

2014 Budget

City of Markham
Ontario, Canada



Artist rendering of Markham Southeast Community Centre





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Markham
Ontario**

For the Fiscal Year Beginning

January 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Markham, Ontario for its annual budget for the fiscal year beginning January 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



2014 EXECUTIVE SUMMARY

The City of Markham is a municipality of approximately 332,000 residents centrally located within the Greater Toronto Area. Markham is a diverse and dynamic community that continues to experience tremendous growth with the City population having increased 50,000 since 2006. Founded in the 1790's, today Markham offers a rich heritage, outstanding community planning and services, and a vibrant local economy. Markham is home to more than 400 corporate head offices and over 1,000 high technology and life sciences companies due to a well defined transportation and communication network, high quality facilities, a diverse and highly educated labour force and pro-business environment.

Markham is known as a city of firsts, particularly for achievements on taxes and investments in state-of-the-art facilities and services. In 2013, Markham became the first Ontario municipality to be ranked #1 for fiscal management by the Frontier Centre for Policy through its influential Local Government Performance Index, and the #1 ranking was maintained in 2014.

In a comparison of 2013 municipal tax rates for the 25 municipalities within the Greater Toronto Area (GTA), Hamilton, Niagara and Simcoe, an independent publication confirmed Markham's tax rates to be one of the lowest within the GTA. Markham also has the lowest commercial, industrial and multi-residential tax rates among this group, and the third lowest residential tax rate in 2013.

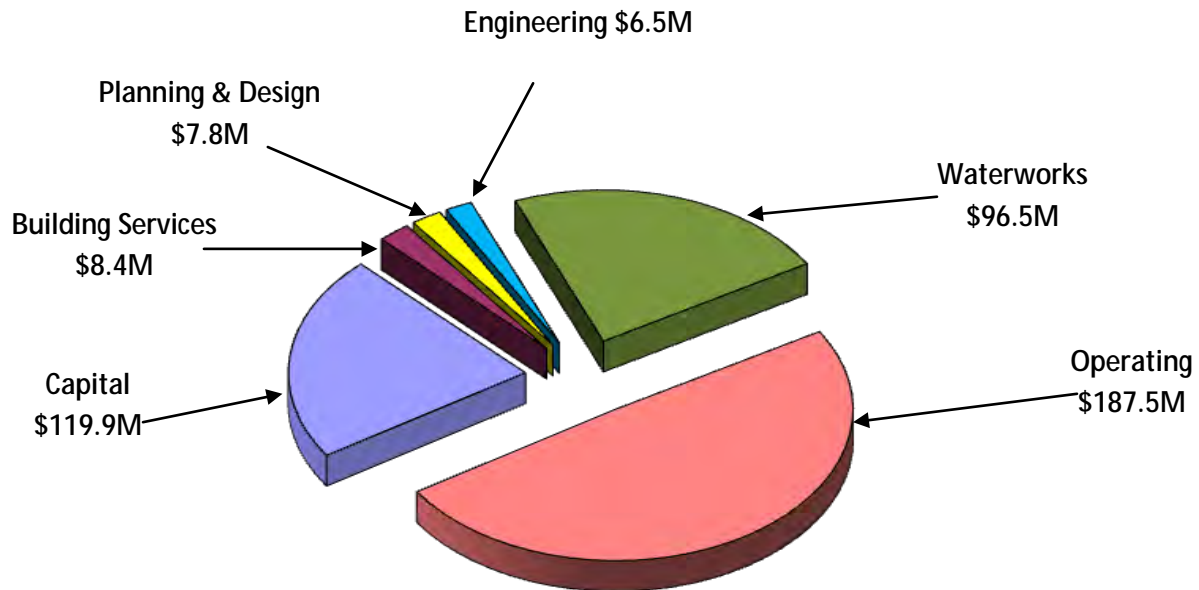
Despite the low tax rate increases, the City continues to invest tax dollars to improve infrastructure such as roads and bridges, and community facilities. The Pan Am Centre is being built, featuring an Olympic-sized pool and international standards field house. The Pan Am Centre will host water polo, badminton and table tennis as part of the 2015 Pan/Para Pan American Games. As well, another new 120,000 square feet community centre and library is underway to open in 2015. Other initiatives were implemented that strengthened the City's ability to serve customers, support staff engagement, avoid future costs, and improve quality of services. For example, Markham embarked on a Light Emitting Diode (LED) street light replacement program that offers better street lighting for pedestrians and motorists, increase energy efficiency, reduce light pollution and Greenhouse Gas (GHG) emissions and achieves 60% savings in maintenance costs and savings of approximately \$1 million in electricity costs. These major projects will ensure a vibrant and safe community for Markham residents.

Markham has been honoured with a Gold Municipal Combined Programs award from the Recycling Council of Ontario (RCO), recognizing Markham's waste diversion rate of 80% through reduction, reuse and recycling initiatives, which is the best in the GTA and amongst the top class in North America. In order to achieve a high diversion rate, Markham Council approved the implementation of the clear bag program which requires all Markham residents to use clear garbage bags as of April 30, 2013. The clear garbage bag encourages behavioural change and ensures recyclable items or items banned from disposal are not included in the waste stream. To date, Markham is the largest municipality in Ontario to adopt a clear bag program.



Maintaining the trend of low tax rates while expanding and improving services involves priority setting and prudent fiscal management to find ways to reduce costs. The City's continuous improvement program, Excellence through Efficiency and Effectiveness (E3) has achieved over \$15 million in expenditure reductions and revenue enhancements over the past six years, an increase that would have been paid out year after year by Markham taxpayers on a cumulative basis.

On February 11, 2014, Council approved the 2014 Budget of \$426.6M, and the breakdown is illustrated below:

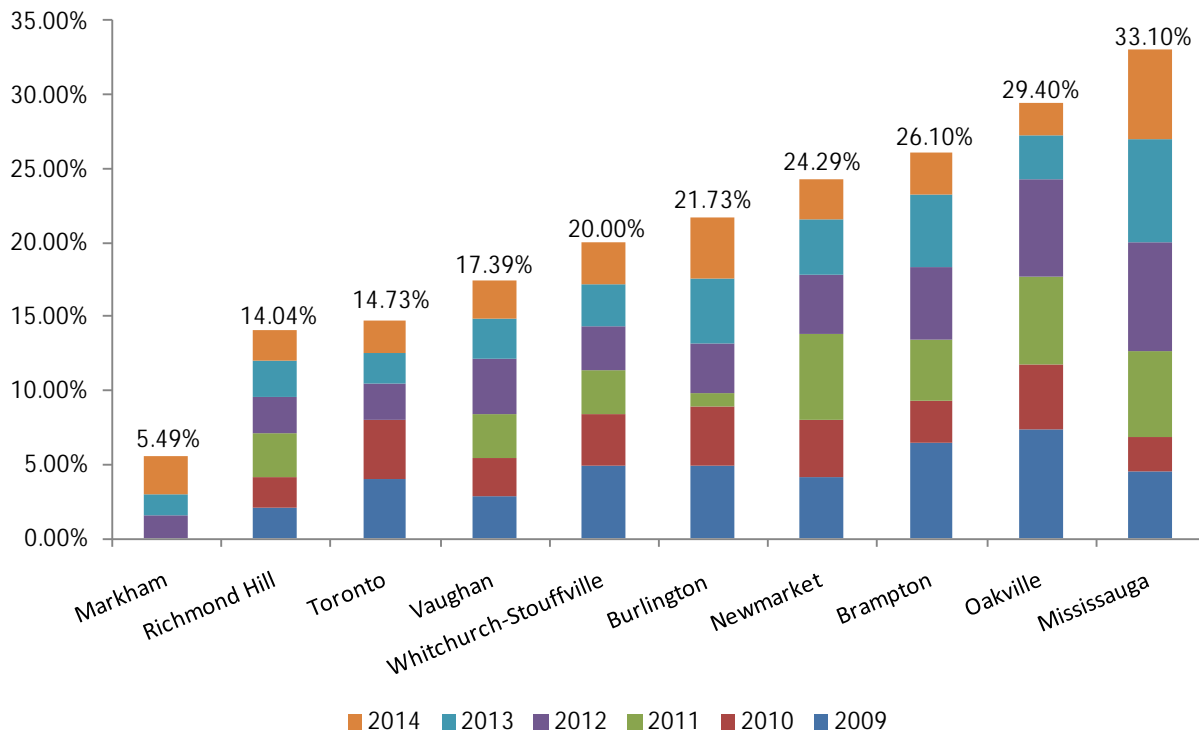


Council also approved a tax rate increase of 2.49% which contains a 2.33% tax rate increase to support day-to-day operations, and a 0.16% increase to partially fund the extraordinary costs associated with the December ice storm.

From 2009 to 2014, Markham's total tax rate increase was 5.49 per cent, an average of less than one per cent a year over the past six-year period, and the lowest among the 25 municipalities in the GTA.

Tax Rate Comparison with Other Municipalities

6 Year Total (2009-2014)



The 2014 Budget supports the rapidly growing City of Markham. It illustrates the City's pledge to keep tax rate increases low while enhancing services and building new facilities. This year's tax rate increase of 2.49% addresses the economic realities and social needs of the community, and Council approved the 2014 budget through a transparent and consultative process.

All Budget Sub-Committee meetings were open to public, and the meetings were audio-streamed through Markham's portal. Notices of the Budget Sub-Committee meetings were advertised in the local newspaper, through social media and on Markham's portal. A public consultation meeting was held on October 24th, 2013 at the Markham Civic Centre and a local ward budget meeting was held at the Thornhill Community Centre and Library on November 20th, 2013. In addition, as part of the 2014 budget process, the City implemented an innovative step to engage residents in the budget process, through its Citizen Budget Tool. This online tool helps residents better understand how their tax dollars are used for Markham's programs and services. It also provides an opportunity to express their views on how residential tax dollars should be used.

The Budget Committee, which consists of Members of Council, supported by Senior Staff, encouraged input and feedback from stakeholders and used a management-by-facts approach to ensure taxpayers are receiving value for money.



Operating Budget Highlights

Like all other municipalities, there is the challenge for Council and Staff to deliver a balanced budget which meets resident expectations and incorporates minimal tax rate increases, while at the same time accounting for economic pressures.

Some of the economic pressures stem from general inflation, increasing utility costs and third party contract renewals such as winter maintenance contracts.

Markham is a growing municipality, and budgetary requirements increase as the City continues to add to its inventory of parks, streetlights, and roads each year, requiring additional resources to maintain and replace assets.

The 2014 Operating Budget included an expenditure increase of \$6.48M, offset by an increase in revenues of \$3.65M, resulting in a net shortfall of \$2.83M, equivalent to a tax rate increase of 2.33%.

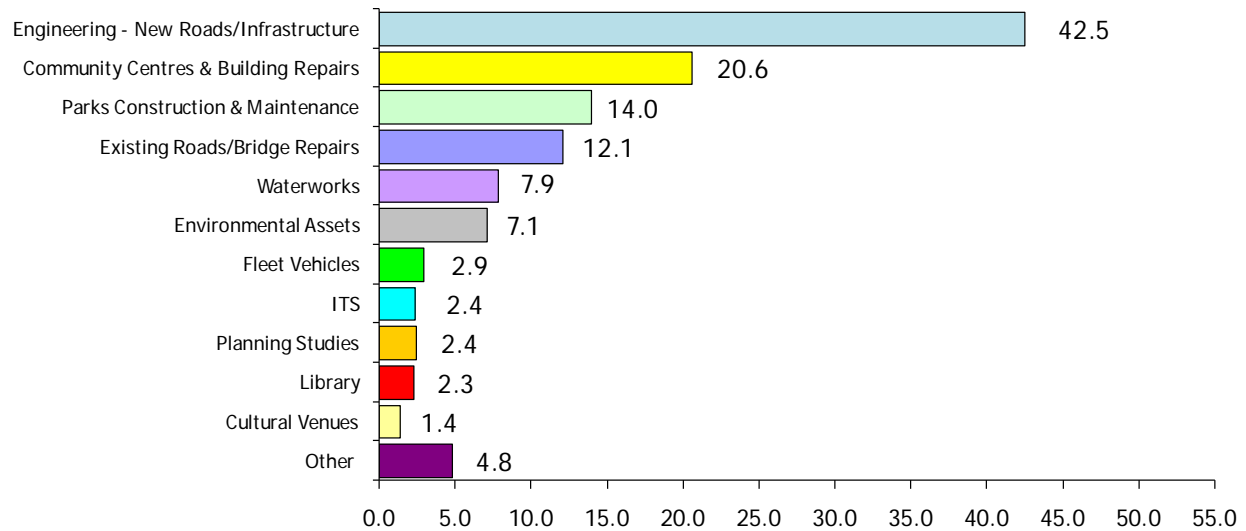
Periodically, municipalities are faced with extraordinary circumstances such as the December 2013 ice storm. On December 21 to 22, 2013, freezing rain and ice pellets led to significant ice accumulation of approximately 1 inch, resulting in power outages due to fallen trees and tree limbs onto the overhead power lines. At the peak of the power outage period, as many as 17,200 Markham PowerStream customers were without power. Residents were displaced from their homes, or stayed in their homes in uncomfortable circumstances. Businesses were disrupted, in some cases could not operate at all due to the power outage. It is estimated that approximately 10,000 trees were damaged during the storm. The preliminary response and recovery costs were estimated at \$17.2 million. Council approved an additional 0.16% tax rate increase to partially fund the response and recovery costs associated with the December 2013 ice storm.

In summary, Council approved a total tax rate increase of 2.49%: 2.33% to support day-to-day operations and 0.16% to fund the response and recovery costs associated with the December 2013 ice storm. The 2014 Operating Budget includes service level enhancements while providing Markham residents value for their money.

Capital Budget Highlights

The 2014 Capital Budget of \$119.9 million effectively addresses each of the City's strategic priorities. Incorporating the longer-term thinking approach within the capital budget provides assurance to residents that the existing community facilities are maintained in state of good repairs. Overall the capital budget demonstrates the City's commitment to its residents by making the appropriate plans to invest in their future needs.

The chart below illustrates the Capital Budget by type:



The 2014 Capital Budget includes the completion of the 2015 Pan/Para Pan American Games facility construction, a number of major construction programs to major routes, asphalt resurfacing and continuation of the tree planting initiative and the Emerald Ash Borer program. In addition the City has allocated funding for improvements to cycle and trail paths, new park developments and improvements, enhancement to library collections, sanitary sewer construction & replacement, water system upgrade and a business continuity plan.

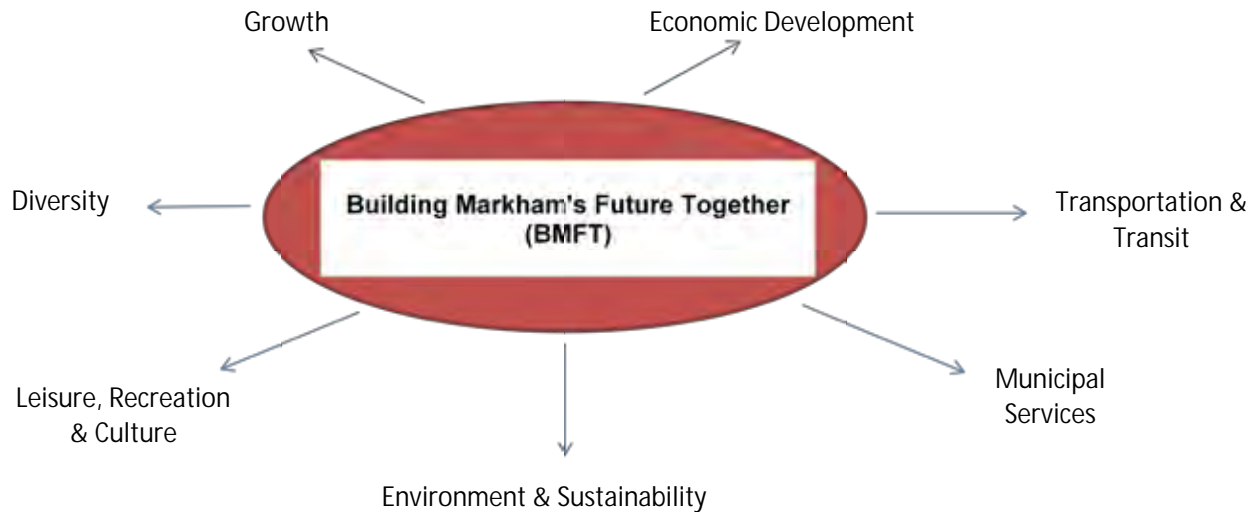
Looking Ahead : Building Markham’s Future Together and Strategic Focus

Since 2007, Markham has pursued the Council approved strategy – Building Markham’s Future Together (BMFT). The process involved asking residents and businesses in the community what they thought the future direction of Markham should be. The feedback confirmed that residents agreed with the strategic priorities and action plans, which formed the basis for Markham’s strategic direction.

In the Fall of 2013, the City launched its BMFT “Road Show” to inform residents of the outstanding achievements so far and plans for the future. The show included touring several Markham facilities and displaying the most notable achievements, along with an interactive kiosk.



Master plans are now in place for the following seven strategic priorities :



In addition, the new City of Markham Official Plan sets out a long-term vision for the continued development of Markham as a vibrant, liveable city. It provides direction to Council, residents, businesses and investors about the appropriate form of development for Markham over the next 20 years. It also provides direction on the provision of services, such as transportation, that support development.

Growth

The province of Ontario and York Region has identified Markham as a growth municipality and the City is required to plan for a population of approximately 422,000 by 2031. This represents growth of more than 90,000 people over the next 20 years.

The City is developing a “Made in Markham” plan for sustainable growth in response to provincial growth initiatives and directives. It will protect our natural and cultural heritage, and provide the necessary infrastructure and services for social and economic well-being for new communities, without adversely affecting existing neighbourhoods. The City values the opinions of its residents and has begun to consult with the public on these plans.

Economic Development

“Markham 2020” is Council’s approved economic blueprint that will shape Markham’s future as one of Canada’s leading communities in the knowledge-based economy. Lauded by Dr. Richard Florida and by TD Canada Trust Chief Economist Don Drummond, our strategy guides Markham's economic development for the next 10 years. It is a vision for tomorrow's Markham and a set of plans to make that vision a reality.

“Markham 2020” targets four key sectors of opportunity:

- Convergence of Information and Communications Technology and Life Sciences
- Information, Entertainment and Cultural Industries
- Professional, Scientific and Technical Services
- Finance and Insurance

These sectors present dynamic business opportunities and employment growth. Together, they will provide focus for the pursuit and development of Markham’s future prosperity and employment supply.

Transportation & Transit

Rapid growth in the Greater Toronto Area, York Region and Markham has resulted in many transportation challenges. These include:

- Congested city streets and highways
- Environmental issues
- Noise pollution
- Reduced quality of life

Smart cities provide integrated, efficient and affordable transportation and transit choices for business and leisure use. The Markham Transportation Strategic Plan is a critical component of the City’s corporate strategy. Once fully developed, Markham Centre and its associated Mobility hub will provide highly sophisticated and integrated opportunities for pedestrian, road, rail, cycle and rapid transit travel. They will define Markham’s new downtown area and connect the City’s many diverse communities.

The rapid transit project along Highway 7 will allow rapid transit buses to move out of congested traffic, enabling travelers to get around the region faster. With 34.2km of planned routes across the entire York Region, the buses will provide more reliable service to passengers with more frequent services during peak travel periods and enhanced connections to GO transit, regional transit and future extensions to the existing subway network.

Municipal Services

Markham provides thousands of services to its residents and prides itself on providing high quality services. Our residents expect quality services that are cost-effective and responsive to their needs. Optimizing service delivery requires setting priorities and making choices. The City’s commitment to service excellence extends through its one-stop Contact Centre, convenient counter services with extended hours from 5pm to 7pm every Thursday, community centres and libraries, online services, industry leading waste management and drinking water programs and reliable fire and emergency services.



Environment & Sustainability

Markham's GreenPrint Plan encourages citizens, organizations and businesses to participate in creating a sustainable city. The plan includes :

- Policies to protect air, land, water, habitat and all living species
- A multi-year, multi-language education and communication strategy
- Partnerships with all levels of government to endorse and support sustainability
- A comprehensive Climate Action Plan

Markham's goal to achieve a sustainable city is reliant on its ability to achieve net zero energy, water, waste and emissions. The net zero approach to resource use and management means that core services such as energy and water use, and the resultant waste and emissions produced, are equally offset by mitigating measures. And more importantly, the net zero approach will ensure that quality of life is preserved for future generations.

Leisure, Recreation & Culture

The City's Integrated Leisure Master Plan centres around a 10 year strategy that Markham's decision-making and resource allocation strategies with regard to parks, recreation, culture and library service and facility needs. The Plan is based heavily on consultation with the public and stakeholders, as well as an understanding of local demand factors and future trends. Implementation of the Integrated Leisure Master Plan will define Markham as a destination of choice for active community living.

As mentioned earlier, the Pan Am Centre is due to be completed in the Fall of 2014. This new facility will host badminton, table tennis and water polo during the Toronto 2015 Pan/Para Pan Am Games and after the event will provide a lasting legacy for the sports community. As well, a new state-of-the-art community centre and library in the south east will open in 2015.

Diversity

Markham communities represent the full range of human experience, from all stages of life, abilities and ethno-cultural backgrounds. To serve them better, the Diversity Action Plan was developed through extensive public consultation and contains more than 60 recommendations that will further strengthen our commitment towards inclusion and celebrating our diversity.

With that goal in mind, the Plan pays particular attention to the needs of four communities of focus; youth, newcomers and visible minorities, seniors and persons with disabilities.

The Diversity Governance Award was presented to the City in June 2013 for recognition of embracing diversity in broad governance and making it a priority to recruit board members from diverse backgrounds. During 2013 Markham retained its position as Canada's most diverse community. New immigrants comprise 58% of the population

and visible minorities represent 72%. The City ensures that that its services are multilingual and accessible to people of all ages, backgrounds and abilities. An inclusive and welcoming community is the lifeblood of this vibrant and sustainable city.

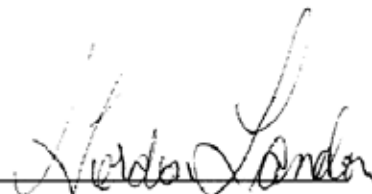
Summary

Markham is committed to offer services that are acknowledged as best-in-class, and continues to deliver accessible, sustainable and innovative community infrastructure and services for its residents. Through various initiatives and prudent planning, Markham has successfully delivered state-of-the-art facilities and award winning services, while keeping taxes at the lowest rate throughout the GTA. Markham has earned a reputation of being a premier municipality, with the ability to deliver successfully and be the leader in new initiatives and programs.

The unique characteristics of Markham have made it one of the best municipalities within the GTA for both residents and businesses alike. The diversity within the community has attracted many more residents, as the City continues to enjoy population growth. High-value businesses remain committed to their presence here and help towards creating a strong foundation for re-investment, aiding economic prosperity. As we move forward, Markham will maintain its commitments towards making the municipality an enviable and thriving region, as well as maintaining its hard earned and well deserved reputation.



Frank Scarpitti
Mayor



Gordon Landorf
Budget Chief & Regional Councillor



Logan Kanapathi
Vice Chair, Budget Sub-Committee & Ward 7 Councillor

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Markham and the North American Market

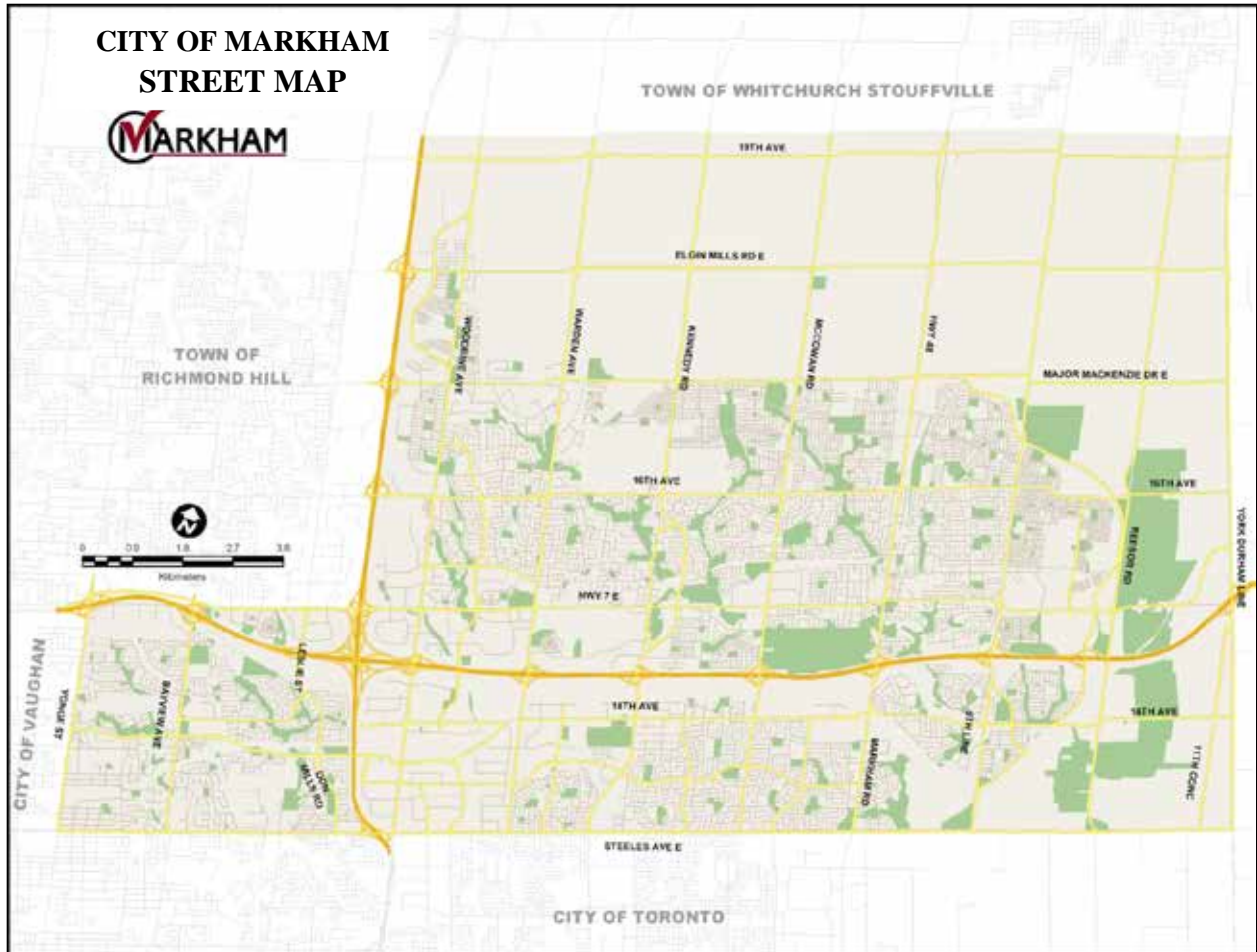


Markham and the Greater Toronto Area





2014 CITY OF MARKHAM STREET MAP



CITY OF MARKHAM COAT OF ARMS



Lion	Strength
Wheat	Agricultural History
Coronet	Canadian Maple Leaf
Helmet	From Sir Markham's Coat of Arms
Horses	Early Transportation and Strength
Medallion	From Berczy Coat of Arms (First Settlers); Fleur De Lis - and the two Acorns for growth
Shield	Four Rosettes for 4 communities: Markham, Milliken, Thornhill, Unionville; Sun Rising -Growth and Strength; Lower Section Computer Chips for a high-tech community
Base	Bed of different flowers, representing the different cultures that make up Markham
Motto	"LEADING WHILE REMEMBERING" - Recognizing Markham's municipal leadership, while remembering the contribution of past settlers and residents and our colourful history.



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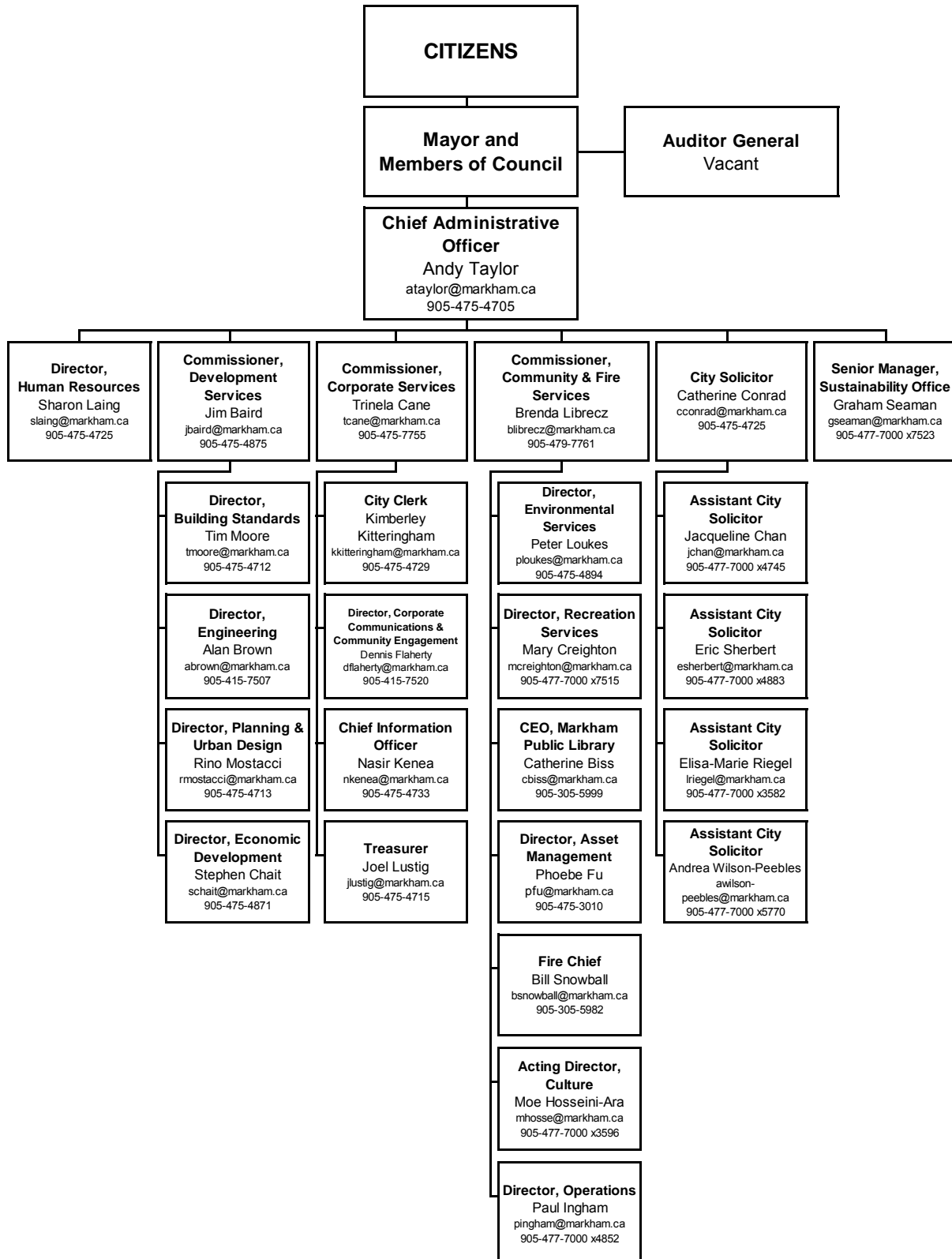
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ORGANIZATION STRUCTURE





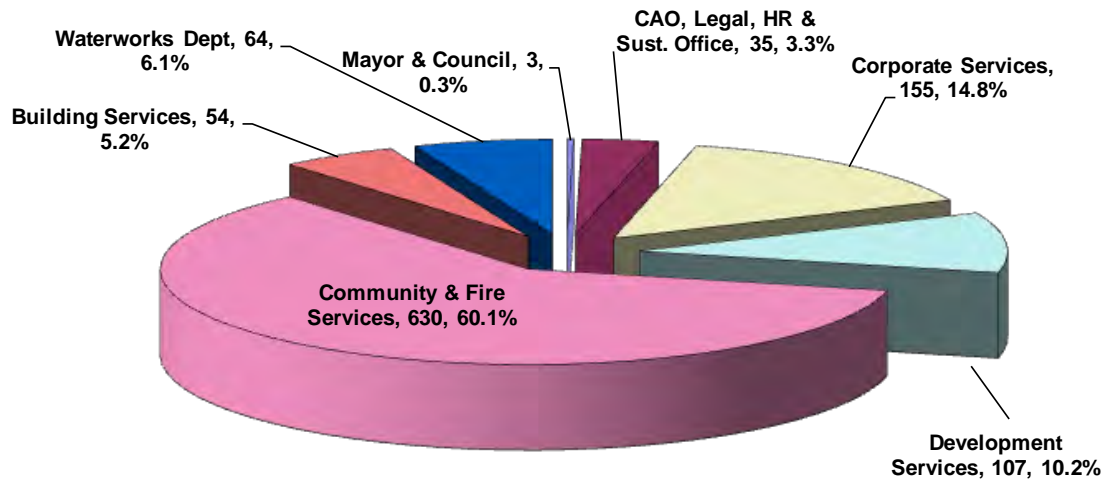
2014 BUDGET HEAD COUNT

APPROVED FULL TIME COMPLIMENT

Department / Commission	2011	2012	2013	2014
Mayor & Council*	3	3	3	3
Human Resources	19	18	18	18
Legal Services	9	10	10	10
Sustainability Office	4	3	3	3
CAO's Office	5	5	4	4
Total CAO, Legal, HR & Sustainability Office	37	36	35	35
Contact Centre	7	7	6	0
Communications & Community Relations	13	13	13	13
Financial Services	46	47	48	48
Information Technologies Services	32	32	32	33
Legislative Services	52	53	53	59
Commissioner's Office	3	3	2	2
Total Corporate Services	153	155	154	155
Economic Development	7	7	7	7
Engineering	37	37	39	39
Planning & Design	43	44	47	50
Commissioner's Office	11	11	11	11
Total Development Services	98	99	104	107
Arts Centres	6	7	7	7
Asset Management	24	26	27	30
Fire Services	258	278	278	278
Fleet	9	10	10	10
Library	62	63	70	70
Museum	6	6	6	6
Operations & Asset Management Admin.	4	2	0	0
Operations Admin.	14	15	15	15
Parks	45	46	46	46
Recreation Services	94	95	109	109
Roads	34	34	35	35
Theatre	9	10	10	10
Traffic Operations	4	4	4	4
Waste Management	6	6	6	6
Commissioner's Office	4	4	4	4
Total Community & Fire Services	579	606	627	630
Sub Total	870	899	923	930
Building Services	59	54	54	54
Waterworks	60	62	64	64
Total Corporation	989	1,015	1,041	1,048

* Excludes Mayor & Council Members

2014 Budget Full Time Headcount by Area



Summary of Changes to Approved Full Time Complement

2014 Budget

The 2014 approved full time complement of 1048 represents an addition of 7 new full time staff. All 7 positions were added through the 2014 Budget process. The details of these 7 positions are shown on the following page. The increase is due to the overall growth of the City and to the City's commitment to maintain or increase service levels.



DETAILS OF 2014 STAFF ADDITIONS

2014 BUDGET

Development Services		
Planning & Design	Growth Centre Manager	1
	Urban Designer, Policy and Growth	1
	Project Coordinator	1
Corporate Services		
IT Services	Application Support Specialist	1
Community & Fire Services		
Asset Management	Environmental Engineer	1
	Senior Project Engineer (Stormwater)	1
	Environmental Technician	1
Total		7

HISTORY OF MARKHAM



The source from which Markham draws its name is rich in both resonance and history.

When Upper and Lower Canada were established in 1791, John Graves Simcoe was appointed the first Lieutenant-Governor of Upper Canada. Simcoe named the Township of Markham, north of the Town of York (now Toronto), after his friend, William Markham, the Archbishop of York.

Markham Township was originally surveyed in 1793-94, but not until 1801 was the land divided into 10 concessions running north and south, with 6 side roads running east/west. Eventually, the boundaries of Markham Township occupied the area, as follows:

NORTH: Whitchurch Town Line (Hwy. #47)
 SOUTH: Scarborough Town Line (Steeles Avenue)
 EAST: Pickering Town Line
 WEST: Vaughan Town Line (Yonge Street)

In 1794, William Berczy led 75 German families from New York State to Markham Township. Each was granted 200 acres. Because of hardships, many returned to York and Niagara. In 1797, because of the revolution in France, many nobility fled the country and set off for Canada to take advantage of free land grants in Upper Canada. They were totally unprepared for survival under such crude conditions and most of them returned to their homeland.

From 1803 - 1812, the largest group of settlers was Pennsylvania Germans, most of who were Mennonites. These highly skilled craftsmen and knowledgeable farmers had the best chance for survival because they had already survived harsh conditions in Pennsylvania.



From 1830 onwards, many Irish, Scottish and English immigrated to Upper Canada to escape the famine and overpopulation of their homeland.

Markham's early years blended the rigours of homesteading with the development of agricultural-based industries. The many rivers and streams in the Township soon supported water-powered saw and gristmills, and later woollen mills.

With improved transportation routes, such as Yonge Street and the growing population, urbanization increased. By 1857 most of the Township had been cleared of timber and was under cultivation. Villages like Thornhill, Unionville and Markham greatly expanded and new, specialized industries such as wagon works, tanneries, farm implement and furniture factories sprang up.

In 1871, the Toronto and Nipissing Railway Company, with stations in Unionville and Markham, officially opened its line from Scarborough to Uxbridge. Initially, the railway brought renewed prosperity and rapid development. Farmers and millers had a more convenient means of transporting their products to Toronto. Other merchants had easier access to supplies and business boomed.

The first form of structured municipal government occurred in 1850 when the Township of Markham was created. On November 20, 1872, the Warden of York County signed the By-law of Incorporation, which provided for the election of a Council for the Village of Markham. The Village of Markham grew to a population of 1100 by 1891.

The increased communication with Toronto brought on by the railway and further enhanced by the development of the telegraph, the telephone and the automobile, ultimately led to the demise of the villages in the Township after the turn of the century. Local industries were simply unable to compete with the larger manufacturers and suppliers of Toronto, and Markham soon reverted to a quiet, rural community.

From 1945 onward, the face of Markham began to change rapidly. It was no longer a community whose inhabitants worked mainly within the area. It evolved into a community for those who commuted to work in Toronto. As a result, rural Markham disappeared in the face of tremendous urban growth.

By 1969, the Township of Markham consisted of several villages, including Markham, Unionville, and parts of Thornhill. In 1971, the Regional Municipality of York was established. Northern portions of Markham Township were annexed to the municipalities of Richmond Hill and Whitchurch-Stouffville, while the balance of Markham Township was incorporated in the Town of Markham and the present Town boundaries set.

In 1976, Markham's population was approximately 56,000. Since that time, the population has increased dramatically and is estimated to be 332,889 by the end of 2013. Through this change and growth, many reminders of Markham's roots endure. Still rich in fertile farmland, it stands as Canada's pre-eminent high technology centre, known worldwide for innovative products and services.

ECONOMIC PROFILE



Economic Profile *Year-End 2013*

*Markham is Canada's
High-Technology Capital
and is strategically
located in the heart of
the Greater Toronto Area
(GTA) in Canada's
economic heartland*



City of Markham
Economic Development Department
101 Town Centre Boulevard
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Tel: (905) 475-4878
e-mail: edoinfo@markham.ca
www.business.markham.ca



Economic Overview

High-Tech Capital: Leading the Way with Information Technology & Life Sciences Companies

Markham, strategically located in the heart of the Greater Toronto Area, is one of the fastest growing municipalities in Ontario with more than 332,000 people. More than 400 corporate head offices and over 1,000 high technology and life sciences companies are located in Markham. These two sectors generate a total employment of about 39,000, or about a quarter of the total employment of 150,000. High quality facilities, a highly educated and diverse workforce and a pro-business environment signify the many attributes that continue to attract world-renowned corporations to Markham, including IBM Canada, AMD, Honda Canada, Honeywell, Oracle, Johnson & Johnson, Huawei and many others.

More recently, Markham has intensified its efforts to maintain economic momentum with the release of its economic strategy for the next decade – Markham 2020. As part of its economic competitiveness strategy, Markham will continue to attract highly-educated and skilled immigrants; build on its leadership position in the high tech and life sciences sectors; and reach out to global markets, both to bring investments into Markham as well as to provide Markham-based businesses with global opportunities.

Markham's Top 20 Employers

Company
IBM CANADA LTD.
TD WATERHOUSE INC.
AMERICAN EXPRESS (AMEX CANADA INC.)
MARKHAM STOUFFVILLE HOSPITAL
THE MILLER GROUP
CGI INFORMATION SYSTEMS
AMD TECHNOLOGIES INC.
CITY OF MARKHAM
JOHNSON AND JOHNSON INC.
THE LIBERAL
BROOKFIELD JOHNSON CONTROLS
FIRST STUDENT CANADA
CANADIAN AUTOMOBILE ASSOCIATION TORONTO AUTO CLUB
ALLSTATE INSURANCE
MMM GROUP
GE GRID IQ INNOVATION CENTRE
HOMELIFE BAYVIEW REALTY INC.
GIESECKE & DEVRIENT SECURITY CARD SYSTEMS INC.
BROOKFIELD RESIDENTIAL SERVICE LTD.
THE NIELSEN COMPANY

Data source: 2013 York Region Employment Survey

Produced by the City of Markham Economic Development Department Tel: (905)475-4878 Email: edinfo@markham.ca www.business.markham.ca

High-Technology Cluster

Industrial Category	Number of Companies
Computer Systems Design and Related Services	236
Engineering Services	96
Computer, Computer Peripheral and Pre-Packaged Software Wholesaler-Distributors	76
Graphic Design Services	46
Electronic and Precision Equipment Repair and Maintenance	46
Management Consulting Services	40
Wireless Telecommunications Carriers (except Satellite)	34
Electronic Components, Navigational and Communications Equipment and Supplies Wholesaler-Distributors	33
Data Processing, Hosting, and Related Services	21
Semiconductor and Other Electronic Component Manufacturing	17
Other Telecommunications	17
Navigational, Measuring, Medical and Control Instruments Manufacturing	16
Wired Telecommunications Carriers	16
Research and Development in the Physical, Engineering and Life Sciences	16
Software Publishers	14
Computer and Peripheral Equipment Manufacturing	13
Other Scientific and Technical Consulting Services	13
Management of Companies and Enterprises	11
Electrical Equipment Manufacturing	9
Environmental Consulting Services	9
All Other Professional, Scientific and Technical Services	8
All Other Electrical Equipment and Component Manufacturing	7
Communication and Energy Wire and Cable Manufacturing	6
Surveying and Mapping (except Geophysical) Services	6
Electric Power Generation	5
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	4
Other Communications Equipment Manufacturing	4
Geophysical Surveying and Mapping Services	4
Industrial Design Services	3
Telephone Apparatus Manufacturing	2
Wiring Device Manufacturing	2
Internet Publishing and Broadcasting, and Web Search Portals	2
Audio and Video Equipment Manufacturing	1
Manufacturing and Reproducing Magnetic and Optical Media	1
Research and Development in the Social Sciences and Humanities	1
Total	835

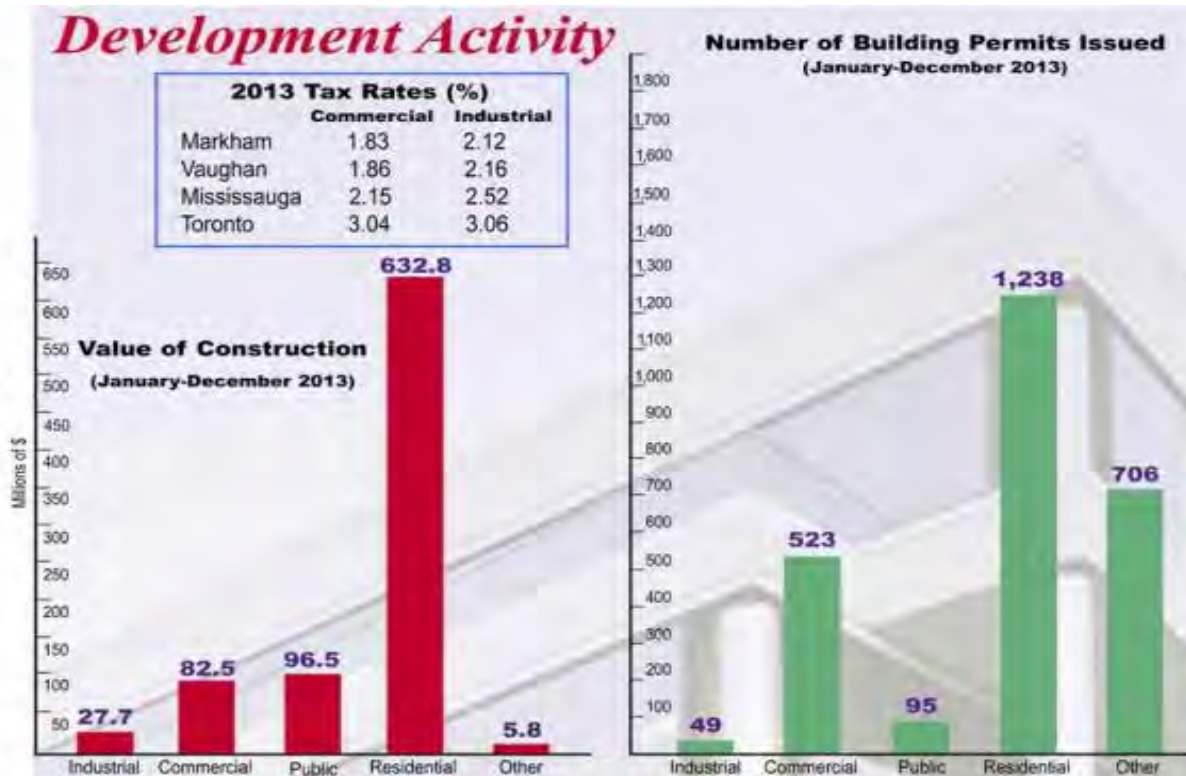
Note: Data was obtained from the 2013 York Region Business and Employment Survey, and while every effort has been made to ensure the accuracy of this information, the Regional Municipality of York and the City of Markham can accept no responsibility for any inaccuracies, errors or omissions. Some industry categories can be found under the high-tech and life sciences clusters because the functions of the companies belonging to such categories support both sectors.



Life Sciences Cluster

Industry Category	Number of Companies
Professional Machinery, Equipment and Supplies Wholesaler-Distributors	37
Medical Equipment and Supplies Manufacturing	24
Medical and Diagnostic Laboratories	20
Pharmaceuticals and Pharmacy Supplies Wholesaler-Distributors	16
Computer Systems Design and Related Services	14
Research and Development in the Physical, Engineering and Life Sciences	11
Office Administrative Services	11
Management of Companies and Enterprises	8
Navigational, Measuring, Medical and Control Instruments Manufacturing	7
Testing Laboratories	6
Home Health Care Services	6
Pharmaceutical and Medicine Manufacturing	3
Toilet Preparation Manufacturing	3
Management Consulting Services	2
Other Scientific and Technical Consulting Services	2
Computer, Computer Peripheral and Pre-Packaged Software Wholesaler-Distributors	1
Research and Development in the Social Sciences and Humanities	1
Total	172

Industrial/Commercial Activity



Industrial Commercial Development

Industrial & Business Parks, 2013

Industrial available land – serviced and market ready	600.77 acres
Industrial available land – unserviced	507.12 acres
Average price per acre	\$522,500 - \$660,000

Commercial available land – serviced and market ready	309.28 acres
Commercial available land – unserviced	106.54 acres
Average price per acre	\$990,000 - \$1,210,000

Industrial Inventory, 2013 (Q4)

Total inventory (sq.ft.)	32,073,869
Vacancy rate – class A	3.2%
Average net rent (sq.ft.)	\$5.20

Commercial Office Inventory, 2013 (Q4)

Total inventory (sq.ft.)	1,136,384
Vacancy rate – class A	7.0%
Average net rent (sq.ft.)	\$15.48

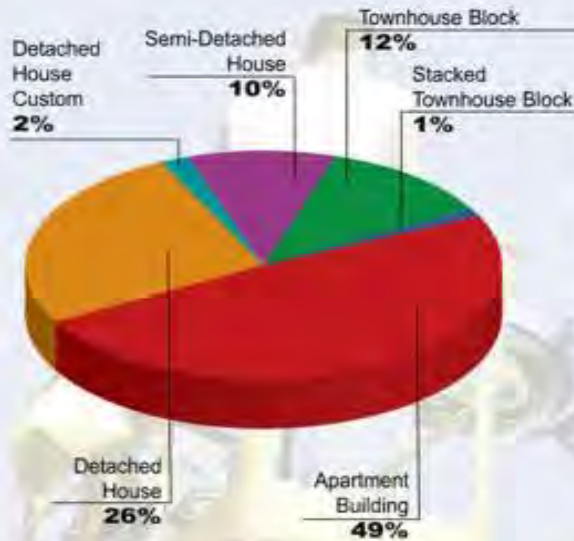
All values are in Canadian Dollars.

Source: Colliers International

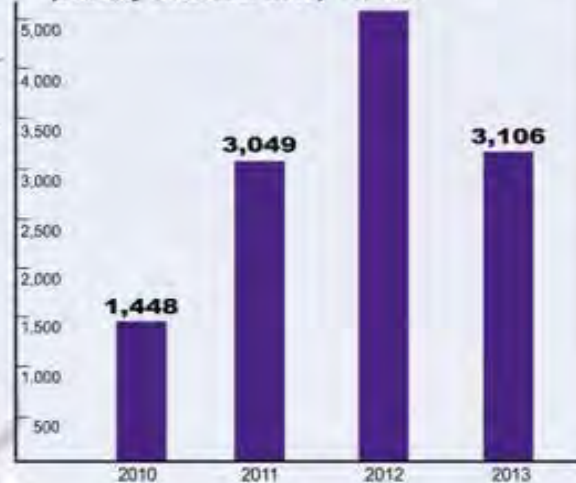
Residential Activity & Utilities

Residential Development

New Residential Units Profile
(January-December 2013)



Number of New Residential Units per Year
(January-December 2013) **5,082**



Average House Prices (Royal LePage Q4, 2013)

Detached Bungalow	\$655,000
Executive Detached Two-Storey	755,000
Standard Two-Storey	650,000
Standard Townhouse	525,000
Senior Executive	845,000
Standard Condominium Apartment	355,000
Luxury Condominium Apartment	485,000

Municipal Utilities

Water & Sewer Infrastructure, 2013 Rate

Water & wastewater rate per cubic metre	\$2.8376/m ³
Sewer mains	819.43 km
Water mains	1,043.7 km

Electricity Costs and Charges, Business Rates

50kW or Less		Greater than 50kW Demand	
Distribution rate	\$0.0137/kWh	Distribution rate	\$2.7806/kW
Monthly fixed charge	\$25.80 per month	Monthly fixed charge	\$142.52 per month

Quality of Life

The award-winning City of Markham is the largest of nine communities in York Region with a population of over 332,000, and a land area of 212 square kilometres. The City is a blend of four communities – Markham Village, Unionville, Milliken and Thornhill, located on the northern boundary of the City of Toronto. Markham is a growing community with prestigious housing developments and businesses, quality schools, art gallery, museum and theatre, numerous parks and recreational areas.

Markham is the home of Seneca College, Markham's premier post-secondary educational research and training facility. For more details on the programs offered at the Markham Campus, <http://www.senecac.on.ca/campuses/markhamlocation.html> **Seneca**

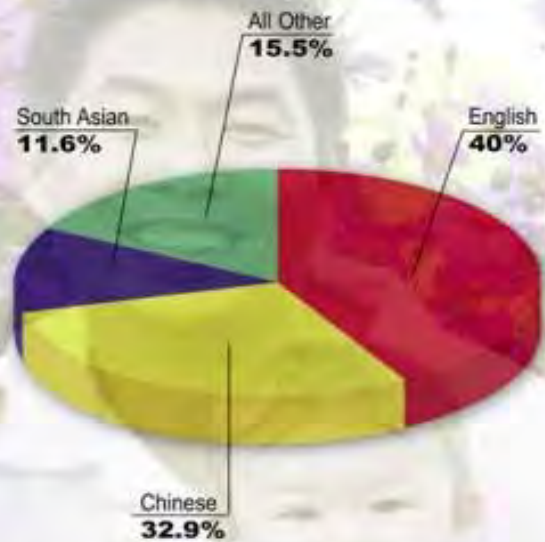
Recreation and Culture	
Total Area	212
Number of Parks	194
Trails/pathway system (km)	127.7
Public Libraries	7
Community centres & facilities	29
Golf Courses	9
Ice Arenas	10 pads
Flato Markham Theatre, Markham Museum, Varley Art Gallery	
Heritage areas – Thornhill Village, Unionville Village, Markham Village, Buttonville Village	
Public Health and Education (public & catholic)	
Markham Stouffville Hospital	240 beds
Shouldice Hernia Centre	89 beds
Elementary schools	72
High schools	14
Community Colleges (within 1 hr drive)	8
Universities (within 1 hr drive)	7
Transportation Infrastructure & Service Providers	
Roads	1,254.9 km
Highways (404 and 407)	32 km
Side walks	992 km
York Region Transit (YRT)/Viva	www.yorkregiontransit.com
Toronto Transit Commission (TTC)	www.toronto.ca/ttc
GO Transit	www.gotransit.com
CN Rail	www.cn.ca
407 ETR	www.407etr.com
Toronto Buttonville Municipal Airport	www.torontoairways.com

Demographic Profile

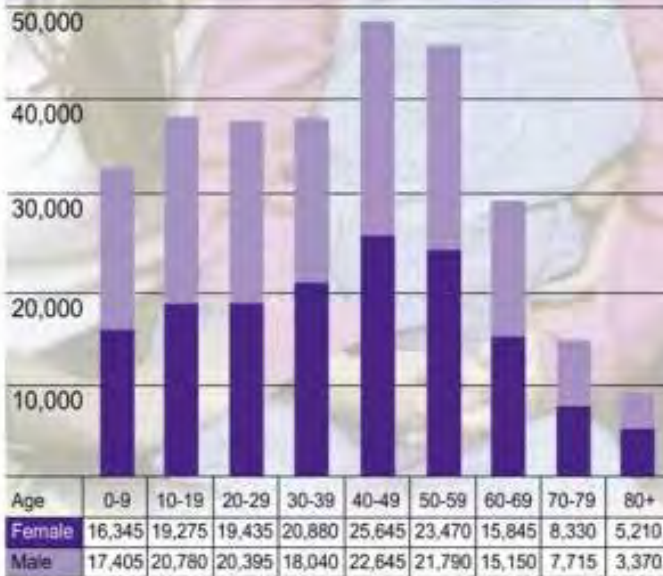
Population Projections (York Region Forecast 2010)

Year	Projection
2006	273,000
2013	332,000
2016	337,800
2021	370,300
2026	398,300
2031	421,600

Mother Tongue Breakdown (2011 Census)



Population Age Characteristics (2011 Census)



Educational Attainment (2011 National Household Survey)

University Degree/ Diploma/Certificate	40%
Trade, College or Non- University Diploma/Certificate	19%
High School Certificate	25%
Less than High School	16%

Labour Force Profile

Income Levels of Persons Reporting Income (2011 National Household Survey)

Markham Average	\$42,610
Ontario Average	\$42,264
Canadian Average	\$40,650

Basic Indicators (2011 National Household Survey)

Number of Persons Employed	160,225
Unemployment Rate	8.1%
Labour Force Participation Rate	64.7%

Labour Force By Industry (2011 National Household Survey)

	%
Finance, Insurance, and Real Estate	12.6
Professional, Scientific and Technical	11.6
Retail Trade	10.3
Manufacturing	9.6
Health Care and Social Assistance	8.0
Wholesale Trade	7.5
Educational Services	6.5
Accommodation and Food Services	6.3
Information, Cultural, Arts, Entertainment and Recreation	5.0
Public Administration	3.8
Construction	3.5
Other	15.3

Average Earnings, by Selected Occupation, in the Greater Toronto Area (2011; Statistics Canada)

Minimum Wage Rate	
Under 18 years of age	\$ 9.60
Over 18 years of age	\$10.25
Selected Occupation	
Sales and service	\$28,600
Art, culture, recreation and sport	\$35,500
Processing, manufacturing and utilities	\$40,100
Trades, transport and equipment operators and related	\$45,300
Health	\$47,400
Business, finance and administrative	\$48,000
Social Science, education, government service and religion	\$60,700
Natural and applied sciences and related	\$62,200
Management	\$90,100

Note: For other Census and National Household Survey topics, please visit www.statscan.gc.ca

Data for Average Earnings by Selected Occupation, is based on the Toronto census metropolitan area (CMA), from Statistics Canada.

Table 202-0106 – Earnings of Individuals, by selected characteristics and National Occupational Classification (NOC-S), 2011 constant dollars, annual, CANSIM (database). (accessed: 2013-11-20)



NEW DWELLING UNITS (RESIDENTIAL & NON-RESIDENTIAL) AND CONSTRUCTION VALUES

Number of New Dwelling Units Issued in Year 2013

Single Dwellings	873
Double Dwellings	312
Row Dwellings	394
Mixed Residential	-
Apartments	1,398
Total	2,977

Construction Value of Permits Issued in 2013

Residential	592,956,437
Mixed Residential	-
Industrial, Commercial Institutional & Government	184,473,519
Other	52,278,039
Total	829,707,995

STRATEGIC PLAN AND INITIATIVES

Building Markham's Future Together (BMFT)

Markham has experienced dramatic growth and change during the past decade. In 2007, recognizing the need to take the right steps today to prepare for the future, Markham Council and Senior Staff identified six strategic priorities for Markham. These priorities were confirmed by Markham residents and stakeholders through an extensive public consultation program, including an innovative online survey process called Click With Markham.

In 2012, Council and Senior Staff came together to review BMFT accomplishments and identify a workplan to 2014. As part of the discussion, it was agreed that Markham 2020 – the Economic Development Strategy, that was nearing completion when BMFT was developed, would now be included in Council's Strategic Plan.

Short-Term Goals

Building Markham's Future Together represents Markham's strategic direction and includes 32 action plans associated with the six strategic priorities (Growth Management, Transportation/Transit, Environment, Municipal Services, Parks, Recreation, Culture & Library Master Plan/Public Safety and Diversity). In 2008, Markham made significant short term progress on the associated action plans, continuation of public consultation and conducting community-based research.

Also, in early 2009, community residents and stakeholders were invited to attend a series of introductory public meetings and discussions on each of the six strategic priorities. The goal of these meetings was to increase community understanding of the action plans and for residents and stakeholders to provide their views on important elements for Markham to consider in developing and implementing specific plans and programs. More community engagement will continue throughout 2014 for each of the six strategic priorities. This process will continue until the 32 action plans are all completed.

Long-Term Goals

Looking forward, Building Markham's Future Together will help Markham to create a long term community sustainability plan: Greenprint, Markham's Sustainability Plan (Greenprint). Greenprint is a plan to help us to achieve a balance among environmental, social/cultural and economic factors. The planning process of Greenprint began in early 2009 and is a companion process to Building Markham's Future Together that will continue throughout 2014. The Greenprint integrates many of action plans from Building Markham's Future Together.

The following section outlines Markham's progress to date on the 32 action plans associated with the six strategic priorities and progress on the Markham 2020 – Economic Development Strategy.

GROWTH MANAGEMENT



Managing the City's growth:

Through our Click with Markham campaign, residents identified managing growth as a top priority. Markham has been identified as a growth municipality by the Region of York and the Province of Ontario. The City's strategy to manage the challenges of growth includes:

- | | |
|----------------------------|-------------------|
| Ø Pace of Growth | Ø Economy |
| Ø Land use | Ø Housing mix |
| Ø Environmental protection | Ø Quality of life |
| Ø Agriculture | Ø Transportation |
| Ø Cultural heritage | Ø Infrastructure |

The City's plan:

- Ø **Develop a "Made in Markham" Growth Management Strategy by Q2 2010. The Strategy will form the basis for a long term vision and plan for sustainable community growth.**

Status: Completed

The City developed a 'Made in Markham' plan for sustainable community growth in response to provincial growth initiatives. The plan will protect the City's natural and cultural heritage, and provide for social and economic well-being. The development of a Growth Management Strategy was completed in May 2010. The Strategy was based on an 'environment first' approach, starting with the identification and protection of a City-wide natural heritage network "the greenway system" which represents 35% of the City lands. . The draft Official Plan was presented to Council in September 2012, and a series of community open houses and a public meeting was held in the Fall of 2012. The Official Plan was approved by Markham Council in 2013 for adoption, and is now awaiting approval from York Region.

- Ø **Develop a plan to deliver the services required to accommodate growth.**

Status: Underway

The City is developing a plan to deliver the additional infrastructure and services needed to support our new communities. Where these services are not provided directly by Markham, the City will coordinate with other levels of government and other agencies to ensure the appropriate services are delivered. Work has been completed on a Master Servicing Plan and the Transportation Strategic Plan. The Integrated Leisure Master Plan (ILMP) has also been completed. The ILMP

has a ten year planning horizon, and through an intensive process of community engagement and consultation, the Project developed a Master Plan for Markham's future parks, recreation, cultural facilities and libraries. The ILMP process involved extensive consultation with Council, resulting in an approval of the ILMP recommendations in April 2010 - the first of Council's strategic priorities (Building Markham's Future Together) to be completed. In addition, the City is working on a Community Infrastructure Capacity Review to identify the overall community infrastructure needed to accommodate growth (e.g. health care services, education, etc).

Ø **Develop a financial strategy to implement our growth plan.**

Status: Completed

Financial analysis for the growth alternative was undertaken, and a new Development Charges By-law was adopted by Council in May 2013. The City will continue to work with all levels of government to reform legislation, develop new fiscal tools and directly provide the funding for necessary infrastructure.

Ø **Keep citizens involved and informed every step of the way.**

Status: Completed.

An extensive public consultation program was undertaken, including over 20 community meetings on individual background studies, and a number of community meetings, stakeholder meetings and online consultation regarding the growth alternatives in 2009 and 2010. Public consultation on the new Official Plan began in the spring of 2011, with a public open house/public meeting and stakeholder consultation to discuss the approach for the new Official Plan. Staff provided updates to Development Services Committee throughout 2012 which were accessible to the public. A series of community open houses and a public meeting was held in the Fall of 2012. The Official Plan was adopted by Markham Council in 2013. Additional consultation will occur at the Regional level in 2014. The City has posted numerous presentations and staff reports regarding the Growth Strategy and related studies on the City website. The City has also developed a Workbook that summarizes the proposed alternatives and provides an opportunity for the reader to provide their opinions on these alternatives.

In 2013 the City commenced review and consolidation of the City's 49 non-statutory and statutory secondary plans through Managing Growth and Impact on Service Delivery initiative.

By Q4 2014 a number of studies will be undertaken to develop sustainable processes to manage growth in the Community Expansion Area. These include:

- Transportation Engineering/Traffic Operations
- Capital Works
- Development Engineering
- Parks & Open Space Development
- Urban Design

TRANSPORTATION/TRANSIT



Improving transportation and transit:

Rapid growth in the Greater Toronto Area, York Region and Markham has resulted in many transportation challenges. These include:

- Ø Congested city streets and highways
- Ø Environmental issues
- Ø Noise pollution
- Ø Reduced quality of life

Markham needs a transportation/transit vision, along with an implementation plan, a funding strategy and a partnership framework. The City needs to take steps now to protect our neighbourhoods and encourage economic growth.

The City's plan:

- Ø **Work with partners to address our transit challenges by Q4 2011 and beyond.**

Status: Underway

The City continues to work in partnership with York Region, Metrolinx, and other levels of government and government agencies, including Toronto, GO Transit and other stakeholders. Together, the City anticipates to plan and build an integrated Greater Toronto Area transit system and road network. This would address road improvements for the 400 series highways, as well as local and regional roads.

The City has been providing input into the York Region's Transportation Plan Update and reflecting comments from Council, residents and businesses. The City also made submissions to Metrolinx regarding the Yonge Subway extension to Richmond Hill/Langstaff, and encouraged more funding from the Province for other rapid transit projects in Markham. The City, in consultation with York Region Transit, Ministry of Transportation Ontario (MTO), 407 Express Toll Route (ETR) and York Region's staff have been exploring opportunities to make Langstaff and Markham Downtown as true transit hubs where there will be major origin and destination of many trips as well as important inter-modal hubs. The Region and City have completed their Master Transportation Plans to 2031 which

includes additional transit initiatives and provides a transportation strategy requirement to accommodate growth to 2031.

Ø **Develop the City's rapid transit infrastructure throughout 2009 and over the next 8 years.**

Status: *Underway*

This can include a number of transit initiatives. For example: extending the Yonge Subway line to Hwy 7, providing Viva and/or GO "Centre to Centre" service, improving GO service levels and services along the 407, supplemented by sufficient local transit service where required. While the City is not directly responsible for providing transit services, City staff continues to work closely with various transit authorities (York Region Transit, GO Transit) and request service improvements. To complement the increased level of service, the City is creating communities that emphasize public transit as a viable alternative to private cars as a mode of transportation. In all planning exercises, transit service is given a high priority as well as other supporting infrastructure to attract more transit users.

Ø **Create transit-friendly policies in all aspects of City planning in 2011 and beyond.**

Status: *Underway*

This includes transit oriented development land use, Travel Demand Management, live/work balance, education, High Occupancy Vehicle (HOV) lanes, parking, bicycle network, safe streets and developing environmentally friendly transportation modes to reduce Single Occupant Vehicle (SOV). Policy must address live/work balance, higher density, infrastructure, transit nodes and corridors.

The City has received a number of higher density mixed used development applications. City staff have been working with these applicants and have shown leadership in developing transit oriented development. The Cycling and Pedestrian Advisory Committee (CPAC) continues to provide valuable inputs into the promotion of active transportation as well as other measures to make personal transportation more environmentally friendly. Phase 1 of Plan was completed in late 2013.

Policies are being developed for intensification areas to reduce the number of trips (through mixed land use), reduce auto use (parking policy, carpool lanes, proximity to alternative modes,) and encourage the use of other modes especially Active Transportation (bike lanes, continuous sidewalks). The Markham Transportation Strategic Plan (MTSP) investigates a number of policy issues.

The City approved \$2.5 million to start the design and building of multi-use pathways in Markham from Toogood Pond to McCowan Rd and implement signage.

ENVIRONMENT



Protecting the City's environment:

Human activity is significantly changing the environment on a global scale. Markham's air, land, water and habitats are all affected. The City urgently needs a coordinated strategy to promote a sustainable community.

The City's plan:

- Ø **Create a final Greenprint, Markham's Sustainability Plan (Greenprint) strategy for Markham by Q2 2011.**

Status: Completed

The Greenprint is the overarching strategic document for this area of focus but also goes far beyond the environment and includes social, culture and economic strategies. The Greenprint was endorsed by Council in June 2011 and the official launch was held in October 2011. The plan includes:

- Policies to protect air, land, water, habitat and all living species
 - § Completion of Storm Water Management Facility Database and Maintenance Manual – Storm Water Management (SWM) Facilities Maintenance and Retrofit.
 - § Water management principles, aligning with the Greenprint Pillars of sustainability, have been developed for the City.
- A multi-year, multi-language education and communication strategy
 - § Two Sustainability Fairs were held: the first in October 2009 that was attended by over 100 people and provided an opportunity for the City to receive input on the 12 Goal Areas of the Greenprint. The second fair was held in November 2010 that provided opportunities for residents to learn about local food and the Greenprint.
 - § The launch of the Greenprint was held in October, 2011 to finalize the development process and introduce the completed plan.
- Partnerships with all levels of government to endorse and support sustainability
 - § Partnerships and collaborations include: York Region; Ontario Government (Ministry of Education); Metrolinx; York University (Social Sustainability Workshop); York Region District School Board; York Region Catholic School Board; Federation of Canadian Municipalities;

Association of Municipalities of Ontario; Municipalities with best practices in community sustainability (i.e. Whistler, BC)

§ Markham received three years of funding for Embedded Energy Manager from PowerStream and the Ontario Power Authority (OPA) for corporate energy conservation till 2014.

- A comprehensive Climate Action Plan

§ A report for Partners for Climate Protection milestones 1 and 2 was completed in 2009.

§ The Greenprint is the City's Climate Action Plan and it is targeted to address the Partners for Climate Protection milestones.

Ø **Adopt green building standards and green community standards by Q2 2011.**

Status: Completed

The City wants to make Markham a recognized leader in environmental standards.

- Phase 1 Report on "Leadership in Energy and Environmental Design (LEED) and Beyond - Markham Sustainable Development Standards and Guidelines" was presented to Environmental Issues and Sustainability Committee (January 2009). Phase 1 Study report was updated to align with the new Official Plan policies. Phase 2 report was incorporated into the new Official Plan policies.

Ø **Develop and implement a community-wide zero waste strategy.**

Status: On-going

The City wants Markham to adopt best practices to move towards a zero waste ecological footprint policy as a baseline and model for residents to follow.

- City owned facilities such as Markham Civic Centre and 555 Miller Avenue Operations Yard, along with the Unionville Meadows Public School and Markham sponsored special events like Zero Waste, and launch of the Zero Waste School Program.
- The City has achieved a 81% (MPMP) municipal diversion rate in 2013, which is the best in the GTA and among top of class for North America.
- Diversion Strategy Implementation includes – Carpet recycling depot established, expanded electronic waste diversion program, develop 'move out' program, develop annual "Environmental Days" for residents, curbside bag changes and establish retail bag policy.

Ø **Prepare a Public Realm Policy and Program.**

Status: Underway

The City wants to build on existing programs to improve all parks, streets and natural areas.

- Implementation of Pesticide By-law and Education Plan in 2009.
- Ongoing implementation of the Trees for Tomorrow program which has a goal to plant 90,000 trees over the four-year period of 2010 to 2014.



Markham Trees for Tomorrow will adapt to meet the needs or challenges of a changing environment with the intent to protect the urban forest. Planted 300,00 trees through the Trees for Tomorrow program (2008-2013)

- Community tree plantings, stewardship events and educational outreach programming will continue in 2014.
- A Public Realm Advisory Committee was established in 2011 and demonstration projects have been undertaken at flowering trees in parks, bulbs in grass, mural and artful bike racks at Pomona Mills. The strategy will be completed in Q2 2014.
- Rouge Park – Markham has been working with the Rouge Park Alliance as well as other stakeholders to support the creation of a major conservation area that will balance uses with agriculture and the natural environment. In 2014, Markham will continue to work with Parks Canada on the vision for the Rouge National Urban Park in Markham.

Ø **Develop strategies to maintain healthier, greener communities.**

Status: Underway

This includes boosting local food production, building more bike paths and walking trails, and improving the safety and security of City neighborhoods.

- A new farmers' market at the Stiver Mill, Unionville (July 2009)
- Guidelines for new community gardens (Q2 2009)
- Sustainability Fairs were held in 2009 and 2010 featuring local food and food security.
- The City worked with Seeds of Change to host gardening events in 2011 and 2012.
- In 2013, a report on Community Allotment Garden principles, guidelines and pilot projects was presented to Council. Two community groups piloted the community garden establishment process with the City in 2013. The program will roll out city wide in 2014.
- Staff in Sustainability Office and Parks Design are working to develop the design for a new allotment garden in Markham.

Ø **Develop a funding strategy and modeling tool to support these initiatives.**

Status: Underway

The model must be created with the goal of sustainability in mind. To accomplish this, it must be created around a triple bottom line: a social, economic, and environmental framework.

- Incorporated Greenprint alignment discussion as part of the 2012 Capital Budget process.
- In 2011, City Staff produced the first municipal Annual Report in Canada that aligned to the Global Reporting Initiative. In 2013 and 2014, staff are building on previous effort by developing a more robust discussion of the data and what it means to Markham and our stakeholders.



Excellence in municipal services:

Markham provides hundreds of services to its residents and prides itself on providing high quality services. City residents expect quality services that are cost-effective and responsive to their needs. Optimizing service delivery requires setting priorities and making choices.

The City developed a framework for reviewing services promoting elements of;

- Ø Service Excellence
- Ø Service Innovation
- Ø Service Value

Performance measurements will be used to ensure that expectations are met or surpassed, services are delivered efficiently and effectively, and improvement areas are identified. The City will also develop a systematic way to review and evaluate competing demands for municipal resources.

The goal is to ensure the most effective, economical and sustainable priorities are set.

The City's plan:

- Ø Complete all planned service improvements.

Status: Completed

Project teams reported to Council as they completed this work. The City built a municipal services model by pursuing excellence in service delivery in the following:

- **Service Promise** – What can you expect from the service the City is providing to you and what can you do if the City does not meet your expectations?
- **Service Value** – Why is the service the City provides important and valuable to you and/or the community, as a whole? Is the City delivering service in the most effective and efficient manner?
- **Measurement** – Did the City meet the expectations and live up to the Service Promise?



- **Service Innovation** – Provide new and creative ways of delivering municipal services. Focus on results and outcomes that demonstrate leadership and innovation in all municipal services, and communicating these results effectively to residents.
- **Completed Projects** – Roadway winter maintenance service level review; improved property standards through beautification; zero waste initiative at Civic Centre; shopping cart By-law; recycling at super mailboxes, sports fields and on Main Streets; after hours call pick-up in By-laws and the Contact Centre now deals with enquiries relating to water bills.

Ø **Develop a clear process to evaluate City services.**

Status: Completed

Building on the excellence model, municipal services are driven by innovation, integration and a focus on value to residents and businesses.

Ø **Develop a service planning framework for corporate policy development to guide service levels and innovative and sustainable practices.**

Status: On-going

This includes service level accountability and review, reporting and communication. Where practical, the City will aim to reduce the cost of delivery while improving City services.

Operations Service Planning – Project teams built a municipal services model for the City Operations Department using the elements of service promise, innovation, and value. Staff completed end-to-end process mapping to document service delivery standards to ensure consistent and measurable results. Phase 2 was completed with staff developing standard operating procedures, service levels and benchmarks.

Waterworks Service Planning – The Waterworks Department commenced the service planning exercise in 2012. Phase one and Phase two were completed in April 2013. Phase 3 commenced in Q1 2014 and is anticipated to be completed by the end of the year.

Enhancing Customer Experience Service Planning – commenced in Q4 of 2013 to identify, review and develop recommendations to improve the current business processes and practices, and determine potential business transformation opportunities for enhancing customer experience while obtaining service levels. This project is expected to be completed by Q3 2014.

PARKS, RECREATION, CULTURE & LIBRARY MASTER PLAN/PUBLIC SAFETY



Investing in the City's quality of life:

The City can enrich community life and create more "liveable" communities when the City invests in health, wellness, and lifelong learning programs. This includes:

- Ø Enhancing City community parks, recreation, culture and library programs and service delivery systems
- Ø Making community safety a priority in developing programs, policies and facilities

The City's plan:

- Ø **Update and create an Integrated Leisure Master Plan (ILMP) by Q2 2010.**

Status: Completed

The City needs to create short, medium and long-term priorities for City parks, recreation, culture and library programs and facilities. The City bases the priorities on a sustainable financial model.

- Promote and create opportunity for lifelong active living.
- Review programs, facilities, and public spaces to ensure they reflect and respect the needs of the City's diverse communities
- Ensure Markham's green spaces fit the needs of local neighbourhoods and create interplay between active and passive leisure opportunities
- Engage the public and stakeholders in developing the Master Plan.

The ILMP was approved by Council in April 2010. It will be implemented over the next 10 years.

In 2010, the City acquired land for a sports park and work on the planning for the South East Community Centre and Library commenced in 2011. Construction of the Pan Am facility is underway and is anticipated to be completed in 2014.

The Culture Plan was completed in 2013 and the Park Amenities/Park Renaissance project is underway in 2014.

The Cornell Community Centre and Library officially opened in February 2013.

- Ø **Create Markham's first Community Safety Plan by Q4 2012.**

Status: Started Q3 2012

The City needs to develop a comprehensive strategic plan that will provide sustainable solutions to enhance community safety in Markham. A Community Safety Plan benefits from strong linkages with social service and enforcement



agencies, urban growth, built form, transportation, and parks, recreation, culture, library programs and facilities.

- Engage the public in defining “community safety” in Markham
- Strengthen neighbourhoods and invest in children, youth, and families
- Build community partnerships, including the role of enforcement and policing
- Design and retrofit facilities with community safety in mind
- Maximize synergies with other Council Priorities by sequencing this project to benefit from work underway in the areas of urban growth, transportation, and the leisure master plan.
- Phase I of the Community Safety plan commenced in 2011.



Celebrating the City's diversity:

Markham communities represent the full range of human experience, from all stages of life, abilities and ethno-cultural backgrounds. To serve them better, the City needs to develop a clear strategy and related policies to:

- Ø Promote unity and inclusiveness
- Ø Provide programs and services that address the diverse needs of Markham residents.

The City's plan:

- Ø **Engage Markham's diverse communities.**

Status: On-going

The City continues in taking steps to involve diverse groups in our activities and initiatives, including regular focus groups and fostering a welcoming environment at all City facilities with a "doors wide open" philosophy. Five external consultations regarding the Diversity initiative were conducted with the community. The information arising from these consultations was utilized in the formulation of a Diversity Action Plan for the City that was released in the summer of 2009. A first draft of the Diversity Action Plan was circulated for stakeholder feedback in November 2009.

The Diversity Action Plan was approved in Q2 2010 and formally launched to the public in July 2010. The Diversity Action Plan Implementation Committee has been established to help with the implementation of 68 recommendations.

- To commemorate the International Day for the Elimination of Racial Discrimination, the City of Markham held the annual Many Faces of Markham event to celebrate the diversity within Markham. The 13th Annual Many Faces of Markham event "Waving Flags, United We are!" was held in March 2011. This year, in addition to the writing and art competition, a video component was included. There were more than 1,000 submissions from various schools across Markham.
- In March 2012, Markham hosted the "Straight Talk" panel event to address the community's concerns about media representation of diverse groups.



- Black History month is celebrated annually in February in partnership with York District School Board and Markham's African Caribbean Association.

Ø **Foster a greater understanding of diversity across Markham through community partnerships.**

Status: On-going

This will help the City to align our services and programs with the needs of Markham residents. It will also demonstrate the City's commitment to unity, and commitment to respecting and promoting human rights. The City of Markham became a member of the United Nations Education, Scientific and Cultural Organization - Coalition of Municipalities Against Racism in the winter of 2009. Many Faces of Markham event was held in April 2009. The City partnered with the York Region District School Board and proclaimed Black History Month in February 2010. The City also proclaimed "Diversity Day" in June 2010. In July 2012, the World Unity Festival was the first introduction of a City-wide festival involving dance, entertainment and food representing cultures from around the world.

In 2014 the Reelword Film Festival will take place in Markham.

Ø **Enhancing Markham boards and committees.**

Status: On-going

The City approved the establishment of a Seniors Committee in September 2009. The City will also review the mandates of the Race Relations Committee, the Markham Advisory Committee on Accessibility, and the Mayor's Youth Task Force. The City incorporated diversity consideration into the planning of the 2010 Municipal Election. In 2014, Staff will be preparing for the 2014 municipal election and will continue to incorporate diversity considerations into the planning.

A new citizen advisory committee board appointment policy that includes measures to diversify board appointments is currently being developed.

Ø **Find ways to make City services more accessible.**

Status: Underway

The City's goal is to reduce barriers to as many people as possible in the physical environment, customer service and communications. This includes new multilingual services and assistive communication technologies.

The City completed the accessibility upgrades which were funded from the Infrastructure Program for \$3.0 million. In addition, upgrades to the Markham Flato Theatre are were completed in 2013.

As part of our commitment to Diversity, Staff will work to develop a profile that will show the diversity of Markham's supplier chain. This is expected by the end of Q4 2014.

Ø **Develop an effective communications plan.**

Status: Underway

The City's goal is to increase awareness of our diversity strategy and foster a sense of inclusion across all Markham communities.

- Customer Service Training was provided to approximately 900 City Staff in Q2 2009.
- A Social Media policy was developed in 2011, and a strategy for using social media is being developed to reach the Markham population.
- Staff Development of a diversity related communications plan is underway and will be completed in 2014.

The Markham Public Library offers many programs to help seniors to access community and government resources programs that offer alternate ways to read. As well, the multilingual collection has been enhanced to accommodate people who speak and read diverse languages.

Ø **Engage and educate City staff.**

Status: Underway

The City will develop a vision statement, strategy and comprehensive work plan to move Staff towards an increased level of "Diversity Competence." This will include mandatory training for all staff, inclusive human resources practices with a special focus on hiring, opportunities for staff to mentor diverse individuals in their career development, an effective communications plan and a program to measure success.

- The Diversity Action Plan was approved in June 2010 with 68 recommendations that are now being implemented throughout the City.
- The Diversity Intranet Site was developed to engage and educate City Staff about diversity.
- As of the end of 2013, more than 500 employees attended the Respect in the Workplace – Anti Harassment training.
- All City Staff will participate in Customer Service Standard training as it relates to people with a disability. To date, over 2,000 full time and part time staff have been trained and training continues on an ongoing basis.
- Markham received the Excellence Canada Award – Ontario Accessibility Award.
- Accessibility Advisory Committee (AAC) and City Staff finalized the Accessibility Design Guidelines which were approved by Council in 2011. The purpose of the guidelines is to identify, remove and prevent barriers and provide solutions particularly in the built environment. The next steps are to ensure that a formalized Accessibility Guidelines accountability framework is established to ensure that the guidelines are implemented in an effective and efficient manner.



- Staff has finalized an “inclusion tool”, and diversity training is being rolled out in 2014. The tool will help Staff deal effectively with diversity related situations including those related to customer service.
- In Q4 2014, an employment for person with disabilities pilot will be developed working with other levels of government as well as the development and roll out of diversity and including training for regular full time staff.
- Deliver employment related workshops to residents and newcomers at the Welcome Centres and libraries on a regular basis by Q4 2014.

MARKHAM 2020 – ECONOMIC DEVELOPMENT STRATEGY



Celebrating the City's economy:

Markham's Economic Development Strategy establishes, promotes and supports Markham as the best location for diverse high-tech and other leading businesses:

- Ø Economic strategy
- Ø Infrastructure development
- Ø Retention and attraction marketing
- Ø Branding of Markham for business development
- Ø Partnerships

Framework of the strategy:

The Markham Convergence Centre (MCC) is a successful model helping businesses grow, regardless of where they are in their business life cycle. The MCC hosted the only Start Up Canada Stop in York Region during its national tour. The office area is virtually 100% leased and is home to Regional Innovation Centre.

Markham continued to attract foreign direct investment to generate more than 200 jobs per year within Markham. During 2013, there were three business missions to India, China and Germany, generating large potential for foreign direct investment.

City Branding, the City of Markham was launched on July 1, 2012. Brand position was established as part of all subsequent messaging – Markham's slogan "Leading While Remembering".

Markham's Small Business Centre was acknowledged as the best in Ontario by the Provincial Government, and has fostered new partnerships with George Brown College, Seneca College, York University, Association of Canadian Chinese Entrepreneurs and ventureLAB.

FINANCIAL POLICIES

Financial Planning Policy

Budget Process

Proposed Budget

A proposed budget shall be prepared by the Financial Planning department with the participation of all of the City's business units within the provisions of the City's charter.

- Ø The Budget shall include five basic segments for review and evaluation:
 - Ø Taxation Revenues
 - Ø Other Operation Revenues
 - Ø Personnel Costs
 - Ø Operations and Maintenance Costs (Non personnel costs)
 - Ø Capital Costs
- Ø The Budget review process shall include the City's Budget Sub-Committee participation in the development of each of the above segments of the proposed budget and public hearings to enable community participation and input.
- Ø The Budget process shall be for a sufficient time span to adequately address policies and fiscal issues by the Budget Committee.
- Ø The proposed Budget shall be presented by the Budget Sub-Committee to the General Committee for consent and subsequently to the Council.

Adoption of Budget

Upon receiving the recommendations from the General Committee, the Council will subsequently adopt by resolution such Budget, as the City's annual Budget for the year beginning January 1. It is not uncommon for municipalities to approve the budget post January 1 of the budget year. The City's 2014 Budget was approved on February 11, 2014.

Balanced Budget

In 2014, the City developed a balanced budget and was restated in accordance to Ontario Regulation 284/09 as part of the 2014 budget approval process.

Ontario Regulation 284/09 states that municipalities may exclude from budget, all or a portion of the estimated costs of amortization, post-employment benefits, solid waste landfill closure and post-closure expenses. Exclusion of these expenses allows for preparation and presentation of a traditionally balanced budget.

Further, as per the Regulation, the impact of these expenses that are excluded from the budget must be reported to Council under the new financial disclosure requirement.

Deficit Avoidance

Annual budgets will continue to show fiscal restraint. In any given year when revenue shortfalls or unforeseen expenditures appear to be more than temporary, both the Capital and Operating Budgets will be reviewed and a number of alternatives will be identified to minimize the City's exposure including reallocating budgets and spending constraints.



Amendments to Approved Budget

The Chief Administrative Officer (CAO) is authorized to freeze or reduce operating line item budget spending as fiscal conditions dictate. The CAO is to advise Council of the freezes or reductions at the earliest possible opportunity. Any amendments that may be required to the approved budget shall be made only after approval by the Council.

Post Budget Reallocation

Reallocation of funds may be done between departments at the Commission level and among programs within a department and requires approval by the Commissioner.

Reporting

Monthly financial reports will be distributed to the respective department heads to enable them to manage their budgets and enable the Treasurer to monitor and control the budget as authorized by the Council.

Summary financial and budgetary reports will be presented quarterly to the Council by Finance. Such reports will be in a format that will enable the Council to understand the budget and the financial status of the City.

Operating Fund Balance

Actual surplus during a budget period will be transferred to the Corporate Rate Stabilization Reserve as a top up to a level equivalent to 15% of local tax revenues. This level is based on the Government Finance Officer Association's recommended "best practices" level of funding for the rate stabilization reserve. Funds remaining after the top up, if any, will replenish the Environmental Land Acquisition Reserve Fund, and any remaining funds thereafter will be transferred to the Life Cycle Replacement and Capital Reserve Fund.

Long Range Planning

General

The Development Services Commission manages the comprehensive planning of growth related development and conservation within the City. The Commission coordinates the preparation and revision of the general plan that includes policies and regulations for land use and conservation, and multi year development plans for transportation, public facilities, parkland and environmental protection.

Master Plans

These master plans include capital infrastructure items that have operating budget impacts and support the general plan for Recreation, Parks, Fire Stations, Community Centres, and Libraries.

Adequate facilities

The City adopts a 5 year master plan for its infrastructure to serve the pace of development.

Capital Improvement Plan

The capital budget prepared annually identifies the revenue sources and expenditures for the budget year, and future phases if applicable. The plan is updated annually.

Funding of Capital Improvement

The City shall attempt to fund capital projects through developer's contribution wherever possible. When such funds are not sufficient or if projects do not meet the criteria for developer's funds, the City shall utilize dedicated reserves to fund the capital projects. The City shall transfer from its operating funds up to \$500,000 from the net annualized growth in assessment each year.

Rehabilitation and Replacement

The City intends to set aside funds in accordance to the Life Cycle Reserve Study to finance regular ongoing rehabilitation and replacement needs consistent with the City's policy of keeping its fixed assets in good condition and maximize the assets useful life.

Post Budget Approval – Controlling Expenditures

The timely closing of capital projects is imperative to ensure that funds are not spent unnecessarily, and to ensure that any surplus funds are returned to their original source(s).

In the event that an invoice is received after the closure of a capital project, the Treasurer has the authority to approve payment of the invoice from the funding source(s) originally approved for the project; that is, providing the total cost of the project is within the original project budget. Invoices not within the original budget must be addressed according to the Expenditure Control Policy and other sections of the Capital Budget Control Policy.

Revenues

Use of one time revenues

The City shall not utilize one time revenues for ongoing expenditures. However, one-time revenues may be used to fund non-recurring expenditures or services that can be completed within a specific amount of time without significant disruption to the City provided it is duly approved by Council. Unallocated one time revenue is transferred to the Corporate Rate Stabilization Reserve.

User Fees and Revenue Diversification

The City will establish cost recovery policies for user fees that will continue to be charged. These policies will determine the percentage of full service costs to be recovered through fees. The level of cost recovery will be routinely adjusted to ensure that rates are current, equitable and competitive. The City will strive to maintain a diversified and stable revenue system to shelter the City from short run fluctuations in any one revenue source and to ensure its ability to provide ongoing service.

Use of Assessment Growth

Markham will transfer up to 25 per cent of tax revenue from the net annualized growth in assessment to the Life Cycle Replacement and Capital Reserve Fund to maintain and refurbish the existing infrastructure.



Use of Prior Year's Surplus/Deficit

The City will continue to reduce its dependence on prior year's surplus to balance the current year's budget. The prior year's surplus will be automatically transferred to the Corporate Rate Stabilization Reserve. In the event of a deficit, it will be funded through the Corporate Rate Stabilization Reserve, or by a one-time tax rate adjustment.

BUDGETING POLICIES

Basis of Accounting / Budgeting

The City of Markham prepares its financial information in accordance with the local government accounting standards of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned, and expenditures are recognized as they are incurred as a result of receipt of goods or services and the creation of a legal obligation to pay.

