



**FIRST MEETING OF THE
2014 BUDGET SUB-COMMITTEE
CANADA ROOM, MARKHAM CIVIC CENTRE
October 8, 2013**

MINUTES

Attendance:

<p>Members Present: Mayor Frank Scarpitti (ex-officio) Deputy Mayor Heath (ex-officio) Regional Councillor Gord Landon, Chair Councillor Logan Kanapathi, Vice-Chair Regional Councillor Jim Jones Regional Councillor Joe Li Councillor Colin Campbell Councillor Don Hamilton Councillor Alan Ho Councillor Howard Shore</p> <p>Guests: Councillor Alex Chiu Councillor Valerie Burke Councillor Carolina Moretti</p>	<p>Staff Present: Andy Taylor, CAO 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 of Financial Planning & Reporting Andrea Tang, Manager of Financial Planning Laura Gold, Council/Committee Coordinator</p>
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The Budget-Sub-Committee convened at 1:06 p.m. with Regional Councillor Gord Landon presiding as Chair.

1. 2013 BUDGET PRESENTATION

Ms. Andrea Tang, Manager of Financial Planning, provided a presentation entitled “2014 Budget”. The presentation included: an overview of the budget process; economic trends & fiscal scan; an overview of the 2014 budget; 2014 budget highlights and the next steps.

2. DISCUSSION

Community Consultation Meetings

A Member questioned if there will be a budget public consultation meeting held in each of the communities. Staff advised that there will be one budget public consultation meeting that will be held at Civic Centre on October 24, 2013. Local Ward Councillors have the option to organize their own budget public consultation meetings within their wards.

Capacity Budgeting

The Committee questioned the reasoning for using “Capacity Budgeting” to prepare the 2014 budget. Staff advised that “Capacity Budgeting” was introduced in the 2014 budget process to set realistic capital and operating budgets that are achievable within the calendar year with consideration of available capacity and skills set.

Fiscal Pressures

Increase to Waste Collection Costs

The Committee questioned why there is an increase in waste collection expenditures. Staff advised that the increase relates to growth (i.e. new households in Markham).

Winter Maintenance

It was requested that a slide on winter maintenance phase-in be included in future budget presentations.

City of Markham Regional Sports Park

It was requested that the Regional Sports Park be referred to as the City of Markham Sports Park in future budget presentations.

Accessibility

Clarification was requested on why accessibility was listed as fiscal pressure. Staff advised that the *Accessibility for Ontarians with Disabilities Act* requires municipalities to identify, prevent and remove barriers for people with disabilities. The goal of the Act is to make Ontario fully accessible by 2025. Markham is required to comply with the legislation. Every year, there are capital requests on accessibility retrofits.

Cost Efficiencies

The Committee asked for clarification on the following cost efficiencies identified:

VOIP Contract Award (elimination of redundant phone lines)

Staff advised that \$60K in cost reductions will result from getting rid of phone lines that are no longer in use.

Waste Calendar in Markham Life

Staff advised that Markham residents will continue to get a copy of the waste calendar delivered to their household, but it would now be inserted in the Markham Life magazine. This initiative will result in reducing postage costs by \$30K.

Review of Operating Budget

Infrastructure Surcharge

The Committee asked Staff to explain the infrastructure surcharge. Staff advised that a few options are being explored to address the shortage in the Life Cycle Replacement and Capital Reserve Fund. Staff has identified that the reserve does not have sufficient funds for future replacement and rehabilitation needs over the next 25 years based on known inflows and outflows. Staff recommends an Infrastructure Surcharge to address the shortage in the Life Cycle Replacement and Capital Reserve Fund.

Recreation Revenue

The Committee questioned why recreation revenue has gone down. Staff advised that a report will be brought forward to General Committee by early 2014 that will include a three year plan addressing this issue. The plan will include strategies to grow aquatics and fitness participation.

2014 Preliminary Staffing Requests

The Committee requested a comprehensive description of the proposed part-time Civic Centre Facility Operator position. The position was being requested to support meetings being held at the Civic Centre in the evenings and on weekends. Staff will prepare a briefing note outlining the detailed description of the position and rationale for the position.

It was raised that third parties using the Civic Centre should be charged for costs being incurred by the City.

It was suggested that the Budget Sub-Committee should be made aware of any third party that receives a Celebrate Markham Grant who has not reimbursed the City for costs incurred resulting from the use of the Civic Centre for their event. This information should be provided when the Committee is granting the 2014 Celebrate Markham Grants.

Library Page and Operating Structure

The Committee requested Catherine Biss, Chief Executive Officer, Markham Public Libraries to provide the following at a future Budget Sub-Committee meeting:

- More information with respect to the request for an additional Library Page, as the City has invested in new technology in recent years to increase the efficiency of many library services which should reduce the need for new library staff;
- Information on the operating structure at Markham Public Libraries, as it was suggested that the Library should consider having its Library Managers manage more than one library;
- Consider Library salary greater than \$100K be disclosed on the sunshine list.

Benefit Cost per Employee

A member questioned the cost of providing benefits per employee and what this cost includes. Staff advised that the benefit cost per employee is approximately 27.5% of the salary amount. The benefit costs include items such as OMERS, health and dental plan, the employers' contribution to the Canada Pension Plan (CPP) and Employment Insurance (EI).

Organizational Vacancies

The Committee requested a list of organizational vacancies sorted by department be provided to the Budget Sub-Committee.

2014 Preliminary Staffing Requests Ramp-Up Funded Positions

There were discussions on ramp-up for the full-time staff for the Markham Pan Am Centre and hiring of Staff for the facility. The Committee was advised that the Staff will remain as City of Markham employees during the Games. Staff will be looking to hire a business driven Manager for the facility. Regional Councillor Jim Jones requested that Staff to meet with him to discuss the skills set and requirements for the Manager position at the Markham Pan Am Centre.

The Committee questioned if the City would be reimbursed for any of the costs associated with the operation of the facility during the Games. Staff advised that the incremental utility costs consumed during the Games will be reimbursed. This amount will be determined by comparing the actual utility costs incurred during the Games and prior to the Games.

Excellence through Efficiency & Effectiveness

The Committee reviewed the proposed 2014 E3 initiatives and provided the following feedback:

- Paid Parking Exemptions
 - Offering free overnight parking permits encourages responsible driving;
 - It may be unfair to charge for overnight parking when the City is moving towards smaller lot sizes with less parking on the premise;
- Property Services Fees
 - Committee requested Staff to provide more details on this initiative;
- Event Application
 - This fee may be challenging to put in place;
- Street Banner Installation
 - The proposed increase may be too significant;
 - Consider phasing-in the proposed increase over a period of time;
 - Will have an impact on the BIA Budgets;
- Parking Fees at Milne Park
 - The proposed increase may be too significant;
 - Consider phasing-in the proposed increase over a period of time;
 - Will encourage patrons to park elsewhere;
- E-News Letters for Ward Councillors
 - Do not have residents email addresses and there is no directory where the email addresses can be obtained.

The Committee requested that staff review the feedback obtained on the proposed 2014 E3 initiatives and report back at an upcoming Budget Sub-Committee meeting.

Stormwater Funding Options

There was a discussion on the stormwater funding options. Council previously approved that the cost of the stormwater management improvements be incurred by all Markham taxpayers. Council has yet to determine whether the charge will be added to the tax bill or to the water bill.

3. ADJOURNMENT

The Budget Sub-Committee adjourned at 4:02 p.m.