



**2014 Budget Public Consultation Meeting
October 24, 2013**

MINUTES

Attendance:

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| Members Present: Regional Councillor Gord Landon, Chair Regional Councillor Joe Li Councillor Valerie Burke Councillor Howard Shore Councillor Carolina Moretti Councillor Colin Campbell Councillor Alex Chiu Regrets: Mayor Frank Scarpitti Deputy Mayor Heath Regional Councillor Jim Jones Councillor Don Hamilton Councillor Alan Ho Councillor Logan Kanapathi | Staff Present: Andy Taylor, Chief Administrative Officer Jim Baird, Commissioner of Development Services Trinela Cane, Commissioner of Corporate Services Brenda Librecz, Commissioner of Community & Fire Services Joel Lustig, Treasurer Judy Rigby, Senior Manager, Financial Planning & Reporting Andrea Tang, Manager of Financial Planning Karen Liu, Senior Financial Analyst Veronica Sui, Senior Business Analyst Jonathan Tate, Senior Business Analyst Alison Yu, Senior Financial Analyst Laura Gold, Council/Committee Coordinator |
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The 2014 Budget Public Consultation Meeting convened at 7:03 p.m. with Regional Councillor Gord Landon presiding as Chair without quorum.

1. 2014 BUDGET CONSULTATION PRESENTATION

Andrea Tang, Manager of Financial Planning provided a presentation on the proposed 2014 Budget. The presentation included the following: the 2014 Budget Process and Communication Plan; Economic Trends and Fiscal Plan; the 2014 Budget Overview; the 2014 Budget Summary; the 2014 Capital Budget Highlights; and the next steps.

Staff explained the impact of global adjustment on hydro prices.

2. DEPUTATIONS

A resident spoke of their concern that the City is over spending and not putting enough funds aside to cover unexpected costs. It was suggested that City should cut its overseas travel expenses and focus on the City's core needs such as improving the sewer system.

The resident asked the following questions:

What is the City's relationship with Powerstream and Markham District Energy and why does the City allocate funds towards these organizations?

Staff advised that Markham Enterprise Corporation (MEC) is wholly owned by the City of Markham. MEC owns 100% of Markham District Energy Inc. (MDEI) and 34.185% of PowerStream Inc.

Markham District Energy operates EcoLogo certified community energy systems which produce thermal energy for the heating and cooling of buildings.

District energy is the production and supply of thermal energy from a central energy plant to heat and cool buildings connected to the system. It is common for community systems to reduce greenhouse gas and other polluting emissions by more than 50%.

Markham invests in MDEI as there are major business opportunities in the solar business, such as Feed-In-Tariff contracts, that generate attractive rates of return.

Majority of the dividends and interest income received from MEC, PowerStream and MDEI are transferred to the Lifecycle Replacement and Capital Reserve Fund. This reserve fund is used to sustain the future replacement and rehabilitation requirements of the City's existing assets. The Life Cycle Replacement and Capital Reserve Fund was established in 2005 with the objective to protect Markham's assets and to maintain the quality of life of Markham residents.

It was suggested that the resident meet with Deputy Mayor Heath to obtain a better understanding of MDEI's operations and the anticipated financial benefits.

It was also suggested that Bruce Ander, President of MDEI provide a presentation on MDEI operations.

What will the City do when it has less Development Charges?

Staff advised that Development charges can only be used to finance growth related infrastructure. Replacement and rehabilitation of existing assets are funded from the Life Cycle Replacement and Capital Reserve Fund. The majority of Markham's assets are included in the Life Cycle Reserve Study and are replaced based on respective lifecycles. This year, the City included the future replacement costs associated with the Markham Pan Am Centre and Southeast Community Centre and Library which will open in 2014 and 2016 respectively, as well as funds for the replacement of trees.

What are the benefits derived from overseas business development trips?

Staff suggested that the resident refer to the report on the recent business development trip to India to better understand the benefits derived from the business mission.

What is Times Developments financial commitment to the City of Markham?

Staff advised that Times Development has agreed to contribute \$6M to the municipality over several years. \$2M has been collected to date and will be allocated towards Rouge Valley Improvements in Markham Centre. The remainder of the money will be collected as building permits are issued.

Can pathways and trails be financed by Development Charges?

Yes, the growth related component of pathways and trails can be funded from Development Charges, and Markham had used Gas Tax Revenues as a means to fund the development of the pathway and trail systems in the past.

How much did it cost the municipality to purchase land for the South East Community Centre and why did it not use the land parcel it already owned?

Staff advised that the cost of the property, located at 14th Avenue and Middlefield Road, for the South East Markham Community Centre will be disclosed once the property has closed. A future report on the total costs will be brought forward to General Committee. The land was purchased as it is a more appropriate location for a community centre than the land owned by Markham. A portion of the land from the original site (on Kirkham Drive) will be used to build a park. The remainder of the land will be deemed surplus and the purpose of which it will be used will be determined in the future.

3. ADJOURNMENT

The Budget Public Consultation Meeting adjourned at 8:01 p.m.