The only exceptions to the above basis of accounting are the Trust Funds, for which all capital receipts, income and expenditure are reported on the cash basis of accounting (recognizing revenues and expenses when cash is received or disbursed) except for administrative expenses and interest income, which are reported on the accrual basis. Trust funds and their related operations administered by the municipality are not consolidated but reported separately.

The City of Markham prepares budgets for the Operating, Capital, Building Standards, Engineering, Planning & Urban Design, Waterworks and Business Improvement Area (BIA) funds (described below).

The basis of budgeting is the same as the basis of accounting, i.e. the accrual basis.

Operating Fund

Funds all City of Markham operations except for Waterworks, Building Standards, Engineering and Planning & Urban Design operations. Tax revenue is the main source of funding.

Capital Fund

The tangible capital assets at the City are capitalized at historical costs and are amortized over the assets useful lives.

Building Standards Fund

Funds all Building permit and inspections operations. Building permit revenues are the main source of funding.

Development Fee Fund

Funds all Engineering and Planning & Urban Design department operations. Engineering and Planning fee revenues are the main sources of funding.

Waterworks Fund

Funds all water and sanitary sewer operations. Water billings are the main source of funding.



BIA Fund

Provides funding for the Markham and Unionville Business Improvement Areas (BIA's). The BIA's were established in accordance with Section 220 of the Municipal Act for the purpose of providing improvement, beautification of land, buildings and structures in the area and the promotion of the area as a business and shopping district. Funding is primarily provided by a special tax levy charged to the member businesses of the BIA.

Trust Fund

The fund receives payments from individuals or organizations to be used solely for a specific purpose. They are set up under a trust agreement appointing the City as trustee and outlining its responsibilities. The funds are administered by the City but not consolidated with the operating statement.

At the end of 2013, the City of Markham had 6 trust funds with a total balance of \$2,281,892.

Buttonville Airport Fund

The fund accumulates operating grants paid by the Region of York for the operating of the Buttonville airport and transfers them to Toronto Airways Limited (TAL), the operator of the airport. The Toronto Buttonville Municipal Airport (Markham) Inc. (TOWNCO) leases the airport land from TAL and subleases them back to TAL. This arrangement makes TAL eligible for Regional Grant funding. The City of Markham operates the bank accounts for TOWNCO in the transfer of these funds to TAL but does not make any grants itself.

Reserve and Reserve Funds

As at December 31, 2013, there were 15 Reserves and 22 Reserve Funds. Out of the total of 37 funds, 32 were discretionary (i.e. set aside by Council) and 5 obligatory (i.e. mandated by legislation). The uncommitted balance in the funds as of December 31, 2013 was \$192,038,986.

INVESTMENT POLICIES

OBJECTIVES

In order of priority, the investment objectives of the City are:

- Ø Legality of Investments
- Ø Preservation of Principal
- Ø Maintenance of Liquidity
- Ø Competitive Rate of Return

LEGALITY OF INVESTMENTS

The legal authority to invest funds comes from the Municipal Affairs Act. Investments shall be in conformance with the Ontario Municipal Act and O.Reg. 438/97 – Eligible Investments and Related Financial Agreements (See Appendix A).

Investments made by the City are further restricted by the limitations and terms outlined in this policy. Where the City of Markham has excess funds not required immediately, such funds may be invested only in:

- Ø Bonds, debentures, treasury bills or other forms of indebtedness of or guaranteed by the Government of Canada
- Ø Bonds, debentures, treasury bills or other forms of indebtedness of or guaranteed by any province of Canada
- Ø The Municipal Finance Authority of British Columbia.
- Ø Bonds, debentures, or promissory notes of a metropolitan, regional or district municipality or of a municipality as defined in the Municipal Affairs Act
- Ø Bonds, term deposits, deposit receipts, deposit notes, certificates of deposit, banker's acceptances and other similar instruments issued, accepted, guaranteed or endorsed by a Schedule I or a Schedule II Bank.

PRESERVATION OF PRINCIPAL

Preservation of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

This policy acts to minimize credit risk, i.e. the risk of loss due to the failure of the security issuer or backer, by:

- Ø Limiting investments to the safest types of securities
- Ø Diversifying the investment portfolio so that potential losses on individual securities will be minimized

Safety

All investments must rate at least "AA Low" or the equivalent from the Dominion Bond Rating Service, the Canadian Bond Rating Service, or Standard and Poors and/or a commercial paper rating of R1 Low or better from DBRS.



Diversification

Investments shall be diversified by:

- Ø Limiting investments in securities that have higher credit risks;
- Ø Investing in securities of varying maturities while providing for stability of income;
- Ø Continuously investing a portion of the portfolio in readily available funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations; and
- Ø Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding Canadian Treasury securities). The limits are as follows:

Federal/Provincial Government Securities

Securities offered by, or unconditionally guaranteed by, the government of Canada or a province of Canada, shall comprise not less than 40% of the total investment portfolio at all times, and may comprise 100% of the portfolio.

The following limitations apply:

- Ø Government of Canada - no limit
- Ø Province of Ontario - no limit
- Ø Other provinces - maximum 20%

Municipal Government Securities

Municipal securities cannot exceed 30% of the total investment portfolio and any one municipality cannot exceed 15% of the total portfolio.

Financial Institutions

Investments in eligible financial institutions shall not exceed 60% of the total portfolio. The following limitations will apply to the individual institutions:

- Ø the five major Canadian chartered banks (Canadian Imperial Bank of Commerce, Bank of Montreal, Royal Bank, Scotia Bank, TD Canada Trust) – individual maximum of 20%
- Ø other Canadian chartered banks and Schedule II banks - in aggregate 25% with individual maximum of 15%

The Investment Analyst, under the direction of the Treasurer, is permitted to deviate +/- 5% from the above targets to take advantage of changing market conditions.

MAINTENANCE OF LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may reasonably be anticipated.

Investments are limited to an individual term of twelve years. Investments for terms in excess of one year are restricted to any of the Canadian Federal, Provincial, and Municipal Governments, the 5 largest Canadian Schedule I banks ranked by assets, and institutions guaranteed by the aforementioned.

COMPETITIVE RATE OF RETURN

The investment portfolio shall be designed with the goal of maximizing the long term rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

The investment portfolio shall be designed with the objective of regularly exceeding the average return on three-month Treasury bills. This index is considered an appropriate benchmark for risk-less investment transactions and therefore represents a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

Return on investment is of secondary importance when compared to the safety and liquidity objectives.

The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

To take advantage of short-term fluctuations in interest rates, securities may be sold prior to maturity. All realized and unrealized capital gains/losses will be identified in the annual investment report.

ADMINISTRATIVE PROCEDURES

The Commissioner of Corporate Services or the Treasurer will have signing authority on all investments that require wire transfers. The Investment Manager will enter into all investment transactions on behalf of the City of Markham and will provide monthly updates on the portfolio performance to the Commissioner of Corporate Services and the Treasurer.

All investment transactions are recorded and interest earnings distributed to the various funds in accordance with City policies and generally accepted accounting principles for municipalities.

Authorized Financial Institutions and Brokers/Dealers

The following is a current list of all financial institutions authorized to provide investment services to the City of Markham. This list will be maintained and updated as the business environment changes:

- Ø TD Canada Trust
- Ø CIBC World Market Inc.
- Ø Scotia McLeod Inc.
- Ø RBC Dominion Securities Inc.
- Ø Royal Bank of Canada
- Ø Bank of Montreal
- Ø HSBC Bank Canada
- Ø Canaccord Capital



Reporting

The Investment Analyst shall prepare a quarterly investment report, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter.

The report will summarize recent market conditions, economic developments, anticipated market movements and investment strategies employed in the most recent fiscal quarter. The report shall explain the quarter's total investment return and compare the return with budgetary expectations. The reports shall indicate any areas of policy concern and/or planned revision of investment strategies.

This management summary will be prepared in a manner that will allow the Finance & Administrative Committee to ascertain whether investment activities during the reporting period have conformed to the investment policy.

The interim report will include the following:

- Ø Listing of individual securities held at the end of the reporting period;
- Ø Realized gains or losses resulting from the sale of investments that were not held until maturity;
- Ø Average weighted yield of the Fund's investments as compared to applicable benchmarks;
- Ø Listing of all investments by maturity date;
- Ø Percentage of total portfolio that each type of investment represents.

APPENDIX A
ELIGIBLE INVESTMENTS UNDER THE MUNICIPAL ACT
ONTARIO REGULATION 438/97

ELIGIBLE INVESTMENTS AND RELATED FINANCIAL AGREEMENTS

1. A municipality does not have the power to invest under section 418 of the Act in a security other than a security prescribed under this Regulation. O. Reg. 438/97, s. 1; O. Reg. 399/02, s. 1.
2. The following are prescribed, for the purposes of subsection 418 (1) of the Act, as securities that a municipality may invest in:
 1. Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by,
 - i. Canada or a province or territory of Canada,
 - ii. an agency of Canada or a province or territory of Canada,
 - iii. a country other than Canada,
 - iv. a municipality in Canada including the municipality making the investment,
 - iv.1 the Ontario Strategic Infrastructure Financing Authority,
 - v. a school board or similar entity in Canada,
 - v.1 a university in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000,
 - v.2 the board of governors of a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002,
 - vi. a local board as defined in the Municipal Affairs Act (but not including a school board or a municipality) or a conservation authority established under the Conservation Authorities Act,
 - vi.1 a board of a public hospital within the meaning of the Public Hospitals Act,
 - vi.2 a non-profit housing corporation incorporated under section 13 of the Housing Development Act,
 - vi.3 a local housing corporation as defined in section 2 of the Social Housing Reform Act, 2000, or
 - vii. the Municipal Finance Authority of British Columbia.
 2. Bonds, debentures, promissory notes or other evidence of indebtedness of a corporation if,
 - i. the bond, debenture or other evidence of indebtedness is secured by the assignment, to a trustee, as defined in the Trustee Act, of payments that Canada or a province or territory of Canada has agreed to make or is required to make under a federal, provincial or territorial statute, and
 - ii. the payments referred to in subparagraph i are sufficient to meet the amounts payable under the bond, debenture or other evidence of indebtedness, including the amounts payable at maturity.



3. Deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments the terms of which provide that the principal and interest shall be fully repaid no later than two years after the day the investment was made, if the receipt, note, certificate or instrument was issued, guaranteed or endorsed by,
 - i. a bank listed in Schedule I, II or III to the Bank Act (Canada),
 - ii. a loan corporation or trust corporation registered under the Loan and Trust Corporations Act, or
 - iii. a credit union or league to which the Credit Unions and Caisses Populaires Act, 1994 applies.
- 3.1 Deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments the terms of which provide that the principal and interest shall be fully repaid more than two years after the day the investment was made, if the receipt, note, certificate or instrument was issued, guaranteed or endorsed by,
 - i. a bank listed in Schedule I, II or III to the Bank Act (Canada),
 - ii. a loan corporation or trust corporation registered under the Loan and Trust Corporations Act,
 - iii. a credit union or league to which the Credit Unions and Caisses Populaires Act, 1994 applies.
4. Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by an institution listed in paragraph 3.
5. Short term securities, the terms of which provide that the principal and interest shall be fully repaid no later than three days after the day the investment was made, that are issued by,
 - i. a university in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000,
 - ii. the board of governors of a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002, or
 - iii. a board of a public hospital within the meaning of the Public Hospitals Act.
6. Bonds, debentures, promissory notes, other evidence of indebtedness or other securities issued or guaranteed by the International Bank for Reconstruction and Development.
- 6.1. Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by a supranational financial institution or a supranational governmental organization, other than the International Bank for Reconstruction and Development.
7. Asset-backed securities, as defined in subsection 50 (1) of Regulation 733 of the Revised Regulations of Ontario, 1990 made under the Loan and Trust Corporations Act.
- 7.1 Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province of

Canada, the terms of which provide that the principal and interest shall be fully repaid more than five years after the date on which the municipality makes the investment.

7.2 Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province of Canada, the terms of which provide that the principal and interest shall be fully repaid more than one year and no later than five years after the date on which the municipality makes the investment.

8. Negotiable promissory notes or commercial paper, other than asset-backed securities, maturing one year or less from the date of issue, if that note or commercial paper has been issued by a corporation that is incorporated under the laws of Canada or a province of Canada.

8.1 Shares issued by a corporation that is incorporated under the laws of Canada or a province of Canada.

9. Bonds, debentures, promissory notes and other evidences of indebtedness of a corporation incorporated under section 142 of the Electricity Act, 1998.

10. Bonds, debentures, promissory notes or other evidence of indebtedness of a corporation if the municipality first acquires the bond, debenture, promissory note or other evidence of indebtedness as a gift in a will and the gift is not made for a charitable purpose.

11. Securities of a corporation, other than those described in paragraph 10, if the municipality first acquires the securities as a gift in a will and the gift is not made for a charitable purpose.

12. Shares of a corporation if,

- i. the corporation has a debt payable to the municipality,
- ii. under a court order, the corporation has received protection from its creditors,
- iii. the acquisition of the shares in lieu of the debt is authorized by the court order, and
- iv. the treasurer of the municipality is of the opinion that the debt will be uncollectable by the municipality unless the debt is converted to shares under the court order. O. Reg. 438/97, s. 2; O. Reg. 265/02, s. 1; O. Reg. 399/02, s. 2; O. Reg. 655/05, s. 2; O. Reg. 607/06, s. 1; O. Reg. 39/07, s. 1.

3. (1) A municipality shall not invest in a security under subparagraph 1 iii, v.1, v.2, vi.1, vi.2 or vi.3 or paragraph 3.1 or 4 of section 2 unless the bond, debenture, promissory note or evidence of indebtedness is rated,

- (a) Revoked: O. Reg. 265/02, s. 2 (1).
- (b) by Dominion Bond Rating Service Limited as "AA(low)" or higher;
- (b.1) by Fitch Ratings as "AA-" or higher;
- (c) by Moody's Investors Services Inc. as "Aa3" or higher; or



- (d) by Standard and Poor's as "AA-" or higher. O. Reg. 438/97, s. 3 (1); O. Reg. 265/02, s. 2 (1); O. Reg. 399/02, s. 3 (1); O. Reg. 655/05, s. 3 (1, 2); O. Reg. 607/06, s. 2; O. Reg. 39/07, s. 2.
- (2) Revoked: O. Reg. 655/05, s. 3 (3).
- (2.1) A municipality shall not invest in a security under paragraph 6.1 of section 2 unless the security is rated,
- (a) by Dominion Bond Rating Service Limited as "AAA";
 - (b) by Fitch Ratings as "AAA";
 - (c) by Moody's Investors Services Inc. as "Aaa"; or
 - (d) by Standard and Poor's as "AAA". O. Reg. 655/05, s. 3 (4).
- (3) A municipality shall not invest in an asset-backed security under paragraph 7 of section 2 that matures more than one year from the date of issue unless the security is rated,
- (a) by Dominion Bond Rating Service Limited as "AAA";
 - (a.1) by Fitch Ratings as "AAA";
 - (b) by Moody's Investors Services Inc. as "Aaa"; or
 - (c) by Standard and Poor's as "AAA". O. Reg. 265/02, s. 2 (2); O. Reg. 399/02, s. 3 (2); O. Reg. 655/05, s. 3 (5).
- (4) A municipality shall not invest in an asset-backed security under paragraph 7 of section 2 that matures one year or less from the date of issue unless the security is rated,
- (a) by Dominion Bond Rating Service Limited as "R-1(high)";
 - (a.1) by Fitch Ratings as "F1+";
 - (b) by Moody's Investors Services Inc. as "Prime-1"; or
 - (c) by Standard and Poor's as "A-1+". O. Reg. 265/02, s. 2 (2); O. Reg. 399/02, s. 3 (3); O. Reg. 655/05, s. 3 (6).
- (4.1) A municipality shall not invest in a security under paragraph 7.1 of section 2 unless the security is rated,
- (a) by Dominion Bond Rating Service Limited as "A" or higher;
 - (b) by Fitch Ratings as "A" or higher;
 - (c) by Moody's Investors Services Inc. as "A2"; or
 - (d) by Standard and Poor's as "A". O. Reg. 655/05, s. 3 (7).
- (4.2) A municipality shall not invest in a security under paragraph 7.2 of section 2 unless the security is rated,
- (a) by Dominion Bond Rating Service Limited as "AA(low)" or higher;
 - (b) by Fitch Ratings as "AA-" or higher;
 - (c) by Moody's Investors Services Inc. as "Aa3" or higher; or
 - (d) by Standard and Poor's as "AA-" or higher. O. Reg. 655/05, s. 3 (7).

- (5) A municipality shall not invest in a security under paragraph 8 of section 2 unless the promissory note or commercial paper is rated,
- (a) by Dominion Bond Rating Service Limited as "R-1(mid)" or higher;
 - (a.1) by Fitch Ratings as "F1+";
 - (b) by Moody's Investors Services Inc. as "Prime-1"; or
 - (c) by Standard and Poor's as "A-1+". O. Reg. 265/02, s. 2 (2); O. Reg. 399/02, s. 3 (4); O. Reg. 655/05, s. 3 (8).
- (6) If an investment made under paragraph 7 or 8 of section 2 falls below the standard required under subsection (3), (4) or (5), as the case may be, the municipality shall sell the investment within 30 days after the day the investment falls below the standard. O. Reg. 265/02, s. 2 (2).
- (7) A municipality shall not invest in a security under paragraph 9 of section 2 unless, at the time the investment is made and as long as it continues, the investment ranks, at a minimum, concurrently and equally in respect of payment of principal and interest with all unsecured debt of the corporation. O. Reg. 265/02, s. 2 (2).
- (8) A municipality shall not invest in a security under paragraph 9 of section 2 unless, at the time the investment is made, the total amount of the municipality's investment in debt of any corporation incorporated under section 142 of the Electricity Act, 1998 that would result after the proposed investment is made does not exceed the total amount of investment in debt, including any interest accrued on such debt, of the municipality in such a corporation that existed on the day before the day the proposed investment is to be made. O. Reg. 265/02, s. 2 (2).
- (9) Any investment made under paragraph 9 of section 2, including any refinancing, renewal or replacement thereof, may not be held for longer than a total of 10 years from the date such investment is made. O. Reg. 265/02, s. 2 (2).
- (10) Subsections (7), (8) and (9) do not prevent a municipality from holding or disposing of a security described in paragraph 9 of section 2 issued by a corporation incorporated under section 142 of the Electricity Act, 1998, if the municipality acquired the security through a transfer by-law or otherwise under that Act. O. Reg. 655/05, s. 3 (9).
- (11) A municipality shall sell an investment described in paragraph 10 or 11 of section 2 within 90 days after ownership of the investment vests in the municipality. O. Reg. 655/05, s. 3 (9).
- (12) If an investment described in subsection (1), (2.1), (4.1) or (4.2) falls below the standard required by the subsection, the municipality shall sell the investment within 90 days after the day the investment falls below the standard. O. Reg. 655/05, s. 3 (9).
- 4. (1)** A municipality shall not invest more than 25 per cent of the total amount in all sinking and retirement funds in respect of debentures of the municipality, as estimated by its treasurer on the date of the investment, in short-term debt issued or guaranteed by the municipality. O. Reg. 438/97, s. 4 (1).



(2) In this section, "short-term debt" means any debt, the terms of which provide that the principal and interest of the debt shall be fully repaid no later than 364 days after the debt is incurred. O. Reg. 438/97, s. 4 (2).

4.1 (1) A municipality shall not invest in a security under paragraph 7 of section 2 or in a promissory note or commercial paper under paragraph 8 of section 2 unless, on the date that the investment is made,

- (a) the municipality itself is rated, or all of the municipality's long-term debt obligations are rated,
 - (i) by Dominion Bond Rating Service Limited as "AA(low)" or higher,
 - (i.1) by Fitch Ratings as "AA-" or higher,
 - (ii) by Moody's Investors Services Inc. as "Aa3" or higher, or
 - (iii) by Standard and Poor's as "AA-" or higher; or
- (b) the municipality has entered into an agreement with the Local Authority Services Limited and the CHUMS Financing Corporation to act together as the municipality's agent for the investment in that security, promissory note or commercial paper. O. Reg. 265/02, s. 3; O. Reg. 399/02, s. 4; O. Reg. 655/05, s. 4 (1, 2).

(1.1) A municipality shall not invest in a security under paragraph 7.1 or 8.1 of section 2 unless, on the date the investment is made, the municipality has entered into an agreement with the Local Authority Services Limited and the CHUMS Financing corporation to act together as the municipality's agent for the investment in the security. O. Reg. 655/05, s. 4 (3).

(1.2) Subsection (1.1) does not apply to investments in securities by the City of Ottawa if all of the following requirements are satisfied:

1. Only the proceeds of the sale by the City of its securities in a corporation incorporated under section 142 of the Electricity Act, 1998 are used to make the investments.
2. The investments are made in a professionally-managed fund.
3. The terms of the investments provide that,
 - i. where the investment is in debt instruments, the principal must be repaid no earlier than seven years after the date on which the City makes the investment, and
 - ii. where the investment is in shares, an amount equal to the principal amount of the investment cannot be withdrawn from the fund for at least seven years after the date on which the City makes the investment.
4. The City establishes and uses a separate reserve fund for the investments.
5. Subject to paragraph 6, the money in the reserve fund, including any returns on the investments or proceeds from their disposition, are used to pay capital costs of the City and for no other purpose.

6. The City may borrow money from the reserve fund but must repay it plus interest. O. Reg. 655/05, s. 4 (3).
- (2) The investment made under clause (1) (b) or described in subsection (1.1), as the case may be, must be made in the public sector group of funds of the Local Authority Services Limited and the CHUMS Financing Corporation with,
- (a) another municipality;
 - (b) a public hospital;
 - (c) a university in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000;
 - (d) the board of governors of a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002;
 - (e) a school board; or
 - (f) any agent of an institution listed in clauses (a) to (d). O. Reg. 265/02, s. 3; O. Reg. 655/05, s. 4 (4); O. Reg. 607/06, s. 3.
5. A municipality shall not invest in a security issued or guaranteed by a school board or similar entity unless,
- (a) the money raised by issuing the security is to be used for school purposes; and
 - (b) Revoked: O. Reg. 248/01, s. 1. O. Reg. 438/97, s. 5; O. Reg. 248/01, s. 1.
6. (1) A municipality shall not invest in a security that is expressed or payable in any currency other than Canadian dollars. O. Reg. 438/97, s. 6 (1).
- (2) Subsection (1) does not prevent a municipality from continuing an investment, made before this Regulation comes into force, that is expressed and payable in the currency of the United States of America or the United Kingdom. O. Reg. 438/97, s. 6 (2).
7. (1) Before a municipality invests in a security prescribed under this Regulation, the council of the municipality shall, if it has not already done so, adopt a statement of the municipality's investment policies and goals. O. Reg. 438/97, s. 7.
- (2) In preparing the statement of the municipality's investment policies and goals under subsection (1), the council of the municipality shall consider,
- (a) the municipality's risk tolerance and the preservation of its capital;
 - (b) the municipality's need for a diversified portfolio of investments; and
 - (c) obtaining legal advice and financial advice with respect to the proposed investments. O. Reg. 265/02, s. 4.
- (3) Revoked: O. Reg. 655/05, s. 5.
- (4) In preparing the statement of the municipality's investment policies and goals under subsection (1) for investments made under paragraph 9 of section 2, the council of the municipality shall consider its plans for the investment and how the proposed investment would affect the interest of municipal taxpayers. O. Reg. 265/02, s. 4.



8. (1) If a municipality has an investment in a security prescribed under this Regulation, the council of the municipality shall require the treasurer of the municipality to prepare and provide to the council, each year or more frequently as specified by the council, an investment report. O. Reg. 438/97, s. 8 (1).
 - (2) The investment report referred to in subsection (1) shall contain,
 - (a) a statement about the performance of the portfolio of investments of the municipality during the period covered by the report;
 - (b) a description of the estimated proportion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;
 - (c) a statement by the treasurer as to whether or not, in his or her opinion, all investments are consistent with the investment policies and goals adopted by the municipality;
 - (d) a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security; and
 - (e) such other information that the council may require or that, in the opinion of the treasurer, should be included. O. Reg. 438/97, s. 8 (2); O. Reg. 655/05, s. 6.
 - (3) Upon disposition of any investment made under paragraph 9 of section 2, the council of the municipality shall require the treasurer of the municipality to prepare and provide to the council a report detailing the proposed use of funds realized in the disposition. O. Reg. 265/02, s. 5.
- 8.1** If an investment made by the municipality is, in the treasurer's opinion, not consistent with the investment policies and goals adopted by the municipality, the treasurer shall report the inconsistency to the council of the municipality within 30 days after becoming aware of it. O. Reg. 655/05, s. 7.
9. (1) Despite this Regulation, an investment by a municipality in bonds, debentures or other indebtedness of a corporation made before March 6, 1997 may be continued if the bond, debenture or other indebtedness is rated,
 - (a) Revoked: O. Reg. 265/02, s. 6.
 - (b) by Dominion Bond Rating Service Limited as "AA(low)" or higher;
 - (b.1) by Fitch Ratings as "AA-" or higher;
 - (c) by Moody's Investors Services Inc. as "Aa3" or higher; or
 - (d) by Standard and Poor's as "AA-" or higher. O. Reg. 438/97, s. 9 (1); O. Reg. 265/02, s. 6; O. Reg. 399/02, s. 5; O. Reg. 655/05, s. 8.
 - (2) If the rating of an investment continued under subsection (1) falls below the standard required by that subsection, the municipality shall sell the investment within 90 days after the day the investment falls below the standard. O. Reg. 438/97, s. 9 (2).

DEVELOPMENT CHARGE BORROWING POLICIES

OBJECTIVE

The objective of this policy is to provide a framework with respect to borrowing funds to complete Development Charge (DC) related capital projects.

SOURCES OF BORROWING

This section outlines the sources of funding available when the DC Reserves are in (or are approaching) a deficit balance.

Internal Borrowing

The City may loan the DC reserves up to a cumulative maximum of 25% of the previous year's average general portfolio balance (i.e. the City's cash and investments, as defined under the Eligible Investments section of the Municipal Act, that are not attributable to interest bearing reserves, reserve funds, and trust funds). For example, if the average general portfolio balance was \$200 million, the City could provide up to \$50 million of funds to the DC reserves. The 25% limit was chosen as it still allows the City to maintain a high level of liquidity and mirrors the 25% annual repayment limit decided upon by the Ministry of Municipal Affairs and Housing.

Term of Borrowing

The internal borrowing provided from the City's General Portfolio will act as a loan for a predetermined period of time. DC Reserves will be able to continue to use these funds while there is a negative balance. At any time, the City can decide to call upon these funds if the money is needed elsewhere. It would be at this point, the DC Reserve would turn to external borrowing. (Note: there would need to be enough time to secure external borrowing before the loan could be called).

Internal Borrowing Interest Rate

The internal borrowing rate will be based on the York Region debenture rate for a similar term as the internal borrowing is estimated to be required.

External Borrowing

Any funding requirements not covered by internal borrowing will require external borrowing. The determination of the source of the funds (i.e. debenturing through the Region of York or borrowing through a bank or government agency) will be made at that time depending on the length of term required, market conditions and rates. All external borrowing needs to be coordinated through the Region of York.

ADMINISTRATION

Any external borrowing will be brought to Council for approval. Any internal borrowing will be approved by the Treasurer and be reported to Council no fewer than twice per year. The determination of the borrowing source will be at the discretion of the Treasurer of the City of Markham.



Any internal borrowing will be tracked and accounted for in the same manner as the City's existing investment portfolio.

As per the Municipal Act, before authorizing any specific work or class of work or any increase in the expenditure for a previously authorized specific work or class of work that would require a long term debt or financial obligation, the Treasurer will calculate an updated annual repayment limit using the most recent debt and financial obligation limit determined by the Ministry of Municipal Affairs and Housing.

INVESTMENT ALLOCATION INTEREST POLICIES

OBJECTIVE

The objective of this policy is to provide a framework with regards to the recording and allocation methods of the City's investment interest income (including bonds, money market, interest earned on bank balances, etc).

INTEREST ALLOCATION

This section outlines the methods for allocating interest to various City Reserves and Reserve Funds.

Development Charges Reserves

The Development Charge Reserves have its own segregated investment pool. The interest generated from these investments is fully allocated to the Development Charge Reserves on a monthly basis.

Interest Bearing Reserves and Reserve Funds

There are no specific investments made on behalf of reserve and reserve funds. Interest is calculated and allocated monthly. The amount of interest is determined by applying the average money market rate earned by the City in a given month to the previous month's ending reserve balance. Any reserves or reserve funds with negative balances will be charged at a rate of prime.

Varley Trust

Through a past agreement with the Varley Trust, interest is calculated and allocated monthly by applying the average bond market rate (exclusive of capital gains) earned by the City in a given month to the previous month's ending reserve balance.

General Portfolio

The remaining interest not allocated to the above reserves and trusts is deemed to be the interest earned on the general portfolio.

CAPITAL GAINS RESERVE

The Treasurer has the authority to transfer year-end surpluses in the Capital Gains account to a Capital Gains Reserve.

The Capital Gains reserve can only be drawn upon in the following situations:

- Ø Funds are required to make up for a current year budget deficit in the Investment Interest or Capital Gains accounts
- Ø Funds are required to set the Investment Interest budget for the following year budget



RESERVE POLICIES

Asset Life Cycle Reserve Study

In 2005, Council approved a reserve study that examined the City's Reserves and Reserve Funds with the purpose of:

- Ø Determining the adequacy of the City's Reserves to meet known future expenditures (Infrastructure/Capital Asset Rehabilitation/Replacements) for 25 years
- Ø Determining the adequate level for the City's corporate rate stabilization/contingency reserve based upon comparisons and benchmarking with other Municipalities and "best practices"
- Ø Reviewing, consolidating and refining policies for the City's various reserves and reserve funds

The following sections provide more details on the Reserve Study and policies Council approved.

Life Cycle Replacement and Capital Reserve Fund

One of the major recommendations from the 2005 Reserve Study was the consolidation of reserves into the Life Cycle Replacement and Capital reserve or the financial impact of these recommendations (e.g. the reserves that were consolidated to create the Life Cycle Replacement and Capital Reserve)). This reserve is to fund the replacement of the City's aging infrastructure and for major capital expenditures approved by Council.

Funding for this reserve will come from the following sources:

- Ø The City's Operating Budget contribution to Capital;
- Ø Future interest income (in excess of \$1M) from long-term loans and future dividends from Markham Enterprises Corporation, a wholly-owned subsidiary, and its subsidiaries;
- Ø Proceeds from the sale of asset, excluding land; and
- Ø Future year-end Operating Budget Surpluses

Corporate Rate Stabilization Reserve

The purpose of this reserve is to maintain the City's cash flow, minimize need for short-term borrowing, fund urgent expenditure requirements, minimize changes in the property tax rate, and to smooth out fluctuations due to one-time expenditures.

Based on Government Finance Officer Association's (GFOA) recommended best practices, the balance in the Corporate Rate Stabilization reserve was established at 15% of the local tax revenues.

In addition, future year-end operating budget surpluses, if any, will be used to top-up this reserve to the target balance. As explained in the Future Operating Surplus section, below, once the target balance in the Corporate Rate Stabilization is achieved,

remaining year-end surpluses, if any, will be allocated to other reserves in a sequential order, as approved by Council.

Other Reserve Study Recommendations and Policies

- Ø **Non-DC Growth Reserve Fund** – intended for the purpose of funding the non DC component of growth related projects. See “Development Charge (DC) Projects – Non-DC Reserve Funding” section in the Capital Budget Guidelines section for further information on the City’s requirement to fund a portion of growth related new capital infrastructure projects. Proceeds from future land sales will be the source of funding for this reserve.
- Ø **Facility Ramp-up Reserve** – funded from the operating budget dollars included in previous years’ budgets to ramp-up for facility operating costs. Intended use of this reserve was not defined when the reserve was established, however, it was used to fund non-growth facility-related capital projects in the past, with Council approval. The balance at the end of each fiscal year will be transferred to the Corporate Rate Stabilization Reserve.
- Ø **Environmental Land Acquisition Reserve Fund** – a new reserve established in 2005 to provide a source of financing for the City to acquire/protect environmentally sensitive land. On an annual basis, \$250,000 of interest income from a long-term loan to a related company, PowerStream, will be the source of funding for this reserve. As well, any remaining year end surpluses after topping up the stabilization reserve will be used to replenish expenditures in the Reserve Fund.
- Ø **Environmental Sustainability Reserve Fund** – intended to provide a source of funding for internal (City) and external (e.g. Community groups) initiatives that are environmental in nature. A base level of \$150,000 was established for this fund. The process to replenish the base for expenditures is through the following year’s Capital Budget process.
- Ø **Land Acquisition Reserve Fund** - a new reserve established in 2005 to provide a source of financing for the City to acquire land that is strategic in nature, non-growth (and thus cannot be DC-funded), and not environmentally sensitive. On an annual basis, \$250,000 of interest income from a long-term loan to a related company, PowerStream, will be the source of funding for this reserve.

Future Operating Surpluses

Prior to the 2005 Reserve study, year-end Operating Budget surpluses were directed to the Corporate Rate Stabilization reserve. The 2005 Reserve study established a target balance for the Corporate Rate Stabilization reserve at 15% of local tax revenues. Accordingly, a policy was adopted by Council to prioritize the funding of Reserves from future operating surpluses:

Future year-end surpluses, if any, in the operating budget will be allocated to top-up the Corporate Rate Stabilization reserve to 15% of local tax revenues first. Year-end surpluses remaining, if any, after topping up the stabilization reserve will be used to replenish expenditures in the Environmental Land Acquisition Reserve Fund (second priority) and the Life Cycle Reserve Fund (third priority). Should future year-end



surpluses not be sufficient to top-up the Stabilization and replenish the Environmental Land Acquisition reserve fund, the funding requirements should be included for discussion in the following year's budget discussions.

Waterworks Reserves

Waterworks Reserves is water rate funded and offsets fluctuations in gross profit on water sales to residents and funds repairs/ replacements of waterworks capital infrastructures.

In 2007, Council approved the Water and Wastewater Reserve Study with the purpose of:

- Ø Addressing the ongoing replacement and rehabilitation requirements for the Waterworks infrastructure over their useful lives
- Ø Determining the adequacy of the City's Waterworks Reserves to meet known future expenditures for 25 years

Based on the future replacement and rehabilitation program as identified in the Water and Wastewater Reserve Study, the Waterworks Reserves will require additional funding in order to sustain future replacement and rehabilitation requirements. As a result, effective January 1, 2008, a Water & Wastewater Infrastructure Surcharge was implemented, to be phased-in over 10 years. Any potential increase to the approved surcharge will be brought forward to Council through the annual reserve study update and the annual budget process.

DEBT POLICIES

Borrowing has its appropriate place in making prudent financing decisions. The City will continue to capitalize on fluctuations in interest rates and recognize when borrowing is appropriate to minimize the impact on tax rates. Building growth related infrastructure in advance of development combined with the fluctuations in development charge revenues, may result in a future need to borrow.

Policy on Debt Issuance

Markham will strive to maintain its status as a “Pay As You Go” Community and the City will only consider borrowing for growth related capital projects.

Provincial Guidelines

- Ø Annual payments relating to debt and financial obligations should not be more than 25% of own source revenues and fund revenues, not including Municipal electrical utilities revenues.
- Ø Markham’s annual repayment limit for 2014 is approximately \$70.3 million.



2014 OPERATING BUDGET GUIDELINES

General Narrative and Assumptions

The 2014 Budget:

- Ø *Provides that current revenues are sufficient to support current expenditures* ("We are living within our means" without drawing down reserves for operating purposes)
- Ø *Maintains the City's general reserves*
- Ø *Provides sufficient maintenance and replacement dollars to ensure capital facilities and equipment are properly maintained*
- Ø *Maintains all the quality of life programs that residents have become accustomed to, and addresses increasing service levels based on demand where necessary*
- Ø *Maintains a competitive compensation and benefits package for our work force.*

Projected costs and revenues are estimates and are subject to variations inherent in all such projections. Consequently, the estimates should not be viewed as precise predictions, but rather as indications of expected trends, given certain expenditure, revenue, and financing assumptions.

It is assumed that:

- Ø Gross Assessment Growth will be 2.09%

The above assumption does not necessarily mean there is an absolute increase in either expenditures or tax dollars.

The focus of the 2014 budget revolves around infrastructure management, environment, and transportation issues. This budget provides for adequate maintenance of capital, equipment, and for future replacement of equipment. Through the 2014 Budget Process, the City continues its strategic thinking at all levels of the organization and critically evaluates the status quo.

The City will continue to focus on cost recovery through its use of User Fees.

Budget Preparation Guidelines

The 2014 Budget is budgeted at 2013 base levels except for additional funding related to:

- Ø Salary and benefits increases (CUPE and MPFFA wage settlement, OMERS pension rate changes, grid movement)
- Ø Contract escalations and inflationary pressures
- Ø Increased operating costs related to more households, kilometres of roads and new parks
- Ø Operating costs associated with aging infrastructure

Excluding the predetermined increases mentioned above, departments should complete a business case and fill out a form requesting changes to the base budget for any additional funding requirements for new initiatives, programs, growth, or service level changes. Business cases are expected to contain a 'Value Proposition', meaning that the department has to clearly identify a corresponding incremental benefit to the City that the additional funds would generate. Each form requesting a change to the base budget (including completed business cases) will be approved at the Commissioner level before submission to Financial Planning.

No New Debt

The City will not make a provision for the issuance of debt in this budget. The City's share of any work to be done under section 391 of the Municipal Act – Fee and/or Charges bylaw will not constitute debt as defined here.

Establish the Base Level

The base level for the 2014 budget will be the 2013 cost of providing all the services approved in the 2013 budget, except for one-time projects.

The 2014 base level budget is set by taking the inputs approved in the 2013 budget and costing them, adjusting them for the annualized costs, growth and inflation, in that order.

- Ø **Annualized Costs** - For example, last year's budget might have included a contract to start in April; this year's budget includes the full year's costs. If a contract had a price escalation midway in 2013, these costs are identified and included in the 2014 Base Budget.
- Ø **Growth** - Allow for growth that will occur in the City in 2014. For example, if new roads were constructed in 2013, their upkeep would be part of the 2014 growth adjustment. Requests for new growth dollars must be documented. In order to obtain new growth dollars, there must be the identification of documented productivity, technological, or personnel efficiencies on the expense side or revenue enhancements to offset the request for new growth dollars. Only the portion of the cost from the date of the growth's impact to the end of the year is included in the Budget. However, departments should indicate the full-year cost of the growth.
- Ø **Inflation** - All departments are expected to absorb this inflation within their 2014 approved budgets. However, exceptions are made for extraordinary commodity price increases and contractually related increases.

Service Level Changes

In each department, a critical analysis will be performed to determine where increased efficiencies and possible cost savings could be achieved through the redeployment of staff. If current levels are deemed adequate, departments will include all existing services at 2013 levels in their 2014 base budget submission. Any requests for funding to increase service levels require submission of a form requesting changes to the base budget to justify the additional costs.



New Programs

Requests and business cases for additional funds related to the identification of new programs must be filled out on the form requesting changes to the base budget. Only the portion of the cost from the date of implementation to the end of the year is included in the Budget. However, departments will indicate the full-year cost of the program.

Salaries and Benefits - Full Time

The City continues to scrutinize personnel costs as a percentage of the budget. Financial Planning provides the salary figures for the 2014 base budget. The 2014 base budget from each Department includes only the 2013 full time approved complement. Financial Planning completes the 2014 Human Resources portion of the budget and sends the data to the respective budget coordinators for confirmation regarding positions and grades of full time staff. New headcount requests must be filled out on the forms and identified the associated new revenue and cost savings. All new headcounts were reviewed and approved by Senior Management, CAO and Council.

Council approved a 3 year general wage increase for full-time non-union staff. The increases are in line with comparator settlements. A general increase of 1.5% will be implemented retroactive to April 2013. For 2014, a general wage increase of 1.9% will be implemented. Effective April 2015, a further 1.9% increase will be implemented.

Fringe Benefits

2014 fringe benefits are based on known benefit rate increases provided by the Human Resources Department. In addition, the Financial Planning Department performs an analysis of 2013 actual benefit costs and reflects its findings in the 2014 budget.

Part Time Salaries

The 2014 Budget Guidelines require that all permanent part-time staff be budgeted for by person/position. 2014 costs and any annualized costs are provided to Financial Planning by the Departments. The annualization of part-time job evaluation is included in the base budget.

Shift Premium

Shift Premium will be budgeted at 2014 levels.

Overtime Dollars and Hours

Overtime dollars and hours will be budgeted at 2014 levels.

Rate Increases

Increases have been provided for as follows:

Investment Income:

The forecasted 2014 interest rate of 4.0% is used for budgeting. The Financial Planning Department incorporates this rate in the development of the investment income budget.

Sales Taxes

Municipalities are entitled to a 78% rebate on the PST component of HST, or 6.24%, and 100% federal GST rebate, or 5%. The total rebate is 11.24%. On items that the municipalities did not pay PST prior to the harmonization, there is a maximum net impact of 1.76%. For example, a \$100 purchase that is subject to \$8.00 of PST will receive a rebate of \$6.24 (78% of the 8%); therefore, the net impact to the City is \$1.76 (\$8.00 - \$6.24).

HST also impacts the City's revenues from recreation programs such as ice rentals, facility rentals, fitness memberships and program registrations relating to participants aged 14 and above, as these services are subject to HST.

Use of Accrual Basis for Budgeting

Expenses

Expense items are budgeted for in the month when the goods or services are expected to be received and not in the month when payment is to be made. For example, if a purchase order is issued in November and the goods are expected to arrive in December with payment terms of 45 days, the expenditure is budgeted in December. The actual goods will be paid for in early February due to the terms of the invoice.

Revenues

Revenue items are budgeted for in the month in which the revenue is earned and not in the month when payment is received. For example, if a group rents the arena in December but is given 30 days to pay, the revenue is budgeted for in December since this is when the service was provided. The money for the rental will be collected in January next year.

Utilities

The City is at spot rate for both natural gas and hydro in 2014, and it has been reflected in the 2014 Budget. Overall, the City's utility volumes have been reduced from the 2013 level resulting from Facility Energy Retrofits initiatives and adjusted for new facilities in the 2014 budget.

User Fees and Service Charges

User Fees in Recreation and Culture, Engineering and Planning Departments were adjusted to reflect market conditions & general inflation where applicable.

Debt Charges

Currently, the only debt Markham has is a 20-year loan from the Canada Mortgage and Housing Corporation (CMHC) and facilitated by the Region of York. The City borrowed \$12 million from CMHC in 2010 to construct the Birchmount Energy Centre. This plant is being operated by Markham District Energy (MDE) and the annual lease payment made by MDE to Markham more than offset the annual principal and interest payments.



Identification of Major Service Contracts

The identification of major service contracts up for renewal in 2014 is completed by Financial Planning with the assistance from the Purchasing Department and factored into the Budget.

Budget Administrative Guidelines

Budget Transfers

Budget transfers refer to permanent transfers in the Budget and are not intended as a method of reallocation for budget overspending.

Forms do not have to be completed for re-allocation of dollars within a department. However, re-allocation of dollars may also be done between departments within each Commission. All transfers are tracked and recorded by the Financial Planning Department. Total 2014 budget dollars for the Commission do not change. Any cross-departmental transfers within the same Commission need to be approved at the Commissioner level.

Budget Spending

The City Budget cannot be overspent. There may be variations throughout the year within the various cost centres and line items and the following levels of authority are required if these situations occur.

- Ø Any Commission Level overspending requires the approval of the CAO.
- Ø Within the Commission there may be Departments or line items that may exceed the budget. Provided these stay within the Commission, the Commissioner is authorized to make the necessary balancing decisions. Commissioners are responsible to ensure that procedures are in place to prevent budget overspending.

The Executive Leadership Team (ELT) regularly undertakes a detailed review of budget over/under spending and makes decisions on spending reallocations, if required.

Unless prior authorization is given, all departments will be expected to contain expenditures within budgeted amounts.

Budget Monitoring

Budget status reports are prepared on a monthly basis for ELT. These provide a comparison between actual revenues and expenditures to budgeted amounts. Further regular reports are presented to the General Committee, which include a detailed analysis of variances.

Monthly financial statements are delivered by Financial Reporting to each Commission by the 5th business day of the following month. Based on this information, departments provide Financial Planning with details of material variances and projections for the remainder of the year.

Financial Planning consolidates the information and presents a reporting package to the General Committee.

Monthly Budget Reporting Content

Financial Planning reports on operating budget variances to Senior Management monthly and to Council quarterly.

Vacancies

Vacancies not filled within six months from the date of occurrence are subject to review by the Chief Administrative Officer (CAO).

Overtime

The Commissioners and the CAO monitor overtime on a monthly basis.

Year-end Projections

Factors that may affect the year-end projection and feedback from all departments are incorporated in the mid-year and third quarter forecasts to Council.



2014 CAPITAL BUDGET GUIDELINES

Key Dates

May 2013	Capital Database was opened for submissions from departments which were due by the middle of June 2013
July 2013	Director's Forum (DF) reviewed the 2014 Capital Budget Submissions and provided a recommendation to the CAO, Executive Leadership Team (ELT)
September 2013	ELT & DF had joint reviews of the 2014 Capital Budget
September 2013	Approval of the 2014 Capital Budget by ELT
December 2013	Council approval of the 2014 Capital Budget

Project Categories and Guiding Principles

The life of a capital project can range anywhere from months to several years depending on the size and scope of the project. In order to maximize the City of Markham's ability to manage capital projects and cash flow, capital projects will be categorized according to the project nature and the amount of time required to complete the project.

- Ø All capital projects requested and approved through the annual capital budget process must be initiated in the calendar year of approval.
- Ø All capital projects submitted for budget approval must be categorized as "Major", Minor" or "Annual", according to the guiding principles for each category, and defined in the table below.

PROJECT CATEGORY	GUIDING PRINCIPLES
Major	<ul style="list-style-type: none"> - Multi-year. - Non-recurring.
Minor	<ul style="list-style-type: none"> - Non-recurring. - Completed within 12 months of initiation date. - Invoices processed and projects "closed" 3 months after project completion.
Annual	<ul style="list-style-type: none"> - Recurring. - Completed within the calendar year of approval. - Invoices processed and project "closed" no later than Q1 of the year following approval.

2014 Capital Database

The Capital Database is used to input all relevant information related to each capital project request. Departments are required to complete the following fields in the 2014 Capital Database the projects planned for 2014:

- Ø Project Information Worksheet which requires departments to provide the following information:
 - Project Manager
 - Project Type (i.e. New Asset/Expansion, Repairs/Replacements, Studies)
 - Detailed Project Description
 - Project Ranking
 - Project Cost
 - Cost of future phases, if applicable
 - Funding Sources
 - Impact on Operating Costs
 - Cash Flow Projection
 - Procurement Plan
 - ITS requirements
 - Link to Council priorities

- Ø DC / Life Cycle Projects Worksheet
 - Applicable when Development Charges (DC) has been identified as a funding source for the Capital Project. Departments are required to outline and compare the 2014 capital project request against the year and costs that have been identified in the DC Background Study. An explanation is required when the year and/or costs deviate from the DC Background Study.
 - Applicable when Life Cycle Replacement and Capital Reserve Fund has been identified as a funding source for repair/replacement of assets. Departments are required to complete the worksheet which compares the 2014 capital project request against the Asset Life Cycle Reserve Study. An explanation is required when the year and/or costs deviate from the Asset Life Cycle Reserve Study.

- Ø Other Projects Worksheet
 - Applicable to all non-DC and non-Life Cycle projects. Indicate how Service Level will be affected by the project; that is, whether service level will be 'Maintained', 'Increased' or 'Decreased' after implementation. If the response is either 'Increase' or 'Decrease', a detailed explanation is required.

General Information

Funding Guidelines

The City's Commissions are given funding guidelines at the beginning of the capital planning process. For operating non-life cycle funded projects, each Commission was provided with a target that was based on 80% of the average approved capital budget



from the previous 2 years. The remaining 20% was allocated based on discussions at the Directors Forum review meetings.

Capital Projects / Acquisitions

A project or acquisition must meet both of the following requirements to be considered a Capital Expenditure:

- Ø It must have future value with an expected useful life longer than 1 year.
- Ø The total cost is \$5,000 or greater.

Priority Setting

Submissions for Operating non-life cycle funded capital projects (tax rate) will be considered in accordance with their priority ranking. Projects should be ranked as follows:

Rank 1

- Projects that have received approval from Council
- Projects that are required due to legal / legislative requirements
- Life cycle funded projects with confirmed need based on condition assessment

Rank 2

- Continuation of an existing project (i.e. second phase)
- Life cycle funded projects without confirmed need based on condition assessment
- Projects that have been reported to Council but pending Council decision
- Projects that are politically sensitive
- Projects that increase efficiency or reduce/eliminate risks
- Projects that are deferred from previous year

2014 Business Plans

The 2014 Business Plans were incorporated into the 2014 Capital and Operating Budget process.

Funding from Life Cycle Replacement & Capital Reserve

In 2005, Council approved the establishment of Life Cycle Replacement & Capital Reserve to address on-going capital replacement and preventive maintenance of capital assets and for major capital expenditures approved by Council. Capital projects with the Life Cycle Replacement and Capital Reserve as a source of funding should also include the year of replacement identified in the Asset Life Cycle Reserve Study.

Special Funding

Departments are required to identify projects in the 2014 Capital database that may require upfront financing by the City because the proposed funding (e.g. sale of assets,

grants, subsidies, recoveries from other levels of government) will not be available at the time of expenditure.

Projects Managed by Other Departments

Information Technology Services (ITS):

Departments are required to identify all discretionary IT requirements. Such projects include new corporate applications – training management system, corporate project management system. Non-discretionary requirements (e.g., PC upgrades / replacements, etc.) are managed by ITS separately.

Capital Assets/Fleet:

All business cases & 2014 Capital Funding Request forms for new fleet should be forwarded to Operations-Fleet department for review and verification of cost/standards. Operations-Fleet will submit Capital Funding Request form(s) to Finance for new fleet vehicles required in 2014.

Operations-Fleet will conduct condition assessments on replacement vehicles identified in the Asset Life Cycle Reserve Study as requiring replacement in 2014. Replacement vehicles required in 2014 will be consolidated into two capital projects by Operations-Fleet.

Council Request

Council members are encouraged to identify projects that should be included in the 2014 Budget submission. These projects should be entered into the Database and identified as a Council Request.

Taxes (Provincial & Federal)

Harmonized Sales Tax (HST) of 13% is levied on purchases made in Ontario. For most purchases, Ontario municipalities are entitled to HST Rebate of 11.24%, resulting in a net 1.76% HST impact. For purchases and improvements of eligible capital properties for commercial activities, Ontario municipalities are entitled to HST Input Tax Credit of 13%. All capital projects must be budgeted at project cost excluding taxes. All applicable taxes impact (1.76% HST) must be identified separately.

For example, a project with a quote/estimate of \$200,000 should be budgeted at \$203,520 with net HST impact (\$3,520) identified separately.

Development Charge (DC) Projects – Non Growth DC Reserve Fund

The City collects Development Charges (DC's) from developers to construct growth-related infrastructure, such as roads, parks, fire stations and community centres. Development Charges collected from developers are deposited in a DC Reserve Fund until funding for the growth-related capital project is required. Certain Development Charge projects require non-development charge reserve funding equivalent to 10% of the project cost. Items exempt from the 10% non-growth DC charge are:

- Ø Water supply services, including distribution and treatment services;



- Ø Waste water services, including sewers and treatment services;
- Ø Storm water drainage and control services;
- Ø Services related to a highway (as defined in subsection 1 of the Municipal Act);
- Ø Electrical power services;
- Ø Police services;
- Ø Fire protection services;
- Ø Other services as prescribed.

Projects that do not fall under one of the above exemptions must be noted as requiring 10% Development Fee funding or an alternative non-growth DC source such as other reserves. For example, a new park with a project cost of \$100,000, inclusive of taxes, would have Development Fee funding of \$10,000 (10%) and Development Charge funding of \$90,000 (90%).

Projects with Zero Cost

Departments are required to budget for all projects that they propose to undertake, even those that have a zero net City cost. For example, if a project requires that the City undertake works for other local governments, utilities or developers that will be funded through subsidies or recoveries, then the project should be included in the Capital Budget with appropriate gross subsidies, recoveries and net cost. If the City is to undertake the project, it must be budgeted.

Donations and Donations-In-Kind

Donations and Donations-In-Kind should be included in the 2013 Capital Budget submissions. The funding source should be identified as 'Other' with a description of *Donation* or *Donation-In-Kind*.

Capital Improvements in Specific Areas

Capital improvements that benefit specific residents in an area are recoverable from the residents that benefit from the improvement. The funding source for such projects should be identified as either: Local Improvement Charges; Section 391 – Fees & Charges By-law; or Section 326 – Special Service Charge By-law of the Municipal Act, 2001.

Capital Induced Operating Costs

Future operating costs (personnel and non-personnel) associated with capital projects must be identified in order to be included in the operating budget.

Quotes

To provide more accurate budget figures, where appropriate, all capital projects put forward should have written quotes from vendors.

Endowment Reserve Funds

Capital Projects that will be funded from Endowment Funds, such as the Museum and Theatre, should be included in Capital Budget submissions.

Internal Administration Fees

Charge backs of administration fees should not be included as part of the Capital Budget process, for those projects are fully funded from the tax rate.

Post Budget Approval – Controlling Capital Expenditures

Under Spending In accordance with the Capital Budget Control Policy, when a Capital Project is cancelled or a completed project results in unspent dollars, those dollars must be returned to the original funding source(s) of the project.

Over Spending

Capital contract overruns that exceed budget must follow the Capital Budget Control Policy for Request for Additional Funding of an Approved Capital Project.



CAPITAL BUDGET CONTROL POLICY

Purpose

The Capital Budget Control Policy will provide the necessary guidelines to improve the management, administration, and reporting of capital projects.

The aim of this policy is to define the following:

- Ø Project Categories and Guiding Principles for capital budgeting.
- Ø Standardized Contingency Percentages for capital budgeting.
- Ø The return of surplus funds after a contract has been awarded.
- Ø Capital Budget reporting requirement to Council.
- Ø Process for requesting new capital projects after the annual budget has been approved.
- Ø Process for requesting the Consolidation of capital projects with similar scope.
- Ø Process for requesting a change to the scope of an approved capital project.
- Ø Process for requesting additional funding for an approved capital project.
- Ø Process for closing capital projects and the return of unexpended funds to reserves.

Project Categories and Guiding Principles

The life of a capital project can range anywhere from months to several years depending on the size and scope of the project. In order to maximize the City of Markham’s ability to manage capital projects and cash flow, capital projects will be categorized according to the project nature and the amount of time required to complete the project.

- Ø All capital projects requested and approved through the annual capital budget process must be initiated in the calendar year of approval.
- Ø All capital projects submitted for budget approval must be categorized as “Major”, Minor” or “Annual”, according to the guiding principles for each category as defined in the table below.

PROJECT CATEGORY	GUIDING PRINCIPLES
Major	<ul style="list-style-type: none"> - Multi-year - Non-recurring
Minor	<ul style="list-style-type: none"> - Non-recurring - Completed within 12 months of initiation date - Invoices processed and projects “closed” 3 months after project completion
Annual	<ul style="list-style-type: none"> - Recurring - Completed within the calendar year of approval - Invoices processed and project “closed” no later than Q1 of the year following approval

Standardized Contingency Percentages

In 2013 Finance undertook an extensive analysis of the contingency purchase orders (PO's) as a percentage of the awarded contracts to determine reasonable project contingencies, by project type and dollar thresholds.

- Ø The standardized contingency percentages for hard costs (construction) are provided below:
- Ø The standardized contingency percentage for soft costs (consulting & professional fees) is 10% for all project types and dollar thresholds.
- Ø The appropriate contingency amount (as per the standardized contingency percentages for hard and soft costs) will be included in the capital project estimate submitted for budget approval.
- Ø Project contingency amount(s) will be proportionally adjusted according to any approved changes to project budget amount.
- Ø Consideration for a contingency in excess of the standardized amount must be submitted to the respective Commissioner and the CAO, with a business case to support the request for approval.

Project Type	THRESHOLDS			
	Under \$500,000	\$500,000 to \$1 million	\$1 million to under \$5 million	\$5 million and over
Existing Facility	10%	10%	10%	5%
Roads / Bridges	10%	8%	5%	5%
New Facility	N/A	N/A	10%	5%
New Parks	7%	8%	6%	N/A
Sidewalks / Illumination	5%	9%	8%	N/A
Water – Relining / Cathodic	8%	9%	N/A	N/A
Watermain & Sewer Replacement	10%	4%	3%	N/A

Return of Surplus Funds after Contract Award

Estimated costs for contracted goods or services are included in the project submission during the annual capital budget process. In the event that the actual amount awarded for a contract is less than the amount included in the budget estimate, the excess funding will be returned to the original funding source(s). Also, the total project budget, including the standardized contingency amount, will be reduced accordingly.



Capital Budget Reporting

The Treasurer will report to Council semi-annually on the status of all capital projects. This regular reporting will provide Council with the tools necessary to make informed decisions on all capital related items requiring their approval.

Ø Status Updates from Departments

To accurately administer and report on the capital budget, Departments will be required to forward to Finance, on a quarterly basis, an accurate status of each project owned or managed by them. The status must include a description of the work in progress, the percentage of work complete and a projected forecast for completion. Departments should also disclose any third party agreements or other situations that may delay the initiation or the completion of the project.

Ø Semi-annual Status Report to Council

On a semi-annual basis, Finance will consolidate the information received from the Departments and report to Council on the status of capital works.

The report will include a summary of the encumbrances to date, the percentage of budget encumbered, the known commitments and expenditures, and a detailed listing of capital projects to be closed. The information provided will also include all changes to reserves and reserve funds resulting from project closures.

The particulars in the report will be provided for information purposes only.

Request for New Capital Project after Annual Budget has been Approved

Throughout the year, there may be the need to commence a project that was not anticipated during the annual capital budget process.

- Ø Departments must submit their new project requests, supported by a business case, to the Treasurer.
- Ø Depending on the timing of the submission and on the significance of the initiative, the request will be submitted for Council approval:
 - As part of the semi-annual capital project status report, OR
 - Directly to Council with the consent of the Treasurer.

Request to Consolidate Capital Projects with Similar Scope

Many capital projects are submitted each year as part of an asset repair or replacement program, and are not always completed within the calendar year in which they are approved. This results in multiple, active projects of similar scope and can be cumbersome to manage. Departments may request that projects of similar scope be consolidated. This option is available only for projects classified as “Major”.

- Ø Requests for consolidation of Major projects of similar scope must be submitted to the Treasurer for review.
- Ø The request should clearly outline the incomplete works of each project and their anticipated cost.

- Ø Any identified budget excess will be returned to the original funding source(s).

Request to Change the Scope of an Approved Capital Project

A considerable effort is expended in assessing the capital assets of the organization and the needs of the Community in preparation for the annual capital budget. However, throughout the life of a capital project the scope may change (additional works, materials or expanded mandate) as the priorities of the organization and Community change.

- Ø Departments must forward all scope change requests to the CAO for consideration.
- Ø The request should include:
 - The project name, original scope and budget;
 - The impact of not proceeding with the project as originally defined;
 - The scope and budget of the revised project;
 - The benefits of approving the revised project.

Requesting Additional Funding for an Approved Capital Project

During the annual capital budget process, Departments make every attempt to ensure that the budget request is sufficient to complete the defined scope of the project. Unanticipated costs, emergency purchases or approved scope changes may prompt the need for additional funding. All approved budget increases will be funded from the established capital contingency project(s) appropriate to the project scope.

- Ø Approval for the use of capital contingency project funds is governed by the signing authority levels in the corporate “Expenditure Control Policy”, (*Capital Overruns, section 6.03*).
- Ø At the discretion of the Treasurer, a report to Council may be required (from the requesting Department) if the funding request will drive the capital contingency project into a negative balance.
- Ø The use of capital contingency funds will be reported to the CAO and Commissioners on a quarterly basis.
- Ø The amounts required to top up the contingency projects to their respective maximum funding amounts, will be included in the semi-annual capital status report to Council.

Following is the list of the approved capital contingency projects, by funding type & use and the maximum funding amount for each.

Non-DC Contingency	\$250,000	Tax funded portion of requirement
Design DC Contingency	\$100,000	90% DC portion of requirement
Planning DC Contingency	\$50,000	90% DC portion of requirement
Engineering DC Contingency	\$100,000	DC portion of requirement
Waterworks Contingency	\$100,000	Waterworks Stabilization/Capital requirement



Closing Capital Projects and Return of Unexpended Funds

The timely closing of capital projects is imperative to ensure that funds are not spent unnecessarily, and to ensure that any surplus funds are returned to their original source(s).

In the event that an invoice is received after the closure of a capital project, the Treasurer has the authority to approve payment of the invoice from the funding source(s) originally approved for the project; that is, providing the total cost of the project is within the original project budget. Invoices not within the original budget must be addressed according to the Expenditure Control Policy and other sections of this Capital Budget Control Policy.

EXPENDITURE CONTROL POLICY

1 POLICY

1.01 All employees shall obtain appropriate authorization for any expenditure of funds.

2 PURPOSE

2.01 The purpose of this policy is to establish internal controls over the authorization of expenses.

This procedure is subject to the limitations and guidelines established within Markham's Purchasing By-law #2004-341.

3 SCOPE

3.01 This policy applies to all authorized individuals making payments on behalf of Markham. The responsibility of any employee referred to in this Policy may be temporarily assumed by their designate.

3.02 The approval authority thresholds identified include taxes except for sections under 7.01, 7.02 and 7.03.

4 RESPONSIBILITY

4.01 It will be the responsibility of all Markham employees to ensure that all requirements of the Policy are complied with.

4.02 Staff whose names are approved by the appropriate Commissioner or Chief Administrative Officer (CAO) will have signing authority. Those individuals responsible for approving expenditures are also responsible for the legitimacy of the expenses.

4.03 Accounts Payable is responsible for ensuring that no payments are made without appropriate authorization.

4.04 The Treasurer is responsible for the administration of this Policy and will recommend to the CAO any amendments that may be required.

4.05 The CAO will be authorized to approve any amendments suggested by the Treasurer.



5 DEFINITIONS

“**Barter Transactions**” means an exchange of goods or services between two or more parties where no money changes hands;

“**Blanket Purchase Order**” refers to a contract between Markham and a supplier to facilitate the procurement of repetitively used goods and services for a specified term;

“**Capital Budget**” means a financial plan outlining expenditures and revenues of a Capital Project that is formally reviewed and approved by Council;

“**CCC**” means the CAO and Commissioner’s Committee;

“**Cheque Requisition**” means a form requesting a cheque be prepared for payment of non-invoice related transactions (i.e., seminar, conference, and membership);

“**Commissioner**” means a person appointed by Council with administrative responsibilities of a group of departments;

“**Commitment**” means an act in the form of a contract or purchase order binding Markham to a financial obligation;

“**Contingency**” means an unexpected requirement not specified in the original scope of a project that may result in a project change and additional cost;

“**Cost Centre Manager**” means a person holding a position that has staff reporting directly to him/her and has authority over the scheduling of work and is responsible for the work that these staff produce (e.g., Supervisor, Coordinator, etc.);

“**Criteria**” means a set of rules the conformance to which will govern the authority limits to award a contract

“**Council**” means the Council of the Corporation of the City of Markham;

“**Designate**” means the staff member who may be temporarily appointed to act on behalf of an authority named in this Policy;

“**Developer**” means a contractor/person who has entered into an agreement with Markham for the development of the land/property;

“**Director**” means a person holding a management position of Director within a department and includes the Treasurer, Fire Chief, Deputy Fire Chief, Solicitor, Clerk, Architect and Chief Information Officer (CIO), and any other title approved by Human Resources as a staff position equivalent to that of a Director;

“**Finance and Administrative Committee**” means the finance Standing Committee of Council and includes any committee that may replace this as approved by Council;

“**Fixed Purchase Order**” refers to a contract between Markham and a supplier to facilitate the procurement of goods and services for a fixed amount during a specified term;

“**Manager**” means a person holding a management position of Manager within a department and includes the Project Manager, Assistant Solicitors and Deputy Clerk and any other title approved by Human Resources as a staff position equivalent to that of a Manager;

“**Markham**” means the Corporation of the City of Markham’

“**Operating Budget**” means a financial plan, outlining expected revenues, expenses and expenditures for operations, that is formally reviewed and approved by Council;

“**Overruns**” means an increase in costs resulting from unforeseen additional services or materials and includes all addenda, change orders, and extensions to the original contract or purchase order value. Overruns resulting from a change in scope from the original contract must be identified and dealt with as a new purchase;

“**Petty Cash**” means a small amount of cash available for necessary minor purchases;

“**Purchase Order**” means a purchase order issued by the Purchasing Department that confirms Markham’s intent to procure goods and services for a price and from the vendor as stated in the purchase order;

“**Treasurer**” means the Council appointed Treasurer of the Corporation of the City of Markham;

“**User Department**” means the department within Markham requiring goods and services to be purchased.

6 COMMITMENTS

6.01 The general level of authority to authorize awards within Markham’s approved Operating and Capital budgets will be as follows:

a. Value <\$5,000

The user department Commissioner or designate delegate shall award purchases of goods and services under \$5000.

b. Contract awards that are within the Established Criteria:

Contract Value	Approval Authority
\$5,000 - 25,000	Manager
\$25,001 - \$100,000	Director
100,001 - \$350,000	Commissioner
>\$350,000	CAO



c. Contract awards that are outside the established criteria:

Contract Value	Approval Authority
\$5,000 - \$25,000	Manager
\$25,001 - \$50,000	Director
\$50,001 - \$100,000	Commissioner
100,001 - \$350,000	CAO
>\$350,000	Council

Established Criteria

The following criteria must be met to enable award of contracts:

- The expenses relating to the goods/services is included in the budget (Operating/Capital)
- The award is within budget
- The award results from the normal tendering process
- The award is to the lowest priced proponent
- The term of the contract is for a maximum of four(4) years
- There are no litigation between the successful bidder and Markham
- There are no bidder protests at the time of contract award

6.02 Contingencies

a) For approved contingencies, the Director of the User Department responsible for the project will have the authority to authorize project changes. It is the responsibility of the Director of the User Department to ensure that the project contingency fund does not exceed the original contingency funding allowance on the contract award.

6.03 Capital Overruns

The level of authority for capital expenditures that exceed awarded commitments (contract overruns) will be as follows:

Dollar Threshold*	Approval Authority
\$0 - \$10,000	Director
\$10,001 - \$50,000	Commissioner
\$50,001 - \$100,000	CAO
>\$100,000	Council

*The dollar threshold limits are cumulative in nature. Two individual capital overruns at \$9,000 each for a cumulative total of \$18,000 will require the Commissioner’s authorization.

a) Approval for a capital overrun must be obtained from the appropriate authority level via an email and a Purchase Order Adjustment Authorization Form (POAAF) must be completed within 10 business days with the email attached.

- b) The Treasurer will review compliance and report any exceptions periodically to CCC.

6.04 Operating Overruns

- a) The User Department Commissioner may approve overruns to contracts drawn from Operating budgets. The User Department Commissioner may approve overspending of any particular budget line by making the necessary balancing decisions with other operating budgets within their Commission. Commissioners are responsible to ensure that procedures are in place to prevent total budget overspending.

6.05 Single Change Order With Budget Remaining Including Contingencies

- a) The approval authority level for a single change order is as follow:

Dollar Threshold	Approval Authority
\$0 - \$50,000	Director
\$50,001 - \$100,000	Commissioner
\$100,001 to limit	CAO

7 PROCEDURES

7.01 Goods and Services less than \$100 (excluding Taxes)

- a) Goods and services costing less than \$100 required in the normal course of business may be paid for from Petty Cash or by using the Corporate Procurement Card.
- b) All withdrawals from Petty Cash and all expenditures using Petty Cash must be authorized by the employee's next level of authority.
- c) Invoices will be approved by the appropriate authority and sent to the Accounts Payable Department for payment.

7.02 Goods and Services greater than \$100 and less than \$5,000 (excluding Taxes)

Goods and services costing more than \$100 and less than \$5,000, required in the normal course of business, may be purchased without a purchase order either through normal invoice procedures or by using the Corporate Procurement Card, except in the case of regular predictable expenses such as rent or utilities.

- a) Invoices will be approved by the appropriate authority and sent to the Accounts Payable Department for payment.



7.03 Goods and Services greater than \$5,000 (excluding Taxes)

- a) For goods and services costing more than \$5,000, a purchase order must be issued. The purchase order could be either a blanket, fixed or regular purchase order depending on the type of purchase.
- b) For purchases using a blanket or regular purchase order, invoices duly approved by the appropriate level of authority (sign off on the invoice), will be sent to Accounts Payable for payment processing.
- c) For fixed purchase orders, the invoices will be paid automatically by the Accounts Payable Department without the need for approval by the User Department. It is the responsibility of the User Department to inform Accounts Payable to stop payment for any reason before the payment is due.

7.04 Contingencies

- a) Any contingency fund authorized in a contract award will be issued on a separate purchase order. Authorized project change invoices will be posted against the contingency purchase order.

7.05 Invoice Authorization for Payment

- a) All invoices for expenditures less than \$5,000 must be signed by a Supervisor / Coordinator.
- b) All invoices for expenditures greater than \$5,000 must have two signatures / initials as follows (e.g. initials):
 - i. The first initial can be any staff member, within the User Department, that has been authorized by the User Department Commissioner.
 - ii. For purchases less than \$100,000 the second initial must be a manager's initials.
 - iii. For purchases above \$100,000 the second initial must be a Director's initials.
 - iv. Initials will be written on the face of the invoice. Accounts Payable will check to see that there are two sets of initials, ensuring that one is the appropriate Director or Manager.
- c) Invoices that do not have the correct purchase order and line item number noted will be returned to the Vendor for correction

7.06 Write-Offs

Authorization to write-off outstanding amounts owing to Markham as uncollectible is as follows:

- Write-off of any non-tax related invoices up to \$10,000 will be reviewed and authorized by the Treasurer. Council approval is required for any write-off in excess of \$10,000.

- Write-off of any tax related items that are tax reductions and are the result of successful appeal of assessment or taxes by a taxpayer will be reviewed and authorized by the Treasurer without any monetary ceiling.
- Write-off's requiring Council approval as mandated by legislation will be forwarded to Council through a report.
- Write-off's that have specifically been provided for within the approved budget and/or year end closing provision, will be reviewed and authorized by the Treasurer.
- Allowances that have been provided for in the General Ledger will be reviewed and authorized by the Treasurer.

8 MISCELLANEOUS AUTHORITIES

8.01 Accounting

a) Personal Expense Claims

	Authority
a) Personal Expense Claims	
Staff member	Manager
Manager	Next Level/Director
Director	Next Level/Commissioner
Commissioner	Chief Administrative Officer
Chief Administrative Officer	Commissioner of Corporate Services
Councillor	Councillor
b) Cheque requisitions	Manager/Director as per clause 7.05
c) Procurement Card Purchase	Manager and/or Director
d) Petty Cash Expenditures	Manager

8.02 Payroll / Personnel

	Authority
a) Time Sheets	Cost Centre Manager
b) Overtime	Cost Centre Manager
c) Vacation	Cost Centre Manager
d) Salary Memorandums	Director - Human Resources
e) Termination/Leave of Absence	Director - Human Resources

8.03 Letters of Credit – Draws, Reductions, Releases

	Authority
a) up to \$100,000	Manager
b) up to \$350,000	Director
c) up to requested value	CAO, Commissioner, Treasurer



8.04 Miscellaneous

	Authority
a) Disposal of surplus assets	Chief Administrative Officer or Treasurer
b) Acquisition of computer equipment and software	Chief Administrative Officer

8.05 Treasurer's Authority

Despite any other provision in this Policy, the Treasurer is authorized to pay the following accounts, provided that funds are available in the Operating Budget or a Capital Project for that purpose:

- a) all salaries, wages and benefits due to any person in the employ of Markham;
- b) all retiring allowances and mandatory sick pay grants upon Human Resources approval due to any person previously in the employ of Markham;
- c) all accounts for telephones, postage and utilities supplied to Markham;
- d) all accounts for fees and levies payable to the federal, provincial or other municipal government, or to any agency, board or commission thereof;
- e) all accounts for payments of principal or interest on debentures, loans or overdrafts, including foreign exchange;
- f) all accounts for payments to the school boards of amounts raised for them by tax;
- g) all accounts relating to employee pension deductions and employer pension contributions in respect of the salaries and wages of those persons who are paid by or employed by Markham, and which are payable in respect of any duly authorized registered pension plan on behalf of the respective employee.

8.06 Barter Transactions

Barter transactions represent an expense to Markham in the amount of the cost of the items Markham is bartering. Authorizations for barter transactions shall follow the same process as for a standards purchase, in the amount of the value of the barter. Sales taxes must be accounted for as for a standard purchase.

9 AUDIT

Any or all of the procedures cited in this document may be audited by the Corporate Services Commission or the Auditor General.

10 ATTACHMENTS

- Cheque Requisition Form
- Expenditure Control Form
- Purchase Order Adjustment Authorization Form (POAAF)

11 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

- Petty Cash Policy
- Business Expenses & Conferences Policy
- Corporate Procurement Card Policy
- Purchasing By-law #2004-341



DONATIONS POLICY

1 POLICY

1.01 The City may accept donations and provide “official tax receipts for income tax purposes” as prescribed by Revenue Canada. Therefore it is necessary to establish a policy for handling donations. The City recognizes and will adhere to the guidelines set out in the Canadian *Income Tax Act*.

2 PURPOSE

2.01 To provide a corporate policy for receiving donations and the issuance of income tax receipts. This policy applies where an income tax receipt is requested for donations.

3 SCOPE

3.01 This policy applies to all employees of the City of Markham, except those of the Markham Public Libraries. The Markham Public Libraries have separate policies approved by Library Board dealing with donations and issue their own official tax receipts.

3.02 All donations will be in keeping with the City of Markham’s Vision and Mission and will not in any way reflect negatively on the City’s public image. The City of Markham reserves the right to reject any gift or donation in whole or in part.

4 RESPONSIBILITIES

4.01 It is the responsibility of all City employees to ensure the requirements of this Policy are complied with.

4.02 It is the responsibility of the receiving department to ensure appropriate acknowledgement of any such donation is provided, and to ensure the Treasurer or designate is informed of all donations requiring official tax receipts and insurance.

4.03 Finance Department is responsible for assessing donations to ensure that appropriate receipts are issued for income tax purposes.

4.04 Finance Department is responsible for making the necessary insurance arrangements for all property as advised of.

4.05 Finance Department will monitor the regulatory changes to the *Income Tax Act* and the changing needs of the organization and update this policy as required.

5 DEFINITIONS

“**City**” means The Corporation of the City of Markham;

“**Commissioner**” means a person appointed by Council with administrative responsibilities for a group of departments;

“**Council**” means the Council of The Corporation of the City of Markham;

“**Designate**” means the City staff member who may be temporarily appointed to act on behalf of an authority named in this policy;

“**Director**” means a person holding a management position of Director within a Department and includes the Treasurer, Fire Chief, City Solicitor, City Clerk, City Architect and/or General Manager;

“**Donation**” means a financial contribution, cash, property, or items such as art, furniture, equipment, materials of historical interest;

“**Donor**” means a person or organization that provides a donation to the Corporation of the City of Markham;

“**Fair Market Value**” the price an item would bring on an open and free market between a willing buyer and a willing seller who are acting independently of each other.

“**Gift**” see donation, these terms are interchangeable;

“**Gift in Kind**” is a non-money donation;

“**Money**” includes bank notes, cheques, money orders, credit card or debit card transactions and currency/cash.

“**An Official City Event**” is an event approved by Council and supported by a Committee of Council or designated Councillor, where the proceeds will be directed to an existing, or future, City asset and the City controls the event’s spending.

The report must include:

- a) a request for the event to be classified as an “Official City Event”
- b) a detailed budget
- c) the City asset benefiting from the event
- d) identification/approval of the Committee of Council or appointment of the Councillor designate on the Committee supporting or organizing the event. A follow-up report must be submitted to Council highlighting material variances and the net contribution amount to the City.

“**Relative**” is defined as parent, sibling, child, grandparent, uncle, aunt, and parent in-law;

“**Treasurer**” means the Council appointed Treasurer of the Corporation of the City of Markham;

6 SOLICITATION

No individual or organization shall solicit funds in the name of or on behalf of the City without approval of the Chief Administrative Officer or Council or their approved designate unless they are doing so on behalf of an Official City Event.



7 GENERAL RULES

7.01 Revenue Canada's definition of a donation\gift is "a voluntary transfer of property owned by a donor to a City, in return for which no benefit flows to the donor"

7.02 To have a valid donation\gift, there must be an intention to give, a delivery, and an acceptance. Because there must be an acceptance by the City, a donation is not completed until it is accepted.

7.03 The transfer is made without the expectation of return.

7.04 No benefit of any kind may be provided to the donor or to anyone designated by the donor, except where the benefit is of nominal value. The benefit is considered nominal value where its fair market value does not exceed the lesser of \$75.00 or 10% of the amount of the donation.

8 QUALIFYING DONATIONS

Donations that qualify for official tax receipts generally include:

- (a) cash
- (b) capital, real or depreciable property
- (c) personal-use property, works of art, jewelry, rare book, stamp, or coin
- (d) a leasehold interest or a residual interest in real property
- (e) donations of life insurance policies
- (f) donations under will

Special rules exist for donations of cultural property and donations of ecologically sensitive lands.

9 NON QUALIFYING DONATIONS

9.01 Contributions of skills or time through volunteer service do not qualify as donations.

9.02 The payment of a basic fee for admission to an event or to a program does not qualify as a donation that is eligible for the issuance of a tax receipt. An exception to this rule is available for the purchase of a ticket to a fund-raising dinner, ball, concert, and show or like event. In this case, the donation is valued as the difference between the fair market value of the food, entertainment, prizes and the purchase price of the ticket. As per the Revenue Canada guidelines, the City will not issue a tax receipt if the total value of the food, entertainment & prizes received exceeds 80% of the purchase price of the ticket.

9.03 When a donor requests the City to pay for a portion of the donation and the amount paid by the City to the donor exceeds 80% of the total value of the donation, a tax receipt will not be issued. For example a piece of land valued at \$100,000 is offered to the City for \$85,000 with the request that the City issue a tax receipt for the difference, \$15,000. Since the amount to be paid by the City is in excess of 80% of the value of the land, the City is unable to issue a tax receipt for the difference.

9.04 When the donor has directed the funds to a specific person or family, a tax receipt will not be issued.

9.05 Donations that have a direct benefit to the donor or any relative of the donor, a tax receipt will not be issued.

9.06 Donations made in exchange for consideration of a right, privilege, material benefit or advantage such as promotion or advertising for the donor's purposes do not qualify for income tax credits under the *Income Tax Act*, and no income tax receipt can be issued.

9.07 The Canada Revenue Agency's (CRA) regulations on donations where the donor's company name and;

- company logo; or

- slogan; or

- address/phone numbers is listed in promotional material, would not qualify for a tax receipt. The reason is that this is deemed as "significant advertising/promotion" for the donor (i.e. it is a form of advertising/promotion and sponsorship for the donor company).

10 ISSUANCE OF TAX RECEIPTS

10.01 Upon the Treasurer's or designate confirmation that the donation is in compliance with this policy and the donation has been received, the Treasurer or designate shall issue an "official tax receipt for income tax purposes" and the Finance Department shall arrange for the applicable insurance coverage, if required.

10.02 All requests for tax receipts must be accompanied by appropriate donor and donation information as detailed on the "Gift in Kind/Conditional Gift Receipt of Donation" form or "Money Donation Receipt Request" form.

10.03 Income tax receipts shall be issued for donations of \$25.00 or more, unless specifically requested by the donor and approved by the City.

10.04 The date of donation is the date the donation was received or the title to the asset transferred. Donations received after December 31 may not be included in the prior year's donation unless the donation was post marked in the previous year.

10.05 Revenue Canada ultimately determines the value of the donation, which is permitted for income tax deduction.

11 ACCOUNTING FOR DONATION OF MONEY

11.01 For cash donations, the receipt must be made out to the person delivering the donation. All cash donations greater than two hundred and fifty dollars must be received at the Cash Management office. Cash donations of two hundred and fifty dollars or less can be received at the appropriate cultural office or the Cash Management office.

11.02 All cheque donations will be required to have been cleared by the City's financial institution. Upon successful completion of this waiting period, qualifying donors will receive a tax receipt for their donation. The official tax receipt must be made out to the same name and address appearing on the cheque or other form of payment.



11.03 Cheques, money orders and bank drafts should be made out to “The Corporation of the City of Markham”, “Markham Theatre”, “Markham Museum”, or “Frederick Horsman Varley Art Gallery of Markham”. No third party cheques will be accepted.

12 ACCOUNTING FOR DONATIONS OF GIFTS-IN-KIND

12.01 The City of Markham will only issue official tax receipts for Gift in Kind donations where the donation provides a clear benefit to the City of Markham.

12.02 The value placed on Gift-in-Kind items will be determined by the item’s Fair Market Value.

12.03 Valuation of Fair Market Value should be based on an arm's length sale and purchase of similar property at or near the same date. A minimum of two appraisals are required to be completed by a qualified dealer, appraiser or other knowledgeable individual who is familiar with the market for the object or property, whenever possible. Art appraisers are to be members of ADAC (Art Dealers Association of Canada). The dealer, appraiser or other knowledgeable individual must not be associated with the donor. The appraisals shall be in the form and content acceptable to the Treasurer or designate. Any appraisal not sufficient in form and content may be rejected, and one or more additional satisfactory appraisals may be required to be produced before an official tax receipt is issued.

12.04 If the item is valued at \$1,000 or less, an employee qualified to make the appraisal for such items may complete an appraisal of the item.

12.05 If the item is valued at more than \$1,000 two outside appraisals are required, unless there is a ready market for the item from which the fair market value can be ascertained. Where two or more appraisals have been obtained, the average of these appraisals will be considered the fair market value as long as the appraisals are to the satisfaction of the Treasurer or designate.

12.06 The receipt shall be in the amount of the average appraised value. The receipt shall also indicate a description of the object and the name and address of the appraiser, and shall be dated the day on which the City received the Donation. If the two appraisals received significantly differ in appraised values, a third appraisal may be requested in an effort to clarify the true value.

13 ACCOUNTING FOR DONATIONS OF CULTURAL PROPERTY

13.01 Cultural property are items that are deemed by the Canadian Cultural Property Export Review Board to have "outstanding significance and national importance" to Canada. Criteria in determining the “significance and importance” can include; the items close association with Canadian history or national life and/or its aesthetic qualities and/or its value in the study of the arts or sciences.

13.02 The donation of cultural property must be certified as such by the Canadian Cultural Property Export Review Board.

13.03 The receiving department shall be responsible to determine if a Cultural Property item is to be accepted and to formalize the transfer of ownership from the donor to the City of Markham.

13.04 The receiving Department shall be responsible for making application to the Canadian Cultural Property Export Review Board for Certification of Cultural Property for Income Tax Purposes.

13.05 Income tax receipts will be issued by the Canadian Cultural Property Export Review Board (CCPERB) and fair market value is determined by the CCPERB on the date ownership is transferred to the City.

14 ACCOUNTING FOR DONATIONS FOR SPECIFIC PURPOSES

14.01 Donations and requests for donations that are made for specific purposes will require Council approval. These requests may originate from individuals, organizations, or Council directly. Long-term programs, where cash inflows and expenditures may span many years are best handled through the establishment of a reserve fund. Examples include donations for specific capital projects, or donations to assist with specific ongoing operational needs, such as for the Museum, Theatre or the Frederick Horsman Varley Art Gallery. Any new programs would require that Council authorize the creation of a new reserve fund.

14.02 Requests to direct donations to a specific operation or for specific capital projects, such as to a community or cultural centre, which are generally short-term in nature (i.e. less than one year), are best handled by depositing to the revenue account of the appropriate capital account.

15 ACCOUNTING FOR DONATIONS TO SUPPORT ORGANIZATIONS INDEPENDENT OF THE CITY

15.01 Organizations that offer programs of genuine benefit to the community may request that the City receive donations on their behalf for the purpose of issuing income tax receipts. Under the *Income Tax Act*, the City cannot issue income tax receipts for funds that it will not itself be responsible for spending. Such organizations should receive their donations directly, and register as a Charity with Revenue Canada if they wish to provide income tax receipts.

15.02 The City may however accept these types of donations with the understanding that no official tax receipt will be issued.

16 ACCEPTANCE

The Treasurer or designate is the final level of acceptance for all donations requiring tax receipts to the City of Markham. The Treasurer or designate may grant approval for official tax receipts for money donations made through a Council approved fund raising effort, i.e. the Markham Theatre Membership Drive.



17 ASSOCIATED COSTS

Unless otherwise agree upon by the City, the donor will responsible for any of the following costs (where applicable):

1. transporting the item;
2. appraisal or evaluation by a certified agency;
3. photographs for inventory and insurance purposes;
4. conservation treatment, if required.

Where the City agrees to incur any of the above costs, these costs will be expensed to the receiving Department.

18 FINANCIAL IMPLICATIONS

Financial implications of accepting a donation should be a consideration in the assessment of the donation acceptance. Some of the Financial costs to consider are; cost of project implementation, installation of the work, restoration, and ongoing maintenance of the donation.

19 CONTROL OF RECEIPTS

All used & unused receipts will be securely stored in the Finance Department until needed. All used receipts will be retained for the period required by law in adherence to the “Income Tax Regulation 5800” or any successor legislation or regulation.

20 REFERENCES & RELATED STATEMENTS of POLICY & PROCEDURE

The Canadian *Income Tax Act*

Gifts and Official Donation Receipts IT-110R3 (Section within the *Income Tax Act*)

Canadian Taxation of Charities & Donations, Thomson Carswell

Gifts and Income Tax, Canada Revenue Agency, P113(E) Rev. 04

Reference to a collection policy for the Art Gallery and the Museum

<http://www.culture.gov.on.ca/english/culdiv/heritage/munote3.htm>

TANGIBLE CAPITAL ASSETS POLICY

Introduction

The Public Sector Accounting Board (PSAB), a branch of the Canadian Institute of Chartered Accountants, was created in 1981 as an independent body with the authority to set accounting standards for the public sector. In June 2006, PSAB approved the revisions to Section 3150 of the Public Sector Accounting Handbook - Tangible Capital Assets stating that effective January 1, 2009 all municipal governments would be required to capitalize tangible capital assets (TCA) at historic cost and amortize these assets over their useful lives.

In order to be fully compliant with the new requirements, all tangible capital assets currently owned by the City of Markham (City) were inventoried and valued at their historic costs. The useful life of each asset, or asset class, was determined and amortization was calculated from the time the asset was put into service. The City's 2009 Financial Statements included 2008 comparative numbers along with a budget. The City's 2008 Financial Statements were restated to be PSAB 3150 compliant.

Effective January 1, 2009, the City's Capital Budget must include only projects which meet the criteria laid out in this document for tangible capital assets. All other expenditures must be included in the Operating Budget and be expensed in the period in which they are incurred.

A glossary of terms related to account for tangible capital assets is included in Appendix A.

Scope

This policy will apply to all City departments, boards and commissions, agencies and other organizations falling within the reporting entity of the City.

Purpose

The purpose of the following policy is to provide clear direction to ensure the City's assets are recorded in a fixed asset register, at historic values and amortized over their useful lives, in a consistent manner in accordance with the guidelines established in PSAB 3150.

This policy will provide the framework to achieve the following outcomes:

- Ø Compliance with PSAB 3150
- Ø Consistent accounting treatment of asset related expenditures
- Ø Gather and maintain information needed to prepare financial statements
- Ø Fiscal responsibility
- Ø Users of the financial report are able to discern information about investments in property, plant and equipment, and the changes in such investments.



Policy Statement

All assets owned by the City of Markham, which meet the definition of a tangible capital asset will be capitalized and amortized over its useful life.

1. TCA Definition

According to PSAB 3150 Section .05, tangible capital assets are defined as non-financial assets having physical substance that:

- Ø Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- Ø Have useful economic lives extending beyond an accounting period;
- Ø Are to be used on a continuing basis; and
- Ø Are not for sale in the ordinary course of operations.

1.1 Assets Exclusions

The following assets are to be excluded from the TCA policy:

- Ø Intangible assets including copyrights, trademarks, patents, goodwill and easements;
- Ø Natural resources – trees, woodlots(land value capitalized only)
- Ø Works of Art, Historical Treasures, Archival records – as they have cultural, aesthetic or historical value that is worth preserving in perpetuity, but has no direct future benefit which is measurable. The existence and nature of this property must be disclosed on the Financial Statements (Section PS 3150.42(e)).
- Ø Studies including environmental assessments which are not directly related to an acquisition of a TCA.
- Ø Assets listed for sale if the following conditions are met:
 - Ø The asset is in a condition to be sold
 - Ø There is an active market for the asset
 - Ø There is a plan for selling the asset; and,
 - Ø It is reasonably anticipated that the sale to a purchaser external to the City will be completed within one year of the reporting date.

