



A G E N D A
BUDGET COMMITTEE
February 13, 2019
12:00 p.m.
Council Chamber
MEETING NO. 7

Chair:	Councillor Amanda Collucci
Vice-Chair:	Councillor Andrew Keyes
Members:	Deputy Mayor Don Hamilton
	Councillor Karen Rea
	Councillor Keith Irish
	Councillor Reid McAlpine
	Councillor Khalid Usman
	Mayor Frank Scarpitti (ex-officio)

- **BUDGET PRESENTATION** Page 1

- 1. **Review of the Feb. 5 and 8, 2019 Budget Committee Minutes** Page 3
 - Appendix A- Minutes – February 5, 2019** Page 17
 - Appendix B- Minutes – February 8, 2019** Page 28

- 2. **Review of the Library Board’s request to expand Sunday hours** **Page 4**
 - Appendix C – Library Hours Request Memo** Page 34

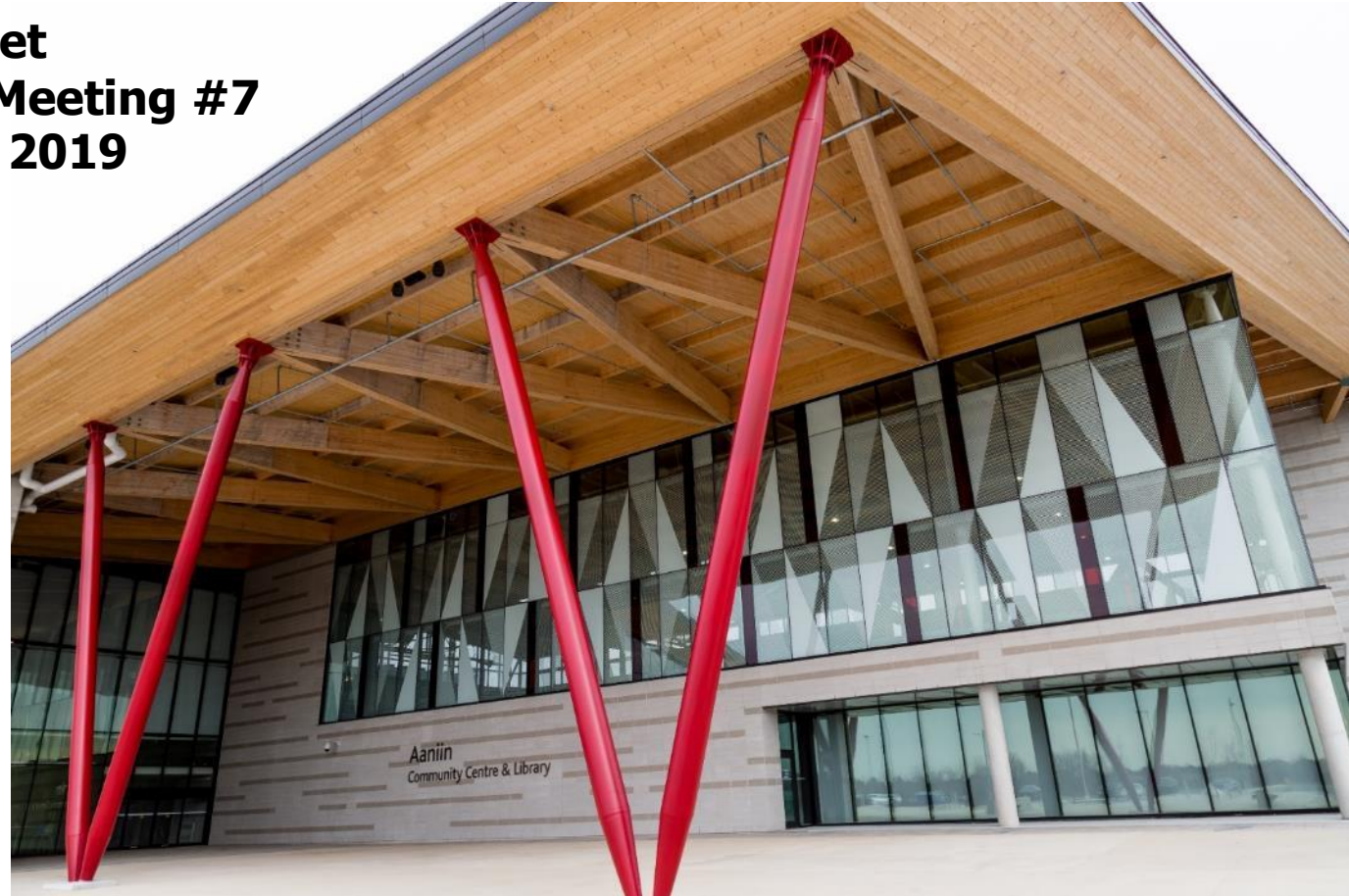
- 3. **Review of the 2019 Staffing Requests** Page 5
 - Appendix D – Budget Process New Staffing Request** Page 35
 - Appendix E- 2019 New Staffing Requests** Page 37

- 4. **Review of the 2019 Operating Budget** Page 6

- 5. **Next Steps** Page 15

- 6. **Recommendations** Page 16

2019 Budget Budget Committee Meeting #7 February 13th, 2019



Agenda

1. Review minutes of the Budget Committee meetings #5 & #6 – Feb. 5 & Feb. 8
2. Review of the Library Board's request to expand Sunday hours
3. Review of the 2019 staffing requests
4. Review of the 2019 Operating Budget
5. Next Steps
6. Recommendations

1. Review minutes of the Budget Committee meetings #5 & 6 – Feb. 5 & Feb. 8

- Refer to Appendices A and B

2. Review of the Library Board's request to expand Sunday hours

- Refer to Appendix C

3. Review of the 2019 Staffing Requests

- Refer to memo (Appendix D) and presentation (Appendix E)

4. Review of the 2019 Operating Budget Revenues

(\$ Millions)

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

	2018 \$	2019 \$	Increase/ (Decrease) \$	Tax Rate Decrease %
Total Revenues	218.48	222.57	4.09	
Assessment growth (1.64%)			2.50	
Investment income			0.65	
Annual CPI and volume adjustments for user and program fees			0.50	
User fee market competitive analysis			0.55	
Other revenue			(0.11)	
Total Revenue Increase			4.09	(2.67%)

4. Review of the 2019 Operating Budget Expenditures (\$ Millions)

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

	<u>Increase/ (Decrease) \$</u>	<u>Tax Rate Increase %</u>
Personnel Costs		
Existing staff and benefits	2.91	
New staffing requests	0.32	
Offset by unused Bill 148 funds	(0.32)	
	2.91	
Growth		
Future staff and non-personnel ramp-ups related to new facilities	0.72	
Growth (roads & parks including part-time staff, waste, streetlights, winter maintenance)	1.80	
Transfer to capital program	0.53	
Capital induced operating costs	0.20	
	3.25	
Municipal Service Contracts		
Contract escalations (winter maintenance, security services, building/HVAC maintenance)	0.69	
Insurance	0.20	
E3 - net savings based on operational review, support services and awards	(0.66)	
Other	0.08	
	0.31	
Total Expenditures	6.47	4.24%

