



A G E N D A
BUDGET COMMITTEE
November 21, 2017
3:30 p.m.
Council Chamber
MEETING NO. 8

Chair:	Councillor Logan Kanapathi
Vice-Chair:	Councillor Amanda Collucci
Members:	Regional Councillor Nirmala Armstrong
	Regional Councillor Jim Jones
	Councillor Don Hamilton
	Councillor Karen Rea
	Councillor Alex Chiu
	Mayor Frank Scarpitti (ex-officio)
	Deputy Mayor Heath (ex-officio)

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BUILDING MARKHAM'S
FUTURE TOGETHER



2018 Budget Budget Committee Meeting #8 November 21st, 2017



Agenda

1. Review minutes of Budget Committee Meetings #6 and 7
2. Review comments from Public Consultation Meeting
3. Primary Operating Budget
4. Recommendation of 2018 Budget to General Committee
5. Next Steps



1. Review minutes of Budget Committee Meetings #6 and 7

Refer to Appendices A and B

2. Review comments from Public Consultation meeting

At the public consultation meeting, there was one deputation. The following topics were raised:

1. Current value assessment
2. Impact of tax rate increase on Seniors
3. An opportunity to reduce the tax rate increase

The following answers were provided by Staff:

1. City of Markham annually recalculates and decreases the municipal tax rate by the equivalent of the City-wide average increase in a property's current value assessment to ensure the City collects the same amount of taxes as the prior year
2. Details of the City property tax deferral program were provided
3. An opportunity to reduce the tax rate increase was received

3. Primary Operating Budget

(\$ Millions)



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

	2017 \$	2018 \$	Increase/ (Decrease) \$	Tax Rate Increase/ (Decrease) %
Revenues	215.39	217.12	1.73	(1.18%)
Expenditures				
Personnel	125.37	128.70	3.33	
Non-Personnel	90.02	91.26	1.24	
Total Expenditures	215.39	219.96	4.57	3.12%
Net Shortfall	-	2.84	2.84	1.94%
Infrastructure Investment	-	0.73	0.73	0.50%
Net Shortfall (City Controlled)	-	3.57	3.57	2.44% A
Bill 148 Fair Workplaces, Better Jobs Act	-	0.68 *	0.68	0.46% B
Net Shortfall	-	4.25	4.25	2.90% C=A+B

* Remaining Bill 148 impact of \$1.82M will be funded through user fee, permit and fine increases

Note: Tax rate increase of 0.46% and user fee increases relating to Bill 148 are contingent upon approval by the Province of Ontario

Impact to Average Residential Property

Property Type	2017 Average Current Value Assessment	2.44% Tax Rate Increase (City Controlled)	0.46% Tax Rate Increase** (Provincial Legislation)	Total – 2.90% (2.44% + 0.46%)
Residential Homes* 	\$714,500	\$32.23	\$6.08	\$38.31
Residential Condominiums 	\$364,500	\$16.59	\$3.13	\$19.72
Average (Homes & Condominiums)	\$647,500	\$29.21	\$5.51	\$34.72

Every 1% tax rate increase (local portion only) is equivalent to an increase of \$11.97 in property taxes for an average residential property

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

** Contingent upon approval of Bill 148 by the Province of Ontario



Impact to Average Residential Property

	Proposed increase	Increase \$
Tax rate increase – Markham	2.90%	35
Tax rate increase – York Region	2.77%	65
Water & wastewater fee (subject to Council decision)	7.50%	65
Total		165

- Excludes continuation of the \$47 stormwater fee (remains at the 2015 level)



4. Recommendation of 2018 Budget to General Committee

- That the Budget Committee approve and recommend the following to General Committee:
 - Primary Operating Budget with a proposed property tax rate increase of 2.90% including the following components:
 - 1.94% day-to-day operations
 - 0.50% for infrastructure investment
 - 2.44% City controlled**
 - 0.46% Provincial legislation (Bill 148 Fair Workplaces, Better Jobs Act)
 - 2.90% Total**
 - Capital Budget \$77.72M
 - Building operating budget \$9.96M
 - Planning & Design operating budget \$10.29M
 - Engineering operating budget \$8.09M
 - Waterworks operating budget \$131.64M