2.0 Asset Categories

An asset category is a grouping of assets of similar in nature or function in the City's operation. The following is a list of the City's asset categories:

- Ø Equipment
- Ø Furniture & Fixtures
- Ø Infrastructure
- Ø Land
- Ø Library Furniture & Fixtures
- Ø Library Media Collection
- Ø Parks & Pathways
- Ø Vehicles

- Ø Waterworks Equipment
- Ø Waterworks Infrastructure
- Ø Waterworks Vehicles

3.0 Capitalization

Tangible capital assets will be capitalized (recorded in the fixed asset register) according to the following thresholds:

- Ø All land;
- Ø All buildings;
- Ø Civil infrastructure systems (built assets such as roads, bridges, sewers, water, parks etc. with unit cost of \$25,000 or greater, assets less than \$25,000 should be pooled where their pooled value exceeds \$50,000);
- Ø All others with unit cost of \$5,000 or greater.
- Ø Assets between \$1,000 and \$5,000 where their pooled value exceeds \$50,000

Betterments (see Section 12) to existing assets will be capitalized when unit costs exceed the approved threshold.

Thresholds will be reviewed on an annual basis. Changes to the thresholds will require the approval of the Treasurer.

4.0 Opening Valuations

In order to meet PSAB compliance, the following information was collected during the initial recognition and set up of individual asset:

- Ø Description of asset
- Ø Year of acquisition
- Ø Serial ID (or unique asset ID)
- Ø Original historical cost including betterments
- Ø Amortization calculations to date

5.0 Valuation

A tangible capital asset will be recorded at cost plus all charges necessary to place the asset in its intended location and condition for use.

5.1 Purchased assets

Cost is the gross amount of consideration paid to acquire an asset. It includes all non-refundable taxes and duties, freight and delivery charges, installation and site preparation costs, and any other costs necessary to put the asset in the condition necessary for its intended use. It is net of any trade discounts or rebates.

Cost of land includes purchase price plus legal fees, land registration fees and transfer taxes. Also, any costs to make the land suitable for intended use, such as pollution mitigation, demolition and site improvements that become part of the land will be included. In the case of park land, the cost of all landscaping required to put the park into service will be added to the cost of the land.



When two or more assets are acquired for a single purchase price, it is necessary to allocate the purchase price to the individual asset acquired. Allocation will be based on the market value of each asset at the time of acquisition or some other reasonable basis if market value is not readily determinable.

5.2 Acquired, Constructed or Developed Assets

The value of an asset will include all costs directly attributable (e.g., construction, architectural and other professional fees) to the acquisition, construction or development of the asset.

The cost associated with internal staff time for design, inspection, administrative and other similar costs will be capitalized when the value can be determined. TCA related projects which are undertaken by the City's Engineering & Urban Design departments will be charged as a percentage of the project cost to cover internal staff time. This rate will be reviewed on an annual basis and adjusted at the discretion of the Treasurer.

Capitalization of general administrative overhead, for example an allocation of fixed costs such as occupancy costs for the design department or an allocation of the costs of corporate departments such as human resources, legal, purchasing and accounting, is prohibited. Capitalization of carrying costs ceases when no construction or development is taking place or when the tangible capital asset is ready for use.

Any cost that is not necessary for the completion of the acquisition, betterment or construction of an asset cannot be capitalized.

All eligible costs will accumulate within the City's Work in Progress (see Section 6.0) account until such time as the asset is put into service.

5.3 Capitalization of Interest Costs

Borrowing costs incurred by the acquisition, construction and production of an asset that takes a substantial period of time to get ready for its intended use will be capitalized as part of the cost of that asset.

Capitalization of interest costs will commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization will be suspended during periods in which active development is interrupted. Capitalization will cease when substantially all of the activities necessary to prepare the asset for its intended use are complete. Substantially all of the activities are complete when only minor or no modifications are outstanding.

5.4 Donated or Conveyed Assets

The cost of donated assets that meet the criteria for recognition will be equal to the fair value at the time of donation. Fair value for donated assets will be determined using market values, appraisal values, or an estimate of replacement cost.

Infrastructure assets conveyed to the City by developers will be recognized on the City's Financial Statements in the year they are accepted by the City for maintenance. These conveyed assets will be valued using the approved engineering consultant's estimates provided by developers at the time of subdivision registration.

The cost of land acquired by the City without consideration, including donated or conveyed land, will be equal to fair value at the time of acquisition. Fair value will be determined using an estimate of the current market value.

Ancillary costs associated with the donated/conveyed asset will also be capitalized.

6.0 Capital Work in Progress

The total cost of TCA, which meet the defined thresholds, currently under construction and not ready to be put into service at the end of the reporting year, will be reported as Work-In-Progress (WIP) on the City's Statement of Financial Position.

Eligible pre-construction costs incurred prior to the actual acquisition or construction of a TCA will be accumulated for each TCA or project as WIP. If in a subsequent period it is determined that the acquisition, development or construction of the TCA will not proceed, the costs accumulated as WIP will be immediately expensed.

7.0 Componentization

Tangible capital assets may be accounted for using either the single asset or component approach. Whether the component approach is to be used will be determined by the usefulness of the information versus the cost of collecting and maintaining information at the component level.

Factors to consider when determining whether to use a component approach include:

- Ø Major components may have significantly different useful lives and consumption patterns than the related tangible capital asset.
- Ø Value of components in relation to the related tangible capital asset.

Major components will be grouped when the assets have similar characteristics and estimated useful lives or consumption rates.

Expenditures, regardless of value, related to assets capitalized using the single asset approach but do not extend the useful lives or improve the economic benefit of the assets must be expensed in the period in which they occur.

Please see Appendix B for a detailed list of asset groups and components.

8.0 In Service Date

The in service date for a TCA is the date at which the City begins to utilize the TCA. Confirmation that a TCA is in service could include such indicators as the receipt of an occupancy permit, certificate of substantial completion or certificate of acceptance by the City.

Conveyed linear assets will be considered in service by the City when a registered plan is accepted for maintenance through a Council resolution.

Land conveyed to the City through registered subdivision agreements will be recognized when there is evidence that land title has been transferred.

9.0 Useful Life

Useful life is the period over which an asset is expected to be available for use by the City. It is normally the shortest of the asset's physical, technological, commercial or



legal life. Some of the factors that are considered when determining an asset's useful life are the asset's intended use, construction type, current maintenance policies and technological changes.

A comprehensive list of useful life of the City's assets, by category, is attached (Appendix B).

The appropriate amortization period for each assets category has been determined at a corporate level with input from user departments. The useful lives of the City's assets will be reviewed on a regular basis and revised, with the approval of the Treasurer, when the appropriateness of a change can be clearly demonstrated.

10.0 Amortization/Depreciation

Amortization is an accounting process that allocates the cost of an asset over accounting periods, as an expense of its useful life. Amortization charges are included in the cost of operations and contribute directly to the net annual operating results.

In general, the City uses or consumes a TCA relatively evenly over the life of the asset. Hence, the most appropriate method for calculating amortization is the straight-line method.

Amortization will begin in the year an asset is put in service. For projects with distinctive phases, amortization will begin with the completion of each phase. Regardless of the month an asset is put in service, half of the annual amortization expense will be charge in the first year.

The amortization method will be reviewed on a regular basis and will be revised when the appropriateness of a change can be clearly demonstrated.

11.0 Disposal

The guidelines for the disposal of tangible capital assets are governed by the Purchasing Bylaw.

Pooled assets will continue to be depreciated over their full lives regardless of the service status of the individual asset in the pool. Non pooled assets will be accounted for as outlined below:

The gain or loss on the disposal of an asset is the difference between the net book value of the asset (at the time of disposal) and the proceeds from the disposal. The gain or loss on disposal of the asset will be charged to the appropriate operating account.

In cases where the tangible capital assets are permanently taken out of service, destroyed or replaced due to obsolescence, scrapping or dismantling, the department head or designate must notify Finance Department of the asset ID, asset description and effective date. The Finance department is responsible for adjusting the asset registers and writing down the asset to the estimated residual value.

Amortization of assets which are temporarily taken out of service should continue to be recorded as if the asset were in use. If the asset is redeployed, the useful life should be determined based upon the new usage of the asset.

12.0 Write Down/Write Off

Pooled assets will continue to be depreciated over their full lives regardless of the service status of the individual asset in the pool. Non pooled assets will be accounted for as outlined below:

The value of a tangible capital asset will be written down when conditions indicate that the service potential to be derived from the asset has been diminished. These conditions include but are not limited to:

- Ø A change in the extent to which the TCA is used
- Ø A change in the manner in which the TCA is used
- Ø Significant technological developments
- Ø Physical damage
- Ø Removal of the TCA from service
- Ø A decline in or cessation of the need for the services provided by the TCA
- Ø A decision to halt construction of the TCA before it is complete or in useable or saleable condition
- Ø A change in the law or environment affecting the extent to which the tangible capital asset can be used.

The impairment to the tangible capital asset must be permanent in nature and the rationale must be documented. The TCA would be written down to the revised estimate of the value of the asset's remaining service potential.

A write down cannot be reversed.

13.0 Maintenance vs. Betterment

PSAB 3150 .21 states that the following basic distinctions can be used to identify maintenance and betterments:

- Ø Maintenance and repairs maintain the predetermined service potential of a TCA for a given useful life. Such expenditures are expensed in the accounting period in which they are incurred.
- Ø Betterments increase service potential (and may or may not increase the remaining useful life of the tangible capital asset). Such expenditures would be included in the cost of the related asset.

Expenditures, regardless of value, which do not extend the useful life or improve the economic benefit of the asset, must be expensed in the period in which they occur.

14.0 Capital Leases

A capital lease is a lease with contractual terms that transfer substantially all the benefits and risks inherent in ownership of property to the City. For substantially all of the benefits and risks of ownership to be transferred, one or more of the following conditions must be met:

- Ø There is reasonable assurance that the City will obtain ownership of the leased property by the end of the lease term.



- Ø The lease term is of such duration that the City will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span.
- Ø The City would be assured of recovering the investment in the leased property and of earning a return on the investment as a result of the lease agreement.

The process to account for a capital lease is the same as acquiring a capital asset and incurring a liability.

Notwithstanding the above, leases will be considered operating leases, therefore expensed, when the net present value of the future minimum lease payments or fair value, whichever is less, is less than \$10,000.

15.0 Accountability

Operating departments are responsible for:

- Ø Providing information on capital request forms identifying all information required for the eventual calculation of amortization.
- Ø Advising the Manager of Finance Planning of all acquisitions, disposals and asset life expectancy changes.
- Ø Ensuring proper control of tangible capital assets is maintained.
- Ø Providing information about the availability, condition and usage of the asset as required.
- Ø Correct allocation of all expenses whether capital or operating. Note that all expenses charged to a capital WIP project must meet the definition of eligible costs for a TCA.
- Ø Ensuring expenses are charged to the correct WIP account. Department must bear in mind that all WIP transactions will be audited for eligibility as part of the annual external audit.

Finance is responsible for:

- Ø Maintaining the City's asset register
- Ø Accounting for all TCA in accordance with this policy
- Ø Reporting of all TCA in the financial statements of the City
- Ø Establishing policies in compliance with PSAB, the Municipal Act and other Ministry guidelines.
- Ø Updating this policy as required and monitoring compliance on an ongoing basis.
- Ø Recording capital assets appropriately, confirming departments are charging expenses correctly, and that all asset costs are valid.
- Ø Ensuring reporting requirements for provincially, federally or other funding sourced programs appropriately and accurately reflecting the impacts of PSAB (if any)
- Ø Regular review of the useful life of each asset class.
- Ø Periodic physical inventories, including spot-checks where feasible, to ensure all asset are still in use and available.
- Ø Reporting to departments regarding capital assets
- Ø Ensuring that assets convey through development agreements are captured including the required values needed for PSAB compliance.

APPENDIX A

Glossary of Terms

Amortization is the accounting process of allocating the cost less the residual value of a tangible capital asset to operating periods as an expense over its useful life in a rational and systematic manner appropriate to its nature and use. Amortization expense is an important part of the cost associated with providing services, regardless of how the acquisition of tangible capital assets is funded. Depreciation accounting is another commonly used term to describe the amortization of tangible capital assets.

Assets are economic resources controlled as a result of past transactions or events and from which future economic benefits may be obtained. Assets have three essential characteristics:

- a) they embody a future benefit that involves a capacity, singly or in combination with other assets, to provide future net cash flows, or to provide goods and services;
- b) the City can control access to the benefit; and
- c) the transaction or event giving rise to the control of the benefit has already occurred.

Asset impairment occurs when conditions indicate that a tangible capital asset no longer contributes to the City's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value.

Betterment is a cost incurred to enhance the service potential of a tangible capital asset. Betterments increase service potential (and may or may not increase the remaining useful life of the tangible capital asset). Such expenditures would be included in the tangible capital asset's cost.

Capitalization threshold (recognition threshold) is the value above which assets are capitalized and reported in the financial statements.

Capital Lease

A capital lease is a lease with contractual terms that transfer substantially all the benefits and risks inherent in ownership of property to the City. For substantially all of the benefits and risks of ownership to be transferred to the lessee, one or more of the following conditions must be met;

- a) There is reasonable assurance that the City will obtain ownership of the leased property by the end of the lease term.
- b) The lease term is of such duration that the City will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span.
- c) The lessor would be assured of recovering the investment in the leased property and of earning a return on the investment as a result of the lease agreement.

Carrying costs are costs directly attributable to an asset's acquisition, construction or development activity where, due to the nature of the asset, it takes a long period of time to get it ready for its intended use. Typical carrying costs could include:



- technical and administrative work prior to commencement of and during construction;
- overhead charges directly attributable to construction or development; and
- interest.

Conveyed Assets include all assets which are constructed by a developer and where ownership is transferred to the City in accordance with the registered subdivision agreement. These assets could include land, roads, stormwater ponds, sidewalks, street signs, water, waste water & sanitary sewage systems.

Component is a part of an asset with a cost that is significant in relation to the total cost of that asset. Component accounting recognizes that each part might have a different useful life and requires separate accounting for each component that has a different useful life than the whole asset does.

Cost is the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset, and includes all costs directly attributable to the asset's acquisition, construction, development or betterment, including installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed tangible capital asset, including a tangible capital asset in lieu of a developer charge, is considered to be equal to its fair value at the date of contribution. Capital grants would not be netted against the cost of the related tangible capital asset. The cost of a leased tangible capital asset is determined in accordance with Public Sector Guideline PSG-2 Leased Tangible Capital Assets.

Depreciation is the expense in an accounting period arising from the application of depreciation accounting.

Directly attributable costs refers to direct incremental expenses incurred for technical and administrative activities related to the construction of a tangible capital asset. These costs could include the salaries and benefits for internal staff doing design work related to the construction project. It would not include an allocation of fixed costs such as occupancy costs for the design department or an allocation of the costs of corporate departments such as human resources, legal, purchasing and accounting. These latter costs are incurred whether or not the construction project is undertaken and, therefore, would not be incremental overhead expenses directly attributable to the cost of the project. Refer also to the definitions of direct costs and indirect costs.

Direct costs are incremental costs incurred for the acquisition, construction or development of a tangible capital asset. Direct costs would not have been incurred other than to acquire, construct or develop the tangible capital asset. For example, materials and supplies, equipment, temporary site buildings, legal and other professional fees, etc., could be considered direct costs.

Expenses, including losses, are decreases in economic resources, either by way of outflows or reductions of assets or incurrence of liabilities, resulting from the operations, transactions and events of the accounting period. Expenses include transfer payments due where no value is received directly in return. Expenses include the cost of economic resources consumed in, and identifiable with, the operations of the accounting period. For example, the cost of tangible capital assets is amortized to

expenses as the assets are used in delivering programs. Expenses do not include debt repayments or transfers to other local governmental units in the City's reporting entity.

Fair value is defined in accounting standards as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction who are under no compulsion to act.

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets include but are not limited to, cash, investments, accounts receivable, inventory held for resale.

Full accrual basis of accounting recognizes the financial effects of transactions in the period(s) in which they occur irrespective of when the cash has been received or paid.

It requires that tangible capital assets be reported on the balance sheet (statement of financial position) at historical cost and expensed (amortized) in the annual results of operations over their estimated useful lives.

Gains can arise from peripheral or incidental transactions and events affecting a local government. Such transactions and events include the disposition of assets purchased for use and not for resale, and the liquidation or refinancing of debt.

Indirect costs are costs incurred for a common or joint purpose and, therefore, can not be identified readily and specifically with an activity related to the acquisition, construction or development of a tangible capital asset. For example, executive management, occupancy costs for general administrative buildings, corporate services (accounting, payroll, legal, technology, etc.), general local government, etc., would be considered indirect costs.

Liabilities are present obligations to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. Liabilities have three essential characteristics:

- a) they embody a duty or responsibility to others, leaving little or no discretion to avoid settlement of the obligation;
- b) the duty or responsibility to others entails settlement by future transfer or use of assets, provision of goods or services, or other form of economic settlement at a specified or determinable date, on occurrence of a specified event, or on demand; and
- c) the transactions or events obligation have already occurred.

Losses can arise from peripheral or incidental transactions and events. Such transactions and events include the disposition of assets purchased for use and not for resale, and the liquidation or refinancing of debt.

Market value is defined as the estimated amount for which a property would be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably, prudently and without compulsion.



Maintenance and repairs maintain the predetermined service potential of a tangible capital asset for a given useful life. Such expenditures are charged in the accounting period in which they are made.

Net book value of a tangible capital asset is its cost, less accumulated amortization and the amount of any write-downs.

Non-financial assets include tangible capital assets and other assets such as prepaid expenses and inventories of supplies. Non-financial assets are acquired, constructed or developed assets that are normally employed to deliver services, may be consumed in the normal course of operations and are not for sale in the normal course of operations.

Pooled Assets are assets that have a unit value below the capitalization threshold but have a material value as a group. Although recorded in the financial systems as a single asset, each unit may be recorded in the asset sub-ledger for monitoring and control of its use and maintenance. Examples could include personal computers, furniture and fixtures, small moveable equipment, etc.

Residual value is the estimated net realizable value of a tangible capital asset at the end of its useful life.

Revenues, including gains, can arise from: taxation; the sale of goods; the rendering of services; the use by others of economic resources yielding rent, interest, royalties or dividends; or receipt of contributions such as grants, donations and bequests. Revenues do not include borrowings, such as proceeds from debt issues or transfers from other local governmental units..

Service potential is tangible capital asset's output or service capacity, normally determined by reference to attributes such as physical output capacity, quality of output, associated operating costs and useful life.

Straight-line amortization allocates the cost less estimated residual value of a capital asset equally over each year of its estimated useful life.

Useful life is the estimate of either the period over which a tangible capital asset can be used, or the number of production or similar units that it can obtain from the tangible capital asset. The life of a tangible capital asset may extend beyond its useful life. The life of a tangible capital asset, other than land, is finite, and is normally the shortest of the physical, technological, commercial and legal life.

Write-down is a reduction in the cost of a tangible capital asset to reflect the decline in the asset's value due to a permanent impairment.

APPENDIX B

Category 1	Category 2	Category 3	Recording Method	Useful Life (Years)	Components	
Buildings			Single Asset	40		
Equipment	Facility Equipment		Pooled by year	10	Indoor Cleaning/Maintenance, Kitchen, Theatre, etc.	
	Facility Recycling Containers		Pooled by year	10		
	Fire Services Equipment		Pooled by year	11		
	ITS Equipment		Pooled by year	7	Audio/Visual, Computers, Fire Dispatch, Library 3M HW, Network Device, Peripherals, Print Shop Equip, Printers, Servers & Telecomm.	
	Non-Licensed Construction/Maintenance Equipment		Pooled by year	7		
	Parking Machines		Pooled by year	10		
	Recreation Fitness & Program Equipment		Pooled by year	5		
	Solar PV Panels		Single Asset	20		
Furniture & Fixtures	Facility Furniture		Pooled by year	10		
	Office Furniture		Pooled by year	15		
Infrastructure	Bridges	Substructure	Single Asset	75		
		Superstructure	Single Asset	25		
	Culverts		Pooled by year	50		
	Fencing		Pooled by year	20		
	Guide Rails		Pooled by year	20		
	Masonry Features		Pooled by year	40		
	Parking Lots	Paved Surface		Pooled by year	25	
		Sub-base		Pooled by year	45	
	Pedestrian Bridges		Pooled by year	40		
	Retaining Walls		Pooled by year	20		
	Right-Of-Ways (ROW's)	Road Surface		Pooled by year	25	Asphalt surface-roads & laneways, curbs and speed humps.
		Sidewalks		Pooled by year	45	Concrete surface of sidewalks
		Sub-base		Pooled by year	45	Drainage, aggregate & earthwork.
	Signals	Controllers		Pooled by year	10	
		Electrical, Poles & Heads		Pooled by year	22	
	Signs		Pooled by year	10		
	Storm Sewer Systems		Pooled by year	88		
	Stormwater Lift Stations	Building Structure		Single Asset	100	
		Electrical		Single Asset	50	
		Process Mechanical		Single Asset	25	
		Substructure - Concrete		Single Asset	100	
		Substructure - Misc. Metals		Single Asset	50	
	Street Lights		Pooled by year	35		
SWM Ponds		Single Asset	10			
Traffic Islands		Pooled by year	25			
Land	Land Parcels		Single Asset	n/a		
	Land Under ROW's		Single Asset	n/a		
	Park Landscaping		Single Asset	n/a		
Library Furniture & Fixtures	Library Furniture & Fixtures		Pooled by year	10		
Library Media Collection	Library Media Collection		Pooled by year	7		



Category 1	Category 2	Category 3	Recording Method	Useful Life (Years)	Components
Parks & Pathways	Other Structures	Lighting	Pooled by year	30	Pathway & sportfield lighting.
		Park Furnishings	Pooled by year	10	Benches, waste receptacles, signage.
		Shelters	Pooled by year	40	Park buildings, gazebos, arbors.
		Skate Parks	Pooled by year	25	
		Sportsfield Structures	Pooled by year	10	Fencing, Court surfaces, Bleachers, Goal posts.
	Pathways		Pooled by year	15	
	Playground Structures		Pooled by year	15	
Vehicles	Site Servicing & Drainage		Pooled by year	60	Water supply & drainage.
	Waterplay Structures		Pooled by year	20	
Vehicles	Fire Apparatus		Pooled by year	9	
	Licensed Vehicles		Pooled by year	7	
Waterworks Equipment	O&M Tools and Equipment		Pooled by year	9	
Waterworks Infrastructure	Drinking Water Distribution System		Pooled by year	60	
	Sanitary Sewage Collection System		Pooled by year	85	
	Sanitary Sewage Pumping Stations	Architecture	Single Asset	50	
		Building Mechanical	Single Asset	25	
		Building Structure	Single Asset	100	
		Civil access area	Single Asset	50	
		Civil - Fence and Pavement	Single Asset	20	
		Civil - Underground Piping (50)	Single Asset	50	
		Civil - Underground Piping (100)	Single Asset	100	
		Electrical (25)	Single Asset	25	
		Electrical (50)	Single Asset	50	
		Instrumentation & Control	Single Asset	15	
	Machinery	Single Asset	50		
	Process Mechanical	Single Asset	25		
Substructure - Concrete	Single Asset	100			
Substructure - Misc. Metals	Single Asset	50			
Waterworks Vehicles	Licensed Vehicles		Pooled by year	7	

PAYMENT ACCEPTANCE POLICY

1.) Purpose Statement

To provide direction on the forms of payment accepted by the organization (both on-line & in-person) and set limits by payment type. This policy replaces the Council approved "Credit Card Acceptance Policy" dated June 5, 2000.

2.) Applicability and Scope Statement

This policy applies to all staff and all payments received by the organization.

3.) Background

The implementation of the Portal in 2011 provides new opportunities to expand services to the public and provides new on-line payment methods including credit cards and debit card payments.

4.) Definitions

Third-party cheque – is any cheque made payable to someone other than Markham, and that has been endorsed by the payee and then made payable to Markham.

5.) Policy Statements

Credit Card Acceptance (on-line & in-person)

Credit cards shall not be processed for more than the amount of the transaction i.e. no cash back

Credit cards are not to be accepted as payment for the following revenue sources:

- Ø Property taxes
- Ø Development charges
- Ø Water Payments
- Ø Any fees or charges collected by Markham on behalf of a third party
- Ø Refundable / Security deposits (eg. Pool Permit Deposits)
- Ø Transactions / Invoices / Agreements over \$5,000 inclusive of tax
- Ø No partial payments are to be accepted for Transactions/Invoices/Agreements over \$5,000 inclusive of tax

Debit Card Acceptance (on-line & in-person)

There are no limitations associated with the acceptance of Debit cards.

Cheques, Money Orders and Bank Drafts (in-person)

For services provided by Markham, all Cheques, Money Orders or Bank Drafts may only be accepted when made payable to Markham. If Markham is accepting payment for a third party the Cheque, Money Order or Bank Draft may only be accepted when made payable to the name of that organization. Markham does not accept third-party cheques.



Cash (in-person)

Only Canadian currency will be accepted.

Service Charges

The service charges associated with the use of credit and debit cards will be charged to the department for which the revenue was booked.

New Services/Revenue Sources

The Treasurer or designate has the authority to determine if Credit or Debit card payments will be accepted for any new services/revenue sources.

6.) Roles and Responsibilities

Treasurer or designate has the authority to adjust the transaction limits as required to account for inflation or general user fee increases.

Directors will be responsible for implementation of and adherence of this policy regarding payments received by their department.

Financial Services will be responsible for updating this policy and auditing the adherence of this policy.

2014 BUSINESS PLANNING AND BUDGETING PROCESS

HIGH LEVEL





2014 BUSINESS PLANNING AND BUDGETING PROCESS DETAILED LEVEL

Month	Week Of	Business Planning (Strategy Rep)	Budget (Financial Services)
April			Life Cycle & Waterworks Reserve studies (April & May)
May			Capital Budget Input (May 1 - May 28)
June			Director Review of Capital, followed by Commissioner's Review (May 28 - June 13) Final changes to Capital Request Forms (June 14 & 15) Capital Budget Database closes (June 17) Operating Budget Input (June 18)
July			DF Capital Review of Capital (July 1 - September 21).
August	Aug 20	Distribute BP Template	Operating Budget Database closes and new Staffing Requests due to Commissioners (August 3) Meeting with Commissioners and Commissioner review of new staffing requests (month of
September			DF & ELT Review of Capital Budget ELT Review of the Operating Budget and new Staffing Requests
October	Oct 4	BPs Due To Strategy Rep	
October 5			Budget Sub-Committee Meeting
October	Oct 17	ELT and Business Units Workshop	
November 10			Public Consultation Meeting
October 12			Budget Sub-Committee Meeting
October 16			Budget Sub-Committee Meeting
October 19			Budget Sub-Committee Meeting (2 sessions)
October 26			Budget Sub-Committee Meeting
November 13			Budget Sub-Committee Meeting
December 18			Capital Budget Approval by Council
January 29, 2013			Operating Budget Approval by Council

BP	Business Plan
ELT	Executive Leadership Team
DF	Directors' Forum

2014 BUDGET OVERVIEW

Budget Framework

Council meets every four years to set the City's goals and priorities. For 2014, Council's strategic priorities continue to address the initiatives defined in the 2007 – 2010 Council term:

- Ø Growth Management
- Ø Transportation
- Ø Environment and Sustainability
- Ø Municipal Services
- Ø Integrated Leisure Master Plan/Public Safety
- Ø Diversity
- Ø Markham 2020 – Economic Development Strategy

These strategic priorities are discussed in further detail in the “Corporate Strategic Plan” section and the specific capital projects related to these initiatives are included under the “Capital Budget” section.

The corporate goals combined with Council's strategic priorities lay the foundation to determine Markham's Business Plans (BP). The BP forms the basis for the Budget process. The Budget provides a framework to put the BP into action.

New Approach for 2015

In the City's ongoing commitment to continuous improvement and excellence, the Executive Leadership Team (ELT) developed four long term corporate goals in the third quarter of 2013. The four corporate goals are: Exceptional Services by Exceptional People, Engaged, Diverse and Thriving City, Safe and Sustainable Community, and Stewardship of Money and Resources. A new Business Planning template was then developed to drive alignment between the new corporate goals and department objectives. This new template will replace the current BUP template.

During the 2014 Business Planning process, the new template was piloted by four departments (one per Commission), including Human Resources, Finance, Recreation and Building Services. Based upon the success of the 4 pilots, this process will now be introduced corporate-wide during the 2015 business planning process to improve the efficiency and effective use of City resources.

Budget Process

In August 2013, staff began working on the business plans for 2014 for the respective Business Units. Each business unit was required to fill out a BP that serves as a single reference for identifying 2014 proposed objectives of each business unit, in alignment to the corporate goals and Council priorities. With reference to BP, each business unit proposed its 2014 unit operating budget and capital project budget that together form the Budget of the unit.



A series of presentations, highlighting the proposed 2014 BPs and aligning the plan to Council's priorities, were made by the respective department heads to the Directors' Forum (DF). 6 workshops for Directors' Forum (DF) and Chief Administrative Officer (CAO) and Commissioners (ELT) were held in October 2013 to finalize the initiatives to be undertaken in 2014.

The Workshop recommendations were incorporated in the proposed 2014 Budget presented at the Budget Sub-Committee meetings in October 2013, when eight members of Council that make up the Budget Committee began their deliberations. These members included Budget Chief Regional Councillor Gordon Landon, Vice Chair Councillor Logan Kanapathi, Regional Councillors Jim Jones and Joe Li and Councillors Colin Campbell, Don Hamilton, Alan Ho and Howard Shore. This Committee, along with other Council members who attended the Budget Committee meetings, helped to shape the budget and report progress to the General Committee.

A total of seven Budget Sub-Committee meetings were held in the period from October 2013 to February 2014 to discuss, review and finalize the 2014 Operating and Capital Budget. As well, one public consultation meeting was held on October 24, 2013 as an opportunity for residents, business and community leaders to obtain an overview of the City's budget process and the status of the 2014 Budget. Attendees were invited to inquire about the budget and to provide feedback at these meetings.

On December 10, 2013 Council approved the Capital Budget and Waterworks Operating Budget. On February 11, 2014 the Operating, Planning & Design, Engineering, and Building Budgets were approved by Council.

Budget Summary

The total approved 2014 Budget is \$426.6M comprising of \$187.5M towards Operating, \$119.9M towards Capital, \$8.4M towards Building Standards, \$7.8M towards Planning & Design, \$6.5M towards Engineering, and \$96.5M for Waterworks.

Operating Budget

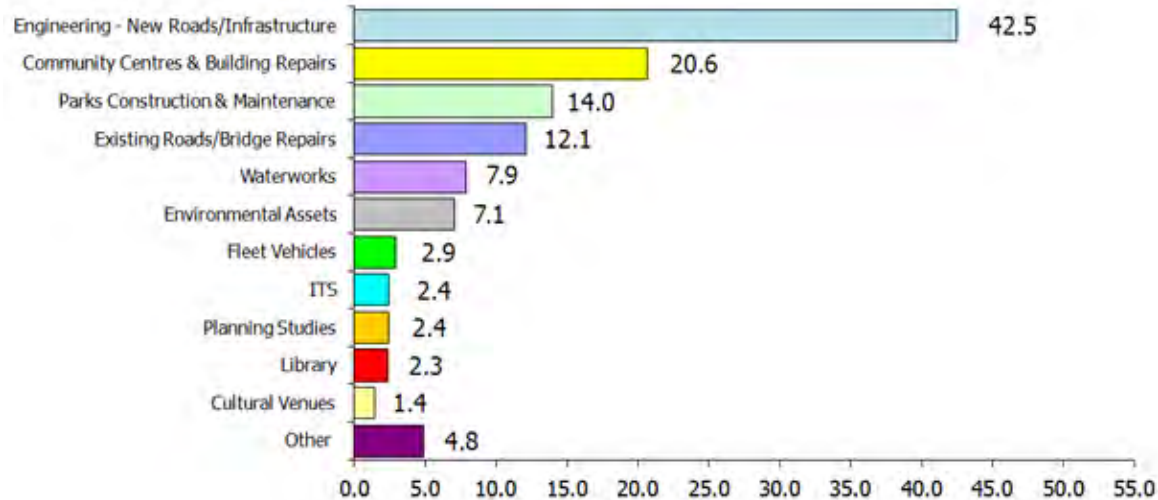
The City of Markham continues to face inflationary pressures in many aspects of its operations. General inflation, waste collection and winter maintenance contracts, other contract renewals, and wage settlements have resulted in increased operating expenditures. Further, the Budget Sub-Committee approved the continuation of the City's practice of phasing-in future personnel costs related to facility openings and funds have been allocated towards the South East Community Centre, Pan/Parapan American Games Facility, Milliken Mills library expansion, Markham Centre fire station, a major sports park and the Operations Work Yard.

In addition to inflationary pressures, Markham continues to add to its inventory of parks, streetlights, and roads each year, thereby requiring additional resources for the maintenance and replacement of these assets. The 2014 operating budget had an

increase in expenditures of \$6.48M offset by an increase in revenues of \$3.65M resulting in a net shortfall of \$2.83M, equivalent to a tax rate increase of 2.33%.

Capital Budget

The breakdown of the City of Markham's approved \$119.9M Capital Budget is shown below, by type:



The 2014 Capital Budget includes funding from various sources. The Federal Gas Tax grant funds \$4.3M for capital projects in the following areas:

- Ø West Thornhill Flood Control Implementation
- Ø Cycling and Trails
- Ø PowerStream Embedded Energy Projects
- Ø Sidewalk Program
- Ø Specialty Recycling Containers
- Ø Carpet Recycling Program

In addition, the Greater Toronto Area, with support from the Province of Ontario, was successful in the bid to host the 2015 Pan/Parapan American Games (Pan Am). Markham will host the water polo, badminton and table tennis competitions. This requires the City to build a new 50,000 square foot aquatic facility that will include a 50 meter pool and a 36,000 square foot field house that meets the International Standards for Badminton. The field house will provide amenities such as multi-purpose meeting rooms and a gymnasium. The capital budget requirement in 2014 was \$16.9 for construction.

Other Key projects approved in the 2014 Capital Budget are:

- Ø Design & Construction of New Parks
- Ø Main Street Markham Construction from Highway 407 to Highway 7
- Ø Highway 404 Midblock Crossing Construction North of Highway 7
- Ø Miller Avenue Property Acquisition from CN rail to Kennedy Road



- Ø Rodick Road Extension from Miller Road to 14th Avenue
- Ø Road Rehabilitation Programs

The 2014 Capital Budget reflects the City's commitment to maintain service levels to the community and balances social needs with fiscal prudence. This is a reflection of the City's commitment towards fiscal stewardship. Further, consistent with existing City policies, one-time funding is not used to balance the operating budget and the City's commitment to increase contribution to the capital program by \$0.5M is maintained. The City has also continued to ramp-up the Operating budget for future expenditures related to new Community Centres, Pan Am Facility, Libraries and Fire Stations. In addition, the City has continued to contribute to each of the Land Acquisition and Environmental Land Acquisition Reserve Funds.

Waterworks Budget

Council approved the 2014 Waterworks Budget of \$96.5M. This marks an increase of \$6.7M over the 2013 Operating Budget. The increase is made up of growth related to supply/purchase of water, personnel costs and additional costs in areas such as testing, maintenance of water meters.

Planning & Design Budget

Planning is primarily funded through Planning Fees and for 2014, Council approved the Planning & Design Budget of \$7.8M. This represents a decrease of \$0.6M over the 2013 Budget.

Engineering Budget

Engineering is primarily funded through Engineering Fees and for 2014, Council approved the Engineering Budget of \$6.5M. This represents an increase of \$0.1M from the 2013 Budget.

Building Standards Budget

Building is primarily funded through Building Licenses and Permits and for 2014, Council approved the Building Services Budget of \$8.4M. This represents a decrease of \$2.2M from the 2013 Budget.

LONG TERM OPERATING BUDGET FORECAST

Fiscal Prudence

Markham has remained financially prudent by continuing to adopt the following policies:

- ∅ not using one-time funding to balance the Operating Budget
- ∅ not using prior year surpluses to balance the Operating budget
- ∅ commitment to allocate additional funding to the Capital program

Building Markham's Future Together now represents Markham's strategic direction and includes 32 action plans associated with the seven strategic priorities (Growth, Economic Development, Transportation and Transit, Municipal Services, Environment and Sustainability, Leisure, Recreation and Culture and Diversity). These strategic priorities are incorporated and considered during the City's annual budget process.

In the development of future budgets, Markham will have to address some of the following challenges:

- Existing infrastructure repairs & replacements and new infrastructure demands
- Wage settlements and benefit costs
- Contract renewals and committed multi-year contracts
- Interest rate fluctuations
- Utilities and fuel costs
- Legislation compliance
- Mitigating growth related pressures

A multi-year budget was not prepared for 2015 and onwards as a new four-year Council term begins on December 1, 2014. The new Council will determine the strategic and budgetary requirements for the upcoming years beginning in 2015.

SUMMARY OF FUNDS – OVERVIEW

The City's financial statements are made up of the following 3 funds as follows:

1. Operating Fund
2. Capital Fund
3. Reserves/Reserve Funds

Operating Fund

Funds all City of Markham operations. Tax revenue is the main source of funding. The fund also includes water and sewer operations with water billings being the main source of revenue.

The balance in the operating fund as of January 1 is transferred to the Reserve/Reserve fund during the year.

Capital Fund

Provides funding for all capital projects in the City of Markham. The main sources of funding come from,

- Development charges,
- Transfers from Operating Fund – Tax rate funding
- Transfers from Reserves

The balance in the capital fund as of January 1 represents un-expended capital funding at year-end.

Reserves/Reserve Funds

A reserve is an allocation of accumulated net revenue that is established by Council for a particular purpose. Interest earned on the invested earnings is reported as operating fund earnings and not accumulated in the reserve.

A reserve fund is an allocation of accumulated net revenue, similar to a reserve. It differs from a reserve due to its assets being segregated, restricted, and utilized for a specific purpose. Interest earned on the invested earnings is accumulated in the reserve fund.

There are two types of reserve funds:

- Obligatory reserve funds - required under provincial statute
- Discretionary reserve funds - created by Council for a specified future use

Trust Funds

Trust Funds and their related operations are administered by the municipality and not consolidated, but are reported separately.



2012 TO 2014 SUMMARY OF RESERVE FUNDS (000's)

	2012 Actual	2013 Actual (Unaudited)	2014 Budget
Balance as of January 1	222,181	236,856	247,328
Other Revenues	1,406	1,497	7,085
Dividends from Markham Enterprises Corporation	4,786	5,585	-
Transfer from Operating Fund	49,883	43,111	43,176
Transfer to Capital Fund (net of unspent funds)	(41,400)	(39,721)	(69,491)
Balance as of December 31	<u>236,856</u>	<u>247,328</u>	<u>228,098</u>

DESCRIPTION OF RESERVES AND RESERVE FUNDS

The maintenance of Reserves and Reserve Funds is very important to the City of Markham, since the availability of these sources of funding provides Council and Senior Management with greater flexibility in planning for the future. At Dec. 31, 2013, the balance in the City's Reserves and Reserve Funds was \$358.9 million.

RESERVES

Definition

A reserve is an allocation of accumulated net revenue that is established by Council for a particular purpose. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund. Interest earned on the invested earnings is reported as operating fund earnings and not accumulated in the reserve.

WASTE MANAGEMENT STABILIZATION/CAPITAL

Funds temporary fluctuations in the commodities market for recyclables and garbage disposal fees.

WATERWORKS/ STABILIZATION CAPITAL

Funds to be utilized to offset fluctuations in gross profit on water sales to residents and to fund repairs/replacements of waterworks capital infrastructure.

FIREFIGHTERS SICK LEAVE BENEFITS

Funds payouts of unused sick leave benefits upon Firefighters' termination, required under Firefighters collective agreement.

CORPORATE RATE STABILIZATION

Minimizes the effect of any large variations in major sources of ongoing operating revenue and expenditures; funded from prior year operating surpluses.

INSURANCE

Allows the City to increase future insurance deductibles in order to reduce annual premium costs; funded from annual operating surplus in insurance accounts.

FACILITY RAMP-UP

Funds to be utilized to partially offset costs associated with future staffing requirements at new Community



Centres and Fire stations that the City will add to its inventory.

PARTNERSHIPS

Accumulates funds received from partnership agreements entered into by the City with entities that add value to the partner and the City. Funds will be utilized for projects that build community pride, celebrate cultural diversity and promote the City's commitment to the environment.

LONG TERM DISABILITY BENEFITS

Accumulates funds to pay for all long term disability benefits and associated administrative expenses.

DEVELOPMENT FEE

Funds to stabilize fluctuations in development fee rates and to fund actual shortfall in Engineering and Planning in future years.

ELECTION REBATE

Fund future Election Contributions Rebate Program expenses.

BUILDING FEE

Funds to help cover costs in "down cycle" years of lower volume activity for the Building department.

RESERVE FUNDS

Definition

A reserve fund is an allocation of accumulated net revenue, similar to a reserve. It differs from a reserve in that reserve fund assets are segregated and restricted to meet a specific purpose. Investment income is accumulated in the reserve fund. There are two types of reserve funds. Obligatory reserve funds are required under provincial statute, while Council creates discretionary reserve funds for a specified future use.

THEATRE ENDOWMENT

Funds capital expenditures for the Markham Theatre.

THEATRE CAPITAL IMPROVEMENT FUND

Funds the replacement of capital expenditures for the Markham Theatre.

MUSEUM ENDOWMENT

Funds museum-related capital projects; funded by donations from the general public and community organizations.

HERITAGE PRESERVATION

Provides funding to protect and preserve heritage buildings in the City.

MARKHAM HERITAGE LOANS	Provides interest bearing loans to property owners to allow repair, renovation or reconstruction of the property so that it presents a historical and authentic appearance.
ADMINISTRATION LOT LEVIES-EXPENSE	Accumulation of administration lot levies used to provide financing to support soft services such as libraries, fire halls and recreation facilities; administration lot levies no longer collected.
ADMINISTRATION LOT LEVIES-INTEREST INCOME	Accumulation of administration lot levies used to provide financing to support soft services such as libraries, fire halls and recreation facilities; administration lot levies no longer collected.
PARKS 5% CASH IN LIEU	Funds the acquisition of new parkland, recreation facilities and equipment.
TREE REPLACEMENT	Funds the cost of planting, replanting, replacing & repairing boulevard trees in the City.
ROAD RESURFACING	Funds road completion in industrial subdivisions.
NON- DC GROWTH	Used to accumulate and maintain any Pre-Development Charges Act Engineering levies collected in respect of development; represents the non-growth portion of development charges.
WATERWORKS	Funds to be used for the upgrade and replacement of City water infrastructure.
LIBRARY BUILDING PROGRAM	Funds to be utilized for future library building projects, which are not covered by development charges.
LAND ACQUISITION RESERVE FUND	Allows the City to finance the purchase of strategic land acquisitions that are non-growth and that are not environmentally sensitive.
LIFE CYCLE REPLACEMENT AND CAPITAL	To fund asset life cycle replacements and other major capital investments in future years.
GAS TAX REVENUE	To fund eligible projects identified under the terms of agreement with federal government.



**ENVIRONMENTAL
SUSTAINABILITY**

Funds to be utilized for City and community based projects and initiatives that promote environment responsibility and enhances City's natural resources (water, air quality, soils and natural features).

TREES FOR TOMORROW

Funds to be utilized to encourage tree plantings and public awareness by community groups and non-government organizations.

**ENVIRONMENTAL LAND
ACQUISITION**

Funds to be utilized to acquire property identified by the City to be environmentally sensitive.

DEVELOPMENT CHARGES

Accumulates charges collected from developers according to the Development Charge Act, 1997. The reserve provides funding for eligible growth-related projects in the City's Capital Budget.

WSIB

Allows the City to self-fund staff benefits previously covered by Workplace Safety Insurance Board (WSIB); funded from operating surplus in benefits accounts.



RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

Description	Actual Balance December 31, 2012	Actual Balance December 31, 2013	2014 Budget			Estimated Balance December 31, 2014
			Developer and Other Contributions \$	Transfer from Operating Funds \$	Transfer to Capital Funds \$	
<u>RESERVES</u>						
Waste Management Stabilization / Capital	27,883	27,883				27,883
Waterworks Stabilization / Capital	34,097,716	42,228,000		13,815,110	(10,614,946)	45,428,164
Corporate Rate Stabilization	17,099,926	17,962,908				17,962,908
Capital Gain Reserve	3,456,636	3,456,636				3,456,636
Insurance	2,695,660	3,135,344				3,135,344
Recreation & Culture Capital Replacement	-	-		369,262		369,262
Facility Ramp-Up	7,876,413	9,430,878			(1,690,000)	7,740,878
Long Term Disability Benefit	12,784,236	14,463,860				14,463,860
Partnership	15,612	15,612				15,612
Building Fee	12,018,320	14,003,061		(1,538,917)		12,464,144
Development Fee	(149,403)	(3,503,231)		(2,392,161)	(2,260,176)	(8,155,568)
Election Rebate	140,000	210,000		300,000		510,000
Election Expenses	617,534	917,534		70,000		987,534
Berczy Landscape Feature	202,969	202,969				202,969
Train Anti-Whistling	-	317,900				317,900
Firefighter's Sick Leave Benefits	6,045,100	6,406,300		41,000		6,447,300
Total Reserves	96,928,602	109,275,654	-	10,664,294	(14,565,122)	105,374,826
<u>RESERVE FUNDS</u>						
Theatre Endowment	345,948	349,453		35,000		384,453
Theatre Capital Improvement Fund	236,299	261,644				261,644
Heritage Preservation	92,830	85,229			(54,400)	30,829
Designated Heritage Property Grant	53,692	36,637				36,637
Markham Heritage Loans	301,817	305,739				305,739
Museum Endowment	59,396	60,627				60,627
Library Building Program	5,703,506	5,777,603				5,777,603
Land Acquisition Reserve Fund	3,915,005	4,218,049				4,218,049
Life Cycle Replacement & Capital	85,840,770	80,023,869		32,476,251	(37,109,258)	75,390,862
Non DC Growth	16,803,579	14,396,025			(2,277,632)	12,118,393
Environmental Sustainability	242,708	185,626				185,626
Environmental Land Acquisition	7,847,518	8,076,160				8,076,160
Markham Trees for Tomorrow	232,614	235,634				235,634
Workplace Safety Insurance Board (WSIB)	2,835,987	2,872,831				2,872,831
Cemetery Operations	107,731	109,129				109,129
Emerald Ash Borer	-	595,781			(524,700)	
Post-Retirement Benefits	-	11,250,674				
Waterworks	225,793	230,866				230,866
Road Resurfacing	843,542	753,283			(254,400)	498,883
Parks 5% Cash in Lieu	5,059,097	286,195				286,195
Tree Replacement	5,975	6,053				6,053
Gas Tax Revenue	9,173,855	7,935,691	8,023,752		(4,323,174)	11,636,269
Total Reserve Funds	139,927,662	138,052,798	8,023,752	32,511,251	(44,543,564)	122,722,482
Total Reserve And Reserve Funds	236,856,264	247,328,452	8,023,752	43,175,545	(59,108,686)	228,097,308
Development Charges Reserve Funds *	122,042,115	111,542,086	12,868,822	-	(30,385,307)	94,025,601
Total	358,898,379	358,870,538	20,892,574	43,175,545	(89,493,993)	322,122,909

* City's practice is to fund all Development Charge funded projects up to \$1,000,000 immediately upon budget approval. Projects in excess of \$1,000,000 are funded quarterly based on cash flow requirements. Budgeted transfer to capital is adjusted based on cash flow projections and will not balance to total approved 2011 capital funding from Development Charges.



RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE EXPLANATION OF BUDGET CHANGES

Description	Transfer from Operating Funds \$	Transfer to Capital Funds \$	Details
<u>Waterworks Stabilization / Capital</u>			
Transfer from Waterworks Operating Fund	13,815,110		Transfer to reserves in order to sustain future Waterworks replacement and rehabilitation requirements
Funding of Capital Projects		(10,614,946)	Transfer to Capital Budget on order to fund Waterworks 2012 capital projects
<u>Recreation & Culture Capital Replacement</u>			
Transfer of funds for future replacement	369,262		Transfer to reserves in order to sustain Recreation and Capital Replacement requirements
<u>Ramp-up</u>			
Funding of Capital Projects		(1,690,000)	Transfer of funds for a number of facility improvement projects
<u>Building Fee</u>			
Transfer from Operating Fund	(1,538,917)		Transfer of Building Operating Budget based on 2014 projected performance
<u>Development Fee</u>			
Transfer from Operating Fund	(2,471,039)		Transfer of Planning and Engineering Operating Budget based on 2014 projected performance
Transfer from Operating Fund	78,878		Transfer to reserves in order to sustain Planning and Engineering department capital requirements
Transfer to fund Capital Projects		(2,260,176)	Funding of 2012 capital projects associated with Planning and Engineering department
<u>Election Rebate</u>			
Transfer from Operating Fund	300,000		Transfer to fund future election rebate costs
<u>Election Expenses</u>			
Transfer from Operating Fund	70,000		Transfer to fund future election costs
<u>Firefighter's Sick Leave Benefits</u>			
Transfer from Operating Fund	41,000		Annual transfer to fund future payout of unused sick leave benefits upon fire fighter's termination
<u>Theatre Capital Improvement Fund</u>			
Transfer from Operating Fund	35,000		Transfer from Culture Operating Budget for future Theatre capital expenditures
<u>Heritage Preservation</u>			
Transfer to fund Capital Projects	(54,400)	-	Funding of 2014 capital projects associated with Heritage Preservation
<u>Life Cycle Replacement & Capital</u>			
Transfer from Operating Fund	32,476,251		Transfer from Operating Budget to fund asset life cycle replacements
Transfer to fund Capital Projects		(37,109,258)	Funding of 2014 capital projects associated to asset replacements



RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE EXPLANATION OF BUDGET CHANGES

Description	Transfer from Operating Funds \$	Transfer to Capital Funds \$	Details
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Non Development Charges Growth

Transfer to fund Capital Projects		(2,277,632)	Funding of 2014 capital projects associated with non-growth related area
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Emerald Ash Borer

Transfer to fund Capital Projects		(524,700)	Funding of 2014 capital projects
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Road Surfacing

Transfer to fund Capital Projects		(254,400)	Funding of 2012 capital projects associated with road surfacing
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Gas Tax Revenue

Transfer from Other Revenue	8,023,752		Gas tax revenue received from federal government transferred funds for capital projects
Transfer to fund Capital Projects		(4,323,174)	Funding of 2014 capital projects identified as gas tax revenue eligible or for capital projects to be developer funded



DESCRIPTION OF TRUST FUNDS

The City of Markham has six Trust Fund accounts. A brief description of each of the fund is given below.

MORGAN PARK TRUSTS

The T. & G. Morgan Memorial Fund in Markham Village was established in 1918 as a result of the last Will and Testament of George Morgan to hold funds, the interest earned on which can be used to offset certain maintenance costs of Morgan Park.

The Morgan Park Redevelopment Trust Fund was established by Council Resolution on December 11, 1991 to receive charitable donations to be used towards the redevelopment of Morgan Park.

VARLEY-MCKAY ART FOUNDATION TRUST FUND

The Varley-McKay Art Foundation Trust Fund was established by Council Resolution on December 11, 2001. This trust is funded by the amount received from the Estate of Kathleen G. McKay. Interest earned on these funds is available to the Varley-McKay Art Foundation of Markham to fund art appreciation and development.

MARKHAM CONSERVATION COMMITTEE TRUST FUND

The Markham Conservation Committee Trust Fund was established by Council Resolution on April 15, 1992 to receive donations, grants, subsidies, and other amounts, to be used to cover costs associated with conservation and naturalization programs and projects undertaken by the Markham Conservation Committee.

CEMETARY TRUST FUNDS

The Cemetery Trust Funds were established under the Regulations of the Cemeteries Act to accumulate certain funds from the sale or transfer of an interment right to a purchaser in accordance with the Regulations. These funds are to be held in trust for the care and maintenance of the cemetery. Interests earned on amounts held by the Fund are used towards the maintenance, security and preservation of the cemetery, its grounds, buildings, equipment and markers in accordance with the Regulations.

OLDER ADULTS IN ACTION TRUST FUND

Council Resolution established the Older Adults In Action Trust Fund on March 10, 1998 to collect donations for the Club and Older Adult Centre.

MARKHAM HISTORY – RESEARCH AND PUBLICATION TRUST FUND

The Markham History – Research & Publication Trust Fund was established by Council Resolution on June 1, 2004 to plan and monitor the implementation of research, writing, digitizing and production of historical media that illuminates various themes in Markham's history. The Trust is funded from cash and securities received from organizations involved in the creation of the original trust fund - Markham History Book Committee, the Markham & District Historical Society and the Museum Advisory Board.



TRUST FUND CONTINUITY SCHEDULE

Statement of Financial Position

December 31, 2013 with comparative figures for 2012

	2013						2012	
	Morgan Park Trust	Varley-McKay Trust	Markham Conservation Committee Trust	Cemetery Trust	Older Adults In Action Trust	Markham History Res & Pub Trust	Total	Total
Cash	\$ 70,012	\$ 1,353,457	\$ 11,217	\$ 809,609	\$ 8,890	\$ 83,360	\$ 2,336,545	\$ 2,259,339
Payable to Varley-McKay Foundation	-	(54,653)	-	-	-	-	(54,653)	(4,447)
Fund balance	\$ 70,012	\$ 1,298,804	\$ 11,217	\$ 809,609	\$ 8,890	\$ 83,360	\$ 2,281,892	\$ 2,254,892

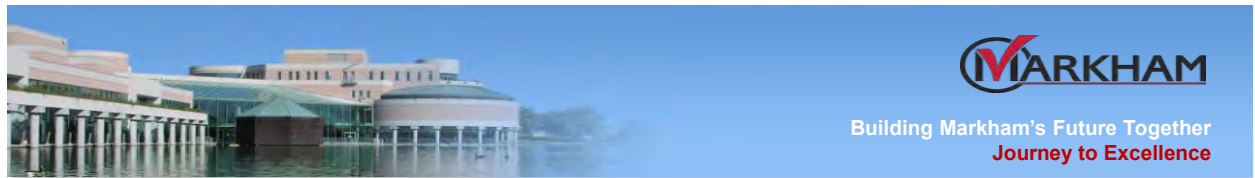
Statement of Financial Activities and Fund Balances

Year ended December 31, 2013 with comparative figures for 2012

Receipts								
Interest Earned	2,583	50,206	412	30,010	328	3,079	86,618	89,272
Sale of plots	-	-	-	20,978	-	-	20,978	29,291
	2,583	50,206	412	50,988	328	3,079	107,596	118,563
Expenses	-	-	-	(30,390)	-	-	(30,390)	(33,193)
Distributed to Foundation	-	(50,206)	-	-	-	-	(50,206)	(51,402)
	-	(50,206)	-	(30,390)	-	-	(80,596)	(84,595)
Excess of receipts over expenses	2,583	-	412	20,598	328	3,079	27,000	33,968
Fund balance, beginning of year	\$ 67,429	\$ 1,298,804	\$ 10,805	\$ 789,011	\$ 8,562	\$ 80,281	\$ 2,254,892	\$ 2,220,924
Fund balance, end of year	\$ 70,012	\$ 1,298,804	\$ 11,217	\$ 809,609	\$ 8,890	\$ 83,360	\$ 2,281,892	\$ 2,254,892

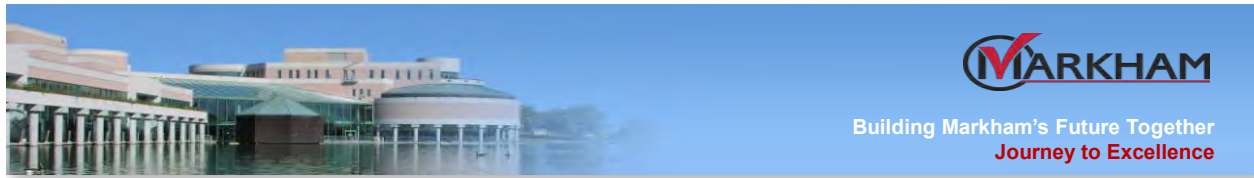
The accompanying notes are an integral part of these financial statements.

PUBLIC CONSULTATION MEETING PRESENTATION

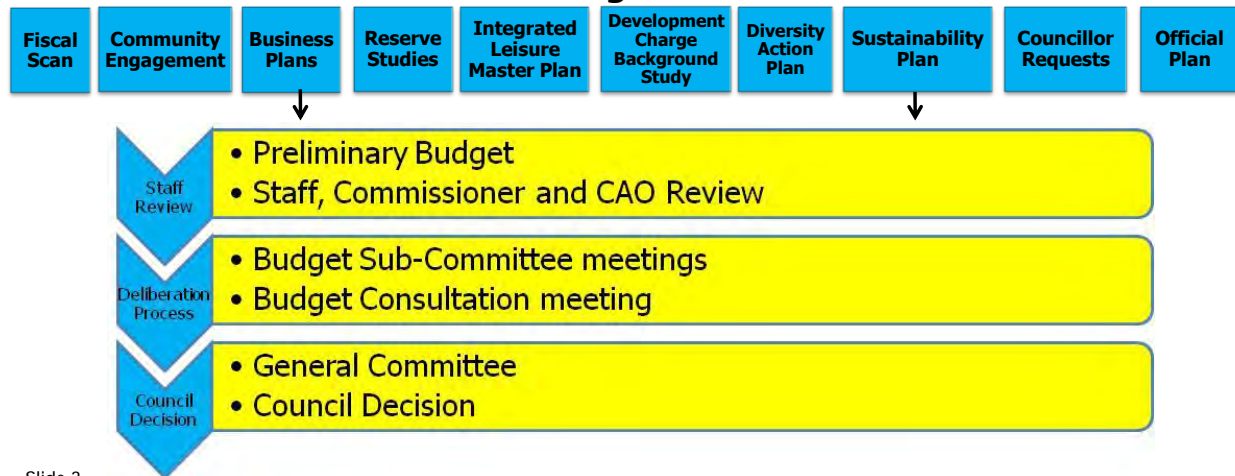


Agenda

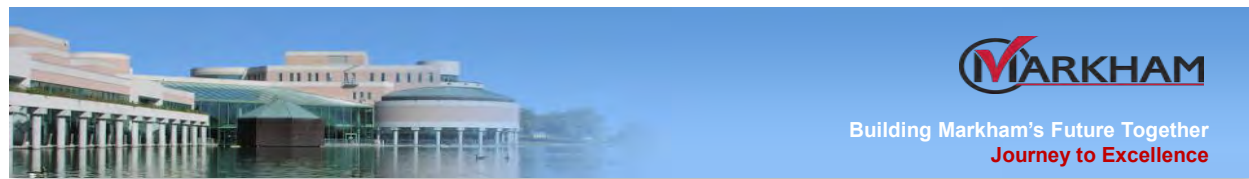
- 2014 Budget Process and Communication Plan
- Economic Trends and Fiscal Scan
- 2014 Budget Overview
 - Operating
 - Capital
- 2014 Budget Summary
- 2014 Capital Budget Highlights
- Next Steps



2014 Budget Process



Slide 3



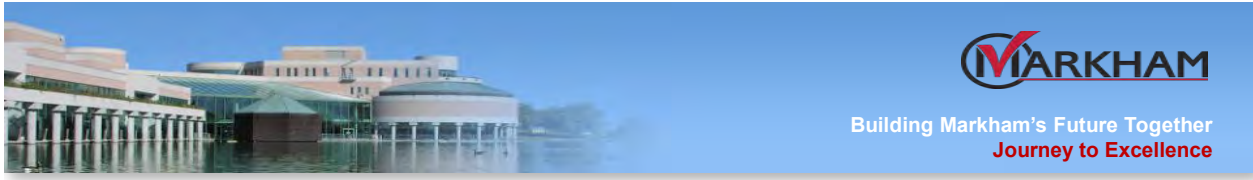
2014 Budget Process

Seven Budget Sub-Committee meetings are scheduled in October on the 8th, 11th, 15th, 18th, 23rd, 25th and 28th

Once the Budget Sub-Committee and Budget Consultation meetings are complete, the following process will take place to finalize the budget:

- December 2nd, 2013 General Committee - recommends budget to Council
- December 9th, 2013 Council Decision
- December 10th, 2013 Press Conference

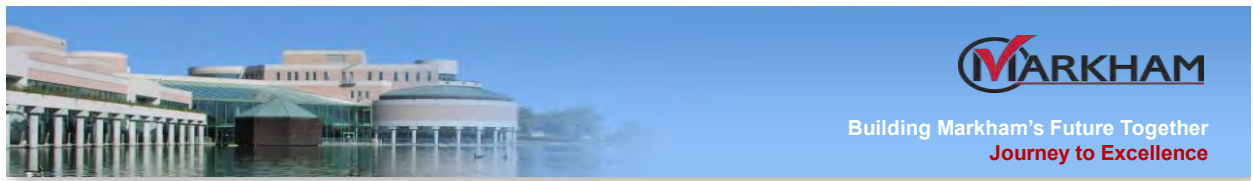
Slide 4



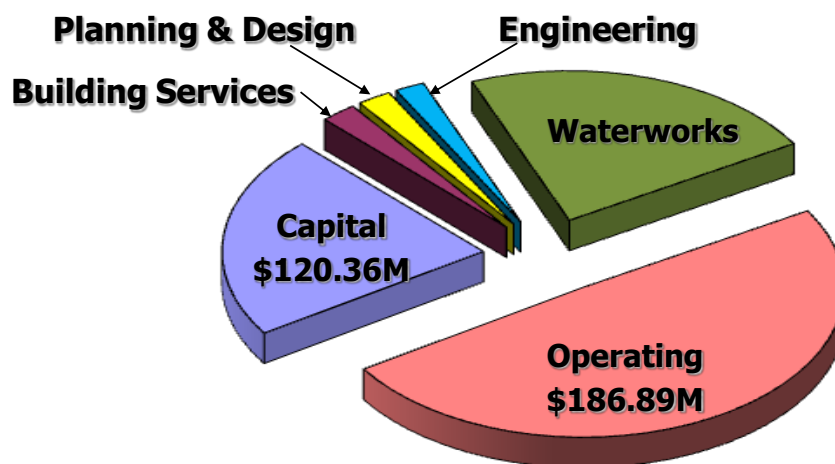
2014 Budget Process (cont'd) Communication Plan

- All Budget Sub-committee meetings are open to public and audio streamed through Markham's website. Notices of the Budget Sub-Committee meetings are advertised in the local newspapers, through social media and on Markham's webpage.
- This year, the City is taking an additional innovative step to engage Markham residents in the budget process, through the Citizen Budget Tool.
- This online tool will help residents better understand how their tax dollars are used for Markham's programs and services. It also provides an opportunity to express their views on how residential tax dollars are used.

Slide 5



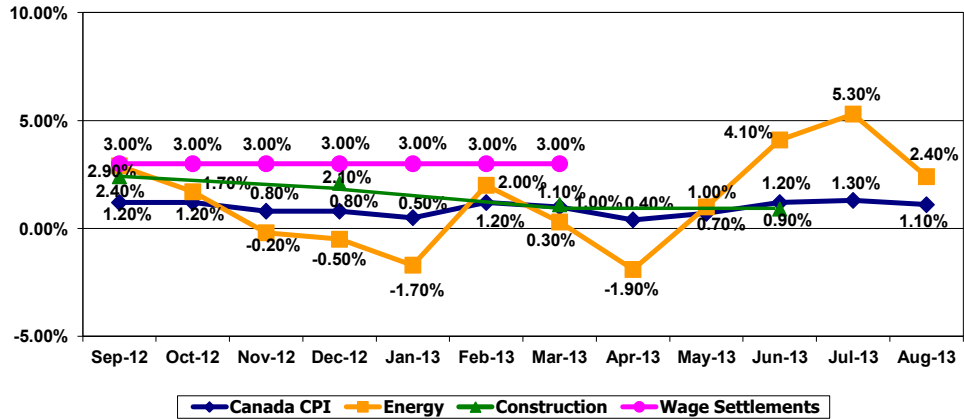
2014 Budget



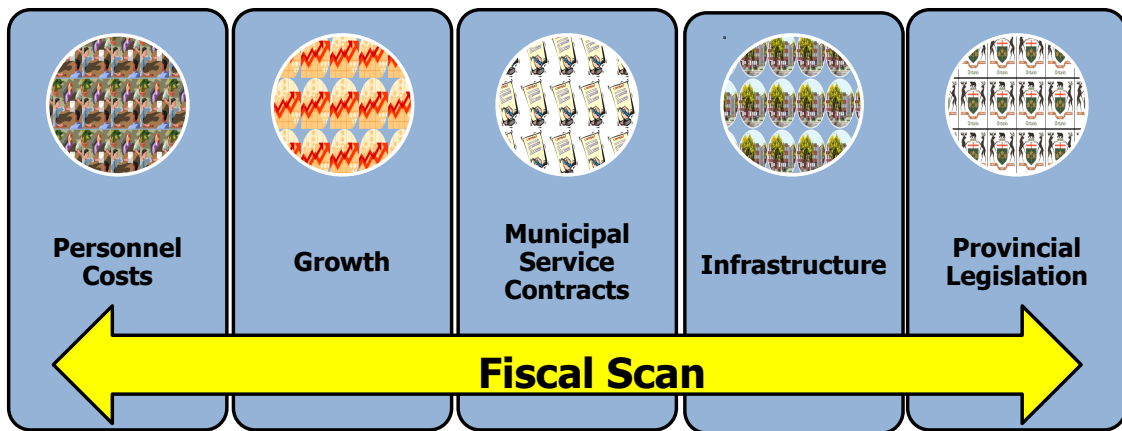
Slide 6



Economic Trends Indexes Impacting Markham



Slide 7



Slide 8



Fiscal Scan



Personnel Costs

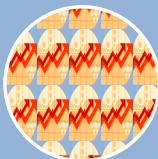
- Canadian Union of Public Employees (CUPE) collective agreement expired on March 31, 2013
- Markham Professional Fire Fighters Association (MPFFA) collective agreement expired on December 31, 2012
- Full-time, part-time grid movements
- Firefighter grid progression and service pay
- New staffing requests
- Includes benefit costs such as health, dental, paramedical and other costs

Net Total: \$2.63M

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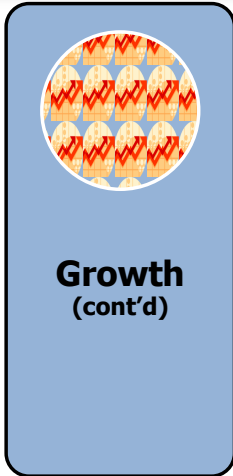
Fiscal Scan (cont'd)



Growth

- Personnel ramp-up related to new facilities:
 - Cornell Fire Station
 - 2nd crew at the Cornell Fire Station
 - Southeast Community Centre
 - Markham Pan Am Centre
 - Markham Sports Park
 - Operations Works Yard
 - Milliken Mills Library Expansion
 - Markham Centre Fire Station (new ramp-up)

Slide 10

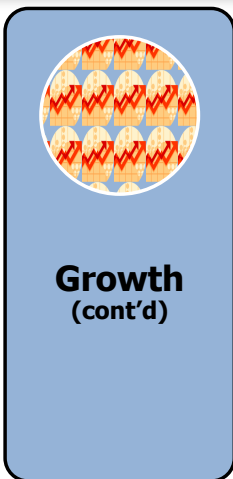
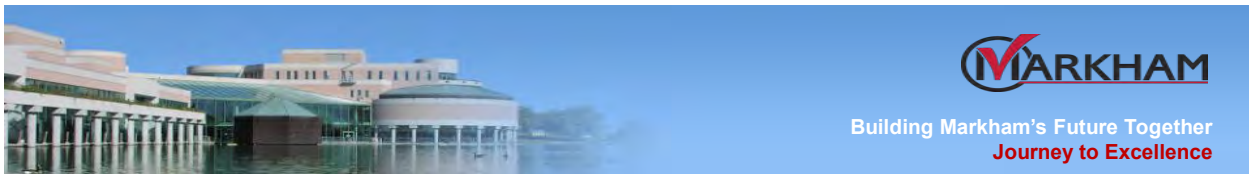


Slide 11

Fiscal Scan (cont'd)

- Increase in costs related to:
 - 3,200 tonnes or 1.8% increase in tonnage – waste collection
 - 30 additional kms of road – maintenance, street & catchbasin cleaning
 - 800 new streetlights to power, maintain & repair
 - 12 additional hectares of parks – park maintenance
 - 30 hectares of park maintenance related to window streets, valleys & natural areas and stormwater management ponds
 - 5,000 litres increase for fleet gasoline volume and 25,000 litres in diesel volume
 - Winter maintenance
- Contribution to capital program
- Ramp-up for Operations Works Yard

Total: \$3.12M



Slide 12

Fiscal Scan (cont'd)

- Increase in costs related to:
 - 3,200 tonnes or 1.8% increase in tonnage – waste collection
 - 30 additional kms of road – maintenance, street & catchbasin cleaning
 - 800 new streetlights to power, maintain & repair
 - 12 additional hectares of parks – park maintenance
 - 30 hectares of park maintenance related to window streets, valleys & natural areas and stormwater management ponds
 - 5,000 litres increase for fleet gasoline volume and 25,000 litres in diesel volume
 - Winter maintenance
- Contribution to capital program
- Ramp-up for Operations Works Yard

Total: \$3.12M



Municipal Service Contracts

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Fiscal Scan (cont'd)

Contract Escalations

- Winter maintenance contract increases and phase-in
- Waste collection contract (CPI and fuel cost increases)
- Fuel cost increase (City-owned vehicles)
- Utility rate increases (facility and streetlight hydro, gas and water)
- Contract escalations

Sub-total: \$1.28M

Service Level Enhancements

- Winter Maintenance – Local road service level for rear lanes
- Integrity Commissioner
- Animal Services
- Regional Councillor newsletters

Sub-total: \$0.24M



Municipal Service Contracts

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Fiscal Scan (cont'd)

Cost Efficiencies (E3)

- School crossing guard contract (\$0.12M)
- Energy savings (\$0.10M)
- VOIP contract award (elimination of redundant phone lines) (\$0.06M)
- Waste Calendar in Markham Life (\$0.03M)

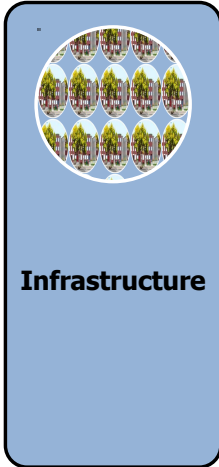
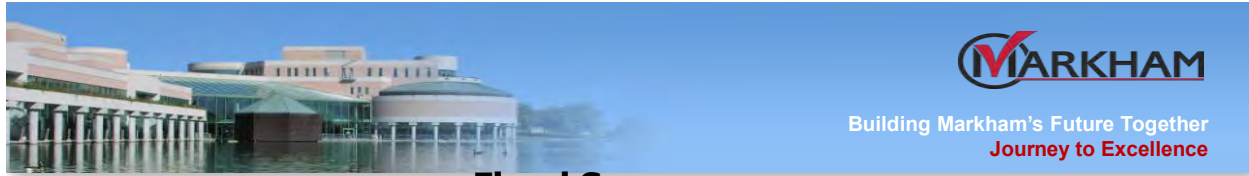
Sub-total: (\$0.31M)

Other Adjustments

- Support services to Building, Planning & Design, Engineering & Waterworks (\$0.42M)
- Roads Asphalt Repairs (\$0.17M)
- Waste expenditure reduction (based on volume) (\$0.28M)
- Other (\$0.04M)

Sub-total: (\$0.83M)

Total: \$0.34M



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Fiscal Scan (cont'd)

- The Life Cycle and Water & Wastewater reserve studies are updated annually to address the funding requirements with known inflows for future replacements of existing assets for the next 25 years
- There are infrastructure pressures identified in the following areas:

Life Cycle Reserve Study

- Replacements of future assets
- Stormwater management program

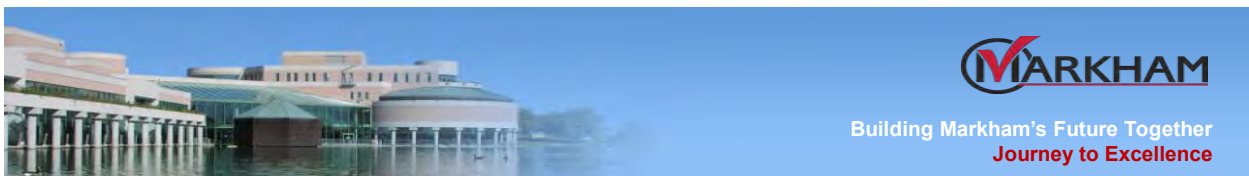
Water and Wastewater Reserve Study

- Projected increases from the Region of York
- Sustainability of future water rates

Development Charges Background Study

- Non-growth portion of City wide hard and soft services

Other potential unfunded Capital Projects



Slide 16

Fiscal Scan (cont'd)

New Official Plan

Municipal Official Plans must be brought into conformity with Provincial Plans and the Region of York Official Plan. It is anticipated that work towards a new Official Plan will be completed in 2014

Accessibility

Council approved the Accessible Customer Service Policy effective January 1, 2010 to meet the legislated requirements of the Accessible Customer Service Standard, under the Accessibility for Ontarians with Disabilities Act.

The goal of the Act is to make Ontario fully accessible by 2025 and requires Markham to identify, prevent & remove barriers for people with disabilities. The next phase is compliance with the Integrated Accessibility Regulation under the AODA.



Fiscal Scan (cont'd)



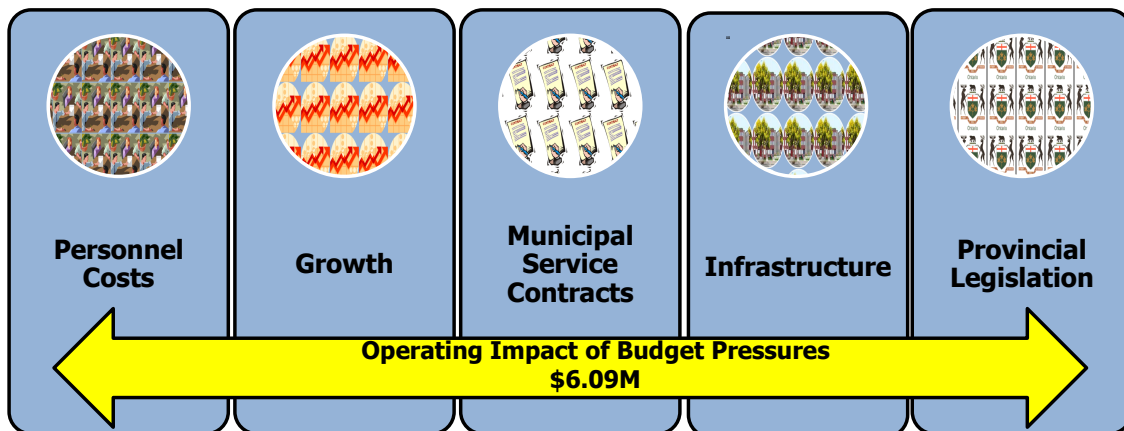
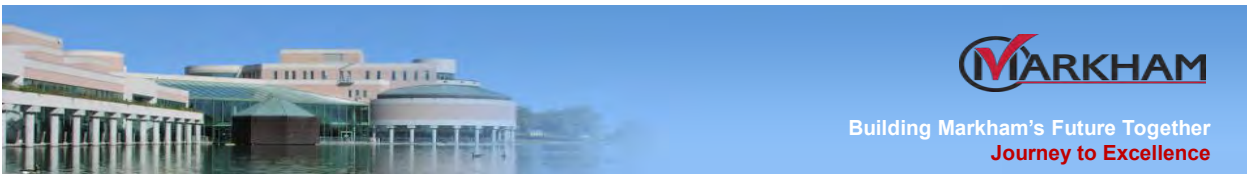
Provincial Legislation (cont'd)

Bill 168 - Occupational Health and Safety Amendment Act (Violence and Harassment in the Workplace) 2009

An amendment to the Ontario Occupational Health and Safety Act came into effect on June 15, 2010. The amendment strengthens the protection of workers against violence and harassment in the workplace.

All existing full-time staff have attended training and all new regular full-time staff are required to attend an orientation facilitated by the Human Resources Department which includes health and safety training (inclusive of the Respect in the Workplace policy).

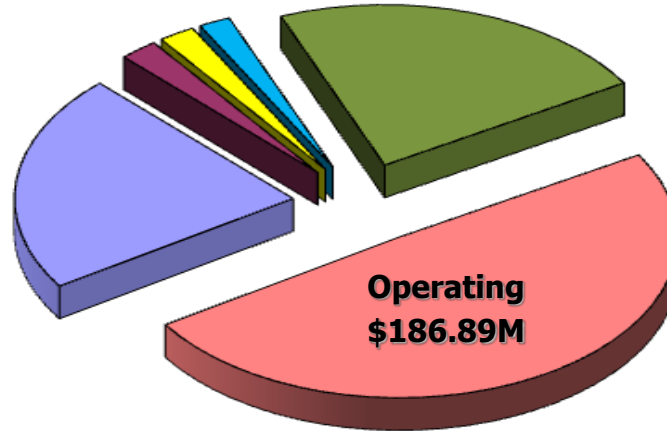
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2014 Operating Budget



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2014 Preliminary Operating Budget Summary

(\$ in Millions)

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

	2013 \$	2014 \$	Increase/ (Decrease) \$	Tax Rate Increase %
Revenues	180.80	183.68	2.88	
Expenditures				
Personnel	107.57	111.65	4.08	
Non-Personnel	73.23	75.24	2.01	
Total Expenditures	180.80	186.89	6.09	
Net Shortfall	-	3.21	3.21	2.6%
E3 initiatives	-	(0.95)	(0.95)	
Subtotal	-	2.26	2.26	1.9%
Infrastructure Surcharge	-	0.61	0.61	0.5%
Net Shortfall	-	2.87	2.87	2.4%

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2014 Preliminary Operating Budget - Revenues

(\$ in Millions)

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

	2013 \$	2014 \$	Increase/ (Decrease) \$
Total Revenues	180.80	183.68	2.88
Assessment growth (2.5%)			3.02
CPI adjustment for Recreation user and program fees			0.27
User fee volume adjustments			0.14
CPI adjustment for user and program fees			0.04
Recreation revenues (net \$0.22M)			(0.59)
Total Revenue Increase			2.88

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2014 Preliminary Operating Budget - Expenditures

(\$ in Millions)

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

	Increase/ (Decrease) \$
Personnel Costs	2.63
Existing staff / new staffing requests	2.63
Growth	3.12
Future staff ramp-up related to new facilities	1.45
Growth (roads, waste, parks, streetlights and winter maintenance)	0.86
Transfer to Life Cycle Replacement and Capital Reserve Fund	0.50
Capital induced operating costs	0.21
Non-personnel ramp-up for a future operations works yard	0.10
Municipal Service Contracts	0.34
Utility price escalation	0.85
Service level enhancements	0.24
Winter maintenance requirement and phase-in	0.20
Fuel cost increase	0.13
Other contract escalations	0.10
Waste expenditure reduction	(0.28)
Cost efficiencies (E3)	(0.31)
Support services for Building, Engineering, Planning & Design, Waterworks	(0.42)
Roads - asphalt repairs contract award	(0.17)
Total Expenditures	6.09

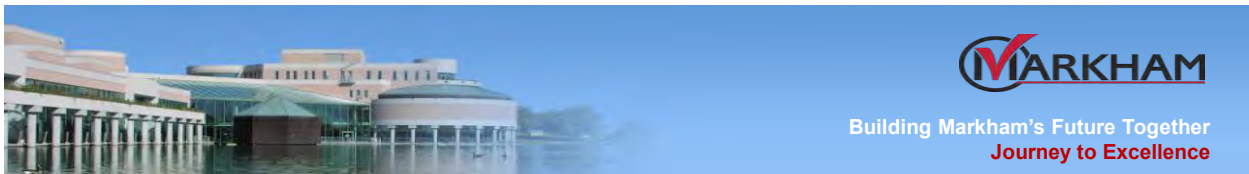
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Excellence through Efficiency & Effectiveness (E3)

- As early as 2007, Markham saw signs the economy was faltering. By 2008, it was clear that the City needed to take action to reduce the impact of the impending recession on residents
- During the 2008 budget process, Council made it clear that it was prudent to develop and implement a sustainable process to deliver the lowest possible tax increases in future years
- In an effort to achieve this vision, the project "Excellence through Efficiency & Effectiveness" (E3) was launched in March 2008 and endorsed by Council in June 2008
- The E3 project involves a corporate wide business transformation through the review of services to find as many efficiencies as possible, maximize revenue opportunities and minimize tax rate increases

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Excellence through Efficiency & Effectiveness (E3)

(\$ in Millions)

	2009	2010	2011	2012	2013	2014	Total
	\$	\$	\$	\$	\$	\$	
Expenditure reductions	2.9	3.1	0.3	1	0.7	0.5	8.5
Revenue enhancements	1.6	1	1.5	0.6	1.3	0.8	6.8
Total	4.5	4.1	1.8	1.6	2.0	1.3	15.3

- Over the past five years (2009 – 2013), \$14M of revenue enhancements and expenditure reductions have been implemented to offset potential tax increases
- Otherwise a requirement for a 14% increase in taxes - an increase that would have been paid out year after year by Markham taxpayers
- In addition, other initiatives were implemented that strengthened the organization's ability to serve customers, support staff engagement, avoid future costs, and improve quality of services

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2014 E3 Initiatives

(\$ in Millions)

Item	Description	\$ in M's	Tax Rate Impact
<u>Requires Council approval</u>			
A. New fees			
Mortgage administrative fees	9,700 accounts x \$8 x 2 times/year	(0.15)	-0.1%
Property tax overdue notice fees	8,000 accounts x \$5 x 2 times/year	(0.08)	-0.1%
Property service fees	1st inspection \$60, 2nd inspection \$120, final \$250	(0.05)	0.0%
Waste bin replacement	\$5 green bin, \$2 blue bin and \$2 kitchen catcher	(0.03)	0.0%
Other licenses and fees	License wildlife operators and food trucks, noise exemption fee and fence exemption fee	(0.01)	0.0%

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2014 E3 Initiatives

(\$ in Millions)

Item	Description	\$ in M's	Tax Rate Impact
B. Increase in existing fees			
Street banner installation	Increase from \$100 to \$250 (volume 70/year) (cost recovery)	(0.02)	0.0%
Film permits	Increase from \$280 to \$750 (volume 18/year for Legislative and Operations)	(0.02)	0.0%
User and license fees	Incremental increase of 3.4% over CPI (total 5% increase) excludes Recreation, Professional Entertainment Series ticket sales and ticket handling charges	(0.14)	-0.1%
Parking fees at Milne park	Per person entry fee and site permit fee	(0.08)	-0.1%
Artificial turf user fees	increase average rate from \$3.35/hour to \$11.50/hour	(0.06)	0.0%
Sportsfield rental	Increase average rate of \$4.80/hour to \$5.40/hour (volume 68,000 hours/year)	(0.04)	0.0%
Legal fees	New fees and increase in existing fees	(0.08)	-0.1%

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2014 E3 Initiatives

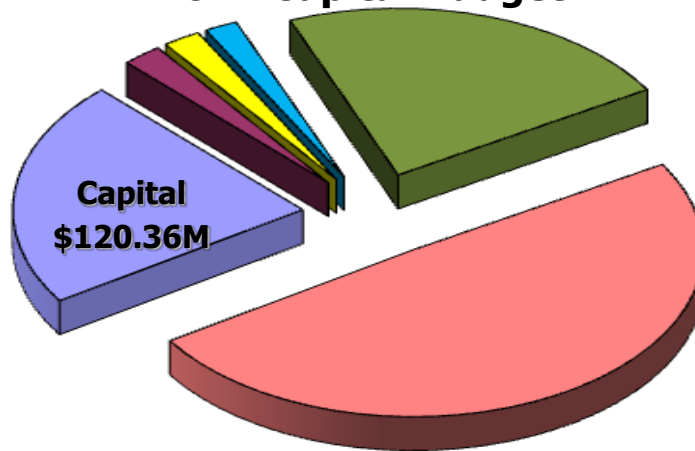
(\$ in Millions)

Item	Description	\$ in M's	Tax Rate Impact
C. Reduction in expenditures			
LED streetlights	Total annualized savings of \$960k 2014: 80% of savings \$768k (pro-rated) Proposed allocation: 75% of savings to Reserve and 25% to Operating	(0.19)	-0.2%
	Total	(0.95)	

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2014 Capital Budget

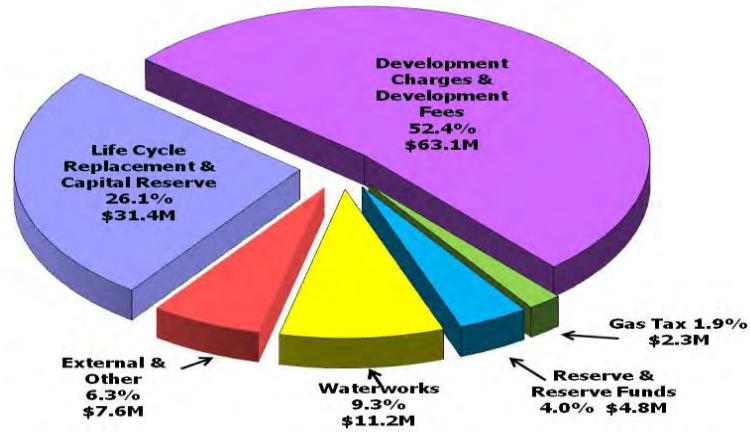


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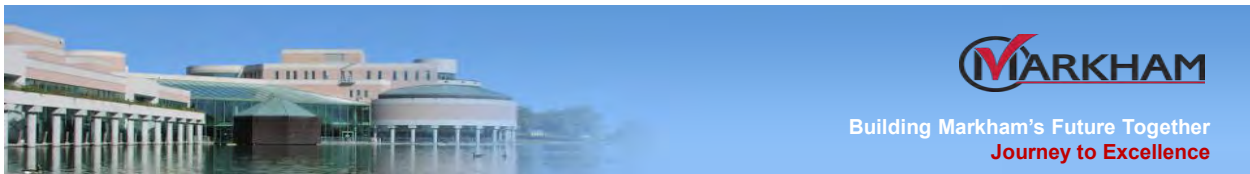


2014 Capital Budget Expenditure Types

Total \$120.36M

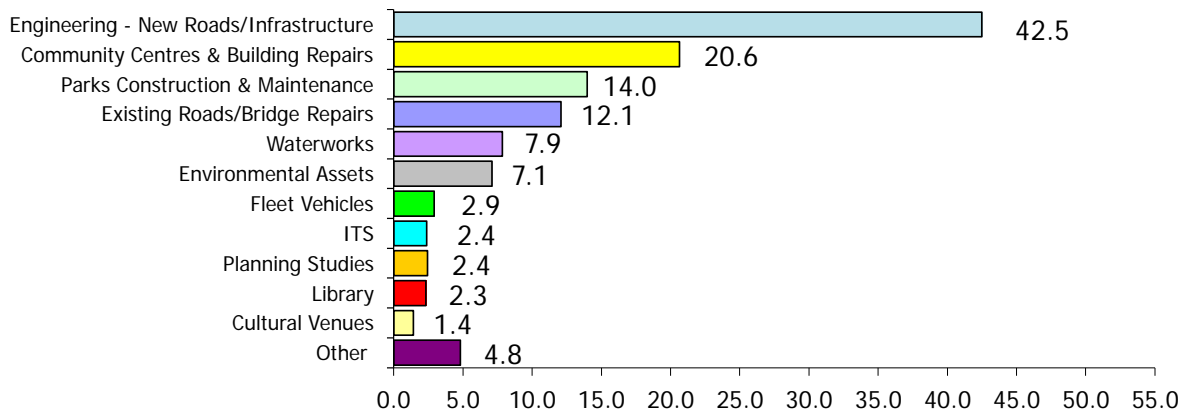


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2014 Capital Budget Funding Sources

Total \$120.36M



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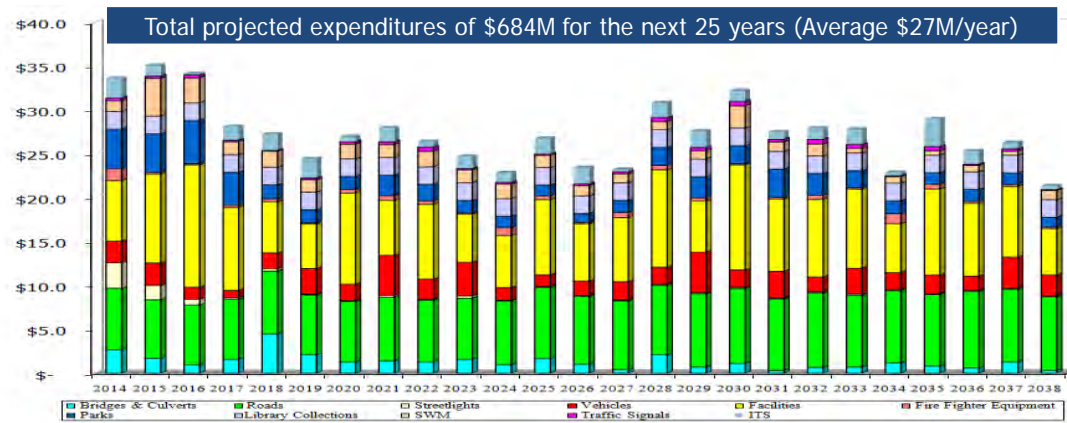
Life Cycle Reserve Study

- Markham implemented the Life Cycle Reserve Study in 2004
- The purpose of the reserve study was to address the on-going capital replacements and preventative maintenance of capital assets over their useful lives
- The reserve study is updated annually to identify if there is adequate funding in the reserve based on known inflows to sustain future rehabilitation and replacement requirements for the next 25 years

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25-Year Projected Life Cycle Expenditures By Component 2014-2038 (in 2013 \$ - in Millions)



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Life Cycle Reserve Study

- The 2013 Life Cycle Reserve Study update included reserve study adjustments, 2013 expenditure amendments, adjustment to inflation, inclusion of watercourse erosion control remediation, tree inventory and replacement and rehabilitation requirements for future facilities such as the Markham Pan Am Centre and Southeast Community Centre
- Based on the known inflows, outflows and inclusion of the above items, there will be sufficient funds for 15 years (short by 10 years)
- The reserve balance will be in a deficit position of of \$68.4M at the end of 25 years (year 2038)
- Shortfall of \$1.82M/year, equivalent to a tax rate increase of 1.5% (recommend to be phased-in over 3 years at 0.5% per year for the years 2014, 2015 and 2016) to meet the 25 year funding level

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2014 Preliminary Operating Budget Summary

(\$ in Millions)

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

	2013 \$	2014 \$	Increase/ (Decrease) \$	Tax Rate Increase %
Revenues	180.80	183.68	2.88	
Expenditures				
Personnel	107.57	111.65	4.08	
Non-Personnel	73.23	75.24	2.01	
Total Expenditures	180.80	186.89	6.09	
Net Shortfall	-	3.21	3.21	2.6%
E3 initiatives	-	(0.95)	(0.95)	
Subtotal	-	2.26	2.26	1.9%
Infrastructure Surcharge	-	0.61	0.61	0.5%
Net Shortfall	-	2.87	2.87	2.4%

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2014 Preliminary Operating Budget Summary

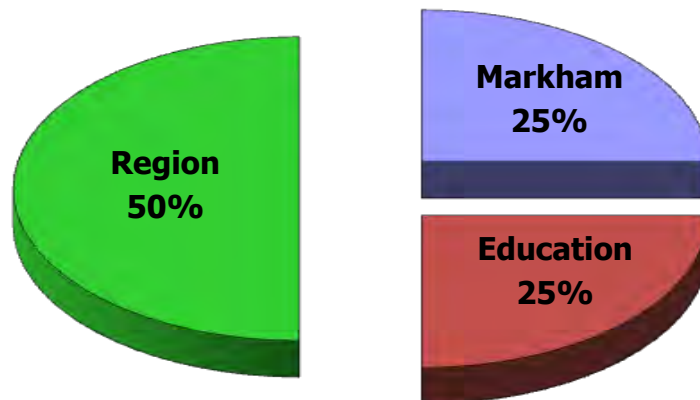
- The tax rate increase of 2.4% excludes the impact of the Flood Control Implementation Program
- Based on the February 12, 2013 "Stormwater Funding Options" presentation, the impact to each residential homeowner will be in the range of \$36 to \$48
- This translates to:
 - a tax rate increase ranging from 3.25% to 4.34% or
 - a water rate increase ranging from 4.80% to 6.40% (based on 2013 water rate)
- An update will be presented to General Committee in November

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Assessment and Property Taxes

2013 Property Tax Distribution
Residential

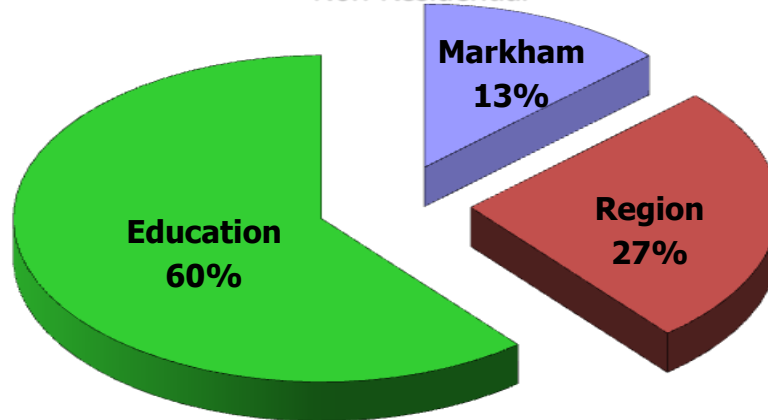


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Assessment and Property Taxes

2013 Property Tax Distribution
Non-Residential



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Impact of Markham Tax Rate Increase on an Average Residential Property - Preliminary

2014 Average Current Value of a Residential Property in Markham = \$485,000*
1% Tax Rate Increase for City's Tax Levy \$11.07

Tax Dollar Impact per Household

1.9% Tax Rate Increase for City's Tax Levy	\$21.03
0.5% Tax Rate Increase for Infrastructure	<u>\$ 5.53</u>
	\$26.56

* residential tax class includes single family detached, linked homes, freehold townhouses, semi-detached and residential condominiums

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2014 Budget Summary Highlights

Fiscal Stewardship

- Financial Prudence
- Ramp-ups
- Service Levels
- Reserve Studies

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Highlights of 2014 Proposed Capital Budget

Environment (\$ in Millions)

- | | |
|--|--------|
| ➤ Environmental Asset Program (includes Flood Control Implementation – West Thornhill*) | \$7.10 |
| ➤ Emerald Ash Borer Program | \$2.59 |
| ➤ PowerStream Embedded Energy Projects and Integrated Community Energy Plan* | \$0.39 |
| ➤ Waste Management Initiatives (includes Carpet Recycling Program and Specialty Recycling Containers*) | \$0.14 |
| ➤ Continuation of the Trees for Tomorrow Initiative and Replacement of Trees* | \$0.12 |
| ➤ Community Food Projects* | \$0.07 |

* - service level enhancement



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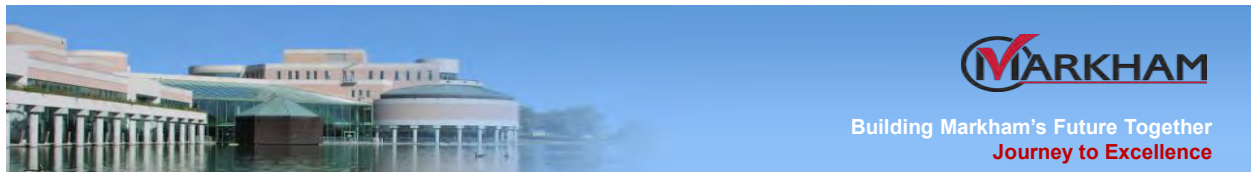
Highlights of 2014 Proposed Capital Budget

Growth (\$ in Millions)

- Markham Pan Am Centre – Construction (Year 2)
(also included in Integrated Leisure Master Plan/Public Safety) \$16.90
- New Parks Assessment Design and Construction \$ 4.09
 - Major Wood Cathedral Town Park – Construction (4 acres, opening: Summer 2015)
 - South Unionville Community Park West – Design and Construction (3.7 acres, opening: Fall 2015)
 - Linear Park – Hwy. 48 west of James Walker Court – Design and Construction (0.5 acres, opening: Fall 2015)
 - Monarch Cathedraltown North Park – Design (5.1 acres, opening: Fall 2015)
 - Wismer Donald Mingay Woodlot Park – Design (7 acres, opening: Early 2016)
 - Greensborough Williamson/A. Paterson North Park – Design (3.9 acres, opening: Early 2016)
- Growth Management Strategies \$ 1.26



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Highlights of 2014 Proposed Capital Budget

Transportation and Transit (\$ in Millions)

- Main Street Markham, Hwy 407 to Hwy 7 Reconstruction \$14.87
- Rodick Road Extension – Phase 2 of 3 – Miller to 14th Ave. Construction * \$7.23
- Hwy 404 Bridge North of Hwy 7 – Construction \$4.07
- Miller Ave – CN Rail to Kennedy Road – Phase 4 \$4.07
- Cycling and Trail Pathways* \$2.95
- Streetlight Replacement and Inspection Program \$2.72
- Centurian Drive – Allstate Parkway to Woodbine Ave – Reconstruction \$1.71
- Church Street – 9th Line to Bur Oak Ave – Construction \$2.05
- Traffic Control Signals & Traffic Operational Improvements
(also included in Integrate Leisure Master Plan/Public Safety) \$0.22

* - service level enhancement

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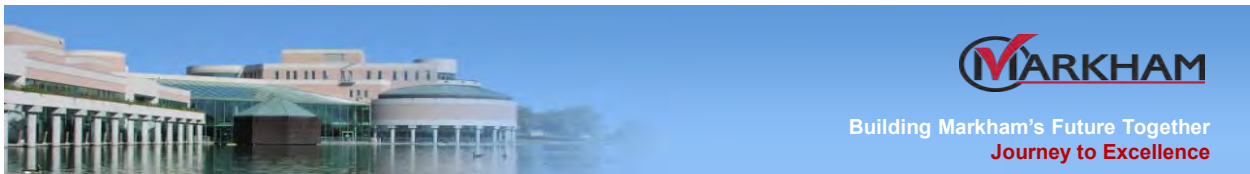


Highlights of 2014 Proposed Capital Budget

	Service Levels (\$ in Millions)	
➤ Roads rehabilitation program		\$5.14
➤ Facility improvement program at Community Centres, Libraries, Fire Stations, Cultural Venues and Civic Centre		\$3.72
➤ Watermain and Sanitary Sewer construction and replacement program		\$2.51
➤ Structures rehabilitation and replacement program		\$2.17
➤ Library Collections (including tablets and headsets*)		\$1.86
➤ Water System and Water Meter replacement/upgrade program		\$1.15
➤ Illumination Program *		\$0.69
➤ Tennis Courts Resurfacing		\$0.64
➤ Sidewalk Program *		\$0.30
➤ Markham Museum Pottery Studio *		\$0.10
➤ Sportsfield Maintenance and Reconstruction		\$0.05
➤ Landscape for Warden Avenue multi-use pathway (16 th Avenue to Major Mackenzie) *		



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Highlights of 2014 Proposed Capital Budget

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

➤ Markham Pan Am Centre – Construction (Year 2) (also included in Integrated Leisure Master Plan/Public Safety)	\$16.90
➤ Fire Services Vehicle Replacement	\$1.21
➤ Fire and Emergency Services Capital Program	\$0.87
➤ Traffic Control Signals and Traffic Operational Improvements (also included in Transportation and Transit)	\$0.22
➤ Play Structure Replacements *	\$0.14

* - service level enhancement



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Highlights of 2014 Proposed Capital Budget

Diversity (\$ in Millions)

- Pedestrian Accessibility Improvements * \$0.42
- Language Line Service
- Career Bridge/Ability Edge Program

* - service level enhancement



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Questions and Comments

**THANK YOU FOR ATTENDING MARKHAM'S
MEDIA CONFERENCE PRESENTATION**





Report to: General Committee

Date of Meeting: December 2, 2013

SUBJECT: 2014 Capital Budget

PREPARED BY: Andrea Tang, Manager of Financial Planning

RECOMMENDATION:

- 1) **That** the report dated December 2, 2013 entitled, “2014 Capital Budget” be received;
- 2) **That** the following changes to the 2014 Capital Budget be approved:
 - a. Capital Project #14035 “Miller Avenue – Woodbine to Rodick Reconstruction – Design” be increased by \$101,800 from \$508,000 to \$609,800, to be funded from the Waterworks Stabilization/Capital Reserve;
 - b. Capital Project#14323 “Watermain Construction and Replacement Program” with budget of \$676,300 be deleted from the 2014 Capital Budget;
 - c. A new capital project “Smart City Forum” in the amount of \$10,000 be added to the 2014 Capital Budget, to be funded from the 2014 Operating Non-Life Cycle funds;
 - d. Additional funding in the amount of \$54,800 be added to the 2013 approved capital project #13343 “Streetlights – Markham Heritage Estates Subdivision” from \$73,100 to \$127,900, to be funded from the 2014 Capital Budget (2014 Operating Non-Life Cycle funds \$39,800 and 2014 Operating Life Cycle funds \$15,000) ;
- 3) **That** Council approve the 2014 Capital Budget which totals \$119,879,300 as outlined in Appendices 1, 2 and 3; and
- 4) **That** Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain Council approval of the City of Markham’s 2014 Capital Budget.