4. Review of the 2019 Operating Budget

(\$ Millions)

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

	2018	2019	Increase/ (Decrease)	Tax Rate Increase/ (Decrease)
	\$	\$	\$	%
Revenues	218.48	222.57	4.09	(2.67%)
Expenditures				
Personnel	131.83	135.31	3.48	
Non-Personnel	86.65	89.64	2.99	
Total Expenditures	218.48	224.95	6.47	4.24%
Shortfall: Day-to-day operations	-	2.38	2.38	1.57%
Infrastructure Investment	-	0.76	0.76	0.50%
Net Shortfall	-	3.14	3.14	2.07%

4. Review of the 2019 Operating Budget

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

	Net Exp./ (Rev.)
	\$
<u>City Services and Life Cycle Investment</u>	
Fire & Emergency Services	41.1
Life Cycle Investment	23.5
Markham Public Library	13.7
Recreation Services	12.6
Winter Maintenance	10.3
Parks Maintenance (Grass cutting, parks and sportsfield maintenance, botanical supplies)	9.7
Waste Management	9.0
Roads Maintenance (Asphalt repairs, street cleaning, pavement markings)	7.9
Legislative Services (By-laws, Clerks, Corp. Comm.)	4.5
Sustainability & Asset Management (Building maintenance, security services)	3.7
Fleet Maintenance (Fuel, vehicle parts and maintenance)	3.0
Insurance (Premiums and deductible)	2.6
Culture (Varley Art Gallery, Museum, Theatre)	2.2
	143.8
<u>Support Services and Revenues</u>	
Support services (Legal, HR, ITS, Finance, CAO and Commissioner's Offices, Mayor & Council, Economic Dev.)	28.5
Income from Investments	(11.1)
Property Tax Revenues	(158.8)
	2.4
Shortfall: Day-to-day operations	2.4
Infrastructure Investment	0.8
Net Shortfall	3.2

Proposed tax rate increase of 2.07% is required to balance the budget

4. Review of the 2019 Operating Budget

Fire & Emergency Services

Protects public safety and property by delivering emergency responses, fire prevention and public education programs through 9 fire stations and 272 firefighters, fire prevention officers, alarm room operators and public education officers

Life Cycle Investment

Maintains assets in a state of good repair with replacement value of \$4.27B (excludes Waterworks assets)

Markham Public Library

Library services are delivered through 8 library branches and online access to digital content. The branches provide meeting and social gathering spaces, space for quiet individual and group study, digital collaboration hubs, public computers and wireless services

Recreation Services

Recreational services, programs and camps are offered through 12 community centres including 10 ice arenas, 8 indoor pools, 6 gymnasiums, 5 fitness centres, 3 indoor soccer locations

4. Review of the 2019 Operating Budget

Winter Maintenance

Snow removal and winter services for 2,100km of roads, 1,076km of sidewalks and 65km of rear lanes

Parks Maintenance

The City is responsible for maintaining 1,272 hectares of parks including street trees, woodlots, pathways, play structures, pedestrian bridges, splash pads, baseball diamonds, soccer fields, cricket and rugby pitches, tennis courts and parking facilities

Waste Management

Markham provides waste collection services to 87,885 households and 129 multi-residential buildings along with 4 community recycling depots

Roads Maintenance



The City maintains 2,100km of roads, 1,076km of sidewalks, 65km of rear lanes including traffic signals, streetlights and street name signage

Fleet Maintenance

Manages and maintains 268 licensed vehicles and 176 non-licensed vehicles (value greater than \$5,000)

4. Review of the 2019 Operating Budget




Impact to Average Residential Property

Property Type	2019 Average Current Value	2.07% Tax Rate Increase
Residential Homes* 	\$790,464	\$26.21
Residential Condominiums 	\$401,508	\$14.08
Average (Homes & Condominiums)	\$772,253	\$25.61

Every 1% tax rate increase (local portion only) is equivalent to an increase of \$12.37 in property taxes for an average residential property

* Residential Homes include single family detached, linked homes, freehold townhouses, and semi-detached.

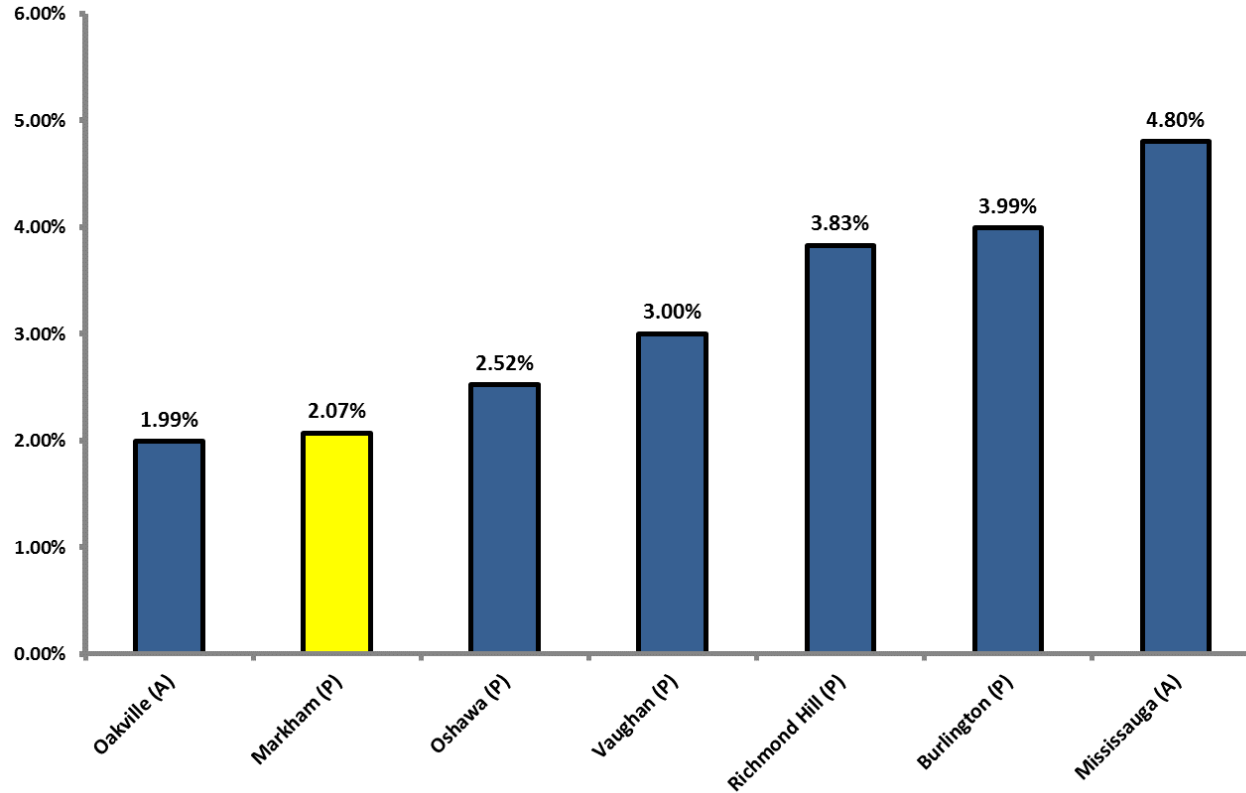
4. Review of the 2019 Operating Budget Impact to Average Residential Property