5. Next Steps

- General Committee: Monday, December 4, 2017
- Council Decision: Tuesday, December 12, 2017
- Press Conference: Wednesday, December 13, 2017 – 10:00 a.m. – Canada Room





**SIXTH MEETING OF THE
2018 BUDGET COMMITTEE
COUNCIL CHAMBER, MARKHAM CIVIC CENTRE
October 27, 2017**

MINUTES

Attendance:

<p>Members Present: Mayor Frank Scarpitti, Acting Chair Regional Councillor Jim Jones Regional Councillor Nirmala Armstrong Councillor Alex Chiu Councillor Karen Rea</p> <p>Regrets: Councillor Logan Kanapathi, Chair Councillor Amanda Collucci, Vice-Chair Councillor Don Hamilton</p>	<p>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 Catherine Conrad, City Solicitor Joel Lustig, Treasurer Catherine Biss, Chief Executive Officer, Markham Public Libraries Mary Creighton, Director of Recreation Morgan Jones, Director of Operations Phoebe Fu, Director of Environmental Services Andrea Tang, Senior Manager of Financial Planning Christopher Alexander, Acting Manager of By-Law Enforcement & Regulatory Services Christina Kakaflikas, Manager of Special Projects Eric Lariviere, Manager of the Theatre Cathy Molloy, Manager of Markham Museum Niamh O’Laoghaire, Manager of the Art Gallery Laura Gold, Council/Committee Coordinator</p>
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The Budget Committee convened at 10:50 am with Mayor Frank Scarpitti presiding as Acting Chair.

1. Approval of the Minutes

Moved by Councillor Alex Chiu
Seconded by Councillor Karen Rea

That the Minutes of the October 13, and 17, 2017 Budget Committee be approved as presented.

2. 2018 Budget Committee Presentation – Meeting No. 6

a. Status of the 2018 Operating Budget

Andrea Tang, Senior Manager of Financial Planning provided an update on the status of the 2018 Operating Budget.

b. Review Impacts of Bill 148 – Fair Workplaces, Better Jobs Act

Andrea Tang, Senior Manager of Financial Planning presented the staff recommended option to address the impacts of *Bill 148, Fair Workplaces, Better Jobs Act*. The option is a hybrid solution where \$680K is funded by a tax rate increase of 0.46% and the remaining amount of \$1.82M is funded through user fees. Charts with the fees being increased by each department were displayed to the Committee. Fees were increased for programs that had significantly lower fees than the City of Vaughan, or the Town of Richmond Hill. Limited fee increases were made to seniors and children's programs. Some of the program fees cannot be increased right away due to contractual agreements. This will cause a \$570K shortfall in 2018, which can be funded from the ramp-up reserve.

General Questions

How was the amount to be borne by taxpayers determined?

Staff advised that the recommended option would bring the City controlled tax rate increase to 2.9% which would meet Budget Committee's mandate of less than 3% tax rate increase.

Recreation Questions

Are Consumer Price Index and utility price increases added to recreation fees annually?

Staff advised that both Consumer Price Index and utility price increases are added to recreational fees each year. This year impact from aquatic wage increases were also added to the fees.

Who uses the non-resident ice slots?

Staff advised that during the off season groups looking for ice time may book a non-resident ice slot. The revenue from this group is approximately \$6K per year. Residents always have first priority with respect to booking of ice time or other City facilities.

Are road closure fees adjusted based on the roads size? And, how are road closures on Regional roads processed?

Staff advised that the fee for road closures is adjusted based on the size of the road being closed. The City consults with the Region and any other stakeholders on behalf of the applicant for Regional road closures. Committee requested that local festival impacted by this fee increase be notified of the increase.

Can clarification be provided on when a road occupancy-construction permit is issued and if the City has to pay this fee?

Staff advised that private construction companies are required to get a permit if they are occupying a road during the construction of a project. The City's fee for road occupancy-construction is being increased to match with other comparable municipalities. The City is not required to pay for the road occupancy-construction permit fee.