BACKGROUND:

A total of six Budget Sub-Committee meetings were held in October 2013 to discuss and review the 2014 Operating and Capital Budgets. A Budget Public Consultation

meeting was held on October 24, 2013 at the Civic Centre to receive feedback and input from residents.

DISCUSSION:

Budget Sub-Committee reviewed and endorsed the proposed 2014 Capital Budget of \$120,389,600. Subsequently, Staff identified the following changes to the 2014 Capital Budget:

1. Project #14035 “Miller Avenue – Woodbine to Rodick Reconstruction – Design” (Engineering - Budget \$508,000)

Staff has identified the need to increase the budget by \$101,800 from \$508,000 to \$609,800. The original scope of the budget request relates to the design of the Miller Avenue road reconstruction which includes components for road and storm sewers. The budget increase of \$101,800 is required to include design for a watermain, to be funded from the Waterworks Stabilization/Capital Reserve.

2. Project #14323 “Watermain Construction and Replacement Program” (Waterworks – Budget \$676,300)

The Waterworks capital project, to be funded from the Waterworks Reserve, is for a watermain replacement on Main Street Markham from Hwy 407 to Hwy 7. Staff recommends deleting the project from the 2014 capital budget since the scope of work is included in the Engineering’s capital project #14055 “Main Street Markham, Hwy 407 to Hwy 7- Construction”.

3. New Project “Smart City Forum”

In recent years, there has been increasing focus on the part of forward thinking cities to pursue a range of “Smart Cities” technology-facilitated initiatives such as broadband connectivity in order to benefit from the digital economy. Smart Cities is based on the concept of digitally connected municipal assets and infrastructure with the ability to obtain and integrate information about them (or their status) in order to make better decisions.

The main benefit of this approach is that cities can be proactive using analysis and prediction capabilities, allowing them to manage resources more effectively while meeting the needs of their communities. With increasing financial pressures, and citizen expectations, it is important for cities to continue to find innovative ways to manage their operations. Cities such as Waterloo, Stratford, Fredericton, and Toronto have been recognized for their efforts as “Smart Cities”.

It is in this context that the Information, Communications and Technology (ICT) Sub-Committee passed a resolution on Sept. 26, 2013 for Staff to “investigate the possibility of spending a maximum of \$10,000 to host a Smart City Forum in Markham in the Fall of 2013”. The ICT recommendation was received by General Committee on October 7th, 2013 and Council on October 8th, 2013. There was



further discussion on this item at the October 23rd, 2013 Budget Sub-Committee meeting.

After further discussion with the Chair of ICT, it is recommended to defer the event to 2014 due to the amount of time required to organize the event. The proposed time change was communicated to Members of ICT on November 15, 2013.

The ICT Sub-Committee believes that having a session that attracts qualified and experienced speakers in this subject area, hosted by Markham will not only facilitate an opportunity to educate/inform our community but also helps to position the City with other leading municipalities.

The plan includes a half-day session at the Civic Centre with a focus on “Smart City” objectives and discussions that will be led by 3-5 panel speakers, and participation from the community including business and industry. The session is anticipated to attract about 100 attendees. The focus of the Forum will be tailored towards Markham’s aspirations and role in the digital economy of the future and in line with “Markham 2020” economic strategy of building “Creative Markham”, “Networked Markham” and “Sustainable Markham”. It is the objective of the session to also capture the experiences of other cities that have made some progress in this area, particularly the benefits in marketing and branding their communities globally.

Funding of \$10,000 is requested to host this session, including costs related to speakers. This funding request is to be included in the 2014 Capital Budget which will be funded from the Operating Non-Life Cycle funds.

4. Additional funding to 2013 Capital project #13343 “Streetlights – Markham Heritage Estate Subdivision”

The 2013 Capital Budget includes project #13343 “Streetlights – Markham Heritage Estates Subdivision” in the amount of \$73,100. The scope of the project includes installing 11 new heritage style streetlights with High Pressure Sodium (HPS) luminaires.

Staff recommends upgrading the luminaires from HPS to Light-Emitting Diode (LED) for the 11 new streetlights as well as the existing 25 streetlights. Based on the condition of the existing 25 streetlight poles, Staff also recommends recoating the poles and removing the banner arms. The incremental costs associated with the proposed scope changes require additional funds of \$54,800. The funding allocation will be \$39,800 from the 2014 Operating Non-Life Cycle funds associated with the upgrade to LED luminaires for both the 11 new and 25 existing streetlights, and \$15,000 from the 2014 Operating Life Cycle funds associated with the recoating and removal of the banner arms of the existing 25 streetlight poles.

2014 Capital Budget

The proposed 2014 Capital Budget of \$119,879,300 includes capital projects that are aligned with the City of Markham's six strategic priorities developed by Council: Growth Management; Transportation; Environment; Municipal Services; Integrated Leisure Master Plan/ Public Safety; and, Diversity.

The major sources of funding, provided in Appendix 1, for the 2014 capital projects are: Development Charges and Development Fees which contribute \$63.0M (52.6%) of the total funding to support growth initiatives; Life Cycle Replacement and the Capital Reserve Fund which contribute \$31.5M (26.3%) of the total funding for new purchases, non-growth portion of the growth related projects, replacement and repairs; and, Waterworks Reserve Fund which contribute \$10.6M (8.9%) for municipal services.

The 2014 Capital Budget also includes \$4.3M (3.6%) from the Federal Gas Tax revenues, which will fund the following capital projects:

- Sidewalk program
- Cycling and trail pathways
- Energy conservation programs
- Integrated community energy plan
- Carpet recycling program
- Specialty recycling containers program
- Flood control implementation – West Thornhill

The 2014 Capital Budget supports new and ongoing projects and initiatives that are aligned with the strategic priorities. The 2014 Capital projects approved in principle by the Budget Sub-Committee are provided in Appendix 2, the highlights of which are:

1. Growth Management:

- New parkland design and construction:
 - Major Wood Cathedral Town Park (4 acres) – construction phase, opening 2015
 - South Unionville Community Park West (3.7 acres) – design and construction phases, opening 2015
 - Linear park – Hwy 48 West of James Walker Court (0.5 acres) – design and construction phases, opening 2015
 - Monarch Cathedral North Park (5.1 acres) – design phase, opening 2015
 - Wismer Donald Mingay Woodlot Park (7 acres) – design phase, opening 2016
 - Greensborough Williamson/A. Paterson North Park (3.9 acres) – design phase, opening 2016

2. Transportation:

- Main Street Markham, Hwy 407 to Hwy 7 reconstruction
- Rodick Road extension, Miller to 14th Avenue construction
- Bridge over Hwy 404, North of Hwy 7 – construction



- Cycling and Trail Pathways
3. Environment:
 - Environmental asset program including flood control implementation in West Thornhill
 - Emerald Ash Borer program
 - Energy conservation program
 - Continuation of the “Trees for Tomorrow” initiative and replacement of trees
 4. Municipal Services:
 - Roads rehabilitation program
 - Facility improvement program at community centres, libraries, fire stations, cultural venues and the Civic Centre
 - Watermain and Sanitary Sewer construction and replacement program
 - Structures rehabilitation program
 - Library collections (including tablets and headsets)
 - Illumination program
 5. Integrated Leisure Master Plan/Public Safety:
 - Markham Pan Am Centre - construction of a 147,000 sq ft facility which includes an Olympic-size pool and field house, opening in 2014
 - Fire services vehicle replacements
 - Fire and Emergency Services capital program
 6. Diversity:
 - Pedestrian Accessibility Improvements

A summary of the 2014 capital projects by Commission are provided in Appendix 3 for information purposes.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

Below is a summary of the changes to the 2014 Capital Budget subsequent to Budget Sub-Committee’s endorsement.

Capital Project	Change	\$ Increase / (Decrease)
2014 Capital Budget endorsed by Budget Sub-Committee		120,388,700
Project #14035 “Miller Avenue – Woodbine to Rodick Reconstruction – Design”	Increase	101,800
Project #14323 “Watermain Construction and Replacement Program”	Delete	(676,000)
New Project "Smart City Forum"	Addition	10,000
Additional funding to 2013 Capital Project #13343 "Streetlights – Markham Heritage Estate Subdivision"	Addition	54,800
Total 2014 Capital Budget		119,879,300

The 2014 Capital Budget includes \$119,879,300 of capital projects which are funded from multiple funding sources as outlined in Appendix 1.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The 2014 Capital Budget of \$119,879,300 includes capital projects that are aligned with the City of Markham's six strategic priorities developed by Council: Growth Management; Transportation; Environment; Municipal Services; Integrated Leisure Master Plan/ Public Safety; and, Diversity.

BUSINESS UNITS CONSULTED AND AFFECTED:

All business units have been consulted during the 2014 Capital Budget submission and review process.

RECOMMENDED BY:

Joel Lustig, Treasurer

Trinela Cane, Commissioner,
Corporate Services

ATTACHMENTS:

[Appendix 1 – 2014 Capital and Other Programs Budget: Sources of Funding](#)

[Appendix 2 – 2014 Capital and Other Programs Budget: Projects by Commission](#)

[Appendix 3 – 2014 Capital and Other Programs Budget: Summary by Commission](#)



SUBJECT: 2014 Operating Budget

PREPARED BY: Andrea Tang, Manager of Financial Planning

RECOMMENDATION:

- 1) That the report dated February 3, 2014 entitled, "2014 Operating Budget" be received;
- 2) And that Council approve a 2.33% tax rate increase to the City's tax levy to support the City's day-to-day operations;
- 3) And that Council approve an additional 0.16% tax rate increase to fund the response and recovery costs associated with the December 2013 ice storm;
- 4) And that Council approve the 2014 Operating Budget for City services totalling \$187,466,019 (excluding the 2013 surplus/deficit) which includes a 2.49% tax rate increase over 2013 (\$180,795,409), of which the principal components are detailed in Appendix 1;
- 5) And that the gross operating expenditures of \$187,466,019, (excluding the 2013 surplus/deficit), be funded from the following sources:

	<u>2014 Budget \$</u>
<u>Revenue</u>	
Taxation Levies	130,499,439
Grants-in-lieu of Taxes	1,209,007
Grant & Subsidy Revenues	1,554,994
General Revenues (Investment Income, Fines, Permits, Interest & Penalties)	26,498,941
User Fees & Service Charges (User Fees, Rentals, Sales)	23,158,473
Other Income / Recoveries	4,545,165
Total Revenues	<u>187,466,019</u>

- 6) And that Council approve the 2014 Planning & Design Operating Budget totalling \$7,829,268, (excluding the 2013 surplus/deficit), the principal components of which are detailed in Appendix 2;
- 7) And that Council approve the 2014 Engineering Operating Budget totalling \$6,527,807, (excluding the 2013 surplus/deficit), the principal components of which are detailed in Appendix 3;

- 8) And that Council approve the 2014 Building Standards Operating Budget totalling \$8,386,048, (excluding the 2013 surplus/deficit), the principal components of which are detailed in Appendix 4;
- 9) And that upon finalization of the 2013 audited financial statements, the 2014 Operating, Planning & Design, Engineering and Building Standards Operating Budgets be adjusted to reflect the 2013 operating results;
- 10) And that a copy of the Budgets be made available to the public through the Clerk's Department, the City website and each of the Markham Public Libraries;
- 11) And that the "Additional Financial Disclosure Requirements Pursuant to Ontario Regulation 284/09" be received for information purposes;
- 12) And further, that Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain Council approval of the City of Markham's 2014 Operating Budget which recommends a total 2.49% tax rate increase comprised of a 2.33% tax rate increase to support the day-to-day operations, and a 0.16% tax rate increase to address the response and recovery costs associated with the December 2013 ice storm.

BACKGROUND:

Six Budget Sub-committee meetings were held in October 2013 to discuss and review the 2014 Operating and Capital Budgets. One meeting was held in February 2014 to finalize the 2014 Operating Budget.

All Budget Sub-Committee meetings were open to public, and the meetings were audio-streamed through Markham's webpage. Notices of the Budget Sub-Committee meetings were advertised in the local newspapers, through social media and on Markham's webpage. A public consultation meeting was held on October 24th, 2013 at the Civic Centre, and a Ward 2 budget meeting was held at the Thornhill Community Centre and Library on November 20th, 2013.

This year, the City initiated an additional innovative step to engage Markham residents in the budget process, through the Citizen Budget Tool. This online tool helps residents better understand how tax dollars are used for Markham's programs and services. It also provides residents with an opportunity to express their views on how residential tax dollars should be used.

The following topics were discussed at the Budget Sub-committee meetings:

- a fiscal scan including economic trends and budgetary pressures;
- a review of the 2014 operating and capital budgets;
- a review of the 2014 new support staffing requests;



- a review of the 2014 Councillor requests;
- the City's asset lifecycle reserve study.

The Development Fee By-law was amended on December 10, 2013 to include a 5% increase in the 2014 Building fees for Building Permit applications and a 10% increase in Planning & Engineering fees. The 2014 operating budgets for the following Development Services departments are: Planning & Design at \$7,829,268 with a budgeted draw from reserve of \$855,026, Engineering at \$6,527,807 with a budgeted draw from reserve of \$1,547,135, and Building Standards at \$8,386,048 with a budgeted draw from reserve of \$1,538,917.

The 2014 Water and Wastewater rate of \$3.0649/m³ effective April 1st, 2014 (an increase of 8.0% over 2013's rate), 2014 Waterworks operating budget of \$96,505,681 and 2014 Capital Budget of \$119,879,300 were approved by Council on December 10, 2013.

In summary, the total 2014 Budget is \$426,594,123 and the breakdown is as follows:

	\$
Operating Budget	187,466,019
Capital Budget	119,879,300
Building Standards	8,386,048
Planning & Design	7,829,268
Engineering	6,527,807
Waterworks	96,505,681
Total 2014 Budget	<u>426,594,123</u>

DISCUSSION:

2014 Operating Budget

The following exhibit reconciles the 2013 approved Operating Budget to the 2014 Operating Budget from \$180,795,409 to \$187,466,019 (figures exclude Planning & Design, Engineering, Building Services and Waterworks):

<u>REVENUES</u>	<u>2014 Budget \$</u>
Approved 2013 Budget Revenues	180,795,409
Assessment Growth including Supplemental Taxes (Property taxes from new homes and businesses)	2,951,958
2.33% Operating Tax Increase	2,826,325
0.16% Tax Increase for December 2013 Ice Storm	194,000
CPI and Other Adjustments for User and Program Fees	451,144
Other	247,183
Total 2014 Budget Revenues - excluding 2013 surplus / (deficit)	<u>187,466,019</u>

<u>EXPENDITURES</u>	
Approved 2013 Budget Expenditures	180,795,409
Wages	603,743
Growth (roads, waste, parks, streetlights and winter maintenance)	1,493,127
Municipal Service Contracts	792,000
Support Services for Building, Engineering, Planning & Design, Waterworks/Corporate Items/Other	3,781,740
Total 2014 Budget Expenditures - excluding 2014 surplus / (deficit)	<u>187,466,019</u>

The 2013 operating results are excluded from the above figures until the City's audited financial statements are finalized and approved by Council. Staff will present the preliminary year-end operating results to General Committee in March 2014. Upon finalization of the 2013 audited financial statements, the 2014 Operating, Planning & Design, Engineering, Building Standards and Waterworks budgets will be adjusted to reflect the surplus/deficit, if any, in revenues and offsetting expenditures.

The 2014 Budget aligns with the Council approved strategic priorities which address social, economic and environmental considerations. The Budget includes service level enhancements while providing Markham residents value for their money. The 2014 Operating Budget achieves fiscal sustainability by not using one-time funding to balance the budget.

During the budget development process, the City of Markham addressed the challenge of delivering a balanced budget with minimal tax rate increases in response to increased operating expenditures resulting from economic and growth pressures.

Economic pressures stem from general inflation, increasing utility costs and third party contract renewals such as winter maintenance contracts.

Markham is a growing municipality, and budgetary requirements increase as the City continues to add to its inventory of parks, streetlights, and roads each year, requiring additional resources to maintain and replace assets. Further, Markham has exhibited sound fiscal management by phasing-in future personnel costs related to facility openings for the South East Community Centre, Pan Am Facility, City of Markham Sports Park and an Operations Work Yard. Markham continues the policy of allocating the first \$0.5M from new assessment growth revenues to support a sustainable capital program.

To mitigate the impact of economic and growth pressures, Staff continues to make every effort to find efficiencies to reduce operating costs and explore sustainable revenue sources through our continuous improvement program, Excellence through Efficiency and Effectiveness (E3).

At the October 18th, 2013 Budget Sub-Committee meeting, Staff identified the need for a tax rate increase of 1.9% to support the City's day-to-day operations, as well as an infrastructure surcharge of 0.5% to address future asset replacements and rehabilitation, for a total proposed tax rate increase of 2.4%. On October 29th, 2013, Council approved the framework for the Gas Tax Revenue allocation that mitigated the need for an infrastructure surcharge of 0.5%, lowering the tax rate increase to 1.9%.

Since then, the following items need to be taken into consideration: 2014 assessment growth, winter maintenance and the December 2013 ice storm.



Adjustments to the 2014 Draft Operating Budget

A. 2014 Assessment Growth

Assessment growth represents the year over year increase in new properties (residential homes and businesses) that will be added to the City's tax roll. At the time of developing the 2014 draft Operating Budget, the 2014 assessment growth had not been finalized by the Municipal Property Assessment Corporation (MPAC). The draft budget included the 2014 assessment growth at 2.489%.

In December 2013, MPAC confirmed the City's 2014 assessment growth at 2.090%; below the City's assumption by 0.399% resulting in a shortfall of \$0.48M.

Staff are forecasting the 2014 supplemental taxes to be \$2.79M against a budget of \$2.62M. The additional supplemental taxes of \$0.17M will partially mitigate the shortfall in assessment growth netting the shortfall to \$0.31M.

B. Winter Maintenance

In 2013, there were significant winter storm activities. The chart below outlines the average winter maintenance expenditures over the past 5 years (from 2009 to 2013):

Average	\$ (average)	2014 Budget	2014 Budget Impact Increase/ (Decrease)
3-year average	\$7.07M	\$6.70M	\$0.37M
4-year average	\$6.58M	\$6.70M	\$(0.12)M
5-year average	\$6.57M	\$6.70M	\$(0.13)M

Historical data shows higher winter storm activity in recent years (2011 and 2013) resulting in the 3-year average being higher than the 4-year and 5-year averages. Winter storm activity varies by year; however the 3-year trend indicates a need for additional funds. Staff recommends aligning the winter maintenance budget to the 3-year average, and phase-in the shortfall of \$0.37M over 2 years. Additional funds of \$0.22M (60%) will be included in the 2014 Budget and \$0.15M (40%) will be included in the 2015 Budget.

The above adjustments to the 2014 Operating Budget will increase the net shortfall to \$2.83M, equivalent to a 2.33% tax rate increase to the City's tax levy to maintain and/or enhance service levels.

C. Ice Storm - December 2013

The City of Markham experienced an extreme winter storm from December 21-22, 2013. Freezing rain and ice pellets led to significant ice accumulation of approximately 1 inch, resulting in power outages due to fallen trees and tree limbs onto the overhead power lines. At the peak of the power outage period, as many as 17,200 Markham

PowerStream customers were without power. Residents were displaced from their homes, or stayed in their homes in uncomfortable circumstances. Businesses were disrupted, in some cases could not operate at all due to the power outage. It is estimated that approximately 10,000 trees were damaged during the storm.

A comprehensive presentation from City Staff and PowerStream Staff was made to General Committee on January 8th, 2014. The City's presentation outlined the preliminary estimated response and recovery costs ranges from \$9.6M to \$13.2M which has now been updated at an estimated cost of \$17.2M. The Corporate Rate Stabilization Reserve has been identified as the funding source. Further updates regarding the total cost of the ice storm will be presented to General Committee.

After funding the ice storm costs, the Corporate Rate Stabilization Reserve will be reduced to \$7.7M, which leads to a shortfall of \$10.4M to maintain a reserve balance equivalent to 15% of local tax revenues. The 15% level of local tax revenues is a target approved by Council in 2005. It will require a 0.5% tax rate increase per year, starting in 2014, for the next 5 years in order to replenish the reserve.

On January 14, 2014, a special Council meeting was held and a resolution was passed requesting the Minister of Municipal Affairs and Housing ("MMAH") to declare the City of Markham a "disaster area" for the purposes of the Ontario Disaster Relief Assistance Program (ODRAP).

The GTA Mayors and Chairs met on January 17, 2014 asking for financial assistance in a coordinated approach and passed the resolution that:

"the Provincial and Federal governments share equally in this disaster with municipalities by each funding 1/3 of the full costs of response and ongoing recovery from the ice storm for affected municipalities."

Notwithstanding whether the City will receive any financial assistance from the Province, Staff recommends a 0.16% tax rate increase or \$0.19M in 2014, representing approximately one-third of the 0.5% tax rate increase requirement, to address a portion of the response and recovery costs associated with the December 2013 ice storm.

Summary

The chart below outlines the changes to the 2014 draft Operating Budget and their impact to the proposed tax rate increase:



	<u>\$ in M</u>	<u>Tax Rate Impact</u>
Status as of on Oct. 29/13	\$2.30	1.90%
A. Net adjustment for assessment growth	\$0.31	0.25%
B. Additional funds for winter maintenance	\$0.22	0.18%
Subtotal	\$2.83	2.33%
C. Ice storm response and recovery impact	\$0.19	0.16%
Revised 2014 Operating Budget shortfall	\$3.02	2.49%

In summary, the 2014 Operating Budget has an increase in expenditures of \$6.67M, offset by an increase in revenues of \$3.65M, resulting in a net shortfall of \$3.02M, equivalent to a total tax rate increase of 2.49%: 2.33% to support day-to-day operations and 0.16% to fund the response and recovery costs associated with the December 2013 ice storm.

Additional Financial Disclosure Requirements Pursuant to Ontario Regulation 284/09

Ontario Regulation 284/09 requires the 2014 Budget be provided in accordance to the Public Sector Accounting Board 3150 format prior to budget approval. The City's financial statements, specifically the Accumulated Surplus, now include the impact of tangible capital asset (TCA) amortization, and the full accrual method of accounting.

Ontario Regulation 284/09 states that municipalities may exclude from budgets, all or a portion of the estimated cost of certain expenses. Exclusion of these expenses allows for preparation & presentation of a traditionally balanced budget. Expenses eligible for exclusion from budget are:

1. Amortization;
2. Post-employment benefits; and
3. Solid waste landfill closure and post closure expenses.

Hence, the 2014 Budget is restated in accordance to Ontario Regulation 284/09 as part of the 2014 Budget approval process.

FINANCIAL CONSIDERATIONS:

The 2014 Budget excludes the following expenses:

1. The budget excludes TCA amortization expenses in the amount of \$66.68M, and includes reserve contributions of \$37.62M to reserves and reserve funds. Therefore, these amounts require restatement of the budget to be compliant with the Regulation.

The Life Cycle and Waterworks reserve studies were implemented in 2005 and 2007 respectively to address the funding requirements for on-going capital replacements and preventative maintenance of the City's capital assets over their useful lives. The City updates the reserve studies annually to ensure that there are adequate funding, based on known inflows and outflows, in the reserves for the next 25 years.

The 2013 Life Cycle reserve study update was presented to the Budget Subcommittee in October 2013. Council adopted the strategy on Gas Tax Revenue Allocation that alleviated the need for a 0.5% infrastructure surcharge. This resulted in the Life Cycle Replacement and Capital reserve having sufficient funds for the major replacement and rehabilitation of existing assets for the next 25 years (2014 to 2038) based on known inflows and work programs.

2. The budget excludes the current year's post employment benefit expenses estimated at \$2.06M. This is consistent with prior year budgeting practice. However, the City will be fully funding the 2014 post employment benefit obligations as part of the year-end accounting adjustments;
3. All expenses related to the former Sabiston landfill site are included in the budget and are therefore not further mentioned in this report.

The restatement of the 2014 Budget in accordance with the full accrual method of accounting and Ontario Regulation 284/09 results in a projected a surplus of \$10.62M. Details of the restated budget are outlined in Exhibit 1 and restatement of revenues and expenses to the balanced budget are highlighted below:

	<u>Reference to Exhibit 1</u>	<u>\$ in M</u>
Balanced budget		0.00
Revenues:		
Net (new) revenues to fund Capital	2	58.90
Expenses:		
Reversal of transfer to reserve/reserve funds	3	37.62
TCA amortization	4	(66.68)
Post-employment benefits	5	(2.06)
Non-tangible capital assets	6	(17.15)
Adjusted budget - 2014 budgeted surplus	7	<u>10.62</u>



EXHIBIT 1

2014 CONSOLIDATED BUDGET

**- Re-stated in Accordance with the Full Accrual Method of Accounting -
- In Compliance with Ontario Regulation 284/09 -**

REVENUES

- City (excl. Planning & Design, Engineering, Building Standards and Waterworks)		\$187,466,019	
- Planning & Design		\$6,974,242	
- Engineering		\$4,980,672	
- Building Standards		\$6,847,131	
- Waterworks (Approved by Council in December 2013)		\$96,505,681	
Total Revenues from Operations			\$302,773,745
Non-Tangible Capital		\$17,151,500	
Tangible Capital Assets		\$102,727,800	
Total Capital - Tangible & Non-Tangible		\$119,879,300	
<i>Less: Transfer from Reserve / Reserve Funds</i>	(1)	(\$60,983,980)	
Net (new) Revenues to fund Capital			\$58,895,320
TOTAL REVENUES			\$361,669,065

EXPENSES

- City (excl. Planning & Design, Engineering, Building Standards and Waterworks)		\$187,466,019	
- Planning & Design		\$6,974,242	
- Engineering		\$4,980,672	
- Building Standards		\$6,847,131	
- Waterworks (Approved by Council in December 2013)		\$96,505,681	
Total Operating Expenses		\$302,773,745	
<i>Less: Transfer to Reserve / Reserve Funds</i>	(3)	(\$37,619,315)	
<i>Add: TCA Amortization Expenses</i>	(4)	66,675,275	
<i>Add: Post-employment benefit Expenses</i>	(5)	\$2,064,100	
Net Operating Expenses			\$333,893,805
Non-Tangible Capital	(6)	\$17,151,500	
Tangible Capital Assets		\$102,727,800	
Total Capital Expenses		\$119,879,300	
<i>Less: Tangible Capital Assets Capitalized</i>		(\$102,727,800)	
Net Capital Expenses - Not Capitalized			\$17,151,500
TOTAL EXPENSES			\$351,045,305
ADJUSTED BUDGET: 2014 FULL ACCRUAL ACCOUNTING BUDGET SURPLUS / (DEFICIT)			\$10,623,760

NOTES:

- (1) Represents transfers from reserves and/or reserve funds to fund expenditures. These are not considered revenues under the full accrual method of accounting.
- (2) Represents new revenues to fund the 2014 capital budget
- (3) Represents contributions to reserves and/or reserve funds. These are not considered expenditures under the full accrual method of accounting, but become part of the actual year end surplus (retained earnings).
- (4) TCA Amortization Expenses are calculated based on actual amortization expenses from "in-service" assets as of 2013 and amortization expenses for assets projected to be "in-service" in 2014 using the 1/2 year rule.
- (5) Post-employment Benefit Expenses are 2014 estimates provided by Morneau Shepell.
- (6) Non-Tangible Capital are included in the 2014 capital budget, and they will be restated as operating expenses.
- (7) Projected Surplus is based on the restated 2014 budget.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable.

RECOMMENDED BY:

Joel Lustig, Treasurer

Trinela Cane, Commissioner,
Corporate Services

ATTACHMENTS:

Appendix 1 – 2014 Total Corporation Operating Budget (Excluding Planning & Design, Engineering, Building Standards and Waterworks)

Appendix 2 – 2014 Planning & Design Operating Budget

Appendix 3 – 2014 Engineering Operating Budget

Appendix 4 – 2014 Building Standards Operating Budget



2014 BUDGET MEDIA RELEASE

Markham's 2014 Budget Builds On *Tax Value* Commitment to Residents
Lowest average tax rate increase in the GTA over past six years

Media Release:

MARKHAM, ON – February 12, 2014 - Markham Council approved the City's 2014 Budget, and an overall tax rate increase of 2.49 per cent at the February 11 Council meeting.

The budget includes a 2.33 per cent tax rate increase to support day-to-day operations, including additional funding for winter maintenance. In addition, Council approved a 0.16 per cent tax rate increase to address extraordinary costs associated with the December 2013 ice storm.

The 2014 tax rate increase represents a total average annual increase of \$26.72.

Markham's 2014 Budget of \$426.6 million includes:

- Operating Budget \$187.5 million
- Capital Budget \$119.9 million
- Waterworks \$ 96.5 million
- Building Standards \$ 8.4 million
- Planning & Design \$ 7.8 million
- Engineering \$ 6.5 million

"The Budget Subcommittee and City staff worked diligently to deliver a budget that supports our growing City and our commitment to keep tax rate increases low while improving services and building new facilities," said Mayor Scarpitti.

"We have successfully identified expenditure reductions and revenue opportunities, to produce a budget that holds the line on costs. We are continuing to invest tax dollars wisely in an ambitious program of infrastructure improvements for roads and bridges, and community facilities. We continue to be committed to enhancing the quality of life, protecting the environment and building economic prosperity for the benefit of Markham residents," Mayor Scarpitti continued.

From 2009 to 2014, Markham's total tax rate increase is 5.49 per cent, or an average of less than 1 per cent per year over the past six-year period, the lowest among the twenty-five municipalities in the GTA.

In 2014, Markham will celebrate completion of its Pan Am Centre in preparation for the TO2015 Games. The Budget also includes other infrastructure enhancements such as the construction of the Southeast Community Centre and Library, design and construction of 24.2 hectares of new parks, and expansion of cycling pathways, connecting neighbourhoods across the City.

“The unprecedented ice storm that swept through the GTA in December 2013, made it necessary to make revisions to the 2014 Budget,” said Budget Chief and Regional Councillor Gordon Landon. “With a proposed tax rate increase of 2.33 per cent, we determined an additional 0.16 per cent would be required to help address costs associated with ice storm cleanup efforts.”

The construction of the Southeast Community Centre and Library, expanded winter maintenance operations, new parks and multi-use pathways are all examples of continuing improvements that keep Markham thriving, and ensure a safe and vibrant community for residents” said Budget Subcommittee Vice Chair Councillor Logan Kanapathi.

Markham collects taxes on behalf of York Region and the Province. Overall, the City receives about 25.3 cents of every dollar of residential property taxes collected. The remainder is divided between the Province for education (24.5 cents) and York Region (50.2 cents).

“In 2013 the prestigious Frontier Centre for Public Policy recognized Markham as the number one city in Canada for fiscal transparency and accountability,” Mayor Scarpitti concluded. “I am very proud of the rigorous process undertaken by the Budget Subcommittee and City staff to achieve the best possible services, while keeping tax rate increases among the lowest in the GTA.

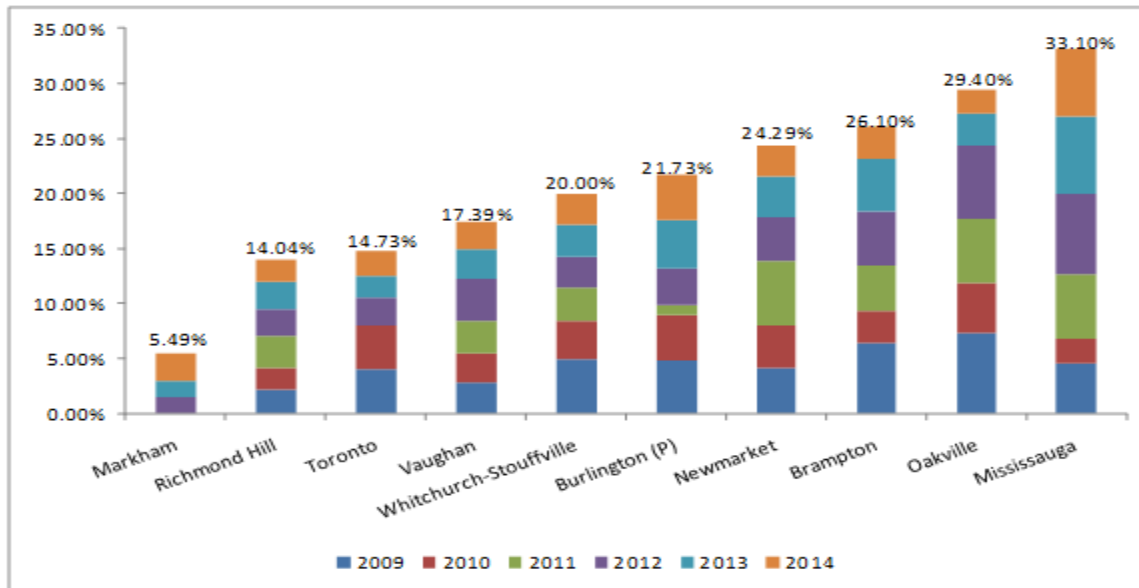
Media inquiries / interview requests: Dennis Flaherty, Director, Corporate Communications & Community Engagement, 905-415-7520, media@markham.ca

About Markham: Markham, a municipality with more than 330,000 residents centrally located in the Greater Toronto Area, is home to 400 corporate head offices and 900 high tech and life science companies. Founded in the 1790s, today Markham is Canada’s most diverse community, enjoys a rich heritage, outstanding community planning and services, and a vibrant local economy. Canada’s newest urban city as of July 1, 2012, Markham has received the Excellence Canada PEP III Integrated and Accessibility Awards, and multiple heritage and environmental awards.



BACKGROUND

Tax Rate Comparison with Other Municipalities 6 Year Total (2009-2014) – As at February 11, 2014



SELECTED PROJECTS/PRIORITIES FUNDED IN THE 2014 BUDGET

Full details of the Markham Budget can be found on our website at Markham.ca.

Growth Management:

- New parkland design and construction:
 - Major Wood Cathedral Town Park (4 acres) - construction phase, opening 2015
 - South Unionville Community Park West (3.7 acres) - design and construction phases, opening 2015
 - Linear park - Hwy 48, west of James Walker Court (0.5 acres) - design and construction phases, opening 2015
 - Monarch Cathedral North Park (5.1 acres) - design phase, opening 2015
 - Wismer Donald Mingay Woodlot Park (7 acres) - design phase, opening 2016
 - Greensborough Williamson/A. Paterson North Park (3.9 acres) - design phase, opening 2016

Transportation:

- Main Street Markham – road widening from Hwy 407 to Hwy 7
- Rodick Road extension – road widening from Miller to 14th Avenue
- Bridge over Hwy 404, North of Hwy 7 - construction
- Cycling and Trail Pathways (Toogood Pond to Bob Hunter Park, Warden Avenue from 16th Avenue to Major MacKenzie Drive)

Environment:

- Environmental asset program, including flood control implementation in West Thornhill
- Emerald Ash Borer management program
- Energy conservation program, including facility energy conservation retrofits
- Continuation of the “Trees for Tomorrow” initiative

Municipal Services:

- Road rehabilitation program, including asphalt resurfacing of approximately 18km of two lane roadway and 12km of pavement preservation
- Facility improvement program at community centres, libraries, fire stations, cultural venues and the Civic Centre
- Watermain and sanitary sewer construction and replacement program
- Bridges and culverts rehabilitation program
- Library collections (including tablets and headsets)
- Street light program

Integrated Leisure Master Plan/Public Safety:

- Markham Pan Am Centre - construction of a 147,000 square foot facility with an Olympic-size pool and field house
- Fire services vehicle replacements, including replacement of one fire truck
- Fire and Emergency Services capital program, including replacement of firefighting equipment



National public policy centre gives Markham top rating

Markham Economist & Sun
by Frank Scarpitti

Council has approved this year's budget, and priority projects are moving full steam ahead.

I am pleased to confirm that Markham has the lowest total tax rate increase of 25 GTA municipalities over the past six years.

With our city population now at 330,000, an increase of 50,000 people since 2006, along with unexpected ice storm and overall higher than average costs for winter maintenance, we approved a tax rate increase of 2.49 per cent for 2014, which represents \$26.72 for the average household.

Markham's total cumulative tax increase has been just 5.49 per cent over the past six years. This compares to over 14 per cent and 17 per cent for neighbouring communities, and 20 per cent to 33 per cent for other GTA communities.

Markham is one of the fastest growing communities in Ontario, and we provide award-winning services, like being a national leader in waste diversion, so I'm exceptionally proud at how we've been able to keep tax rates low.

Our success is validated by external research groups like the Frontier Centre for Public Policy which released its annual ranking on Canadian cities financial transparency and performance this month.

Markham maintained our 1st place national ranking, the same as last year.

This Local Government Performance Index measures almost 30,000 data points to assess how Canada's 100 largest cities and all provincial and territories capitals compare against each other. It also provides extensive per person and per household data for various considerations, like taxes and debt levels to spending on transport and salaries.

We have also been distinguished by C.D. Howe Institute and the GFOA (Government Finance Officers Association).

Markham is a top financial performer, and our budget reflects the needs of our community.

Among the excellent projects currently underway is construction of our new community centre and library in south-east Markham, our seventh large community centre, and our new Pan Am Centre is nearing completion.



Residents are also noticing the new LED street lighting being installed across the city to offer improve street lighting and energy conservation and cost savings. We'll also enhance our fire services equipment this year.

Certainly, the December ice storm, increased snow volumes and the Emerald Ash Borer have added unexpected costs, but we're managing these surprise budget hits responsibly and effectively.

For complete details on Markham's 2014 budget, which includes nearly \$120 million in capital expenses this year, go to markham.ca.

As well, Council is hosting an open house on our strategic priorities tonight (Thursday, Feb. 27, starting at 6:15 p.m.). I invite everyone to come to Markham Civic Centre to learn more about the strategic priorities and projects that we've been delivering.

We'll continue to advance our seven key priorities: 1) Environment and Sustainability; 2) Transportation and Transit; 3) Growth Management; 4) Economic Development; 5) Municipal Services; 6) Leisure/Culture/Recreation; and 7) Diversity. Our commitment is that Markham is one of Canada's most sustainable and successful communities.



Markham could have taken easy route on budget : Mayor

Markham Economist & Sun
by Amanda Persico

Markham passed its 2014 budget and that means your wallet will be taking a hit.

This year's 2.49-per-cent tax increase amounts to about \$26.72 for the average home in Markham, assessed at about \$521,000.

This year's tax increase includes a boost in the city's winter maintenance program as well as replenishing the city's reserves used to pay for tree replanting after the December 2013 ice storm.

Although this is an election year, the tax rate increase is what's good for the city, Mayor Frank Scarpitti said.

In fact, council could have ignored staff recommendations to include more funds for winter maintenance and ice storm recovery cost and could have approved a 1.9-per-cent tax rate increase, he added.

"There are some political organizations who will tailor their budget in an election year to make themselves look good," the mayor said. "We could have said let the next council deal with the increase. We're not afraid to deal with these issues during an election year. We didn't take the political route. This budget is appropriate for the needs of our community."

The city also had years of 0-per-cent increases, even during non-election years, he added.

Markham has one of the lowest tax rate increases over the last six years, where Markham's total tax rate increase amounts to about 5.49 per cent, compared to 14.04 per cent in Richmond Hill, 17.39 in Vaughan and 33.1 per cent in Mississauga.

"I've heard it said, 'It's easy to keep Markham taxes low because the city is always growing,'" Mr. Scarpitti said. "I appreciate that every municipality is unique. But this speaks volumes about our efficiency."

This year's budget includes future staff for the Cornell fire station, Pan Am Centre, southeast community centre and Markham's sport park.

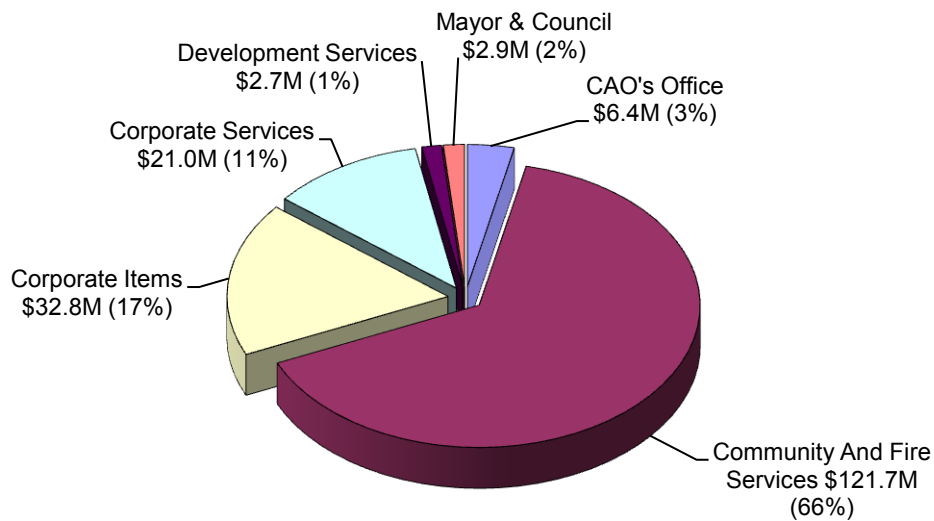
"This is done so when the facility open taxpayers are not taking a big in on taxes," Mr. Landon said. "This also provides for a smooth transition when the facility opens as well."

2014 OPERATING BUDGET SUMMARY

Expenditures

The 2014 Operating Budget for City services totals \$187,466,019 excluding prior year surplus/deficit, Waterworks, Building Standards, Planning & Design, and Engineering. This represents an increase of \$6.7 million over the 2013 Operating Budget. The chart below shows the composition of the Operating Budget expenditures by Commission.

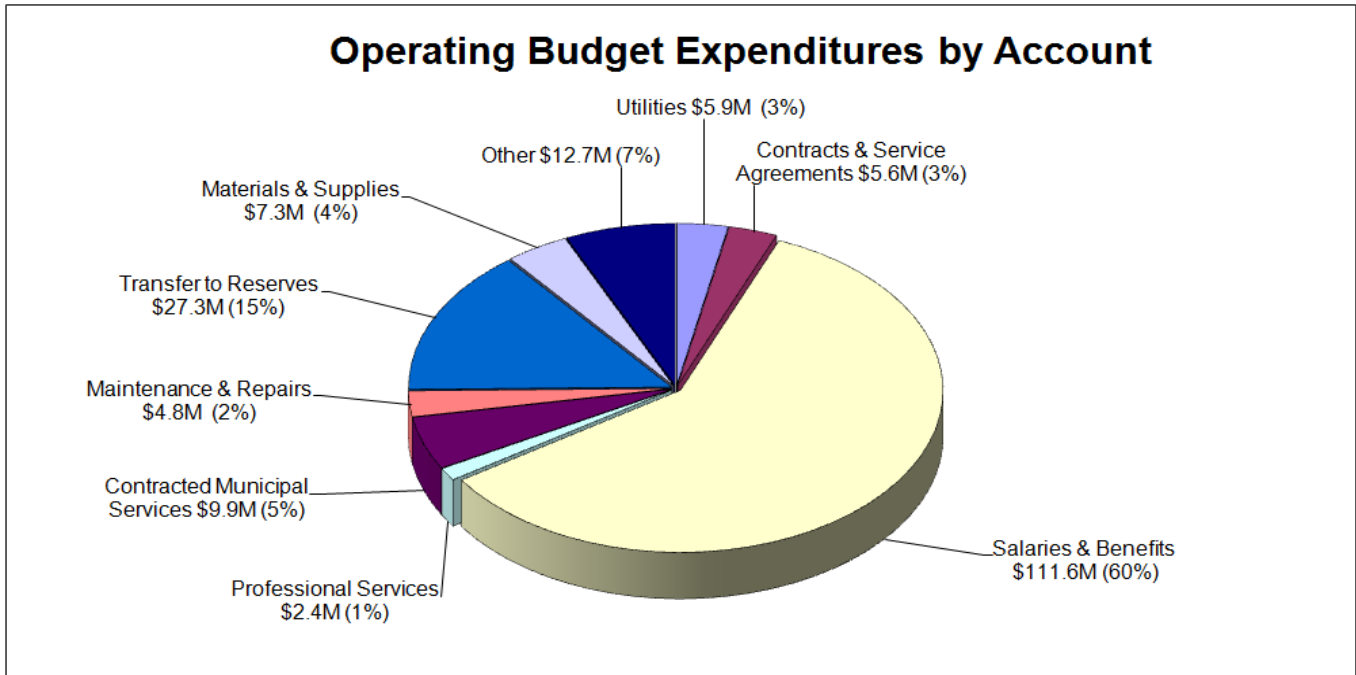
Operating Budget Expenditures by Commission
(excluding Waterworks, Building, Planning & Design, and Engineering)



The Community & Fire Services Commission accounts for 66% of the total budget expenditures. This Commission includes Asset Management, Culture Services, Environmental Services, Fire and Emergency Services, Markham Public Library, Operations and Recreation Services.

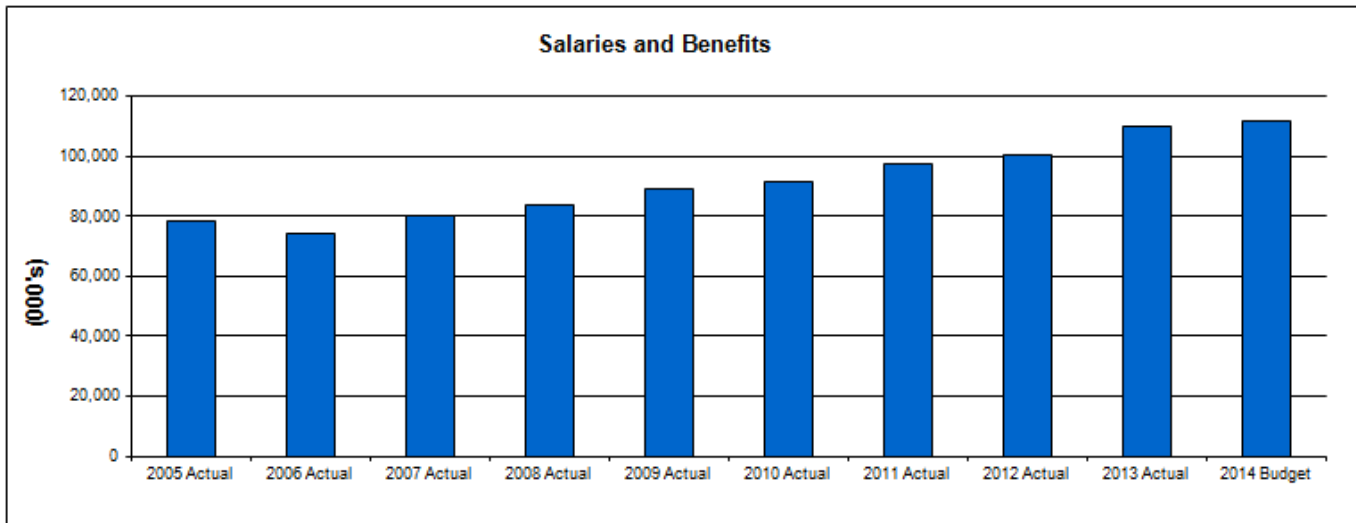
Corporate Items (comprised largely of transfer to reserves for the tax funded portion of the 2014 Capital Budget program) represents 17% of the budget.

The 2014 Operating Budget expenditures are also broken down by account. The chart on the next page indicates that 60% of budgeted expenditures relate to salaries and benefits. The next highest component is transfer to reserves, which represents 15% of the total budget. The 'Other' category, which accounts for 7% of the Operating Budget, includes items such as communications, training, insurance, rentals/leases, promotion and advertising.



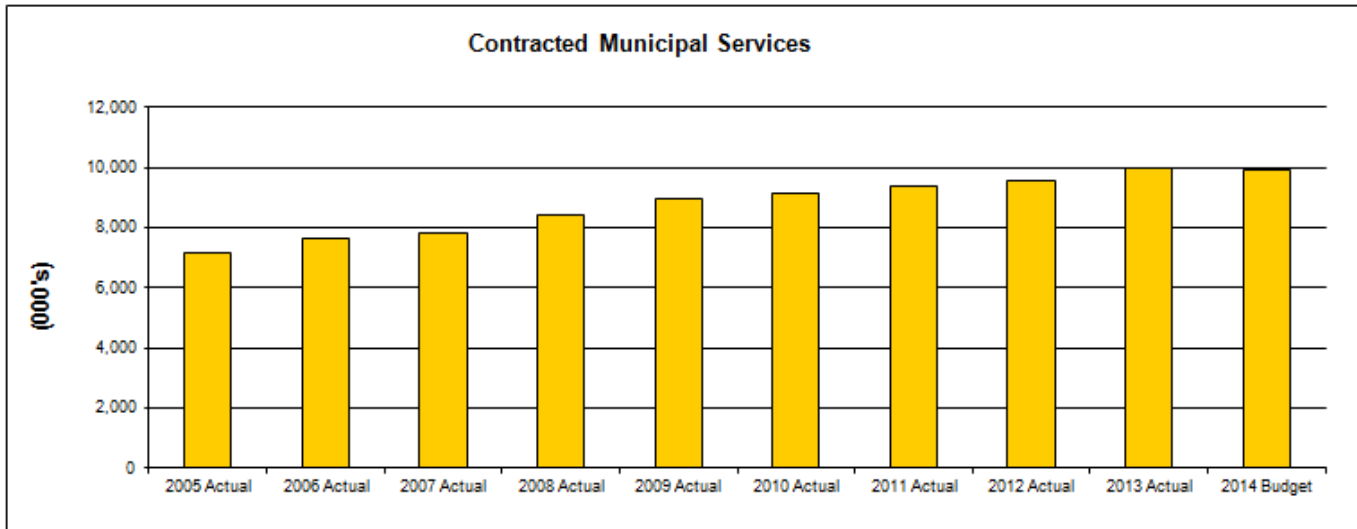
Salaries and Benefits

The salary expenditures increase year over year due to the cost of living adjustment, grid movement and negotiated union agreements.



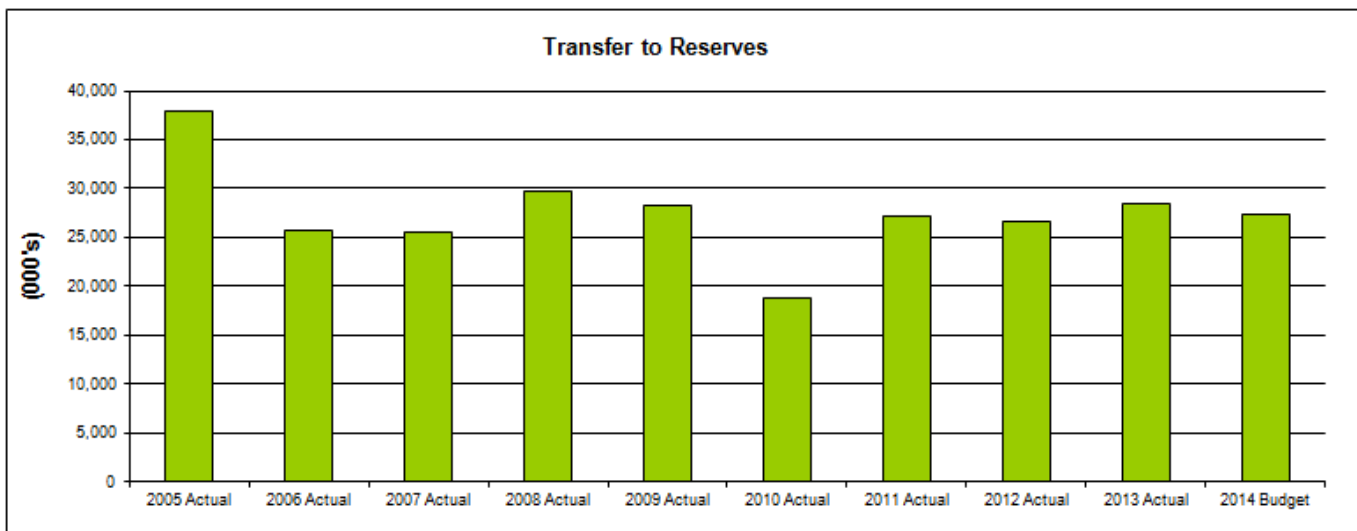
Contracted Municipal Services

The contracted municipal services show a continuous increasing trend year over year. This increase is mainly resulting from both growth and inflation of the City's contracts.



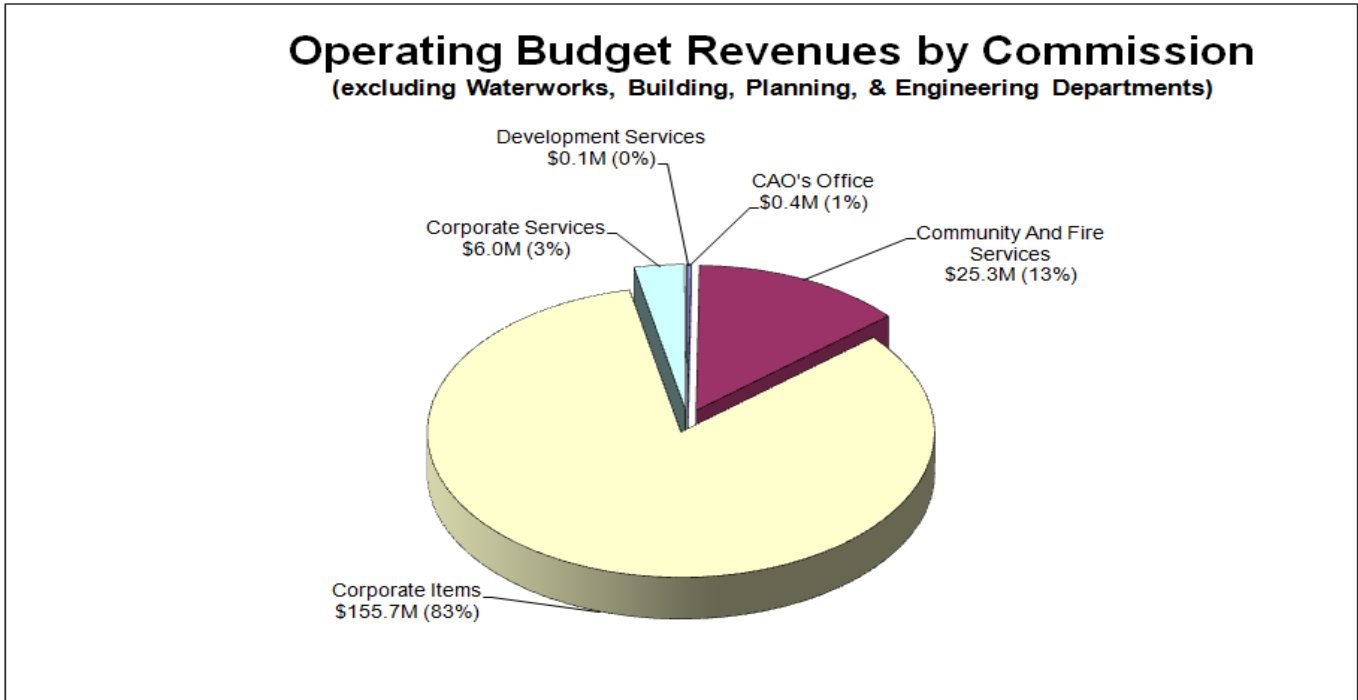
Transfer to Reserves

The transfer to reserves is consistent with last year.

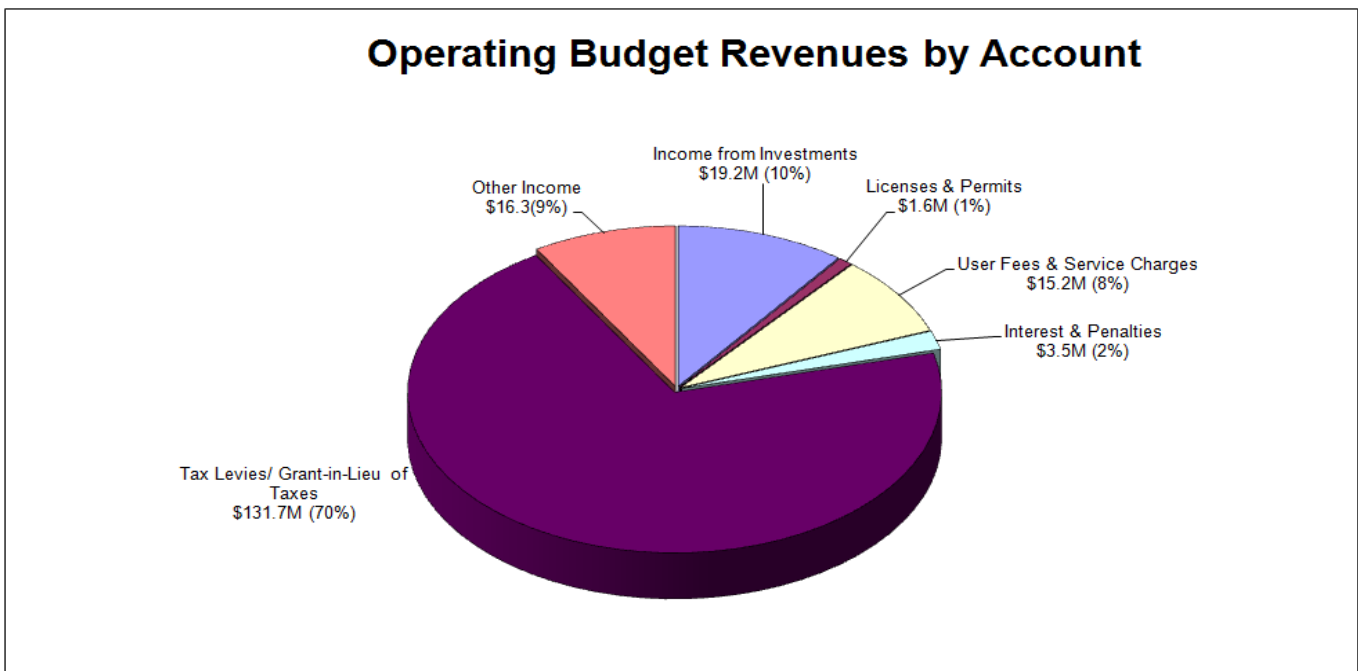


Revenues

The \$187,466,019 Operating Budget is funded mainly through revenues associated with the following Commissions: Corporate Items (83%) and Community and Fire Services (13%). Corporate items include taxation revenues, investment income, and interest & penalties.



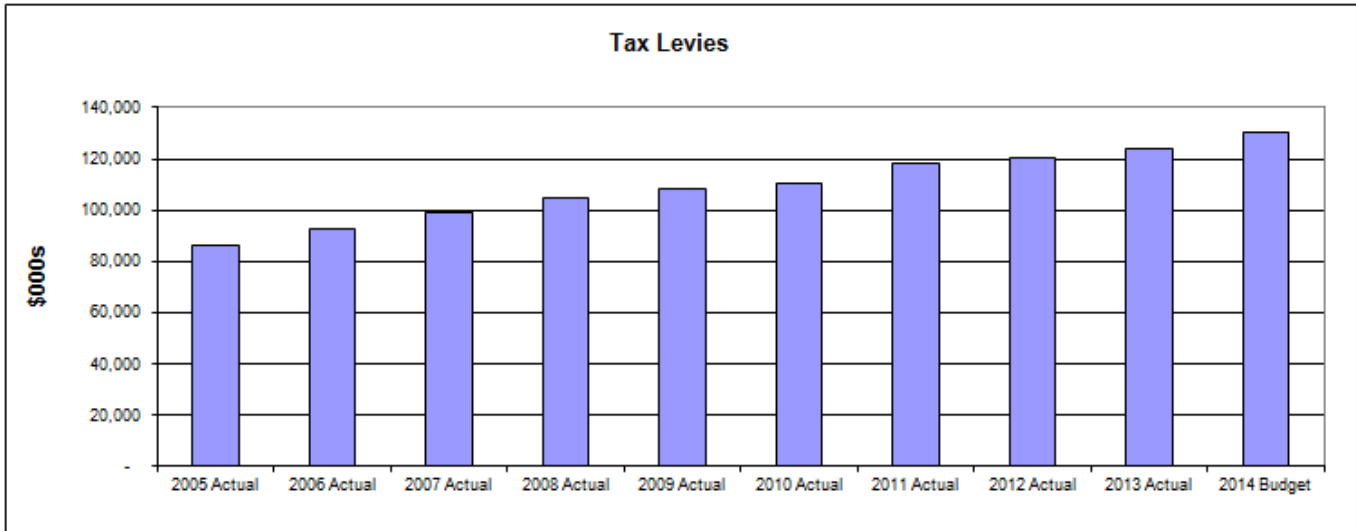
And 70% of the Operating Budget is funded through taxation revenues as shown in the graph below.



Major Revenue Sources

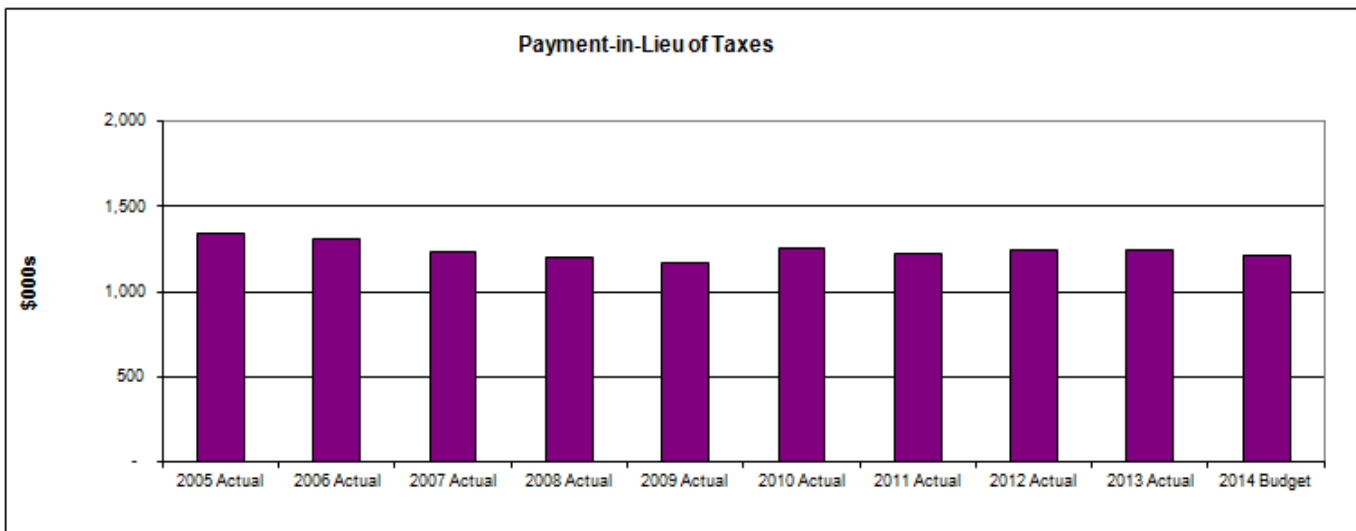
Tax Levies

Tax levies is paid by the City's taxpayers. To determine the tax levy for a particular property, the property's assessment value is multiplied by the appropriate rate for the property's tax class. Budgeted 2014 tax levies is at \$130.5 million, an increase of \$5.7 million from 2013. The tax revenue has increased steadily in the past years due to assessment growth in the City. The assessment growth is 2.09% in 2014 versus 2.65% in 2013.



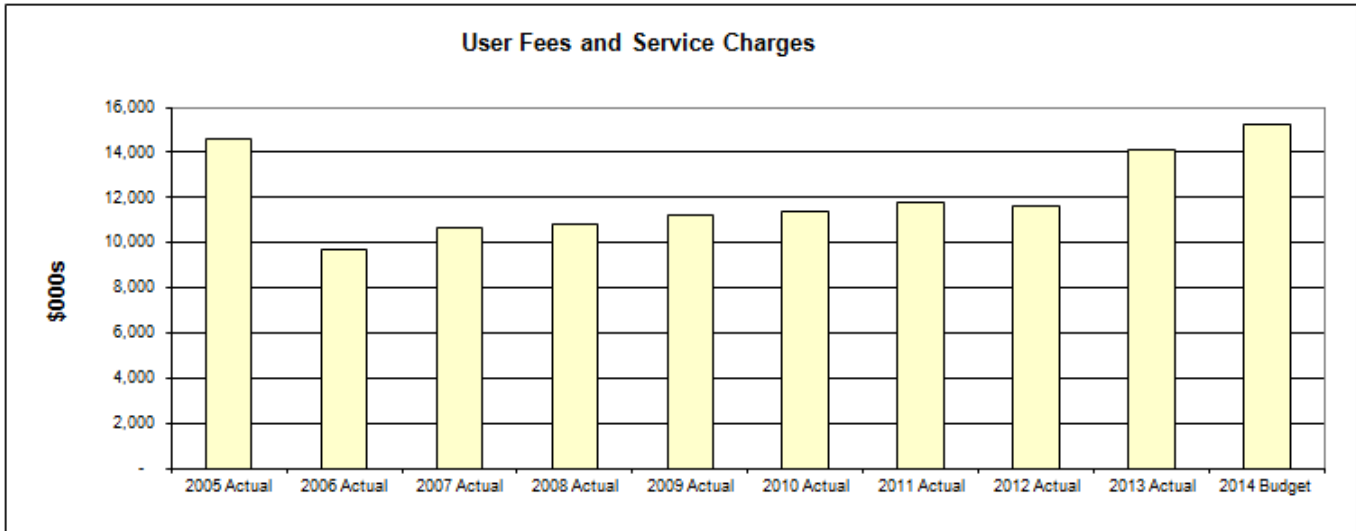
Payment-in-Lieu of Taxes

Grants in lieu of taxes (also known as payments-in-lieu of taxes) are payments received in lieu of taxation on properties owned by government and government agencies. The 2014 Budget is \$1.2 million which is trending consistently with prior years.



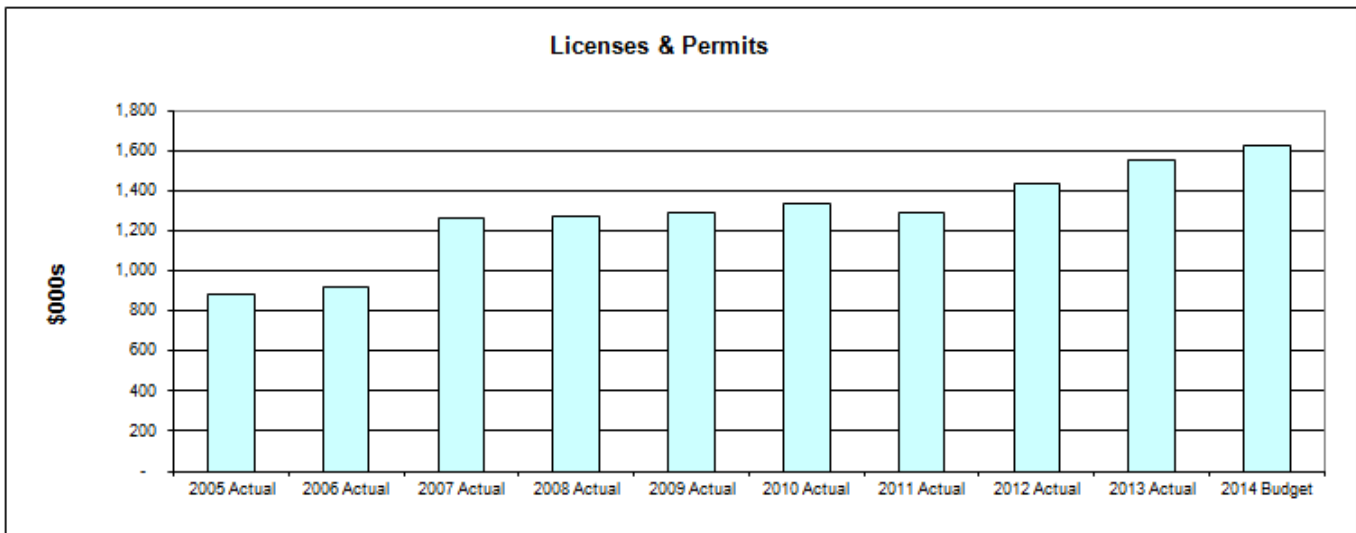
User Fees & Service Charges

User Fees and Service Charges are paid by individuals or organizations to the City for the use of City facilities (e.g. recreation fees, cultural venue ticket sales) or for provision of municipal services (e.g. planning, engineering & design fees). The budget of \$ 15.2 million represents an increase of \$0.3 million over 2013 levels, which resulted mainly from a CPI increase.



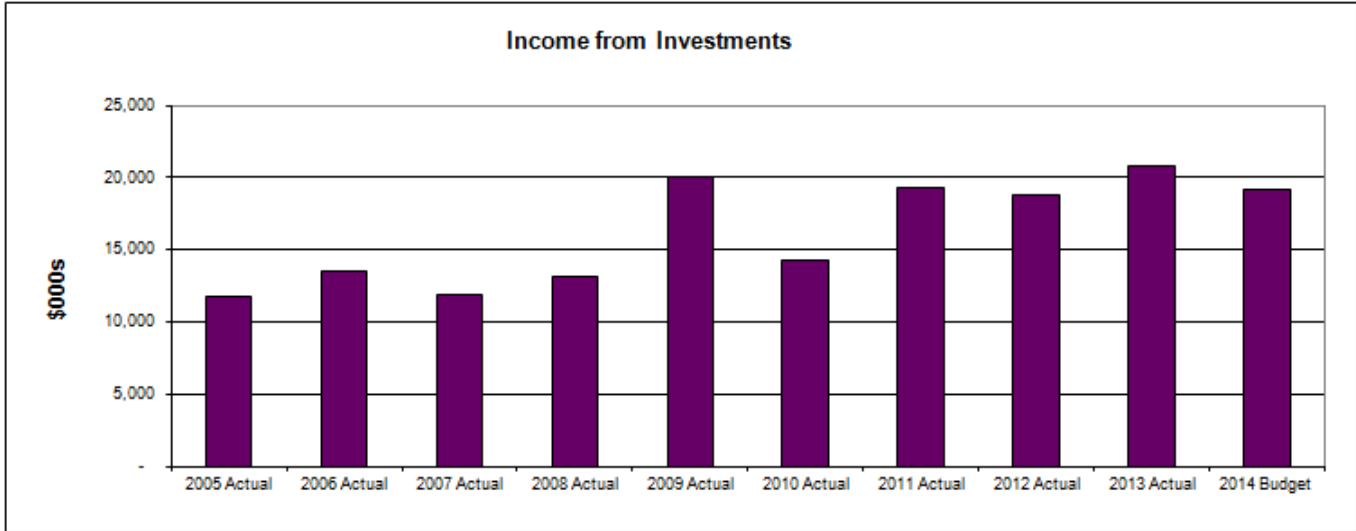
Licenses & Permits

The Licenses and Permits revenues are generated by Legislative Services from the sale of business, marriage and other licenses. The 2014 Budget of \$1.6 million represents an increase of \$0.1 million over 2013 levels, which resulted mainly from a CPI increase.



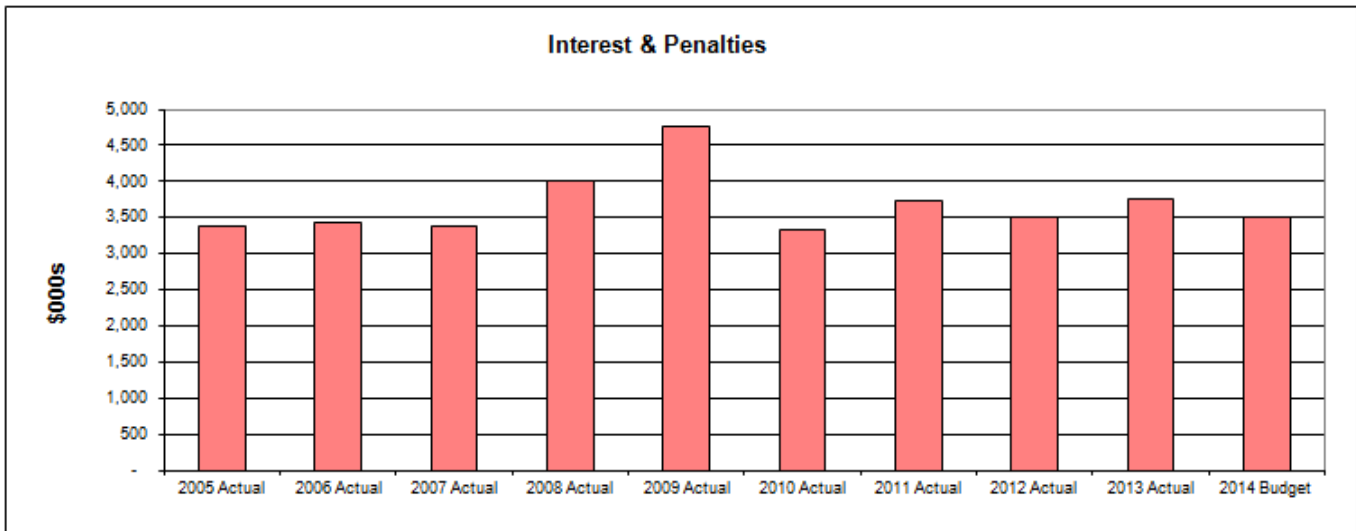
Income from Investments

The City earns income on investments for all major City funds and reserves. Income from investments is at \$19.2 million.



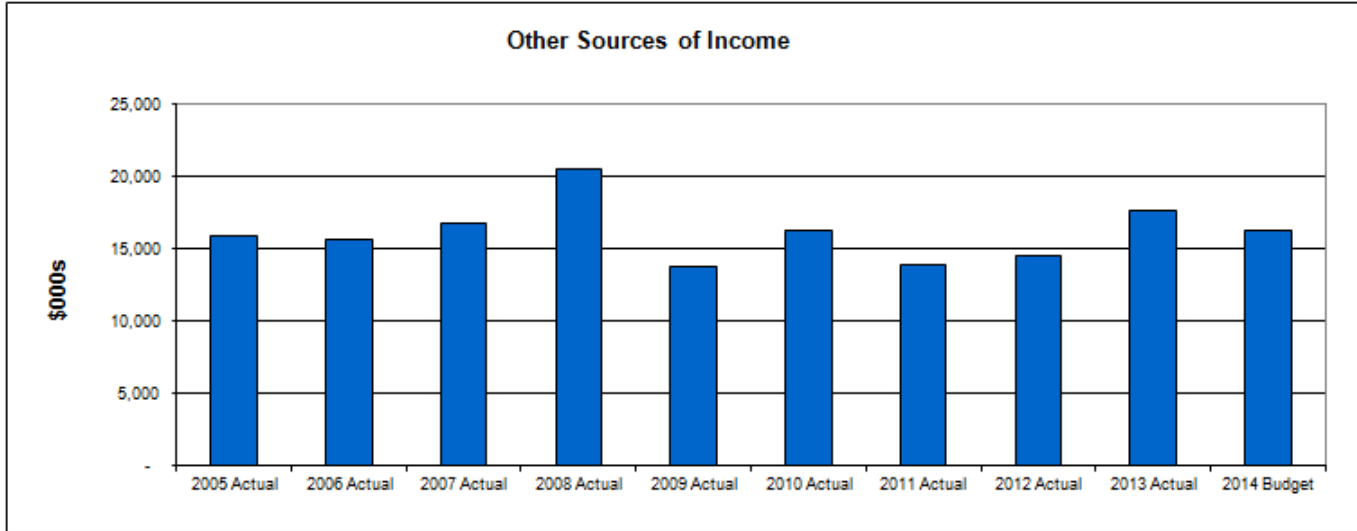
Interest and Penalties

Interest and penalties for late payment of property tax bills is \$3.5 million.



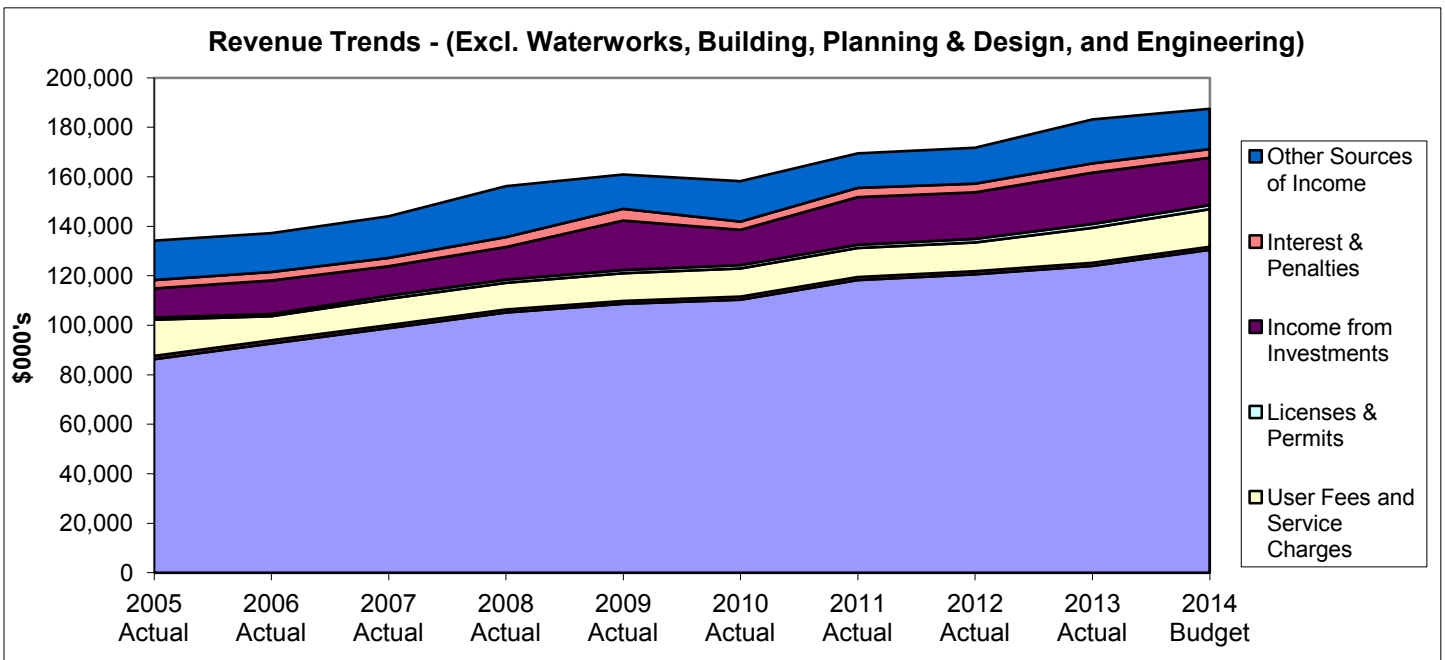
Other Income

Other Income budget of \$16.3 million, a decrease of \$1.4 million from 2013 actuals, is primarily due to the inclusion of the prior year surplus in 2013, which is not budgeted for.



