

Building Markham's Future Together

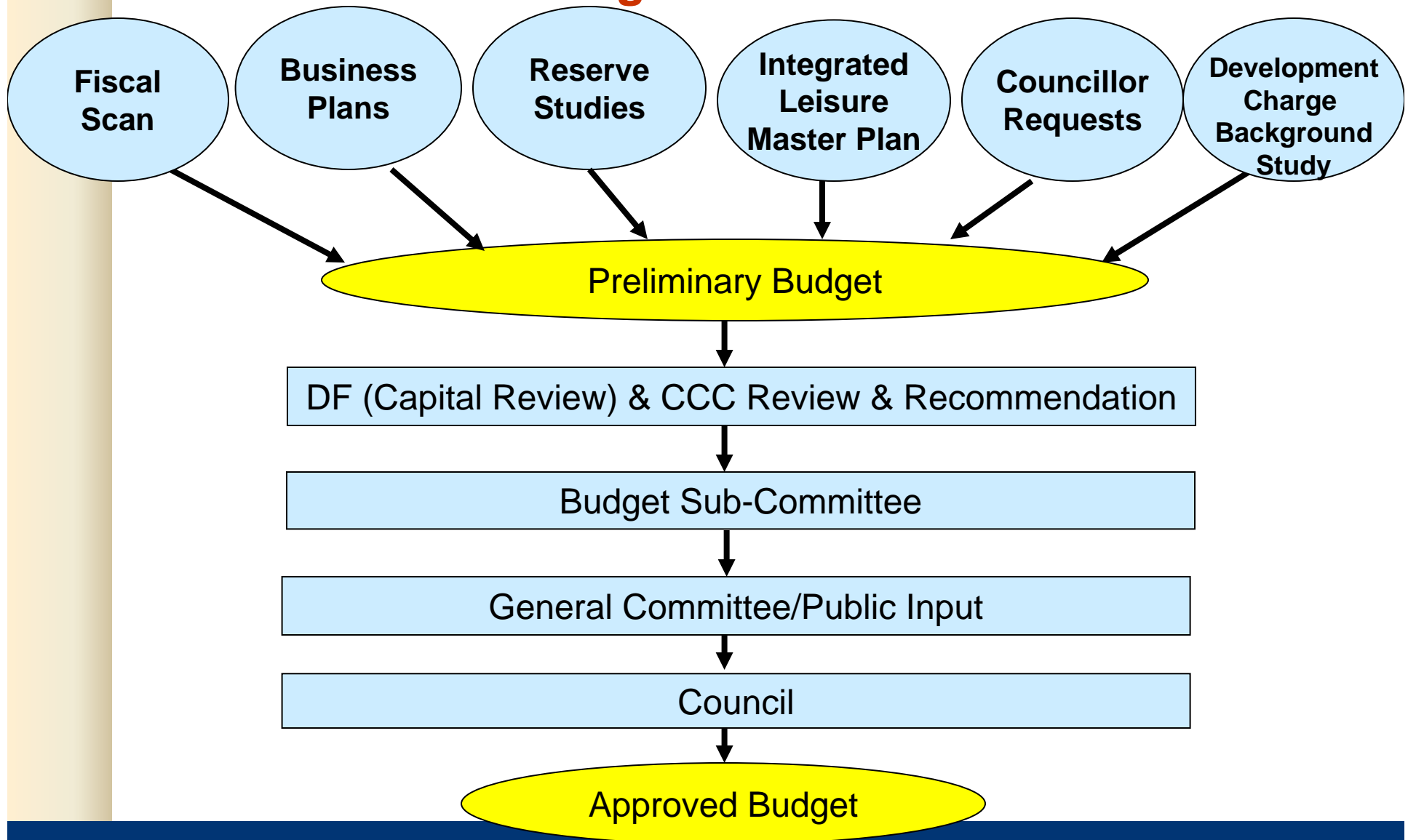
2010 Budget
November 4, 2009
Public Meeting



Agenda

- Welcome – Mayor & Budget Chief
- Budget Presentation
 - Budget Process, Budget Summary & Fiscal Scan
 - 2010 Proposed Budgets
 - Capital
 - Building Services
 - Planning & Design and Engineering
 - Waterworks
 - Operating
 - Assessment and Property Taxes
 - 2010 Budget Summary Highlights
- Questions & Comments

Budget Process



2010 Budget Process

Capital Budget

May	Department Capital submissions to Finance
June	Director's Forum (DF) Capital Project review & prioritization meetings. Provide recommendation to CAO, Commissioners Committee (CCC)
September	CCC & DF joint Capital Project review & prioritization meetings

Operating Budget

August	Business Plan submissions from Departments
September	Department business plan presentation to CCC Finance review of the base Operating Budget CCC review & discussion of business plans and the proposed Operating Budget
October	Final CCC review of the Operating & Capital Budgets with a recommendation to present to Budget Sub-Committee

2010 Budget Process (cont'd)

Three Budget Sub-Committee Meetings were held in 2009:

- 1. October 19, 2009**
- 2. October 20, 2009**
- 3. October 21, 2009**

Budget Sub-Committee recommended 2010 Proposed Budgets to the General Committee

October 26, 2009

General Committee – Recommended Budget to be presented at the Public Information Meeting

November 4, 2009

Public Information Meeting

Next Steps:

November 9, 2009

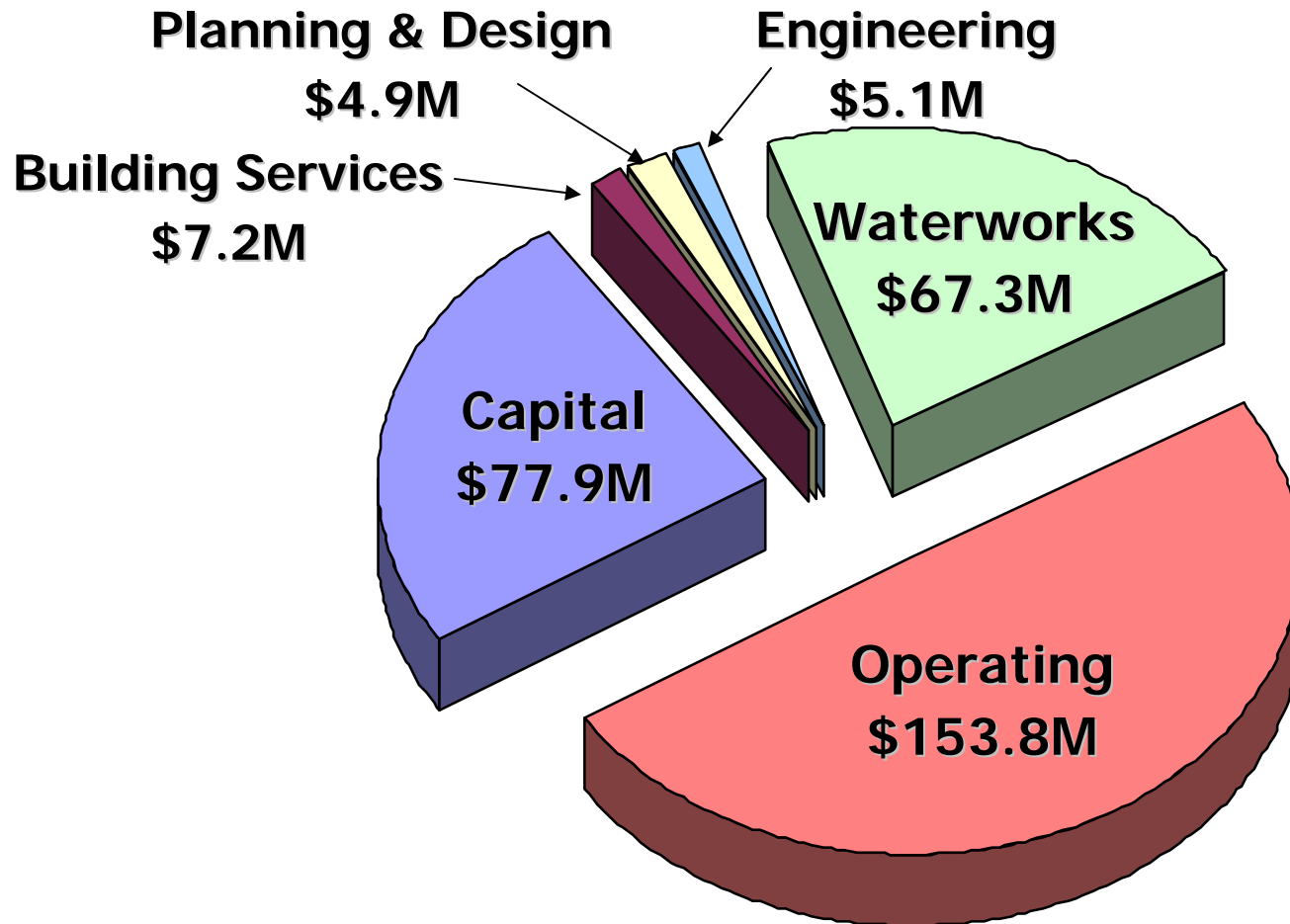
General Committee – Feedback from the Public Information meeting and recommend Budget to Council

November 10, 2009

Presentation of Budget to Council for approval

2010 Budget Summary

Total Budget Recommended for Approval
\$316.2 Million



Fiscal Scan

Wage Settlements

**Municipal Service
Contracts**

Infrastructure

Growth

**Provincial
Legislation**

Economic Trends

Fiscal Scan

Wage Settlements

- CUPE/COLA Provision for wage settlement to be negotiated (expires March 31, 2010)
- MPFFA (Fire) Provision for wage settlement to be negotiated (expires December 31, 2009)
- Full-time and part-time grid movements and annualization
- Part-time minimum wage adjustments

Total: \$3.70M

Fiscal Scan

Municipal Service Contracts

- Price escalations on multi-year contracts and contract renewals – higher costs provided for: \$0.53M
 - Winter maintenance
 - Waste collection
 - Electricity & maintenance for existing streetlights
 - Insurance
 - Facility and building maintenance

- Phase-in of Winter Maintenance requirements (Year 2 of 4): \$0.36M

Offset by

- Lower utility consumption resulting from Town-initiated energy efficient programs: (\$0.46M)
- Adjustment to fuel cost due to decline in price: (\$0.19M)

Total: \$0.24M

Fiscal Scan

Infrastructure

- Life Cycle Reserve Study was approved by Council in 2005. Reserve study has since been updated annually to adjust for new assets and price changes. Last update was done in Spring 2009
- The objective of the Reserve Study is to ensure that there is adequate funding for the rehabilitation and replacement of known assets for the next 25 years
- The 2009 Reserve Study Update identified sufficient funding for the next 25 years based on known assets and established work plans
- There are stormwater management related infrastructure assets currently not included in the Reserve Study. These programs will be added once assets are built and/or work plans are developed

Fiscal Scan

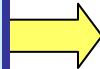
Growth

- \$0.46M increase in costs related to:
 - 1.5% increase in tonnage – waste collection
 - 25 additional km's of road – maintenance, street & catchbasin cleaning
 - 800 new street lights to power, maintain & repair
 - 18 Additional ha's of Parks–park maintenance
 - Winter maintenance
- \$0.39M Personnel Ramp-up increase related to new facilities
 - Cornell Fire Station (Year 2 of 8)
 - Next Library/Recreation Facility (Year 2 of 8)
- \$0.20M Ramp-up for a future sports facility – 10% non-growth portion (Year 2 of 6)
- \$0.50M contribution to capital program

Total: \$1.55M

Fiscal Scan

Growth (continued)



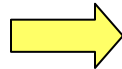
Offset by

- (\$2.59M) reductions in tax-funded capital budget through the deferral, and/or sustainable reductions and the use of alternative funding source:
 - (\$1.00M) pavement preservation strategy
 - (\$0.50M) use of alternative funding source (gas tax)
 - (\$0.79M) deferral and/or sustainable reductions
 - (\$0.30M) fleet program - extension of life cycles
- (\$0.40M) Transfer to Land Acquisition Reserves (\$0.6M from \$1.0M)
- (\$0.32M) capital budget gapping (surplus funds from completed projects)

Total: (\$3.31M)

Fiscal Scan

Provincial Legislation



- Growth Management Strategy
 - Municipal Official Plans needed to be brought into conformity with the Provincial Growth Plan for the Greater Golden Horseshoe by June 16, 2009. 1 year contract extension has been requested
 - With sufficient resources applied, staff anticipate that a comprehensive Growth Management Strategy will be presented to Council for endorsement prior to the 2010 summer recess
- Accessibility
 - Council approved the Accessible Customer Service Policy effective January 1, 2010 to meet the legislated requirements
 - Accessibility legislation: Make Ontario accessible by 2025 and requires the Town to identify, prevent & remove barriers for people with disabilities

Fiscal Scan

Provincial Legislation (continued)

- Safe Drinking Water Act
 - The Municipal Drinking Water License was issued on August 14, 2009 to the Town. The submission of a financial plan is required within one year following the issuance of the license
- Minimum Wage Increase
 - Effective March 31, 2010, the minimum wage will be increased from \$9.50 to \$10.25
- HST Impact on both Operating and Capital: \$0.36M
 - Effective July 1, 2010, the harmonization of the Federal Sales and Services Tax (GST) and Ontario's Provincial Sales Tax (PST) will be implemented