	2019 Increase	Increase \$
Tax rate increase – Markham  (includes 0.5% Infrastructure Investment)	2.07%	26
Tax rate increase – York Region 	3.37%	84
Water & wastewater fee 	7.80%	71
Total		181

- Excludes continuation of the \$47 stormwater fee

4. Review of the 2019 Operating Budget Tax Rate Increase Comparison

(A) Approved
(P) Proposed



5. Next Steps

- General Committee: Feb. 19 – 9:30 a.m.
 - consent item on the 2019 Budget presentation for the public meeting
- Public Meeting: Thursday, Feb. 21 – 7:00 p.m.
- Council Decision: Tuesday, Mar. 19 – 1:00 p.m. (Council Chambers)
- Press Conference: Wednesday, Mar. 20 – 1:30 p.m.

6. Recommendation

- That Budget Committee approve a proposed operating budget tax rate increase of 2.07% to be presented at the Feb. 21 public consultation meeting; and
- That the 2019 Budget presentation for the public consultation meeting be posted on the City's website on Feb. 13 (presentation from Budget Committee #1)

Appendix A



**FIFTH MEETING OF THE
2019 BUDGET COMMITTEE
COUNCIL CHAMBER, MARKHAM CIVIC CENTRE**

February 5, 2019

9:00 AM

MINUTES

Attendance:

<p>Members Present: Councillor Amanda Collucci, Budget Chief Councillor Andrew Keys, Vice-Chair Deputy Mayor Don Hamilton Councillor Karen Rea Councillor Keith Irish Councillor Reid McAlpine Councillor Khalid Usman</p> <p>Guests: Mayor Frank Scarpitti Regional Councillor Jack Heath Regional Councillor Jim Jones Councillor Isa Lee</p> <p>Regrets: None</p>	<p>Staff Present: Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner of Corporate Services Brenda Librecz, Commissioner of Community & Fire Services Arvin Prasad, Commissioner of Development Services Catherine Conrad, City Solicitor Dave Decker, Fire Chief Phoebe Fu, Director of Environmental Services Morgan Jones, Director of Operations Brian Lee, Director of Engineering Joel Lustig, Treasurer Graham Seaman, Director of Sustainability Regan Hutcheson, Manager of Heritage Planning Andrea Tang, Senior Manager of Financial Planning Brian Frois, Chief of Staff George Duncan, Senior Planner Veronica Siu, Senior Business Analyst Laura Gold, Council/Committee Coordinator</p>
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The Budget Committee convened at 9:02 am with Councillor Amanda Collucci in the Chair.

1. Approval of the Minutes

Moved by Andrew Keyes

Seconded by Khalid Usman

That the Minutes from the January 22, and 29, 2019 Budget Committee Minutes be approved as presented.

Carried

2. Review of the Capital Budget

Operation-Fleet Capital Budget Items

Morgan Jones, Director of Operations was in attendance to answer questions on the Operations-Fleet Capital Budget Items.

Item	Total Cost	Discussion
19204 Corporate Fleet Growth-Non-Fleet	\$10,200	
19205 Fleet Refurbishing	\$37,000	
19206 Corporate Fleet Replacement – Fire	\$1,911,700	<p>Committee inquired if Fire Fleet can be purchased from a Canadian Supplier and if the City is protected against the supplier going out of business.</p> <p>Staff advised that fire vehicles are purchased from the United States due to favourable pricing. It was noted that many of the Canadian suppliers have gone out of businesses.</p> <p>Staff also advised that the City pays for fire vehicles in installments.</p>
19207 Corporate Fleet Replacement – Non-Fire	\$2,883,300	<p>A Committee Member asked for an overview of the process staff undertake to determine if a vehicle needs to be replaced. They also asked for the percentage of the City's fleet that is typically replaced each year.</p> <p>Staff provided an overview of the process they undertake to determine if a vehicle needs to be replaced, noting the condition assessment confirms the need for replacement. Government grants and incentives are also taken into consideration when determining the optimal time to replace a vehicle.</p>
19208 Green Fleet Business Plan and Strategy	\$101,800	<p>A Committee Member inquired why a consultant is needed to determine which vehicles to purchase.</p> <p>Staff advised that a consultant is required to determine which vehicles and handheld devices (e.g. lawn mowers) to purchase to meet the City's net zero target. Specialized expertise is required to conduct the study.</p>
19209 Ice Resurfacing Machine Replacement	\$98,300	<p>A Committee Member inquired if the ice resurfacing machine needs replacement.</p> <p>Staff advised that a condition assessment was done and confirmed the need for replacement in 2019.</p>
19211 New Fleet –Fire (Ground Cover Firefighter)	\$44,800	
19212 New Fleet (Markham Centre)	\$1,420,200	This item was removed from the 2019 Capital Budget. The item will be re-introduced when plans for the Markham Centre Fire Station are presented to the General Committee.

Item	Total Cost	Discussion
		Committee requested that staff's plans for the Markham Centre Fire Station be presented to the General Committee early on in the planning process so that Members of Council can provide input and feedback.
19213 New Fleet –Parks	\$140,100	A Committee Member asked if outsourcing parks work has been a success. Staff advised that they continue to outsource some of the parks work, but that they continue to make improvements to the pilot project. Currently, the boulevard work is being outsourced so that staff can focus on the maintenance of the sports fields. The savings derived are from not having to purchase the equipment.
19215 New Fleet – Water works	\$32,000	This item was removed from the 2019 Capital Budget, as the truck will now be rented for the summer months.

Moved by Councillor Don Hamilton

Seconded by Councillor Khalid Usman

That the Budget Committee approve Operations-Fleet Capital Budget Items (excluding 19212 and 19215).

Carried

Operation- Utility Inspection & Survey

Item	Total Cost	Discussion
19216 German Mills Meadow – Northern Header Upgrade	\$456,800	
19217 – Survey Monument Replacement	\$28,600	

Moved by Deputy Mayor Don Hamilton

Seconded by Councillor Khalid Usman

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

Carried

Operations – Business & Technical Services

Morgan Jones, Director of Operations was in attendance to answer questions and on the Operations-Business & Technical Services Capital Budget Items.