Revenue Summary

On a consolidated basis, City revenues are expected to grow steadily in 2014. The main reasons for the increase are related to assessment growth, core services revenue strategies, and other operational revenues. Revenue estimations are based on historical trending, market conditions, and consultation between departments. Revenues from Waterworks, Building, Planning & Design, and Engineering are reported separately in each department's revenues.



Highlights of the 2014 Operating Budget include:

New Assessment Growth of 2.09%

- \$2.83 million in additional tax revenues.

Service levels are enhanced

- Service levels are enhanced in 2014 including the creation of new cycling and trail pathways, investment in new technology for the City's libraries and providing the same level of winter maintenance to rear lanes as to local roads. Markham also offers residents an award-winning recycling program, a one-stop customer service point through our Contact Centre and a 24/7 service on Markham's portal website which was launched in June 2011.

Fiscal Stewardship Leadership

- Continued commitment to increase the City's investment in Capital Projects by \$500,000 each year.
- The City updates both the Lifecycle Reserve Study and the Water & Wastewater Reserve Study annually to determine if there are adequate funds to sustain future rehabilitation and replacement requirements based on known inflows for the next 25 years.
- Continued policy of not using one-time revenues to balance operating budget.

Continuation of Council Grants

- Grants budget of \$298,250 in 2014.

Other

- The Greenprint, Markham's Sustainability Plan, will play a role in public education and awareness as well as developing and promoting the local food agenda and the mitigation and adaptation measures associated with a climate change action plan.
- Continuation of the Language Line Service which is an on-demand language service that provides residents immediate access to interpretation in over 175 languages.
- Accessibility Improvement Plan for City facilities to perform accessibility audits and retrofit upgrade programs.
- Support of the Career Bridge and Ability Edge Program
 - The Career Bridge program provides a crucial bridge between the international and Canadian workplace. Career Bridge eliminates significant employment barriers often faced by qualified, experienced professionals who are eager and ready to resume their careers in Canada.
 - Ability Edge is an internship program for graduates with self-declared disabilities to assist them in gaining career-building work experience.



CITY OF MARKHAM 2014 OPERATING BUDGET

(EXCLUDING WATERWORKS, BUILDING STANDARDS, PLANNING & DESIGN, & ENGINEERING)

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
TAX LEVIES	\$123,989,444	\$124,765,727	\$127,479,114	\$2,713,387	2.2%	\$3,489,670	2.8%
GRANTS-IN-LIEU OF TAXES	1,248,861	1,209,007	1,209,007	0	0.0%	(39,854)	-3.2%
GRANTS AND SUBSIDIES	1,731,272	1,546,994	1,554,994	8,000	0.5%	(176,278)	-10.2%
LICENCES & PERMITS	1,547,655	1,418,394	1,523,988	105,594	7.4%	(23,667)	-1.5%
INTEREST & PENALTIES	3,762,868	3,375,000	3,375,000	0	0.0%	(387,868)	-10.3%
INCOME FROM INVESTMENTS	20,740,439	19,151,065	19,150,723	(342)	0.0%	(1,589,716)	-7.7%
FINES	2,387,614	2,449,230	2,449,230	0	0.0%	61,616	2.6%
USER FEES & SERVICE CHARGES	14,125,955	14,908,403	15,205,599	297,196	2.0%	1,079,644	7.6%
RENTALS	6,896,440	6,797,604	7,250,142	452,538	6.7%	353,702	5.1%
SALES	588,826	575,308	702,732	127,424	22.1%	113,906	19.3%
RECOVERIES & CONTRIBUTIONS	1,611,889	1,605,800	1,710,645	104,845	6.5%	98,756	6.1%
OTHER INCOME	7,989,060	2,992,877	2,834,520	(158,357)	-5.3%	(5,154,540)	-64.5%
2.33% Property Tax Increase	0	0	2,826,325	2,826,325	0.0%	2,826,325	0.0%
0.16% for the December 2013 Ice Storm	0	0	194,000	194,000	0.0%	194,000	0.0%
Total Revenues	\$186,620,323	\$180,795,409	\$187,466,019	\$6,670,610	3.7%	\$845,696	0.5%
Expenses							
SALARIES AND BENEFITS	\$109,629,367	\$107,573,175	\$111,584,307	\$4,011,132	3.7%	\$1,954,940	1.8%
PRINTING & OFFICE SUPPLIES	465,493	617,359	589,731	(27,628)	-4.5%	124,238	26.7%
PURCHASES FOR RESALE	420,930	332,336	349,350	17,014	5.1%	(71,580)	-17.0%
OPERATING MATERIALS & SUPPLIES	2,536,433	2,906,550	2,893,587	(12,963)	-0.4%	357,154	14.1%
VEHICLE SUPPLIES	1,674,597	1,667,335	1,726,147	58,812	3.5%	51,550	3.1%
SMALL EQUIPMENT SUPPLIES	7,749	15,091	15,091	0	0.0%	7,342	94.7%
BOTANICAL SUPPLIES	285,957	267,197	267,197	0	0.0%	(18,760)	-6.6%
CONSTRUCTION MATERIALS	2,624,815	1,479,137	1,471,637	(7,500)	-0.5%	(1,153,178)	-43.9%
UTILITIES	5,654,283	5,154,550	5,982,172	827,622	16.1%	327,889	5.8%
COMMUNICATIONS	1,758,598	1,851,470	1,370,559	(480,911)	-26.0%	(388,039)	-22.1%
TRAVEL EXPENSES	329,620	415,928	386,151	(29,777)	-7.2%	56,531	17.2%
TRAINING	608,979	791,686	793,853	2,167	0.3%	184,874	30.4%
CONTRACTS & SERVICE AGREEMENTS	5,357,513	5,622,354	6,154,151	531,797	9.5%	796,638	14.9%
MAINT. & REPAIR-TIME/MATERIAL	4,751,897	4,362,055	4,146,459	(215,596)	-4.9%	(605,438)	-12.7%
RENTAL/LEASE	1,183,608	760,888	753,647	(7,241)	-1.0%	(429,961)	-36.3%
INSURANCE	1,832,352	2,267,919	2,267,919	0	0.0%	435,567	23.8%
PROFESSIONAL SERVICES	2,607,630	2,559,039	2,399,824	(159,215)	-6.2%	(207,806)	-8.0%
LICENCES, PERMITS, FEES	636,079	619,077	693,333	74,256	12.0%	57,254	9.0%
CREDIT CARD SERVICE CHARGES	315,851	219,313	219,313	0	0.0%	(96,538)	-30.6%
PROMOTION & ADVERTISING	1,330,514	1,309,788	1,285,109	(24,679)	-1.9%	(45,405)	-3.4%
CONTRACTED MUNICIPAL SERVICES	9,992,792	9,905,922	9,913,679	9,913,679	0.0%	(79,113)	-0.8%
OTHER PURCHASED SERVICES	1,205,036	1,141,421	1,142,924	(8,762,998)	-88.5%	(62,112)	-5.2%
WRITE-OFFS	146,143	272,100	272,100	(869,321)	-76.2%	125,957	86.2%
OTHER EXPENDITURES	252,259	2,578,350	3,454,596	3,182,496	1169.6%	3,202,337	1269.5%
TRANSFERS TO RESERVES	31,011,828	26,105,369	27,333,183	24,754,833	960.1%	(3,678,645)	-11.9%
Total Expenses	\$186,620,323	\$180,795,409	\$187,466,019	\$6,670,610	3.7%	\$845,696	0.5%
Surplus/(Deficit)	-	-	-	\$0		\$0	0.0%

In accordance to Ontario Regulation 284/09, municipalities may exclude from budget, all or a portion of the estimate costs of amortization, post-employment benefits, solid waste, landfill closure and post closure expense to allow for preparation of a balanced budget. The City's budgets as shown above exclude such items. Further, as per the Regulation, the impact of these excluded expenses must be reported under the new financial disclosure requirements (refer to page 167 for the restated 2014 budget).

2014 OPERATING BUDGET SUMMARY NET CHARGE AGAINST TAX RATE

Department/Commission	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.	
	\$	\$	Approved	Incr(Decr.)	%Change	Incr.(Decr.)	% Change
Administrative Costs	1,704,356	1,778,656	1,983,190	204,534	0	278,834	16.4%
Mayor & Councillors	849,314	869,403	938,035	68,632	0	88,721	10.4%
Total Council	2,553,670	2,648,059	2,921,225	273,166	0	367,555	14.4%
CAO's Office	1,057,614	860,424	1,068,699	208,275	0	11,085	1.0%
Human Resources	2,907,874	3,149,822	3,119,413	(30,409)	(0)	211,539	7.3%
Legal Dept.	1,684,126	1,590,454	1,506,546	(83,908)	(0)	(177,580)	-10.5%
Sustainability Office	256,822	336,631	269,966	(66,665)	(0)	13,144	5.1%
Total CAO	5,906,436	5,937,331	5,964,624	27,293	0	58,188	1.0%
Commissioner's Office	351,571	376,820	383,431	6,611	0	31,860	9.1%
Corporation Communications & Community Engagement	1,315,783	1,302,467	1,311,458	8,991	0	(4,325)	-0.3%
Financial Services	3,870,082	4,520,839	4,147,149	(373,690)	(0)	277,067	7.2%
ITS Department	6,371,294	6,277,526	6,459,611	182,085	0	88,317	1.4%
Legislative Services	2,886,611	2,790,354	2,727,118	(63,236)	(0)	(159,493)	-5.5%
Total Corporate Services	14,795,341	15,268,006	15,028,767	(239,239)	(0)	233,426	1.6%
Commissioner's Office	1,108,124	1,130,955	1,141,068	10,113	0	32,944	3.0%
Economic Development	1,466,196	1,727,669	1,510,710	(216,959)	(0)	44,514	3.0%
Total Development Services	2,574,320	2,858,624	2,651,778	(206,846)	(0)	77,458	3.0%
Commissioner's Office	612,471	652,512	646,982	(5,530)	(0)	34,511	5.6%
Asset Management	7,711,426	7,659,368	7,742,570	83,202	0	31,144	0.4%
Culture	2,269,527	2,294,001	2,234,389	(59,612)	(0)	(35,138)	-1.5%
Fire Services	33,670,568	32,935,098	33,190,463	255,365	0	(480,105)	-1.4%
Markham Public Libraries	10,369,691	10,468,522	10,605,822	137,300	0	236,131	2.3%
Operations	25,326,002	24,191,003	24,731,367	540,364	0	(594,635)	-2.3%
Operations & Asset Mgt -Administration	1,821,178	1,788,707	1,888,764	100,057	0	67,586	3.7%
Recreation Services	7,531,571	6,745,658	7,438,777	693,119	0	(92,794)	-1.2%
Waste	7,624,082	7,949,002	7,938,368	(10,634)	(0)	314,286	4.1%
Total Community And Fire Services	96,936,516	94,683,871	96,417,502	1,733,631	0	(519,014)	-0.5%
Corporate Items	(120,424,006)	(121,395,891)	(122,983,896)	(1,588,005)	0	(2,559,890)	2.1%
Total Corporation (Excl. WW & Build. Std.)	2,342,277	0	0	0	0	(2,342,277)	-100.0%
Planning & Design	1,853,227	0	0	0	0	(1,853,227)	-100.0%
Engineering	1,223,734	0	0	0	0	(1,223,734)	-100.0%
Building Standards	(1,950,175)	0	0	0	0	1,950,175	-100.0%
Waterworks	1,515,003	0	0	0	0	(1,515,003)	-100.0%
Total Corporation	4,984,066	0	0	0	0	(4,984,066)	-100.0%



2014 OPERATING BUDGET SUMMARY – EXPENDITURES

Department/Commission	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.	
	\$	\$	Approved \$	Incr(Decr.) \$	%Change	Incr.(Decr.) \$	% Change
Administrative Costs	1,704,356	1,778,656	1,983,190	204,534	0	278,834	16.4%
Mayor & Councillors	921,156	869,403	938,035	68,632	0	16,879	1.8%
Total Council	2,625,512	2,648,059	2,921,225	273,166	0	295,713	11.3%
				0	0	0	
CAO's Office	1,375,847	860,424	1,068,699	208,275	0	(307,148)	-22.3%
Human Resources	2,908,357	3,149,822	3,119,413	(30,409)	(0)	211,056	7.3%
Legal Dept.	1,799,570	1,737,646	1,741,098	3,452	0	(58,472)	-3.2%
Sustainability Office	569,255	336,631	417,966	81,335	0	(151,289)	-26.6%
Total CAO	6,653,029	6,084,523	6,347,176	262,653	0	(305,853)	-4.6%
				0	0	0	
Commissioner's Office	351,571	376,820	383,431	6,611	0	31,860	9.1%
Corporation Communications & Community Engagement	1,820,417	2,069,667	2,078,658	8,991	0	258,241	14.2%
Financial Services	4,647,468	5,183,920	4,989,695	(194,225)	(0)	342,227	7.4%
ITS Department	6,372,114	6,287,026	6,469,111	182,085	0	96,997	1.5%
Legislative Services	7,075,185	7,012,913	7,104,410	91,497	0	29,225	0.4%
Total Corporate Services	20,266,755	20,930,346	21,025,305	94,959	0	758,550	3.7%
				0	0	0	
Commissioner's Office	1,108,124	1,130,955	1,141,068	10,113	0	32,944	3.0%
Economic Development	1,601,935	1,809,503	1,592,544	(216,959)	(0)	(9,391)	-0.6%
Total Development Services	2,710,059	2,940,458	2,733,612	(206,846)	(0)	23,553	0.9%
				0	0	0	
Commissioner's Office	612,471	652,512	646,982	(5,530)	(0)	34,511	5.6%
Asset Management	8,291,649	7,829,422	7,988,624	159,202	0	(303,025)	-3.7%
Culture	5,557,456	4,864,135	5,031,163	167,028	0	(526,293)	-9.5%
Fire Services	33,971,677	33,276,059	33,532,924	256,865	0	(438,753)	-1.3%
Markham Public Libraries	11,404,365	11,507,152	11,679,257	172,105	0	274,892	2.4%
Operations	26,427,322	25,123,816	25,812,180	688,364	0	(615,142)	-2.3%
Operations Administration	2,010,142	1,962,772	2,091,829	129,057	0	81,687	4.1%
Recreation Services	23,803,345	24,959,370	25,681,486	722,116	0	1,878,141	7.9%
Waste	8,829,084	9,237,856	9,229,222	(8,634)	(0)	400,138	4.5%
Total Community And Fire Services	120,907,511	119,413,094	121,693,667	2,280,573	0	786,156	0.7%
				0	0	0	
Corporate Items	32,765,165	28,778,929	32,745,034	3,966,105	0	(20,131)	-0.1%
				0	0	0	
Total Corporation (Excl. WW & Build. Std.)	185,928,031	180,795,409	187,466,019	6,670,610	0	1,537,988	0.8%
				0	0	0	
Planning & Design	7,053,158	8,407,168	6,974,242	(1,432,926)	(0)	(78,916)	-1.1%
				0	0	0	
Engineering	6,015,558	5,867,563	4,990,672	(876,891)	(0)	(1,024,886)	-17.0%
				0	0	0	
Building Standards	7,363,431	9,026,380	6,847,131	(2,179,249)	(0)	(516,300)	-7.0%
				0	0	0	
Waterworks	88,288,275	89,789,481	96,505,681	6,716,200	0	8,217,406	9.3%
				0	0	0	
Total Corporation	294,648,453	293,886,001	302,783,745	8,897,744	0	8,135,292	2.8%

2014 OPERATING BUDGET SUMMARY – REVENUES

Department/Commission	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.	
	\$	\$	\$	Incr(Decr.)	%Change	Incr.(Decr.)	% Change
Administrative Costs	0	0	0	0	0	0	0.0%
Mayor & Councillors	71,842	0	0	0	0	(71,842)	-100.0%
Total Council	71,842	0	0	0	0	(71,842)	-100.0%
CAO's Office	318,233	0	0	0	0	(318,233)	-100.0%
Human Resources	483	0	0	0	0	(483)	-100.0%
Legal Dept.	115,444	147,192	234,552	87,360	1	119,108	103.2%
Sustainability Office	312,433	0	148,000	148,000	0	(164,433)	-52.6%
Total CAO	746,593	147,192	382,552	235,360	2	(364,041)	-48.8%
Commissioner's Office	0	0	0	0	0	0	0.0%
Corporation Communications & Community Engagement	504,634	767,200	767,200	0	0	262,566	52.0%
Financial Services	777,386	663,081	842,546	179,465	0	65,160	8.4%
ITS Department	820	9,500	9,500	0	0	8,680	1058.5%
Legislative Services	4,188,574	4,222,559	4,377,292	154,733	0	188,718	4.5%
Total Corporate Services	5,471,414	5,662,340	5,996,538	334,198	0	525,124	9.6%
Commissioner's Office	0	0	0	0	0	0	0.0%
Economic Development	135,739	81,834	81,834	0	0	(53,905)	-39.7%
Total Development Services	135,739	81,834	81,834	0	0	(53,905)	-39.7%
Commissioner's Office	0	0	0	0	0	0	0.0%
Asset Management	580,223	170,054	246,054	76,000	0	(334,169)	-57.6%
Culture	3,287,929	2,570,134	2,796,774	226,640	0	(491,155)	-14.9%
Fire Services	301,109	340,961	342,461	1,500	0	41,352	13.7%
Markham Public Libraries	1,034,674	1,038,630	1,073,435	34,805	0	38,761	3.7%
Operations	1,101,320	932,813	1,080,813	148,000	0	(20,507)	-1.9%
Operations Administration	188,964	174,065	203,065	29,000	0	14,101	7.5%
Recreation Services	16,271,774	18,213,712	18,242,709	28,997	0	1,970,935	12.1%
Waste	1,205,002	1,288,854	1,290,854	2,000	0	85,852	7.1%
Total Community And Fire Services	23,970,995	24,729,223	25,276,165	546,942	0	1,305,170	5.4%
Corporate Items	153,189,171	150,174,820	155,728,930	5,554,110	0	2,539,759	1.7%
Total Corporation (Excl. WW & Build. Std.)	183,585,754	180,795,409	187,466,019	6,670,610	0	3,880,265	2.1%
Planning & Design	5,199,931	8,407,168	6,974,242	(1,432,926)	(0)	1,774,311	34.1%
Engineering	4,791,824	5,867,563	4,990,672	(876,891)	(0)	198,848	4.1%
Building Standards	9,313,606	9,026,380	6,847,131	(2,179,249)	(0)	(2,466,475)	-26.5%
Waterworks	86,773,272	89,789,481	96,505,681	6,716,200	0	9,732,409	11.2%
Total Corporation	289,664,387	293,886,001	302,783,745	8,897,744	0	13,119,358	4.5%



OPERATING BUDGET BY COMMISSION AND ACCOUNT (\$000's) (EXCLUDING WATERWORKS, BUILDING STANDARDS, PLANNING & DESIGN, & ENGINEERING)

COMPARISON BY COMMISSION					COMPARISON BY ACCOUNT				
	2013 Budget	2014 Budget	Change Incr./((Decr.) \$ %			2013 Budget	2014 Budget	Change Incr./((Decr.) \$ %	
REVENUES *					REVENUES *				
Mayor & Council	0	0	0	0%	Taxation Revenues	125,975	131,708	5,733	5%
CAO's Office	147	383	236	160%	Grant & Subsidy Revenues	1,547	1,555	8	1%
Corporate Services	5,662	5,997	335	6%	General Revenues	26,408	26,724	316	1%
Development Services	82	82	0	0%	User Fees and Service Charges	22,280	23,158	878	4%
Community And Fire Services	24,729	25,276	547	2%	Other Income	3,952	3,672	-280	-7%
Corporate Items	150,175	155,728	5,553	4%	Inter-departmental	633	649	16	2%
Total Revenues	180,795	187,466	6,671	4%	Total Revenues	180,795	187,466	6,671	4%
EXPENDITURES *					EXPENDITURES *				
Mayor & Council	2,648	2,921	273	10%	Personnel Services	107,573	111,589	4,016	4%
CAO's Office	6,085	6,347	262	4%	Materials & Supplies	7,261	7,274	13	0%
Corporate Services	20,930	21,025	95	0%	Purchased Services	37,102	37,872	770	2%
Development Services	2,940	2,734	-206	-7%	Capital Asset Acquisition	0	0	0	#DIV/0!
Community And Fire Services	119,413	121,694	2,281	2%	Financial Expenses	272	367	95	35%
Corporate Items	28,779	32,745	3,966	14%	Other Expenditures	2,481	3,031	550	22%
					Transfers to Own Funds	26,105	27,333	1,228	5%
Total Expenditures	180,795	187,466	6,671	4%	Total Expenditures	180,795	187,466	6,671	4%

* Excludes prior years surplus/(deficit)

2014 CORPORATION BUDGET (\$000's)

ALLOCATION OF REVENUE & EXPENDITURE BY FUND

Fund	Operating Fund	Capital Development Fund	Planning & Design	Engineering	Building Fee	Waterworks/ Stabilization Capital Reserve	TOTAL
Revenues							
Property Tax	130,499	-	-	-	-	-	130,499
Other Taxes	1,209	-	-	-	-	-	1,209
Grants	1,555	-	-	-	-	-	1,555
Licences & Permits	1,524	-	-	-	6,817	-	8,341
Interest & Penalties	3,375	-	-	-	-	-	3,375
Investment Income	19,151	-	-	-	-	-	19,151
Fines	2,449	-	-	-	-	-	2,449
User Fees & Service Charges	15,206	-	6,974	4,927	30	627	27,764
Rental & Sales Income	7,953	-	-	-	-	299	8,252
Billings	-	-	-	-	-	95,207	95,207
Other Income	4,545	-	-	54	-	373	4,972
Capital Fund	-	119,879	-	-	-	-	119,879
Transfers from Reserves	-	-	855	1,547	1,539	-	3,941
	187,466	119,879	7,829	6,528	8,386	96,506	426,594

Expenditures

Salaries & Benefits	111,584	-	5,630	4,382	5,702	6,796	134,094
Printing & Office Supplies	590	-	43	21	57	33	744
Operating Materials & Supplies	2,894	-	7	21	24	127	3,072
Vehicle Supplies	1,726	-	-	-	-	-	1,726
Construction Materials	1,472	-	-	-	-	668	2,139
Utilities	5,982	-	-	-	-	37	6,019
Communications	1,371	-	11	21	31	104	1,537
Travel & Training Expenses	1,180	-	44	38	36	103	1,402
Contracts & Service Agreements	6,154	-	2,028	1,998	2,488	3,042	15,711
Maintenance & Repair	4,146	-	-	3	-	355	4,505
Rental/Lease	754	-	3	9	3	6	774
Insurance	2,268	-	-	-	-	-	2,268
Professional Services	2,400	-	39	10	16	113	2,578
Licences, Permits & Credit Card charges	913	-	25	25	29	55	1,046
Promotion & Advertising	1,285	-	4	-	1	3	1,293
Contracted Municipal Services	9,914	-	-	-	-	68,943	78,856
Other Purchased Services	1,143	-	-	-	-	2,281	3,424
Other Expenditures	4,358	-	5	-	-	25	4,379
Capital expenditure	-	119,879	-	-	-	-	119,879
Transfers to Reserves	27,333	-	-	-	-	13,815	41,148
	187,466	119,879	7,829	6,528	8,386	96,506	426,594

Refer to page 206 for a detailed breakdown by department of the Capital budget

2014 CAPITAL BUDGET

Definition of Capital

A project or an acquisition must meet the following requirements to be considered a Capital Expenditure:

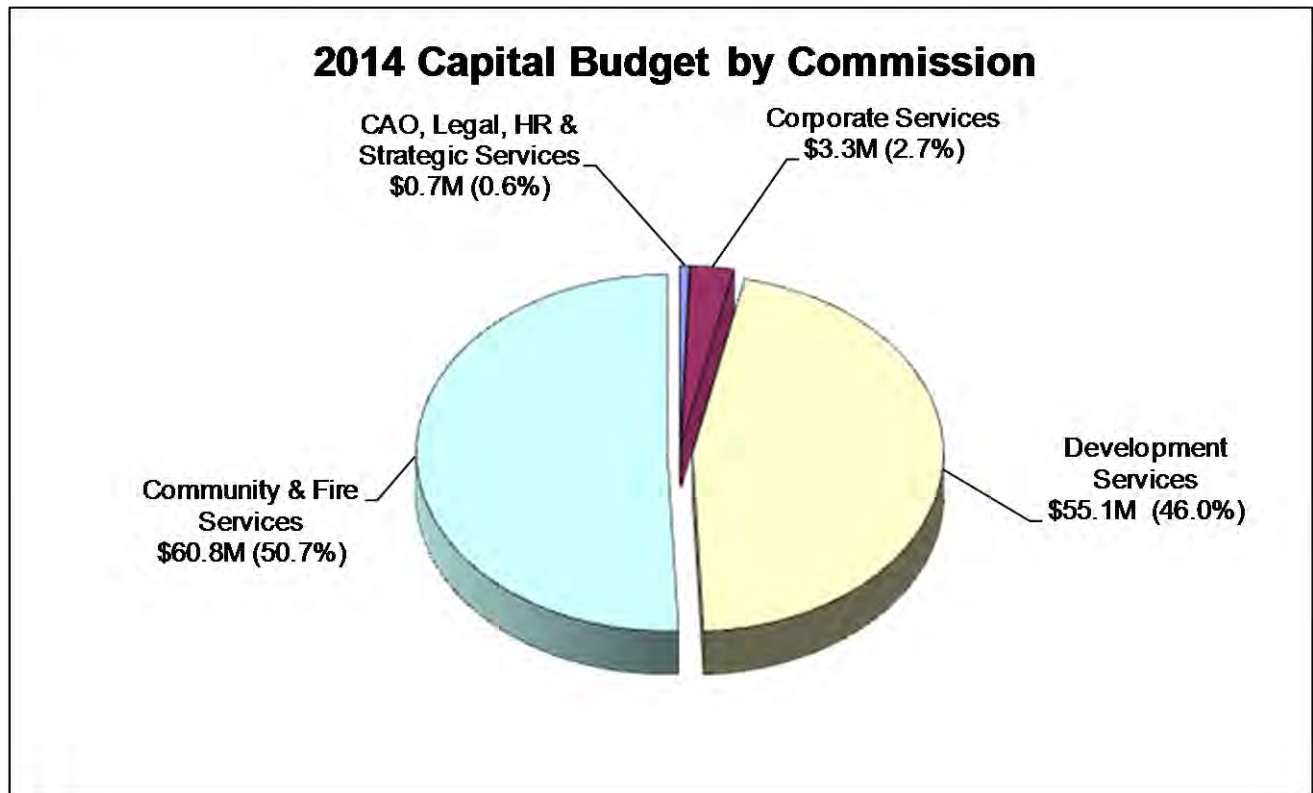
- Must have an expected useful life longer than one year
- Total costs must meet or exceed \$5,000
- Must align with the City's Corporate Goals

Multi-Year/Prior Year Projects

Periodically, Capital projects are phased in over several years and departments will provide a quarterly cash flow on the capital submission forms. While not included in this document, a monthly report is provided by Finance to Senior Staff on these cash flows as well as the capital projects' spend vs. budget for tracking purposes.

Budget Overview

The 2014 Capital Budget totals \$119,879,300 and is funded through a variety of sources. \$31,520,928 (26%) of the Capital Budget is funded through the Life Cycle Replacement and Capital Reserve and it is included as a 'Transfer to Reserves' in the Operating Budget. This marks a \$6,379,287 decrease in Life Cycle Replacement and Capital Reserve funding from 2013 levels. Contributions from Developer Charges (DCA) and Reserves also account for large portion of the Capital Budget funding. The capital budget by commission is presented in the exhibit on the following page.



Approximately 79% of the current year Capital Budget is identified through two long-term studies: Life Cycle Reserve study and the Development Charges Background study.

The purpose of the Life Cycle Reserve study is to address the ongoing replacement and rehabilitation requirements for the aging City assets (facilities, roads, water/sewer, etc) over a 25 year period. The 2014 and future year Capital budgets are based upon the Life Cycle Reserve study, and condition assessments are performed to determine if the replacements are required. (e.g. 2014 has \$31.5M of projects funded from the Life Cycle Replacement and Capital Reserve Fund).

The Development Charges Background study has two components relating to growth: City-Wide Hard services (e.g. relating to cost recovery for major roads, sidewalks, streetlights and storm water management), and City-Wide Soft services (e.g. relating to cost recovery for facilities, parks development and public works).

The Development Charges (DC) Background Study for City-Wide hard and soft services was updated in 2013. The study for hard services covers the period 2013-2031, and the study for soft services covers the period 2013-2022. (e.g. 2014 has \$63.0M of projects funded from the DC Reserves).

The “Long Term Capital Budget Forecasts” for growth (Development Charges) and non-growth (Life Cycle Reserves) provided on page 208 and 209 are tools that departments use when determining the current year capital budget. Project submissions will vary as asset conditions are reviewed each year to determine appropriate replacement time.

The remaining 21% of the 2014 Capital budget is funded through various sources as identified in the 'Sources of Funding' section. (E.g. tax funded, provincial grants, and other reserves)

Building Markham's Future Together

The following section summarizes Capital projects beginning in 2014 as they relate to Council's long term strategic plan of Building Markham's Future Together.

Growth Management

Pan/Parapan American Games Facility - Construction

- \$16.90 million. Construction cost of Pan/Parapan American Games Facility. Also included in the Integrated Leisure Master Plan/Public Safety section.

New Parks Assessment, Design and Construction

- \$4.09 million. Construction of Major Wood Cathedraltown Park. Design and construction of South Unionville Community Park West and Linear Park at Hwy 48 west of James Walker Court. Design of Monarch Cathedraltown North Park, Wismer Donald Mingay Woodlot Park and Greensborough Williamson/A. Paterson North Park.

Growth Management Strategies

- \$1.26 million. Development of guidelines, policies and analyses to support a Markham Growth Management Strategy.

Transportation

Main Street Markham, Hwy 407 to Hwy 7 Reconstruction

- \$14.87 million. Construction and improvement of road and bridge on Main Street Markham from Hwy 407 to Hwy 7, including road widening, replacement of existing bridge structure, storm sewer upgrade, watermain replacement and sanitary sewer repair.

Rodick Road Extension – Phase 2 of 3 – Miller to 14th Avenue Construction

- \$7.23 million. Road reconstruction to improve transportation for the anticipated redevelopment of Miller Lands.

Highway 404 Bridge North of Highway 7 – Construction

- \$4.07 million. Construction of a mid-block crossing across Highway 404, north of Highway 7.

Miller Avenue – CN Rail to Kennedy Road – Phase 4

- \$4.07 million. Property acquisition for the Miller Avenue extension from CN rail to Kennedy Road.



Cycling and Trail Pathways

- \$2.95 million. Construction of multi-use pathways from Toogood Pond to Bob Hunter Park, and on Warden Avenue from 16th Avenue to Major MacKenzie Drive. Also includes an environment assessment of Thornhill/Milliken multi-use pathway.

Streetlight Replacement and Inspection Program

- \$2.72 million. Inspection, repair and replacement of deteriorated streetlights and cables. Upgrade of existing streetlights and installation of new ones per residents' requests.

Church Street – 9th Line to Bur Oak Avenue (Construction)

- \$2.05 million. Reconstruction of Church Street from 9th Line to Bur Oak Avenue to accommodate traffic growth in the vicinity of Markham Stouffville Hospital.

Centurian Drive – Allstate Parkway to Woodbine Avenue – Reconstruction

- \$1.71 million. Road widening and installation of bike lanes on Centurian Drive from Allstate Parkway to Woodbine Avenue.

Traffic Control Signals and Traffic Operational Improvements

- \$0.22 million. Design and construction of new traffic control signals and replacement of existing ones as identified in the traffic signals life cycle studies. Also included in the Integrated Leisure Master Plan/Public Safety section.

Environmental and Sustainability

Environmental Assets Program

- \$7.10 million. Flood remediation program in West Thornhill area. Rehabilitation of storm sewer pipes, and condition assessment of Stormwater Management Ponds.

Emerald Ash Borer Program

- \$2.59 million. Implementation of the Emerald Ash Borer Management Plan. Removal, disposal, stumping, supply and maintenance of infested trees and newly planted trees.

PowerStream Embedded Energy Projects and Integrated Community Energy Plan

- \$0.39 million. Implementation of Markham facility wide energy conservation retrofits and energy monitoring tool. Development of an energy descent strategy as recommended by Greenprints.

Continuation of the Trees for Tomorrow Initiative & Replacement of Trees

- \$0.12 million. Continuation of Trees for Tomorrow program which allows for the supply, planting and maintenance of trees in parks and open spaces in the City to enhance current trees cover levels. Tree replacement program to replace any dead, diseased or damaged trees.

Community Food Projects

- \$0.07 million. Establishment of three community gardens. Expanding the Seed Library partnership with Markham Public Library, the Backyard Organic Garden project, and the Green Thumb School Program.

Municipal Services

Road Rehabilitation Program

- \$5.14 million. Various road resurfacing and improvement projects.

Facility Improvement Program at Community Centres, Libraries, Fire Stations, Cultural Venues and Civic Centre

- \$3.72 million. Various maintenance & upgrades at City-owned facilities.

Watermain and Sanitary Sewer Construction and Replacement Program

- \$2.51 million. Replacement of watermains and sanitary sewers at various locations.

Structures Rehabilitation and Replacement Program

- \$2.22 million. Design and construction for rehabilitation of culverts and pedestrian bridges across City.

Library Collections (including tablets and headsets)

- \$2.17 million. Replacement and updating of library materials.

Water System & Water Meter Replacement & Upgrade Program

- \$1.86 million. Water distribution system condition assessment. Water system appurtenances repairs, upgrades and dead end elimination. Water System Process Audit. Replacement of residential and ICI water meters that have reached their life expectancies.

Illumination Program

- \$1.15 million. Ongoing addition of streetlight infrastructure to new areas and areas that do not have sufficient streetlight.

Tennis Courts Resurfacing

- \$0.69 million. Repair and resurfacing of tennis courts at various locations.

Sidewalk Program

- \$0.64 million. Ongoing addition of sidewalk infrastructure to areas that do not have sidewalks on local and Regional roads.

Markham Museum Pottery Studio

- \$0.30 million. Conversion of the Education Building to a pottery learning facility.



Sportsfield Maintenance and Reconstruction

- \$0.10 million. Ongoing renovation of various sportsfields in parks and at schools.

Landscape for Warden Avenue Multi-Use Pathway

- \$0.05 million. Landscaping for Warden Avenue multi-use pathway from 16th Avenue to Major MacKenzie Drive.

Integrated Leisure Master Plan/Public Safety

Pan/Parapan American Games Facility - Construction

- \$16.90 million. Construction cost of Pan/Parapan American Games Facility. Also included in the Growth Management section.

Fire Services Vehicle Replacement

- \$1.21 million. Replacement of various fire pumpers and vehicles that have reached the end of their lifespan.

Fire & Emergency Services Capital Program

- \$0.87 million. Replacement of old and damaged firefighter tools and equipments as well as medical equipment. Purchase of 1 ArcEditor software license for use in the Emergency Operating Centre.

Traffic Control Signals and Traffic Operational Improvements

- \$0.22 million. Design and construction of new traffic control signals and replacement of existing ones as identified in the traffic signal life cycle studies. Also included in the Transportation section.

Play Structure and Safety Resurfacing

- \$0.14 million. Installation of safety surface and playground equipment at various park locations.

Diversity

Pedestrian Accessibility Improvements

- \$0.42 million. Installation of accessible pedestrian signals at 9 traffic intersections.

Language Line Service

Career Bridge/Ability Edge Program

2014 CAPITAL BUDGET SUMMARY BY COMMISSION

	<u>2013 Budget</u>	<u>2014 Budget</u>
Development Services		
Building Services	\$0	\$993,900
Planning	\$1,696,300	\$2,439,400
Design	\$8,727,300	\$9,054,300
Engineering	\$17,008,300	\$42,592,200
	<u>\$27,431,900</u>	<u>\$55,079,800</u>
CAO, Legal, HR & Sustainability Office		
Sustainability Office	\$152,600	\$578,600
CAO's Office	\$0	\$100,000
	<u>\$152,600</u>	<u>\$678,600</u>
Corporate Services		
ITS	\$2,001,500	\$2,401,800
Financial Services	\$812,300	\$841,400
Corporate Communications	\$56,000	\$36,400
	<u>\$2,869,800</u>	<u>\$3,279,600</u>
Community & Fire Services		
Culture	\$100,000	\$270,400
Museum	\$246,800	\$982,700
Theatre	\$626,500	\$160,400
Arts Centres	\$64,100	\$0
Fire	\$137,800	\$869,900
Recreation Services	\$1,001,000	\$1,765,500
Recreation/Library Construction	\$62,200,000	\$0
Operations - Roads	\$7,553,300	\$6,813,600
Operations - Parks	\$4,769,600	\$4,913,500
Operations - Traffic	\$1,158,900	\$1,038,000
Operations - Fleet	\$6,522,300	\$2,918,300
Facility Assets	\$27,393,200	\$19,060,500
Environmental Assets	\$3,483,400	\$7,096,400
Right-of-Way Assets	\$12,003,500	\$5,313,300
Waste Management	\$120,400	\$138,600
Library	\$2,122,600	\$2,317,200
Waterworks	\$9,074,400	\$7,183,000
	<u>\$138,577,800</u>	<u>\$60,841,300</u>
Total Capital Budget	<u>\$169,032,100</u>	<u>\$119,879,300</u>



2014 CAPITAL BUDGET SUMMARY BY DEPARTMENT

Project Description	Funding Sources				
	Total	Operating Budget Funded	Life Cycle	DC - Reserve	Other
Development Services					
<i>Building Services</i>					
14070 Electronic Plan Service Delivery Implementation (Phase 2)	993,900				993,900
TOTAL Economic Development	993,900				993,900
<i>Planning</i>					
14000 Heritage Façade Improvements/Sign Replacement	32,000	32,000			
14001 OMB Development Application Hearings	400,000			360,000	40,000
14003 Consultant Studies	63,000			56,700	6,300
14004 Growth Monitoring Program & Data Collection	20,000			18,000	2,000
14005 Consolidated Zoning By-law Program - Phase 2 of 4	530,000				530,000
14006 Future Urban Areas - Phase 2 of 5	500,000			450,000	50,000
14007 Secondary Plan Program - Phase 2 of 10	500,000			450,000	50,000
14008 Heritage Commemorative Signage for Mkm Village - Phase 3	24,400				24,400
14009 Designated Heritage Property Grant Program	30,000				30,000
14010 Urban Growth Centre Planning & Approvals	240,000			216,000	24,000
14011 Unionville Charrette Implementation	100,000				100,000
TOTAL Planning	2,439,400	32,000		1,550,700	856,700
<i>Design</i>					
14020 Reimbursement to 1691126 Ontario Ltd. (Liberty Develop.)	2,302,700	230,270		2,072,430	
14021 Armadale Community Park - Outdoor Fitness Equipment	60,500	6,050		54,450	
14022 Reimbursement to Wykland Estates Inc.	599,500	59,950		539,550	
14023 South Unionville Community Park West - Design and Const.	1,550,600	155,060		1,395,540	
14024 Greensborough Williamson / A. Paterson N. Park - Design	88,600	8,860		79,740	
14025 Linear Park - Hwy 48 west of James Walker Court	453,500	45,350		408,150	
14026 Wismer Donald Mingay Woodlot Park - Design	99,700	9,970		89,730	
14028 Monarch Cathedraltown North Park - Design	110,800	11,080		99,720	
14029 Major Wood Cathedraltown Park -Construction	1,788,400	178,840		1,609,560	
14402 Thornhill Park Improvements	2,000,000				2,000,000
TOTAL Design	9,054,300	705,430		6,348,870	2,000,000
<i>Engineering</i>					
14030 Sidewalk Program	643,800			596,311	47,489
14031 Verclaire Crossing at Rouge River (Design)	508,000			508,000	
14034 Miller Avenue - CN to Kennedy Road - Phase 4 PA	4,065,100			4,065,100	
14035 Miller Ave- Woodbine to Rodick Reconstruction- Design	609,800			508,000	101,800
14037 Hwy 404 - Midblock Crossing - Buttonville Airport - EA	203,100			203,100	
14038 Hwy 404 Mid-block Crossing North of Hwy 7 - Construction	4,065,100			4,065,100	
14039 Centurian Drive Reconstruction - Allstate Pwy to Woodbine	1,705,300			1,705,300	
14040 Hwy 404 Midblock Crossing North of Major Mackenzie EA	253,900			253,900	
14041 Church Street - Ninth Line to Bur Oak Ave	2,052,900			2,052,900	
14043 Intersection Improvements Requests	830,700			830,700	
14044 Birchmount Road / Rouge River Bridge - MNR Works	203,100			203,100	
14047 OMB Hearings/Peer Review	371,800			371,800	
14050 E/W Municipal Rd. South of 14th. Middlefield to 270m E.	228,500			228,500	
14051 Sanitary Monitoring - Area 4	227,500			227,500	
14052 Warden Ave (16th to M. Mackenzie) Landscaping	50,800	25,400		25,400	
14053 Smart-Commute Markham - Richmond Hill	87,600				87,600
14048 Water and Wastewater Master Servicing Model	284,400			284,400	
14054 Illumination Program	1,145,600			789,462	356,138
14055 Main Street Markham, Hwy 407 to Hwy 7 (Construction)	14,873,800		252,386	11,773,056	2,848,358
14056 Rodick Extension - Phase 2 of 3 - Miller to 14th	7,228,500		148,354	6,134,600	945,546
14403 Cycling and Trails - Toogood Pond to Bob Hunter Park	2,540,700			889,245	1,651,455
14404 Cycling and Trails - Warden Ave (16th to M. McKenzie)	260,000			91,000	169,000
14405 Cycling and Trails EA - Thornhill/Milliken	152,200			53,270	98,930
TOTAL Engineering	42,592,200	25,400	400,740	35,859,744	6,306,316
TOTAL Development Services	55,079,800	762,830	400,740	43,759,314	10,156,916

2014 CAPITAL BUDGET SUMMARY BY DEPARTMENT

<i>Project Description</i>	Funding Sources				
	<i>Total</i>	<i>Operating Budget Funded</i>	<i>Life Cycle</i>	<i>DC - Reserve</i>	<i>Other</i>
CAO, Legal, HR, & Sustainability Office					
<i>Sustainability Office</i>					
14407	Rouge National Urban Park	25,000	25,000		
14061	PowerStream Embedded Energy Projects	203,500			203,500
14063	Bayview Glen SNAP - Phase 2 of 3	101,800	63,900		37,900
14064	Community Food Projects	65,100	65,100		
14065	Integrated Community Energy Plan	183,200			91,600
	TOTAL Sustainability Office Total	578,600	154,000		91,600
<i>CAO's Office</i>					
14066	Strata Land Conveyances Policy Review	100,000		90,000	10,000
	TOTAL CAO's Office	100,000		90,000	10,000
	TOTAL CAO, Legal, HR, & Sustainability Office	678,600	154,000	181,600	343,000
Corporate Services					
<i>ITS</i>					
14406	Smart City Forum	10,000	10,000		
14081	Corporate Database Licenses	140,000	111,990		28,010
14082	Geographic Information System - ArcGIS Desktop Licenses	23,200	23,200		
14083	IT Disaster Recovery (Business Continuity)	1,053,300		842,640	210,660
14084	ITS Core Base Architecture	982,400		793,655	188,745
14085	Ortho photography Acquisition	20,400	16,320		4,080
14086	Payment Card Industry Compliance (PCI) - Phase 2 of 3	121,600	97,323		24,277
14087	Strategy for resident facing communication technology	50,900	50,900		
	TOTAL ITS	2,401,800	309,733	1,636,295	455,772
<i>Finance</i>					
14096	Internal Project Management	841,400		841,400	
	TOTAL Financial Services	841,400		841,400	
<i>Corporate Communications</i>					
14098	Hardware for Press Conferences & Media Relations	20,400		16,330	4,070
14099	Publications Stands for City Facilities	16,000	16,000		
	TOTAL Corporate Communication	36,400	16,000	16,330	4,070
	TOTAL Corporate Services	3,279,600	325,733	1,652,625	841,400
Community & Fire Services					
<i>Culture</i>					
14075	Photo Archive System	20,400	20,400		
14100	Public Art	250,000	250,000		
	TOTAL Culture	270,400	270,400		
<i>Museum</i>					
14101	Museum Artifact Restoration	30,000		30,000	
14102	Museum Building Maintenance Program	76,300		76,300	
14103	Museum Exhibitions	15,000		15,000	
14104	Markham Museum Pottery Studio	302,000	174,700	127,300	
14105	Markham Museum - Mount Joy School Restoration	510,600		510,600	
14106	Museum Site	48,800		48,800	
	TOTAL Museum	982,700	174,700	808,000	
<i>Theatre</i>					
14112	Theatre Washroom Renovations	29,900		29,900	
14115	Theatre Facility Improvements	51,600		51,600	
14117	Theatre Audio Visual Replacement	30,500		30,500	
14118	Theatre Fire Safety Systems	48,400		48,400	
	TOTAL Theatre	160,400		160,400	



2014 CAPITAL BUDGET SUMMARY BY DEPARTMENT

		Funding Sources			
Project Description	Total	Operating Budget Funded	Life Cycle	DC - Reserve	Other
Fire & Emergency Services					
14078	Geographic Information System - ArcEditor software license	11,600	11,600		
14121	Breathing Air Cylinders	109,400		109,400	
14122	Fire Communications Dispatch Radio Console	50,900			50,900
14123	Firefighting Tools & Equipment Replacement	101,800		101,800	
14124	Self Contained Breathing Apparatus	596,200		596,200	
	TOTAL Fire & Emergency Services	869,900	11,600	807,400	50,900
Recreation Services					
14126	Angus Glen Marquee Replacement	20,500		20,500	
14128	Armadale C.C. Gym painting	12,000		12,000	
14129	Armadale C.C. Heating Boiler	15,300		15,300	
14130	Armadale HVAC Replacement	91,600		91,600	
14131	Centennial Arena Ceiling Insulation Capping	48,800		48,800	
14132	Centennial CC Pressure Washer	15,300		15,300	
14133	Centennial Dehumidifier Replacement	132,300		132,300	
14134	Centennial Marquee sign replacement	20,500		20,500	
14135	Clatworthy Dehumidifier Replacement	66,100		66,100	
14136	Clatworthy Rinkboards & Glass replacement	148,600		148,600	
14137	Clatworthy Hot Water Storage Tank	6,100		6,100	
14138	Crosby Arena Fire Sprinkler System	126,200		126,200	
14139	Markham Village Arena light fixture replacement	50,900		50,900	
14140	Markham Village Arena Replace existing front doors	26,500		26,500	
14141	Milliken Mills Dome Field Sweeper	14,900		14,900	
14142	Milliken Mills Main Hall Skylight Painting	6,400		6,400	
14143	Milliken Mills Pool Changerooms HVAC	35,600		35,600	
14145	Milliken Mills Staging	27,200		27,200	
14146	Milliken Mills Vestibule Heating	19,300		19,300	
14147	Mount Joy Rubber Flooring Replacement	76,600		76,600	
14149	Recreation Aquatic Equipment	49,700		49,700	
14150	Recreation Fitness Equipment	120,200		120,200	
14151	Recreation Program Equipment	77,100		77,100	
14152	Recreation Tables & Chair replacement	49,600		49,600	
14153	Rouge River Air Compressor	9,700		9,700	
14154	Rouge River Blinds	12,000		12,000	
14155	Rouge River Markham Green Golf Course Irrigation System	125,400		125,400	
14156	Rouge River Pool and tile resurfacing	70,700		70,700	
14157	Rouge River Pool Change Rooms Ceramic tile	131,300		131,300	
14158	Rouge River Poolside Lounge HVAC	15,300		15,300	
14159	Thornhill CC arena heater replacement	13,200		13,200	
14160	Thornhill CC- Sauna Replacements	24,200		24,200	
14161	Thornhill CC- Squash Court Walls	24,400		24,400	
14163	Thornhill CC. Carpet Replacement	24,200		24,200	
14164	Water St Senior Centre Washroom Replacement	42,800		42,800	
14144	Milliken Mills Spectator Protective Netting	6,100		6,100	
14162	Thornhill CC- Washroom Counter Replacements	8,900		8,900	
	TOTAL Recreation Services	1,765,500		1,765,500	
Markham Public Library					
14172	Library Collections	2,088,000		2,088,000	
14173	Replace Library Furniture and Equipment	65,500		65,500	
14174	Replace Library Shelving	65,500		65,500	
14175	Strategic Plan Development - Consulting Services	24,900	24,900		
14076	Library Service Improvements (Tablets)	20,400	20,400		
14077	Library Services Improvements (Software)	28,000	28,000		
14171	Customer Service - Headsets	24,900	24,900		
	TOTAL Markham Public Library	2,317,200	98,200	2,219,000	

2014 CAPITAL BUDGET SUMMARY BY DEPARTMENT

		Funding Sources			
		Total	Operating Budget Funded	Life Cycle	DC - Reserve
<i>Project Description</i>					
Operations - Roads					
14181	Asphalt Resurfacing	5,141,400		5,141,400	
14182	Boulevard Repairs	53,100		53,100	
14183	Bridge Structure Preventative Maintenance	46,700		46,700	
14184	City Owned Fence Replacement Program	130,500		130,500	
14185	Don Mills Storm Channel	18,700		18,700	
14186	Emergency Repairs	101,800		101,800	
14188	Guiderail- Install/Repair/Upgrade	116,800		116,800	
14189	Localized Repairs - Curb & Sidewalk	428,800		428,800	
14192	Parking Lots	279,800		244,800	35,000
14194	Retaining Walls Program	72,800		72,800	
14195	Rodick Road RWIS Station - Road Sensor Replacement	15,600		15,600	
14196	Secondary Roadworks	254,400			254,400
14197	Storm Sewer Inspection	103,800		103,800	
14198	Storm Water Retention Pond Maintenance Program	25,900		25,900	
14199	Warden Avenue Storm Sewer Improvements	23,500		23,500	
	TOTAL Operations - Roads	6,813,600		6,524,200	289,400
Operations - Parks					
14200	Adopt a Park & Colour Your Corner	6,000	6,000		
14201	Bleachers (Metal) Replacement	84,100		84,100	
14204	City Park Furniture / Amenities	134,300		134,300	
14205	Court Resurfacing/Reconstruction	692,000		407,000	285,000
14207	Electrical & Cabling	35,000		35,000	
14208	Emerald Ash Borer Program - Year 2 of 5	2,591,000		2,066,300	524,700
14209	Fence (Backstop) Replacement	120,000		120,000	
14210	Fence (Tennis Court) Replacement	32,800		32,800	
14211	Floodlights, Poles & Cross Arms Replacement	486,900		486,900	
14212	Goal Posts Replacement	75,000		75,000	
14214	Markham Trees for Tomorrow	120,000	120,000		
14215	Paving Pathways/Facilities & Stairways Repairs	155,000		155,000	
14217	Playstructure Replacement	135,100		135,100	
14219	Replacement/New Boulevard/Park Trees	94,000		94,000	
14220	Sportsfield Maintenance & Reconstruction	101,800		101,800	
14221	TRCA 50/50 Community Projects	20,000	20,000		
14222	Volunteer Ice Rink Program	30,500	30,500		
	TOTAL Operations - Parks	4,913,500	176,500	3,927,300	809,700
Operations - Traffic					
14226	Pedestrian Accessibility Improvement-Ph 4 of 6	424,500	424,500		
14228	Traffic Operational Improvements	30,500	30,500		
14229	Traffic Signal Equipment Replacement	288,200		288,200	
14225	Consultant Services for Traffic Signal Coordination & CTCS	101,800			101,800
14227	Traffic Control Signal Design & Construction	193,000			193,000
	TOTAL Operations - Traffic	1,038,000	455,000	288,200	294,800
Operations - Fleet					
14080	Mobile Work Computer - Fleet	12,400	12,400		
14230	Corporate Fleet Refurbishing	36,300		36,300	
14231	Corporate Fleet Replacement - Fire	1,209,200		1,209,200	
14232	Corporate Fleet Replacement - Non-Fire	1,170,000		1,170,000	
14235	New Fleet - Parks	156,700			156,700
14236	New Fleet - Roads	76,300			76,300
14237	Waterworks Fleet Replacement	57,400			57,400
14238	Winter Maintenance Vehicles	200,000			200,000
	TOTAL Operations - Fleet	2,918,300	12,400	2,415,500	57,400



2014 CAPITAL BUDGET SUMMARY BY DEPARTMENT

<i>Project Description</i>	<i>Total</i>	<i>Funding Sources</i>			
		<i>Operating Budget Funded</i>	<i>Life Cycle</i>	<i>DC - Reserve</i>	<i>Other</i>
Asset Mgmt - Facility Assets					
14241 Accessibility Retrofit Program	30,500		30,500		
14242 Corporate Accommodations	319,200		319,200		
14243 Corporate Security Operations & System Upgrades	30,500		30,500		
14244 Municipal Building Backflow Prevention Testing	30,500		30,500		
14245 Building Envelope/Structural Review	101,800		101,800		
14246 8100 Warden Facility Improvements	52,000		52,000		
14247 Civic Centre Improvements	40,100		40,100		
14250 Fire Facility Improvements	157,300		157,300		
14251 Library Facility Improvements	72,800		72,800		
14252 Operations Facilities Improvements	111,200		111,200		
14253 Other Facility Improvements	40,700		40,700		
14254 Recycling Depot Improvements	28,500		28,500		
14255 Roofing Maintenance and Repair	50,900		50,900		
14256 Roofing Replacement Projects	821,500		821,500		
14257 Satellite Community Centre Improvements	20,400		20,400		
14259 Building Condition Audits - FTE	126,500		126,500		
14260 Facility Project Engineer - Contract (Year 2 of 3)	126,500		126,500		
14261 Markham Pan Am Centre - Construction (Year 2)	16,899,600			15,209,600	1,690,000
TOTAL Asset Mgmt - Facility Assets	19,060,500		2,160,900	15,209,600	1,690,000
Asset Mgmt -Environmental Assets					
14271 Flood Control Implementation - West Thornhill Phase 2	6,537,300				6,537,300
14272 Environmental Assets - Storm Water Management-FTE	129,900		129,900		
14273 Stormwater Management Pond - Condition Inspection	51,200		51,200		
14274 Storm Sewer Pipes - Rehabilitation	378,000		378,000		
TOTAL Asset Mgmt -Environmental Assets	7,096,400		559,100		6,537,300
Asset Mgmt - Right-of-Way Assets					
14408 Streetlights in Markham Heritage Estates Subdivision	54,800	39,800	15,000		
14276 Bridges and Culverts - Condition Inspection	63,500		63,500		
14277 Culverts Rehabilitation (9 Structures) - Design & Const	1,611,400		1,611,400		
14278 Culverts Replacement (19 Structures) - Construction	492,100		492,100		
14279 Structures Minor Rehabilitation Works	52,900		52,900		
14280 ROW Assets - Structures Program-FTE	135,200		135,200		
14281 Sewer Invert Data Quality Assurance-Year 3 of 5	51,900		51,900		
14282 Former Sabiston Landfill - Equipment Maintenance	103,800		103,800		
14283 Streetlight Poles - Condition Inspection	130,500		130,500		
14284 Streetlight Poles - Replacement Program	155,600		155,600		
14285 Streetlights Underground Cable - Condition Inspection	141,200		141,200		
14286 Streetlights Underground Cable - Replacement/ Repair	2,242,000		2,242,000		
14288 Survey Monument Replacement	27,500		27,500		
14287 Streetlighting - Miscellaneous Requests	50,900	50,900			
TOTAL Asset Mgmt - Right-of-way Assets	5,313,300	90,700	5,222,600		
Waste & Environmental Mgmt					
14293 Replenishing the MESF Reserve	33,000	33,000			
14290 Carpet Recycling Program	14,200				14,200
14292 Multi-Residential Organics Program	40,400	40,400			
14295 Specialty Recycling Containers Program	51,000	4,000			47,000
TOTAL Waste & Environmental Mgmt	138,600	77,400			61,200



2014 CAPITAL BUDGET SUMMARY BY DEPARTMENT

<i>Project Description</i>	Funding Sources				
	<i>Total</i>	<i>Operating Budget Funded</i>	<i>Life Cycle</i>	<i>DC - Reserve</i>	<i>Other</i>
Waterworks					
14303	Catholic Protection of Iron Watermains Program	553,700			553,700
14306	Milliken Park & Rougecrest WWPS - SCADA Integration	223,900			223,900
14309	Sanitary Lateral Inspection	305,300			305,300
14310	Sanitary Sewer Const / Repl Design	152,600			152,600
14312	Sanitary Sewer System Upgrade/Rehab Program	1,220,100			1,220,100
14314	Sanitary Trunk Sewer and Manhole Inspection	156,700			156,700
14319	Water Meter Replacement/Upgrade Program	493,500			493,500
14320	Water System Physical Condition Assessment	203,500			203,500
14322	Water System Upgrade Program	1,007,600			1,007,600
14324	Watermain Construction Design	462,800			462,800
14089	Location Intelligence software	7,500			7,500
14090	Mobile Work Computer - Waterworks	55,100			55,100
14091	Crystal Report Migration	56,600			56,600
14092	Data Management Strategy	50,900			50,900
14300	12 Month Wastewater Flow Monitoring - Ph 2 of 8	152,600			152,600
14301	Annual Leak Detection Program - Phase 2 of 5	162,800			162,800
14302	Carlton Road Pumping Station Upgrade	506,500			506,500
14305	Environmental Services Overall Data Strategy - Phase 1 of 2	101,800			101,800
14313	Sanitary System Downspout Disconnection Prog - Ph 2 of 8	894,200			894,200
14315	SCADA Master Plan (Update)	84,000			84,000
14317	Wastewater Compliance & Abatement	89,500			89,500
14318	Water Compliance & Backflow Program	89,200			89,200
14321	Water System Process Audit - Non-Revenue Water	152,600			152,600
	TOTAL Waterworks	7,183,000			7,183,000
	TOTAL Community & Fire Services	60,841,300	1,366,900	26,858,100	15,988,300
	TOTAL 2014 CAPITAL BUDGET	119,879,300	2,609,463	28,911,465	60,770,614



2014 CAPITAL BUDGET SOURCES OF FUNDING

LIFE CYCLE REPLACEMENT & CAPITAL RESERVE		31,520,928
DEVELOPMENT CHARGES (DCA)		60,770,614
FEDERAL GAS TAX GRANT		4,323,174
OTHER SOURCES		
Waterworks Reserve	10,614,946	
Non-DC Growth	2,277,632	
Development and Building Fees	2,260,176	
Other - Flood Control Implementation	2,070,000	
Section 37	2,000,000	
Ramp Up Reserve	1,690,000	
Capital From Previous Years (Carry Forward)	1,195,430	
EAB Reserve	524,700	
Tennis Clubs	285,000	
Road Resurfacing Reserve Fund	254,400	
Heritage Reserve Fund	54,400	
Other	<u>37,900</u>	
TOTAL OTHER SOURCES		23,264,584
TOTAL CAPITAL & OTHER PROGRAMS BUDGET		<u>119,879,300</u>

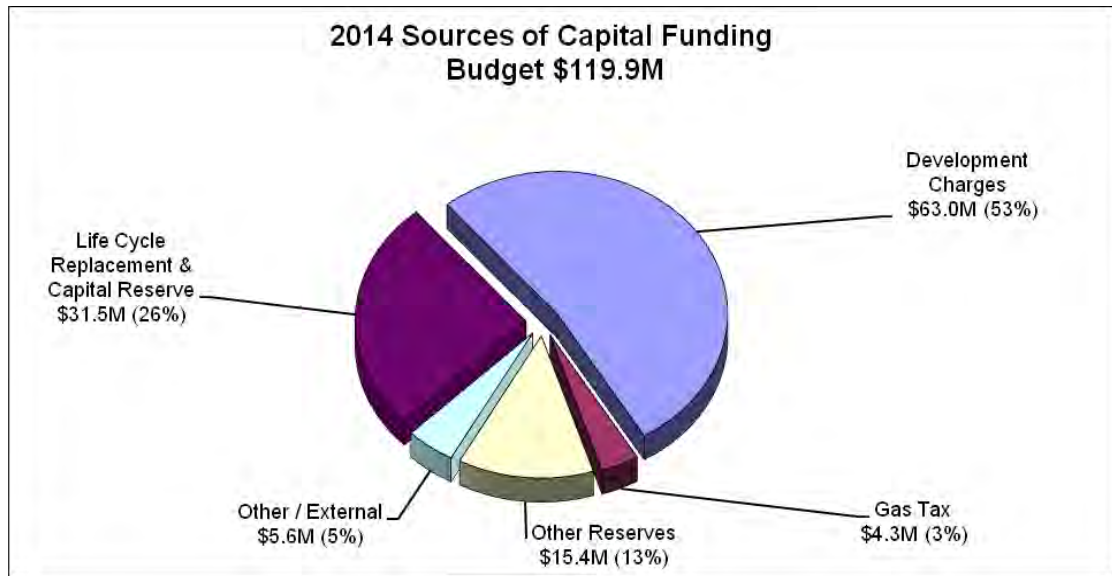


Chart "A"
Details of Other Reserves Funding Total \$15.4M

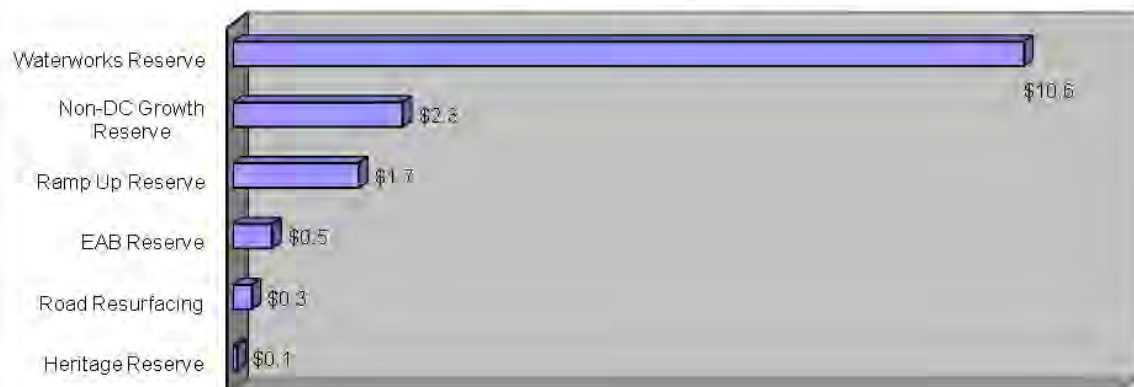


Chart "B"
Details of Other / External Funding Total \$5.6M





2014 CAPITAL BUDGET BY DEPARTMENT AND BY FUNDING SOURCE (\$'000s)

	Operating Life-Cycle Replacement & Capital	Operating Non-Life Cycle	Development Charges	Gas Tax revenues	Waterworks/ Stabilization Capital Reserve	Non- DC growth	Development & Building Fees	Other	Total
<i>Building Services</i>	-	-	-	-	-	-	994	-	994
<i>Planning</i>	-	32	1,551	-	-	-	802	54	2,439
<i>Design</i>	-	705	6,349	-	-	-	-	2,000	9,054
<i>Engineering</i>	401	25	35,860	1,967	779	2,278	88	1,195	42,592
Development Services	401	763	43,759	1,967	779	2,278	1,884	3,250	55,080
<i>Sustainability Office</i>	-	154	92	295	-	-	-	38	579
<i>CAO Office</i>	-	-	90	-	-	-	10	-	100
CAO, Legal, HR & Sustainability Office	-	154	182	295	-	-	10	38	679
<i>ITS</i>	1,636	310	-	-	127	-	329	-	2,402
<i>Financial Services</i>	-	-	841	-	-	-	-	-	841
<i>Corporate Communications & Community Relations</i>	16	16	-	-	1	-	3	-	36
Corporate Services	1,653	326	841	-	128	-	331	-	3,280
<i>Culture</i>	-	270	-	-	-	-	-	-	270
<i>Museum</i>	808	175	-	-	-	-	-	-	983
<i>Theatre</i>	160	-	-	-	-	-	-	-	160
<i>Fire & Emergency Services</i>	807	12	51	-	-	-	-	-	870
<i>Recreation Services</i>	1,766	-	-	-	-	-	-	-	1,766
<i>Markham Public Library</i>	2,219	98	-	-	-	-	-	-	2,317
<i>Operations - Roads</i>	6,524	-	-	-	-	-	35	254	6,814
<i>Operations - Parks</i>	3,927	177	-	-	-	-	-	810	4,914
<i>Operations - Traffic</i>	288	455	295	-	-	-	-	-	1,038
<i>Operations - Fleet</i>	2,416	12	433	-	57	-	-	-	2,918
<i>Asset Management - Facility Assets</i>	2,161	-	15,210	-	-	-	-	1,690	19,061
<i>Asset Management - Environmental Assets</i>	559	-	-	2,000	2,467	-	-	2,070	7,096
<i>Asset Management - Right of Way Assets</i>	5,223	91	-	-	-	-	-	-	5,313
<i>Waste & Environmental Management</i>	-	77	-	61	-	-	-	-	139
<i>Waterworks</i>	-	-	-	-	7,183	-	-	-	7,183
Community & Fire Services	26,858	1,367	15,988	2,061	9,708	-	35	4,824	60,841
	28,911	2,609	60,771	4,323	10,615	2,278	2,260	8,112	119,879

2014 CAPITAL INDUCED OPERATING COSTS

Project #	Department/Capital Project Description	2014 Annualized Operating Impact	Comments
<u>Building Services</u>			
14070	Electronic Plan Service Delivery Implementation (Phase 2)	336,152	Current year impact for ITS staff
		\$336,152	
<u>Sustainability Office</u>			
14061	PowerStream Embedded Energy Projects	(120,000)	Estimated energy savings
		(\$120,000)	
<u>ITS</u>			
14081	Corporate Database Licenses	30,278	Support & maintenance
14082	Geographic Information System - ArcGIS Desktop Licenses	5,400	Software maintenance
14086	Payment Card Industry Compliance (PCI) - Phase 2 of 3	13,000	
14087	Strategy for resident facing communication technology	5,000	
		\$53,678	
<u>Culture</u>			
14075	Photo Archive System	2,000	
		\$2,000	
<u>Fire & Emergency Services</u>			
14078	Geographic Information System - ArcEditor software license	7,628	System maintenance
		\$7,628	
<u>Markham Public Library</u>			
14077	Library Services Improvements (Software)	2,500	Door Counter software - annual maintenance fee
		\$2,500	
<u>Operations - Traffic</u>			
14226	Pedestrian Accessibility Improvement - Phase 4 of 6	2,500	Annual maintenance
14227	Traffic Control Signal Design & Construction	1,975	Annual maintenance
		\$4,475	
<u>Operations - Fleet</u>			
14080	Mobile Work Computer - Fleet	651	
14235	New Fleet - Parks	15,000	Vehicle parts for pick-up trucks
14236	New Fleet - Roads	5,000	Annual maintenance for stacker
		\$20,651	
<u>Waste & Environmental Management</u>			
14290	Carpet Recycling Program	6,000	
		\$6,000	
<u>Waterworks</u>			
14090	Mobile Work Computer - Waterworks	2,310	Tough Books computer software
14317	Wastewater Compliance & Abatement	3,000	Annual licensing fees
14318	Water Compliance & Backflow Program	11,190	Tough Books computer software & other annual software licensing
		\$16,500	
	Total Capital Induced Operating Costs	\$329,584	



LONG TERM CAPITAL BUDGET FORECAST

Growth Related Projects

Capital Infrastructure related to growth in the City is both material in dollars and critical to the City's service level commitments to its residents and business owners. Capital infrastructure projects include water/sewer, roads, community centres, libraries, parks, and fire stations. As the City grows, the infrastructure that serves and supports the new communities must grow also.

Growth related capital is mainly funded (90%) from Development Charges (DC's) collected from Developers in the City of Markham. The remaining 10% is funded by the City through non-DC sources. Development Charges are governed by the City's DC By-laws, which are updated every five years or earlier. The City of Markham, like many Ontario municipalities, updated its Development Charges Background Study (DC Study) and DC By-laws in 2013.

A capital forecast based on the 2013 DC Study information, is included for the period 2014 to 2019:

2014 to 2019 Capital Budget Forecast

(in thousands of constant dollars – gross cost)

Category	2014	2015	2016	2017	2018	2019	TOTAL
(A) General Government	\$ 1,455.50	\$ 1,455.50	\$ 1,455.50	\$ 1,455.50	\$ 1,455.50	\$ 1,455.50	\$ 8,733.00
(B) Library	\$ 14,859.00	\$ -	\$ 7,601.00	\$ -	\$ -	\$ -	\$ 22,460.00
(C) Fire Services	\$ 4,324.00	\$ 75.00	\$ 10,229.00	\$ 4,895.00	\$ -	\$ -	\$ 19,523.00
(D) Indoor Recreation	\$ 59,932.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,932.00
(E) Parks	\$ 34,436.60	\$ 20,575.50	\$ 21,795.60	\$ 7,214.40	\$ 19,527.20	\$ 22,870.30	\$ 126,419.60
(F) Public Works	\$ 11,129.10	\$ 1,911.40	\$ 8,974.20	\$ 108.90	\$ 379.10	\$ 382.00	\$ 22,884.70
(G) Parking	\$ 20.00	\$ -	\$ 237.50	\$ -	\$ 199.80	\$ -	\$ 457.30
TOTAL	\$ 126,156.20	\$ 24,017.40	\$ 50,292.80	\$ 13,673.80	\$ 21,561.60	\$ 24,707.80	\$ 260,409.60

Notes: Listing of Growth Category Details

- A. Growth Studies
- B. Buildings, Land, Furniture & Equipment, Collection Materials
- C. Buildings, Land, Furniture & Equipment, Firefighter Equipment, Fire Vehicles
- D. Major Facilities, Land, Furniture & Equipment
- E. Park Development, Equipment, Buildings
- F. Buildings, Land, Furniture & Equipment, City Fleet
- G. Parking Studies, Equipment, Parking Spaces

Non-Growth Related Projects

In 2005, Council approved a reserve study that examined, among other topics, the projected rehabilitation and replacement expenditures related to the City's aging capital infrastructure (e.g. bridges, roads, vehicles). The study identified the age of the assets, the expected life cycle of the assets and projected replacement costs in order to quantify the City's future expenditures, by year. A reserve fund, the Life Cycle Replacement and Capital Reserve, was established to provide a source of funding for the future repair, preventative maintenance and replacement of infrastructure. More details on this reserve are included in the Reserve Policy section.

The City's Reserve Study is updated annually to account for additional assets, the refinement of assumptions on asset replacement cycles, and for adjustments to replacement costs. The following chart projects the City's non-growth related capital expenditures (e.g. repairs, preventative maintenance, replacement of infrastructure) based upon inventory in the life cycle reserve model.

2014 to 2019 Capital Budget Forecast (based on 2013 Update)
(in thousands of constant dollars - gross cost)

CATEGORY	2014	2015	2016	2017	2018	2019	TOTAL
Fire Fighter Equipment	1,396.8	218.3	159.4	265.5	355.4	159.8	\$2,555.2
Traffic Signals	325.5	272.5	366.3	190.6	86.2	218.0	\$1,459.1
ITS Infrastructure	2,295.9	1,291.5	165.3	1,653.7	2,035.8	2,446.8	\$9,889.0
Parks	4,443.2	2,855.5	3,412.4	2,295.0	2,242.3	2,182.5	\$17,430.9
Library Collections	2,067.2	2,098.3	2,129.7	2,161.7	2,204.9	2,249.0	\$12,910.8
Streetlights	2,978.8	1,703.0	685.2	189.7	296.1	113.5	\$5,966.3
Vehicles	2,518.2	2,681.6	1,450.4	857.6	1,941.0	3,259.2	\$12,708.0
Structures (Bridges & Culverts)	2,794.3	1,808.8	1,003.4	1,732.5	4,999.9	2,400.6	\$14,739.5
Storm Sewers, Storm Water Mgmt & Landfill	1,271.3	4,488.3	2,999.7	1,593.8	2,018.1	1,590.2	\$13,961.4
Roads	7,244.7	6,985.8	7,288.6	7,427.5	7,911.3	7,669.9	\$44,527.8
Facilities	6,975.3	10,393.1	14,474.9	9,946.3	7,566.2	5,514.9	\$54,870.7
TOTAL	\$34,311.2	\$34,796.7	\$34,135.3	\$28,313.9	\$31,657.2	\$27,804.4	\$191,018.7



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

The following pages highlight the major capital projects for the City. Each page provides specific project details including the impact on future operating budgets. The amount of impact is referred to in the following terms: Positive, Negligible, Slight, Moderate and High. Examples of costs that may impact future operating budgets are: personnel, maintenance and repairs, utilities, and supplies.

Positive - The project will either generate some revenue to offset expenses, will actually reduce operating costs or will afford a future cost avoidance.

Negligible - The impact will be less than \$10,000 annually

Slight - The Impact will be between \$10,001 and \$50,000 annually

Moderate - The impact will be between \$50,001 and \$100,000 annually

High – The impact will result in an increase of \$100,001 or more annually

The figures provided are estimates based on the data available at the time of developing the budget.

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION SUMMARY

Project #	Project Description	Total Cost	Operating Cost Impact Range	
			From	To
14020	Reimbursement to 1691126 Ontario Ltd (Liberty Develop.)	\$2,302,700	\$10,001	\$50,000
14023	South Unionville Community Park West - Design and Const.	\$1,550,600	\$10,001	\$50,000
14029	Major Wod Cathedraltown Park - Construction	\$1,788,400	\$0	\$10,000
14034	Miller Avenue - CN to Kennedy Road - Phase 4 PA	\$4,065,100	\$0	\$10,000
14038	Hwy 404 - Mid-block Crossing North of Hwy 7 - Construction	\$4,065,100	\$50,001	\$100,000
14039	Centurian Drive Reconstruction - Allstate Pwy to Woodbine	\$1,705,300	\$0	\$10,000
14041	Church Street - Ninth Line to Bur Oak Ave	\$2,052,900	\$0	\$10,000
14054	Illumination Program	\$1,145,600	\$0	\$10,000
14055	Main Street Markham, Hwy 407 to Hwy 7 (Construction)	\$14,873,800	\$50,001	\$100,000
14056	Rodick Extension - Phase 2 of 3 - Miller to 14th	\$7,228,500	\$10,001	\$50,000
14083	IT Disaster Recovery (Business Continuity)	\$1,053,300	\$10,001	\$50,000
14172	Library Collections	\$2,088,000	\$0	\$10,000
14181	Asphalt Resurfacing	\$5,141,400	\$10,001	\$50,000
14208	Emerald Ash Borer Program - Year 2 of 5	\$2,591,000	\$50,001	\$100,000
14231	Corporate Fleet Replacement - Fire	\$1,209,200	\$10,001	\$50,000
14232	Corporate Fleet Replacement - Non-Fire	\$1,170,000	\$10,001	\$50,000
14261	Markham Pan Am Centre - Construction (Year 2)	\$16,899,600	\$100,000	
14271	Flood Control Implementation - West Thornhill Phase 2	\$6,537,300	\$0	\$0
14277	Culverts Rehabilitation (9 Structures) - Design & Const	\$1,611,400	\$0	\$0
14286	Streetlights Underground Cable - Replacement/Repair	\$2,242,000	\$10,001	\$50,000
14312	Sanitary Sewer System Upgrade/Rehab Program	\$1,220,100	\$0	\$0
14322	Water System Upgrade Program	\$1,007,600	\$10,001	\$50,000
14402	Thornhill Park Improvements	\$2,000,000	\$10,001	\$50,000
14403	Cycling and Trails - Toogood Pond to Bob Hunter Park	\$2,540,700	\$0	\$10,000
	Total	\$88,089,600		

*Projects with a 'reduction' represent either a reduction in operating costs and/or generation of revenues.



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Reimbursement to 1691126 Ontario Ltd (Liberty
Developments)

Project Number 14020

Estimated Total Cost of Project

2,302,700

Commission Development Services

Department Design

Project Description

Reimbursement of the costs of design, construction and contract administration of three parks in Liberty's World-On-Yonge, as approved by Council in June 2012

Location

Three parks at World-On-Yonge

Work to be Performed

Construction of three parks by 1691126 Ontario Ltd. (Liberty Developments) based on an "up-fronting" agreement with the City. Terms and conditions of reimbursement outlined in Council extract dated, June 26, 2012.

Reason for Work

To provide recreational needs to residents

Impact on Future Operating Budgets

Slight - The impact will be between \$10,001 and \$50,000 annually.

Estimated Project Completion Date – December 2014.

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **South Unionville Community Park West – Design and Construction**

Project Number **14023**

Estimated Total Cost of Project

1,550,600

Commission **Development Services**

Department **Design**

Project Description

To construct the 3.7 acre park adjacent to Coboto Trail and Harry Cook Dr. This additional land forms the western part of South Unionville Community Park which is currently built and in use. Park amenities may include: tennis courts, swings and play area, multipurpose court, walkways, landscaping, park shelter etc.

Location

Cabota Trail and Glenbar Gardens

Work to be Performed

Design and Construction of the second phase of South Unionville Park with facilities including play structures, climbing structures, tennis courts, shade structures, fitness equipment and associated walkways.

Reason for Work

To provide recreational needs to residents.

Impact on Future Operating Budgets

Slight - The impact will be between \$10,001 and \$50,000 annually.

Estimated Project Completion Date – December 2014



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Major Wood Cathedraltown Park-Construction

Project Number 14029

Estimated Total Cost of Project

1,788,400

Commission Development Services

Department Design

Project Description

To hire a contractor to build this 4 acre neighborhood park to include children's play facilities, sports field, gazebo, etc.

Location

Woodbine Avenue and Woodbine Avenue By Pass

Work to be Performed

Construction of a new neighborhood park which includes Junior and Senior Playgrounds, Gazebo/Trellis structure, walkways, and landscaping

Reason for Work

To provide recreational needs to residents

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – December 2014.

**CAPITAL PROJECT REQUESTS FOR
PROJECTS OVER \$1 MILLION**

Project Name **Miller Avenue - CN to Kennedy Road - Phase 4 PA**

Project Number **14034**

Estimated Total Cost of Project

4,065,100

Commission **Development Services**

Department **Engineering**

Project Description

Property acquisition for the Miller Ave extension from the CN rail to Kennedy Road

Location

Miller Avenue - CN to Kennedy Road - Phase 4 PA

Work to be Performed

Property Acquisition

Reason for Work

Property acquisition for future works for Miller Avenue

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – December 2015

Subject to –

- 1) Authority to negotiate is provided*
- 2) No expropriation is required*
- 3) No prolonged negotiation between owners/City*



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Hwy 404 - Mid-block Crossing North of Hwy 7 -
Construction

Project Number 14038

Estimated Total Cost of Project

4,065,100

Commission Development Services

Department Engineering

Project Description

Highway 404 Mid-Block Crossing, North of Highway 7. Region of York to manage construction.

Location

Hwy 404 - Mid-block Crossing North of Hwy 7

Work to be Performed

Construction of a crossing over Highway 404 north of Highway 7

Reason for Work

To create additional capacity for future Markham Growth. Specifically Buttonville area.

Impact on Future Operating Budgets

Moderate - The impact will be between \$50,001 and \$100,000 annually

Estimated Project Completion Date – December 2017

Schedule subject to Region of York who are to managing the project.

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Centurian Drive Reconstruction - Allstate Pwy to Woodbine

Project Number 14039

Estimated Total Cost of Project

1,705,300

Commission Development Services

Department Engineering

Project Description

Centurian Drive Reconstruction - Allstate Pwy to Woodbine

Location

Centurian Drive Reconstruction - Allstate Pwy to Woodbine

Work to be Performed

Construction of additional lanes for Centurian Drive Reconstruction - Allstate Pwy to Woodbine

Reason for Work

To create additional capacity for future Markham Growth

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – Spring 2015

Subject to:

- 1) *Utility relocation (Agency approval)*
- 2) *Region of York Permits (Road occupancy)*



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Church Street - Ninth Line to Bur Oak Ave

Project Number 14041

Estimated Total Cost of Project

2,052,900

Commission Development Services

Department Engineering

Project Description

Reconstruction of Church Street from Ninth Line to Bur Oak Ave to accommodate traffic growth in vicinity of Markham Stouffville Hospital.

Location

Church Street - Ninth Line to Bur Oak Ave

Work to be Performed

Construction of additional lanes for Church Street - Ninth Line to Bur Oak Ave.

Reason for Work

To create additional capacity for future Markham Growth

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – December 2015

Subject to:

- 1) EA approval
- 2) Property Acquisition
- 3) TRCA Permitting (Screening zone)

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Illumination Program

Project Number 14054

Estimated Total Cost of Project

1,145,600

Commission Development Services

Department Engineering

Project Description

To provide streetlight infrastructure to areas that do not have streetlighting or have insufficient lighting on local and Regional roads.

Location

Various – :

Alden Road – Esna Park to Warden Avenue

Church Street – Country Glen to Bur Oak

Denison Street – East limit to 9th Line

Denison Street – Birchmount Road to Esna Park Dr.

Work to be Performed

Construction of Light standards at various locations within City of Markham.

Reason for Work

To prepare for future growth in City of Markham

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – December 2014



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Main Street Markham, Hwy 407 to Hwy 7 (Construction)**

Project Number **14055**

Estimated Total Cost of Project

14,873,800

Commission Development Services

Department Engineering

Project Description

Road and bridge construction / improvements on Main Street Markham from Hwy 407 to Hwy 7

Location

Main Street Markham, Hwy 407 to Hwy 7

Work to be Performed

Construction of additional lanes for Main Street Markham, Hwy 407 to Hwy 7

Reason for Work

To create additional capacity for future Markham growth.

Impact on Future Operating Budgets

Moderate - The impact will be between \$50,001 and \$100,000 annually

Estimated Project Completion Date – December 2015

Subject to

- 1) *Property acquisition*
- 2) *Utility relocation*
- 3) *Environmental agency approvals*

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Rodick Extension - Phase 2 of 3 - Miller to 14th

Project Number 14056

Estimated Total Cost of Project

7,228,500

Commission Development Services

Department Engineering

Project Description

Rodick Road Reconstruction - Miller Avenue to 14th Avenue

Location

Rodick Extension - Phase 2 of 3 - Miller to 14th

Work to be Performed

Construction of additional lanes for Rodick Extension - Miller to 14th

Reason for Work

To create additional capacity for future Markham growth

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – December 2015

Subject to

- 1) *Miller Group (Storm water management)*
- 2) *TRCA Agency approval*
- 3) *MOE approval (ECA)*
- 4) *Property acquisition*



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name IT Disaster Recovery (Business Continuity)

Project Number 14083

Estimated Total Cost of Project

1,053,300

Commission Corporate Services

Department ITS

Project Description

Provide redundant power and cooling facility to City's primary data centre. (Enhancing it to be a reliable environment in case of an emergency)

To build and implement a functioning backup data centre running critical IT services as part of the requirement identified for Emergency Operation Centre (EOC) in case of a disaster to primary site (8100 Warden).

Location

8100 Warden and TBD

Work to be Performed

Data Centre Build at 8100 Warden, Establish reciprocal arrangement with Region or other Regional Municipality for sharing data center space and acquire Server Hardware Technology for the backup data centre site.

Reason for Work

The current primary data centre lacks redundant power and redundant cooling system – making it less reliable in case of outage due to power or cooling system. In addition the City currently has no backup site that can be used to restore the services in a timely manner in case of major disaster (loss of site) to the to the primary data centre. It is to be noted that the EOC requires selected city services to be available during emergency situations, however the City's current Technology infrastructure setup doesn't permit for a reliable and timely recovery and restoration of ITS systems for business continuity.

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – December 2015

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Library Collections

Project Number 14172

Estimated Total Cost of Project

2,088,000

Commission Community & Fire Services

Department Library

Project Description

Preliminary allocations: Books & Subscriptions \$927,000 / Multilingual Materials \$387,000 / Media \$291,600 / CDs & Talking Books \$85,260 / French Books \$40,040 / Microfilms \$3,300 / Processing Supplies \$353,800. (These figures are subject to revision based on material availability, customer needs and final Library review.)

Location

City-wide – All Markham Public Library locations

Work to be Performed

To purchase library collection materials for use by residents. Includes books, multilingual materials, media, CDs, talking books, French materials, microfilms and processing supplies.

Reason for Work

To maintain public library material collections for public use.

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually.

Estimated Project Completion Date – December 2014



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Asphalt Resurfacing program

Project Number 14181

Estimated Total Cost of Project

5,141,400

Commission Community & Fire Services

Department Operations

Project Description

Asphalt resurfacing of roads throughout the City utilizing a pavement management program to select rehabilitation candidates. The overall goal is to maintain an acceptable pavement condition index and user satisfaction by implementing cost effective strategies designed to extend pavement life and reduce overall maintenance costs of the road network.

Location

City-wide

Work to be Performed

The nine identified project numbers support the Road Rehabilitation program which consists of asphalt resurfacing of roads throughout the Town utilizing a pavement management program to qualify and select rehabilitation candidates.

Reason for Work

The overall goal is to maintain an acceptable pavement condition index and user satisfaction by implementing cost effective strategies designed to extend pavement life and reduce overall maintenance costs of the road network.

Impact on Future Operating Budgets

Slight - The impact will be between \$10,001 and \$50,000 annually.

Estimated Project Completion Date – June 2015

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Emerald Ash Borer Program

Project Number 14208

Estimated Total Cost of Project

2,591,000

Commission Community & Fire Services

Department Operations - Parks

Project Description

This project will address the requirements for dealing with the decline in our Ash tree inventory due to the Emerald Ash Borer (EAB) infestation and the need to manage the treatment, removal of trees, disposal, stumping, supply, installation and maintenance of the newly planted trees citywide.

Location

City-wide

Work to be Performed

Complete Ash tree condition inventory due to the EAB infestation, injection treatment, removal of trees, disposal, stumping, supply, installation and maintenance of the newly planted trees.

Reason for Work

To maintain the health of our Urban Forest and Tree Canopy, which are in decline due to the EAB infestation.

Impact on Future Operating Budgets

Moderate - The impact will be between \$50,001 and \$100,000 annually

Estimated Project Completion Date – This is a 5 year program, commencing in 2013, estimated to be completed by year end of 2017.



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Corporate Fleet Replacement - Fire

Project Number 14231

Estimated Total Cost of Project

1,209,200

Commission Community & Fire Services

Department Operations - Fleet

Project Description

2014 Annual Fleet Replacement Program based on the Council adopted Corporate Fleet Policy Guidelines. Life cycle costing targets optimal replacement intervals (ORI) which identifies the most cost effective time period for replacement. All vehicles and equipment contained in this program have reached or surpassed the ORI.

Location

N/A

Work to be Performed

Replacement of vehicles and equipment

Reason for Work

Met required fleet replacement guideline with respect to lifecycle replacement criteria

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – June 2015

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Corporate Fleet Replacement – Non Fire

Project Number 14232

Estimated Total Cost of Project

1,170,000

Commission Community & Fire Services

Department Operations - Fleet

Project Description

2014 Annual Fleet Replacement Program based on the Council adopted Corporate Fleet Policy Guidelines. Life cycle costing targets optimal replacement intervals (ORI) which identifies the most cost effective time period for replacement. All vehicles and equipment contained in this program have reached or surpassed the ORI.

Location

N/A

Work to be Performed

Replacement of vehicles and equipment

Reason for Work

Met required fleet replacement guideline with respect to lifecycle replacement criteria

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – June 2015



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Markham Pan Am Centre - Construction (Year 2)

Project Number 14261

Estimated Total Cost of Project

16,899,600

Commission Community & Fire Services

Department Asset Management

Project Description

Construction cost for Markham Pan Am Centre (year 2).

