0%
CONSTRUCTION MATERIALS	\$1,392,412	\$1,479,137	\$86,725	6.2%
UTILITIES	\$4,424,625	\$5,154,550	\$729,925	16.5%
COMMUNICATIONS	\$1,402,193	\$1,421,522	\$19,329	1.4%
TRAVEL EXPENSES	\$406,286	\$415,928	\$9,642	2.4%
TRAINING	\$775,471	\$791,686	\$16,215	2.1%
CONTRACTS & SERVICE AGREEMENTS	\$4,949,304	\$5,622,354	\$673,050	13.6%
MAINT. & REPAIR-TIME/MATERIAL	\$3,712,786	\$4,362,055	\$649,269	17.5%
RENTAL/LEASE	\$778,980	\$760,888	(\$18,092)	-2.3%
INSURANCE	\$2,367,919	\$2,267,919	(\$100,000)	-4.2%
PROFESSIONAL SERVICES	\$2,530,784	\$2,559,039	\$28,255	1.1%
LICENCES, PERMITS, FEES	\$615,407	\$619,077	\$3,670	0.6%
CREDIT CARD SERVICE CHARGES	\$218,335	\$219,313	\$978	0.4%
PROMOTION & ADVERTISING	\$1,241,669	\$1,309,788	\$68,119	5.5%
DISCRETIONARY COMMUNICATIONS	\$429,948	\$429,948	\$0	0.0%
CONTRACTED MUNICIPAL SERVICES	\$9,775,129	\$9,905,922	\$130,793	1.3%
OTHER PURCHASED SERVICES	\$1,031,419	\$1,141,421	\$110,002	10.7%
WRITE-OFFS	\$415,141	\$272,100	(\$143,041)	-34.5%
OTHER EXPENDITURES	\$2,080,570	\$2,578,350	\$497,780	23.9%
TRANSFERS TO RESERVES	\$25,709,609	\$26,105,369	\$395,760	1.5%
<b>Total Expenditures</b>	<b>\$171,553,698</b>	<b>\$180,795,409</b>	<b>\$9,241,711</b>	<b>5.4%</b>
<b>Net Expenditure/ (Revenue)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

**CITY OF MARKHAM - 2013 OPERATING BUDGET**  
**Planning & Design Consolidated**

<u>Description</u>	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>2013 Bud. vs. 2012 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<b><u>Revenue</u></b>				
USER FEES & SERVICE CHARGES	\$6,169,790	\$8,407,168	\$2,237,378	36.3%
<b>Total Revenues</b>	<b>\$6,169,790</b>	<b>\$8,407,168</b>	<b>\$2,237,378</b>	<b>36.3%</b>
<b><u>Expenses</u></b>				
SALARIES AND BENEFITS	\$5,052,139	\$5,283,539	\$231,400	4.6%
PRINTING & OFFICE SUPPLIES	\$43,092	\$43,092	\$0	0.0%
OPERATING MATERIALS & SUPPLIES	\$6,803	\$6,803	\$0	0.0%
COMMUNICATIONS	\$10,869	\$10,869	\$0	0.0%
TRAVEL EXPENSES	\$29,342	\$29,342	\$0	0.0%
TRAINING	\$15,000	\$15,000	\$0	0.0%
CONTRACTS SERVICES AGREEMENTS	\$1,463,203	\$1,619,369	\$156,166	10.7%
RENTAL/LEASE	\$3,000	\$3,000	\$0	0.0%
PROFESSIONAL SERVICES	\$38,748	\$38,748	\$0	0.0%
LICENCES, PERMITS, FEES	\$22,995	\$22,995	\$0	0.0%
CREDIT CARD SERVICE CHARGES	\$1,823	\$1,823	\$0	0.0%
PROMOTION & ADVERTISING	\$4,365	\$4,365	\$0	0.0%
MISCELLANEOUS EXPENSES	(5,000)	(5,000)	\$0	0.0%
<b>Total Expenses</b>	<b>\$6,686,379</b>	<b>\$7,073,945</b>	<b>\$387,566</b>	<b>5.8%</b>
<b>Surplus/(Deficit)</b>	<b>(\$516,589)</b>	<b>\$1,333,223</b>	<b>\$1,849,812</b>	<b>0%</b>
TRANSFERS TO/(FROM) RESERVES	(\$516,589)	\$1,333,223	\$1,849,812	-358.1%
<b>Net Expenditures/ (Revenue)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

