



**FIFTH MEETING OF THE
2018 BUDGET COMMITTEE
COUNCIL CHAMBER, MARKHAM CIVIC CENTRE
October 19, 2017**

MINUTES

Attendance:

Members Present: Councillor Logan Kanapathi, Chair Councillor Amanda Collucci, Vice-Chair Regional Councillor Nirmala Armstrong Councillor Alex Chiu Councillor Karen Rea Councillor Don Hamilton Regrets: Regional Councillor Jim Jones	Staff Present: Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner of Corporate Services Brenda Librecz, Commissioner of Community & Fire Services Brian Lee, Acting Commissioner of Development Services Joel Lustig, Treasurer Morgan Jones, Director of Operations Graham Seaman, Director of Sustainability & Asset Management Phoebe Fu, Director of Environmental Services Dave Decker, Fire Chief Andrea Tang, Senior Manager of Financial Planning Laura Gold, Council/Committee Coordinator
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The Budget Committee convened at 2:08 pm with Councillor Logan Kanapathi presiding as Chair.

1. Review of the Minutes

Moved by Mayor Frank Scarpitti

Seconded by Regional Councillor Armstrong

That Minutes from the October 10, 2017 Budget Committee be approved as presented.

Carried

2. Continuation of the Review of the Capital Budget

The Budget Committee continued its review of the Capital Budget.

Community & Fires Services (Continued)**Environmental Services – ROW Assets**

Capital Budget Item	Discussion
18265 Bridges & Culverts – Condition Assessments - \$30,300	
18266 Culverts Rehabilitation (2 Structures) – Design & Construction - \$339,100	
18267 Culverts Replacement (11 Structures) – Construction - \$237,600	Councillor Amanda Collucci will provide a list of culverts in Ward 6 for staff to review.
18268 MNRF Monitoring for Capital Projects at Water Crossings - \$15,900	
18269 ROW Assets – Structures Program – FTE - \$136,900	
18270 Storm Sewer Culvert Inspection - \$17,200	
18271 Streetlights – Miscellaneous Requests - \$152,000	<p>A Committee Member asked if the streetlights will be transferred to the new hydro poles that are being installed on Warden Avenue.</p> <p>Staff confirmed that the lights will be transferred from the old hydro poles to the new ones.</p> <p>A Committee Member asked for a status update on the streetlight assessment for the Varley Village.</p> <p>Staff reported that the City is submitting a grant request to the Province for decorative LED lighting. The Varley Village will be included in the grant request. The City will likely be informed of the grant result in February 2018.</p>
18272 Streetlights Poles Replacement Program - \$119,400	
18273 Flood Control Remediation – Study (note: this item was pre- approved) - \$1,274,000	<p>A Committee Member inquired if protecting the City to the 100 year storm level is still adequate given recent weather trends.</p> <p>Staff reported that in accordance with research, 100 year storm level will adequately protect the City against future rain storms.</p>

Moved by Councillor Don Hamilton
Seconded by Councillor Alex Chiu

That the Budget Committee approve the Environmental Services – ROW Assets.

Carried

Environmental – Environmental Assets

Capital Budget Item	Discussion
18275 City Wide Erosion Master Study – Update - \$160,000	
18276 Storm Sewer Pipes – Rehabilitation - \$529,400	
18277 – Stormwater Management Pond Cleaning – Ponds ID#9 & ID#49 - \$1,136,700	<p>A Committee Member inquired if the City is moving away from the use of stormwater management ponds, as part of its stormwater management strategy.</p> <p>Staff advised that stormwater management ponds are still an integral part of the City’s Stormwater Management Strategy. Staff are currently investigating other alternatives that may be considered to be used in the future.</p> <p>A Committee Member inquired who is responsible for the maintenance of private stormwater control infrastructure on building sites.</p> <p>Staff advised it is the builder’s responsibility to maintain the private on-site stormwater infrastructure.</p> <p>A Committee Member inquired what the average cost of cleaning stormwater management ponds, as they seem very high.</p> <p>Staff advised that it depends on the size of the ponds and how full they are. The ponds are prioritized based on volume of sediment. Pond cleaning entails dewater the pond, dry the sediment and dump the sediment. Once the pond is cleaned, it will last approximately 20</p>

Capital Budget Item	Discussion
	<p>years before the next cleaning. The cost associated with the cleaning is due to the complicated process.</p> <p>It was suggested that Members Council come and watch the process undertaken to clean the ponds to gain a better understating of what it entails.</p>
18278 Water Quality Improvements & Geese Control - \$26,500	
18279 West Thornhill flood Control Implementation – Phase 2 Construction - \$11,900,700	
18280 West Thornhill Flood Control Implementation – Ph4 Design - \$915,800	

Moved by Councillor Amanda Collucci

Seconded by Councillor Karen Rea

That the Budget Committee approve the Environmental – Assets Capital Budget Items.