Location

16 Main St

Work to be Performed

Construction of a 2015 Pan Am Games venue for badminton, table tennis and water polo; legacy purpose as community centre for Markham Centre. This project consists of hard construction costs for the final 40%.

Reason for Work

To provide recreation facilities consistent with the Integrated Leisure Master Plan

Impact on Future Operating Budgets

High – The impact will result in an increase of \$100,001 or more annually

Estimated Project Completion Date – October 2014.

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Flood Control Implementation – West Thornhill Phase 2

Project Number 14271

Estimated Total Cost of Project

6,537,300

Commission Community & Fire Services

Department Asset Management – Right-of-way Assets

Project Description

To continue with the flood remediation program in the West Thornhill area based on Class Environmental Assessment study recommendations. Cast iron watermain which are at the end of the life cycle in the Bayview Glen area will be replaced during the storm sewer upgrades.

Location

West Thornhill area

Work to be Performed

To continue with the flood remediation program in West Thornhill area based on class EA study recommendations.

Reason for Work

This project improves the health and safety of Markham residents in terms of flood protection and reduction in basement flooding risk.

Impact on Future Operating Budgets

None

Estimated Project Completion Date – April 2015



**CAPITAL PROJECT REQUESTS FOR
PROJECTS OVER \$1 MILLION**

Project Name **Culverts Rehabilitation (9 Structures) – Design & Const**

Project Number **14277**

Estimated Total Cost of Project

1,611,400

Commission **Community & Fire Services**

Department **Asset Mgmt – Right-of-way Assets**

Project Description

Design and construction for rehabilitation of 9 Culverts: C012, C015, C024, C042, C045, C054, C058, C060, C067.

Location

**Culverts Rehabilitation (9 Structures) - Design & Construction
(C012, C015, C024, C042, C045, C054, C058, C060, C067)**

#	Structure ID	Structure Name	Work to be Performed
1	C012	Bullock Drive 1900m E/McCowan	Repair leaking joints, dislodged sewer pipe and wooden posts.
2	C015	Parkway Avenue 600m E/Main St Markham	Repair rusted areas.
3	C024	Royal Orchard Blv 900m E/ Yonge Street	Replace broken gabion material and guiderail
4	C042	Main Street Unionville 440mN/Hwy 7	Replace deteriorated concrete areas and sub standard railing.
5	C045	Reesor Road 130m S/Major Mackenzie Dr	Regrade slope for stability
6	C054	Elgin Mills 250m W/Reesor Road	Install safety barriers
7	C058	19th Avenue 800m W/Hwy 48	Replacement of culvert
8	C060	19th Avenue 300m E/McCowan	Replacement of culvert
9	C067	Bullock Drive 550m E/McCowan	Replacement of culvert

Work to be Performed

See table above

Reason for Work

2013 detail visual inspection indicated that these structures require rehabilitation or replacement work to keep them in operational and safe condition and extend their service life

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – December 2015



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Streetlights Underground Cable Replacement/ Repair

Project Number 14286

Estimated Total Cost of Project

2,242,000

Commission Community & Fire Services

Department Asset Mgmt – Right-of-way Assets

Project Description

Replacement of the underground streetlight cables due to frequent faults in older areas. These cables were installed prior to 1960s.

Location

City-wide

Work to be Performed

To replace approximately 18 km length of streetlight cables due to their poor condition.

Reason for Work

This will result in savings on maintenance cost and reducing frequent power failures.

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – December 2014.

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Sanitary Sewer Upgrade/ Rehabilitation Program**

Project Number **14312**

Estimated Total Cost of Project

1,220,100

Commission **Community & Fire Services**

Department **Environmental Services – Waterworks**

Project Description

Structural and service repairs of sanitary mainline and lateral distribution system, including manhole repairs. All repairs are completed with trenchless methods.

Location

City-wide

Work to be Performed

Annual rehabilitation and repairs of sanitary sewer for defects identified in previous year inspection program; Trenchless rehabilitation technology to be applied in mainline sewer full-length and spot lining, lateral lining, mainline spot grouting and sewer manhole repairs.

Reason for Work

Proactive rehabilitation to maintain the sewerage infrastructure at expected level-of-services, protect environment from sewage contamination, preventing sewer back-ups and sewage spills.

Impact on Future Operating Budgets

Positive - The project will reduce future operating budget in major repairs, and afford cost avoidance in deferred infrastructure replacement

Estimated Project Completion Date – December 2014



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Water System Upgrade Program**

Project Number **14322**

Estimated Total Cost of Project

1,007,600

Commission **Community & Fire Services**

Department **Waterworks**

Project Description

Water system appurtenances (curb boxes, fire hydrants, auto flushing stations), repair, upgrades or replacements to maintain life expectancy, improve/maintain water quality and ensure fire service demand

Location

City-wide

Work to be Performed

Repair, upgrade or replacement of water system appurtenances, including

- \$671,620 - for replacement up to 120 fire hydrants,
- \$107,900 - for repair up to 230 curb boxes and adjustment/levelling up to 100 curb boxes,
- \$178,080 - for installation up to 7 auto flushing stations, and
- \$50,000 - for contract compliance inspection during construction

Reason for Work

To maintain water system life expectancy, assure continuous supply of sufficient and high quality drinking water and ensure meeting fire protection needs.

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – November 2014

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Thornhill Park Improvements (Section 37)**

Project Number **14402**

Estimated Total Cost of Project

2,000,000

Commission Development Services

Department Design

Project Description

This project is to provide park improvements as approved by the Thornhill Sub-Committee in priority areas identified by the community. Candidate parks include Grandview and Proctor Park, as well as playground improvements at a local elementary school.

Location

Various Parks, Thornhill, Ward 1: Grandview Park; Proctor Park; E.J. Sands P. S.; painted mural on the CN rail underpass etc.

Work to be Performed

Utilization of Section 37 funds from World-OnYonge Developments to fund certain Council approved improvements to selected parks in Thornhill

Reason for Work

To provide recreational needs to residents.

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – December, 2015



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Cycling and Trails - Toogood Pond to Bob Hunter Park**

Project Number **14403**

Estimated Total Cost of Project

2,540,700

Commission Development Services

Department Engineering

Project Description

Phase 2 of Drakeford to 14th Avenue, 16th to Toogood Pond multi-use pathway which is 15km in length.

Location

Construction of multi-use pathways within parks from Toogood Pond to Bob Hunter Park.

Work to be Performed

Construction of multi-use pathways within parks from Toogood Pond to Bob Hunter Park.

Reason for Work

To accommodate future Markham growth.

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – Summer 2015

Subject to

- 1) *TRCA Permits*
- 2) *MNR Approvals*
- 3) *MOE – Permit to take water*

BUILDING STANDARDS BUDGET

The Building Standards Department is responsible for the administration of Ontario Building Code and other applicable laws including the City's zoning by-laws. The department issues building permits and provides inspections for all new or renovated buildings within Markham's borders, and its Operating budget funds all operations related to this department's work. Building Standards operations is part of the Operating Fund but sometimes identified separately due to its self-funding nature.

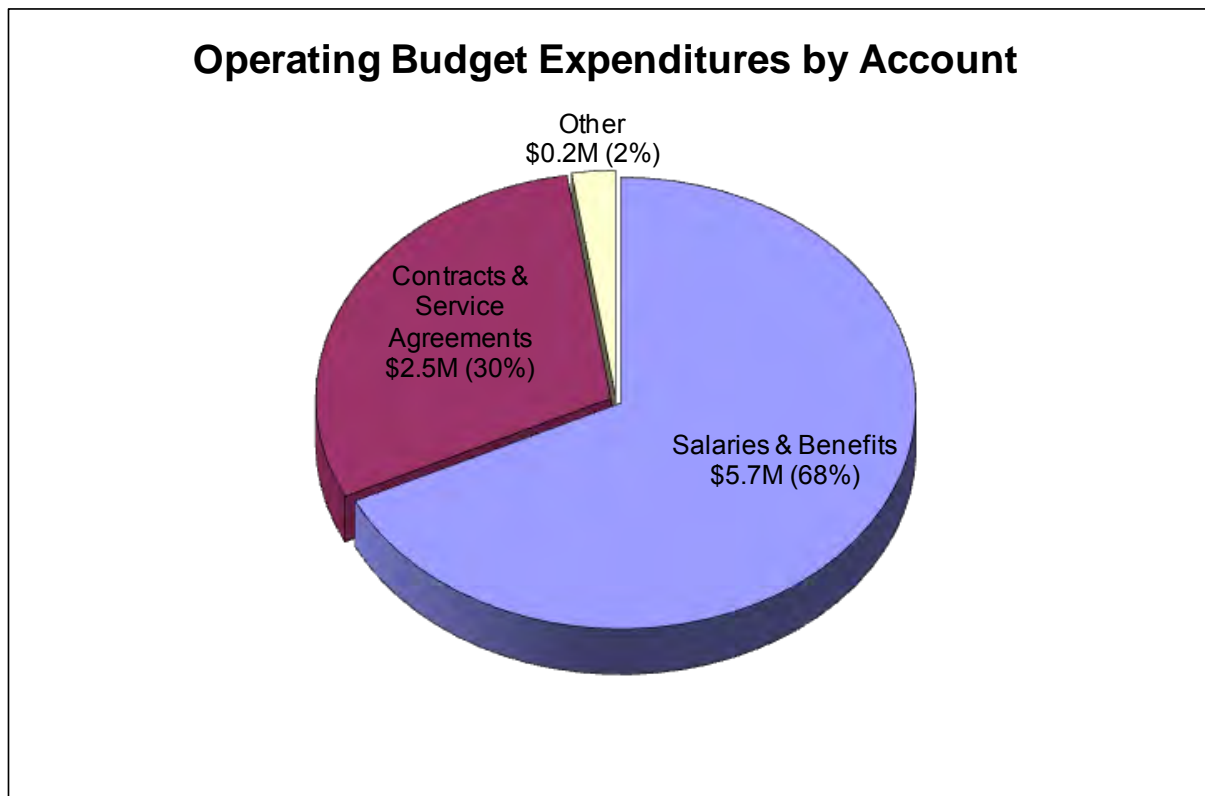
The new Building Code Statute Law Amendment Act, 2002 (Bill 124) took effect July 1, 2005. This legislation stipulates fees must not exceed the anticipated reasonable cost to administer and enforce the Act and that revenues and costs be reported separately.

Operating Budget

Expenditures

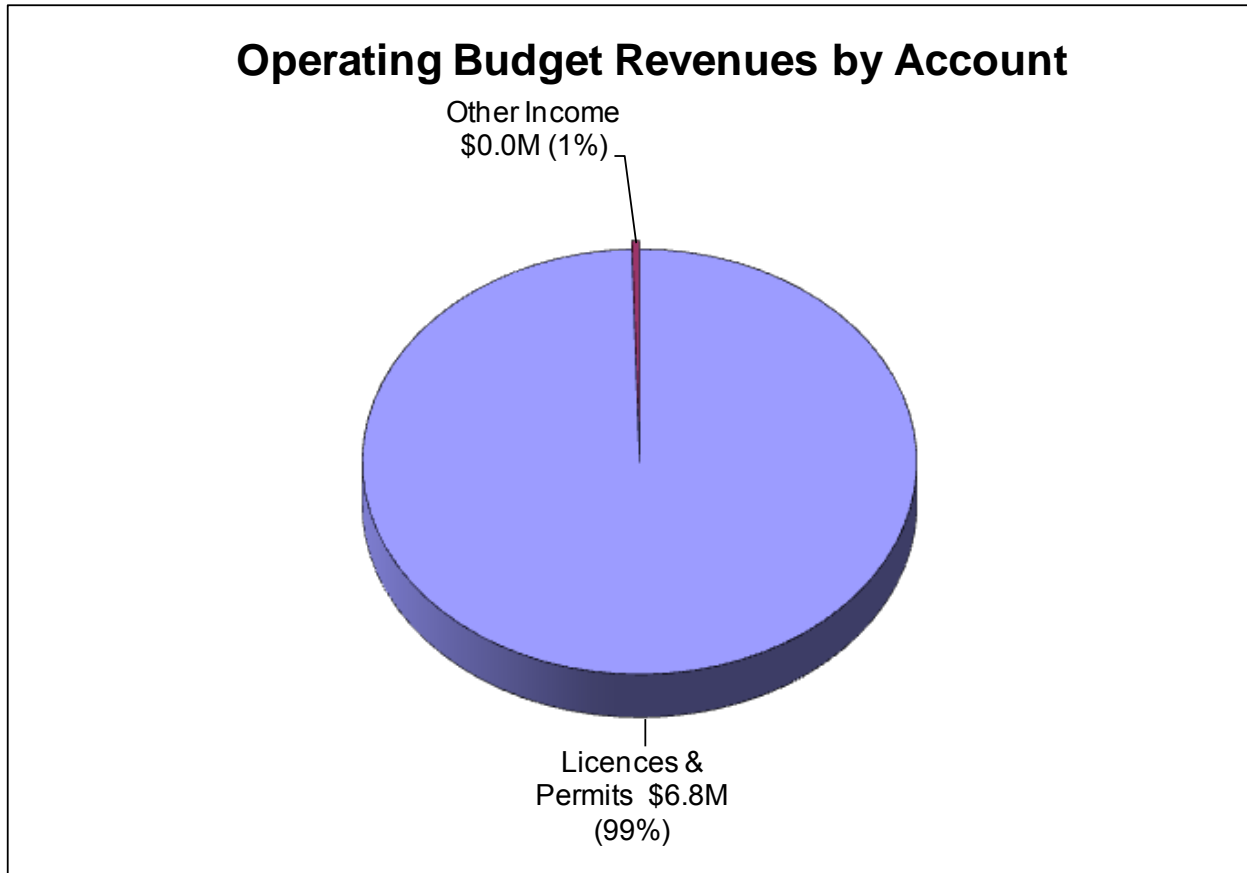
The 2014 Operating Budget for Building totals \$8,386,048 (before transfers to/from reserves). This marks a decrease of \$640,332 from the 2013 Operating Budget due to a decrease in projected revenue.

The figure below indicates that the major portion of budgeted expenditures is salaries and benefits, which accounts for 68% of the Operating Budget. Contracts & Service Agreements, which accounts for 30% of the Operating Budget, includes indirect costs such as ITS equipment, other department's services and overhead costs, and other expenditures account for 2%.



Revenues

The Operating Budget is funded mainly through revenues from Licences and Permits related to Building permit applications.



Capital Budget

The 2014 Building Standards Capital Budget totals \$993,900 which is funded from Building fees. The single capital project is for the implementation of electronic services.



BUILDING STANDARDS CONSOLIDATED 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./Decr.	% Change	\$ Incr./Decr.	% Change
Revenue							
LICENCES & PERMITS	\$9,257,882	\$8,996,239	\$6,816,991	(\$2,179,248)	-24.2%	(\$2,440,891)	-26.4%
USER FEES & SERVICE CHARGES	71,274	30,140	30,140	0	0.0%	(41,134)	-57.7%
OTHER REVENUE	(15,550)	0	0	0	0.0%	15,550	-100.0%
Total Revenues	\$9,313,606	\$9,026,379	\$6,847,131	(\$2,179,248)	-24.1%	(\$2,466,475)	-26.5%
Expenses							
SALARIES AND BENEFITS	\$5,038,492	\$5,452,203	\$5,702,212	\$250,009	4.6%	\$663,720	13.2%
PRINTING & OFFICE SUPPLIES	63,430	41,500	57,000	15,500	37.3%	(6,430)	-10.1%
OPERATING MATERIALS & SUPPLIES	18,969	23,500	23,500	0	0.0%	4,531	23.9%
COMMUNICATIONS	23,635	30,800	30,800	0	0.0%	7,165	30.3%
TRAVEL EXPENSES	3,310	6,000	6,000	0	0.0%	2,690	81.3%
TRAINING	24,874	30,000	30,000	0	0.0%	5,126	20.6%
CONTRACTS & SERVICE AGREEMENTS	2,148,528	2,148,528	2,488,036	339,508	15.8%	339,508	15.8%
RENTAL/LEASE	111	2,500	2,500	0	0.0%	2,389	2152.3%
PROFESSIONAL SERVICES	222	16,000	16,000	0	0.0%	15,778	7107.2%
LICENCES, PERMITS, FEES	20,049	15,750	19,000	3,250	20.6%	(1,049)	-5.2%
CREDIT CARD SERVICE CHARGES	19,662	10,000	10,000	0	0.0%	(9,662)	-49.1%
PROMOTION & ADVERTISING	2,149	1,000	1,000	0	0.0%	(1,149)	-53.5%
TRANSFERS TO RESERVES	0	1,248,598	(1,538,917)	(2,787,515)	-223.3%	(1,538,917)	0.0%
Total Expenses	\$7,363,431	\$9,026,379	\$6,847,131	(\$2,179,248)	-24.1%	(\$516,300)	-7.0%
Net Expenditures/ (Revenue)	(\$1,950,175)	\$0	\$0	\$0	0.0%	\$1,950,175	-100.0%

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

Licences & Permits: Decrease is due to the decreased number of permits expected in 2014.

Salaries & Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the City's salary grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the City to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

PLANNING & DESIGN BUDGET

The Planning & Design Department responsibilities include long range strategic planning and current development control, formulation of plans, policies, regulations, and guidelines on land use, development, urban design, and growth management; processing and evaluation of development applications; data collection, analysis, research and monitoring on land use, planning policy and growth related matters; digital mapping related functions; community outreach, liaison and information.

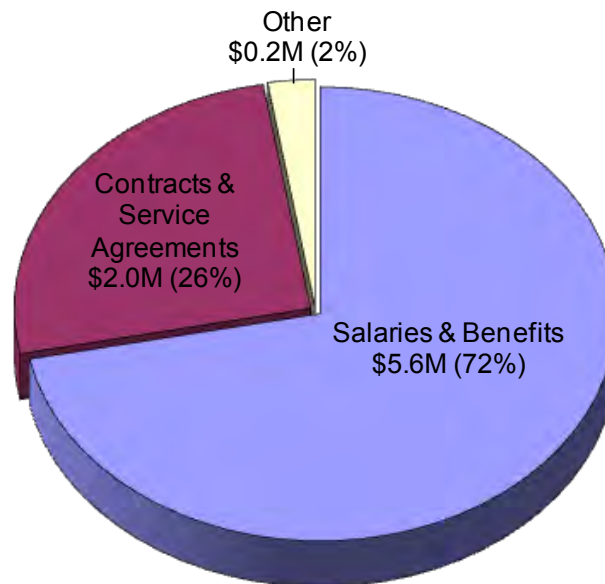
Operating Budget

Expenditures

The 2014 Operating Budget for Planning & Design totals \$7,829,268 (before transfers to/from reserves). This marks a decrease of \$577,900 from the 2013 Operating Budget due to a decrease in projected revenue.

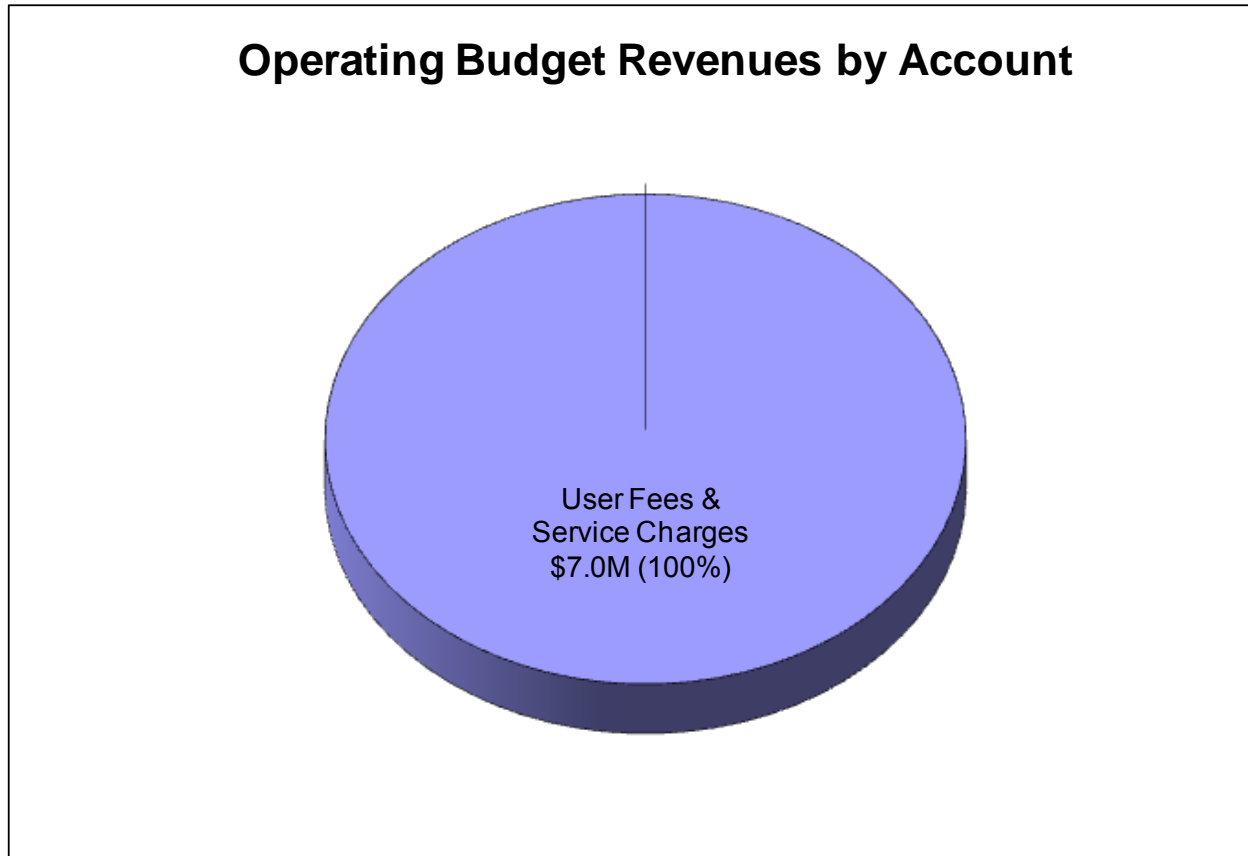
The figure below indicates that the majority of the budgeted expenditures are salaries and benefits, which accounts for 63% of the Operating Budget. Contracts & Service Agreements, which accounts for 19% of the Operating Budget, includes indirect costs such as ITS equipment, other department's services and overhead costs and other expenditures account for 18%.

Operating Budget Expenditures by Account



Revenues

The Operating Budget is funded through revenues from User Fees & Service Charges related to Planning Fees.



Capital Budget

The 2014 Planning Capital Budget totals \$2,439,400 which is primarily funded from Development Charges. The capital projects include future urban area and secondary plan studies, annual advisory and improvement programs, and development area studies.

The 2014 Design Capital Budget totals \$9,054,300 which is primarily funded from Development Charges. The capital projects include new parks.



PLANNING & DESIGN CONSOLIDATED 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./Decr.)	% Change	\$ Incr./Decr.)	% Change
Revenue							
USER FEES & SERVICE CHARGES	\$5,199,531	\$8,407,168	\$6,974,242	(\$1,432,926)	-17.0%	\$1,774,711	34.1%
OTHER REVENUE	400	0	0	0	0.0%	(400)	-100.0%
Total Revenues	\$5,199,931	\$8,407,168	\$6,974,242	(\$1,432,926)	-17.0%	\$1,774,311	34.1%
Expenses							
SALARIES AND BENEFITS	\$5,212,480	\$5,283,539	\$5,629,937	\$346,398	6.6%	\$417,457	8.0%
PRINTING & OFFICE SUPPLIES	35,061	43,092	43,092	0	0.0%	8,031	22.9%
OPERATING MATERIALS & SUPPLIES	44,407	6,803	6,803	0	0.0%	(37,604)	-84.7%
COMMUNICATIONS	7,643	10,869	10,869	0	0.0%	3,226	42.2%
TRAVEL EXPENSES	34,037	29,342	29,342	0	0.0%	(4,695)	-13.8%
TRAINING	16,554	15,000	15,000	0	0.0%	(1,554)	-9.4%
CONTRACTS & SERVICE AGREEMENTS	2,585,861	1,619,369	2,028,294	408,925	25.3%	(557,567)	-21.6%
RENTAL/LEASE	0	3,000	3,000	0	0.0%	3,000	0.0%
PROFESSIONAL SERVICES	680,960	38,748	38,748	0	0.0%	(642,212)	-94.3%
LICENCES, PERMITS, FEES	42,625	22,995	22,995	0	0.0%	(19,630)	-46.1%
CREDIT CARD SERVICE CHARGES	5,252	1,823	1,823	0	0.0%	(3,429)	-65.3%
PROMOTION & ADVERTISING	13,737	4,365	4,365	0	0.0%	(9,372)	-68.2%
OTHER EXPENDITURES	15,201	(5,000)	(5,000)	0	0.0%	(20,201)	-132.9%
TRANSFERS TO RESERVES	39,439	1,333,223	(855,026)	(2,188,249)	-164.1%	(894,465)	-2268.0%
Total Expenses	\$8,733,257	\$8,407,168	\$6,974,242	(\$1,432,926)	-17.0%	(\$1,759,015)	-20.1%
Net Expenditures/ (Revenue)	\$3,533,326	\$0	\$0	\$0	0.0%	(\$3,533,326)	-100.0%

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

User Fees & Service Charges: Decrease is due to the decreased number of applications expected in 2014.

Salaries & Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the City's salary grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the City to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

ENGINEERING BUDGET

The Engineering Department is responsible for the planning and delivery of infrastructure, transportation, and environmental engineering. This includes: new subdivision & site plan applications, construction of storm & sanitary sewers, watermains, and roads.

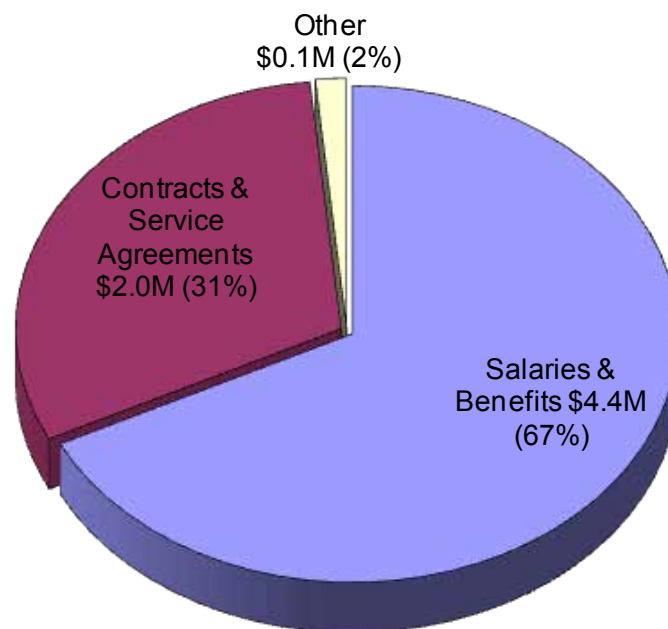
Operating Budget

Expenditures

The 2014 Operating Budget for Engineering totals \$6,527,807 (before transfers to/from reserves). This marks an increase of \$60,781 from the 2013 Operating Budget due to an increase in contracts and service agreements.

The figure below indicates that the majority of the budgeted expenditures are salaries and benefits, which accounts for 67% of the Operating Budget. Contracts & Service Agreements, which accounts for 31% of the Operating Budget, includes indirect costs such as ITS equipment, other department's services and overhead costs and other expenditures account for 2%.

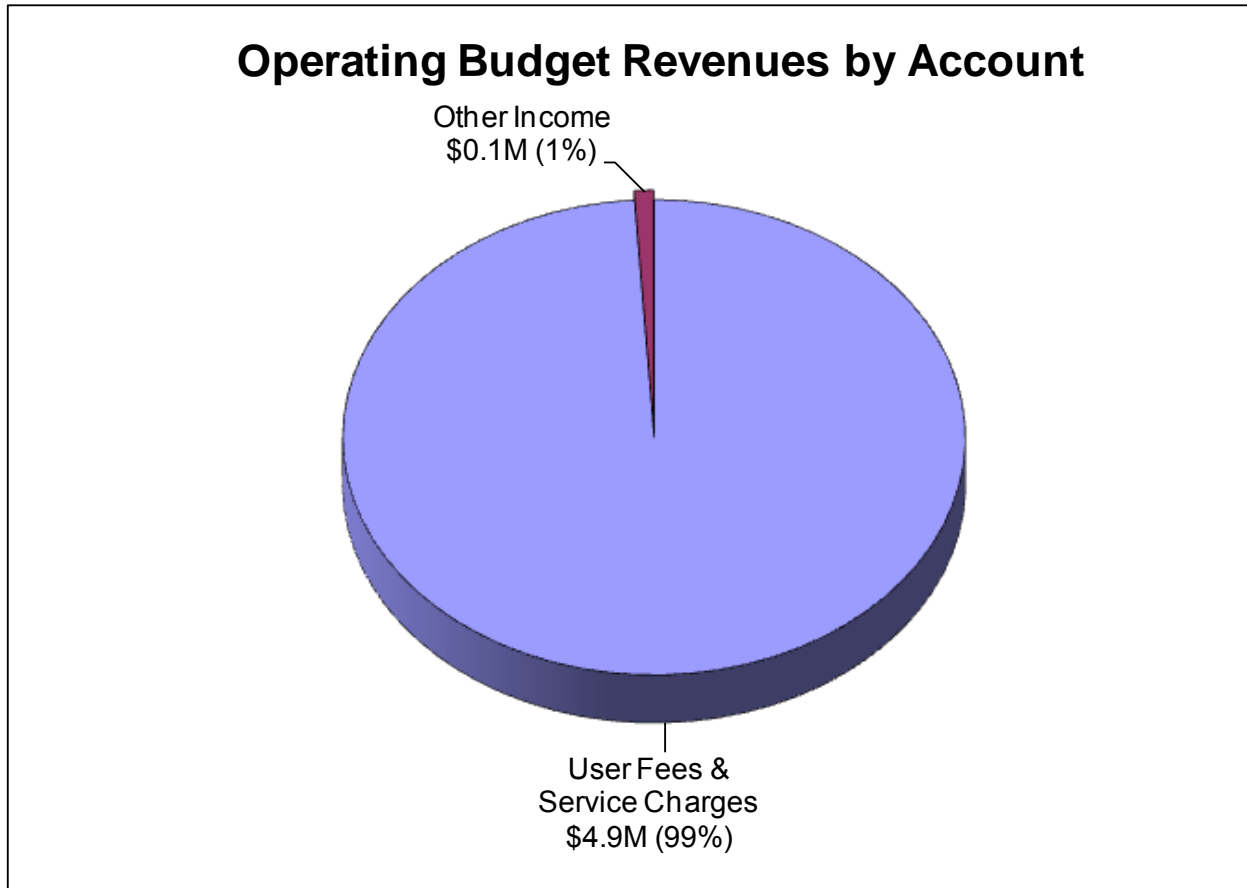
Operating Budget Expenditures by Account





Revenues

The Operating Budget is funded mainly through revenues from User Fees & Service Charges related to Engineering Fees.



Capital Budget

The 2014 Engineering Capital Budget totals \$42,592,200 which is primarily funded from Development Charges. The capital projects include the design and construction of roads, and transportation studies.



ENGINEERING CONSOLIDATED 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
USER FEES & SERVICE CHARGES	\$4,604,514	\$5,818,373	\$4,926,607	(\$891,766)	-15.3%	\$322,093	7.0%
SALES	135,171	0	0	0	0.0%	(135,171)	-100.0%
RECOVERIES & CONTRIBUTIONS	52,139	49,190	54,065	4,875	9.9%	1,926	3.7%
Total Revenues	\$4,791,824	\$5,867,563	\$4,980,672	(\$886,891)	-15.1%	\$188,848	3.9%
Expenses							
SALARIES AND BENEFITS	\$4,030,935	\$4,454,986	\$4,381,956	(\$73,030)	-1.6%	\$351,021	8.7%
PRINTING & OFFICE SUPPLIES	13,842	25,000	21,000	(4,000)	-16.0%	7,158	51.7%
OPERATING MATERIALS & SUPPLIES	14,796	21,000	21,000	0	0.0%	6,204	41.9%
COMMUNICATIONS	15,522	23,700	20,696	(3,004)	-12.7%	5,174	33.3%
TRAVEL EXPENSES	10,296	20,000	20,000	0	0.0%	9,704	94.3%
TRAINING	6,703	24,000	18,000	(6,000)	-25.0%	11,297	168.5%
CONTRACTS & SERVICE AGREEMENTS	7,681,015	1,850,884	1,998,355	147,471	8.0%	(5,682,660)	-74.0%
MAINT. & REPAIR-TIME/MATERIAL	3,791	2,956	3,000	44	1.5%	(791)	-20.9%
RENTAL/LEASE	8,664	0	9,000	9,000	0.0%	336	3.9%
PROFESSIONAL SERVICES	979,771	15,000	10,000	(5,000)	-33.3%	(969,771)	-99.0%
LICENCES, PERMITS, FEES	18,235	23,500	24,800	1,300	5.5%	6,565	36.0%
TRANSFERS TO RESERVES	39,439	(599,463)	(1,547,135)	(947,672)	158.1%	(1,586,574)	-4022.9%
OTHER EXPENSES	0	6,000	0	(6,000)	-100.0%	0	0.0%
Total Expenses	\$12,823,009	\$5,867,563	\$4,980,672	(\$886,891)	-15.1%	(\$7,842,337)	-61.2%
Net Expenditures/ (Revenue)	\$8,031,185	\$0	\$0	\$0	0.0%	(\$8,031,185)	-100.0%

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

User Fees & Service Charges: Decrease is due to the decreased construction charges expected in 2014.

Salaries & Benefits: Decrease is due to reduction of personnel expenditures offset with annualization of cost of living adjustment and movement of staff along the City's salary grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the City to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.



WATERWORKS BUDGET

Operations relating to water and sanitary sewer are identified separately due to its self-funding nature. User fees from water billings are the main source of funding for the Waterworks Budget.

In 2007, the City of Markham implemented a Water & Wastewater Reserve Study to address the ongoing replacement and rehabilitation requirements for the aging water and sewer systems. The reserve study is updated annually to determine if there are sufficient funds in the reserve to sustain the future rehabilitation and replacement requirements over the next 25 years.

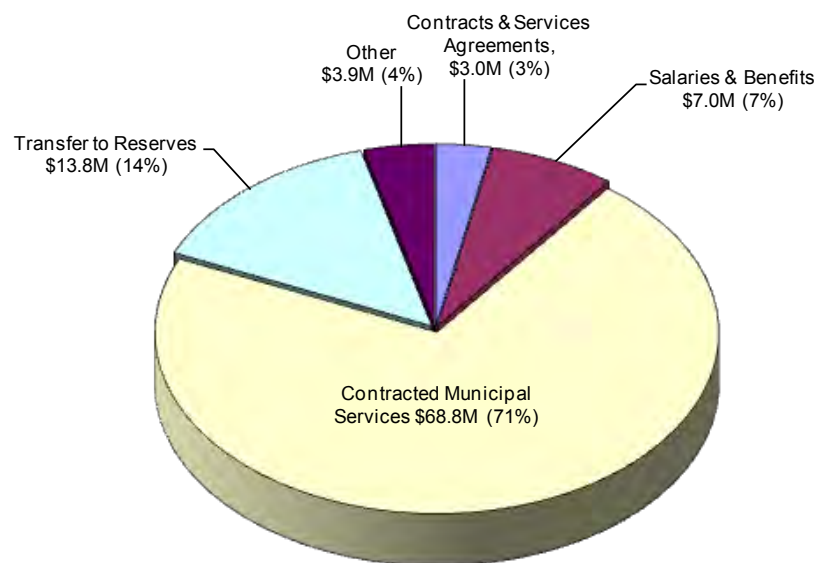
Operating Budget

Expenditures

The 2014 Operating Budget for Waterworks totals \$96,505,681 (excluding prior year's surplus). This marks an increase of \$6.7 million over the 2013 Operating Budget.

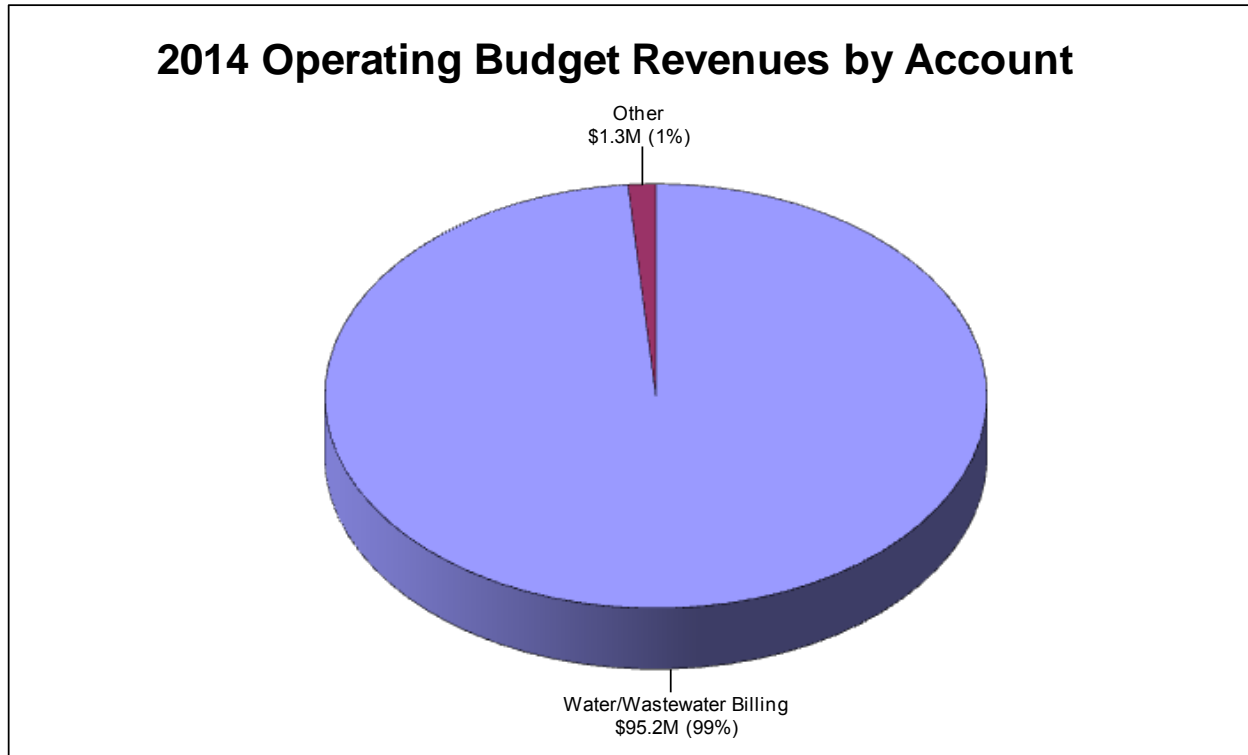
The figure below indicates that the major portion of budgeted expenditures is Contracted Municipal Services, which is for the purchase of water from the Region of York. Transfer to Reserves, which accounts for 14% of the Operating Budget, represents transfer to the Waterworks Reserve in order to sustain future replacement & rehabilitation requirements, and the year. Contract & Service Agreements, which accounts for 3% of the Operating Budget, includes items such as inspection & cleaning of the sewer line, maintenance & repair of the water & sewer system, water sampling & testing, installation & maintenance of meters, and water/wastewater reading & billing.

2014 Operating Budget Expenditures by Account



Revenues

The Operating Budget is funded mainly through revenues associated with billings related to the sale of water. Please refer to the figure below. The City's water/wastewater rates have increased by 8.0% from the previous year's level primarily as a result of the wholesale water rate increase from the Region of York effective April 1, 2014 (6.3% impact) and adjustments to the water/waste water surcharge to address the ongoing replacement & rehabilitation requirements for Waterworks infrastructure (1.7% impact).



Capital Budget

The 2014 Waterworks Capital Budget totals \$7,183,000 which is fully funded from the Waterworks reserve. The capital projects include annual programs for watermain construction/replacement, relining of watermain, water meter replacement, and upgrades to water and sewer system. The Waterworks reserve also funds capital projects managed by other departments (such as ITS and Fleet), totalling \$3,431,946. The 2014 capital budget includes funding from Waterworks reserve in the amount of \$10,614,946.



WATERWORKS CONSOLIDATED 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.		
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change	
Revenues								
TAXES - OTHER CHARGES	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
FINES/BILLINGS	85,543,437	88,460,821	95,207,091	6,746,270	7.6%	9,663,654	11.3%	
USER FEES & SERVICE CHARGES	630,410	682,160	627,260	-54,900	-8.0%	-3,150	-0.5%	
SALES	420,499	273,000	298,830	25,830	9.5%	-121,669	-28.9%	
RECOVERIES & CONTRIBUTIONS	278,885	373,500	372,500	-1,000	-0.3%	93,615	33.6%	
OTHER REVENUE	(99,959)	0	-	0	0.0%	99,959	-100.0%	
TRANSFERS FROM RESERVES	(696,607)	0	-	0	0.0%	696,607	-100.0%	
Total Revenues	\$86,076,665	\$89,789,481	\$96,505,681	\$6,716,200	7.5%	\$10,429,016	12.1%	
Expenses								
SALARIES AND BENEFITS	\$6,488,898	\$6,756,944	\$6,973,106	\$216,162	3.2%	\$484,208	7.5%	
PRINTING & OFFICE SUPPLIES	29,307	29,092	33,292	4,200	14.4%	3,985	13.6%	
OPERATING MATERIALS & SUPPLIES	114,414	128,705	126,705	-2,000	-1.6%	12,291	10.7%	
CONSTRUCTION MATERIALS	556,174	594,566	667,612	73,046	12.3%	111,438	20.0%	
UTILITIES	29,592	36,742	36,342	-400	-1.1%	6,750	22.8%	
COMMUNICATIONS	65,394	100,172	106,641	6,469	6.5%	41,247	63.1%	
TRAVEL EXPENSES	20,941	49,500	47,000	-2,500	-5.1%	26,059	124.4%	
TRAINING	45,592	56,130	56,250	120	0.2%	10,658	23.4%	
CONTRACTS & SERVICE AGREEMENTS	2,808,383	2,961,912	3,040,210	78,298	2.6%	231,827	8.3%	
MAINT. & REPAIR-TIME/MATERIAL	317,424	345,122	355,456	10,334	3.0%	38,032	12.0%	
RENTAL/LEASE	1,262	6,099	6,000	-99	-1.6%	4,738	375.4%	
PROFESSIONAL SERVICES	111,403	113,034	113,000	-34	0.0%	1,597	1.4%	
LICENCES, PERMITS, FEES	46,317	38,260	54,800	16,540	43.2%	8,483	18.3%	
CREDIT CARD SERVICE CHARGES	313	0	250	250	0.0%	-63	-20.1%	
PROMOTION & ADVERTISING	1,587	3,000	3,000	0	0.0%	1,413	89.0%	
CONTRACTED MUNICIPAL SERVICES	61,845,156	62,737,473	68,765,287	6,027,814	9.6%	6,920,131	11.2%	
OTHER PURCHASED SERVICES	2,019,075	2,019,076	2,280,620	261,544	13.0%	261,545	13.0%	
WRITE-OFFS	3,389	30,000	25,000	-5,000	-16.7%	21,611	637.7%	
TRANSFERS TO RESERVES	13,087,047	13,783,654	13,815,110	31,456	0.2%	728,063	5.6%	
OTHER EXPENSES	0	0	0	0	0.0%	0	0.0%	
Total Expenses	\$87,591,668	\$89,789,481	\$96,505,681	\$6,716,200	7.5%	\$8,914,013	10.2%	
Net Expenditures/(Revenues)	\$1,515,003	\$0	\$0	\$0	0.0%	(\$1,515,003)	-100.0%	

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

Fines/Billings: Increase in water sales due to water rate increase and volume adjustments

User Fees & Service Charges: Decrease to budget based on historical actual revenues

Salaries & Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the City's salary grids

Construction Materials: Increase to budget based on historical actual expenditures

Contracts & Service Agreements: Increase in water meter purchases due to anticipated growth as well as increased cost of the water billing contract with PowerStream

Contracted Municipal Services: Increased water purchases from the Region of York based on increased rates and volume adjustments

Other Purchased Services: Increase in indirect cost chargeback to Waterworks

Transfer to Reserves: Increased transfer to the Waterworks Reserve in order to sustain future replacement & rehabilitation requirements as per the Waterworks Reserve Study

BUSINESS PLAN INTRODUCTION

The Business Units of this organization report to one of the following Commissions:

- CAO's Office,
- Corporate Services,
- Development Services, or,
- Community and Fire Services.

The next section is a brief overview of each Commission, its operating budget, and the associated business unit plans and budgets.

Business Planning in 2014

During the 2014 Business Planning Process, departments completed a Business Unit Profile (BUP). Each BUP tracks five years of Key Performance Indicators (KPI's), supported the proposed objectives and help estimate the required resources during the Business Planning and Budgeting process.

A New Approach for 2015

In the City's ongoing commitment to continuous improvement and excellence, the Executive Leadership Team (ELT) developed four long term corporate goals in the third quarter of 2013. The four corporate goals are: Exceptional Services by Exceptional People, Engaged, Diverse and Thriving City, Safe and Sustainable Community, and Stewardship of Money and Resources. Each goal has one or two goal statements that further clarify the goals outcome. A new Business Planning template was then developed to drive alignment between the new corporate goals and department objectives. The template also includes the specific department actions that will be taken to ensure each department objective is met along with performance measures that track the success of the department objectives once they are implemented. This new template will replace the current BUP template.

During the 2014 Business Planning process, the new template was piloted by four departments (one per Commission), including Human Resources, Finance, Recreation and Building Services. The 2014 Business Planning Workshop provided an opportunity for the pilot departments to articulate the advantages of the new template to the Executive Leadership Team and the other Department Heads (Directors).

Transitioning to the New Approach

Based upon the success of the 4 pilots, this process will now be introduced corporate-wide during the 2015 business planning process to improve the efficiency and effective use of City resources. Given this success, the Sustainability Office also utilized the new business plan format for their 2014 business plan. The next phase will be development of corporate objectives for the coming Council term (2015-2018). These objectives will allow the departments to focus on corporate priority areas when developing their 2015 objectives and action items.

Also in 2015, the business planning process will be undertaken earlier in the year in an effort to better align it with the budget process. Traditionally, business planning starts in late spring and is completed in early fall. For 2015, the business planning process started in January 2014 and will end in June. The ideal state is to complete the business planning process in May each year, it is anticipated that it will take several business planning cycles to fully implement the timing change.



The following section is divided into two parts; the first part includes the four pilot departments and the Sustainability Office utilizing the new business planning template, the second part includes the remaining 15 departments sorted by Commission, using the traditional BUP template.

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HUMAN RESOURCES 2014 BUSINESS PLAN (Page 1 of 2)

Corporate Goal	Corporate Goal Statement	Department Objectives (2-5/Dept Goal)	Department Performance Measures (2-5/ Dept Objectives)	Results						Department Actions (2-5/Dept Objectives)	
				2009	2010	2011	2012	2013	Target		Year
Exceptional Services by Exceptional People	We will foster a safe and healthy work environment, and embrace an organizational culture and management systems that empower and inspire our employees to be champions of excellent service delivery and innovative practices.	We will provide professional support to attract, effectively deploy, develop, engage, recognize and retain high quality individuals that meet the needs of the organization	Corporate level- Regular full time turnover rate (resignations)	2.90%	2.90%	2.60%	1.30%			2014	<input type="checkbox"/> Develop a strategic People Plan working with a cross organization team that reflects the needs of the organization over the next 3-5 years by Q4/13 (SP) <input type="checkbox"/> Develop a corporate compensation strategy that supports the attraction and retention of high quality employees by Q4/15 (SP) <input type="checkbox"/> Develop and implement an eLearning strategy including infrastructure, conversion of learning materials, purchasing of materials, corporate partnerships and roll out approach to increase access to just-in-time learning and leverage efficiencies by Q2/14 (BAU) <input type="checkbox"/> Revitalize the City's Recognition Policy and Program to support employee engagement by Q2/14 (BAU) <input type="checkbox"/> Revitalize and update new employee onboarding: 1) the content and delivery method of new employee orientations for all streams of employees and third party contractors by 2016; 2) update on-boarding materials and processes by Q4/14 (BAU) <input type="checkbox"/> Conduct a benefits program review and re-design to support the attraction and retention of high quality staff while ensuring fiscal responsibility by Q4/15 (BAU)
			HR Dept- Staff Survey employee engagement score	n/a	62%	n/a	74%	n/a	≥80%	2015	
			Corporate level- Compensation identified as primary departure driver in exit interviews of resigning employees					3	2014		
			Corporate level- Percentage of learning programs delivered through eLearning	0%	0%	0%	0%	30%	2014		
			Corporate level- Percentage of regular FT employees using eLearning	0%	0%	0%	0%	tdb	2014		
			Corporate level- Average number of core training hours by regular FT employee			3.3	3.9	7.0	2014		
			Corporate level- Percentage of new employees who have participated in a new employee orientation during the year					tdb	2014		
		We will provide expert advice and guidance to build a safe workplace for staff that meets legislative requirements and that reduces health and safety risks	Corporate level- Number of workplace incidents (all staff)	120	121	112	132	110	2014		
			Corporate level- Number of lost days due to injury (all staff)		462	421	284	250	2014		
			Corporate level- Number of orders received from the Ministry of Labour related to Health and					0	2014		
			Corporate level- All injury rate (all staff)		7.10%	6.45%	7.46%	5%	2014		
			HR Dept- Number of lost days due to injury	0	0	0	0	0	2014		
		We will provide advice and services to support a healthy workplace	Corporate level- Average number of sick days per regular FT employee (relating to short term disability only)	5.8	6.3	6.6	6.2	≤8.4	2014		
			Corporate level- Employee Assistance Program utilization rate (regular FT)	12.50%	10.40%	11.60%	12.30%	12.50%	2014		
Engaged, Diverse and Thriving City	We will have an inclusive city, where every person has a role in building a liveable, caring and interconnected community.	We will provide strategic advice and services in support of City initiatives including expert advice to support the organization's adherence to relevant human resource related legislation	Corporate level- Percentage of grievances / complaints settled through internal efforts					90%	2014	<input type="checkbox"/> Provide strategic human resources and labour relations advice and services in support of the PanAm Games project during its planning, implementation and maintenance phases by Q4/16 (SP) <input type="checkbox"/> Develop an employment for persons with disabilities pilot working with other levels of government by Q4/14 (BAU) <input type="checkbox"/> Develop and roll out diversity and inclusion training for regular full time staff by Q3/14 (BAU) <input type="checkbox"/> Deliver employment related workshops to residents and newcomers at the Welcome Centres and libraries on a regular basis by Q4/14 (BAU)	
			Corporate level- Percentage of regular full time staff who have completed the training					100%	2014		
		Corporate level- Number of participants with disabilities who participated in employment					5	2014			
	Corporate level- Number of employment workshops delivered per year					4	12	2014			
We will enable a strong economy and effectively manage change while respecting our community's history, meeting current requirements and anticipating future needs.	We will provide professional expertise and services to effectively transition staff through organizational change	Corporate level- Percentage of Managers, Directors and above who have completed change management training						100%	2015		
		ASK SONIA SINGH FOR CORPORATE MEASURES						tdb	2014		
Safe and Sustainable Community	We will protect the public and respect the built and natural environments through excellence in sustainable community planning, infrastructure management, and programs.	We will ensure that the Human Resources Department has sound emergency planning strategies and procedures in place.	ASK SONIA SINGH FOR CORPORATE MEASURES						tdb	2014	<input type="checkbox"/> Provide strategic human resources and labour relations advice in support of the organization's Business Continuity Planning by Q2/15 (BAU)

HUMAN RESOURCES 2014 BUSINESS PLAN (Page 2 of 2)

Corporate Goal	Corporate Goal Statement	Department Objectives (2-5/Dept Goal)	Department Performance Measures (2-5/ Dept Objectives)	Results					Department Actions (2-5/Dept Objectives)		
				2009	2010	2011	2012	2013	Target	Year	
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial management and mitigate risks while ensuring efficient and effective service delivery.	We will provide efficient and streamlined customer service delivery by leveraging and implementing modern technology solutions	ASK ITS/ASSET MGMT FOR CORPORATE PROJECT BASED METRICS (Could be on budget, on time, green/yellow/red, status)						tbd	2014	□Partner with ITS, Finance and the Commissions to conduct a thorough needs assessment, assess various business models and develop a business case for a new HRIS system by Q4/14 (SP)
			ASK ITS/ASSET MGMT FOR CORPORATE PROJECT BASED METRICS (Could be on budget, on time, green/yellow/red, status)						tbd	2014	□Assess the feasibility of an electronic document management strategy and system for employee personnel files that ensures confidentiality and efficiency by Q4/15 (SP)
		We will provide advice and guidance to support positive stakeholder relationships with the City's employee groups and associated bargaining agents while ensuring alignment with corporate business and financial directions	Corporate level- Percentage of grievances / complaints settled through internal efforts						90%	2014	□Negotiate renewal collective agreements with both CUPE Local 905 Inside and Outside Workers (expired March 31, 2013) within City's mandate (BAU) □Negotiate renewal collective agreements with both Library Full time and Part Time Workers (expired March 31, 2013) within City's mandate (BAU) □Actively participate in the interest arbitration process with the Markham Professional Firefighter Association (collective agreement expired December 31, 2012)

HUMAN RESOURCES 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenues							
OTHER REVENUE	\$483	\$0	\$0	\$0	0.0%	(\$483)	-100.0%
Total Revenues	\$483	\$0	\$0	\$0	0.0%	(\$483)	-100.0%
Expenses							
SALARIES AND BENEFITS	\$2,228,608	\$2,281,705	\$2,305,860	\$24,155	1.1%	\$77,252	3.5%
PRINTING & OFFICE SUPPLIES	20,289	14,985	14,985	0	0.0%	(5,304)	-26.1%
OPERATING MATERIALS & SUPPLIES	89,273	101,190	91,190	(10,000)	-9.9%	1,917	2.1%
COMMUNICATIONS	5,086	5,057	8,657	3,600	71.2%	3,571	70.2%
TRAVEL EXPENSES	4,002	4,204	4,204	0	0.0%	202	5.0%
TRAINING	260,398	275,000	275,000	0	0.0%	14,602	5.6%
CONTRACTS SERVICES AGREEMENT	(93,736)	(86,672)	(99,615)	(12,943)	14.9%	(5,879)	6.3%
RENTAL/LEASE	1,687	4,051	4,051	0	0.0%	2,364	140.1%
PROFESSIONAL SERVICES	231,632	242,571	219,709	(22,862)	-9.4%	(11,923)	-5.1%
LICENCES, PERMITS, FEES	9,884	16,091	16,091	0	0.0%	6,207	62.8%
PROMOTION & ADVERTISING	148,331	261,640	249,281	(12,359)	-4.7%	100,950	68.1%
MISCELLANEOUS EXPENSES	2,903	30,000	30,000	0	0.0%	27,097	933.4%
Total Expenses	\$2,908,357	\$3,149,822	\$3,119,413	(\$30,409)	-1.0%	\$211,056	7.3%
Net Expenditures/(Revenues)	\$2,907,874	\$3,149,822	\$3,119,413	(\$30,409)	-1.0%	\$211,539	7.3%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

No significant changes

SUSTAINABILITY OFFICE 2014 BUSINESS PLAN (Page 1 of 2)

Corporate Goal	Corporate Goal Statement	Department Objective	Department Performance Measures (2-5/ Dept Objective)	Results								Department Actions (2-5/Dept Objective)
				2009	2010	2011	2012	2013	Target	Year		
Exceptional Services by Exceptional People	We will foster a safe and healthy work environment, and embrace an organizational culture and adopt management systems that empower and inspire our employees to be champions of excellent service delivery and innovative practices.	Nuture a culture of sustainability by recognizing staff sustainability achievements	Number of Greenprint Champions				34	10			Evaluate opportunities to collaborate with R.I.S.E. To include sustainability recognition.	
			Overall Customer Satisfaction				n/a	n/a			Conduct two survey's one for Corporate Energy and one for Food	
			Third party recognition for sustainability excellence				1	1				
		Increase Sustainability Office staff satisfaction, engagement, training and therefore results	Organizational Outcome Index from Staff satisfaction survey				79.2		85	2014	Continue improving staff recognition and organizational communication	
			Healthy Work Environment Index from Staff Satisfaction survey			71	74.5		80	2014		
			Number of loss days due to injury						0	2014		
			Number of learning hours per regular full time employee									
			Services (projects/applications/permits/processes) meeting targeted time frames and service levels	3.5	22.7	4.4	5.5		20	2014	Provide leadership on special projects as required: Finalize and close Rouge Park establishment process. Support strategic planning process. As chair of Director's Forum, improve relations with ELT. Provide relevant and timely advice to MEC as Sustainability Officer.	
Engaged, Diverse and Thriving City	We will have an inclusive city, where every person has a role in building a liveable, caring and interconnected community.	We will improve Markham community's Greenprint awareness, education and engagement.	Greenprint/general sustainability recognition by community (awareness by survey)					n/a	10	2015	Establish baseline Greenprint or City sustainability program awareness with next Council community survey	
			Sustainability Event participation, SO page hits/GP downloads (education)								Continually improve Sustainability Office internal and external webpages.	
			Sustainability volunteers (engagement)								Continue Seneca Green Business intern partnership and improve our selection and work scope processes. Establish volunteer recognition and tracking process.	
			Sustainability volunteer avg hours (engagement)								See above	
			Sustainability Program participation (engagement)								Through "Aim to Sustain" art challenge and Markham Organic Home Garden program we are targeting 1000 and 800 engaged residents respectively	
	We will champion initiatives that improve Markham's accessibility	Corporate opportunities championed						1800	2014	Continue staff accessibility training, collaborate with AM to identify and prioritize facility retrofit projects.		
		Community opportunities championed								Facilitate the annual Accessibility Fair, implement Stop Gap ramps at Main St Markham, evaluate alternatives to MBT Accessibility Award sponsorship		
		Recognize community sustainability achievements	Number of community Greenprint Champions							Establish and pilot a community sustainability recognition program		
	We will enable a strong economy and effectively manage change while respecting our community's history, meeting current requirements and anticipating future needs.	Enhance Markham's community resilience to meet current and future needs								Evaluate whether and how to measure community resilience		
										Evaluate options to make Cornell CC+L an emergency reception centre, make recommendation.		
Safe and Sustainable Community	We will protect the public and respect the built and natural environments through excellence in sustainable community planning, infrastructure management, and programs.	We will lead the community by example with projects that focus on improving our sustainability	Corporate Greenhouse Gas Emissions per capita (direct and indirect, includes energy, waste and water)							Gain Council endorsement of Corporate Energy Plan. Continue reducing facility energy consumption by 300kW demand and 1800 MWh volume per year.		

SUSTAINABILITY OFFICE 2014 BUSINESS PLAN (Page 2 of 2)

Corporate Goal	Corporate Goal Statement	Department Objective	Department Performance Measures (2-5/ Dept Objective)	Results							Department Actions (2-5/Dept Objective)
				2009	2010	2011	2012	2013	Target	Year	
Safe and Sustainable Community	We will protect the public and respect the built and natural environments through excellence in sustainable community planning, infrastructure management, and programs.	We will help the community with programs that will improve their food security, energy security, accessibility and more.	Reduction of community GHGs due to Sustainability Office community initiatives								Community Energy Plan - establish stakeholder engagement process and complete community energy mapping analysis (phases 1+2 of #3) Bayview Glen SNAP - engage community for input in; pilot residential retrofits, develop report recommending opportunities to integrate infrastructure retrofits. Community Garden - establish Cornell Community Garden this spring, evaluate opportunities as presented, support existing gardens. Milk Bags - continue improving the materials and our support for this popular program.
		Improve corporate sustainability through enhanced integration, monitoring, reporting and analysis.	GRI level/number of indicators reported							2014	Facilitate inclusion of water reporting data and position for inclusion of waste data in 2014 report. Self declare GRI G4.
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial management and mitigate risks while ensuring efficient and effective service delivery.	Increase external funding and partnerships to reduce the SO's reliance on internal funding	Ratio of operating and capital costs to grants and loans received								Establish monitoring and reporting mechanism for this group of KPIs with Finance.
			Costs avoided due to partnerships and collaborations								
			Energy savings								
			Energy revenues								
			% of capital budgets within initial approved budget								
			Net Cost per capita to operate								

SUSTAINABILITY OFFICE 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenues								
OTHER REVENUE	\$1,101	\$0	\$0	\$0	0.0%	(\$1,101)	-100.0%	
SOLAR REVENUE	75,490	-	148,000	148,000		72,510	96.1%	
Total Revenues	\$76,591	\$0	\$148,000	\$148,000	0.0%	\$71,409	93.2%	
Expenses								
SALARIES AND BENEFITS	\$355,507	\$414,035	\$425,534	\$11,499	2.8%	\$70,027	19.7%	
PRINTING & OFFICE SUPPLIES	737	3,021	2,499	(522)	-17.3%	1,762	239.1%	
OPERATING MATERIALS & SUPPLIES	907	485	485	-	0.0%	(422)	-46.5%	
UTILITIES	-	(84,896)	(10,896)	74,000	-87.2%	(10,896)	0.0%	
COMMUNICATIONS	711	744	1,464	720	96.8%	753	105.9%	
TRAVEL EXPENSES	4,904	5,287	4,375	(912)	-17.2%	(529)	-10.8%	
TRAINING	20	18,130	18,130	-	0.0%	18,110	90550.0%	
CONTRACTS SERVICES AGREEMENTS	(31,789)	(31,789)	(35,239)	(3,450)	10.9%	(3,450)	10.9%	
RENTAL/LEASE	-	318	318	-	0.0%	318	0.0%	
LICENCES, PERMITS, FEES	535	400	400	-	0.0%	(135)	-25.2%	
OTHER EXPENDITURES	1,881	10,896	10,896	-	0.0%	9,015	479.3%	
Total Expenditures	\$333,413	\$336,631	\$417,966	\$81,335	24.2%	\$84,553	25.4%	
Net Expenditures/(Revenues)	\$256,822	\$336,631	\$269,966	(\$66,665)	-19.8%	\$13,144	5.1%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Utilities: Due to the transfer of a recovery to revenues.

FINANCE 2014 BUSINESS PLAN (Page 1 of 4)

Corporate Goal	Corporate Goal Statement	Department Objectives	Department Performance Measures (2-5/ Dept)	Results					Target	Year	Department Actions (2-5/Dept Objective)	
				2009	2010	2011	2012	2013				
Exceptional Services by Exceptional People	We will foster a safe and healthy work environment, and embrace an organizational culture and adopt management systems that empower and inspire our employees to be champions of excellent service delivery and innovative practices.	To improve customer service and business process efficiencies through technology	% of Taxation applications available online			0%	14%	25%	100%	2017	Partner with ITS & Communications to develop and implement additional Taxation E-applications (Ownership change, PTP Banking Information) Complete the online tax certificate rollout. This process will eliminate the current process time of 7 - 10 minutes per tax certificate. Based on the current annual volume of 3,000 tax certificates, the estimated annual savings and cost. Develop a standard Purchasing E-application template for bid responses, reducing storage of paper bid submissions, and reducing administration time through automated Incorporate an Excel document into Purchasing bid documents for contracts which have multiple unit price items. Improve the Purchasing presence on the City website providing greater access to Purchasing information (i.e. viewing of bid documents, upcoming bid opportunities). To be completed by Q3 2014. Complete a customer satisfaction survey on new Finance web pages by Q3 2014. Review and develop recommendations for the Civic Centre Service Planning initiative to improve current business processes and practices, and determine potential business transformation opportunities. Efficiency savings will be determined through implementation of the initiative. EIB - installation of TV in front of tax office by the end of Q2. Based on the feedback received through the 2014 Staff Satisfaction Survey, Finance staff will identify areas of improvement, for implementation in 2014 and 2015 Provide ITS with appropriate Financial information for the creation of a new Management Reporting Dashboard. Work with ITS to develop a mock-up on the layout of the Dashboard by end of March, followed by a demonstration/presentation to DF and ELT in April.	
			% of Taxation forms submitted online			0%	2%	6%	85%	2018		
			Tax certificate processing time				350-525hrs	350-525hrs	0 hrs	2014		
			% of Finance payment applications available online					22%	100%	2017		
			% of Finance payment applications completed online					12%	85%	2018		
			Overall Customer Satisfaction with the Purchasing online bid submission process						80%	2015		
			% of Purchasing forms submitted online vs. inline						100%	2020		
			% of Purchasing bids submissions without calculation errors				99%	99%	100%	2014		
		Overall customer satisfaction with online bid communication						80%	2015			
		Overall customer satisfaction with Finance web pages						80%	2014			
		To enhance the customer inline experience while obtaining service efficiencies	Finance inline customer satisfaction level					75%	80%	2015		
			Promote city initiatives and programming to customers waiting in-line. Partner with ITS & Communications to develop and implement content on the EIB's.						100%	2014		
		To improve Staff Satisfaction	Finance staff satisfaction			66%		75%		80%		2014
			Organizational Outcome Index from Staff satisfaction survey			59.7%		70.5%		80%		2014
Healthy Work Environment Index from Staff Satisfaction survey				61.0%		65.4%		80%	2014			
Number of loss days due to injury								0%	2014			
To enhance senior management's decision making through timely and accurate information	Number of learning hours per regular full time employee		6.2	5.5	8.9	4.4		20	2015			
	Senior management satisfaction level with the information provided by Finance							80%	2015			
Engaged, Diverse and Thriving City	We will have an inclusive city, where every person has a role in building a liveable, caring and interconnected community.	Ensure the City's Purchasing practices are inclusive	% of bids >\$25k in which diverse suppliers are invited to participate in the procurement process						90%	2018	In Partnership with HR, Purchasing will develop an outreach program to attract diverse organizations to bid on Markham procurement opportunities. A survey is to be completed in Q1 2014 to assist in the development of a profile that will show the diversity of Markham's supplier chain. The strategy (outreach program) will be developed by Q3.	
	We will enable a strong economy and effectively manage change while respecting our community's history, meeting current requirements and anticipating future needs.	Maintain a competitive tax rate increase	% point differential between tax rate increase & CPI (Toronto All Items)			-2.55%	-1.50%	0.00%	= CPI	2014	In partnership with our colleagues in the corporation, strategies are identified to mitigate tax rate increases while maintaining/enhancing service levels.	

FINANCE 2014 BUSINESS PLAN (Page 2 of 4)

Corporate Goal	Corporate Goal Statement	Department Objectives	Department Performance Measures (2-5/ Dept)	Results					Target	Year	Department Actions (2-5/Dept Objective)	
				2009	2010	2011	2012	2013				
Safe and Sustainable Community	We will protect the public and respect the natural and built environments through excellence in sustainable community planning, infrastructure management, and programs.	To increase Markham's leadership role in the area of green procurement while promoting environmental leadership	% of procurements made through Purchasing that meet the minimum standards identified in the Green Procurement Guide.						50%	2014	Through improved communication, awareness, training and specification review, Purchasing staff will identify green procurement opportunities where applicable. Provide a semi-annual update starting in Q2 2014 on the compliance to sustainable purchases	
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial and resource management to mitigate risks while ensuring efficient and effective service delivery.	Provide Financial support to key corporate projects	Provide financial analysis and reporting that meets targeted time frames and service levels						100%	2014	Provide financial analysis support for the implementation of the new Recreation pricing strategy Provide financial analysis to Waterworks for the implementation of a new water rate structure that addresses the need to fund capital and promote conservation. Provide financial analysis for the MISTA project resulting in the issuance of an RFP for the construction of the MISTA project. Provide financial support and strategic advice on the Future Urban Area Agreement. Provide financial support and strategic advice on a stormwater management City-wide charge Provide financial support and strategic advice for the Real Estate Board of Management	
		Ensure the financial integrity of the City	Adequacy of funding years in the reserve based on known inflows to sustain future rehabilitation and replacement requirements for the next 25 years			25	25	25	25 years	Current	Comprehensive lifecycle model review - develop a set of tools that will collectively improve how we identify, track and report on the status of capital assets throughout the entire financial process. The stages of the financial process include: identification future capital assets in the DC background study, the capital budgeting process, the procurement process, tangible capital asset reporting, and life cycle planning. These new tools will increase the quality of planning and reporting and assist in long-term financial forecasting which becomes more important as Markham gets closer to borrowing for its infrastructure plans.	
			Accuracy of the annual Lifecycle outflows – 90%							90%	2015	Review City's reserve and reserve funds and identify opportunities for consolidation. Establish a fiscal strategy on the adequacy and use of the reserve and reserve funds.
			Net Financial Assets or Net Debt as a % of City Taxation & User Fees		181.0%	167.2%	170.9%			>-50%	Current	
			Total Reserves and Discretionary Reserve Funds as a % of Operating Expenses		80.4%	86.0%	82.5%			>20%	Current	
			Debt Servicing Cost as a % of Total Operating Revenue		0.0%	0.2%	0.2%			<5%	Current	
			Total Taxes Receivable less Allowance for Uncollectables as a % of Total Taxes Levied		7.7%	5.9%	7.2%			<10%	Current	
			Total Cash and Temporary Investments as a % of Operating Expenses		143%	146%	141%			>10%	Current	
			Net Book Value of Capital Assets as a % of Cost of Capital Assets		73.6%	74.0%	74.0%	71.9%		>50%	Current	
				% of Letters of Credit processed within 5 days		77%	86%	88%	93%	89%	95%	2015
		Percentage of Property Owners enrolled (PTP)				29%	30%	45%	2016	Develop a strategy to increase enrollment for 2014 - 2016 taxation years - will be completed by Q2		

FINANCE 2014 BUSINESS PLAN (Page 3 of 4)

Corporate Goal	Corporate Goal Statement	Department Objectives	Department Performance Measures (2-5/ Dept)	Results					Target	Year	Department Actions (2-5/Dept Objective)		
				2009	2010	2011	2012	2013					
			Cost of Bill delivery per Tax Account			\$0.65	\$0.72	\$0.75	\$0.86	2014	Complete financial analysis of Postage costs, and investigate other options that could mitigate the increase in Canada Post rates and growth in tax accounts		
			Property Classification						8%	2014	To identify, review and conduct an enumeration program of Business type properties to ensure correct tax classification and equity amongst similar uses. Q1 - Identify property Types. Q2 - Site Visit & Analysis (10% sample) Q3 - Report on outcome of project. It is anticipated that 7 - 9% of the sample properties will result in a change in classification or assessment value.		
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial and resource management to mitigate risks while ensuring efficient and effective service delivery.	Ensure the financial integrity of the City	% of capital projects completed within initial approved budget						100%	2015			
			Net Cost per household to operate municipality					1,043	1,030	1,048	\$ 1,061	2014	<ul style="list-style-type: none"> <input type="checkbox"/> Develop a Parks Cash-in-lieu tracking process. To be completed by Q2, 2014. <input type="checkbox"/> Defend Markham's calculation methodology at the Ontario Municipal Board (OMB). BILD (Building Industry and Land Owners Development Association) have appealed Markham's 2009 and 2013 Development Charges by-laws. A hearing to resolve the appeal at the OMB is scheduled for Q4, 2014 with the goal to maximize the DC collections over the 2009-2031 period.
												<ul style="list-style-type: none"> <input type="checkbox"/> Develop a land strategy to support the funding of future land acquisitions 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Manage the 2015 Budget process with the goal of having the capital budget approved in December of 2014 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Conduct a high-level review of Development Charge cash flows to determine when borrowing will need to occur. 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Work with Planning to develop process for collection and allocation methodology of Section 37 funds. Implementation of process to occur by Q2 2014. 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Review of the investment process to ensure financial safeguards are in place & update supporting documents to allow for quicker calculation of accruals, average balances and rates. To be completed by Q1. 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Based on approved closed capital criteria, complete two reviews annually of all open capital projects to identify projects that can be closed, returning project balance to original funding source. 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Update of the Supplementary Growth Forecasting - Undertake strategic review & analysis of development process as it relates to supplementary growth forecasting. Will result in improved reporting in conjunction with the budgetary process by Q2. 	
												<ul style="list-style-type: none"> <input type="checkbox"/> Update of the development fee model for the 2015 budget process in determining 2015 fees and operating budgets for Building, Planning & Design and Engineering departments by August. <input type="checkbox"/> 2013 Year End - City & MEC - Field audit completed by KPMG in March 2014. Presented Draft Audited Consolidated Financial Statements of The Corporation of The City of Markham to GC April 2014. Council approved on April/May 2014 	

FINANCE 2014 BUSINESS PLAN (Page 4 of 4)

Corporate Goal	Corporate Goal Statement	Department Objectives	Department Performance Measures (2-5/ Dept)	Results					Target		Department Actions (2-5/Dept Objective)
				2009	2010	2011	2012	2013	Year	Year	
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial and resource management to mitigate risks while ensuring efficient and effective service delivery.	Leverage technology solutions to improve efficiencies	Annual processing time of tax arrears collections (hrs)				3,640	2,730	1,820	2015	To improve reporting and tracking of arrears collection process, a new tax software (TMX) module will be implemented. This module will automate the current manual collection process resulting in both staff efficiencies and improved management reporting.
			Increase AMEX (P-card) usage to reduce cost of A/P transaction costs		13,555	14,372	14,886	15,000	20,000	2018	To increase process efficiencies and reduce purchase orders, invoice matching and issuance of cheques on low dollar value purchases and repetitive buys.

FINANCE 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenues							
USER FEES & SERVICE CHARGES	\$669,396	\$546,516	\$837,841	\$291,325	53.3%	\$168,445	25.2%
RECOVERIES & CONTRIBUTIONS	\$0	4,705	4,705	0	0.0%	4,705	0.0%
OTHER INCOME	107,990	111,860	\$0	(111,860)	-100.0%	(107,990)	-100.0%
Total Revenues	\$777,386	\$663,081	\$842,546	\$179,465	27.1%	\$65,160	8.4%
Expenses							
SALARIES AND BENEFITS	\$4,409,607	\$4,789,235	\$4,638,298	(\$150,937)	-3.2%	\$228,691	4.9%
PRINTING & OFFICE SUPPLIES	82,127	92,262	92,262	0	0.0%	10,135	12.3%
OPERATING MATERIALS & SUPPLIES	(111,703)	(32,021)	(67,021)	(35,000)	109.3%	44,682	-40.0%
COMMUNICATIONS	4,546	3,867	5,667	1,800	46.5%	1,121	24.7%
TRAVEL EXPENSES	4,842	3,844	3,844	0	0.0%	(998)	-20.6%
TRAINING	9,378	24,390	24,390	0	0.0%	15,012	160.1%
CONTRACTS & SERVICE AGREEMENTS	42,943	34,879	24,791	(10,088)	-28.9%	(18,152)	-42.3%
MAINT. & REPAIR-TIME/MATERIAL	2,446	3,519	3,519	0	0.0%	1,073	43.9%
RENTAL/LEASE	3,745	8,640	8,640	0	0.0%	4,895	130.7%
PROFESSIONAL SERVICES	102,181	142,359	142,359	0	0.0%	40,178	39.3%
LICENCES, PERMITS, FEES	81,159	102,437	102,437	0	0.0%	21,278	26.2%
CREDIT CARD SERVICE CHARGES	9,781	10,409	10,409	0	0.0%	628	6.4%
WRITE-OFFS	6	100	100	0	0.0%	94	0.0%
OTHER EXPENSES	0			0		0	
Total Expenses	\$4,641,058	\$5,183,920	\$4,989,695	(\$194,225)	-3.7%	\$348,637	7.5%
Net Expenditures/(Revenues)	\$3,863,672	\$4,520,839	\$4,147,149	(\$373,690)	-8.3%	\$283,477	7.3%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

User Fees & Service Charges: New property and mortgage fees in 2014.

Other Income: Due to reallocation of salary recoveries from external sources from revenue to expenses.

Salaries & Benefits: Due to reallocation of salary recoveries from external sources from revenue to expenses.

BUILDING STANDARDS 2014 BUSINESS PLAN (Page 1 of 3)

Corporate		Department								
Goal	Goal Statement	Objectives	Performance Measures	Department				Target	Year	Performance Improvement Plans
				2010	2011	2012	2013			
Exceptional Services by Exceptional People	We will foster a safe and healthy work environment, and embrace an organizational culture and adopt management systems that empower and inspire our employees to be champions of excellent service delivery and innovative practices.	Improving customer service and increasing business process efficiency	Overall customer satisfaction		78%			>80%	2014	Complete a customer satisfaction survey Permit Processing Initiative - develop a consistent fast track service for time sensitive housing repeats, business alterations and homeowner projects ePlan Project - pilot implementation for production house builders and small residential permits by Q4 2014, all permits by Q4 2015. Develop online webinar and in-house training on ePlan permit submission by production builders in Q3 2014 Zoning By-law consolidation project - provision of financing, support and interpretive advice to Planning. Post self help zoning information on the website. Completion 2016. Track usage of Department's new web pages and online services . Develop an action plan for promotion and building
			Applications responded to within provincial timeframes [MPMP]		52%	58%	56%	>80%	2016	
			Permits applied for in calendar year that are issued in six months or less	90%	83%	80%		80%	2016	
			Information responses within target timeframes	90%	62%	72%	52%	>80%	2014	
			Online service percentage - all permits				<1%	>50%	2016	
			Online service percentage - compliance letters				8%	>50%	2016	
			Online service percentage - zoning inquiries				100%	100%	2014	
			Applications that are filed complete [MPMP]		53%	77%	60%	>80%	2016	
		Maximizing inspector safety through training, equipment and support	Lost days due to workplace injury	0	14	1	0	0	2014	Partner with newly established Health & Safety Ontario in delivering a joint safety workshop
			Annual hours of health and safety training per inspector				3	>6	2014	
		Increasing the technical knowledge and regulatory effectiveness of staff	Annual hours of technical and regulatory training per FTE		30	26	33	>20	2014	Complete 2012 OBC training, knowledge maintenance and qualification for all technical staff by the date set by Minister Deploy qualified specialist officials strategically to increase plan review and inspection effectiveness
				Average number of provincial qualification categories attained by Department's officials	6	7	7	7	>5	
Developing professional level expertise and leadership in building standards enforcement	Staff participating in Provincial and regional advisory committees		10	10	10	>5	2014	Present 6 days of professional development workshops with LMCBO Revise and publish 2014 EEDS and applicable law checklists to incorporate building code changes and other updates		
	Building standards publications authored by Department personnel			4	4	>2/yr	2014			
Engaged, Diverse and Thriving City	We will have an inclusive city, where every person has a role in building a liveable, caring and interconnected community.	Enforcing compliance of new buildings with accessibility regulations	Accessibility compliance items identified in response letters					>500/yr	2014	Create info fields to track accessibility code deficiencies in plans being filed, to allow accurate reporting Create a new subtype in AMANDA to track building code accessibility violations, complaints and responses
			Accessibility related complaints in new buildings					<10/yr	2014	
We will enable a strong economy and effectively manage change while respecting our community's history, meeting current requirements and anticipating future needs.	Using <i>Building Code Act</i> tools to protect heritage buildings	Building permits held for heritage approvals		117	78	67	88	50/yr	2014	Initiate follow-up heritage inspection program on open permits, to clean up old files and verify heritage requirements met
			Heritage compliance inspections			924	1919	3736	2000/yr	
		Using innovative regulatory tools to meet development industry needs	Value of construction authorized through conditional permits			\$270m	\$130m	\$50m/yr	2014	Revise and publish alternative solution forms to facilitate application by consultants and remove administrative barriers Streamline the model certification process by setting up online applications and utilizing ePlan in pilot phase Undertake at least one RCA pilot project in 2014 using the model service agreement developed in 2013. Introduce a fee discount for projects using an RCA in the 2014 fee by-law
			Alternative solutions considered	0	1	5	6	>10/yr	2015	
			House models pre-approved under certification program	142	153	267	56	>50/yr	2014	
Permits issued using Registered Code Agent service agreements	0	0	0	0	>1/yr	2020				

BUILDING STANDARDS 2014 BUSINESS PLAN (Page 2 of 3)

Corporate		Department								
Goal	Goal Statement	Objectives	Performance Measures	Department				Target	Year	Performance Improvement Plans
				2010	2011	2012	2013			
Safe and Sustainable Community	We will protect the public and respect the built and natural environments through excellence in sustainable community planning, infrastructure management, and programs.	Remediating unsafe buildings quickly and effectively	Unsafe buildings responded to in target timeframes				100%	<24hrs	2014	Implement a fast track for grow operation remediation permits.
			Marijuana grow buildings remediated within target timeframes	57%	64%	25%	100%	80%	2014	
		Enforcing building standards compliance in new construction	Code deficiencies corrected in plan review	14,176	17,987	13,533	11,475	2000/yr	2014	Develop and maintain a Business Continuity Plan to sustain delivery of inspection services in the event of a labour or service disruption
			Code inspections conducted within target timeframes	36,050	45,111	43,200	55,559	>40K/yr	2014	
			House occupancy permit compliance rate	na	na	>99%	>99%	90%	2015	
			Frequency of building code issues in Tarion claims		<1%	<1%	<1%	<5%	2014	
			Dormant/open building permits inspected and closed	200	259	291	401	300	2014	
			Illegal building Orders issued annually	180	181	67	187	100	2014	
			Illegal building Orders complied with or prosecuted in target timeframes	77%	83%	63%	90%	80%	2014	
		Enforcing energy efficiency regulations	Energy efficiency compliance items identified in plan review response letters and field inspection reports					>500/yr	2014	Increase energy efficiency and resource conservation requirements in Building Excellence Awards program. Partner with renewABILITY energy on delivering a workshop on DWHR systems Revise final inspection procedures to incorporate a requirement for a professional general review report on as constructed compliance with SB-10 energy efficiency requirements in large buildings
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial management and mitigate risks while ensuring efficient and effective service delivery.	Maintaining a non-profit self funding mechanism for building permit service delivery	Revenue averaged over 3 years, compared to total operating cost	110%	150%	184%	162%	100%	2014	Incorporate 2013 results into fee model and update the user fee bylaw as necessary in Q1 2014
			Year end reserve balance as a % of one year's total operating cost	0%	95%	167%	190%	100%	2014	
		Managing services within available resources	Annual user fee increase	6%	9%	0%	4.5%	<5%	2014	
			Number of new staff positions	0	0	0	0	<2	2014	
		Maximizing service efficiency	Number of applications processed per examiner	339	529	524	418	>250	2014	
			Department operating cost per \$1000 of construction value average over 3 years [MPMP]	\$10.50	\$4.56	\$3.72	\$5.00	<\$9	2014	

BUILDING STANDARDS 2014 OPERATING BUDGET (Page 3 of 3)

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
LICENCES & PERMITS	\$9,257,882	\$8,996,239	\$6,816,991	(\$2,179,248)	-24.2%	(\$2,440,891)	-26.4%
USER FEES & SERVICE CHARGES	71,274	30,140	30,140	0	0.0%	(41,134)	-57.7%
OTHER REVENUE	(15,550)	0	0	0	0.0%	15,550	-100.0%
Total Revenues	\$9,313,606	\$9,026,379	\$6,847,131	(\$2,179,248)	-24.1%	(\$2,466,475)	-26.5%
Expenses							
SALARIES AND BENEFITS	\$5,038,492	\$5,452,203	\$5,702,212	\$250,009	4.6%	\$663,720	13.2%
PRINTING & OFFICE SUPPLIES	63,430	41,500	57,000	15,500	37.3%	(6,430)	-10.1%
OPERATING MATERIALS & SUPPLIES	18,969	23,500	23,500	0	0.0%	4,531	23.9%
COMMUNICATIONS	23,635	30,800	30,800	0	0.0%	7,165	30.3%
TRAVEL EXPENSES	3,310	6,000	6,000	0	0.0%	2,690	81.3%
TRAINING	24,874	30,000	30,000	0	0.0%	5,126	20.6%
CONTRACTS & SERVICE AGREEMENTS	2,148,528	2,148,528	2,488,036	339,508	15.8%	339,508	15.8%
RENTAL/LEASE	111	2,500	2,500	0	0.0%	2,389	2152.3%
PROFESSIONAL SERVICES	222	16,000	16,000	0	0.0%	15,778	7107.2%
LICENCES, PERMITS, FEES	20,049	15,750	19,000	3,250	20.6%	(1,049)	-5.2%
CREDIT CARD SERVICE CHARGES	19,662	10,000	10,000	0	0.0%	(9,662)	-49.1%
PROMOTION & ADVERTISING	2,149	1,000	1,000	0	0.0%	(1,149)	-53.5%
TRANSFERS TO RESERVES	0	1,248,598	(1,538,917)	(2,787,515)	-223.3%	(1,538,917)	0.0%
Total Expenses	\$7,363,431	\$9,026,379	\$6,847,131	(\$2,179,248)	-24.1%	(\$516,300)	-7.0%
Net Expenditures/ (Revenue)	(\$1,950,175)	\$0	\$0	\$0	0.0%	\$1,950,175	-100.0%

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

Licences & Permits: Decrease is due to the decreased number of permits expected in 2014.

Salaries & Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the City's salary grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the City to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

RECREATION SERVICES 2014 BUSINESS PLAN (Page 1 of 2)

Corporate Goal	Corporate Goal Statement	Department Objectives	Department Performance Measures	Results				Target		Department Actions			
				2009	2010	2011	2012	Target	Year				
Exceptional Services by Exceptional People	We will foster a safe and healthy work environment, and embrace an organizational culture and adopt management systems that empower and inspire our employees to be champions of excellent service delivery and innovative practices.	To increase staff satisfaction and engagement in the department.	Healthy work environment from staff survey	N/A	63.1%	N/A	60.8%	70.0%	2016	To implement a program to regularly improve on staff satisfaction and engagement by working on improvements identified from the last staff satisfaction survey (internal communication and strategic leadership) and other sources of inputs.			
			Organizational Engagement Index for Recreation Services	N/A	66.6%	N/A	65.8%	70.0%	2016				
			Number of loss days due to injury	2	2	1	12	0	N/A				
			Number of corporate learning hours per regular full-time employees	12.6	2.5	2.1	1.9	20	N/A				
		To increase customer satisfaction and participation in the Recreation Services programs.	Overall satisfaction by program, facility and sport group users	87%	N/A	N/A	N/A	≥80%	N/A		To design a customer service program to increase participation and customer retention that focuses on improving internal systems, staff training, service standards, and making programming changes. Ensure this project is aligned with the corporate program.		
			# of annual visits at recreation facilities	7,033,413	7,305,095	7,633,339	7,795,439						
			Annual number of direct program registrations	84,534	80,790	81,443	84,791	94,000	2014				
		To contribute to cross-departmental initiatives that enhance our work environment, organizational culture, and/or management systems.	Retention rate of Fitness Centre members	55%	59%	62%	61%	>65%	2015		To implement the Fitness Centre Strategy to increase memberships.		
			% of time we met milestones as outlined in the project charters	Consensus to be developed at DF									To provide support and be involved in key actions led by other departments: - New Official Plan (Planning & Urban Design) - Customer Service Strategy (MPL & Legislative Services) - IT Strategy (ITS) - Portal Plan (ITS) - Community Engagement Framework (CC&CE)
Engaged, Diverse and Thriving City	We will have an inclusive city, where every person has a role in building a liveable, caring and interconnected community.	To deliver leisure services that are inclusive, accessible, and safe and to provide enjoyable and sustainable leisure, learning, sport and cultural opportunities essential to vibrant places.	% of annual increase in volunteers involved in Recreation Programs (2009 is base year = 576)	0%	16%	-6%	4%	5%	ongoing	Implementation and monitoring of the 3 year operating and marketing plan. Continue to report annually on the ILMP including the status update of the projects.			
			Total participant hours for recreation programs per capita (MPMP)	N/A	N/A	13.65	13.65	15.00	2016	To plan and deliver aquatics, fitness, camps, and programs to meet localized needs, which are annually review and adjusted.			
		To deliver services that will promote active living and wellness to Markham residents.	Unique resident participation in registered programs per capita	TBD				12%					
			% increase of participation of seniors. (2012 base = 62,000)	N/A	N/A	N/A	83,218	5%	2016	To update the Seniors Strategy by Q3 2015			
		To address needs of targeted groups to bring about positive social outcomes	% increase of participation of youth (2012 base = 18,007)	N/A	N/A	N/A	18,007	5%	2016	To develop a Youth Strategy by Q2			
Individuals receiving financial assistance as % of all registered participants	TBD												
	We will enable a strong economy and effectively manage change while respecting our community's history, meeting current requirements and anticipating future needs.	To provide and promote large scale sport venues in the community.	Community economic impact from municipal sport tourism annually (Steam formula)	TBD from Canadian Sport Tourism Alliance						To develop operating plans for the Pan Am Centre and complete community activation by June 2015			
			# of annual provincial level and above events hosted	N/A	N/A	12	13	20	2016				
Safe and Sustainable Community	We will protect the public and respect the built and natural environments through excellence in sustainable community planning, infrastructure management, and programs.	To ensure that facilities operate using sustainable practices.	Equivalent kilowatt hours per sq.ft. in recreation facilities	TBD						Implement the Energy On Demand program in a number of our major facilities.			
Stewardship of Money and Resources	We will demonstrate sound, transparent and responsible financial management and mitigate risks while ensuring efficient and effective service delivery.	To provide accessible and affordable recreational and leisure opportunities that are fiscally responsible.	Net cost per capita to operate Recreation Services	\$14.27	\$14.37	\$16.10	\$18.35	\$16.38	2015	To complete a pricing and subsidy strategy.			
			Revenue as % of total gross Recreation operating expenditures	72%	71%	69%	66%	70%	2016				
		To provide community sport groups access to city facilities that are fair and equitable that is balanced against competing needs.	% of children and youth access to sport facilities vs % of adult use	N/A	84.5%	85.4%	85.70%	90%	2018	To provide work with the community sport groups to review and update allocation policies and procedures to ensure they are fair and equitable and meet the annual allocation to community sport groups.			
		To maintain the quality and investment made to our facilities and equipment in a fiscally prudent manner.	Completion rate on approved capital projects	86%	27%	58%		90%	On going	To ensure that facilities are well maintained and priority lifecycle projects are identified and managed in effectively.			