Economic Trends

Fiscal Scan

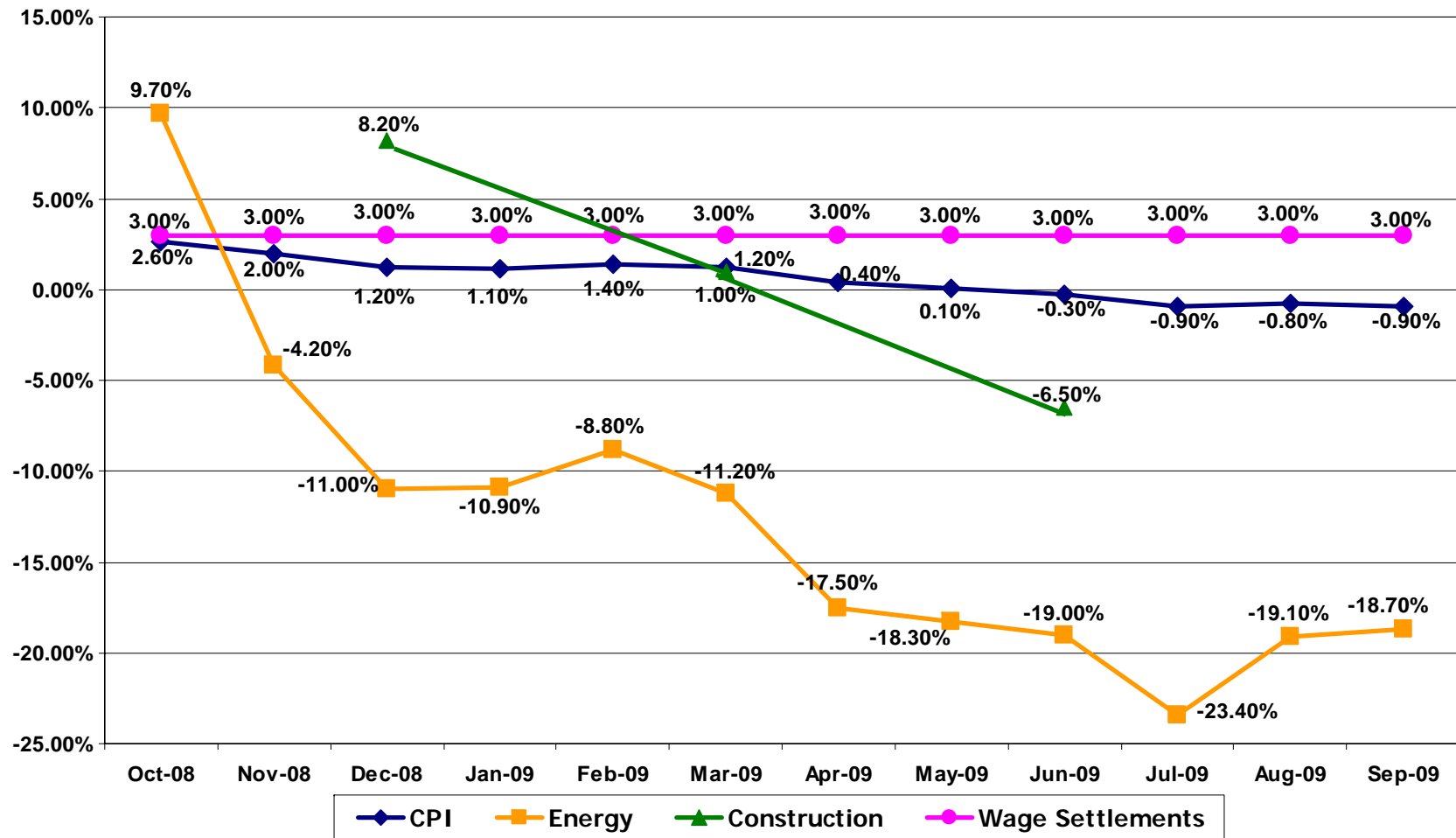
- Deflation:
 - -0.9% CPI, Canada, All Items (Sept. 08 to Sept. 09)
 - -1.1% CPI, Ontario, All Items (Sept. 08 to Sept. 09)
 - -18.7% Energy Index (Sept. 08 to Sept. 09)
 - -6.5% Construction Index (Jun. 08 to Jun. 09)
- Stock market indices continue to drop (over 1 year period – Sept. 30)
 - TSX -2.7% decrease
 - Dow -10.1% decrease

However, there is an upward trend over the last three months (July 1 – Sept. 30):

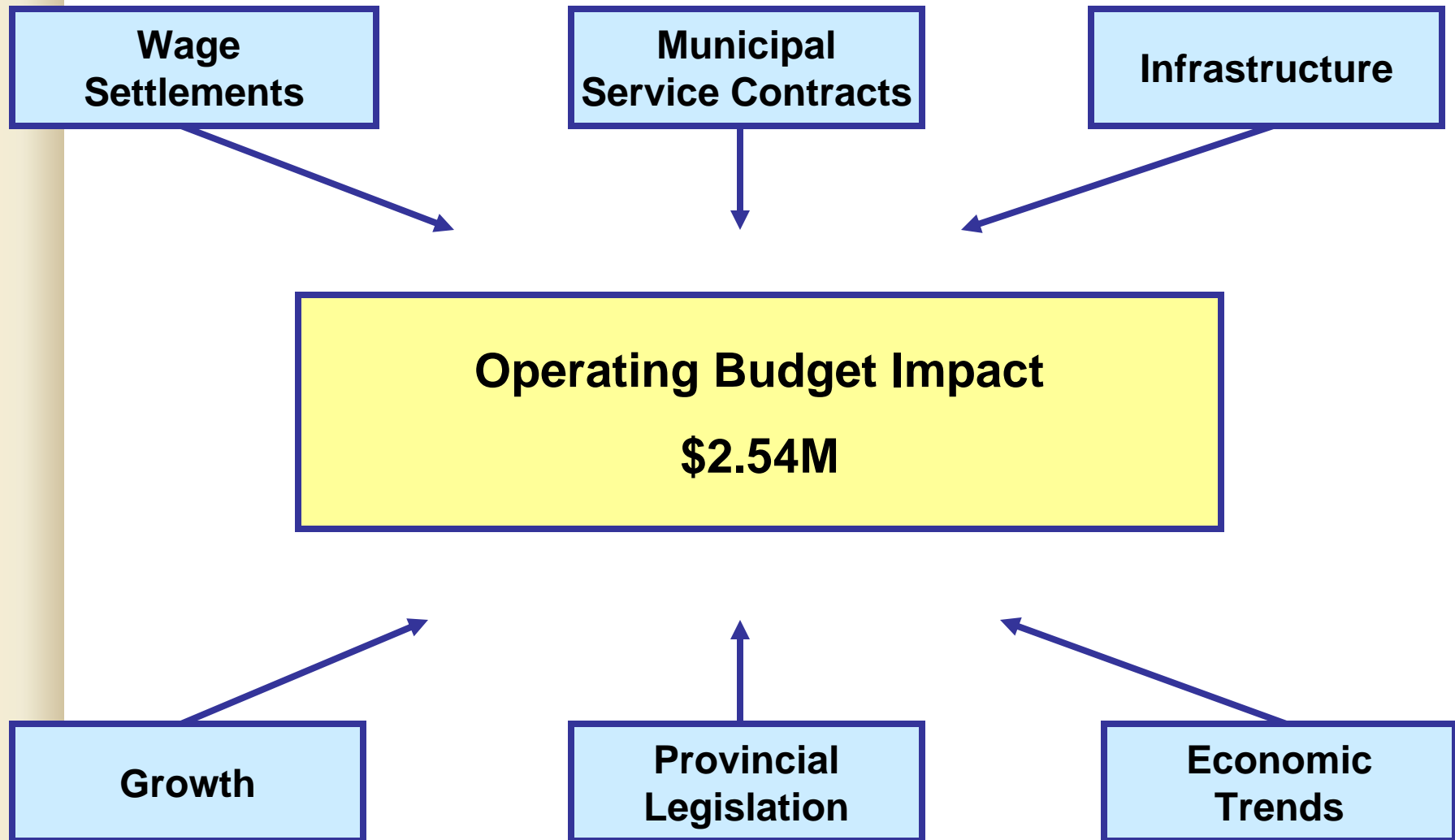
 - TSX 9.2% increase
 - Dow 14.6% increase
- Unemployment rate in Ontario is 9.2% for September, a decrease of 0.2% compared to the previous month