Carried

Environmental Services – Waste

Capital Budget Item	Discussion
18286 – Textile Recycling – Smart Bins (3) - \$32,100	<p>A Committee Member asked if the bins being purchased were the larger bins that look like a small house.</p> <p>Staff confirmed that the bins being purchased were the larger sized bins that look like a small house. The bins are being purchased as additional bins are needed to meet the demand for textile recycling.</p>

Moved by Councillor Don Hamilton

Seconded by Councillor Karen Rea

That the Budget Committee approve the Environmental-Waste Capital Budget Item.

Carried

Capital Budget Item	Discussion
18291 Cathodic Protection of Ductile Iron Water mains - \$160,000	
18292 CI Water Main Replacement – West Thornhill Phase 2C Construction - \$4,519,900	
18294 District Metering Area (DMA) Pilot - \$175,800	<p>A Committee Member requested clarification on this item.</p> <p>Staff advised that meters are being installed in a specific area to measure the water coming in and out and identify water leakage. Staff will use acoustic sound to identify the leak and fix it.</p> <p>Staff will measure the effectiveness of the pilot project to reduce non revenue water.</p> <p>A Committee Member inquired how staff determined where to locate the meters.</p> <p>The area where the meters are being installed was selected by breaking the City into 32 zones. Then reviewing the pipes age, type and pressures on them, to determine the area that may have higher potential for leaks.</p> <p>A Committee Member asked if a leaky pipe can lead to a water main break and if these types of breaks typically happen in the winter months.</p> <p>Staff advised that when a leak gets worse it can lead to a water main break if the leak is not detected. Water main breaks happen at all times of the year.</p> <p>A Committee Member asked that staff try to coordinate the work amongst departments so</p>

Capital Budget Item	Discussion
	that roads do not have to be dug up twice and minimize disruptions to residents.
18296 Online Chlorine Analyzers (2) - \$50,900	A Committee Member asked for clarification on what was being purchased. Staff advised that this capital budget request is to replace one chlorine analyzer and to purchase a new one to be installed at the Calvert Pumping Station.
18297 Sanitary Sewer Pumping Stations – Condition Inspection - \$61,100	
18298 Sanitary Sewage Pumping Stations – Improvements - \$50,900	
18299 Sanitary Sewers – Laterals Inspection - \$142,000	
18300 Sanitary Sewers – Rehabilitation - \$1,011,000	
18301 Sanitary Sewers – Syphons Structural Lining - \$732,700	
18302 Wastewater Flow Monitoring – Annual Program - \$152,600	
18303 Water Meters Replacement Program - \$691,000	
18304 Water System Model Calibration - \$152,600	

Moved by Councillor Alex Chiu

Seconded by Councillor Don Hamilton

That the Budget Committee approve the Environmental – Waterworks Capital Budget Items.

Carried

Operations - Fleet

Capital Budget Item	Discussion
18245 Corporate Fleet Refurbishing -\$37,100	
18246 Corporate Fleet Replacement – Fire - \$998,700	A Committee Member requested clarification on what type of trucks are being replaced. Staff advised that the funds will be used to replace two pick-up trucks.

Capital Budget Item	Discussion
18247 Corporate Fleet Replacement – Non-Fire - \$1,142,600	A Committee Member inquired if the lifecycle of the Mayor’s vehicle will be extended another year. It was advised that the Mayor’s vehicle will be extended until the end of the Term of Council.
18248 Ice Resurfacing Machine Replacement - \$194,300	
18250 New Fleet – Waterworks - \$50,900	
18251 Waterworks Fleet Replacement - \$637,600	
18252 New Fleet Parks - \$27,800	
18253 Corporate Fleet Growth – Non Fleet - \$10,200	

Moved by Mayor Frank Scarpitti

Seconded by Regional Councillor Armstrong

That the Budget Committee approve the Fleet Capital Budget Items.

Carried

Operations – Utility Inspection & Survey

Capital Budget Item	Discussion
18255 German Mills Meadow – Northern Header Upgrade (Construction) - \$315,500	
18256 German Meadow Equipment Maintenance - \$122,100	
18257 Survey Monument Replacement - \$28,100	A Committee Member inquired why the City is replacing monument plaques when they are supposed to last a lifetime as they are made out of brass. Staff advised that there is a need to reset the monuments if the concrete pad has been damaged or taken out.

Moved by Councillor Karen Rea

Seconded by Councillor Alex Chui

That the Budget Committee approve the Utility-Inspection & Survey Capital Budget Items.