RECREATION SERVICES 2014 OPERATING BUDGET (Page 2 of 2)

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
GRANTS & SUBSIDIES	\$74,699	\$58,000	\$61,000	\$3,000	0.0%	(\$13,699)	-18.3%
USER FEES & SERVICE CHARGES	9,443,082	10,911,758	10,656,213	(255,545)	0.0%	1,213,131	12.8%
RENTALS	5,566,973	6,085,973	6,268,293	182,320	0.0%	701,320	12.6%
SALES	136,388	125,903	176,480	50,577	0.0%	40,092	29.4%
RECOVERIES & CONTRIBUTIONS	48,921	66,315	110,160	43,845	0.0%	61,239	125.2%
OTHER REVENUE	287,403	251,455	256,255	4,800	0.0%	(31,148)	-10.8%
INTERDEPARTMENTAL RECOVERIES	714,308	714,308	714,308	0	0.0%	0	0.0%
Total Revenues	\$16,271,774	\$18,213,712	\$18,242,709	\$28,997	0.0%	\$1,970,935	12.1%
Expenses							
SALARIES AND BENEFITS	\$15,726,447	\$16,550,256	\$16,582,075	\$31,819	0.0%	\$855,628	5.4%
PRINTING & OFFICE SUPPLIES	59,569	100,628	90,089	(10,539)	0.0%	30,520	51.2%
PURCHASES FOR RESALE	67,269	59,118	76,132	17,014	0.0%	8,863	13.2%
OPERATING MATERIALS & SUPPLIES	931,348	1,159,342	1,214,357	55,015	0.0%	283,009	30.4%
VEHICLE SUPPLIES	22,045	35,997	35,147	(850)	0.0%	13,102	59.4%
UTILITIES	4,171,902	3,710,106	4,345,622	635,516	0.0%	173,720	4.2%
COMMUNICATIONS	27,865	27,137	60,054	32,917	0.0%	32,189	115.5%
TRAVEL EXPENSES	9,521	11,200	5,064	(6,136)	0.0%	(4,457)	-46.8%
TRAINING	123,699	125,650	135,817	10,167	0.0%	12,118	9.8%
CONTRACTS & SERVICE AGREEMENTS	973,877	1,142,845	1,353,377	210,532	0.0%	379,500	39.0%
MAINT. & REPAIR-TIME/MATERIAL	591,785	1,019,084	772,277	(246,807)	0.0%	180,492	30.5%
RENTAL/LEASE	124,875	180,963	173,742	(7,221)	0.0%	48,867	39.1%
INSURANCE	0	1,300	1,300	0	0.0%	1,300	0.0%
PROFESSIONAL SERVICES	21,165	66,000	54,597	(11,403)	0.0%	33,432	158.0%
LICENCES, PERMITS, FEES	48,991	70,752	72,018	1,266	0.0%	23,027	47.0%
CREDIT CARD SERVICE CHARGES	270,712	202,000	202,000	0	0.0%	(68,712)	-25.4%
PROMOTION & ADVERTISING	2,753	1,000	826	(174)	0.0%	(1,927)	-70.0%
CONTRACTED MUNICIPAL SERVICES	14,575	11,730	12,730	1,000	0.0%	(1,845)	-12.7%
PMTS. TO CITIZENS/LOCAL GROUPS	43,899	45,000	45,000	0	0.0%	1,101	2.5%
OTHER EXPENDITURES	124,771	70,000	80,000	10,000	0.0%	(44,771)	-35.9%
TRANSFERS TO RESERVES	413,452	369,262	369,262	0	0.0%	(44,190)	-10.7%
Total Expenses	\$23,770,520	\$24,959,370	\$25,681,486	\$722,116	0.0%	\$1,910,966	8.0%
Net Expenditures/(Revenues)	\$7,498,746	\$6,745,658	\$7,438,777	\$693,119	0.0%	(\$59,969)	-0.8%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

User Fees & Service Charges: Decrease to budget based on historical actual revenues

Rentals: Increase related to Pan Am facility opening in 2014.

Sales: Increase due to historical trending of aquatic memberships

Operating Materials & Supplies: Increase related to Pan Am facility opening in 2014.

Utilities: Increase related to Pan Am facility opening in 2014.

Contracts & Service Agreements: Increase related to Pan Am facility opening in 2014.

Maintenance & Repair: Decrease due to budget reallocation



MAYOR & COUNCIL 2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. Vs. 2013 Act.</u>		
				<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	
Revenue								
RECOVERIES AND CONTRIBUTIONS	\$0	\$0	\$0	\$0		\$0		
Expenses								
SALARIES AND BENEFITS	\$2,381,876	\$2,424,246	\$2,660,848	\$236,602	9.8%	\$278,972	11.7%	
PRINTING & OFFICE SUPPLIES	23,544	23,441	23,441	0	0.0%	-103	-0.4%	
OPERATING MATERIALS & SUPPLIES	13,560	11,900	11,900	0	0.0%	-1,660	-12.2%	
VEHICLE SUPPLIES	5,278	3,200	3,200	0	0.0%	-2,078	-39.4%	
COMMUNICATIONS	1,048	14,870	15,434	564	3.8%	14,386	1372.7%	
TRAVEL EXPENSES	111,400	92,395	92,395	0	0.0%	-19,005	-17.1%	
TRAINING	304	5,594	5,594	0	0.0%	5,290	1740.1%	
MAINT. & REPAIR-TIME/MATERIAL	0	7,230	7,230	0	0.0%	7,230		
RENTAL/LEASE	543	14,229	14,229	0	0.0%	13,686	2520.4%	
PROFESSIONAL SERVICES	0	6,589	6,589	0	0.0%	6,589		
LICENCES, PERMITS, FEES	5,150	2,585	2,585	0	0.0%	-2,565	-49.8%	
PROMOTION & ADVERTISING	74,831	41,630	41,630	0	0.0%	-33,201	-44.4%	
OTHER PURCHASED SERVICES	0	0	0	0		0		
MISCELLANEOUS EXPENSES	0	150	36,150	36,000	24000.0%	36,150		
Total Expenses	\$2,617,534	\$2,648,059	\$2,921,225	\$273,166	10.3%	\$303,691	11.6%	
Net Expenditures/(Revenues)	\$2,617,534	\$2,648,059	\$2,921,225	\$273,166	10.3%	\$303,691	11.6%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Salaries and benefits: Increase is due to movement of staff along the City's salary grids.

Chief Administrative Officer (CAO)



The Chief Administrative Officer provides leadership to a full-time staff of 1041 and approximately 1400 part time/seasonal staff who respond to issues of the growing City of Markham and the high expectations that the public has for superior service delivery. The responsibilities of the CAO include management of a \$463.5 million dollar budget, overseeing municipal operations and ensuring Council's priorities and strategic directions are achieved. Direct reports to the Chief Administrative Officer include the Commissioners of Corporate Services, Community and Fire Services and Development Services, as well as the Directors of Human Resources and Sustainability Office, the City Solicitor, the Manager Strategic Initiatives and the Manager of Executive Operations.

The Executive Leadership Team (ELT) supports the management of the City's operations and is comprised of the CAO, Commissioners of Corporate Services, Community and Fire Services and Development Services, the Director of Human Resources, the City Solicitor and the Manager of Executive Operations. The ELT meets weekly, is chaired by the CAO, and addresses City operations and issues.

The CAO's Commission consists of the following Business Units:

- Legal Services
- Human Resources
- Sustainability Office

Legal Services

Reporting to the Chief Administrative Officer, the Legal Services Department provides a full range of legal advice and support to Council, its committees and City staff. As a municipal corporation, the City is subject to all laws of the Federal and Provincial governments.

The primary functions and duties of the Legal Services Department include:

- Legal advice to Council and its committees regarding legal issues, liability and applicability of provincial legislation
- Representation at all Ontario Municipal Board hearings
- Conduct or defend all legal actions instituted by or commenced against the City in all levels of the Ontario court system
- Preparation and review of all development agreements (subdivision, site plan) and other contracts/agreements
- Negotiation, preparation, review and registration of documents required for the acquisition and sale of real property

- Drafting and review of by-laws
- Provision of legal advice and direction to all municipal departments
- Meetings with other government agencies, including provincial ministries and York Region, to resolve issues
- Assistance to the By-law Enforcement Department in the enforcement and prosecution of City regulatory and zoning by-laws, including representation of the Licensing Manager at Licensing hearings

Human Resources

The Human Resources department supports the achievement of the City of Markham's goals by providing a full range of strategic human resources management solutions in the areas of workforce development, business transformation, positive stakeholder relations, and occupational health, wellness and safety. The department is also the corporate sponsor and champion of the City's comprehensive multi-year Diversity Action Plan "Everyone Welcome" which lays out the paths that the City will travel toward an inclusive Markham. The City employs 1033 full-time staff supported by part time and temporary peak-season staff in areas such as the Contact Centre, Recreation Services and the Operations Department.

Sustainability Office

Reporting to the CAO, the Sustainability Office champions the implementation of the Greenprint, Markham's Sustainability Plan, in partnership with staff and the community.

The Greenprint was developed with extensive consultation and is a 50-100 year vision for Markham to become the most sustainable community in North America; it is based on the three sustainability pillars of:

- Social & Cultural Well-Being
- Economic Vitality
- Environmental Health

The Greenprint has 12 priority areas and 241 recommendations that are new or build on existing initiatives of Markham staff and the community, monitoring and tracking of the priority indicators and recommendations will be by the Sustainability Office.

The Sustainability Office leads specific implementation initiatives of the Greenprint and provides sustainability support services to Council, staff and the community.



CAO, LEGAL, HR AND SUSTAINABILITY OFFICE

2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
USER FEES & SERVICE CHARGES	\$115,444	\$147,192	\$234,552	\$87,360	59.4%	\$119,108	103.2%
RECOVERIES & CONTRIBUTIONS	-	-	-	-	-	-	-
OTHER REVENUE	-	-	148,000	148,000	-	148,000	-
Total Revenues	\$115,444	\$147,192	\$382,552	\$235,360	159.9%	\$267,108	231.4%
Expenses							
SALARIES AND BENEFITS	\$4,767,013	\$4,886,297	\$4,926,600	\$40,303	0.8%	\$159,587	3.3%
PRINTING & OFFICE SUPPLIES	28,973	30,153	28,622	(1,531)	-5.1%	(351)	-1.2%
OPERATING MATERIALS & SUPPLIES	110,543	113,656	103,656	(10,000)	-8.8%	(6,887)	-6.2%
UTILITIES	-	(84,896)	(10,896)	74,000	-87.2%	(10,896)	-
COMMUNICATIONS	12,596	10,612	17,452	6,840	64.5%	4,856	38.6%
TRAVEL EXPENSES	25,056	44,459	38,707	(5,752)	-12.9%	13,651	54.5%
TRAINING	263,156	298,279	298,279	-	0.0%	35,123	13.3%
CONTRACTS & SERVICE AGREEMENTS	(180,205)	(152,786)	(177,572)	(24,786)	16.2%	2,633	-1.5%
RENTAL/LEASE	1,687	6,444	6,444	-	0.0%	4,757	282.0%
PROFESSIONAL SERVICES	624,096	564,143	541,281	(22,862)	-4.1%	(82,815)	-13.3%
LICENCES, PERMITS, FEES	64,611	65,626	65,626	-	0.0%	1,015	1.6%
PROMOTION & ADVERTISING	151,882	261,640	249,281	(12,359)	-4.7%	97,399	64.1%
OTHER EXPENDITURES	12,989	40,896	10,896	(30,000)	-73.4%	(2,093)	-16.1%
Total Expenses	\$5,882,397	\$6,084,523	\$6,098,376	\$13,853	0.2%	\$215,979	3.7%
Net Expenditures/(Revenues)	\$5,766,953	\$5,937,331	\$5,715,824	(\$221,507)	-3.7%	(\$51,129)	-0.9%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Utilities: Due to the transfer of a recovery to revenues.



CAO's OFFICE – COMMISSION SUPPORT
2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. Vs. 2013 Act.</u>		
				<u>\$ Incr./((Decr.)</u>	<u>% Change</u>	<u>\$ Incr./((Decr.)</u>	<u>% Change</u>	
Revenues								
OTHER INCOME	-	-	-	-	0.0%	-	0.0%	
Total Revenues	-	-	-	-	0.0%	-	0.0%	
Expenses								
SALARIES AND BENEFITS	\$779,999	\$790,758	\$787,544	(\$3,214)	-0.4%	\$7,545	1.0%	
PRINTING & OFFICE SUPPLIES	2,917	5,827	4,818	(1,009)	-17.3%	1,901	65.2%	
OPERATING MATERIALS & SUPPLIES	1,985	2,720	2,720	-	0.0%	735	37.0%	
COMMUNICATIONS	3,571	2,694	4,134	1,440	53.5%	563	15.8%	
TRAVEL EXPENSES	10,537	18,035	23,186	5,151	28.6%	12,649	120.0%	
TRAINING	2,738	3,960	3,960	-	0.0%	1,222	44.6%	
CONTRACTS SERVICES AGREEMENT	(384)	19,971	17,069	(2,902)	-14.5%	17,453	-4545.1%	
RENTAL/LEASE	-	555	555	-	0.0%	555	0.0%	
LICENCES, PERMITS, FEES	16,575	5,913	5,913	-	0.0%	(10,662)	-64.3%	
OTHER EXPENSES	22,954	218,800	218,800	-	0.0%	195,846	853.2%	
Total Expenses	\$840,892	\$1,069,233	\$1,068,699	(\$534)	0.0%	\$227,807	27.1%	
Net Expenditures/(Revenues)	\$840,892	\$1,069,233	\$1,068,699	(\$534)	0.0%	\$227,807	27.1%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

No significant changes



LEGAL SERVICES BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes			
#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Legal representation at all Ontario Municipal Board hearings. The Department represents the City at all manner of litigation and administrative matters to ensure that Council's position and City policy is upheld.	Addition of Assistant City Solicitor for Planning should result in reduction in number of files sent to outside counsel and reduction in budget impact of litigation files. Fewer planning files are being sent to outside counsel. However, outside litigation budget does not reflect this as a number of other significant legal matters have been referred to outside counsel/consultants.	OT
2	Real property matters - The Department acts for the City in negotiating and completing acquisitions (by agreement with the owner and by expropriation), disposition, leases, easements and permission to enter agreements and licenses to ensure that the interests of the City are well represented and protected and to ensure that City policy is complied with.	Completion of new Real Property Acquisition and Disposition Policy (in progress) and review of Delegated Authority (completed). Completion of acquisitions and dispositions as required. Review of areas of responsibility for real property ie leases and acquisitions, once agreements completed, with other Departments having jurisdiction, ie Finance, Asset Management. Management of leases and lessees in MCC transferred temporarily to Legal.	OT
3	Legal representation and provision of strategic and practical advice and services to the City, including Council, Committee and staff, on a wide variety of legal issues and policy matters.	Protection of City's interests while facilitating, in a timely way, the plans and programs of operating departments.	OT
4	Development Agreements - preparation and registration of all subdivision, site plan, heritage conservation easement and other agreements to facilitate residential, commercial, industrial, institutional and heritage development within the City.	Timely preparation, execution and registration of all agreements necessary to protect the interests of the City and facilitate development approvals of the City. Number of subdivision registrations is down from last year, due in part to developers accelerating subdivisions in 2012 to take advantage of lower Regional DC's.	OT
5	Markham Enterprises Corporation - provision of strategic and practical advice to the Shareholder, Board of Directors, staff of MEC and its subsidiary Markham District Energy Inc.	Timely and practical advice delivered to ensure the corporation's interests are protected. Continue to work proactively with PowerStream and MDEI to identify issues early so that they can be dealt with at MEC and City Council, if necessary, in a timely way.	OT
6	Staff Satisfaction survey improvement projects: Individual Recognition and Reward and Job Clarity.	Objective is to improve rating to within 5% of Commission average results by next survey	OT
Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted			

LEGAL SERVICES KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 JUNE 30	TARGET
# of formal customer satisfaction surveys completed	1						1 every 2 years
# of informal customer satisfaction surveys completed							
Average overall satisfaction for formal survey(s) completed (%)	73%						≥80%
Average extremely/very satisfied for formal survey(s) completed (%)	59%						≥35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 10.90	\$ 11.58	\$ 13.83	\$ 13.89	\$ 12.60	\$ 13.23	at or below approved budget
OPERATIONAL EXCELLENCE							
Favourable decisions as a % of decisions rendered	86%		85%	85%	75%	87%	
# of subdivision agreements	23	1	19	20	22	4	
# of site plan agreements prepared	53	52	35	55	56	26	
# of development agreements prepared	27	32	63	34	41	18	
# of files opened	440	413	375	325	301	211	
# of acquisitions by expropriation	1			2		-	
% of average increase in purchase price due to expropriation	317%			166%	166%		
Average time (months) to acquire by negotiation	12	12	12	12			
Average time (months) to acquire by expropriation	10			10			
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	61%		68%		68%		≥75%
Recognition rating (from staff survey)	29%		57%		48%		≥65%
Staff Satisfaction rating (from staff survey)	76%		77%		85%		≥80%
Completion rate for performance management	100%	100%	100%	100%	100%	100%	100%
Average Corporate learning hours per full-time employee	7.4	6.0	6.0	2.8	2.5	3.2	20.0
Staff absenteeism (average # of days per employee)	4.4	4.9	2.1	2.3	4.6	1.5	≤8.4
Staff turnover rate	29%	0%	7%	0%	0%	0%	≤7.5%



LEGAL SERVICES BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Legal representation at all Ontario Municipal Board hearings and management of other, non-insurance litigation matters . The Department represents the City at all manner of litigation and administrative matters to ensure that Council's position and City policy is upheld.		Addition of Assistant City Solicitor for Planning should result in reduction in number of files sent to outside counsel and reduction in budget impact related to Ontario Municipal Board and other litigation files.				X
2	Real property matters - The Department acts for the City in negotiating and completing acquisitions (by agreement with the owner and by expropriation), disposition, leases, easements and permission to enter agreements and licenses to ensure that the interests of the City are well represented and protected and to ensure that City policy is complied with.		Implementation of revised Real Property Acquisition and Disposition Policy and delegated authorities. Completion of acquisitions and dispositions as required. Review of areas of responsibility for real property ie leases and acquisitions, once agreements completed, with other Departments having jurisdiction, ie Finance, Asset Management		X	X	X
3	Legal representation and provision of strategic and practical advice and services to the City, including Council, Committee and staff, on a wide variety of legal issues and policy matters.		Protection of City's interests while facilitating, in a timely way, the plans and programs of operating departments.	X			X
4	Markham Enterprises Corporation - provision of strategic and practical advice to the Shareholder, Board of Directors, staff of MEC and its subsidiary Markham District Energy Inc.		Timely and practical advice delivered to ensure the corporation's interests are protected. Continue to work proactively with PowerStream and MDEI to identify issues early so that they can be dealt with at MEC and City Council, if necessary, in a timely way.		X	X	X
5	Staff Satisfaction survey improvement projects: Individual Recognition and Reward and Job Clarity.		Staff Satisfaction survey improvement projects: Individual Recognition and Reward review, events to improve morale and Job Clarity review are ongoing	X			
6	Development Agreements - preparation and registration of all subdivision, site plan, heritage conservation easement and other agreements to facilitate residential, commercial, industrial, institutional and heritage development within the City.		Timely preparation, execution and registration of all agreements necessary to protect the interests of the City and facilitate development approvals of the City. Number of subdivision registrations is down slightly from last year, although with critical dates for Regional DC's coming up, anticipated registrations will exceed last year's total		X	X	

Strategic Work

1	Development of a Strata Parks/Roads policy with the assistance of a consultant. Cross-commission team led by Legal comprised of Planning, Urban Design, Engineering, Operations and Finance		Policy that provides consistency for the development industry, meets the needs of the community and is financially sustainable for the City.		X	X	X
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Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



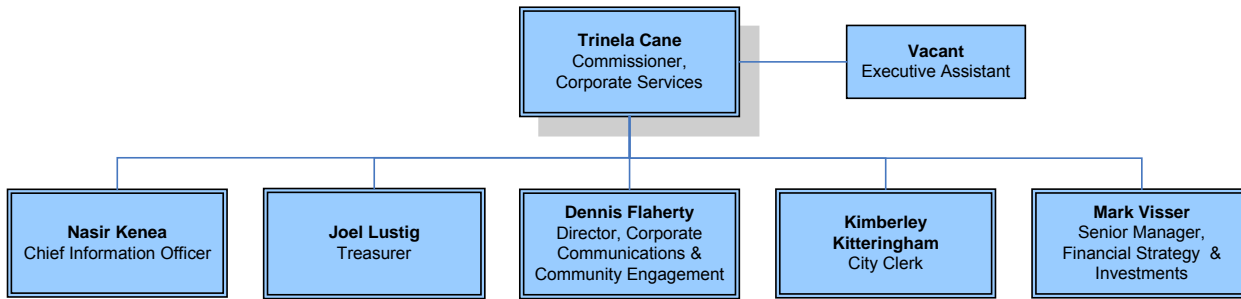
LEGAL SERVICES 2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. Vs. 2013 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenues								
USER FEES & SERVICE CHARGES	\$115,444	\$147,192	\$234,552	\$87,360	59.4%	\$119,108	103.2%	
Total Revenues	\$115,444	\$147,192	\$234,552	\$87,360	59.4%	\$119,108	103.2%	
Expenses								
SALARIES AND BENEFITS	\$1,402,899	\$1,399,799	\$1,407,662	\$7,863	0.6%	\$4,763	0.3%	
PRINTING & OFFICE SUPPLIES	5,030	6,320	6,320	-	0.0%	1,290	25.6%	
OPERATING MATERIALS & SUPPLIES	18,378	9,261	9,261	-	0.0%	(9,117)	-49.6%	
COMMUNICATIONS	3,228	2,117	3,197	1,080	51.0%	(31)	-1.0%	
TRAVEL EXPENSES	5,613	6,942	6,942	-	0.0%	1,329	23.7%	
TRAINING	-	1,189	1,189	-	0.0%	1,189	0.0%	
CONTRACTS & SERVICE AGREEMENTS	(54,296)	(54,296)	(59,787)	(5,491)	10.1%	(5,491)	10.1%	
RENTAL/LEASE	-	1,520	1,520	-	0.0%	1,520	0.0%	
PROFESSIONAL SERVICES	381,101	321,572	321,572	-	0.0%	(59,529)	-15.6%	
LICENCES, PERMITS, FEES	37,617	43,222	43,222	-	0.0%	5,605	14.9%	
Total Expenditures	\$1,799,570	\$1,737,646	\$1,741,098	\$3,452	0.2%	(\$58,472)	-3.2%	
Net Expenditures/(Revenues)	\$1,684,126	\$1,590,454	\$1,506,546	(\$83,908)	-5.3%	(\$177,580)	-10.5%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

No significant changes.

CORPORATE SERVICES



The Commission provides financial, administrative and technical services that enhance our customers' and partners' current and future performance. This is accomplished through the delivery of timely, accurate, and complete analysis, strategic advice and information, and the fulfillment of fiduciary, and legislative responsibilities of the Corporation.

The Commission has a full time complement of 155 employees representing the following departments, each with their own areas of expertise and responsibility.

- Information Technology Services
- Financial Services
- Corporate Communications and Community Engagement
- Legislative Services

Information Technology Services

Information Technology Services (ITS) supports the Corporation in its objective to provide effective public services and maintain efficient government operations through appropriate and innovative use of information and communication technologies. The Department is comprised of three divisions:

- Technology (Network Infrastructure, Desktop, Telecommunication, and Audio Visual support)
- Client Delivery (Service Desk, Project Delivery, and Support)
- Applications and GIS (Business Applications & Web, Data Management, GIS Services, and Support)

Financial Services

Financial Services consists of a team of experts that coordinate and analyze all financial transactions to enable our customers and partners to make effective business decisions. The primary role of the department is to ensure the financial integrity of the City. The department is divided into five divisions, consisting of the following:

- Financial Planning
- Financial Reporting & Payroll
- Purchasing & Accounts Payable
- Financial Strategy & Investments (Development Finance, Investments, Risk Management, Special Projects)
- Revenues (Tax Billing and Collection, Assessment Review, Cash Management)

Corporate Communications and Community Engagement

Corporate Communications and Community Engagement leads and manages Markham's public and internal staff communications programs through Markham's website and intranet, printed and digital publications, social media, advertising and media relations.

The department also:

- provides special event support for Markham's corporate events,
- administrative support to community events, and
- manages Markham's corporate sponsorship program, and support corporate community engagement activities.

Communications staff develop and implement communication and marketing plans to support key Markham strategies, programs and initiatives; write, design and produce print, video and electronic materials; provide issue management support; and manage Markham's corporate brand, identity and reputation.

Legislative Services

Legislative Services Department staff are familiar faces to many Markham residents and businesses. The Department is divided into four divisions:

- Clerks
- By-law & Regulatory Services
- Licensing and Standards
- Contact Centre

The Clerks Division is the liaison between Council, staff and the public. It is responsible for: producing Council and committee meeting notices, agendas and minutes; responding to requests for information held by the municipality; organizes and administers municipal elections; registers deaths and issues marriage licenses; as well as performs civil marriage ceremonies. The Division also provides corporate support and customer services such as mail and print services, records management and sale of plots for public cemeteries.

The By-law & Regulatory Services Division provides frontline field services to Markham residents and businesses. Using their community relations and regulatory compliance skills, By-law Staff maintain community standards in areas such as land use, property maintenance, and signage. Parking Control is also a responsibility of staff, with school zones and accessible parking enforcement being key service areas. Division staff work closely with residents and businesses to educate and ensure compliance with licensing, property standards and parking regulations. By-law Officers address issues related to such things as noise control and control of parking spaces for persons with disabilities.

The Licensing & Standards Division provides frontline field services to Markham residents and businesses in the areas of animal services, including domestic animals & wildlife and mobile & stationary business licensing including regulating mobile signs. Division staff work closely with residents and businesses to educate and ensure compliance with all City licensing regulations. Licensing Officers address issues related to such things as taxi and limousine industries, driving school operators, and the tow truck industry.



In addition to telephone, email and in-person customer inquiry support for numerous City Departments, the Contact Centre processes recreation program registrations, tender disbursements, parking permits, and animal and business licenses.



CORPORATE COMMUNICATIONS AND COMMUNITY ENGAGEMENT BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Media Relations Training	This was not initiated in 2013. Training of designated spokespersons is planned for 2014, pending verification of participants.	DEL
2	Extended Web content author training	Content authors were trained on accessibility upgrades to portal and the implementation of portal version 8.	ADJ
3	Corporate Digital and Social Media Workshop	This was not initiated in 2013. Recommendations regarding go forward use of social media through out the corporation will be established, in conjunction with updates to the social media policy. Work shops will be developed, as required, to address the recommendations and policy.	DEL
4	Social Media - Facebook	Facebook Likes (December 29 - 973) (Target: 1,000). New "S.M.A.R.T." targets for all social media being developed for 2014.	OTC
5	Social Media - Twitter	Twitter followers (December 29 - 3900) (Target: 3,500)	OTC
6	Social Media - LinkedIn	LinkedIn followers (December 29 - 2,470) (Target: 750)	COM
7	Guide to Communications Services	E- guide outlining the department's service delivery standards and processes with an expectation of enhanced client satisfaction and appropriate project management of work.	ADJ
8	Marketing Analysis and Planning: Expand competency profile of Corporate Communications to include increased marketing communications experience.	Staff seconded to Recreation for Q3/Q4 to develop marketing strategy. Draft strategy completed.	COM
9			
Strategic Work			
1	Portal Phase 3 - Implementation (Support) including mobile app	Successfully Supported ITS on portal enhancements and mobile app Phase two additions	COM
2	New Official Plan (Support)	Successfully Supported Planning and produced OP Part 1 and developed the new supporting piece: Resident's Guide to Official Plan.	COM
3	Corporate Community Engagement Strategy (Lead)	Providing opportunities for residents of all backgrounds, ages and abilities to engage in a forum and media of their choice to engage in municipal activities and programs	DEL
4	Corporate Events Policy for Civic Centre	Developed Cross-Commission Committee and developed policy. Presented to ELT and General Committee	PP
5	Corporate Communications Strategy	in development	ADJ
6	Internal Communications Survey and plan	Internal Communications strategy development began. Planned employee survey will now be connected with plan to carry out employee survey for Excellence Markham. A monthly ELT Newsletter was implemented in September to keep employees up-to-date on ELT news and decisions.	ADJ
7			

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted



CORPORATE COMMUNICATIONS AND COMMUNITY ENGAGEMENT

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	TARGET
# of formal customer satisfaction surveys completed	0	0	1	1	0	0	one survey every 2 years
# of informal customer satisfaction surveys completed	0	77	15	7	31	9	25
Average overall satisfaction for informal surveys completed (Very good to excellent)						88%	≥80%
Average overall satisfaction for formal survey(s) completed (%)	n/a	n/a	66%	82%	n/a	n/a	≥80%
Average extremely/very satisfied for formal survey(s) completed (%)	n/a	n/a	34%	40%	n/a	n/a	≥35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 16.03	\$ 13.36	\$ 11.74	\$ 10.55	\$ 9.73	\$ 10.94	at or below approved
Net cost of Markham Life per household	\$ 1.63	\$ 2.96	\$ 1.07	\$ 0.09	\$ 0.26	\$ -	at or below approved
Gross Revenue from sponsorships / facility advertising and sales		\$273,505	\$ 107,712	\$ 78,592	\$ 308,771	\$ 238,904	540,000
OPERATIONAL EXCELLENCE							
# of Community Events Supported	188	168	183	438	220	119	
# of Corporate Events Support	n/a	n/a	n/a	n/a	n/a	108	
# Bandstand, Road Closure and Banner applications	n/a	n/a	n/a	n/a	n/a	202	
Average Public Attendance per corporate community event	Performance Indicator began in 2011			751	n/a	1000	
% of projects completed on time and on budget			88%	100%	95%	1	100%
No. of design projects completed in-house	346	343	595	607	383	708	700
No. of media releases	95	92	164	127	56	108	150
Average number of local media impressions per media release	Performance Indicator began in 2011			320,000	375,000	415,000	
Number of media inquiries	103	68	43	115	98	175	
Percentage of media inquiries addressed within prescribed deadline	Performance Indicator began in 2011			98%	98%	96%	100%
Number of media events	51	31	42	58	33	41	
Average number of media stories per corporate media event	Performance Indicator began in 2011			6	9	14	
Number of City E- News	n/a	n/a	n/a	n/a	166	130	
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	47%	n/a	49%	n/a	56%	n/a	≥75%
Recognition rating (from staff survey)	29%	n/a	37%	62%	50%	n/a	≥65%
Staff Satisfaction rating (from staff survey)	67%	n/a	57%	57%	64%	n/a	≥80%
Completion rate for performance management	67%	67%	67%	22%	100%	n/a	100%
Average Corporate learning hours per full-time employee	11.9	2.4	5.3	3.3	3.5	0	20.0
Staff absenteeism (average # of days per employee)	9.9	1.2	10.1	6.5	4.1	0	≤8.4
Staff turnover rate	27%	0%	33%	23%	8%	0%	≤7.5%



CORPORATE COMMUNICATIONS AND COMMUNITY ENGAGEMENT

BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)							
#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources
Business As Usual Work							
1	Support Strategic Priorities: *Leveraging ITS - supporting *Talent Management - supporting *Managing Growth - supporting *Community Engagement (lead)		Community Engagement - Corporate Strategy and Managers toolkit/Guide to design and execute multiple community engagement opportunities for residents of all ages, background and abilities. This will result in enhanced public participation and feedback on Markham's programs and activities and a more informed decision making process, and more awareness of Markham's activities and programs.	X	X	X	X
2	Election Communications Protocols Update		Provide guidelines to Members of Council of communication protocols that must be followed prior to the 2014 Elections (with Clerks). - Guideline to be rolled out in Q1.				
3	Social Media		1. Regular posting of ongoing initiatives, events, etc. 2. Establish targets and measures for social media platforms, including a quarterly reporting procedure (and apply to campaign below) - Q1 Improved analytics will assist in determining prominent user profiles, information that is most relevant to residents and increased opportunities for engagement of Markham's online audiences.		X		
4	Portal		1. Ongoing content author training to provide an update on new web architecture, accessibility requirements and business governance responsibilities 2. Build on partnership with ITS; Refine web content, architecture and mobile as required.		X		X
5	Event Protocols and Policies		Enhancing the effectiveness of events . 1. Develop & implement workshops Lunch & Learns 2. Revise & Update Event Guidelines 3. Develop & Roll-out instructions to Markham's policies to help Councillors and EA's understand Markham's policies, practices and fee structure associated with Markham's facilities and properties. 4. Increase the efficient use of Markham's resources by ensuring consistent application of Markham's event-related fees. 5. Conduct "How To" Events and Festivals workshop for local organizations and community leaders. 6. Make all Event Applications available on-line for residents to submit electronically with electronic signatures. 7. Research and develop business case for purchase of event management software tool. 8. Conduct Event Telephone Surveys quarterly for 100% of internal client generated events	X	X	X	X
6	Policy Updates		1. Media Relations Policy - Q2 - * Managing and enhancing Markham's reputation in the media 2. Graphic Standards - Q3 - *Consistent application and practice in representing Markham's identity 3. Social Media - Q2 - * Strategic use of social media to effectively inform and engage residents 4. Update of Email Standards & Guidelines - Q2 - * Managing Markham's presence as a professional organization				X
7	Communications Services Guide		Increase understanding of department services, production and delivery requirements, and services level agreements. Will result in more effective work management and timely delivery of service. 1. E-Guide to Markham's communications services offered through CC&CE services - Q2 2. Community Engagement tools and templates - Q4	X			X
8	2013 Annual Report		Support Finance and Sustainability in the development of 2013 Annual Report, including (Q2): 1. Content outline, 2. Creative development, 3. Content writing and editing, 4. Print production and digital publication, 5. Communication planning				X
9	Service Level Agreements (SLAs)		1. Review and update of all existing SLAs - Q3 2. Development of SLAs with remaining client groups - Q3 * Increasing the efficiency and effectiveness of of client generated communications assignments.	X			X

#	Objective	Requires Additional Resources	Outcomes	Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources
Strategic Work							
1	Portal & related services		<p>* Phase 2 of Mobile app - Q2. Re-engineered to leverage existing portal content, in-house control of content changes, improved analytics to assess user profiles and additional button for tourism in preparation for PanAm Games.</p> <p>* Phase 3: Online services - TBD by ITS, * Phase 4: Intranet - TBD by ITS (possibly 2015)</p>		X		X
2	Excellence Markham		<p>Communications support to increase awareness of the Excellence Markham framework and what it means to employee work functions . Will assist in moving Corporation to PEP Level IV by 2015 .</p>	X			X
3	Enhancing Customer Experiences Project Series		<p>Communications support to inform and engage staff on the Customer Experience Service Strategy and work of the three project teams.</p> <p>1. Corporate Customer Experience Strategy, 2. Civic Centre Front Counters Feasibility Study, 3. Civic Centre Counters Service Planning (Phase One complete by Q1)</p>	X	X		X
4	Recreation Marketing Strategy		<p>Support Recreation Operating/Business Plan through multi-year marketing strategy with campaigns linked to key programs, facilities and community demographics with targets for increased ROI based on fill rates.</p> <p>1. Complete and seek approval of Recreation Marketing Strategy -Q1, 2. Present a 12-18 month tactical plan which aligns to operating plan priorities in Q1. 3. Implement tactical plan with Recreation staff throughout 2014/2015, 4. Deliver defined tactics on time and on budget.</p>	X	X		X
5	Recreation Branding		<p>Support the development of strengthened brand position and customer focused value proposition for Recreation Programs to enhance the appeal of recreation programs to Markham residents. Done in conjunction with the Recreation Marketing Strategy</p> <p>1. Finalize vision statement - Q1, 2. Develop Guiding Principles - Q2, 3. Support Recreation Enhanced Customer Experience initiative - ongoing, 4. Develop supporting tag line - Q2</p>	X	X		X
6	2014 Election		<p>Support goal of increased voter awareness of eligible Markham voters about election procedures, voting options - including online internet voting and Markham's new ward boundaries and associated candidates - Q3</p>	X	X		X
7	Pan Am Games		<p>Implement approved PanAm communication & marketing programs. Increase community awareness and engagement of residents for volunteering and attendance at the games venues.</p> <p>* Support PanAm host/community engagement legacy committees with communications programs * Help lead PanAm one-year Countdown Celebration - Q2 * Provide specific assistance to brand activation & marketing sub-committee of Host Advisory Committee</p>	X	X		X
8	Community Engagement Strategy	P	<p>Serves as corporate strategy for Markham's community engagement activities with the following benefits:</p> <ul style="list-style-type: none"> • Increased citizen involvement and feedback into Markham's may result in an improvement in Markham's citizen satisfaction/. • Increased efficiency in the timelines of project schedules and resource requirements. • Builds an environment of trust and inclusiveness, and a greater understanding of the role municipal government and the decision-making process. • Projects, services and corporate activities to benefit from broader feedback, ideas and approaches and more reflective of community aspirations. <p>* Deliver Strategy to Executive Team (Timing TBD)</p>	X	X		
9	Media Relations Training		Identify and prepare designated spokespersons to respond more effectively to media inquiries in a timely manner while enhancing and managing Markham's reputation and brand - Q4	X	X		
10	Internal Communications Strategy		<p>Increase employee awareness and engagement in support of Markham's strategic priorities and Excellence Markham principles and practices:</p> <p>1. Develop new and re-aligned communication tools - Q3 and 2. Conduct employee focus groups and surveys linked to staff satisfaction indicators - Q4</p>	X			
11	Corporate Identity & Signage		<p>Precursor to new signage and lifecycle facility branding program. (Parks/buildings/vehicles)</p> <p>1. Research and inventory of Markham's branding across Markham's facilities, equipment and communications to document Markham's signage and identity environment. Goal is to provide a contemporary and consistent approach to Markham's facility sand asset signage. (Timing TBD)</p>		X		X
12	Corporate Sponsorship Strategy		<p>Inventory and analysis of existing business sponsorships across Markham facilities and programs.</p> <p>Will result in an integrated sponsorship strategy to better manage external sponsor relationships, leverage existing and future sponsorship to maximize revenue and encourage long term sponsor contractual agreements.</p>				X
13	Social Media		<p>1. Increase use of all social media platform to engage with residents - in particular develop campaigns to support strategic initiatives:</p> <p>a) Recreation's strategic plan, b) 2014 Election, c) PanAm one-year Countdown</p>	X	X		



CORPORATE COMMUNICATIONS AND COMMUNITY ENGAGEMENT 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
USER FEES & SERVICES CHARGES	\$383,686	\$373,700	\$373,700	\$0	0.0%	(\$9,986)	-2.6%
RECOVERIES & CONTRIBUTIONS	120,948	466,500	466,500	\$0	0.0%	\$345,552	285.7%
OTHER REVENUES	0	0	0	\$0	0.0%	\$0	0.0%
INTERDEPARTMENTAL RECOVERIES	0	(73,000)	(73,000)	\$0	0.0%	(\$73,000)	0.0%
Total Revenues	\$504,634	\$767,200	\$767,200	\$0	0.0%	\$262,566	52.0%
Expenses							
SALARIES AND BENEFITS	\$1,313,215	\$1,380,016	\$1,395,211	\$15,195	1.1%	\$81,996	6.2%
PRINTING & OFFICE SUPPLIES	20,209	15,327	15,327	0	0.0%	(4,882)	-24.2%
OPERATING MATERIALS & SUPPLIES	44,207	13,158	13,158	0	0.0%	(31,049)	-70.2%
COMMUNICATIONS	2,705	6,943	7,123	180	2.6%	4,418	163.3%
TRAVEL EXPENSES	10,152	12,779	12,779	0	0.0%	2,627	25.9%
TRAINING	486	21,000	21,000	0	0.0%	20,514	4221.0%
CONTRACTS SERVICES AGREEMENTS	(116,693)	(116,693)	(124,697)	(8,004)	6.9%	(8,004)	6.9%
PROFESSIONAL SERVICES	87,407	112,289	115,909	3,620	3.2%	28,502	32.6%
LICENCES, PERMITS, FEES	712	1,000	1,000	0	0.0%	288	40.4%
PROMOTION & ADVERTISING	163,305	191,300	189,300	(2,000)	-1.0%	25,995	15.9%
KEY COMMUNICATION PROGRAMS	294,712	431,648	431,648	0	0.0%	136,936	46.5%
OTHER PURCHASED SERVICES	0	900	900	0	0.0%	900	0.0%
Total Expenses	\$1,820,417	\$2,069,667	\$2,078,658	\$8,991	0.4%	\$258,241	14.2%
Net Expenditures/(Revenues)	\$1,315,783	\$1,302,467	\$1,311,458	\$8,991	0.7%	(\$4,325)	-0.3%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

No significant changes



INFORMATION TECHNOLOGY SERVICES

BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Web Based TXM Update	Upgraded the current Tax system to a web platform to ensure currency in technology and maintain support	COM
2	Printer replacement	Replacement of printers in user departments across the organization based on life cycle. 84 printers were removed and 59 new devices were rolled out in a 3 week deployment.	COM
3	Project management and technology support for 2014 Election	Requirements finalized, RFP to be issued, vendor to be selected	OT
4	Business application upgrades (i.e.ACR, Eclipse, Sharepoint, Class, etc)	Ensure our applications are at the latest level	ADJ
5	Replacement of technology infrastructure	Replacement of backup hardware along with the appropriate management software and process changes, backbone switches, and remaining wireless access points	ADJ
6	Database system upgrades	Upgrade the Enterprise Manager Grid Control system that is used to manage the database infrastructure, and upgrade of the SAS data management platform	COM
7	Establish process for patch management	Establish a process by which patches are applied to systems while keeping interruption to business operation to the lowest	PP
8	Optimization of technology platform/infrastructure	Migration of application and databases to virtual environment to provide consolidated infrastructure	COM
9	Portal implementation	Implementation of a wide range of online services to provide more self-service capabilities. Mobile application has also been launched	COM
10	Implement other 2013 and previously approved IT projects	Implement 2013 and other previously approved IT capital projects including project management support	OT
11	Blackberry Enterprise Server upgrade	Prepare the necessary technology infrastructure to permit the rollout of Blackberry 10 with little or no impact to user and to maintain technology currency.	COM
Strategic Work			
1	IT Strategy Refresh	This initiative will allow the city to understand where the various business areas in the organization are heading in the midterm, synthesize and prioritize them such that the associated IT enablers can be provided in order to meet these objectives. The deliverable will be a technology roadmap (blue print) for the organization for the next few years as well as governance.	PP
2	Assesment and establishment of a roadmap for electronic plan review	Completed the assessment of current business processes, Identified requirements for to facilitate electronic plan review in Building, Planning and Engineering departments, project and operating resources needs along with implementation	COM
3	Payment Card Industry standard	Implementation of the initial phase of Payment Card Industry compliance requirement	ADJ
4	Portal platform upgrade	Establish a process by which patches are applied to systems while keeping interruption to business operation to the lowest	COM
5	Implement Data Centre disaster recovery capability meeting EOC requirements	Evaluation of various options for a secondary data centre that will be used for 2014 budget process.	COM
6	Human Resources system - assessment and initiation of implementation	Initial implementation of core Human Resources system following a roadmap/implementation strategy development in 2012.	ADJ
7	Pilot/implement collaboration tool	Evaluate options to implement collaboration tool for employees that integrates with Microsoft Outlook	PP
8	Enterprise Asset Management	Implementation of Phase 1 - includes job costing and facility management for Operations, Asset Management & Finance.	PP
9	Server replacement strategy	Establish a strategy around server replacement including virtualization, consolidation and other technology opportunities that provide additional value to the	COM
11	Emerald Ash Tree Borer and Museum Artifacts mapping display	Interactive map that display location and status of Emerald Ash Tree Borer, and a map that shows museum artifact locations and associated information	COM
12	Network assessment	Network and email service performance assessments completed. Identified recommendations have been implemented resulting in improved services.	COM
13	Managment reporting dashboard	Selected set of corporate reports for ELT to help in decision making. First phase is focussed on Financials and Contact Centre.	ADJ
14	Local Telecom service contract	New contract agreement for all local telecom service to the City with \$60K annual savings to operational cost.	COM

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted

INFORMATION TECHNOLOGY SERVICES

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	1	0	1	0	1	0	1 every 2 years
Overall satisfaction (satisfied and above) for formal survey(s) completed (%)	75%	n/a	86%	n/a	91%	n/a	≥80%
Average extremely/very satisfied for formal survey(s) completed (%)	x	n/a	54%	n/a	52%	n/a	≥35%
# of informal satisfaction surveys completed		12	12	12	12	12	12
Average customer satisfaction % - very satisfied		60%	62%	61%	65%	70%	≥75%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 49.70	\$ 51.93	\$ 50.91	\$ 50.42	\$ 53.28	\$ 28.70	at or below approved budget
OPERATIONAL EXCELLENCE							
Business continuity service achievement (%)		99.92%	99.97%	99.98%	99.96%	99.98%	99.95%
% Call abandonment at Service Desk		14%	15%	16%	14%	17%	7%
Average number of answered calls by Service Desk/month		1,015	993	1,064	925	903	n/a
% of Calls resolved on first contact at Service Desk		37%	45%	42%	40%	52%	50%
% of incidents resolved within severity-based set targets	x	78%	70%	71%	82%	93%	85%
% of administrative request resolution within target		80%	80%	75%	87%	95%	85%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	69%	n/a	69%	n/a	67%	n/a	≥75%
Recognition rating (from staff survey)	65%	n/a	60%	n/a	55%	n/a	≥65%
Staff Satisfaction rating (from staff survey)	78%	n/a	78%	n/a	73%	n/a	≥80%
Completion rate for performance management	76%	93%	97%	100%	100%	n/a	100%
Average Corporate learning hours per full-time employee	5.6	7.2	3.2	2.3	8.2	1.8	20.0
Staff absenteeism (average # of days per employee)	5.6	3.9	3.2	2.9	5.5	2.1	≤8.4
Staff turnover rate	11.1%	11.1%	4.0%	3.1%	0%	0%	≤7.5%

KPI SUMMARY

Most of the operational KPIs continue to remain at or above target levels and in-line with previous years. This reflects the diligence of ITS staff in dealing with significant workload as an outcome of increased dependence on technology for business operation.

-There is an increase in % of incidents and requests resolved on first contact at Service Desk. This is due to the transition of additional troubleshooting and administrative skills and tools to Service Desk staff, enabling them to successfully resolve more issues themselves, without the need to pass to second level.

- There is significant improvement (10%) in incident resolution target achievement. This is a result of continued focus on ITS process improvements and attention to timely completion of customer requests.



INFORMATION TECHNOLOGY SERVICES BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals				
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources	

Business As Usual Work

1	2014 Election - technology support and project management		Reliable and fully functioning technology platform and project support to successfully execute the 2014 municipal election		X		
2	Data Centre Information Security Audit	NP	Assess the vulnerability of corporate technology infrastructure and identify areas for improvement.	X			X
3	Backup Hardware Replacement	NP	Implement backup infrastructure to ensure applications and data are effectively retained and can be restored as required.	X			
4	Printer replacement (Phase 2)	NP	Reliable printing/imaging services to users with reduced per impression fees and enhanced functionalities to users	X			
5	Network and Audio Visual equipment replacement	NP	New network hardware for better performance across different facilities & upgraded projectors in meeting rooms - better services	X			
6	Server Replacement - project planning and initiation	NP	Initiation of server infrastructure refresh in the data centre that provides reliable, efficient & optimized technology for city services	X			
7	Patch and Power Management Process		Implement tools/processes that permits system upgrades & power consumption management with no interruption to users	X			
8	Implement several other 2014 approved projects and system enhancements	NP	Outcome is dependent on the objectives of each project.	X			

Strategic Work

1	Corporate Technology Strategy Refresh / Road Map	NP	A technology road map & implementation plan that enables the city to realize its business objectives over the next 3 - 5 years, and an IT governance framework that are accepted by all stake holders.	X			
2	Online services enhancements (Portal) - Phase 3		Availability of a wide range of interactive online services to provide more efficient and enhanced self-service capabilities to citizens & businesses including access through mobile devices	X			
3	Electronic Plan Service Delivery implementation - Phase 1	B	Transformation of the existing paper based building permit review and approval process to a fully electronic and efficient system.	X	X		
4	Electronic Agenda system and process implementation	NP	Implementation of a solution to automate its current Council and Committee reports, agenda and minute preparation process, as well as the on-line publishing of public meeting materials	X	X		
5	Information Technology Disaster Recovery implementation - evaluating options and planning	NP	Evaluation of options and planning for a reliable secondary data centre to be used to restore technology services in an efficient and effective manner in case of a disaster	X			
6	Management Reporting Dashboard		Availability of selected set of corporate reports (dashboard) for ELT and Directors to help in decision making.				
7	Broadband access through York Telecom Network		Background work that will lead to a partnership agreement with cost efficient broadband connectivity to city facilities.	X			
8	Strategy for Resident Facing Communication Technology	NP	A strategy that provides the most effective & use of technology to share information with the residents of Markham at city facilities.	X	X		
9	IT Planning for 2015 Pan Am hosting facility and South East Community Centre		Ensure all technology requirements for the new facility are procured and deployed as per the identified business needs.	X			
10	Human Resources Information System assessment		Potential partnership arrangement with the Region of York that supports shared services that Markham can benefit from, and a business case that identifies the opportunities the initiative brings..	X			
11	Open Data pilot project implementation		An Open Data pilot project that supports community engagement & also provides citizens and businesses access to selected data.		X		
12	Corporate Auto Vehicle Location (AVL) System		Implementation of a corporate AVL system that provides value add to businesses regarding vehicle operation by optimizing technology solutions and also reducing the total const impact.	X			
13	Payment Card Industry compliance - phase 2	NP	To ensure the City is progressing towards achieving Payment Card Industry compliance by securing related technologies.	X			X
14	Portal phase 4 - initiate implementation of employee portal including collaboration tool		Scope and planning for initiation of employee portal in collaboration with the Region of York. This includes collaboration tool for employees.	X			

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



INFORMATION TECHNOLOGY SERVICES 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenues							
SALES	\$820	\$500	\$500	\$0	0.0%	(\$320)	-39.0%
RECOVERIES & CONTRIBUTIONS	0	7,000	7,000	\$0	0.0%	\$7,000	0.0%
OTHER REVENUE	0	2,000	2,000	\$0	0.0%	\$2,000	0.0%
Total Revenues	\$820	\$9,500	\$9,500	\$0	0.0%	\$8,680	1058.5%
Expenses							
SALARIES AND BENEFITS	\$3,855,343	\$3,865,323	\$3,991,842	\$126,519	3.3%	\$136,499	3.5%
PRINTING & OFFICE SUPPLIES	4,297	14,199	14,199	0	0.0%	9,902	230.4%
OPERATING MATERIALS & SUPPLIES	7,892	10,902	10,902	0	0.0%	3,010	38.1%
COMMUNICATIONS	785,608	758,917	644,353	(114,564)	-15.1%	(141,255)	-18.0%
TRAVEL EXPENSES	4,430	8,196	8,196	0	0.0%	3,766	85.0%
TRAINING	32,666	65,000	65,000	0	0.0%	32,334	99.0%
CONTRACTS & SERVICE AGREEMENTS	1,544,859	1,405,831	1,569,399	163,568	11.6%	24,540	1.6%
MAINT. & REPAIR-TIME/MATERIAL	35,367	43,539	48,799	5,260	12.1%	13,432	38.0%
RENTAL/LEASE	314	2,341	2,341	0	0.0%	2,027	645.5%
PROFESSIONAL SERVICES	99,542	110,739	112,041	1,302	1.2%	12,499	12.6%
LICENCES, PERMITS, FEES	1,796	2,039	2,039	0	0.0%	243	13.5%
Total Expenses	\$6,372,114	\$6,287,026	\$6,469,111	\$182,085	2.9%	\$96,997	1.5%
Net Expenditures/(Revenues)	\$6,371,294	\$6,277,526	\$6,459,611	\$182,085	2.9%	\$88,317	1.4%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Salaries and benefits: One new position approved as part of the 2014 Budget.

Communications: Reduction due to contract savings for telephone services.

Contracted Service Agreements: Increase in software and licensing contracts in IT Services.

LEGISLATIVE SERVICES BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	ACR Data Clean Up	Clean-up in preparation for potential upgrade to simplify categories for all staff. Ongoing process.	COM
2	Expand ACR Case Types	Implement on Portal allowing clients to more easily submit their concerns sent to correct operating department for quicker service and initiate an email response	COM
3	Tow Truck Licensing Regulation Overview	Review is currently in process, anticipated completion Q1, 2014. Results of review will be presented to Council for discussion and determination of a fee cap. Anticipate bringing forward recommendates Q4 2014/Q1 2015.	OT
4	Report Circulation Process Improvements	Report circulation process is now being considered as part of the RFP for the e-agenda project. This project has now been combined with the e-agenda project.	DEL
5	2014 Municipal Election Preparation	Draft RFPs for tabulator rentals, internet voting service provider for 2014 election. Release RFP in Q4 to have contract awarded in Q1 of 2014. Update alternate voting by-law to provide for internet voting in 2014. Review Election Sign By-law and regulations.	OT
6	Staff Satisfaction Results & Improvement Plan	Review results of 2012 staff satisfactions survey and implement improvement plan once established by EMT.	OT
7	Civic Centre Room Booking Policy	This project has been combined with the corporate Special Events Policy currently being drafted. Anticipate completion for Q1 2014.	ADJ
8	Keeping Markham Beautiful	Continuation of 2012 initiative to maintain the high level of property maintenance.	COM
9	Public Health	Met with all stakeholders, drafted changes to the personal services by-law. Consultation is complete, draft by-law is underway. To be completed by Q4.	OT
10	Review Taxi & Limo Regulations	Review of the City's regulated field enforcement for taxis and limos. Recommendations will be brought forward Q4 2014/Q1 2015.	ADJ
Strategic Work			
1	Ward Boundary Review	Final report and by-law were adopted by Council to change the wards for the 2014 municipal election. Currently an appeal of these wards is before the OMB. Expected to be concluded in Q4.	OT
2	Establishment of Accountability Officers & Policies	Policies and procedures for complaint protocols has been adopted by Council. Integrity Commissioner has been retained. Draft Code of Conduct to be brought back to Council in Q4.	OT
3	Update Procedural By-law	Research is completed, currently drafting proposed revisions to present to ELT in Q4.	OT
4	Review Licensing Committee Function & Composition	Review of committee function and composition has been completed by Legal. Staff to draft a report to Council with recommended changes to the structure of the committee.	OT
5	Animal Services: Implementation of Strategic Direction & Outcomes from Consultant Review	Implementation of various animal care strategy based on the 2012 Consultant Report and Staff Report. Received Council approval and budget approval to proceed with the store front facility. Received approval to implement of a customer loyalty card, where the objective is to increase the number of animals licensed and animal licence revenues. Bringing a report back to Council in Q4 to outline the business case and identify possible locations and partners for the storefront.	OT
6	Review Administrative Monetary Penalties for Possible Implementation in Markham	If Council approves a report to implement AMP in Q4 of 2012, a 2013 project to implement a AMP program will occur. The program will allow the transition of the parking processing of parking offences from the Provincial Court System to a quasi-judicial process operating independently by the City.	DEL
7	Extended hours	Participate in pilot project offering extended service hours on Thursday evenings for customers at the Civic Centre. Project will continue into 2014.	OT
8	Establishment of a Legislative Calendar	Modify list of upcoming reports into a strategic document for meeting management purposes.	DEL
9	E-Agenda Project	Implemented an in house solution for e-agenda project. The in house tool has been made available to all members of council and senior staff.	COM
	Dashboard Project	Participate in cross commission pilot project to develop a corporate dashboard. ITS staff and Contact Centre are working together for implementation in 2014.	OT
10	Customer Service Planning Project	Participate in Commission service planning process in order to enhance customer experience. Project is multi-staged and is ongoing into 2014.	OT

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted

LEGISLATIVE SERVICES KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	0	1	0	1	0		1 every 2 years
Average overall satisfaction for formal survey(s) completed (%)	n/a	100%	n/a	n/a	n/a		≥80%
Average extremely/very satisfied for formal survey(s) completed (%)	n/a	100%	n/a	n/a	n/a		≥35%
# of informal satisfaction surveys completed	1	n/a	4	1	1		1
Overall satisfaction (%) (informal survey)	96%	n/a		n/a	n/a		n/a
% extremely/very satisfied (informal survey)	91%	n/a		n/a	n/a		n/a
FINANCIAL PERFORMANCE							
Net cost per household	\$ 16.95	\$ 15.16	\$ 15.26	\$ 18.02	\$ 26.13	\$ 23.93	at or below approved budget
OPERATIONAL EXCELLENCE							
% of Parking Tickets Paid On-Line	25%	21%	28%	21%	27%	32%	
% of Staff Reports Received on Time for Council/Standing Comm. Agendas	50%	50%	64%	64%	50	25	
# of Civil Marriage Ceremonies Performed	381	470	465	442	426	552	
# of Formal MFIPPA Requests Received	26	37	54	94	95	90.00	
# of Privacy Complaints Received	0	0	0	0	0.00	0.00	
Average # of Daily Property Standards Inspections per Officer	9	8	8.0	8	7	6	
% of Property Standards Complaints Resolved without Legal Action	98%	99%	99%	99%	99.00%	99	
Average # of Unscheduled In-Field Vehicle Inspections per Officer per Month	50	60	48	62	7	11	
Average # of On-Site Business Inspections per Officer per Month	110	130	55	42	19	23	
% of Business Licences Renewed by Renewal Date	45%	70%	77%	66%	59.00%	*	
% of First Attendance Appearances Going to Trial	10%	12%	8%	7%	1.70%	1.80%	
% of Non-Parking Charges that Proceed to Trial	8%	10%	0%	2%	1%	0.18%	
% of Quashed /Withdrawn Non-Parking Charges (Quality Control)	3%	5%	0%	1%	1.36%	0.96%	
Total # of File Boxes Sent to Storage From Business Units Annually	1,031	787	603	832	652	830	
Annual File/Box Retrieval Rate (on-site and off-site)	2,192	2,346	1,626	1,308	1,281	1,423	
% of calls answered in 30 seconds (excluding switchboard)	70.00%	71.10%	70.00%	70.70%	72%	70%	
% of abandon calls - including switchboard	2.10%	2.10%	2.50%	2.00%	3.20%	4%	
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	61%	n/a	50%	n/a	68%	n/a	≥75%
Recognition rating (from staff survey)	48%	n/a	34%	n/a	60%	n/a	≥65%
Staff Satisfaction rating (from staff survey)	78%	n/a	59%	62%	74%	n/a	≥80%
Completion rate for performance management	74%	94%	98%	100%	44%	n/a	100%
Average Corporate learning hours per full-time employee	11.0	3.8	3.9	3.8	7.6	2.6	20.0
Staff absenteeism (average # of days per employee)	4.5	6.8	7.6	9.8	6.4	3.6	≤8.4
Staff turnover rate	12%	11%	2%	6%	2%	4%	≤7.5%

KPI SUMMARY

* Renewal notices were sent out late in 2013 so the data is not valid.



LEGISLATIVE SERVICES BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)							
#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources
Business As Usual Work							
1	Keeping Markham Beautiful		Continuation of 2012 initiative maintaining the high level of property maintenance.			X	
2	Sign Enforcement Program		Conduct a review of sign enforcement programs in other municipalities and develop a best practice model based on their successes for use in Markham.			X	
3	Review of fee model		Working with finance to establish a costing for the administration and enforcement of municipal by-laws.				X
4	Civic Centre Room Booking Policy		This project has been combined with the corporate Event Policy currently being drafted. Anticipate completion for Q1 2014.	X			
5	Licensing Regulation Overview		Review is currently in process. Results of review will be presented to Council for discussion and decisions regarding various changes. Identified categories include tow trucks, taxis and limos.			X	
6	Parking Enforcement Program		Ongoing parking enforcement program. Identified initiatives include: consolidation with York Region Parking Control By-law, expansion of overnight parking permit areas, daytime parking restrictions.	X		X	
7	Heritage and Vacant Property Initiative		To generate an inventory list of heritage buildings throughout the City and investigate/preserve the heritage buildings.			X	
8	Civil Marriage Program		Investigate opportunities to expand the civil marriage program offered by expanding locations serviced by City officials.	X			
9	Cemetery Program		Investigate opportunities to create additional plots in St. John's Buttonville.			X	
10	Animal and Business Licensing Online Renewal Program		Implementing a business and pet licence renewal program online for online customers. Looking at implementing a lifetime tag for pet owners.			X	
11	Public Safety Program		Ongoing enforcement of public safety regulations including: nuisance activity and mitigation of risk, including public and health safety program.			X	
Strategic Work							
1	Electronic Agenda system and process implementation		Implementation, training and rollout of solution to automate the current Council and Committee reports, agenda and minute preparation process, as well as the on-line publishing of public meeting materials. Completion date is targeted for Q2.			X	
2	Establishment & Implementation of Administrative Monetary Penalties program		If Council approves a report to implement AMP in Q4 of 2013, a 2014 project to implement a AMP program may occur. The program will transition the processing of parking offences from the Provincial Court System to a quasi- judicial process operating independently by the City.			X	X
3	Enhancing Customer Experience		Customer Experience Strategy: creation of a staff-driven corporate strategy to guide customer service delivery across the municipality for both internal and external customers. Service Planning: Participate in a corporate wide service planning exercise to determine corporate customer standards and ways to enhance/better deliver customer service at the Civic Centre. Counter Feasibility: participate in the development of a single counter for services offered at the Civic Centre.	X			
4	Online services enhancements (Portal) - Phase 3		Availability of a wide range of interactive online services to provide more efficient and self-service capabilities to citizens & businesses including access through mobile devices			X	
5	Continued implementation of Integrity Commissioner framework		Schedule an orientation for Council with the Integrity Commissioner and relevant staff.			X	
6	Establishment of a routine disclosure policy		Develop a policy for routine disclosure of City documents. Anticipated completion Q3.			X	
7	Animal Services: Implementation of Strategic Direction & Outcomes from Consultant Review		Implementation of various animal care strategy based on the 2012 Consultant Report and Staff Report. Received Council approval and budget approval to proceed with the investigation of the operation of a store front facility. Received approval to implement of a customer loyalty card, where the objective is to increase the number of animals licensed and animal licence revenues. Bringing a report back to Council in Q4 to outline the business case and identify possible locations and partners for the storefront.			X	
8	2014 Municipal Election		Execution of the 2014 municipal election using multiple voting channels. Implementation of mobile application to engage and inform residents with important election information.		X		
9	Extended Hours		Participate in pilot project offering extended service hours on Thursday evenings for customers at the Civic Centre. Project will continue into 2014.	X			
10	Management Reporting Dashboard		Additional set of corporate reports for ELT and Directors to help in decision making.				X
11	Property Inspection Service Fees		Program began in 2013, will be formally launched in Q2 2014. Application of service fees for property inspections related to Keeping Markham Beautiful, Property Standards By-law and Zoning By-law.			X	X
Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)							
S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound							



LEGISLATIVE SERVICES 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.		
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change	
Revenues								
LICENCES & PERMITS	\$1,462,469	\$1,433,329	\$1,523,988	\$90,659	6.3%	\$61,519	4.2%	
INCOME FROM INVESTMENTS	30,010	13,800	13,800	0	0.0%	(16,210)	-54.0%	
FINES	2,397,264	2,446,230	2,446,230	0	0.0%	48,966	2.0%	
USER FEES & SERVICE CHARGES	201,254	181,462	195,536	14,074	7.8%	(5,718)	-2.8%	
RENTALS	70,899	81,607	81,607	0	0.0%	10,708	15.1%	
SALES	32,891	41,031	41,031	0	0.0%	8,140	24.7%	
RECOVERIES & CONTRIBUTIONS	0	25,100	75,100	50,000	199.2%	75,100	0.0%	
OTHER INCOME	3,200	0	0	0	0.0%	(3,200)	-100.0%	
Total Revenues	\$4,197,987	\$4,222,559	\$4,377,292	\$154,733	3.7%	\$179,305	4.3%	
Expenses								
SALARIES AND BENEFITS	\$5,684,519	\$5,626,868	\$5,625,656	(\$1,212)	0.0%	(\$58,863)	-1.0%	
PRINTING & OFFICE SUPPLIES	67,536	98,950	98,950	0	0.0%	31,414	46.5%	
PURCHASES FOR RESALE	76,800	67,200	67,200	0	0.0%	(9,600)	-12.5%	
OPERATING MATERIALS & SUPPLIES	118,664	38,798	38,798	0	0.0%	(79,866)	-67.3%	
COMMUNICATIONS	352,179	307,846	310,726	2,880	0.9%	(41,453)	-11.8%	
TRAVEL EXPENSES	12,512	11,575	11,575	0	0.0%	(937)	-7.5%	
TRAINING	21,153	32,209	32,209	0	0.0%	11,056	52.3%	
CONTRACTS & SERVICE AGREEMENTS	406,222	538,412	628,241	89,829	16.7%	222,019	54.7%	
MAINT. & REPAIR-TIME/MATERIAL	46,545	45,870	45,870	0	0.0%	(675)	-1.5%	
RENTAL/LEASE	125,448	115,064	115,064	0	0.0%	(10,384)	-8.3%	
PROFESSIONAL SERVICES	93,553	102,124	102,124	0	0.0%	8,571	9.2%	
LICENCES, PERMITS, FEES	25,731	14,060	14,060	0	0.0%	(11,671)	-45.4%	
CREDIT CARD SERVICE CHARGES	13,757	9,787	9,787	0	0.0%	(3,970)	-28.9%	
OTHER PURCHASED SERVICES	3,205	2,650	2,650	0	0.0%	(555)	-17.3%	
OTHER EXPENDITURES	27,361	1,500	1,500	0	0.0%	(25,861)	-94.5%	
Total Expenses	\$7,075,185	\$7,012,913	\$7,104,410	\$91,497	1.3%	\$29,225	0.4%	
Net Expenditures/(Revenues)	\$2,877,198	\$2,790,354	\$2,727,118	(\$63,236)	-2.3%	\$150,080	5.2%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Contracts & Service Agreements: Increase due to the implementation of the storefront animal service.



CORPORATE SERVICES COMMISSION

2014 OPERATING BUDGET

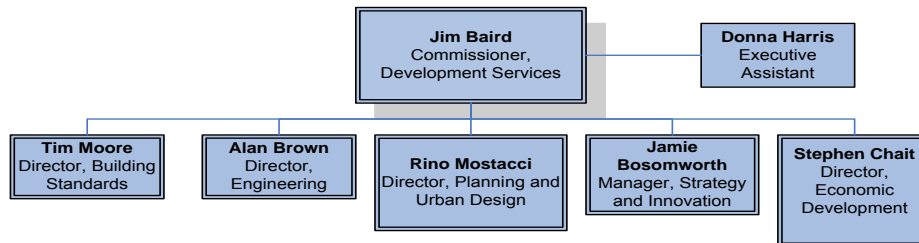
<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>	<u>% Change</u>	<u>2014 Bud. Vs. 2013 Act.</u>	<u>% Change</u>
				<u>\$ Incr./ (Decr.)</u>		<u>\$ Incr./ (Decr.)</u>	
Revenues							
LICENCES & PERMITS	\$1,462,469	\$1,433,329	\$1,523,988	\$90,659	6.3%	\$61,519	4.2%
INCOME FROM INVESTMENTS	30,010	13,800	13,800	0	0.0%	(16,210)	-54.0%
FINES	2,397,264	2,446,230	2,446,230	0	0.0%	48,966	2.0%
USER FEES & SERVICE CHARGES	1,254,336	1,101,678	1,407,077	305,399	27.7%	152,741	12.2%
RENTALS	70,899	81,607	81,607	0	0.0%	10,708	15.1%
SALES	33,711	41,531	41,531	0	0.0%	7,820	23.2%
RECOVERIES & CONTRIBUTIONS	120,948	503,305	553,305	50,000	9.9%	432,357	357.5%
OTHER INCOME	111,190	113,860	2,000	(111,860)	-98.2%	(109,190)	-98.2%
INTERDEPARTMENTAL RECOVERIES	0	(73,000)	(73,000)	0	0.0%	(73,000)	0.0%
Total Revenues	\$5,480,827	\$5,662,340	\$5,996,538	\$334,198	5.9%	\$515,711	9.4%
Expenses							
SALARIES AND BENEFITS	\$15,610,985	\$16,023,417	\$16,017,731	(\$5,686)	0.0%	\$406,746	2.6%
PRINTING & OFFICE SUPPLIES	174,312	222,000	222,000	0	0.0%	47,688	27.4%
PURCHASES FOR RESALE	76,800	67,200	67,200	0	0.0%	(9,600)	-12.5%
OPERATING MATERIALS & SUPPLIES	59,186	30,837	(4,163)	(35,000)	-113.5%	(63,349)	-107.0%
COMMUNICATIONS	1,145,464	1,078,738	969,394	(109,344)	-10.1%	(176,070)	-15.4%
TRAVEL EXPENSES	42,016	45,958	45,958	0	0.0%	3,942	9.4%
TRAINING	63,683	145,220	145,220	0	0.0%	81,537	128.0%
CONTRACTS & SERVICE AGREEMENTS	1,867,594	1,852,692	2,089,499	236,807	12.8%	221,905	11.9%
MAINT. & REPAIR-TIME/MATERIAL	84,358	92,928	98,188	5,260	5.7%	13,830	16.4%
RENTAL/LEASE	129,507	126,045	126,045	0	0.0%	(3,462)	-2.7%
PROFESSIONAL SERVICES	384,515	467,511	472,433	4,922	1.1%	87,918	22.9%
LICENCES, PERMITS, FEES	109,398	129,021	129,021	0	0.0%	19,623	17.9%
CREDIT CARD SERVICE CHARGES	23,538	20,196	20,196	0	0.0%	(3,342)	-14.2%
PROMOTION & ADVERTISING	163,305	191,785	189,785	(2,000)	-1.0%	26,480	16.2%
KEY COMMUNICATION PROGRAMS	294,712	431,648	431,648	0	0.0%	136,936	46.5%
OTHER PURCHASED SERVICES	3,205	3,550	3,550	0	0.0%	345	10.8%
WRITE-OFFS	6	100	100	0	0.0%	94	1566.7%
OTHER EXPENDITURES	27,761	1,500	1,500	0	0.0%	(26,261)	-94.6%
Total Expenses	\$20,260,345	\$20,930,346	\$21,025,305	\$94,959	0.5%	\$764,960	3.8%
Net Expenditures(Revenues)	\$14,779,518	\$15,268,006	\$15,028,767	(\$239,239)	-1.6%	\$249,249	1.7%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Communications: Reduction due to contract savings for telephone services.

Contracted Service Agreements: Increase in software and licensing contracts in IT Services.

DEVELOPMENT SERVICES



The commission provides direction and support to envision, create and deliver the most livable community in North America. This is achieved through a multi-disciplined team of professionals and administrative staff, balancing individual customer and partner's requirements with the broader public interest. This includes safe buildings, a healthy environment, a strong local economy, well-planned neighborhoods, quality infrastructure, and a people friendly community.

The following Business Units are included under Development Services Commission:

- Ø Building Standards
- Ø Planning and Urban Design
- Ø Engineering
- Ø Economic Development

Currently, there are 158 full time employees who are responsible for the day-to-day operations of the various divisions and departments.

Building Standards

The department's mission is to enhance the quality of community life with particular emphasis on environmental, health, accessibility, and life safety issues related to building construction. This is accomplished by delivering the optimum level of service achievable in a timely, cost-effective and consistent manner within a corporate climate that is open, responsive, progressive and fair. The department is a leader in using technologies and practices that facilitate sustainable development, prevent buildings failure and effect reasonable compliance with building regulations.

The Building Standards Department is responsible for the administration of Ontario Building Code and other applicable laws including the City's zoning by-laws. The department issues building permits and provides inspections for all new or renovated buildings within Markham's borders. Each building's addition or renovation is issued a building permit and inspected for the following major building components:

- Ø Architectural
- Ø Mechanical
- Ø Structural
- Ø Plumbing
- Ø Zoning
- Ø Application Review



Engineering

This department promotes excellence and innovation in the planning and delivery of infrastructure, transportation and environmental engineering. The department consists of the following sections:

- Ø Development and Transportation
- Ø Inspection
- Ø Infrastructure and Capital Projects

Development and Transportation

The development and transportation section is responsible for managing, reviewing for quality control and approving a variety of Municipal Engineering and transportation related projects. These projects include:

- Ø New subdivisions applications
- Ø Site plan applications
- Ø Transportation planning proposals
- Ø Storm water management proposals
- Ø Municipal servicing and infrastructure design and construction
- Ø Travel Demand Management

Inspection

The inspection section ensures that all municipal infrastructures listed below are installed in accordance with the City's standards.

- Ø Storm and sanitary sewer construction
- Ø Water main construction
- Ø Road construction
- Ø Grading
- Ø Service connection
- Ø Utilities
- Ø Reduction and/or release of engineering-related securities
- Ø Pool inspection

Infrastructure and Capital Projects

This area is responsible for major infrastructure and capital projects undertaken by the City. Most of these projects consist of roads construction and installation of water services. The department advises and plans for these projects, but construction of the building is contracted out to an external construction company.

Planning & Urban Design

This department creates civic pride through excellence in community planning and development. The Planning and Urban Design department activities relate to long range strategic planning and current development control; formulation of plans, policies, regulations and guidelines on land use, development, urban design and growth management; processing and evaluation of development applications; data collection, analysis, research and monitoring on land use, planning policy and growth related matters; digital mapping related functions; community outreach, liaison and information. This department is currently the lead department for the City in managing a new Official Plan meeting the requirements of Provincial policies.

Economic Development

The Economic Development department generates economic prosperity for the City and its residents by aggressively marketing Markham as the best place to work in and as Canada's high-tech capital. This success is accomplished through the motivated staff, timely and insightful research, targeted marketing, enabling strategies, and outstanding "one-stop service". Some of the services provided include:

- Ø Business attraction
- Ø Business retention and expansion
- Ø Small business/entrepreneur development
- Ø Economic research
- Ø Advertising, marketing, and promotion



DEVELOPMENT SERVICES CONSOLIDATED 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.		
				\$ Incr./Decr.)	% Change	\$ Incr./Decr.)	% Change	
Revenue								
GRANTS AND SUBSIDIES	\$118,537	\$60,500	\$60,500	\$0	0.0%	(\$58,037)	-49.0%	
USER FEES & SERVICE CHARGES	8,202	10,500	10,500	0	0.0%	2,298	28.0%	
SALES	0	0	0	0	0.0%	0	0.0%	
RECOVERIES & CONTRIBUTIONS	9,000	10,834	10,834	0	0.0%	1,834	20.4%	
OTHER REVENUE		0		0	0.0%	0	0.0%	
Total Revenues	\$135,739	\$81,834	\$81,834	\$0	0.0%	(\$53,905)	-39.7%	
Expenses								
SALARIES AND BENEFITS	\$1,897,271	\$1,911,347	\$1,933,900	\$22,553	1.2%	\$36,629	1.9%	
PRINTING & OFFICE SUPPLIES	24,682	19,176	32,476	13,300	69.4%	7,794	31.6%	
PURCHASES FOR RESALE	0	0	0	0	0.0%	0	0.0%	
OPERATING MATERIALS & SUPPLIES	3,501	6,097	6,097	0	0.0%	2,596	74.2%	
COMMUNICATIONS	4,317	4,369	6,169	1,800	41.2%	1,852	42.9%	
TRAVEL EXPENSES	32,789	62,919	52,051	(10,868)	-17.3%	19,262	58.7%	
TRAINING	2,451	16,491	16,491	0	0.0%	14,040	572.8%	
CONTRACTS & SERVICE AGREEMENTS	307,933	320,000	320,000	0	0.0%	12,067	3.9%	
RENTAL/LEASE	2,237	9,676	9,676	0	0.0%	7,439	332.5%	
PROFESSIONAL SERVICES	0	8,460	6,998	(1,462)	-17.3%	6,998	0.0%	
LICENCES, PERMITS, FEES	9,082	5,325	5,325	0	0.0%	(3,757)	-41.4%	
CREDIT CARD SERVICE CHARGES	0	321	321	0	0.0%	321	0.0%	
PROMOTION & ADVERTISING	428,335	367,477	367,477	0	0.0%	(60,858)	-14.2%	
STATUTORY COMMUNICATIONS	675	0	0	0	0.0%	(675)	-100.0%	
OFFICE FURNISHINGS & EQUIPMENT	0	0	0	0	#DIV/0!	0	0.0%	
OTHER EXPENDITURES	83	208,800	(10,000)	(218,800)	-104.8%	(10,083)	-12148.2%	
Total Expenses	\$2,713,356	\$2,940,458	\$2,746,981	(\$193,477)	-6.6%	\$33,625	1.2%	
Net Expenditures/ (Revenue)	\$2,577,617	\$2,858,624	\$2,665,147	(\$193,477)	-6.8%	\$87,530	3.4%	

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

Other Expenses: Transfer of department responsibilities to the CAO's Office.

ENGINEERING BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Project Management	<ul style="list-style-type: none"> • Provided input into corporate team regarding Capital delivery 	COM
2	Development Review Process continuous improvement	<ul style="list-style-type: none"> • Coordinated with other departments and external approval authorities to streamline development review and approval process, greater utilization of AMANDA • Met with other internal departments to improve efficiency and reduce timelines for application review and approval • Met with the Ministry of Natural Resources to improve efficiency and reduce timelines for application review and permit issuance • Met with developers and consultants as a follow up to the 2013 Client Satisfactory Survey and developed draft action plan • Increased staff resources to handle increased workload on site plan applications 	OT
3	Staff Satisfaction Survey improvement and harness departmental reorganization benefits	<ul style="list-style-type: none"> • Addressed workload and administrative support, Corporation has not addressed compensation and space planning 	PP
4	Building Markham's Future Together (BMFT) Strategic Initiatives	<ul style="list-style-type: none"> • Implemented recommendations and provide monthly updates to ELT related to transportation and servicing 	OT
5	Transportation a) Transit/Transportation Initiatives	<ul style="list-style-type: none"> • Implement full use of AMANDA for Transportation section • Completion of MSTP • Innovation of various Transit studies & EA's • Various transportation studies underway (FUA, Airport, Yonge/Steeles) 	OT
6	b) Travel Demand Management	<ul style="list-style-type: none"> • Implemented TDM Plan Guidelines as part of the Official Plan and Development Applications, ongoing discussions with Region regarding roles & responsibilities 	OT
7	c) Pathways/Multi-Use Paths	<ul style="list-style-type: none"> • Toogood Pond to McCowan Road - construct 2.5m of trails • Implement Major Mackenzie/Donald Cousens Parkway Pathway User Safety Guidelines • Continue to expand system including EA's 	OT
8	Capital a) Implement 2012/13 Capital Program	<ul style="list-style-type: none"> • 65% initiated 	ADJ
9	Inspection a) Review Capital contract administration concept b) Building/grading approvals for site plan residential entered into AMANDA c) Plot Plan - scan into archives d) Assumption - Historical data to be entered back to 2000 e) Service connections - redo documentation and enter historical data	<ul style="list-style-type: none"> • Review revenue opportunities/savings completed • Entered into Amanda at time of approval • Approved and as constructed plot plans • Completed • Tender document revisions completed and service connection documents entered into Amanda 	COM
Strategic Work			
1	Official Plan Update	<ul style="list-style-type: none"> • Provide input into preparation of new Official Plan on transportation, servicing and environmental policies and directions • Complete detailed transportation, servicing and environmental policies 	COM
2	Transportation a) Metrolinx	<ul style="list-style-type: none"> • Update Council on prioritization list and funding strategy 	COM
3	b) Provincial Evaluation of Langstaff/Richmond Hill Centre Mobility Hub	<ul style="list-style-type: none"> • Deferred to 2014 as part of Langstaff Secondary Plan 	PP
4	c) Parking Strategy	<ul style="list-style-type: none"> • Deferred to 2014 when Managers position is filled 	PP

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted



ENGINEERING KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 JUNE 30	TARGET
# of formal customer satisfaction surveys completed					1	Nil	1 every 2 years
# of informal customer satisfaction surveys completed						Nil	
Average overall satisfaction or above for formal survey(s) completed (%)					84%	Nil	≥80%
Average extremely/very satisfied for formal survey(s) completed (%)					27%	Nil	≥35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	at or below approved budget
Development Revenue/Expenditure Ratio	\$ 1.00	\$ 0.60	\$ 3.00	\$ 1.70	\$ 1.22	\$ 0.79	1.0
Engineering Capital Revenue/Expenditure Ratio	\$ 0.80	\$ 0.90	\$ 0.90	\$ 1.00	\$ 1.00	\$ 1.00	1.0
Asset Management/Waterworks Revenue/Expenditure Ratio	n/a	n/a	n/a	\$ 0.60			1.0
OPERATIONAL EXCELLENCE							
% of Planning applications processed in an agreed upon time frame			78%	80%	80%	80%	85%
% of Engineering submissions processed in service level time frame			70%	80%	95%	95%	85%
% of Site Plan and Subdivision Agreements processed in agreed upon time frame			95%	95%	95%	90%	85%
% of ACR cases completed within service level time frame					100%	100%	95%
% of Capital programs committed	60%	65%	75%	70%			
• Capital - Engineering			80%				
• Capital - Asset Management & Operations					70%	65%	80%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	63%		59%		63%		≥75%
Recognition rating (from staff survey)	53%		49%		53%		≥65%
Staff Satisfaction rating (from staff survey)	78%		67%		71%		≥80%
Completion rate for performance management	100%	100%	90%	100%	88%		100%
Average Corporate learning hours per full-time employee	24.4	16.5	11.4	4.9	12.8	4.5	20.0
Staff absenteeism (average # of days per employee)	3.6	2.4	3.9	2.6	4.7	3.2	≤8.4
Staff turnover rate	3%	18%	14%	11%	5%	5%	≤7.5%
KPI SUMMARY							

ENGINEERING BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

Corporate Goals

	# Objective		Requires Additional Resources	Outcomes	Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources
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Business As Usual Work

1	Project Management			• Provide input into corporate team regarding Capital delivery (PMO)	X			X
2	Development Review Process continuous improvement			<ul style="list-style-type: none"> • Coordinate with other departments and external approval authorities to streamline development review and approval process, greater utilization of Amanda • Establish and implement streamlined review and approval process of CU with utility firms • Implement E-plan review (Q4 2014) • Implement time-tracking on AMANDA (Q2 2014) • Review fee model and staff effort to rationalize engineering fees (Q4 2014) 	X			X
3	Staff Satisfaction Survey improvement and harness departmental reorganization benefits			• Address workload, stress, compensation, space planning and administrative support	X			
4	Building Markham's Future Together (BMFT) Strategic Initiatives			• Implement recommendations and provide updates to ELT related to transportation and servicing			X	X
5	Transportation a) Transit/Transportation Initiatives			<ul style="list-style-type: none"> • Update Council on various transit initiatives (Subway, 407 Transitway, Hwy 7 BRT, Mobility Hub Studies, I-Metro-E, etc.) • Implement MTSP recommendations/next steps 		X	X	X
6	b) Travel Demand Management			• Implement TDM Plan Guidelines as part of the Official Plan and Development Applications			X	
7	c) Pathways			<ul style="list-style-type: none"> • Toogood Pond to McCowan Road - construct 2.5m of trails • Implement signage on MUP's • Continue to implement system including EA's 			X	
8	Capital a) Implement 2013/14 Capital Program						X	X
9	Inspection a) Review Reorganization for Municipal Inspection b) Continuous Update/Improvements to Engineering Standards and Criteria c) Construction Guideline Update			<ul style="list-style-type: none"> • Increased C.A. quality control of selected capital works projects • Review revisions to Standards and Design Criteria • Finalize update 	X		X	X

Strategic Work

1	Official Plan Adoption and Approval a) Secondary Plans			<ul style="list-style-type: none"> • Provide input into any appeal of the Official Plan on transportation, servicing and environmental policies and directions • Provide input into the preparation of Secondary Plans 		X	X	X
2	Transportation a) Metrolinx			• Update Council on prioritization list and funding strategy			X	
3	b) Parking Strategy			• Implement strategy and business plans as adopted by Council; Recommend revise parking standards			X	
4	Future Urban Area			• Completion of Subwatershed, Transportation, Servicing & EA Studies by 2016			X	
5	OMB			• Provide evidence at OMB for various applications including Buttonville Airport, FUA, etc.			X	X
6	Transit			• Provide recommendations to Council re: Metrolinx Funding Strategy & Phasing Plan			X	
7	Anti Whistling			• Coordinate Working Group and submit recommendations to Council			X	X
8	Langstaff			• Coordinate transit requirements for Secondary Plan with Metrolinx, YRT, Go and Stakeholders			X	
9	Restructuring and Revenue Enhancements			• Relocate resources to provide increased quality control on capital projects and enhance revenue			X	X

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



ENGINEERING 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
USER FEES & SERVICE CHARGES	\$4,604,514	\$5,818,373	\$4,926,607	(\$891,766)	-15.3%	\$322,093	7.0%
SALES	135,171	0	0	0	0.0%	(135,171)	-100.0%
RECOVERIES & CONTRIBUTIONS	52,139	49,190	54,065	4,875	9.9%	1,926	3.7%
Total Revenues	\$4,791,824	\$5,867,563	\$4,980,672	(\$886,891)	-15.1%	\$188,848	3.9%
Expenses							
SALARIES AND BENEFITS	\$4,030,935	\$4,454,986	\$4,381,956	(\$73,030)	-1.6%	\$351,021	8.7%
PRINTING & OFFICE SUPPLIES	13,842	25,000	21,000	(4,000)	-16.0%	7,158	51.7%
OPERATING MATERIALS & SUPPLIES	14,796	21,000	21,000	0	0.0%	6,204	41.9%
COMMUNICATIONS	15,522	23,700	20,696	(3,004)	-12.7%	5,174	33.3%
TRAVEL EXPENSES	10,296	20,000	20,000	0	0.0%	9,704	94.3%
TRAINING	6,703	24,000	18,000	(6,000)	-25.0%	11,297	168.5%
CONTRACTS & SERVICE AGREEMENTS	7,681,015	1,850,884	1,998,355	147,471	8.0%	(5,682,660)	-74.0%
MAINT. & REPAIR-TIME/MATERIAL	3,791	2,956	3,000	44	1.5%	(791)	-20.9%
RENTAL/LEASE	8,664	0	9,000	9,000	0.0%	336	3.9%
PROFESSIONAL SERVICES	979,771	15,000	10,000	(5,000)	-33.3%	(969,771)	-99.0%
LICENCES, PERMITS, FEES	18,235	23,500	24,800	1,300	5.5%	6,565	36.0%
TRANSFERS TO RESERVES	39,439	(599,463)	(1,547,135)	(947,672)	158.1%	(1,586,574)	-4022.9%
OTHER EXPENSES	0	6,000	0	(6,000)	-100.0%	0	0.0%
Total Expenses	\$12,823,009	\$5,867,563	\$4,980,672	(\$886,891)	-15.1%	(\$7,842,337)	-61.2%
Net Expenditures/ (Revenue)	\$8,031,185	\$0	\$0	\$0	0.0%	(\$8,031,185)	-100.0%

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

User Fees & Service Charges: Decrease is due to the decreased construction charges expected in 2014.