Item	Total Cost	Discussion
19219 Growth Related Parks Improvements	\$167,900	<p>A Committee Member requested that a volley ball net be installed at Alma Walker park.</p> <p>Staff advised that it has not been the City’s practice to provide volleyball nets.</p> <p>It was also requested to place more benches at a park in Ward 8.</p> <p>A Committee Member also advised that there is a demand from residents to include tennis courts at new parks.</p> <p>Staff advised that data have been collected through the update of the Integrated Leisure Master Plan. Results will be brought forward to General Committee.</p>
19220 Public Realm – Markham’s Shared Places our Places	\$55,200	<p>Committee suggested the cost of the little libraries is too high.</p> <p>After some discussion it was agreed to pilot one little library to see how it functions prior to purchasing any additional units.</p>

Moved by Deputy Mayor Don Hamilton

Seconded by Councillor Andrew Keyes

That the Budget Committee approve the Operations-Business & Technical Services Capital Budget Items.

Carried

Environmental Services – Infrastructure

Phoebe Fu, Director of Environmental Services was in attendance to answer questions on the Environmental Services –Infrastructure Capital Budget Items.

Item	Total Cost	Discussion
19222 Small Culverts Replacement (12 Structures)	\$349,200	
19223 Large Culverts Rehab (3 Structures) – Design & Const.	\$442,270	

Item	Total Cost	Discussion
19224 - MNRF Monitoring for Capital Projects at Water Crossings	\$16,200	A Committee Member asked if a consultant is required to prepare this report. Staff advised that there is a legislative requirement from the Ministry of Natural Resources and Forestry (MNRF) to submit a report every year for 5 years following the completion of capital works at water crossings. Staff do not have the expertise (ecology and fishery) to prepare the report.
19226 - Stormwater Pumping Stations- Maintenance	\$20,700	
19227 - Miscellaneous Requests	\$152,600	
19228 Streetlights – Poles Replacement Program	\$121,800	
19229 Streetlights – Underground Cable Replacement	\$1,178,775	
19230 Structures Program-FTE	\$140,800	Staff explained the funding model for this position. Replacement of structures are funded from the Life Cycle Replacement and Capital Reserve Fund; therefore the dedicated staff responsible for overseeing the program is funded from the same reserve.

Moved by Councillor Andrew Keyes

Seconded by Keith Irish

That the Budget Committee approve the Environmental Services-Infrastructure Capital Budget Items.

Carried

Environmental Services -Stormwater

Phoebe Fu, Director of Environmental Services was in attendance to answer questions on the Environmental Services –Stormwater Capital Budget Items.

Item	Total Cost	Discussion
19231 Don Mills Channel-Flood Education Proofing Program	\$152,600	A Committee Member is interested in the education program.

Item	Total Cost	Discussion
		<p>Staff advised that more information on the education program will be provided after the budget is approved.</p> <p>The program will educate local businesses in the area on how to protect their offices from floods.</p> <p>Other measures are also being taken to prevent flooding in the areasuch as widening the channel to add more capacity.</p> <p>It was noted that the funding for this project comes from the stormwater fee.</p>
19232 Erosion Restoration Program	\$663,900	
19233 Oil Grit Separators (OGS) – Inspection and Cleaning	\$211,300	<p>Staff clarified that this capital budget item is to clean oil that gets into the storm sewers from roadways (such as oil leaks from cars). Staff clarified that oil / fat from residential homes goes to sanitary sewers.</p>
19234 Sewer Invert Data Quality Assurance Year 5 of 5	\$54,000	
19235 Stormwater Facility – Condition Inspection	\$54,000	
19236 SWM Pond Cleaning – Ponds ID#43 & ID#70	\$753,036	<p>A Committee Member inquired about the cost of this project.</p> <p>Staff advised that it is a costly process to remove the sediment from a pond. The cost is based on the volume of the pond. Ponds need to be cleaned approximately every 20 years to avoid a build-up in sediment.</p> <p>Staff advised that the two ponds included in the 2019 Capital Budget are Carlton Village Pond and Civic Centre Pond.</p> <p>A Committee Member inquired if the City collects development charges for the maintenance of stormwater ponds.</p> <p>Staff advised that development charges are collected for the initial construction of the stormwater management pond, and the City is responsible for the maintenance of the pond once the developer transfers it to the City. There is no</p>

Item	Total Cost	Discussion
		future development charges collected for the maintenance of the stormwater management ponds.
19237 Water Quality Improvements and Geese Control	\$27,000	Committee discussed the City’s geese control program. It suggested that staff reach out to other municipalities to research different/new ways to mitigate the impact of geese and report back to the General Committee.
19238 Water Quality Monitoring	\$27,000	

**Move by Councillor Keith Irish
Seconded by Councillor Reid McAlpine**

That the Budget Committee approve the Capital Budget Environmental Services – Stormwater Capital Budget Items.

Carried

Environmental Services – Waste

Phoebe Fu, Director of Environmental Services was in attendance to answer questions on the Environmental Services –Waste Capital Budget Items.

Item	Total Cost	Discussion
19240 Incremental Growth Related Waste Management Vehicles	\$100,000	<p>A Committee Member asked for clarification on this item.</p> <p>Staff advised that the City charges a portion of the waste contract to development charges as a portion of the contract increase is due to growth. This will alleviate the tax funded operating budget. Staff clarified that this project is not for the purchase of new vehicles.</p> <p>Staff pointed out if the service is done in-house, the City would need to buy additional vehicles, funded from development charges, in order to accommodate growth.</p>

Moved by Councillor Reid McAlpine

Seconded Councillor Karen Rea

That the Budget Committee approve the Environmental Services-Waste Capital Budget Items.

Carried

Waterworks

Phoebe Fu, Director of Environmental Services was in attendance to answer questions on the Waterworks Capital Budget Items.

Item	Total Cost	Discussion
19241 Cathodic Protection of Cat Iron Watermains	\$427,800	
19243 CI Watermain and Sanitary Sewer Replacement	\$13,730,800	A Committee Member asked if sewer work is coordinated with other utility work being done. Staff advised that coordination of work is done internally with other departments' work to minimize disruption. External utility companies are advised when the City is doing work.
19244 Water System Improvement –Langstaff Area	\$35,600	
19246 – Curb Box Inspection and Replacement Program	\$392,200	
19247 – Fat Oil and Grease (FOG) Program	\$75,300	A Committee Member questioned if this program duplicates the York Region program. Staff advised that this program is an extension of the York Region Program. It complements the Region's program at the local level (e.g. creating local brochures) and it's not a duplicate.
19249 – Sanitary Sewers - Rehabilitation	\$1,130,600	
19250 – Sewer Push Camera Replacement	\$22,700	

19251 – Wastewater Flow Monitoring – Annual Program	\$152,600	
19254 – Water System Instruments Replacement	\$40,700	
19255 – Watermain Leak Detection Program	\$36,600	

Moved by Councillor Karen Rea

Seconded by Deputy Mayor Don Hamilton

That the Budget Committee approved the Environmental Services-Waterworks Capital Budget Items.

Carried

Corporate Wide

Joel Lustig, Treasurer was in attendance to answer questions on the Corporate Wide Capital Budget Item.

Item	Total Cost	Discussion
19256 Corporate Capital Contingency	\$3,539,400	A Committee Member asked for clarification on this item. Staff advised that contingencies on individual capital projects have been consolidated into this project. Once the budget is approved, contingency amounts will be transferred back to individual projects.