Fiscal Scan

Other Indices Impacting the Town

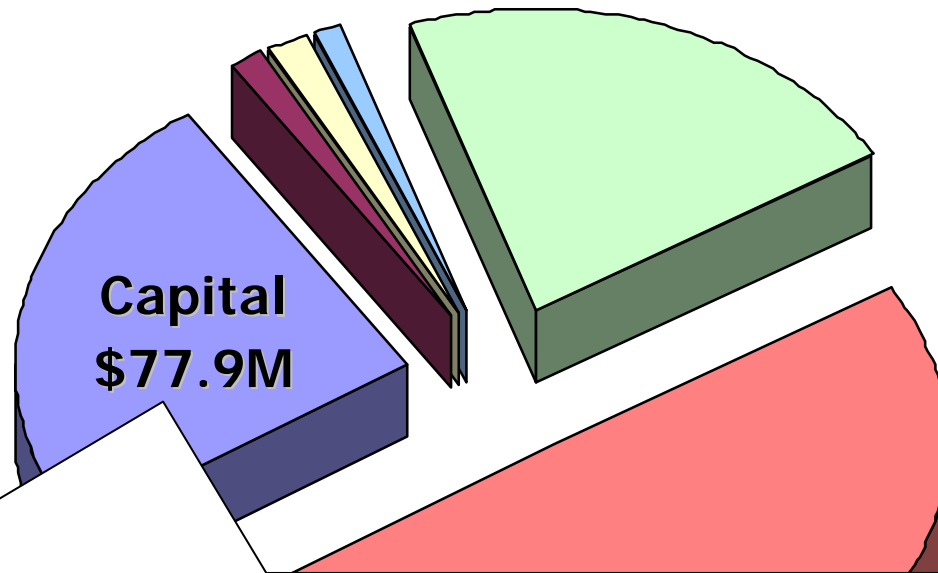


Fiscal Scan



2010 Budget Summary

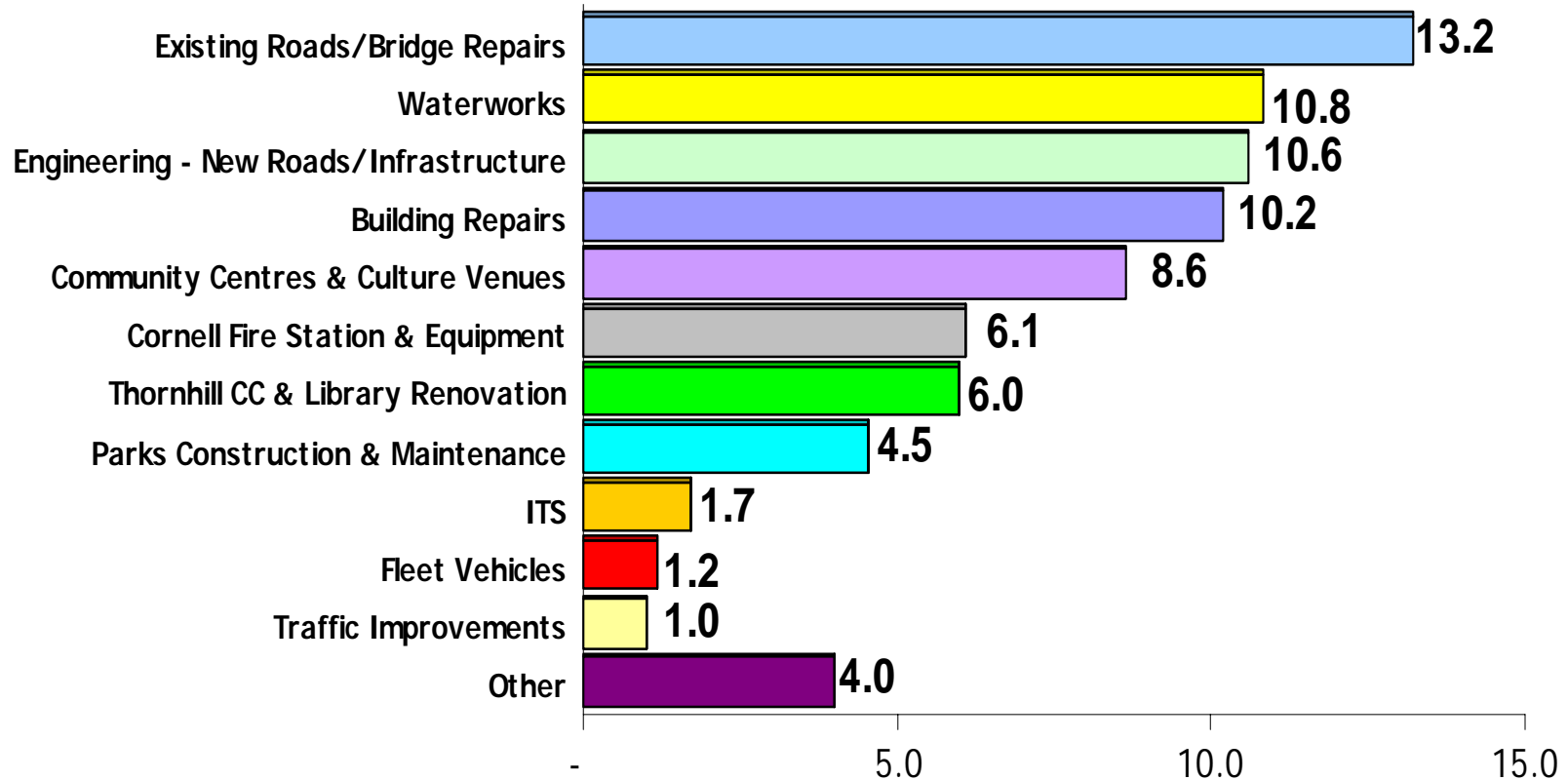
Total Budget Recommended for Approval
\$316.2 Million