## CITY OF MARKHAM - 2013 OPERATING BUDGET

## Engineering

<u>Description</u>	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>2013 Bud. vs. 2012 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<b><u>Revenue</u></b>				
USER FEES & SERVICE CHARGES	\$5,395,224	\$5,818,373	\$423,149	7.8%
RECOVERIES & CONTRIBUTIONS	\$50,813	\$49,190	(\$1,623)	-3.2%
<b>Total Revenues</b>	<b>\$5,446,037</b>	<b>\$5,867,563</b>	<b>\$421,526</b>	<b>7.7%</b>
<b><u>Expenses</u></b>				
SALARIES AND BENEFITS	\$4,303,516	\$4,454,986	\$151,470	3.5%
PRINTING & OFFICE SUPPLIES	\$31,000	\$25,000	(\$6,000)	-19.4%
OPERATING MATERIALS & SUPPLIES	\$18,000	\$21,000	\$3,000	16.7%
COMMUNICATIONS	\$14,000	\$23,700	\$9,700	69.3%
TRAVEL EXPENSES	\$13,000	\$20,000	\$7,000	53.8%
TRAINING	\$16,000	\$24,000	\$8,000	50.0%
CONTRACTS SERVICES AGREEMENTS	\$1,877,568	\$1,850,884	(\$26,684)	-1.4%
MAINT. & REPAIR - TIME & MATERIAL	\$2,956	\$2,956	\$0	0.0%
RENTAL/LEASE	-	\$6,000	\$6,000	100.0%
PROFESSIONAL SERVICES	\$25,000	\$15,000	(\$10,000)	-40.0%
LICENCES, PERMITS, FEES	\$18,500	\$23,500	\$5,000	27.0%
<b>Total Expenses</b>	<b>\$6,319,540</b>	<b>\$6,467,026</b>	<b>\$147,486</b>	<b>2.3%</b>
<b>Deficit</b>	<b>(\$873,503)</b>	<b>(\$599,463)</b>	<b>\$274,040</b>	<b>-31.4%</b>
TRANSFERS FROM RESERVES	(\$873,503)	(\$599,463)	\$274,040	-31.4%
<b>Net Expenditures/ (Revenue)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

**CITY OF MARKHAM - 2013 OPERATING BUDGET**  
**Building Standards**

<u>Description</u>	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<b><u>Revenue</u></b>				
LICENCES & PERMITS	\$7,942,643	\$8,996,240	\$1,053,597	13.3%
USER FEES & SERVICE CHARGES	\$30,140	\$30,140	\$0	0.0%
<b>Total Revenues</b>	<b>\$7,972,783</b>	<b>\$9,026,380</b>	<b>1,053,597</b>	<b>13.2%</b>
<b><u>Expenses</u></b>				
SALARIES AND BENEFITS	\$5,278,431	\$5,452,204	\$173,773	3.3%
PRINTING & OFFICE SUPPLIES	\$41,500	\$41,500	\$0	0.0%
OPERATING MATERIALS & SUPPLIES	\$23,500	\$23,500	\$0	0.0%
COMMUNICATIONS	\$30,800	\$30,800	\$0	0.0%
TRAVEL EXPENSES	\$6,000	\$6,000	\$0	0.0%
TRAINING	\$30,000	\$30,000	\$0	0.0%
CONTRACTS SERVICES AGREEMENTS	\$2,048,346	\$2,148,528	\$100,182	4.9%
RENTAL/LEASE	\$2,500	\$2,500	\$0	0.0%
PROFESSIONAL SERVICES	\$16,000	\$16,000	\$0	0.0%
LICENCES, PERMITS, FEES	\$15,750	\$15,750	\$0	0.0%
CREDIT CARD SERVICE CHARGES	\$10,000	\$10,000	\$0	0.0%
PROMOTION & ADVERTISING	\$1,000	\$1,000	\$0	0.0%
<b>Total Expenses</b>	<b>\$7,503,827</b>	<b>\$7,777,782</b>	<b>\$273,955</b>	<b>3.7%</b>
<b>Surplus</b>	<b>\$468,956</b>	<b>\$1,248,598</b>	<b>\$779,642</b>	<b>166.3%</b>
TRANSFERS TO	\$468,956	\$1,248,598	\$779,642	166.3%
<b>Net Expenditures/ (Revenue)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>