Moved by Councillor Khalid Usman

Seconded by Councillor Andrew Keyes

That the Budget Committee approve the Corporate Wide Capital Budget Item No. 19256.

Carried

Capital Budget Item No. 19088 Stabilization of Structures

Graham Seaman, Director of Sustainability & Asset Management provided a presentation on Capital Budget Item No. 19088 Stabilization of Structures. A history of the properties on the site was provided.

Committee discussed the following:

- Whether the barn needs to be demolished or if a fence can be put around the barn;
- Move the house to another location now or in the future;
- Sell the house to a resident or business for a nominal amount who will restore the house at their cost;

- Spend more and make the structure usable for the community;
- Spend the minimum to stabilize the heritage home on the property, so that it can be revitalized in the future;

Staff responded to Committee inquiries, advising the following:

- The house requires stabilization now to be in compliance with the City's Keep Markham Beautiful By-Law;
- a fence around the barn will not prevent trespassers from entering the barn ;
- It will cost the City more to restore the house later if the house is not stabilized at this time;
- The cost of restoring the house now for municipal use would be substantially more than stabilizing the home;
- The City may not be able to move the house to the Heritage Estates or another location at this time;
- A Developer would be required to restore the house to a usable state, but not necessarily at this time.

Moved by Mayor Frank Scarpitti

Seconded by Councillor Khalid Usman

That the presentation by Graham Seaman, Director of Sustainability & Asset Management on Capital Budget Item No. 19088 on the Stabilization of Structures be received.

That the Budget Committee approve Capital Budget Item 19088, as a placeholder; and

That staff report back with options on the stabilization of the structures/ plans for the structures on the property prior to spending the funds.

Carried

Capital Budget Item No. 19035. Hwy 404 Midlock Crossing

Brian Lee, Director of Engineering provided a presentation on Capital Budget Item No. 19035. Hwy 404 Midlock Crossing.

Committee provided the following feedback on the Capital Budget Item:

- Negotiate the cost sharing agreement further, as Markham's share is too high considering the project benefits everyone (York Region, Richmond Hill; and Markham)
- Accelerate the Markham portion of the project, so that it is completed before growth in the area occurs;

Moved by Mayor Frank Scarpitti

Seconded by Councillor Khalid Usman

That staff investigate the following with respect to Capital Budget Item No. 19035. Hwy 404 Midlock Crossing and report back to the Development Services Committee:

- 1) **Accelerating the Markham portion of the project prior to growth in the area; and,**
- 2) **Negotiating a better cost sharing deal with York Region and Richmond Hill.**

Carried

Capital Budget Item 19031 Bike Sharing Implementation Plan

Brian Lee, Director of Engineering advised that Capital Budget Item No. 19031 Bike Sharing Implementation Plan has been removed from the 2019 Capital Budget. Capital Budget Item No. 19037 John Street Multi Use Pathway (MUP) Construction

Staff will meet with Councillor Keith Irish prior to the Feb. 8 Budget Committee meeting to discuss this Capital Budget Item. A decision on the item was deferred until after this meeting occurs.

Appendix B



**SIXTH MEETING OF THE
2019 BUDGET COMMITTEE
COUNCIL CHAMBER, MARKHAM CIVIC CENTRE
FEBRUARY 8, 2019
9:00 AM**

MINUTES

Attendance:

<p>Members Present: Councillor Amanda Collucci, Budget Chief Councillor Andrew Keys, Vice-Chair Deputy Mayor Don Hamilton Councillor Karen Rea Councillor Keith Irish Councillor Reid McAlpine Councillor Khalid Usman</p> <p>Guests: Mayor Frank Scarpitti (ex-officio) Councillor Isa Lee</p> <p>Regrets: None</p>	<p>Staff Present: Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner of Corporate Services Brenda Librecz, Commissioner of Community & Fire Services Arvin Prasad, Commissioner of Development Services Catherine Conrad, City Solicitor Phoebe Fu, Director of Environmental Services Brian Lee, Director of Engineering Joel Lustig, Treasurer Andrea Tang, Senior Manager of Financial Planning Biju Karumanchery, Director of Planning & Urban Design Larry Pogue, Director of Administration, Markham Public Libraries Michelle Sawh, Manager of Service Delivery, Markham Public Libraries Debbie Walker, Library Strategy & Innovation, Markham Public Libraries Laura Gold, Council/Committee Coordinator</p>
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That the Budget Committee convene at 9:05 am with Councillor Amanda Collucci presiding as Chair.

1. APPROVAL OF THE MINUTES

**Moved by Councillor Khalid Usman
Seconded by Councillor Andrew Keyes**

- 1) That the Minutes from the January 29, 2019 Budget Committee be approved as presented; and,
- 2) That the Confidential Minutes from the January 29, 2019 Budget Committee be approved as presented.

Carried

2. MARKHAM PUBLIC LIBRARY BOARD DEPUTATION

Ben Hendricks, Chair of the Markham Public Library Board provided a presentation on their request to expand Sunday hours at the Cornell Public Library, and Milliken Mills Public Library, at a cost of \$50,366.78. The Board is working towards phasing in longer library hours. The Board believes that expanding library hours generates a significant community benefit. In 2018 the Board introduced longer hours at Angus Glen Public Library, Thornhill Public Library and Aaniin Public Library.

Discussion

Committee inquired if volunteers could be used to staff the library to extend library hours at Cornell Public Library and Milliken Mills Public Library. Staff advised that collective agreements do not permit volunteers to be used to undertake library staff work. Only skeleton/ minimum staff level would be working the extended hours.

Committee asked when the libraries are the busiest. Staff advised that Saturdays, Sundays, and after school are the libraries busiest times, but libraries are also well utilized during all regularly scheduled library hours.

Committee suggested the Library Board to explore the possibility of funding the incremental cost from its existing budget.

Moved by Deputy Mayor Don Hamilton

Seconded by Councillor Andrew Keys

- 1) **That the Markham Public Library Board investigate the feasibility of funding the incremental cost of \$50,366.78 from its existing budget to expand library hours on Sundays, and,**
- 2) **That the Markham Public Library Board report back on the matter.**

Carried

3. CONTINUATION OF THE REVIEW OF THE CAPITAL BUDGET

Capital Budget Item No. 19037 John Street Multi Use Pathway

Brian Lee, Director of Engineering provided a presentation on Capital Budget Item No. 19037 John Street Multi Use Pathway. The presentation displayed the proposed plans for the cycling facilities in Thornhill, and highlighted that the trail is a key part of Markham's Cycling Master Plan.

Peter Miasek, Vice-Chair of the Cycling & Pedestrian Committee spoke in support of Capital Budget Item No. 19037 John Street Multi Use Pathway. He provided the following feedback:

- Cycling network is needed to allow connection to rapid transit;
- Funding of a cycling network is an investment for Markham;

- Markham is falling behind other neighbouring municipalities in developing its active transportation system;
- Need to complete the cycling network in Markham and connect it with other facilities being built by York Region (e.g. Lake to Lake Cycling Route and Walking Trail, and Bayview Multi Use Pathway);
- There is a general lack of cycling facilities in Thornhill; and,
- John Street multi use pathway is a key piece of the City's Cycling Master Plan.