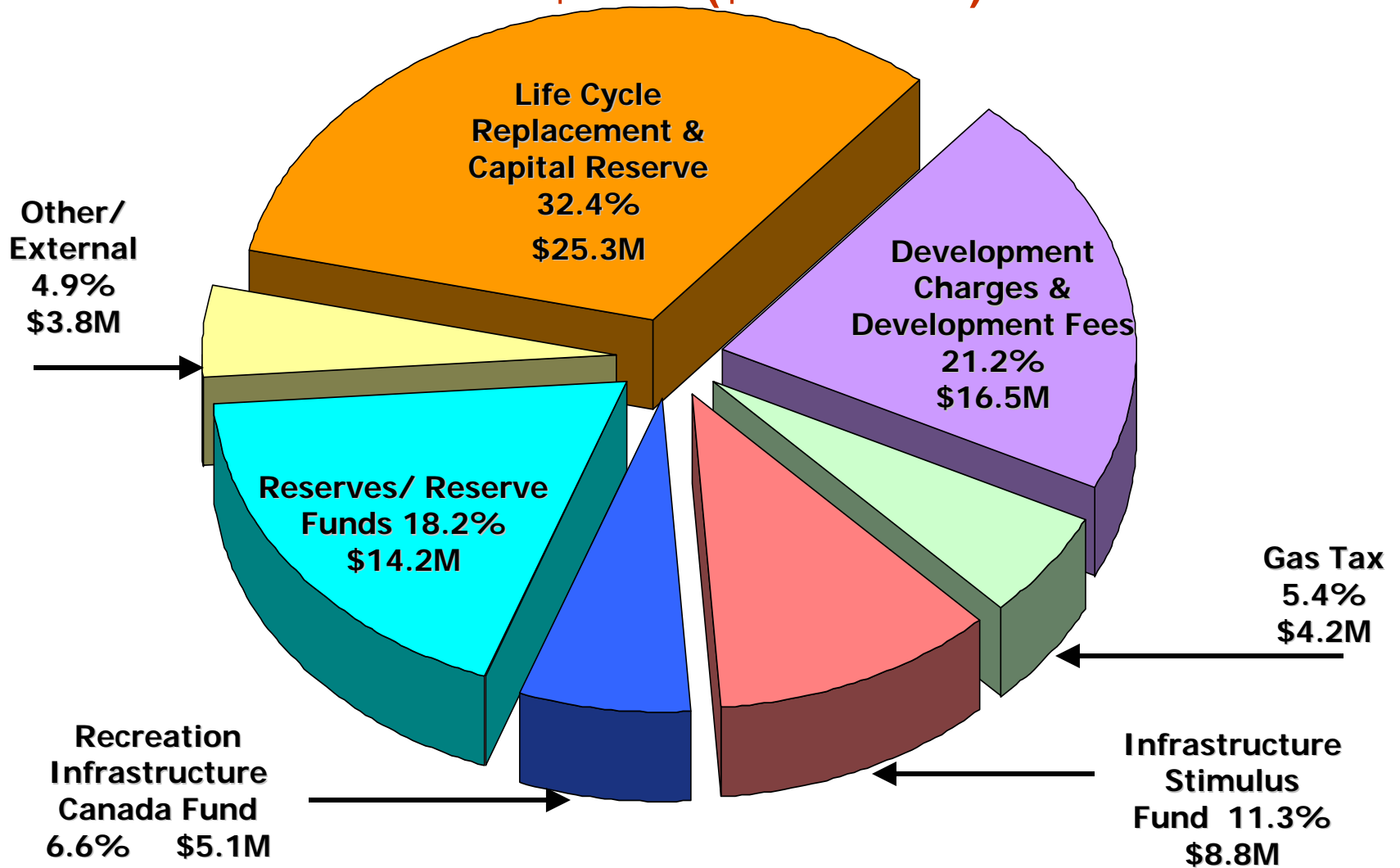
- Expenditures incurred to purchase, construct, replace, maintain, or upgrade assets such as land, buildings, infrastructures, or machinery and equipment

2010 Proposed Capital Budget Expenditure Types

Total \$77.9M (\$ in Millions)



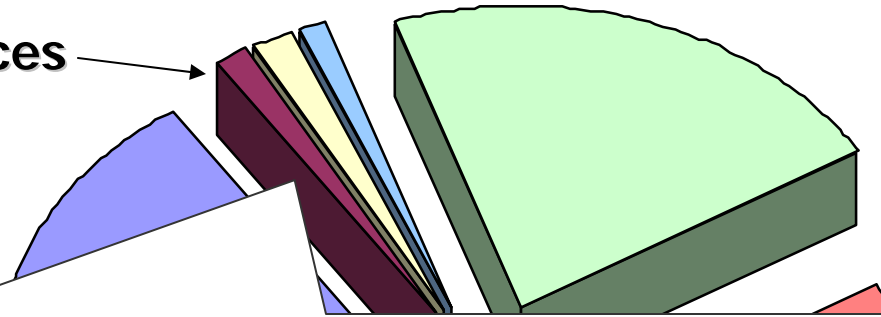
2010 Proposed Capital Budget Funding Sources Total \$77.9M (\$ in Millions)



2010 Budget Summary

Total Budget Recommended for Approval
\$316.2 Million

Building Services
\$7.2M



Self-funded (i.e. funded from Building Permits)

Development Fee By-Law was amended to include a 6.0% increase in Building fees for Building Permit Applications

A reserve has been established for Building Services:

- Year with a surplus - transfer to the reserve
- Year with a deficit - transfer from the reserve