Does the City charge the public to replace their recycling, and green bins?

Staff advised that the City does not currently charge for bin replacement, but Staff propose to start charging a \$5 replacement fee for damaged bins.

How many liquor license inspections were conducted in 2017?

Staff advised that approximately 30 liquor license inspections were conducted.

Legislative Services Questions

Could we make some of our fines even higher (e.g. parking fines for parking in an accessible parking spot)?

Staff suggested monitoring the increase to this year's fines and looking at further opportunities to increase fines next year. Staff are hesitate to raise the fine for parking in a disabled parking spot, as many of the violations are a due to the failure to display the disabled parking permit.

Could residents be fined for parking on their front yard?

Staff advised that residents can be charged if a by-law officer catches them parking on their front lawn and that only a picture taken by the by-law officer will be accepted as proof.

Who issues parking tickets on private property and does the City receive the proceeds for these tickets?

Staff advised that private security firms, which are approved by the City and hired by the private landowner will issue the tickets. The City receives all fine revenues from these tickets.

The Budget Committee took a 10 minute break at 12:36 pm.

Moved by Regional Councillor Jim Jones

Seconded by Councillor Alex Chiu

That the Budget Committee take a 10 minute break at 12:36 pm

Carried

The Budget Committee reconvened at 12:46 pm.

Financial Services Questions

What is the Mortgage Administrative Fee?

Staff advised that it is a fee the City charges the bank when the bank pays the property taxes on behalf of the property owner. The fee is being proposed to increase from \$8.50 to \$14.00 to match the highest rate amongst the City's municipal comparators.

Discussion

The Budget Committee thanked staff for investigating options for addressing the impacts of *Bill 148, Fair Workplaces, Better Jobs Act*.

Staff advised that the fee increases would need to be brought forward to Council for approval as soon as possible, as the recreation and culture fees are to be included in the next edition of Markham life, which is being printed soon.

The Budget Committee felt that raising the funds through a combination of raising taxes and user fees was the right approach for this year.

Bill 140, The Strong Communities Through Affordable Housing Act

The Budget Committee asked that staff look at options for mitigating the impact of *Bill 140, The Strong Communities Through Affordable Housing Act*. It was suggested that the cost should be recovered by those benefiting from having second suites in their homes.

Staff advised that if the cost of inspection fees is to be completely recovered by fees it may deter residents from licensing their basement apartments.

A Committee Member suggested adding a fee to residents adding a walkout to their basement.

Moved by Regional Councillor Jim Jones
Seconded by Regional Councillor Nirmala Armstrong

That the "2018 Budget Committee Presentation – Meeting No. 6" be approved.

Carried

4. Next steps

Joel Lustig, Treasurer reviewed the next steps. The next meeting of the Budget Committee will be held on October 31, 2017. At this meeting the City's Operating Budget, and the Planning & Design, Engineering, Building, and Waterworks Operating Budgets will be reviewed.

5. Adjournment

Budget Committee

October 27, 2017

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Moved by Councillor Alex Chui

Seconded by Councillor Karen Rea

That the Budget Committee adjourn at 1:29 pm.

Carried



**SEVENTH MEETING OF THE
2018 BUDGET COMMITTEE
COUNCIL CHAMBER, MARKHAM CIVIC CENTRE
October 31, 2017**

MINUTES

Attendance:

Members Present: Councillor Logan Kanapathi, Chair Deputy Mayor Jack Heath Regional Councillor Jim Jones Regional Councillor Nirmala Armstrong Councillor Alex Chiu Councillor Karen Rea Councillor Don Hamilton Regrets: Councillor Amanda Collucci, Vice-Chair	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 Catherine Conrad, City Solicitor Joel Lustig, Treasurer Mary Creighton, Director of Recreation Andrea Tang, Senior Manager of Financial Planning Laura Gold, Council/Committee Coordinator
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The Budget Committee convened at 9:05 am with Councillor Logan Kanapathi presiding as Chair.

1. Approval of the Minutes

Moved by Councillor Don Hamilton

Seconded by Councillor Alex Chiu

That the Minutes from the October 19, 2017 Budget Committee be approved as presented.