A Committee Member suggested that the funds be re-allocated to a higher priority project. He was concerned that the construction would cause traffic congestion in the area, and that cycling was not a high enough priority for residents living in the area to justify the project. He also suggested allowing residents to ride their bikes on the sidewalks, as an alternative.

Staff advised that the Cycling & Pedestrian Advisory Committee (CPAC) looked at cycling on sidewalks as an option, but after very careful consideration it was deemed too risky for pedestrians and a liability to the City. They also advised that the construction would be phased in overtime to minimize disruption to the community.

Other Committee Members suggested that the funds should be re-allocated to another part of Cycling Master Plan if this project is not approved.

Moved by Mayor Frank Scarpitti

Seconded Councillor Khalid Usman

- 1) That the funds from Capital Budget Item No. 19037 John Street Multi Use Pathway remain in the Capital Budget, as a placeholder; and,
- 2) That a presentation on the Cycling Master Plan be presented at the Development Services Committee; and,
- 3) That Staff bring back a report on the John Multi Use Pathway to the Development Services Committee; and further,
- 4) That if the Project is eliminated or deferred at the Development Services Committee meeting that the funds be reallocated to another section/ aspect of the Cycling Master Plan.

LOST

Moved by Deputy Mayor Don Hamilton

Seconded by Councillor Khalid Usman

That Capital Budget Item No. 19037 John Street Multi Use Pathway be approved as originally presented.

Carried

Capital Budget Markham Centre Trail Design No. 1962

Brian Lee, Director of Engineering presented Capital Budget Item No. 19262 Markham Centre Trail Design (Phase 1 of 4). Staff showed the different areas of the trail system and the location of this project.

Committee inquired if the design of the trail will be completed at the same time as the Environmental Assessment and how long it will take to build the trail.

Staff advised that the Environmental Assessment is required for the other areas and is not required for this Phase 1. The design of the trail and acquiring the permits from MNRF and the TRCA will take 12-18 months. This will allow the construction to start in 2020. It is anticipated the trail can be completed in one construction season.

Moved by Mayor Frank Scarpitti

Seconded by Councillor Reid McAlpine

That Capital Budget No. 1962 Markham Centre Trail Design (Phase 1 of 4) be approved.

Carried

4. OPERATING BUDGET - BUILDING, PLANNING, ENGINEERING AND OPERATING BUDGET

Andrea Tang, Senior Manager of Financial Planning presented the Operating Budget for the Building, Planning, and Engineering Departments.

There was a brief discussion on the Waterworks Reserve. Committee was advised that the waterworks reserve study is updated each year to ensure there is enough funds in the reserve for the next 25 years, and that the water rate is increased (if required) to address any gaps in funding.

A Committee Member inquired about the Development Fee Reserve, specifically on the historic reserve balances and how it was managed over the years when the reserve was in a deficit.

Staff agreed to provide more information on the Development Fee Reserve after approval of the 2019 Budget.

Committee also requested that the Operating Budget be presented in more detail when reviewing future budgets.

Staff advised that a process will need to be undertaken to understand the level of detail the Committee would like the Operating Budget to be presented.

Moved by Deputy Mayor Don Hamilton

Seconded by Councillor Reid McAlpine

That Staff report back on recommendations/options for the presentation of the 2020 Operating Budget.

Carried

Moved by Councillor Keith Irish

Seconded by Councillor Andrew Keys

That the Budget Committee receive the Building, Planning, Designing, Engineering and Waterworks Operating Budgets.

Carried

5. ADJOURNMENT

Moved by Councillor Andrew Keyes

Seconded by Councillor Keith Irish

That the Budget Committee adjourn at 12:11 pm.

Carried

Capital Budget Item No. 19042 Miller Pond Site Preparation and Property Acquisition

Brian Lee, Director of Engineering provided a presentation on Capital Budget Item No. 19042 Miller Pond Site Preparation and Property Acquisition. The funds being requested is for the maximum amount the project will cost.

Moved by Councillor Reid McAlpine

Seconded by Councillor Khalid Usman

That the Budget Committee approve Capital Budget Item No. 19042 Miller Pond Site Preparation and Property Acquisition subject to cost sharing with White Owl.

Carried

3. Next Steps

Staff requested an additional meeting and that the time of Friday's Budget Committee meeting be extended to complete the review of the 2019 Budget.

Moved by Councillor Keith Irish

Seconded by Councillor Reid McAlpine

That the time of the Budget Committee on February 8, 2019 change to 9:00 am – 12:00 pm; and,

That a 7th Budget Committee meeting be scheduled the week of February, 11, 2019 (3 hours).

Carried

4. Adjournment

Moved by Councillor Khalid Usman

Seconded by Councillor Andrew Keyes

That the Budget Committee adjourn at 12:43 pm

Carried

Appendix C



Community and Fire Services Commission

MEMORANDUM

To: City Budget Committee
From: Ben Hendriks, Chair, Markham Public Library Board
Copy to: Brenda Librecz, Commissioner, Community and Fire Services
Date: February 13, 2019
Subject: Library Hours Request

I would like to thank Council for the opportunity to present the Library's request for funding to provide extended Sunday hours at Cornell and Milliken Mills Branches on February 8th.

It is my understanding that Council responded by advising the Library Board to work within its existing budget to identify the funds required to extend Sunday hours at these branches.

The Library has reviewed the current budget and have an option to present that will allow for the expansion of library service to Milliken and Cornell Libraries on Sundays while ensuring the library's personnel budgets cover the costs. While the Library did end 2018 with a surplus in its Operating Personnel accounts, we are concerned that the same conditions that prevailed in 2018 may not continue. Due to the phasing of extended Sunday hours introduced in 2018 at Angus Glen, Aaniin and Thornhill Community Branches, we have not faced the full-year impact of the costs (approximately \$75,000k) within our existing budget. Our 2018 year-end results do not reflect the full amount.

In addition, the Library signed a new Collective Agreement with its Page workforce at the end of 2018, following a successful certification drive by the Canadian Union of Public Employees (CUPE). While we avoided the most financially impactful union proposals, we could not avoid some cost escalation during the life of this new Agreement (2018 – 2022). We have not requested any additional funding from the City to cover these increases, which will have a gradually escalating impact on our financial position commencing in 2019.

In 2018 there was some surplus in the personnel budget following the opening of the new Aaniin Library. Filling and then back-filling positions in other branches always takes a significant amount of time. This will not be the case in 2019 as there will be no new branch opening.

As a result, although there was a favourable variance in part-time salaries in 2018, we do not anticipate as favourable a variance in 2019. Therefore the library is prepared to implement the additional Sunday hours at Milliken and Cornell within our existing budget effective July 7, 2019. Staff will monitor the budget during 2019 and address any budget shortfall as part of the 2020 Budget process.