2010 Budget Summary

Total Budget Recommended for Approval

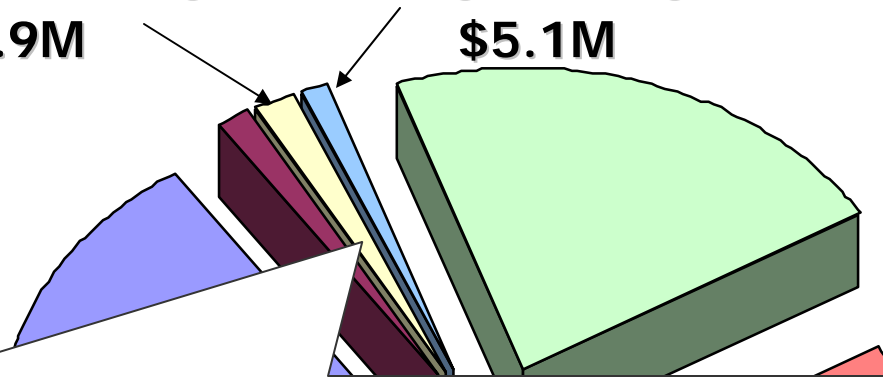
\$316.2 Million

Planning & Design

\$4.9M

Engineering

\$5.1M



Primarily funded from Planning & Engineering Fees

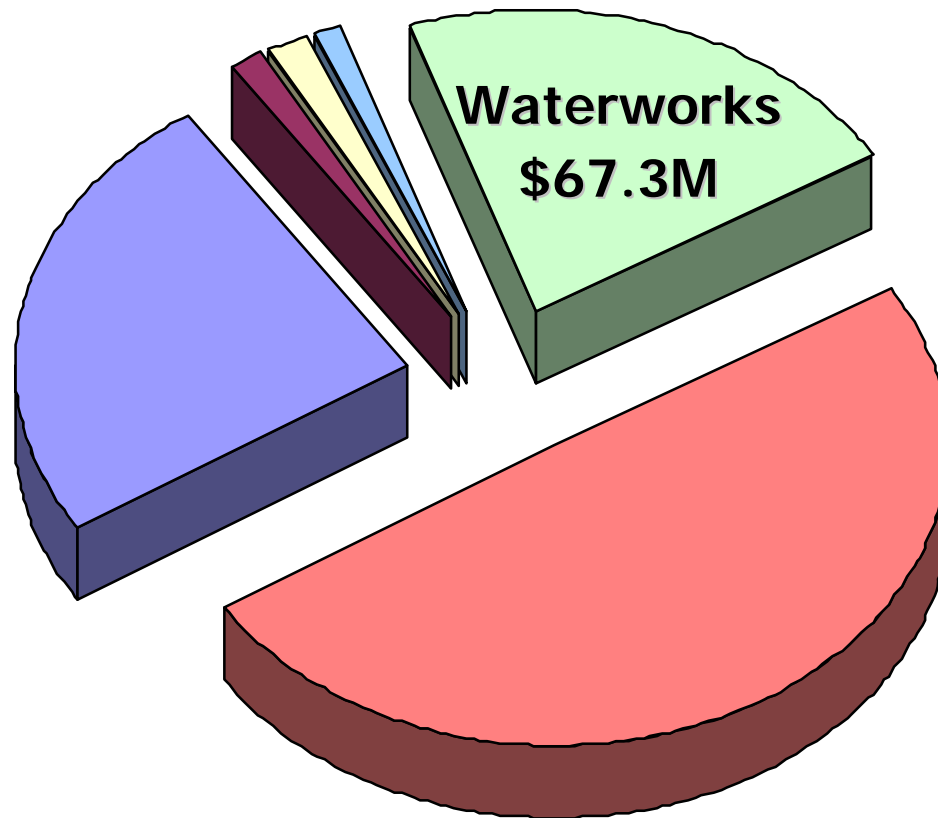
Development Fee By-Law was amended to include 2.7% increase in Planning fees and 4.0% increase in Engineering fees

A reserve has been established for Planning & Design and Engineering:

- Year with a surplus - transfer to the reserve
- Year with a deficit - transfer from the reserve

2010 Budget Summary

Total Budget Recommended for Approval
\$316.2 Million



2010 Waterworks Operating Budget

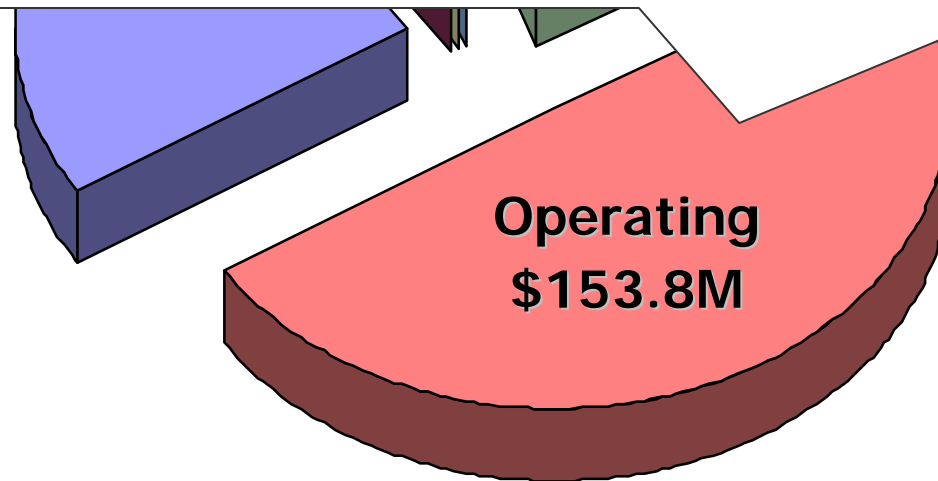
\$67.3 Million

- Waterworks is funded from water/wastewater revenues
- The Water & Wastewater Reserve Study was updated in June 2009. The Reserve Study identified sufficient funds to sustain the Waterworks Operations for the next 25 years
- Effective April 1, 2010, Markham's water and wastewater rate is proposed to be increased by \$0.2087 from \$2.0042/m³ to \$2.2129/m³
- The increase of \$0.2087 is comprised of two components:
 - \$0.1229/m³ wholesale water rate increase from the Region effective April 1, 2010
 - \$0.0858/m³ increase resulting from the Water/Wastewater Infrastructure Surcharge
- Impact to residential homeowner based on average consumption is \$71.38 in 2010

2010 Budget Summary

Total Budget Recommended for Approval
\$316.2 Million

- Expenditures incurred to account for the Town's day-to-day operations (except for Building Services, Planning & Design, Engineering, and Waterworks)
- Tax revenue is the major funding source