Carried

Operations – Business & Technical Services

Capital Budget Item	Discussion
18261 Public Realm – Markham’s Shared Places Our Spaces – Section 37 - \$111,900	<p>A Committee Member asked why there is a cost associated with this project if students will be designing the benches.</p> <p>Staff will report back on the matter.</p> <p>A Committee Member asked what park the pathway connection will be made at and why this item is listed under the public realm.</p> <p>Staff reported that the pathway connection is being made at the Bridlewood Park in Unionville. A sign will be posted indicating that no winter maintenance will be provided on the pathway.</p> <p>The item is listed under the public realm as the funds are being used to improve an existing area.</p> <p>A Committee Member requested Staff to provide the exact location of the pathway connections.</p> <p>A Committee Member requested that a pathway be added to the plans for the park being built beside the Museum, which links the condominium and stormwater management pond on Markham Road to the new park. Staff will investigate and report back.</p>
18262 Public Realm – Markham’s Shared Places our Spaces – \$431,400	<p>A Committee Member inquired why the City is paying for traffic wraps on Regional roads.</p> <p>Staff reported that the Region has approved the City to place wraps at Markham’s gateways,</p>

Capital Budget Item	Discussion
	but has not agreed to pay for the wraps at this time. The City is paying for the wraps to improve the appearance of Markham's gateways.

Moved by Mayor Frank Scarpitti

Seconded by Councillor Karen Rea

That the Budget Committee approve the Operations- Public Realm Capital Budget Items.

Carried

Corporate Wide

Capital Budget Item	Discussion
18305 Corporate Capital Contingency - \$2,143,800	<p>Staff reported that this capital budget item is for contingency funds for applicable capital projects. This was done this year to reflect more accurately the estimated cost of a project and the intention to complete the project within the estimated budget.</p> <p>A Committee Member suggested holding a brainstorming session on how to review and present the capital budget. A suggestion was made to provide an aggregate lump sum for all projects and reveal the individual budget at the time of contract award.</p> <p>Staff stated that that contractors could request the amount allocated to a project under the <i>Freedom of Information Act</i>.</p>

Moved by Councillor Alex Chiu

Seconded by Councillor Amanda Collucci

That the Budget Committee approve the Corporate Wide Capital Budget Item No. 18305.

Carried

Corporate Services Commission (Continued)

Sustainability Office

Capital Budget Item	Discussion
<p>18083 Angus Glen Community Centre Combined Heat & Power (CHP) System - \$2,164,100</p>	<p>Staff provided a presentation on the business case to support the purchase a combined heat & power system for the Angus Glen Community Centre.</p> <p>The Angus Glen Community Centre was chosen for this project as it is the City's top energy user. If the project is a success, staff will look at installing the same type of a system at the Thornhill Community Centre which is the second largest energy user.</p> <p>The business case shows that if the City stays with the status quo it will spend \$39 million over a 30 year period as compared to \$33.8 million with the proposed system which will result in net savings of \$5.24 million dollars over a 30 year period. . The system will also extend the life of the existing boilers which will not be removed from the facility, but will continue to be used to support the new system, but with reduced operating time.</p> <p>The funds to purchase the system will be borrowed internally and will be paid back from the projected annual net savings of \$0.27 million and a one-time utility incentive of \$0.65 million. Payback from this investment is approximately six years. Interest will be charged on the loan to cover lost investment revenue.</p> <p>The building cannot be hooked up to Markham District Energy as it is outside of its service area. However, Markham District Energy may be the service provider of the new system.</p> <p>The new system will only be able to provide electricity, heat and cooling to the Angus Glen Community Centre as it is a large facility. A larger system was looked at, but had a less favourable payback period and it would not</p>

Capital Budget Item	Discussion
	<p>have been large enough to provide power to other buildings in the area.</p> <p>As stated earlier, the Province's Save on Energy Program will provide a utility incentive of \$0.65 million towards the project. Staff anticipated that there will continue to be energy saving grants available in the future if the City decides to install the same or a similar type of system at other community centres in the future.</p> <p>Geothermal energy was considered as an alternative for the Angus Glen Community Centre, but the payback period was longer. A report will be brought forward to the General Committee on the success of the geothermal energy systems which were installed at the Markham Museum and the Cornell Fire Station.</p> <p>The Committee suggested having an open conversation with Alectra with respect to how the City can help provide power to Markham's Future Urban Area.</p>

Moved by Councillor Amanda Collucci
Seconded by Mayor Frank Scarpitti

That the Budget Committee approve the Sustainability Office Capital Budget Item No. 18033.

Carried

3. Next Steps

Staff advised that options to mitigate the impacts of *Bill 148, Fair Workplaces, Better Jobs Act*, if passed by the Province, will be discussed at the October 27, 2017 Budget Committee.

Councillor Amanda Collucci advised that she will not be in attendance at this meeting and noted that she supports increasing user fees to address the impact of the bill and that she will not support a 4.61% tax rate increase.

The Committee was interested in how other municipalities will address the impacts of the bill if approved by the Province. Staff reported that other municipalities are still strategizing how to manage the impact of the bill.

A Committee Member suggest raising the cost of fines to raise the revenue.

4. Adjournment

Moved by Councillor Amanda Collucci

Seconded by Regional Councillor Nirmala Armstrong

That the Budget Committee adjourn at 4:07 pm.

Carried