Thank you for the opportunity to present. We take pride in our history of finding efficiencies to ensure balanced budgets while at the same time providing the highest level of service to Markham residents.

MEMORANDUM

TO: Budget Committee
FROM: Joel Lustig, Treasurer
DATE: February 8, 2019
SUBJECT: Budget Process – New Staffing Requests

The presentation made at the first Budget Committee meeting outlined 13 staffing requests. 6 new full-time position requests, 2 contract conversions to full time and 5 new contract positions. 2 of the contract positions were previously approved by Council (Enterprise Asset Management Coordinator and a Business Systems Coordinator for Customer Relationship Management solution).

Of the 13 requests, 10 are tax-funded. Council approved funding for the tax funded positions utilizing unused Bill 148 funds. The remaining 3 positions are non-tax funded.

I would like to take this opportunity to take you through the rigorous review process that was undertaken by Staff prior to the requests being tabled at Budget Committee.

The review process for new staffing requests started in spring 2018 with each department head identifying the staffing requirements for the 2019 budget.

Directors Forum, also known as DF which includes the department heads undertook the following process:

1. Reviewed all existing vacant positions to determine if positions could be repurposed
2. Prioritized projects based on criteria
3. Identified Business As Usual (BAU) workforce requirements
4. Completed a comprehensive workforce requirements list for further vetting
5. Developed a position review criteria
6. Undertook a comprehensive review of positions against the criteria
7. Finalized position ranking with recommendations to ELT

Initially, there were 35 requests to be evaluated, 19 BAU and 16 projects related.

All positions were evaluated and scored in two categories: Corporate Risk and Position Rationale.

Corporate Risk was assessed from the lens of legislative requirements including by-laws, health & safety (corporate and community), risk of litigation including contract risk, security of people or property, and service level & core service disruption. Within each category, a score was assigned based on a minor, medium and major grade.

To evaluate **Position Rationale**, there were six questions.

1. Will the position advance Markham's reputation, leadership and competitiveness in a particular area?
2. Does the position accommodate an unfulfilled customer demand?
3. Will the position positively impact staff wellness, engagement, retention and attraction?
4. Will the position provide a positive financial benefit such as new revenues, savings or cost avoidance to the Corporation?
5. Describe how this additional resource request supports business transformation or process improvement.
6. What is the impact on your current service level with consideration for:
 - a. Staff workload;
 - b. What has been done to mitigate this request including any previous efficiency measures?
 - c. What changes to service levels could be made so that the position is not required?
 - d. How will this additional resource achieve the desired performance and how will you measure it?

Each Director self-evaluated and scored each position using the criteria that I just described.

DF held several meetings to discuss, evaluate and clarify each request to achieve a consensus scoring. DF submitted the 13 requests to ELT for consideration and approval. ELT reviewed the 2019 staffing requests and endorsed the 13 positions.

Staff are content with the evaluation and prioritization process. The 13 requests represent the highest priority positions. The next phase will include a 3-year plan on new staffing requests which will be brought forward to Budget Committee as part of the 2020 budget process.

We understand that there have been questions regarding forestry services, by-law enforcement and windrows. Staff recognize that these services are top of mind and important to citizens and they will be addressed in 2019 by way of a report to committee and/or a workshop.

I hope this helps in putting some context around the review process on new staffing requests.

Appendix E

2019 Requests for Staffing:

1. Technology
2. Core Service Delivery
3. Strategic Initiatives

2019 Staffing Requests

- The 2019 Budget includes 13 staffing requests:
 - 6 new full time positions
 - 2 contract conversions to full time
 - 5 contract positions (2 of the contract positions were previously approved by Council)
- The requests are grouped into the following categories:
 1. Technology
 2. Core service delivery
 3. Strategic initiatives

1. Technology Staffing Requests

- Council-approved Digital Markham strategy guides technology investments.
- Council has approved significant investment in four major new technology systems:
 - Enterprise Asset Management – to manage corporate assets and work orders
 - Customer Relationship Management System – to manage customer requests and relationship across the city
 - Program Registration and Facility Booking System – for recreation programs, facility booking and payment system replacement
 - E-Plan – end-to-end electronic plan review and approval system
- Staff have undertaken a rigorous process of defining business requirements and necessary budgets for the four new systems and procured new solutions which are now being implemented
- The City has chosen new systems that are “enterprise-wide”, and will be used by a number of business areas
- In order to protect the City’s investment and maximize the benefits of the new solutions, the right resources are needed for implementation and ongoing support
- In response to the Auditor General Cyber Security Audit, Staff committed to implement a comprehensive cyber security program in order to address outstanding issues and sustain the program
- Six new staff positions (three new full time, and three contract positions) are being requested:

1. Technology Staffing Requests

Enterprise Asset Management System (EAM) - Capital: \$969,477

- **1 three-year contract - EAM Coordinator - Operations / Environmental & Services/Sustainability Asset Management) (pre-approved) - \$104,464/year plus benefits**
 - The position will support the implementation of EAM in Environmental Services, Operations, Sustainability & Asset Management and Finance business areas.
 - This will ensure the system meets business needs, existing processes are updated to optimize workflows and necessary training is in place.
 - There is no capacity to complete system implementation without the additional resource requested.
- **1 New full time - Application Support Specialist – ITS - \$91,329/year plus benefits**
 - Required for the successful implementation and ongoing technical support and maintenance of EAM.
 - Will provide technical system support to the team during project implementation, and ongoing to ensure system reliability, end user support and training to fully optimize use of the system.
 - This is a new enterprise-level system; there is no capacity in ITS to perform this role.

1. Technology Staffing Requests

Customer Relationship Management System (CRM) – capital \$790,283

- **1 one-year contract - Business System Coordinator - Contact Centre – (pre-approved) - \$64,098/year plus benefits**
 - Required to backfill a staff who will be assigned to support implementation of the new system which will be used across multiple departments.
 - Will provide business expertise during system configuration and business process setup, and perform system testing, user acceptance testing, training, process mapping, workflow management, and quality control.
 - The scope also includes integration testing of multiple systems and reports.

Program Registration & Facility Booking System – capital \$798,742

- **1 two-year contract - Business System Coordinator – Recreation/Library/Culture - \$91,485/year plus benefits**
 - Required to backfill a staff who will be assigned to support implementation of the new Program Registration and Facility Booking System, across multiple departments – Recreation, Culture and Library.
 - New system supports \$24.6M in annual revenue generated through program registrations, permits and other revenue generating functions.
 - This will ensure the system meets business needs, existing processes are updated to optimize workflows and necessary training is in place.

Note: staffing costs are additional to capital investment

1. Technology Staffing Requests

ePlan – End-to-end electronic plan review and approval system – capital \$1,390,664

- **1 New full time - ePlan Review Business Support – Engineering/Planning - \$85,160/year plus benefits**
 - Required to provide end-user business support for all internal users in the Planning, Engineering and Operations departments.
 - System has been implemented; however, there is no in-house capacity and expertise to guide and assist users in efficient and effective development application process day-to-day, implement business process changes and ensure standardized approach across business areas to optimize functionality.