2010 Preliminary Operating Budget Revenues

(\$ in Millions)

(Excl. Planning & Design, Engineering, Building Standards and Waterworks)

	2009 \$	2010 \$	Increase/ (Decrease) \$
Total Revenues	151.27	153.81	2.54
Assessment Growth (2.0%)			2.11
Investment Income			1.00
Recreation (E3 annualization and CPI increase)			0.23
Waste Diversion Ontario Grant			0.13
Budget Adjustments Related to Growth			(0.66)
Fire (second suite inspections and fire inspection fees)			(0.20)
Rental Income (8100 Warden - PowerStream departure)			(0.12)
Other			0.05
Total Revenue Increase			2.54

2010 Preliminary Operating Budget Expenditures

(\$ in Millions)

(Excl. Planning & Design, Engineering, Building Standards and Waterworks)

	2009 \$	2010 \$	Increase/ (Decrease)
Total Personnel	86.39	90.48	4.09
Existing Staff			3.70
Ramp-up			0.39
Total Personnel Increase			4.09
Total Non-Personnel	64.88	63.33	(1.55)
Contract Escalations			0.53
Transfer to Capital			0.50
Growth (Roads, Waste, Parks, Streetlights Maintenance & Streetlight Hydro and Winter			0.46
Winter Maintenance Requirements			0.36
HST Provision for Operating and Capital budgets			0.36
Ramp-Up for a Future Sports Facility (10% non-growth portion)			0.20
Reduction in Tax Funded Capital			(2.59)
Utilities & Fuel			(0.65)
Capital Budget Gapping			(0.32)
Other			(0.40)
Total Non-Personnel Increase			(1.55)
Total Expenditure Increase			2.54

2010 Preliminary Operating Budget Summary

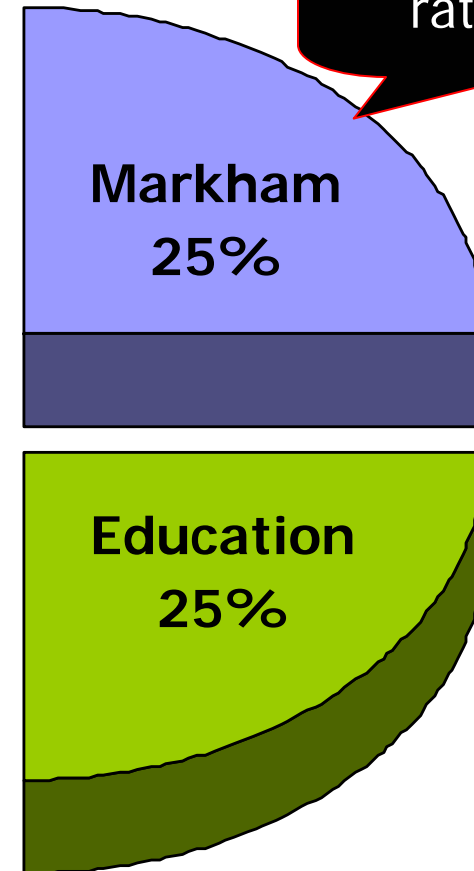
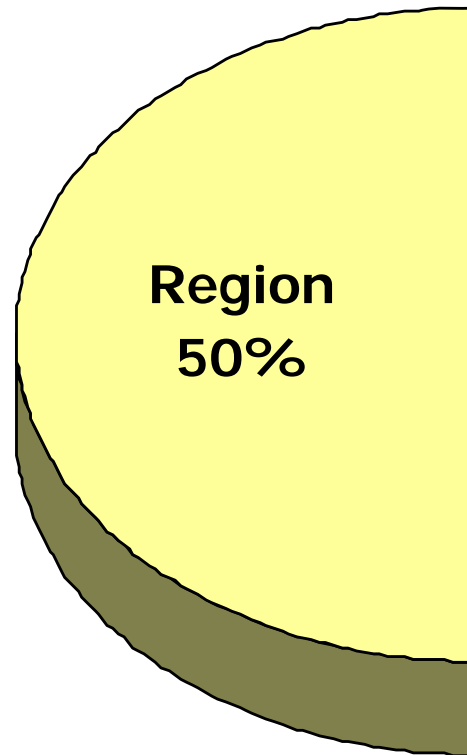
(\$ in Millions)

(Excl. Planning & Design, Engineering, Building Standards and Waterworks)

	2009 \$	2010 \$	Increase/ (Decrease) \$
Revenues	151.27	153.81	2.54
Expenditures			
Personnel	86.39	90.48	4.09
Non-Personnel	64.88	63.33	(1.55)
Total Expenditures	151.27	153.81	2.54
Net Shortfall			-
Tax Rate Increase			0.00%

Assessment and Property Taxes

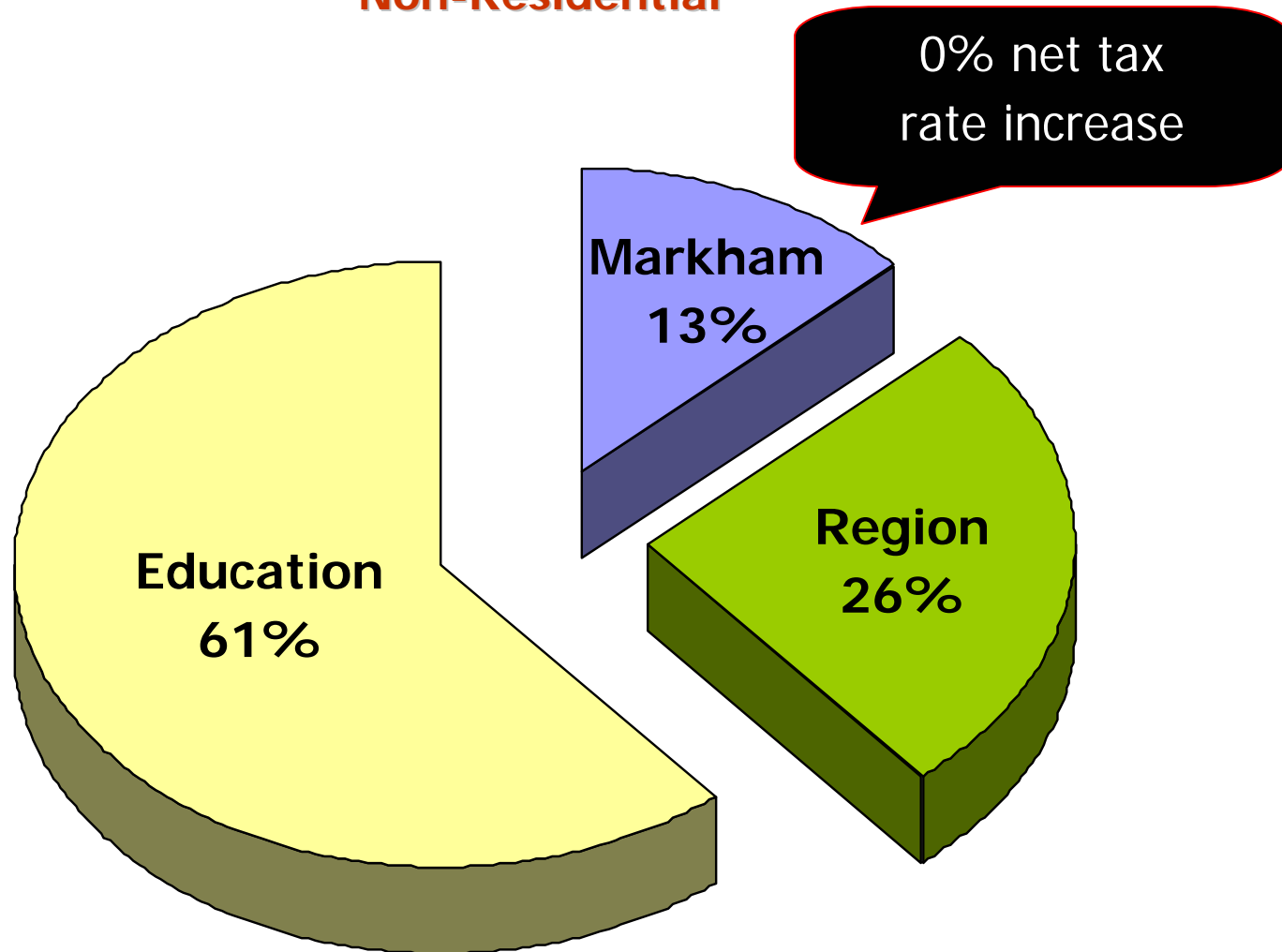
Estimated 2010 Property Tax Distribution Residential