Carried

2. Responses from the Previous Budget Committee Meeting

Andrea Tang, Senior Manager of Financial Planning reviewed the responses from the previous Budget Committee meetings. The responses were attached as “Appendix B” of the agenda package.

The following additional information or feedback was provided:

National Rouge Park

A Committee Member requested that staff keep track of all City resources being provided to the National Rouge Park.

Planning for Higher Order Transit Station

Staff advised that a Sub-Committee meeting will be set up for the 'Planning for a Higher Order Transit Station' in next two months.

Capital Budget Item 18261 "Public Realm – Markham's Shared Places Our Places"

Staff clarified that the budget allotment of \$36K is to be provided to the school to cover the cost of supplies, and instructors that need to be brought in to teach the students specialized skills. The students participating in the project will be carving 15 to 20 benches.

Briarwood Park

The spelling of the park name was corrected.

3. Operating Budget

Andrea Tang presented the City's proposed 2018 Operating Budget.

Fee Increase

A Committee Member asked if Markham's hockey and skating clubs have been notified with respect to the proposed increase to ice rental fees.

Staff advised that the City is unable to increase these fees right away, as it has contractual agreements with these clubs. The new fees will be introduced later in 2018 when the contracts are being renewed. The clubs will be notified of the new fees in advance.

Stormwater Management Fee

Committee asked when Council will be reviewing the stormwater management fees. Staff advised that report will be brought forward on this matter in 2018.

Water Rate

Committee asked why the Region is increasing its water rate. It was suggested that the Region may be increasing its water and wastewater rate for the following reasons: the Region having to pay more for water, as it purchases water from Peel Region and Toronto; to replace or repair aging water infrastructure; and to build up the Region's reserve.

4. Bill 140 – The Strong Communities Through Affordable Housing Act

Staff are continuing to review the details of the program as part of the due diligence process, therefore Staff recommended that no funds would be included in the 2018 Budget. Staff will report back in Q1 2018 with final recommendations including staffing implications, fees and Official Plan/Zoning by-law amendments.

It was noted that Markham receives 44 to 55 second suite complaints a year. Comparable municipalities that currently permit second suites have about 50 registrations per year on average.

The pros and cons of having full cost recovery for second suites were discussed. Staff noted that the objective is to have safe second suites and that if the City adopts a full cost recovery model it may discourage residents from complying with the legislation, as the registration fee could be greater than \$5K.

A staff report on second suites will be brought forward to the Development Services Committee in Q1 2018.

5. Staffing Requests

Andrea Tang presented the 2018 staff request. 8 of the 9 positions being requested were to support the new Future Urban Area.

Committee asked if the work for the Future Urban Area could be absorbed by existing staff and it questioned if the City should be increasing engineering and planning staff when their reserves are in a negative balance.

Staff advised that these position requests were carefully considered by staff and it has been determined that the positions are required to support the new Future Urban Area.

Moved by Regional Councillor Jim Jones

Seconded by Deputy Mayor Jack Heath

That the Budget Committee approve the 2018 staffing requests.

Carried

6. 2018 Building, Planning & Design, Engineering and Waterworks Operating Budget

Andrea Tang presented the 2018 Building, Planning & Design, Engineering and Waterworks Operating Budgets.

7. Approval of User Fees

The Budget Committee requested that a Special Council Meeting be booked on Monday, November 6, 2017 at 1:00 pm to approve the proposed increases to the user fees. Committee also requested that the meeting be advertisement with a notice that user fees are being raised to manage the impacts of *Bill 148, Fair Workplaces Better Jobs Act*.

The Committee asked if the date for the third reading of the proposed legislation has been determined and if the City will be providing its position on the legislation during the public consultation period. Staff advised that the date of the third reading has yet to be determined and that the Association of Municipalities of Ontario will be providing a response to the legislation on behalf of Ontario municipalities.

8. Next Steps

Andrea Tang reviewed the next steps.

9. Adjournment

Moved by Councillor Alex Chui

Seconded by Councillor Don Hamilton

That the Budget Committee adjourn at 10:20 am.

Carried