Cyber Security Program

- **1 New full time - Senior Cyber Security Specialist – ITS - \$107,906/year plus benefits**
 - The City is in the process of developing a cyber security program as recommended by the Auditor General.
 - Will ensure implementation of the program and oversee the cyber security program on ongoing basis.
 - There is no existing skillset or capacity in ITS to perform this role.

2. Core Service Delivery Staffing Requests

- The Director's Forum undertook a process this year to seek and evaluate requests for staffing from departments related to managing workload as a result of *growth, legislative change, and increased volumes that impact ability to meet service levels.*
- Managing workload is an issue identified in the last number of staff satisfaction surveys.
- There are 5 positions :
 - 2 from Human Resources
 - 2 from Operations Department
 - 1 from Sustainability & AM
- Four positions support core service delivery and one position will focus on reducing utility costs.
- All five positions were supported as being the highest priority with others on the list being evaluated and reviewed for consideration in 2020.

2. Core Service Delivery Staffing Requests

- **Complex workforce in both size and complexity:**
 - Employee population of 3,093 (regular full time and part-time/seasonal during peak).
 - 68% of workforce is temporary, part time and seasonal. 60% of those have multiple jobs and pay rates while 65% of regular full time employees are unionized.
 - Temporary, part time and seasonal workforce is characterized by high turnover, repetitive hiring and a young worker profile resulting in significant work in areas of administration, contract management, on and off boarding, training, employee relations and health and safety issues.
 - Legislative changes occurring frequently and increasing complexity for Human Resources and for day to day supervisors in front line service areas.
- **Efficiency benchmark-** HR staff to employee ratio by size of organization and sector is significantly below Conference Board of Canada benchmark (2014).

#HR Staff to Full Head Count	Conference Board of Canada	City of Markham HR
Orgn with 1,000 – 3,000 emp.	1.36 HR staff to 100 emp.	.75 HR staff to 100 emp.
Public sector	1.66 HR staff to 100 emp.	.75 HR staff to 100 emp. 44

2. Core Service Delivery Staffing Requests

- **1 New full time - Health and Safety Co-ordinator – Human Resources - \$77,097/year plus benefits**
 - The Senior Health & Safety Specialist provides core expertise to management, 3rd party contractors and 3,100 full/part time employees. Risk is non-compliance with current and ever emerging legislation (e.g. cannabis, PTSD). Objective is safe work practices, efficient return to work practices and WSIB case management, minimizing corporate liability.
 - The Health and Safety Coordinator would assume administrative tasks and basic training allowing the Specialist to ensure critical compliance.
- **1 New full time - Compensation and Benefits Administrator – Human Resources - \$77,097/year plus benefits**
 - Provides accurate and timely data entry for all aspects of the regular full time employee life cycle of salary, benefits and pension administration. Employee profiles travel through various City technology systems or processes from the new employee EPIC profile set up to direct deposit, ITS's Active Directory, Payroll, City headcount and HR metrics information, the learning management system, the Sun Life website, OMERS and employee time off management.
 - HRIS audit required inputting role to be separate from approval/supervisor.

2. Core Service Delivery Staffing Requests

- **1 Conversion to full time - Tree Preservation Technician – Operations Department – \$70,950/year plus benefits**
 - This position was created as a contract position to manage increased volume of tree removal permits from residents and to address concerns from residents related to illegal removals.
 - The workload continues to be a pressure and is not expected to decrease.
 - A significant portion of the workload increases are related to ‘Infill Construction’.
 - This request is to make the position permanent in order to retain staff in a competitive market. Arborists with these skills are difficult to recruit and retain.
- **1 Conversion to full time - Administrative Assistant / Coordinator for Operations Team - \$65,370/year plus benefits**
 - This position was originally part time to support all of the Managers, Supervisors in the Operations Department taking pressure off the team so that they can focus on higher order issues.
 - The position then was filled on a full time contract and has proven to provide much needed support for the whole department in facilitating and coordinating external and internal client issues, corporate business needs, and data collection for preparation of reports.
 - Workload of supervisors and managers is an ongoing concern in a 24/7 complex operating area hence the need to retain the position and convert from contract to full time.

2. Core Service Delivery Staffing Requests

- **1 one-year contract - Energy Analyst - Sustainability & Asset Management - \$77,097/year plus benefits**
 - To support Council-approved Municipal Energy Plan and Greenprint goals of Net-Zero Energy Emissions by 2050, position will enable us to continue leading by example for our community.
 - Anticipate \$78,000/yr cost savings and reduced energy and GHG emissions.
 - Analyst will lead standardization of energy metering, monitoring & verification program, utility & bill management, Corporate Sustainability Reporting, and building operator and occupant engagement programs (for example Battle of the Buildings Competition), improved sharing of our successes.
 - This role is expected to result in faster bill processing times, early issue detection, facility operational efficiencies (identify unnecessary equipment running at night/weekends).
 - There is no capacity to complete these tasks without the additional resource requested.

3. Strategic Initiatives Staffing Requests

- Council approved the Official Plan 2014 (OP) which is the growth vision for Markham to 2031.
- The Official Plan also identify key policies regarding strategic infrastructure and services that are necessary to support this growth vision.
- The Yonge Subway Extension (YSE) is the top rapid transit priority for Markham and York Region. Metrolinx, York Region, YRRTC, City of Toronto, TTC are jointly working on the design of the YSE from Finch to Langstaff Gateway.
- Markham needs to be engaged in this process in order to advocate for Markham's vision and needs, including the Royal Orchard Station.
- The OP also sets out policies on key City infrastructure and priorities such as road network, active transportation.
- The delivery of City infrastructure requires in-house expertise in contract administration to reduce the overall construction budget and timelines for the delivery of major investments.
- Two new staff positions (1 two-year contract position and 1 new full time position) are being requested

3. Strategic Initiatives Staffing Requests

- **1 two-year contract - Yonge Subway Extension Project Manager – Development Services Commission - \$104,464/year plus benefits**
 - The Yonge Subway Extension (YSE) is a major multi-jurisdictional project which will require timely coordination with YRRTC, TTC, Metrolinx, City of Toronto and York Region.
 - The purpose of this position is to represent and advocate for the City on the YSE.
 - As the subway concept is developed, the City requires a dedicated staff to analyze information, coordinate comments, provide professional advice and timely response and to coordinate with the subway team to represent/protect the City's interest on YSE, including the need for the Royal Orchard Station.

- **1 New full time - Senior Engineer, Contract Admin. & Quality Control – Engineering - \$104,464/year plus benefits**
 - The position provides in-house contract administration of major capital projects instead of using external consultants. This position is currently a contract and this request is for a conversion to a full time permanent position.
 - In-house staff will have greater awareness other City policies and procedures, and specific knowledge and understanding of other City and Regional projects. This will ensure seamless coordination internally and with other levels of government to reduce overall budget and delivery timelines.
 - Previous experience on the Rouge Valley Trail project confirmed that there is cost savings, reduced construction impact to the public, and better control of schedules with the use of in-house contract administration staff.