0% net tax
rate increase

Assessment and Property Taxes

Estimated 2010 Property Tax Distribution Non-Residential



2010 Budget Summary Highlights

Fiscal Stewardship

- **Financial Prudence**
- **Ramp-ups**
- **Service Levels**
- **Auditor General**
- **Reserve Studies**

Infrastructure Stimulus Fund and Recreational Infrastructure Canada (\$ in Millions)

- An investment of \$13.20M through the provincial – federal stimulus program has been approved for the Town of Markham. The government of Canada, Ontario and the Town each contributes \$4.40M in funds.
- Projects to be funded from the Infrastructure Stimulus Fund are:
 - Thornhill Community Centre and Library Renovations and Additions \$6.00
 - Facility Accessibility \$3.20
 - Facility Energy Retrofits \$3.00
 - Emergency Operations Centre Retrofit \$1.00

Infrastructure Stimulus Fund and Recreational Infrastructure Canada (\$ in Millions)

- In addition, there is a combined total investment of \$8.43M through the Recreational Infrastructure Canada and Recreation Ontario programs. The government of Canada and Ontario combined contribution is \$5.13M and the Town contributes \$3.30M.
- Projects to be funded from the Recreational Infrastructure Canada Fund are:
 - Outdoor Civic Centre Skating Rink \$3.53
 - Saint Roberts Artificial Turf and Bubble \$3.20
 - Tennis Courts and Bubble at Angus Glen Community Centre \$1.70

Highlights of 2010 Proposed Capital Budget Environment (\$ in Millions)

➤ Facility Energy Retrofits	\$3.00
➤ Erosion protection & stormwater management	\$1.35
➤ Continuation of the Trees for Tomorrow Initiative (Year 4 of 4), new tree planting in parks and replacement of trees	\$0.35
➤ Waste management initiatives (including new and continuing recycling programs)	\$0.34
➤ Green Print Community Sustainability Plan	\$0.30
➤ Continuation of Transportation Travel Demand Management (also relates to Transportation & Transit)	\$0.28
➤ Enhanced cultural practices	\$0.20
➤ Annual top up of the Markham Environmental Sustainability Fund	\$0.10

Highlights of 2010 Proposed Capital Budget Growth (\$ in Millions)

- **Cornell Fire Station – Construction and FF&E** **\$4.63**
(also relates to Public Safety)
- **New parks design & construction** **\$1.31**
 - Box Grove Town Centre Gateway Parkette
 - Greensborough Woodlot Playground
 - Cornell Greenway (Upper Cornell)
 - South Unionville Ray St. Parkette - Design
 - Victoria Square/Cathedraltown Playground & Waterplay
 - Tridel/Circa Linear Park East (Phase 1)
- **Growth management strategies** **\$0.65**

Highlights of 2010 Proposed Capital Budget Transportation & Transit (\$ in Millions)

➤ Illumination & sidewalk programs	\$3.24
➤ Bridges & culverts rehabilitation program	\$2.31
➤ Traffic control signals, traffic operational improvements	\$1.12
➤ Hwy 404 Mid-Block Crossing, North of Hwy 7	\$1.00
➤ Main Street, Markham – Design of Road Improvements	\$0.96
➤ Streetlight replacements & upgrades	\$0.62
➤ Rodick Road extension – Phase 3 (14 th to Esna Park)	\$0.50
➤ Continuation of Transportation Travel Demand Management (also relates to Environment)	\$0.28

Highlights of 2010 Proposed Capital Budget

Service Levels (\$ in Millions)

➤ Roads rehabilitation program	\$8.12
➤ Watermain & Sanitary Sewer construction and replacement program	\$7.02
➤ Facility improvement program at Community Centres, Libraries, Fire Stations and Civic Centre	\$3.96
➤ Civic Centre Outdoor Skating Rink	\$3.53
➤ Saint Roberts Catholic School Artificial Turf and Bubble	\$3.20
➤ Storm sewer upgrades	\$2.00
➤ Angus Glen Community Centre Tennis Courts Facility	\$1.70
➤ Markham Main Street Permanent Washrooms and Storage Facility	\$0.30
➤ Pool sanitization upgrade (Milliken Mills Pool)	\$0.13

Highlights of 2010 Proposed Capital Budget

Integrated Leisure Master Plan/Public Safety (\$ in Millions)

- Thornhill Community Centre & Library Renovations & Addition \$6.00
- Cornell Fire Station – Construction and FF&E \$4.63
(also relates to Growth)
- Emergency Operations Centre \$1.00
- Fire Services Master Plan \$0.10

Diversity (\$ in Millions)

- Facility Accessibility Program \$3.26
- Language Line Service
- Career Edge Program

Questions and Comments

**THANK YOU FOR ATTENDING THE TOWN OF
MARKHAM'S PUBLIC INFORMATION MEETING**