Salaries & Benefits: Decrease is due to reduction of personnel expenditures offset with annualization of cost of living adjustment and movement of staff along the City's salary grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the City to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

PLANNING AND URBAN DESIGN BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Preparation New Official Plan and initiate planning for future urban and intensification areas	New OP finalized, public consultation completed, Council endorsed. Still dealing with submissions. Council adoption expected by end of 2013, Region approval in 2014. Growth manager hired, team assembled, subwatershed project underway master planning start up in Q4, 2014.	OT
2	Portal Phase 3 - Implantation (Support)	completed	COM
3	Excellence Markham - Customer Service (Support)	completed	COM
4	Excellence Markham - Staff Survey: Identify opportunities that address employee satisfaction	completed	COM
5	IT Strategic Plan (Support)	completed	COM
6	Corporate Community Engagement Strategy (Support)	completed	COM
7	Establish Senior Coordinator positions in Policy Section to launch the Secondary Planning program for the Future Urban	completed	COM
8	Parkland Dedication Policy	completed	ADJ
10	Development Applications	ongoing	OT
12	Consolidated Zoning By-law	initiated	OT
13	Implement Park Development Program in accordance with approved budget	ongoing	OT
14	Development Charge Update	completed	COM
15	Complete various studies throughout Town (Milliken/Kennedy/Steeles Plan, North Yonge Corridor Study,	ongoing	DEL
Strategic Work			
1	Future Urban Areas - initiate planning approvals	ongoing	OT
2	Electronic Plan Check	Strategy to undertake this multi year project completed	COM
3	100 Acre Community Park Master Plan	EA initiated, ongoing	OT
4	Intensification Areas - Initiate Secondary Planning program for Centres and Corridors	ongoing	OT
5	GTASE	ongoing	ADJ
6	Architectural Advisory Committee	Develop Terms of reference and an organizational model to seek approval and funding to launch in 2014	PP
Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted			



PLANNING AND URBAN DESIGN KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	TARGET
# of formal customer satisfaction surveys completed							1 every 2 years
# of informal customer satisfaction surveys completed							
Average overall satisfaction for formal survey(s) completed (%)							≥80%
Average extremely/very satisfied for formal survey(s) completed (%)							≥35%
Percentage of customers satisfied (Developers survey)				58%			
FINANCIAL PERFORMANCE							
Net cost per household							at or below approved budget
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Average revenue received per application circulated (including indirect cost)	\$10,629.94	\$ 6,311.98	\$14,657.00	\$ 8,814.95	\$ 9,190.34	\$ 8,134.60	
OPERATIONAL EXCELLENCE							
Number of applications circulated	232	285	360	493	557	493	
% of applications processed in agreed upon time frames		74.2%	78%	65%	63%	66%	80%
% of preliminary reports to DSC within 8 weeks of receipt of a complete	46%	52%	62%	52%	52%	55%	80%
% of park construction projects completed in agreed upon time frames	91%	90%	80%	85%	90%	95%	90%
% of park construction projects completed within budget	100%	90%	90%	100%	95%	95%	90%
% of studies completed within budget		92%	88%	94%	90%	88%	90%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	65%		54%		59%		≥75%
Recognition rating (from staff survey)	46%		41%		44%		≥65%
Staff Satisfaction rating (from staff survey)	78%		53%		64%		≥80%
Completion rate for performance management	100%	90%	100%	98%	90%		100%
Average Corporate learning hours per full-time employee	20.7	8.7	6.6	5.2	1.9		20.0
Staff absenteeism (average # of days per employee)	3.7	3.6	3.2	5.6	3.6		≤8.4
Staff turnover rate	6%	0%	13%	0%	2%		≤7.5%
KPI SUMMARY							



PLANNING AND URBAN DESIGN BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals				
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources	

Business As Usual Work

1	Finalize New Official Plan		Regional Approval, Start OMB process		X			
2	Consolidated Zoning By-law		Strategy Document Prepared, Phase 1 to be initiated					X
3	Development Applications		Process as required					X
5	Various Heritage Programs		process as required		X			
6	Parkland Dedication Policy		Final Approval 21, 2014					X
7	Implement Park Development Program in accordance with approved budget		ongoing			X		
8	Excellence Markham - Staff Survey: Identify opportunities that address employee satisfaction		New Recognition Policy	X				
9								

Strategic Work

1	Future Urban Area		Complete Year 1 of Subwatershed Program. First Draft of Community Master Plan		X			
2	Electronic Plan Check		Contract Award, Project start up					X
3	100 Acre Community Park Master Plan		EA completed		X			
4	Intensification Areas - Initiate Secondary Planning program for Centres and Corridors		2 Plans adopted (Cornell and Yonge St)		X			
5	Markham Centre - GTASE, Mobility Hub, Precinct Plan/ Sec Plan		Initiate Secondary Plan		X			
6	Architectural Advisory Committee		Develop Terms of reference and an organizational model to seek approval and funding to launch in 2015		X			
7	Establish Urban Growth Centre positions to support planning & public realm in Markham Centre and Langstaff.		position filled, work program developed		X			
4	Unionville Charette Implementation		Initiate Secondary Plan					X

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



PLANNING AND URBAN DESIGN 2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. Vs. 2013 Act.</u>		
				<u>\$ Incr./Decr.)</u>	<u>% Change</u>	<u>\$ Incr./Decr.)</u>	<u>% Change</u>	
Revenue								
USER FEES & SERVICE CHARGES	\$5,199,531	\$8,407,168	\$6,974,242	(\$1,432,926)	-17.0%	\$1,774,711	34.1%	
OTHER REVENUE	400	0	0	0	0.0%	(400)	-100.0%	
Total Revenues	\$5,199,931	\$8,407,168	\$6,974,242	(\$1,432,926)	-17.0%	\$1,774,311	34.1%	
Expenses								
SALARIES AND BENEFITS	\$5,212,480	\$5,283,539	\$5,629,937	\$346,398	6.6%	\$417,457	8.0%	
PRINTING & OFFICE SUPPLIES	35,061	43,092	43,092	0	0.0%	8,031	22.9%	
OPERATING MATERIALS & SUPPLIES	44,407	6,803	6,803	0	0.0%	(37,604)	-84.7%	
COMMUNICATIONS	7,643	10,869	10,869	0	0.0%	3,226	42.2%	
TRAVEL EXPENSES	34,037	29,342	29,342	0	0.0%	(4,695)	-13.8%	
TRAINING	16,554	15,000	15,000	0	0.0%	(1,554)	-9.4%	
CONTRACTS & SERVICE AGREEMENTS	2,585,861	1,619,369	2,028,294	408,925	25.3%	(557,567)	-21.6%	
RENTAL/LEASE	0	3,000	3,000	0	0.0%	3,000	0.0%	
PROFESSIONAL SERVICES	680,960	38,748	38,748	0	0.0%	(642,212)	-94.3%	
LICENCES, PERMITS, FEES	42,625	22,995	22,995	0	0.0%	(19,630)	-46.1%	
CREDIT CARD SERVICE CHARGES	5,252	1,823	1,823	0	0.0%	(3,429)	-65.3%	
PROMOTION & ADVERTISING	13,737	4,365	4,365	0	0.0%	(9,372)	-68.2%	
OTHER EXPENDITURES	15,201	(5,000)	(5,000)	0	0.0%	(20,201)	-132.9%	
TRANSFERS TO RESERVES	39,439	1,333,223	(855,026)	(2,188,249)	-164.1%	(894,465)	-2268.0%	
Total Expenses	\$8,733,257	\$8,407,168	\$6,974,242	(\$1,432,926)	-17.0%	(\$1,759,015)	-20.1%	
Net Expenditures/ (Revenue)	\$3,533,326	\$0	\$0	\$0	0.0%	(\$3,533,326)	-100.0%	

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

User Fees & Service Charges: Decrease is due to the decreased number of applications expected in 2014.

Salaries & Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the City's salary grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the City to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

ECONOMIC DEVELOPMENT BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Increase market awareness and optimize operation of the Markham Convergence Centre (MCC).	Built-out space virtually 90% occupied (on target). MCC operation and governance transferred to tenant-led committee.	OT
2	Increase effectiveness of ventureLAB as a leader in regional innovation.	Served over 700 clients to-date, supported over 2,300 jobs, ranked as #3 RIC in Ontario. Excellent fiscal shape (Economic Devt Director serves as Secretary-Treasurer).	OT
3	Advance Foreign Direct Investment results by conducting investment attraction missions.	Completed successful missions to India (January) and to Germany (September), and to Taiwan (Mayor in September).	COM
4	Provide strategic and facilitation services to Business Improvement Areas (BIAs) in Markham and Unionville.	Staff attended BIA meetings and helped facilitate special events in Unionville (strategic plan) and in Markham Village (Science Rendez-Vous).	OT
5	Markham to be Canadian HQ of 5 "Fortune 500" banks, investment firms or insurers.	Markham is now HQ or National Operations Centre for Allstate, AMEX, Bank of China (Canada), AON Reed Stenhouse, AVIVA Canada.	COM
6	Add to Markham's competitiveness as a superior business location.	Held real estate industry event, and completed update of employment lands inventory. Identified strategic challenges for attracting targeted industry sectors to Markham.	COM
7	Increase new business formation by youth and newcomers to Markham.	MSBC on track to conduct 28 seminars/workshops this year. By year-end will have served 1300 seminar attendees, 1142 client inquiries, 310 one-on-one consultations, and 79000 website page views.	OT
8	Increase market awareness of Markham as the best place to locate knowledge-based businesses.	Produced Annual Economic Development status update, new Economic Profile, launched "Markham Thrives", and updated DVDs in English and Chinese.	COM
Strategic Work			
1	Assisted with launch of the Culture Master Plan.	Helped promote creative clusters and entrepreneurial development skills in collaboration with York Arts Council and Markham Culture Department.	COM
2	Promoted Sustainability Strategy to business community.	Launched new Green Business Website feature on-line and in "Markham Thrives" in collaboration with Sustainability Office and Corporate and Community Engagement Department.	COM
3	New Official Plan.	Supported the development of the new OP, in particular the employment lands section.	OT
4	Customer Experience Strategy Project.	Participating in the Directors Forum-led Customer Service Standards project.	OT

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted



ECONOMIC DEVELOPMENT KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 JUNE 30	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	2	0	0	1	1	0	1 every 2 years
# of informal customer satisfaction surveys completed	15	22	21			10	
Average overall satisfaction for formal survey(s) completed (%)	83%		80%	75%	80%		≥80%
Average extremely/very satisfied for formal survey(s) completed (%)	80%		n/a	n/a	70%		≥35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 13.11	\$ 11.66	\$ 10.86	\$ 11.10	\$ 15.17	\$ 7.78	at or below approved budget
External grants and sponsorship funds attracted (in \$000)	\$ 81.80	\$ 120.80	\$ 148.70	\$ 101.70	\$ 110.40	\$ 109.50	
OPERATIONAL EXCELLENCE							
Percent variance in annual budgetary expenditures	1.90%	2.20%	1.1%	5.6%	-3.1%	2.2%	2.0%
Number of Marketing awards won	4	3	1	-	-	-	1
% of annual economic strategy objectives achieved/completed	n/a	70%	70%	70%	80%	80%	80%
% growth in number of High Tech firms in Markham	1.6%	-13.4%	6.5%	1.0%	-3.6%		4%
% growth in High Tech employment (number of jobs)	0.0%	-6.6%	9.0%	0.4%	1.7%		4%
% growth in number of Life Science firms in Markham	1.0%	-0.1%	12.9%	12.2%	-5.5%		4%
% growth in Life Science employment (number of jobs)	-10.9%	11.1%	23.7%	16.7%	-3.1%		4%
% growth in Professional, Scientific & Technical Services (number of jobs)	-9.6%	-8.9%	21.9%	-2.1%	33.6%		4%
% growth in Finance and Insurance (number of jobs)	0.0%	67.8%	25.4%	4.0%	-5.9%		4%
% growth in ICT and Life Sciences Convergence (number of jobs)	-7.3%	3.7%	2.3%	-0.4%	14.8%		4%
% growth in Information, Entertainment & Cultural Industries (number of jobs)	31.8%	-29.0%	12.2%	-4.6%	8.5%		4%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	75%	n/a	70.6%		76%		≥75%
Recognition rating (from staff survey)	73%		71.4%		71%		≥65%
Staff Satisfaction rating (from staff survey)	94%		66.7%		88%		≥80%
Completion rate for performance management	100%	100%	100%	100%	75%		100%
Average Corporate learning hours per full-time employee	3.5	5.1	7.1	4.1	1.0	-	20.0
Staff absenteeism (average # of days per employee)	1.9	1.7	0.9	7.4	8.7	1.9	≤8.4
Staff turnover rate	0%	0%	0%	14%	0%	0%	≤7.5%

KPI SUMMARY

The Department is highly regarded by its clients and partners. The economic development strategy "Markham 2020" is proving to be a valid strategic predictor of economic sector growth. Since adoption of the strategy in 2008, Markham has witnessed significant employment growth in the 4 priority sectors vs very modest growth in the economy overall. The Department has been successful in generating higher levels of external grants and revenues, and decreasing its cost per household.

ECONOMIC DEVELOPMENT BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Increase effectiveness of ventureLAB as a leader in regional innovation.		Serve over 50 Markham-based companies, generate 5 new companies in Markham and 25 new jobs.		X		
2	Advance Foreign Direct Investment (FDI) results by hosting incoming business delegations, and key events.		Meet with at least 12 foreign delegations. Sponsor and co-host 2014 Pan-IT Conference, and host a Taiwan-Canada Business event.		X		
3	Provide strategic and facilitation services to Business Improvement Areas (BIAs) in Markham and Unionville.		Attend BIA meetings and assist in implementation of the Unionville design project.		X		
4	Markham to be Canadian HQ of major firms in financial sector, in digital media sector, and in the design and technical services sectors.		Attract >5% annual employment growth in each of these sectors. Partner with Professional Engineers of Ontario York Region Chapter on hosting events etc.		X		
5	Add to Markham's competitiveness as a superior business location.		Develop policies and strategies to address the cost-related challenges of developing industrial and commercial projects in Markham.		X		
6	Increase new business formation by youth in Markham.		Deliver new Ontario Government funded programs to youth aged 18-29 years of age.		X		
7	Increase market awareness of Markham as the best place to locate knowledge-based businesses.		Produce new Annual report, 2 issues of "Markham Thrives", a new Economic Profile, and new DVD testimonials. Advertise on-line on SIOR website.		X		

Strategic Work

1	Markham 2020 mid-term strategic review.		Confirm priority target sectors, re-calibrate annual work programs and resource allocations.		X		
2	Royal Canadian Institute free Science Lectures.		In collaboration with Markham libraries and Culture Department, launch series of fee Sunday lectures for Markham residents.		X		
3	Starter Company initiative for unemployed youth.		In collaboration with SBECs in York Region and Seneca College promote, recruit and fund 15 new youth-owned businesses in Markham.		X		
4	Accessibility in the workplace.		MSBC will promote the Ontario Government funded "Summer Company Assistance" program to encourage Markham youth who are physically challenged to establish their own businesses.		X		

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



ECONOMIC DEVELOPMENT 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenue								
GRANTS AND SUBSIDIES	\$117,617	\$60,500	\$60,500	\$0	0.0%	(\$57,117)	-48.6%	
USER FEES & SERVICE CHARGES	8,202	10,500	10,500	0	0.0%	2,298	28.0%	
SALES		0		0	0.0%	0	0.0%	
RECOVERIES & CONTRIBUTIONS	9,000	10,834	10,834	0	0.0%	1,834	20.4%	
OTHER REVENUE	920			0	0.0%	(920)	-100.0%	
Total Revenues	\$135,739	\$81,834	\$81,834	\$0	0.0%	(53,905)	-39.7%	
Expenses								
SALARIES AND BENEFITS	\$803,009	\$823,091	\$830,214	\$7,123	0.9%	\$27,205	3.4%	
PRINTING & OFFICE SUPPLIES	21,321	18,776	18,776	0	0.0%	(2,545)	-11.9%	
OPERATING MATERIALS & SUPPLIES	1,826	5,454	5,454	0	0.0%	3,628	198.7%	
COMMUNICATIONS	4,489	3,301	5,101	1,800	54.5%	612	13.6%	
TRAVEL EXPENSES	27,655	41,001	33,919	(7,082)	-17.3%	6,264	22.7%	
TRAINING	360	6,311	6,311	0	0.0%	5,951	1653.1%	
CONTRACTS SERVICES AGREEMENT	329,066	320,000	320,000	0	0.0%	(9,066)	-2.8%	
RENTAL/LEASE	213	938	938	0	0.0%	725	340.4%	
LICENCES, PERMITS, FEES	6,794	4,354	4,354	0	0.0%	(2,440)	-35.9%	
PROMOTION & ADVERTISING	428,335	367,477	367,477	0	0.0%	(60,858)	-14.2%	
Total Expenses	\$1,623,068	\$1,590,703	\$1,592,544	\$1,841	0.1%	(\$30,524)	-1.9%	
Net Expenditures/ (Revenue)	\$1,487,329	\$1,508,869	\$1,510,710	\$1,841	0.1%	\$23,381	1.6%	

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

No significant changes.



DEVELOPMENT SERVICES COMMISSIONER'S OFFICE
2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. Vs. 2013 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
OTHER INCOME	0	0		\$0	0.0%	0	0.0%	
Total Revenues	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Expenses								
SALARIES AND BENEFITS	\$1,094,262	\$1,088,256	\$1,103,686	15,430	0.0%	\$9,424	0.9%	
PRINTING & OFFICE SUPPLIES	64	400	331	(69)	0.0%	267	417.2%	
OPERATING MATERIALS & SUPPLIES	1,675	643	643	0	0.0%	(1,032)	-61.6%	
COMMUNICATIONS	503	1,068	1,068	0	0.0%	565	112.3%	
TRAVEL EXPENSES	5,134	21,918	18,132	0	0.0%	12,998	253.2%	
TRAINING	2,091	10,180	10,180	0	0.0%	8,089	386.8%	
RENTAL/LEASE	2,024	8,738	8,738	0	0.0%	6,714	331.7%	
PROFESSIONAL SERVICES	0	8,460	6,998	0	0.0%	6,998	0.0%	
LICENCES, PERMITS, FEES	2,288	971	971	0	0.0%	(1,317)	-57.6%	
CREDIT CARD SERVICE CHARGES	0	321	321	0	0.0%	321	0.0%	
STATUTORY COMMUNICATIONS	0	0	0	0	0.0%	0	0.0%	
OFFICE FURNISHINGS & EQUIPMENT	0	0	0	0	0.0%	0	0.0%	
OTHER EXPENSES	83	(10,000)	(10,000)	0	0.0%	(10,083)	-12148.2%	
Total Expenses	\$1,108,124	\$1,130,955	\$1,141,068	\$15,361	0.0%	\$32,944	3.0%	
Net Expenditures/ (Revenue)	\$1,108,124	\$1,130,955	\$1,141,068	\$10,113	0.0%	\$32,944	3.0%	

Changes in the 2014 Budget from the 2013 Budget over \$50,000:

No significant changes



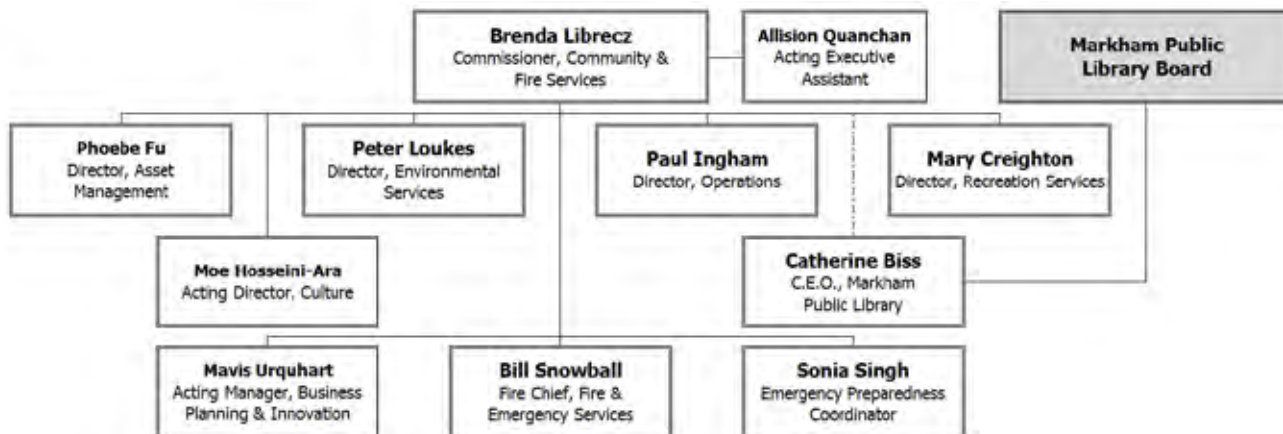
COMMUNITY AND FIRE SERVICES COMMISSION

“*Working with the community to make Markham a vibrant place to live, work and play,*” is the mission statement of the Community & Fire Services Commission. Services to the public are delivered by seven departments, as coordinated by the Commissioner’s Office.

For the purpose of business planning and budgeting, the seven departments are further broken out into Business Units. The departments and their business unit(s) are noted below:

Department	Business Unit
Asset Management	<ul style="list-style-type: none"> Facility Assets Right-of-Way & Environmental Assets
Culture	<ul style="list-style-type: none"> Culture
Environmental Services	<ul style="list-style-type: none"> Varley Art Gallery/Museum/Flato Theatre Waterworks
Fire & Emergency Services	<ul style="list-style-type: none"> Fire & Emergency Services
Markham Public Library	<ul style="list-style-type: none"> Markham Public Library
Operations	<ul style="list-style-type: none"> Operations (Roads/Parks/Fleet)
Recreation Services	<ul style="list-style-type: none"> Recreation Services

The Commissioner’s Office has responsibilities in the areas of overall coordination at a Commission-level, of business planning and strategic activities, emergency preparedness for the overall organization, and special initiatives such as the Pan Am Games. The Community & Fire Services Commission organizational structure is shown below.



In 2014, the Commission including Waterworks, had an approved full-time complement of 694 positions, a gross operating expenditures budget of \$121.7 million, revenues budgeted at \$218.2 million, and capital budget of \$60.8 million.



The commitment and dedication of our staff are recognized externally as their programs and practices have garnered numerous awards for the City of Markham. Recent awards include:

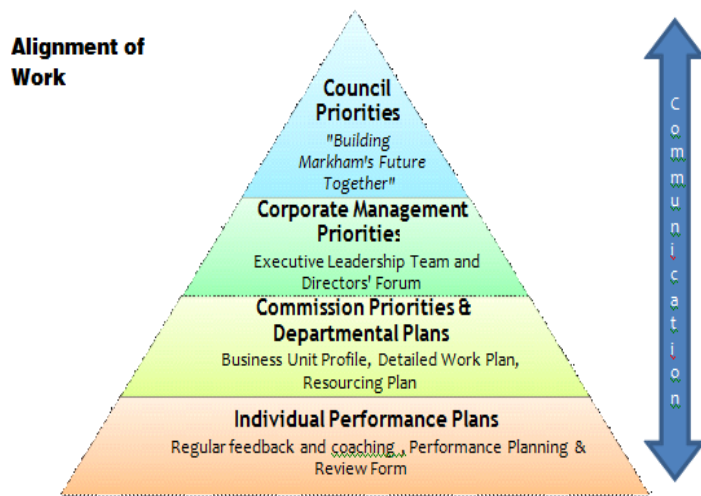
- 2011 Awards of Excellence (11 Church Street Project)
- 2011 Ontario Waste Minimization Gold Award
- 2011 Unique Waste Programs Gold Award
- 2012 Applause! Award (Firefighter Cadet Program)
- 2012 Creative Excellence Award – Second Place (Firefighter Recruitment Campaign)
- 2012 MarCom Platinum Award (Employee Publication: 2011 Accomplishments & 2012 Priorities)
- 2012 Ontario Association of Art Galleries Design Award (Kai Chan catalogue)
- 2012 Ontario Waste Minimization Gold Award
- 2013 Asphalt Recycling and Reclaiming Association Special Recognition Award – Full Depth Reclamation with Foamed Asphalt

Some Commission Facts (2013 Data)

• Number of annual visits at recreation facilities:	8.2 million
• Number of all direct recreation program registrations:	91,767
• Number of sportsfield hours booked:	67,717
• Total library items borrowed:	4.6 million
• Total number of library visits (in-person and electronic):	4.8 million
• Size of municipal art gallery and museum collection:	79,196 items
• Number of visitors at Markham Museum, Markham Theatre, and Varley Art Gallery:	121,827
• Number of emergency incident response from Fire Department:	6,942
• Number of calls answered by Fire Dispatch	66,000
• Traffic Investigations	760
• Tree Preservations Applications	860
• Total City parks and valleylands:	1,325 ha
• City-maintained roads:	1,043 km
• City sidewalks maintained:	1003 km
• Number of fleet vehicles maintained:	850
• Number of facilities maintained:	174 buildings
• Number of households receiving curbside collection services for garbage, recycling, organics and yard waste:	95,379
• Cubic metres of water consumed:	30.8 million

Corporate priorities guide the development of the departmental objectives:

Community & Fire Service Commission 2014				
Our Goals	Engaged Diverse and Thriving City	Exceptional Services by Exceptional People	Safe and Sustainable Community	Stewardship of Money and Resources
Our Values	Customer/Client-centric, Cooperation and collaboration, Leadership through involvement, Respectful conduct, Fact-based decision-making, Systems thinking, Continuous improvement & innovation focus			
Priorities	<i>Community Engagement...Changing Workforce...Managing Growth...Leveraging Technology...</i>			
Strategic Initiatives	Markham Pan Am Community Activation Strategy New Markham Pan Am facility Hosting Successful Pan Am Games Public Realm Strategy	Enhanced Customer Experience Strategy Counter Feasibility Study Service Planning at the Civic Centre for more efficient service Senior Services Strategy Volunteer System for the City	Business Continuity Plans to assess essential service and resources	Water Conservation programs and a Financial Framework to support Sustainable Conservation Rate



Note: The above layout was adapted from the Region of York.

A brief summary for each department is provided below:

Asset Management

The Asset Management Department is made up of the **Facility Assets** and **Right of Way Assets** business units.

The **Facility Assets** business unit provides project management services to all internal departments for new and existing facilities to achieve safety, functional use, comfort, user-friendliness, and energy efficiency. Examples include construction of the new Southeast Community Centre and Library and Markham Pan Am Centre. The key responsibilities include:

- Manage town-wide services such as security, accessibility, corporate accommodations, maintenance contracts, life cycle study updates, and energy retrofits.
- Operate the Civic Centre and 8100 Warden Avenue and mechanically operate the Varley Art Gallery, Markham Village Library, Fire Station 93 & 99 and the Museum Collections Building.
- Maintain and manage life cycle repair projects for 87 facilities such as smaller community centres, libraries, fire stations, heritage sites, and town-owned homes.

The **Right-of-Way Assets** business unit is responsible for providing technical assistance and advice to internal departments to achieve the most effective engineering solutions for new and replacement municipal infrastructure. Services include Right-of-way Assets, Utilities and Contracts, Business Systems Improvement, and Stormwater Assets.

- Right-of-Way Assets is responsible for the planning of the City's capital works rehabilitation programs such as bridge, culvert and storm sewer outfalls inspection and rehabilitation. It works closely with the Engineering and Operations Departments.
- Utilities and Contracts administers and coordinates utility approvals within the City's right-of-ways, provides survey services to various internal departments, and maintains the street lighting system.
- Business Systems Improvement manages asset inventories of roads, water, sanitary sewer, storm sewer, streetlights, parks, and parks amenities in corporate databases, infrastructure management system, and Geographic Information System (GIS) maps and provides engineering drawings for staff access. It also manages the City's closed landfill, including the operation of the gas collection system and monitoring methane and leachate levels.
- Stormwater Assets manages the City's Stormwater infrastructure such as rehabilitation and upgrades of existing storm sewers, storm management pond clean-up.

Culture

The Culture Department is responsible for overseeing the development and celebration of the community's cultural identity and in managing the direction and operations of the three municipal cultural venues in Markham. The department is responsible for the Public Art program and policies and is guided by the Culture Plan, approved by City Council in 2012.

- Flato Markham Theatre for Performing Arts offers entertainment/event services (rentals), and programs to Markham and the Greater Toronto Area (GTA). It serves more than 145,000 patrons annually. With globally acclaimed artists, Canadian and GTA Premieres, and Exclusive Presentations, this fully accessible 530-seat theatre offers innovative programming in a welcoming ambience through its new signature Diamond Series. The Theatre has evolved



beyond its walls to deliver quality programming with its “Discovery” Programs that support education and community outreach initiatives.

- Markham Museum connects the history of Markham from First Nation’s to William Berczy Settlers to today’s new ‘settlers’ by examining our environment and the tools we use to adapt to our changing world. The Museum offers exhibits, school programs, public programs and events, private event venues, and research facilities. Opened in 2011, the new collection and exhibition hall provides a safe environment for the preservation and conservation of the over 70,000 artifacts and archives in the museum collection. Through changing exhibitions, the exhibition space explores the layers of settlement and the resulting changes that Markham has experienced. The Museum is receiving national attention for its unique and effective way of connecting with its community and its environmental programs.
- The Varley Art Gallery of Markham presents exhibitions of historical and contemporary Canadian art and offers educational programs for community members of all ages. Through research, exhibitions, public programs and publications, the Gallery explores the art of founding Group of Seven member F.H. Varley, his peers and the artists that have explored and shaped Canadian artistic practice. The Gallery also operates the McKay Art Centre, once the home of F.H. Varley, this historic site features art exhibitions by community artists. The Varley has a wide range of programs for artists and aspiring artists of all ages. These include hands-on art classes, seasonal art camps, workshops, and talks with artists and curators. Several educational programs are available to schools groups, including interactive gallery tours and hands-on studio activities.

Environmental Services

*The Environmental Services Department was created in 2011 and it oversees two business units - **Waste & Environmental Management** and **Waterworks**.*

The **Waste & Environmental Management** business unit is responsible for managing the curbside pickup of household recyclables, garbage, organic waste, and yard waste and in 2010, a broader environmental focus was incorporated into its mandate. Other services include the operation of recycling depots, large appliances / metal pickup, special recycling programs, policy development, and public education programming. Following Council approval of a new diversion target in 2012, strategies are being implemented to reach the 80% target.

The **Waterworks** business unit is responsible for the provision of safe drinking water for domestic and commercial use throughout Markham. This responsibility includes replacement, rehabilitation and upgrade of the water and wastewater systems, the maintenance and repair of watermains up to the property line as well as the water meters inside the house. This group is also responsible for the maintenance and repair of sanitary sewers and all appurtenances up to the property line. Another important service is the regular sampling of the water distribution system to ensure the quality of water for human consumption. A key focus for the next several years is the development and implementation of water conservation programs and practices.

Supporting the two business units is the Business Compliance Division which ensures that the Department is compliant with corporate financial procedures, legislative requirements for technical and health and safety training, and Ministry of Environment regulations for the Drinking Water Quality Management Standard.

Fire & Emergency Services

The department is responsible for providing safety and property protection to those who live, work or play in the community. This is achieved by providing quality preventative, educational, and emergency services in a professional, sensitive and caring manner. These services are supported internally by the Training, Mechanical, Communications, and Administration divisions. Services are deployed from nine fire stations and an administrative office.

Additionally, the Fire & Emergency Services Department is committed to Public Education and reaching out to the diverse community by providing over 280 school visits a year and attending in excess of 400 community events. It partners with the Commissioner's Office to deliver the Emergency Preparedness program, where a Deputy Fire Chief performs the function of the Certified Community Emergency Manager.

Markham Public Library

Markham Public Library (MPL) is responsible for the delivery of library services through seven branches and its website. Administratively, it reports to the Markham Public Library Board, and the Commissioner of Community & Fire Services. The Library's mission is to "make Markham the premier place to live and work in the GTA through library services that enhance quality of life and help everyone achieve their full potential."

MPL is committed to providing the highest levels of convenience and accessibility in library services through innovative business models that respond to resident needs, use resources efficiently and maximize ROI for tax dollars. MPL services, collections and programs are focused on lifelong learning, literacy skills, and inclusive community-building. As one of the most innovative and most efficiently operated public libraries in Canada, MPL's innovations include the award-winning C3 - Customer Centred Classification system, the Learning Place business model for library programs, and the Customer Service Revolution initiative. MPL is also a library sector leader in the implementation of RFID-based self-service technology – in 2013, 82.8% of borrowing transactions were completed by customers through self-service options.

Operations

The Operations Department is responsible for the maintenance of roads and parks in the City of Markham, supported by fleet, traffic operations and business technical services.

- Roads Division is responsible for the maintenance of assumed developments, such as curbs & sidewalks, road resurfacing and life cycle maintenance, catch basins, maintenance holes, storm sewers and bridge, and urban all-season street maintenance, such as winter maintenance, street sweeping, and minor asphalt and boulevard repairs. Other services include contract administration, pavement markings, guide rail repair and replacement, traffic and street name signs, and special events road closures.

- Parks Division is responsible turf maintenance of parks and boulevards, urban forestry, and maintenance of park amenities such as play structures, sports field structures, irrigation systems, baseball diamonds, soccer fields, cricket and rugby pitches, and tennis courts. Other services include horticulture (flower and plant barrels, hanging baskets, park gardens and entrance features to the municipality), special events support, winter maintenance of parking lots and walkways of city-owned facilities and monitoring of natural areas and valleylands.



- Fleet & Supplies Division is responsible for the maintenance, repair, acquisition, parts inventory management, and safe operation of the diverse municipal fleet and equipment assets including Fire and Emergency vehicles and apparatus.
- Business and Technical Services Division is responsible for the coordination and management of and business and technical services within the Operations Department and the management of traffic operations. Services include budget management and accounting activities, asset and life cycle analysis, coordination of development application review and the Tree Preservation and Community Engagement Programs.
- Traffic Operations deals with investigations and recommendations for stop signs, on-street parking regulations, traffic calming, traffic signals, speeding and traffic volume concerns. They are also responsible for the maintenance and operation of all City traffic signals.

Recreation Services

The Recreation Services Department advocates for the creation of sense of community, belonging and enjoyment, while delivering approximately 25% of total City of Markham revenue annually through user fees and rentals.

The Department is committed to improving the quality of life for Markham residents through provision of quality leisure programming and welcoming and well-maintained community facilities. The Department combines a direct service delivery approach in provision of recreational, aquatic, camps, fitness and lifestyle programming for individuals of all ages with ongoing community development work with minor sport organizations, community groups, not-for-profit organizations and other key stakeholders. As well, through the 5 major community centres and 17 satellite facilities, thousands of hours are permitted annually to various community-based organizations.

The Recreation Services Department extends beyond the walls of the City owned and operated facilities. The Department builds on creative partnerships to deliver services in schools, parks, and elsewhere based on community needs.



COMMUNITY AND FIRE SERVICES 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
GRANTS AND SUBSIDIES	\$1,572,735	\$1,486,494	\$1,494,494	\$8,000	0.5%	(\$78,241)	-5.0%
LICENCES & PERMITS	84,949	0	100,000	100,000	0.0%	15,051	17.7%
FINES	0	3,000	3,000	0	0.0%	3,000	0.0%
USER FEES & SERVICE CHARGES	12,743,168	13,495,085	13,553,470	58,385	0.4%	810,302	6.4%
RENTALS	6,408,892	6,792,453	7,094,283	301,830	4.4%	685,391	10.7%
SALES	555,115	536,119	661,201	125,082	23.3%	106,086	19.1%
RECOVERIES & CONTRIBUTIONS	1,432,323	1,091,661	1,146,506	54,845	5.0%	(285,817)	-20.0%
OTHER INCOME	444,505	602,703	501,503	(101,200)	-16.8%	56,998	12.8%
INTERDEPARTMENTAL RECOVERIES	714,308	721,708	721,708	0	0.0%	7,400	1.0%
Total Revenues	\$23,955,995	\$24,729,223	\$25,276,165	\$546,942	2.2%	\$1,320,170	5.5%
Expenses							
SALARIES AND BENEFITS	\$78,029,406	\$78,003,179	\$78,906,751	\$903,572	1.2%	\$877,345	1.1%
PRINTING & OFFICE SUPPLIES	213,982	322,589	296,561	(26,028)	-8.1%	82,579	38.6%
PURCHASES FOR RESALE	344,130	265,136	282,150	17,014	6.4%	(61,980)	-18.0%
OPERATING MATERIALS & SUPPLIES	2,349,643	2,744,060	2,737,324	(6,736)	-0.2%	387,681	16.5%
VEHICLE SUPPLIES	1,663,842	1,664,135	1,722,947	58,812	3.5%	59,105	3.6%
SMALL EQUIPMENT SUPPLIES	7,749	15,091	15,091	0	0.0%	7,342	94.7%
BOTANICAL SUPPLIES	285,957	267,197	267,197	0	0.0%	(18,760)	-6.6%
CONSTRUCTION MATERIALS	2,624,815	1,455,137	1,471,637	16,500	1.1%	(1,153,178)	-43.9%
UTILITIES	5,654,283	5,203,864	5,838,510	634,646	12.2%	184,227	3.3%
COMMUNICATIONS	299,303	312,933	340,330	27,397	8.8%	41,027	13.7%
TRAVEL EXPENSES	117,342	179,197	157,995	(21,202)	-11.8%	40,653	34.6%
TRAINING	279,385	326,102	327,314	1,212	0.4%	47,929	17.2%
CONTRACTS & SERVICE AGREEMENTS	9,707,448	9,683,813	10,389,324	705,511	7.3%	681,876	7.0%
MAINT. & REPAIR-TIME/MATERIAL	4,476,208	4,618,679	4,661,566	42,887	0.9%	185,358	4.1%
RENTAL/LEASE	519,780	609,494	597,253	(12,241)	-2.0%	77,473	14.9%
INSURANCE	17,380	13,263	13,263	0	0.0%	(4,117)	-23.7%
PROFESSIONAL SERVICES	1,542,718	1,487,219	1,332,026	(155,193)	-10.4%	(210,692)	-13.7%
LICENCES, PERMITS, FEES	431,120	400,900	475,156	74,256	18.5%	44,036	10.2%
CREDIT CARD SERVICE CHARGES	290,480	198,796	198,796	0	0.0%	(91,684)	-31.6%
PROMOTION & ADVERTISING	477,034	398,447	401,227	2,780	0.7%	(75,807)	-15.9%
CONTRACTED MUNICIPAL SERVICES	9,992,792	9,906,720	9,913,679	6,959	0.1%	(79,113)	-0.8%
OTHER PURCHASED SERVICES	834,288	767,871	769,374	1,503	0.2%	(64,914)	-7.8%
WRITE-OFFS	115,764	0	0	0	0.0%	(115,764)	-100.0%
OTHER EXPENDITURES	138,476	124,010	132,934	8,924	7.2%	(5,542)	-4.0%
TRANSFERS TO RESERVES	477,752	445,262	445,262	0	0.0%	(32,490)	-6.8%
Total Expenses	\$120,891,077	\$119,413,094	\$121,693,667	\$2,280,573	1.9%	\$802,590	0.7%
Net Expenditures/(Revenues)	\$96,935,082	\$94,683,871	\$96,417,502	\$1,733,631	1.8%	(\$517,580)	-0.5%

Changes in 2014 Budget from the 2013 Budget over \$100,000:

Licenses & Permits: Offset by Other Income due to transfer of Public Road Allowance Permit Revenues
 Vehicle Supplies:

Rentals: Increased revenues from increased rates for various Recreation rentals

Sales: Increased revenues from higher Milne Park parking and site permit rates

Other Income: Offset by Licences & Permits due to transfer of Public Road Allowance Permit Revenues



Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the City's salary grids and increase headcount.

Utilities: Increase hydro related to rate increase and assumption of new streetlights and the opening of the Pan Am Centre.

Professional Services: Decrease from removal of lunch service crossing guard at multiple locations as approved by Council

FACILITY ASSETS BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Continue with design of South East Community Centre and Library (Lead)	Adjusted - Complete design and issue construction tender by Q3 2013 instead of Q2,2013.	ADJ
2	Complete 2012 Life Cycle Projects	Adjusted - Completion of projects by Q3 2014, instead of Q3, 2013.	ADJ
3	Operate and Maintain City-owned Facilities	Completed - Operate Civic Centre, 8100 Warden and 75 Clegg. Respond to maintenance requests within 7 business days. Provide maintenance services at Varley Art Gallery, Museum Collections Building, Markham Village Library, Fire Station 93 and 99.	COM
4	Complete 2013 Life Cycle Projects	Adjusted - Completion of projects by Q4 2014 instead of Q2 2014	ADJ
5	PAN AM bid projects (Support)	Completed - Provide support as required to corporate team	COM
6	Corporate Building Security Strategy (Lead)	Adjusted - Develop Civic Centre security strategy (in collaboration with HR and Clerks) by Q4 2013 - Priorities have been shifted to focus on infrastructure improvements	ADJ
Strategic Work			
1	Project Management Service Office (Lead)	Completed - Implement developed guidelines to align to the availability of new Eclipse templates by Q2 2013	COM
2	Implement Enterprise Asset Management, subject to ELT approval (Support)	Adjusted - Support approved work plan from Lead Department or Project Team - Business Case presently under development.	ADJ
3	Cross Commission Project - New Official Plan (Support)	Completed - Review draft plan and provide feedback	COM
4	Cross Commission Project - Portal Phase 3 (Support)	Completed - Provide necessary input	COM
5	Cross Commission Project - Excellence Markham - Customer Satisfaction (Support)	Completed - Support Corporate Project	COM
6	Cross Commission Project - Excellence Markham - Staff Survey Implementation (Support)	Completed - Review with Staff and implement improvement	COM
7	Cross Commission Project - IT Strategic Plan Refresh (Support)	Completed - Provide Input when necessary	COM
8	Cross Commission Project - Corporate Community Engagement Strategy (Support)	Completed - Support and provide input	COM
9	Milliken Mills Community Centre and Library Expansion (Support)	Completed - Support Recreation Services and Markham Public Library in execution of this objective. - Feasibility study underway for report in Q4, 2013	COM
10	Lead Corporate Accommodation Strategy	Adjusted - Implement initial phase of multi year space planning strategy by Q4 - Adjusted to focus shifted to Front Counter Feasibility Study. Completed - Complete corporate accommodation requests by Q4.	ADJ
11	Municipal Role in Community Events (Support)	Completed - Provide support for public event at Civic Centre throughout the year. Develop resource requirements by Q1 2013 to satisfy Civic Centre public event needs	COM
Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted			



FACILITY ASSETS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008	2009	2010	2011	2012	2013	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	1	3	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	N/A	67%	72%	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	N/A	40%	N/A	N/A	N/A	N/A	≥35%
# of informal customer satisfaction surveys completed	0	0	0	0	0	0	n/a
Post project completion surveys completed	N/A	N/A	1	0	0	0	n/a
FINANCIAL PERFORMANCE							
Net cost per household	\$ 19.30	\$ 21.01	\$ 20.88	\$ 23.31	\$ 24.20	\$ 11.83	\$ 24.40
Net operating cost per gross sq.ft. of Civic Centre facility (172,515sf) and 8100 Warden Ave (85,000 sq effective 2009)	\$ 7.03	\$ 8.87	\$ 6.15	\$ 6.46	\$ 7.16	\$ 3.89	\$7.24
Est. value of construction & renovation projects managed - Facilities	\$84.4 M	\$88.6m	\$118.9m	\$120.9m	\$235.7m	\$239.5m	N/A
% of projects completed on budget	N/A	N/A	100%	100%	100%	100%	100%
OPERATIONAL EXCELLENCE							
Facility Maintenance - # of facilities maintained	162	165	166	174	174	174	N/A
# of facility work orders generated	480	972	1,099	1,130	1,264	998	N/A
Average # of days for facility work order to be completed	N/A	N/A	N/A	6 days	6 days	6 days	≤ 7 days
SF of facilities managed by Civic Centre Coordinator	257,515	325,015	325,015	338,121	338,121	338,121	N/A
SF of facilities managed by Maintenance Coordinator	262,674	217,000	276,072	299,994	404,244	404,244	N/A
Completion rate of capital projects (% of planned budget spent) ¹	N/A	N/A	83%	85%	67%	66%	80%
% of projects with an environmental focus	N/A	N/A	83%	85%	83%	85%	100%
# of capital projects undertaken and managed per staff	N/A	N/A	9	10	10	10	5
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	70%	N/A	78%	n/a	75%	N/A	≥75%
Recognition rating (from staff survey)	63%	N/A	67%	n/a	65%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	82%	N/A	84%	n/a	75%	N/A	≥80%
Completion rate for performance management ²	100%	96%	100%	100%	90%	N/A	100%
Average Corporate learning hours per full-time employee ²	18.4	14.2	14.3	11.6	5.0	4.7	20.0
Staff absenteeism (average # of days per employee) ²	5.1	9.8	5.8	15.6	9.4	7.4	≤8.4
Staff turnover rate ²	10.0%	5.0%	9.1%	25.0%	0.0%	0.0%	≤7.5%

KPI SUMMARY

Note: ¹ Based on the aggregate of all open projects to include multi-year projects. Percentage Completion Rate of capital has dropped due to including South East Community capital budget while construction contract has yet to be awarded.

² Until 2012, the data is generated for the Asset Management Department and not for each of the two business units that make up the department.

FACILITY ASSETS BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Manage Major Facility Capital Projects		Provide project management services		x	x	x
2	Complete 2013 Life Cycle Projects	P	Complete by Q4, 2014			x	x
3	Complete 2014 Life Cycle Projects	P	Complete by Q3, 2015			x	x
4	Operate and Maintain City-owned Facilities	P	Operate Civic Centre, 8100 Warden and 75 Clegg. Respond to maintenance requests within 7 business days. Provide maintenance services at Varley Art Gallery, Museum Collections Building, Markham Village Library, Fire Station 93 and 99.	x			x
5	Municipal Role in Community Events (Support)	P	Provide support for public event at Civic Centre throughout the year. Develop resource to satisfy Civic Centre public event needs	x			x
6	Continue with construction of South East Community Centre and Library (Lead)		Ongoing construction - completion targeted for Q4, 2015	x	x	x	x
7	Markham Pan AM Centre projects (Support)		Provide support as required to project team; monitor construction project management		x		x
8	8100 Warden Data Recovery Project (Support)		Redevelop existing unused data facility at 8100 Warden Avenue to ITS requirements for backup data centre and aligned with the ITS project timeline, Q4, 2014	x		x	x
9	Corporate Accommodations		Complete Corporate Accommodation requests Q4, 2014				x
10	Stiver Mill		Restore the heritage structure and fabric, provide base building interiors, accessible and ready for occupancy within the grant		x	x	x
11	Daniel Fairty House		Preserve the Heritage house, restoring the exterior building fabric, correcting structural defects and demolition of non heritage elements. Q4, 2014		x	x	x

Strategic Work

1	Project Management Service Office (Lead)		Implement rollout of governance framework and reporting Q4, 2014	x			x
2	Implement Enterprise Asset Management, subject to ELT approval (Support)	P	Support approved work plan from Lead Department or Project Team	x			x
3	Cross Commission Project - Portal Phase 3 (Support)		Provide necessary input		x		x
4	Cross Commission Project - Excellence Markham - Customer Satisfaction (Support)		Support Corporate Project		x		
5	Cross Commission Project - Excellence Markham - Staff Survey Implementation (Support)		Complete implementation of staff approved improvements Q3, 2014	x			
6	Cross Commission Project - Corporate Community Engagement Strategy (Support)		Support and provide input		x		
7	Corporate Accommodation Strategy (Lead)		Develop multi year space planning strategy by 2015	x			x
8	Service Counters		a) Service Counters Feasibility Study b) complete detail design and award construction tender by Q3, 2014	x	x	x	x

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



RIGHT OF WAY ASSETS BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	Manage annual programs - life cycle reserve, condition assessment, capital budget requests, databases	Completed life cycle analysis to support life cycle reserve study	COM
2	Develop and maintain a comprehensive Outfall database with existing information and information collected from site investigations	Completed - updated the database	COM
3	Provide utility approval and inspection services per MAA requirements.	Completed - services delivered within agreed upon timeframe	COM
4	Undertake monitoring program at former Sabiston Landfill. Enhance systems, investigate leachate collection system and complete indoor monitoring installations.	Completed - Leachate collection system feasibility study and indoor monitoring installations.	COM
5	Pavement Management System: 1) Road condition survey; and 2) Improve modelling and decision trees based on University of Waterloo's recommendations, include strength testing and traffic data	1) Adjusted - Completion of 2 nd round of condition survey by Q4 2013 instead of Q3 2013; and 2) Adjusted - Completion of Model upgrade development by Q4 2013 instead of Q4 2013.	ADJ
6	Develop GIS model for all environmental asset features.	Completed - GIS Model developed.	COM
7	Develop model for identifying streetlight cables in common trench with PowerStream hydro cables that will be used for Ontario One call screening	Adjusted - Completion by Q4, 2014 instead of Q2 2013.	ADJ
8	Develop and maintain city-wide erosion database	Completed - Erosion database updated.	COM
9	Don Mills Channel EA Study	Adjusted - Study completion by Q4 2015 instead of Q4 2013.	ADJ
Strategic Work			
1	Cross Commission Project - New Official Plan (Support)	Completed - provided necessary input	COM
2	Cross Commission Project - Portal Phase 3 (Support)	Completed - provided necessary input	COM
3	Cross Commission Project - Excellence Markham - Customer Satisfaction (Support)	Completed - provided necessary input	COM
4	Cross Commission Project - Excellence Markham-Staff Survey Implementation (Support)	Completed - provided necessary input	COM
5	Cross Commission Project - IT Strategic Plan Refresh (Support)	Completed - provided necessary input	COM
6	Cross Commission Project - Corporate Community Engagement Strategy (Support)	Completed - provided necessary input	COM
7	Develop a strategic Asset Management Plan for structures (bridges and culverts) based on relevant Asset Management Best Practices	Adjusted - Draft plan completion by Q4 2014 instead of Q3 2013.	ADJ
8	Convert Cobra-Head style HPS luminaires with LED fixtures	Adjusted - Completion by Q1 2014 instead of Q4 2013.	ADJ
9	Utility locates and streetlight maintenance transfer from PowerStream, subject to approval by City of Markham.	Adjusted - To be reviewed in Q3 2014 in consultation with PowerStream.	ADJ
10	Implement Flood Remediation Program in West Thornhill	Adjusted - Project commencement of Phase 1 - Stage 1 by Q2 2014 instead of Q1 2013	ADJ
11	Stormwater Funding Study	Adjusted - Study completion by Q4 2014 instead of Q3 2013.	ADJ
Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted			

RIGHT OF WAY KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008	2009	2010	2011	2012	2013	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	1	3	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	N/A	66%	72%	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	N/A	38%	N/A	N/A	N/A	N/A	≥35%
# of informal customer satisfaction surveys completed	0	0	1	0	0	0	
FINANCIAL PERFORMANCE							
Net cost per household	\$ 27.13	\$ 26.08	\$ 28.77	\$ 31.77	\$ 40.54	\$ 20.21	\$ 39.18
Streetlighting Cost per Light Standard	\$ 115	\$ 111	\$ 120	\$ 131	\$ 154	\$ 66	\$ 109
Amount of Utility Fees Collected	\$ 167,000	\$ 119,480	\$ 140,673	\$ 181,496	\$ 200,384	\$ 70,866	\$ 102,000
OPERATIONAL EXCELLENCE							
# km of watermains and sewers digitized per staff	28	36	20	34	38	17	22
# of survey requests processed per staff	140	156	137	172	188	93	140
# of new streetlights assumed by Asset Management per year	855	600	344	698	1147	920	est. 700
# of utility permits issued and inspected per staff per year	1,423	1,348	1,098	1,060	1182	521	1,400
% of assets (Structures) assessed per year	25%	11%	25%	35%	46%	36%	≥25%
Completion of capital projects (% of planned vs actual) ¹	N/A	N/A	N/A	74%	80%	70%	≥80%
Preventive maintenance works completed for assets (bridges & culverts) identified in the annual inspection ¹	N/A	N/A	N/A	80%	90%	90%	≥80%
% of ACR cases for bridge, culverts and utilities completed within service level timeline ¹	N/A	N/A	N/A	99%	90%	90%	≥80%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	70%	N/A	78%	n/a	70%	N/A	≥75%
Recognition rating (from staff survey)	63%	N/A	67%	n/a	54%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	82%	N/A	84%	n/a	69%	N/A	≥80%
Completion rate for performance management ²	100%	96%	100%	100%	100%	N/A	100%
Average Corporate learning hours per full-time employee ²	18.4	14.2	14.3	7.8	10.4	8.3	20.0
Staff absenteeism (average # of days per employee) ²	5.1	9.8	5.8	5.6	7.2	2.1	≤8.4
Staff turnover rate ²	10.0%	5.0%	9.1%	0.0%	5.9%	0.0%	≤7.5%

KPI SUMMARY

Note: ¹ New KPI developed as part of the 2012 Business Planning Process in 2011.

² Until 2012, the data was generated for the Asset Management Department and not for each of the two business units that make up the department.



RIGHT OF WAY BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Manage annual programs - life cycle reserve, condition assessment, capital budget requests, databases		Complete life cycle analysis by Q1 2014 so that the budget request is in line with business planning			x	x
2	Structures (Bridges & Culvert) Rehabilitation		Rehabilitation works are planned for 28 structures. Completion by Q4, 2015.			x	x
3	Provide utility approval and inspection services per MAA requirements.		Services delivered within agreed upon timeframe		x	x	
4	Develop line diagram for the underground streetlight cables that will be used for Ontario One call screening		Completion by Q4 2014	x		x	x
5	Don Mills Channel Class EA Study		Study completion by Q4 2015.		x	x	
6	City-wide Watercourse Quality Strategy and Monitoring Plan	P	Strategy development by Q2 2014 and monitoring in place by Q4, 2014.		x	x	x
7	City-wide Erosion Study Update		Study update completion by Q4 2014.			x	x
8	Environmental technical support related to the City's growth management plan including the Berczy/Bruce/Robinson Creeks Subwatershed Study		Provide necessary support to the Engineering and Planning Departments		x	x	
9	City-wide sanitary monitoring, capacity assessment and rehabilitation work including infiltration/inflow reduction		Provide necessary support to the Environmental Services Dept.			x	x
10	SWM Pond Monitoring and Sediment Cleaning Program	P	Monitor sediment levels of SWM Ponds and identify the ponds that require cleaning		x	x	x

Strategic Work

1	Cross Commission Project - Portal Phase 3 (Support)		Provide necessary input		x		x
2	Cross Commission Project - Excellence Markham - Customer Satisfaction (Support)		Support Corporate Project		x		
3	Cross Commission Project - Excellence Markham-Staff Survey Implementation (Support)		Review with Staff and implement improvement	x			
4	Cross Commission Project - Corporate Community Engagement Strategy (Support)		Support and provide input		x		
5	Develop a strategic Asset Management Plan for structures (bridges and culverts) based on relevant Asset		Draft plan completion by Q4 2014 and final plan by Q2 2015	x		x	x
6	Convert Cobra-Head style HPS luminaires with LED fixtures		Completion by Q1 2014			x	x
7	Utility locates and streetlight maintenance transfer from PowerStream, subject to approval by City of Markham		If approved, develop work plan, resourcing and financial plan, and new programs to accommodate the transfer of these new responsibilities to City of Markham. To be reviewed in Q3 2014.	x			x
8	Implement Flood Remediation Program in West Thornhill	P	Commencement of initial implementation of Phase 1 - Stage 1 by Q2 2014.		x	x	x
9	Stormwater Funding Study		Study completion by Q4 2014.			x	x

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



ASSET MANAGEMENT 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.		
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change	
Revenues								
USER FEES & SERVICE CHARGES	\$173,543	\$64,000	\$140,000	\$76,000	118.8%	(33,543)	-19.3%	
RENTALS	205,175	68,654	68,654	0	0.0%	(136,521)	-66.5%	
SALES	8,323	0	0	0	0.0%	(8,323)	-100.0%	
RECOVERIES & CONTRIBUTIONS	191,938	30,000	30,000	0	0.0%	(161,938)	-84.4%	
INTERDEPARTMENTAL RECOVERIES	0	7,400	7,400	0	0.0%	7,400	0.0%	
OTHER REVENUE	1,244	0	0	0	0.0%	(1,244)		
Total Revenues	\$580,223	\$170,054	\$246,054	\$76,000	44.7%	(\$334,169)	-57.6%	
Expenses								
SALARIES AND BENEFITS	\$2,397,299	\$2,448,595	\$2,666,191	\$217,596	8.9%	\$268,892	11.2%	
PRINTING & OFFICE SUPPLIES	7,642	14,407	13,546	(861)	-6.0%	5,904	0.0%	
OPERATING MATERIALS & SUPPLIES	94,553	122,730	122,530	(200)	-0.2%	27,977	29.6%	
SMALL EQUIPMENT SUPPLIES	0	(97)	(97)	0	0.0%	(97)	0.0%	
CONSTRUCTION MATERIALS	0	2,028	1,028	(1,000)	-49.3%	1,028	0.0%	
UTILITIES	562,398	577,406	512,038	(65,368)	-11.3%	(50,360)	-9.0%	
COMMUNICATIONS	15,771	13,218	18,978	5,760	43.6%	3,207	20.3%	
TRAVEL EXPENSES	11,886	12,425	12,425	0	0.0%	539	0.0%	
TRAINING	4,170	13,631	11,631	(2,000)	-14.7%	7,461	178.9%	
CONTRACTS & SERVICE AGREEMENTS	901,435	904,562	904,562	0	0.0%	3,127	0.3%	
MAINT. & REPAIR-TIME/MATERIAL	1,718,729	1,844,173	1,822,415	(21,758)	-1.2%	103,686	6.0%	
PROFESSIONAL SERVICES	5,417	11,640	6,000	(5,640)	-48.5%	583	10.8%	
LICENCES, PERMITS, FEES	14,681	9,710	9,710	0	0.0%	(4,971)	-33.9%	
CONTRACTED MUNICIPAL SERVICES	2,421,291	1,854,994	1,887,667	32,673	1.8%	(533,624)	-22.0%	
OTHER EXPENDITURES	125,183	0	0	0	0.0%	(125,183)	-100.0%	
TRANSFERS FROM OWN FUNDS	0	0	0	0	0.0%	0	0.0%	
Total Expenses	\$8,280,455	\$7,829,422	\$7,988,624	\$159,202	2.0%	(\$291,831)	-3.5%	
Net Expenditures/(Revenues)	\$7,700,232	\$7,659,368	\$7,742,570	\$83,202	1.1%	\$42,338	0.5%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Salaries and benefits: Increase due to annualization of cost of living adjustment and movement of staff along the City's salary grids and increased headcount.

Utilities: Decrease in utility expense due to energy efficient programs.



CULTURE BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

	# Objective	Actual Outcomes	Status
Business As Usual Work			
1	New Official Plan (Support)	Continue to provide support and feedback to Planning staff, as requested.	OT
2	Excellence Markham - Customer Satisfaction (Support)	Made improvements to informal survey results reporting by Culture. Adjusted the scope for 2014 to include a consistent method of collecting data.	ADJ
3	Excellence Markham - Staff Survey Implementation (Support)	Supported corporate project. Lead and undertook departmental discussion and improvement work.	OT
4	IT Strategic Plan - Refresh (Support)	Provide support and feedback as requested by ITS. This has become a new project and the scope has been changed.	ADJ
5	Stiver Mill and Tremont Hotel (Support)	Provided advice on programming the Stiver Mill. Tremont Hotel objective deleted and will be restarted if the Culture Department is to be involved.	OT
6	Pricing Strategy (Support)	Culture Department will contribute to project relating to Culture specific items. On target for 2013 with additional work and scope adjustment in 2014.	OT
7	Implement Diversity and Sustainability plans (Support)	All venues will update the Diversity Action Plan as requested by Human Resources, which includes the federally funded Youth and Diversity Program. All venues will update the Greenprint as requested by the Sustainability Office, such as its work on the Rouge Park.	OT
8	Implement Culture Plan, subject to Council approval	Objective deferred to 2014 start with planning sessions to be completed to determine the departmental direction, including a review of the Culture Plan and its alignment to the annual business planning and budgeting processes.	ADJ
9	Improve Safety and Customer Service • Health & Safety • Theatre accessibility project	<ul style="list-style-type: none"> • Participating in Joint Health and Safety and other committees and provided training to staff. Museum site safety review by external consultant is on target. Theatre health and safety review has been completed. • Project completed 	OT
10	Implement Theatre Strategic Plan	Year 3 implementation is on target. Strategy of volunteer development will be addressed in 2014 as a departmental initiative.	OT
11	Public Realm Strategy (Support)	Culture has taken over Henderson Bridge, the Public Speaker Series, and Traffic Box Wraps.	OT
12	Youth Strategy and Senior Strategy (Support)	All Culture venues will further develop youth and senior programming and volunteer programs and will report through ILMP.	OT
Strategic Work			
1	Portal Phase 3 - Implementation (Support)	Culture received authorization to update online material. Sitting on the Portal Steering Committee and on the Leveraging Technology for Business Transformation Committee.	ADJ
2	Corporate Community Engagement Strategy (Support)	Team representative redeployed to new project, Leveraging Technology for Business Transformation, in 2014.	ADJ
3	Develop and Implement Public Art Plan	Three-year plan is being developed by Culture Department. Plan will be presented to Council in December 2013.	ADJ
4	Develop Strategic Plan to Guide each Culture Venue	<ul style="list-style-type: none"> • Theatre Strategic Plan completed. • Museum Strategic Plan has been moved to 2014. • Varley Strategic Plan will be completed in Q4, 2013. 	ADJ
6	Commission Priorities: • Relationship Building • Governance of External Partnerships	Projects have been reprioritized. Department is not leading these projects.	DEL
7	Pan Am Project (Support)	Contributed to the overall Markham Pan Am Plan and support Recreation Services (Lead) in the community activation work. Culture Department will support Pan Am through programming and performances and sit on the Pan Am Municipal Forum Committee.	OT

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted



CULTURE KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008	2009	2010	2011	2012	2013	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	1	0	1	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	86%	N/A	36%	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	86%	N/A	58%	N/A	N/A	N/A	≥35%
# of informal customer satisfaction surveys completed	0	0	0	4	0	0	1/year
Average overall satisfaction for <u>informal</u> survey(s) completed (%) ¹	N/A	N/A	N/A	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>informal</u> survey(s) completed (%) ¹	N/A	N/A	N/A	N/A	N/A	N/A	≥35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 15.85	\$ 17.55	\$ 17.35	\$ 18.84	\$ 24.66	\$ 13.36	\$ 19.08
Net cost per capita	\$ 4.57	\$ 5.04	\$ 5.02	\$ 5.53	\$ 7.16	\$ 3.88	\$ 5.54
Revenue as % of total gross Culture expenditures	57%	52%	54%	56%	57%	52%	57%
Revenue as % of total non-tax City revenues	4.3%	4.0%	4.4%	5.7%	6.1%	5.1%	6.0%
Total expenditure per visitor ²	\$ 21.56	\$ 27.37	\$ 19.07	\$ 29.33	\$ 28.26	\$ 32.93	\$ 29.00
Net operating cost per square foot of facility space ³	\$ 11.08	\$ 12.40	\$ 12.63	\$ 16.48	\$ 14.84	\$ 8.22	\$ 15.50
Rental revenue as % of total Culture Revenue	N/A	28%	31%	29%	11%	14%	28%
OPERATIONAL EXCELLENCE							
# of visits at cultural venues per capita	N/A	0.5	0.7	0.5	0.6	0.2	1.0
Total Volunteer Hours (Art Gallery & Museum & Theatre)	N/A	12,250	11,143	18,935	24,997	9,313	20,000
# of Annual Participants in Education and Outreach Programs	N/A	14,413	43,250	52,444	31,884	10,186	14,000
Average fill rate for all public programs	N/A	N/A	44%	62%	86%	87%	87%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	64%	N/A	71%	N/A	66%	N/A	≥75%
Recognition rating (from staff survey)	52%	N/A	73%	N/A	62%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	84%	N/A	76%	N/A	75%	N/A	≥80%
Completion rate for performance management	81%	30%	91%	100%	100%	N/A	100%
Average Corporate learning hours per full-time employee	3.2	8.0	6.7	5.2	4.1	0.6	20.0
Staff absenteeism (average # of days per employee)	4.6	3.3	2.2	1.3	6.0	2.8	≤8.4
Staff turnover rate	12.0%	5.0%	5.3%	4.3%	4.2%	4.2%	≤7.5%

KPI SUMMARY

Key Performance Indicators will be adjusted to align to the new business planning process for 2015.



CULTURE BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Excellence Markham - Customer Satisfaction (Support)		Make improvements to informal survey results reporting by Culture. Adjusting the scope for 2014 to include a consistent method of collecting data.	x	x		
2	Excellence Markham - Staff Survey Implementation (Support)		In 2014, staff will be engaged in working towards some recommendations to understand and resolve the workload issue.	x			
3	Leveraging Technology for Business Transformation (Support)		Culture will work with ITS on this new Committee by providing support and feedback.	x			x
4	Implementation of Diversity and Sustainability plans (Support)		All venues will update the plan as requested by Human Resources. All venues will update Greenprint as requested by the Sustainability Office.		x	x	
5	Implement Culture Plan		Planning sessions will begin in 2014 to determine the Department's strategic direction.		x		
6	Public realm support (Support)		Support work of Project Team. Continue to work with Public Realm to initiate and implement new projects.		x		
7	Public Art	B	Implementation of the Public Art 3 Year Plan and installation of new Public Art pieces.		x		
8	Corporate Customer Service Project (Support)		Participation in the Customer Service process lead by the Library.	x	x		
9	Stiver Mill		Operationalize building, include programming		x		x

Strategic Work

1	Portal Phase 3 - Implementation (Support)		Provide support and feedback to Project Team. Selected Culture staff have authorization to update material and are supported by IT. Representation on the Portal Steering Committee and on the Leveraging Technology for Business Transformation Committee.	x			x
2	Develop Strategic Plan for the Markham Museum (Lead)		Museum will begin to develop a Strategic Plan pending the site review.		x	x	
3	Develop Strategic Plan for the Varley Art Gallery (Lead)		Gallery will have a strategic plan completed by Q1, 2014. In 2014, the Gallery will begin implementation of the strategic plan.		x	x	
4	Pan Am Project (Support)		Culture Department will support Pan Am through programming and performances. Culture may require non personnel funds for implementation in 2015		x		
5	Economic Development partnership with their science themed speaker series.		Provide residents with access to valuable scientific knowledge. Attendance at these speaker series will be an indicator of support in the scientific community.	x	x		
6	Culture Department Positioning within the Organizational Structure		Conduct Department strategic planning process to determine Culture's place within the Organizational structure.	x	x		x
7	Review the Professional Development Plan for the City.		Complete a review of our current staffing model and job descriptions. Determine clear roles and responsibilities across the Culture Department. Outcomes will be staff who understand their roles and have the necessary tools and training to complete tasks and projects on time, on budget and within scope.	x			x
8	Develop a Volunteer Management Program for the City (Lead)	B	Culture will develop a Volunteer Management program for the City. A grant application has been submitted to the Culture Development Fund to request funding support for this Program. If funds are not approved, the Program will be scaled back pending available funds.		x		x

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



CULTURE 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenues								
GRANTS AND SUBSIDIES	\$264,123	\$222,300	\$227,300	\$5,000	2.2%	(\$36,823)	-13.9%	
USER FEES & SERVICE CHARGES	2,418,186	1,775,847	1,979,572	203,725	11.5%	(438,614)	-18.1%	
RENTALS	343,844	341,163	357,073	15,910	4.7%	13,229	3.8%	
SALES	112,507	108,824	110,829	2,005	1.8%	(1,678)	-1.5%	
RECOVERIES & CONTRIBUTIONS	58,969	45,000	45,000	0	0.0%	(13,969)	-23.7%	
OTHER INCOME	75,300	77,000	77,000	0	0.0%	1,700	2.3%	
Total Revenues	\$3,272,929	\$2,570,134	\$2,796,774	\$226,640	8.8%	(\$476,155)	-14.5%	
Expenses								
SALARIES AND BENEFITS	\$3,398,464	\$2,980,293	\$3,178,671	\$198,378	6.7%	(\$219,793)	-6.5%	
PRINTING & OFFICE SUPPLIES	55,487	79,990	78,390	(1,600)	-2.0%	22,903	41.3%	
PURCHASES FOR RESALE	53,112	45,000	45,000	0	0.0%	(8,112)	-15.3%	
OPERATING MATERIALS & SUPPLIES	226,892	213,996	213,996	0	0.0%	(12,896)	-5.7%	
VEHICLE SUPPLIES	0	500	500	0	0.0%	500	0.0%	
SMALL EQUIPMENT SUPPLIES	3,623	1,500	1,500	0	0.0%	(2,123)	-58.6%	
UTILITIES	210,144	229,999	234,829	4,830	2.1%	24,685	11.7%	
COMMUNICATIONS	31,852	47,289	49,809	2,520	5.3%	17,957	56.4%	
TRAVEL EXPENSES	13,163	20,305	19,398	(907)	-4.5%	6,235	47.4%	
TRAINING	10,728	12,083	12,083	0	0.0%	1,355	12.6%	
CONTRACTS & SERVICE AGREEMENTS	97,206	107,296	107,296	0	0.0%	10,090	10.4%	
MAINT. & REPAIR-TIME/MATERIAL	150,118	111,438	111,438	0	0.0%	(38,680)	-25.8%	
RENTAL/LEASE	11,759	22,424	22,424	0	0.0%	10,665	90.7%	
PROFESSIONAL SERVICES	786,335	598,763	568,973	(29,790)	-5.0%	(217,362)	-27.6%	
LICENCES, PERMITS, FEES	78,452	59,285	59,285	0	0.0%	(19,167)	-24.4%	
CREDIT CARD SERVICE CHARGES	10,188	(10,941)	(10,941)	0	0.0%	(21,129)	-207.4%	
PROMOTION & ADVERTISING	384,605	289,543	283,140	(6,403)	-2.2%	(101,465)	-26.4%	
OTHER PURCHASED SERVICES	10,785	17,372	17,372	0	0.0%	6,587	61.1%	
OTHER EXPENDITURES	1,243	3,000	3,000	0	0.0%	1,757	141.4%	
TRANSFERS TO RESERVES	23,300	35,000	35,000	0	0.0%	11,700	50.2%	
Total Expenses	\$5,557,456	\$4,864,135	\$5,031,163	\$167,028	3.4%	(\$526,293)	-9.5%	
Net Expenditures/(Revenues)	\$2,284,527	\$2,294,001	\$2,234,389	(\$59,612)	-2.6%	(\$50,138)	-2.2%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Salaries and benefits: Increase due to annualization of cost of living adjustment and movement of staff along the City's salary grids and increased headcount.

User Fees & Service Charges: Increase in ticket sales, camps and programming revenues



FIRE & EMERGENCY SERVICES BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	New Official Plan (Support)	Supported the development of the new official plan as required, including the Community Infrastructure Strategy. New station location and staffing projections in Master Fire Plan in accordance with Official plan development. Reviewed site plan and building permit submissions in accordance with fire code compliance.	OT
2	Excellence Markham-Customer Satisfaction (Support)	Supported the development of the customer service strategy through work on cross commission workgroups as required.	OT
3	Excellence Markham-Staff Survey Implementation (Support)	Within the department, developed a project plan to address Key Improvement Area(s) that will help support the overall corporate response to the staff survey.	OT
4	IT Strategic Plan Refresh (Support)	Supported the IT strategic plan - refresh as required.	OT
5	Work with Asset Mgmt to manage fire station Life Cycle (repair & maintenance)	All repairs completed in a timely fashion; fire stations maintained for efficient operations	OT
6	Support implementation of strategic plans: Greenprint, Diversity Action Plan, etc.	Continue to manage greenprint strategies; fire outreach programs; new recruitment and public education	OT
7	Implement recommendations from Master Fire Plan (MFP), including undertake organizational review and Fire Prevention Officer recruitment	Initialize recommendations and budget submissions in accordance with financial processes; Complete organizational review, including standard operating procedures and departmental policies; and Complete Fire Prevention Officer recruitment.	ADJ
8	Order & purchase of life cycle apparatus replacements	Maintained service levels; continue condition assessments in conjunction with Fleet Manager	OT
9	Continuous Improvement to enhance effectiveness and efficiency: 1) customer service; 2) data collection and analysis; 3) automation of records.	1) Continue with customer service survey; 2) refined data collection and analysis for revenue generation, sick time management, and scheduling; 3) fire prevention records converted to digital format.	OT
10	Special response programs - trench, rope rescue	Complete special response program initiated in previous year has been postponed	PP
11	In-building Voice Repeaters	Initiate by-law review requiring radio repeaters in new construction	ADJ
12	SCBA Analysis to conform with NFPA Standards	Completed analysis of current protective equipment & determine a replacement strategy	OT
13	Prepare RFP for: 1) bunker gear & compressor maintenance; and 2) Positive Pressure Attack training.	Complete RFPs and award contracts	ADJ
14	Emergency Preparedness - Update Business Continuity Plans (Co-Lead with Emergency Preparedness Coordinator)	Devise approach for all departments to update its Business Continuity Plan by working on Business Assessment Impacts in 2014	ADJ
15	Fire Prevention Officers fully mobile (in accordance with Master Fire Plan)	Completed mobile access for fire prevention records system	OT
Strategic Work			
1	Portal Phase 3 - Implementation (Support)	Supported the implementation of Phase 3 of the Portal Plan. Assigned staff for training.	OT
2	Corporate Community Engagement Strategy (Support)	Continue Fire Department outreach programs to focus groups and "at risk" populations: Youth, elderly, persons with disabilities, cultural communities.	OT
3	Corporate Training Centre for Fire / Waterworks (Co-Lead)	Work on RFP project & evaluate in conjunction with Waterworks postponed	PP
4	Evaluate Regional Radio systems	Completed RFP of regional radio system in conjunction with other municipal fire departments and York Regional Police (lead)	COM
Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted			



FIRE & EMERGENCY SERVICES KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008	2009	2010	2011	2012	2013	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	6	14	15	21	15	9	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	70%	70%	83%	92%	87%	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	50%	50%	N/A	100%	83%	N/A	≥35%
# of informal customer satisfaction surveys completed	0	0	0	0	0	0	
MFES School Program total Markham elementary schools involved	32	70	71	72	75	75	75 (rep. 100% coverage)
MFES School Program classroom visits	406	300	177	245	300	150	300
FINANCIAL PERFORMANCE							
Net cost per household	\$ 236.32	\$ 237.71	\$ 239.87	\$ 257.61	\$ 275.05	\$ 137.30	\$ 273.96
Net cost per capita	\$ 68.14	\$ 68.25	\$ 69.43	\$ 75.59	\$ 78.16	\$ 39.89	\$ 79.59
Average monthly maintenance cost per heavy truck vehicle	\$ 1,887	\$ 1,977	\$ 2,129	\$ 1,343	\$ 1,775	\$ 2,306	<2013
Average monthly vehicle down time (in hours)	N/A	N/A	N/A	8	9	7	7
Operating cost per \$1,000 of assessed value (MPMP)	\$ 0.69	\$ 0.66	\$ 0.64	\$ 0.68	\$ 0.72	N/A	N/A
OPERATIONAL EXCELLENCE							
# of inspections per inspector	406	300	177	245	265	148	>2013
Total # of emergency incidents	7,592	7,666	6,615	6,801	6,905	3,369	<2013
# of accidental fire deaths	0	1	0	2	1	0	0
# of plans reviewed per examiner	260	295	270	330	576	283	370
# of inspection violations	2,842	2,105	2,444	2,205	2,122	885	<2013
# of technical training hours per firefighter	N/A	N/A	N/A	N/A	111	61	130
Communications turnaround, response time (in seconds) ¹	N/A	N/A	N/A	N/A	44	41	<60
Turnout time for Code 1, 4 & 7 (in seconds) responses ²	N/A	N/A	N/A	N/A	N/A	125	<90
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	65%	N/A	62%	N/A	65%	N/A	≥75%
Recognition rating (from staff survey)	36%	N/A	49%	N/A	49%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	85%	N/A	72%	N/A	75%	N/A	≥80%
Completion rate for performance management	100%	91%	99%	100%	93%	N/A	100%
Average Corporate learning hours per full-time employee	1.6	1.4	N/A	0.4	0.3	0.1	20.0
Staff absenteeism (average # of days per employee)	8.4	7.1	6.2	6.4	6.1	4.2	≤8.4
Staff turnover rate	2.0%	3.0%	1.6%	1.8%	2.1%	1.8%	≤7.5%

KPI SUMMARY

Note: ¹ New KPI introduced in 2013 BUP

² New KPI introduced in 2014 BUP



FIRE & EMERGENCY SERVICES BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

				Corporate Goals			
#	Objective	Requires Additional Resources	Outcomes	Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources
Business As Usual Work							
1	Purchase of new bunker gear for suppression staff		Annual purchase according to condition assessment of bunker gear.	X		X	
2	Life Cycle Purchases		Maintain service levels; continue condition assessments in conjunction with Fleet Manager.			X	X
3	Collective Bargaining		Conclude negotiations and have a signed contract.	X			X
4	Firefighter Recruitment		Replace current vacancies and staff articulated ladder truck.		X	X	X
5	Apparatus Purchases (articulated ladder, pumper, tanker)		Replacement according to condition assessment and life cycle.			X	X
6	SCBA (Self Contained Breathing Apparatus)		Purchase appropriate components to comply with 2013 NFPA standard.	X		X	
7	Cadet Program/Senior Ambassador Program, School program		Continue outreach programs for identified groups at risk.	X	X	X	
8	Live Fire Training		Simulation modules that provide the Training Division with the ability to conduct realistic live-fire suppression, rescue & operational training.	X	X	X	X
9	Recruit Training		Firefighters trained to replace suppression vacancies and retirements; Fire Prevention Officer trained.	X	X	X	X
Strategic Work							
1	Pan Am (Support)		Respond to emergency management and fire department preparation for Pan Am/ParaPan Games - 2015.		X	X	
2	Training Centre for Fire/Waterworks		Monitor outcome of Region Amalgamation discussion to determine outcomes to be achieved.	X	X		X
3	Automatic Aid with Region Fire Dept.		Work with the City of Vaughan and the Town of Richmond Hill to enter into a two-year Automatic Aid Pilot Project in the urbanized part of York Region as an innovative example of collaboration and service delivery to the public.	X	X	X	X
4	Second Suites		By-law in place requiring registration of second suites.	X	X	X	
5	Business Continuity Plans -		Phase 1 consultant to assess essential services and resources by June 2014. Phase 2 complete Plans by 2015 (Fire and Emergency Preparedness)			X	

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



FIRE AND EMERGENCY SERVICES 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenues								
FINES	\$0	\$3,000	\$3,000	0	0.0%	3,000	0.0%	
USER FEES & SERVICE CHARGES	14,951	30,000	31,500	1,500	5.0%	16,549	110.7%	
SALES	912	2,000	2,000	0	0.0%	1,088	119.3%	
RECOVERIES & CONTRIBUTIONS	262,166	280,961	280,961	0	0.0%	18,795	7.2%	
OTHER INCOME	23,080	25,000	25,000	0	0.0%	1,920	8.3%	
Total Revenues	301,109	\$340,961	\$342,461	\$1,500	0.4%	\$41,352	13.7%	
Expenses								
SALARIES AND BENEFITS	\$33,156,236	\$32,291,517	\$32,587,163	\$295,646	0.9%	(\$569,073)	-1.7%	
PRINTING & OFFICE SUPPLIES	16,849	39,009	29,981	(9,028)	-23.1%	13,132	77.9%	
PURCHASES FOR RESALE	3,466	3,883	3,883	0	0.0%	417	12.0%	
OPERATING MATERIALS & SUPPLIES	296,014	387,463	358,690	(28,773)	-7.4%	62,676	21.2%	
VEHICLE SUPPLIES	1,696	2,913	2,913	0	0.0%	1,217	71.8%	
UTILITIES	233,692	233,857	254,655	20,798	8.9%	20,963	9.0%	
COMMUNICATIONS	14,714	24,845	27,365	2,520	10.1%	12,651	86.0%	
TRAVEL EXPENSES	22,108	35,067	26,908	(8,159)	-23.3%	4,800	21.7%	
TRAINING	19,255	40,500	32,545	(7,955)	-19.6%	13,290	69.0%	
CONTRACTS & SERVICE AGREEMENTS	30,169	25,830	32,090	6,260	24.2%	1,921	6.4%	
MAINT. & REPAIR-TIME/MATERIAL	87,482	127,000	117,000	(10,000)	-7.9%	29,518	33.7%	
RENTAL/LEASE	1,471	3,297	3,297	0	0.0%	1,826	124.1%	
PROFESSIONAL SERVICES	13,026	14,878	10,434	(4,444)	-29.9%	(2,592)	-19.9%	
LICENCES, PERMITS, FEES	5,699	5,000	5,000	0	0.0%	(699)	-12.3%	
OFFICE FURNISHINGS & EQUIPMENT	0	0	0	0	0.0%	0	0.0%	
TRANSFERS TO RESERVES	41,000	41,000	41,000	0	0.0%	0	0.0%	
OTHER EXPENSES	28,800	0	0	0	0.0%	(28,800)		
Total Expenses	\$33,971,677	\$33,276,059	\$33,532,924	\$256,865	0.8%	(\$438,753)	-1.3%	
Net Expenditures/(Revenues)	\$33,670,568	\$32,935,098	\$33,190,463	\$255,365	0.8%	(\$480,105)	-1.4%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Salaries and benefits: Increase due to annualization of cost of living adjustment and movement of staff along the City's salary grids.



MARKHAM PUBLIC LIBRARY BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	New Official Plan (Support)	Supported the development of the new Official Plan as required.	OT
2	Excellence Markham-Customer Satisfaction (Support)	Supported the development of the customer service strategy through work on cross-commission work groups as required.	OT
3	Excellence Markham-Staff Survey Implementation (Support)	Within the business unit, developed a project plan to address Key Improvement Areas that will help support the overall corporate response to the staff survey.	OT
4	IT Strategic Plan - Refresh (Support)	Corporate project "Leveraging Technology for Business Transformation".	ADJ
5	Improve high-speed network to meet bandwidth requirements of library computer users and wireless users, for better support of education, research and innovation	Targeting 15% increase in customer satisfaction with bandwidth/speed (7.1 to 8.5)	ADJ
6	Automate public printing and payment processes through procurement of print release stations with access/print management software and e-commerce module	RFP issued Q3 2012 for 2013 implementation of automated public printing and payment; improved efficiency, increased revenue, improved customer satisfaction (contingent on budget process)	ADJ
7	Improve functionality of ILS (Integrated Library System) and enhance related workflows through API programming	Improved ILS reporting to support collection and service improvements; improved staff satisfaction; improved customer satisfaction	OT
8	Improve self-service at Milliken & Angus Glen branches with new RFID self check units	Increased and improved self-service options for improved customer service, reduced backlogs, reduced exposure to RSI risk, and improved customer satisfaction.	COM
9	Complete community consultation & construction-ready design for new 30,000 sf Milliken library (Co-Lead)	Scope Review in progress.	ADJ
10	Complete design of Southeast library branch (Co-Lead)	Design completed and approved	COM
11	Launch development of Southeast library collection through RFP & approval for vendor services to build Southeast opening day collection; begin procurement	Timeline adjusted to issue RFP late 2013; vendor approved by Q2 2014; collection development project launched by Q3 2014.	ADJ
12	Improvements at Milliken Branch: 1) Customer service desk; and 2) Furniture and shelving standards (Life cycle)	In progress. Targets: 1) Improved customer service; improved customer satisfaction; more efficient service delivery (contingent on capital budget); 2) Increased space for public use; consistent standard (functionality, ergonomics, durability) in all branches; 3) improved customer satisfaction.	ADJ
13	Senior Services Strategy (Support)	Q4 project launch. Targeting increased and improved senior services and programs.	ADJ
14	Develop more cultural events and programs through partnerships	In progress. Targets: Increased and enhanced partnerships; increased cultural events and programs	OT
15	Improve newcomer services through partnerships	In progress. Targets: Improved partnerships; increased newcomer services and programs	OT
16	Complete patent process for C3 and launch business model	In progress.	ADJ
17	Implement Greenprint recommendations through Green Project staff team - develop partnerships, educational programming and information delivery	In progress, e.g. Seed Library. Targets: Greenprint recommendations implemented; increased outputs re programs and delivery of educational information	OT
18	Implement collection improvement strategies through improved collection planning and profiles, improved management of customer feedback, and improved analysis through CollectionHQ (evidence-based stock management tool)	In progress. Targeting improved customer satisfaction increase by 23% (6.5 to 8); improved collection turnover by 10% (6.4 to 7.0)	OT
19	Expand Learning Place programs for lifelong learning, academic support and skill development	In progress. Targets: Increased Learning Place programs, improved children's literacy, increased teen and adult programs; learning outcomes defined & measured; diversity needs met	OT
20	Expand outreach initiatives and community development strategy	In progress. Increased community partnerships, outreach events and programming	OT

Strategic Work

1	Portal Phase 3 (Support)	Support the implementation of Phase 3 of the Portal Plan.	ADJ
2	Corporate Community Engagement Strategy (Support)	Support the development of a corporate wide Community Engagement framework through workshops, work team, and staff training as required.	ADJ

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted



MARKHAM PUBLIC LIBRARY KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 JUNE 30	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	0	0	0	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	N/A	N/A	N/A	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	N/A	N/A	N/A	N/A	N/A	N/A	≥35%
# of informal customer satisfaction surveys completed ¹	1,932	1,643	1,222	677	191	858	2,000
Average overall satisfaction for <u>informal</u> survey(s) completed	7.9	7.9	8.0	7.8	7.5	8.1	≥8.0
Average extremely/very satisfied for <u>informal</u> survey(s) completed (%)	41%	42%	44%	40%	38%	49%	≥45%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 85.41	\$ 89.48	\$ 71.99	\$ 75.41	\$ 78.23	\$ 47.94	\$ 87.07
Net cost per capita	\$ 24.63	\$ 25.69	\$ 20.84	\$ 22.13	\$ 22.23	\$ 13.93	\$ 25.30
Net cost per registered borrower	\$ 39.39	\$ 39.06	\$ 30.45	\$ 34.04	\$ 33.80	\$ 20.39	\$ 40.00
Operating costs for library services per use (MPMP)	\$ 0.66	\$ 0.78	\$ 0.83	\$ 0.84	\$ 0.84	N/A	\$ 0.80
OPERATIONAL EXCELLENCE							
Population per Staff FTE ²	2,380	2,420	2,461	2,436	2,520	2,193	2,500
Total Service transactions per Capita (MPMP)	23.1	29.0	31.6	42.7	41.5	N/A	45.0
Total Visits (in-person and electronic) per Capita	13.6	15.4	14.9	14.6	14.7	7.2	20.0
Circulation per Capita	16.5	17.7	15.7	14.1	13.8	7.2	18.0
In-Person Visits per Capita	6.9	7.5	7.0	6.8	6.9	3.7	8.0
Number of people using library computers per household	3.99	3.29	4.42	5.43	5.41	2.72	6.00
Number of people using wireless per household	N/A	N/A	4.34	5.29	6.23	3.72	6.00
Holds placed per Staff FTE	N/A	4,510	4,218	6,022	6,128	2,431	5,000
Library Space (sq. ft.) per Capita ²	0.43	0.42	0.41	0.41	0.40	0.46	0.60
Registered Borrowers as % of Population	63%	63%	65%	65%	67%	68%	70%
Holdings per Capita ²	2.46	2.34	2.30	2.20	2.27	2.42	3.00
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	65%	N/A	63%	N/A	67%	N/A	≥75%
Recognition rating (from staff survey)	53%	N/A	54%	N/A	56%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	74%	N/A	71%	N/A	76%	N/A	≥80%
Completion rate for performance management ³	95%	100%	100%	78%	100%	N/A	100%
Average Corporate learning hours per full-time employee ⁴	6.9	11.8	15.5	7.4	22.4	8.1	20.0
Staff absenteeism (average # of days per employee) ³	11.5	7.5	8.2	6.7	7.1	3.0	≤8.4
Staff turnover rate ³	3%	3%	6%	8.0%	7.0%	4.3%	≤7.5%

KPI SUMMARY

Notes:

¹ Response rate for online customer survey has improved as of April 2013 through portal-enabling of splash page.

² 2013 KPIs reflect the increased inputs resulting from the opening of the Cornell branch - staff (22.68 FTE), space (25,000 sq. ft.), and collection items (100,000).

³ HR KPIs (performance management, learning hours, absenteeism, and turnover) reflect departmental data that include full-time and permanent part-time staff.

⁴ Average Corporate Learning Hours data from HR adjusted by department to include internal training programs (such as the Customer Service Revolution training calendar).



MARKHAM PUBLIC LIBRARY BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals				
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources	

Business As Usual Work

1	Customer Service Revolution: Evaluate impacts/ outcomes; evaluate procedures & policies & adjust as needed.		Evaluation & improvement completed by Q3 2013. Customer Satisfaction (Overall) score improved to 8.5 by year-end 2014.	X	X		
2	Customer Service Revolution: continue to implement intensive training calendar and staff engagement		By year-end: Average learning hours per staff FTE achieves target of 25 hours. Staff satisfaction with training achieves target of 73%.	X	X		
3	Improve Integrated Library System through implementation of API in customer registration database to automate rollover of age categories from DOB.		Improved service planning based on up-to-date customer demographics.	X			X
4	Continue C3 conversion project to include teen, large print and multilingual collections.		Consistent standard of access at all locations. Customer satisfaction with ease of finding achieves target of 8.0.		X		
5	Roll out improved Volunteer Strategy to minimize volunteer-management workload & enhance volunteer experience.		Improved opportunities for youth skill development. Efficient volunteer-management policies and procedures.	X	X		X
6	Co-develop health & wellness programs with Markham Stouffville Hospital through partnership working group.		Improved focus on community health & wellness, including at-risk teens, socially marginalized & other-abled. Increased #		X	X	
7	Advance Culture Plan through partnerships to increase offering of cultural events and programs.		Improved support of local creative culture; increased opportunities for inclusive sharing of cultural experiences and celebrations.		X		
8	Launch development of collection for Southeast Library through RFP for vendor services.		Vendor approved; collection development project launched as per timeline for project completion on time & on budget.		X		X
9	Implement APIs to improve functionality of Integrated Library System (ILS) and related workflows.		More efficient workflows and material handling based on item status auto-flips.	X			X
10	Develop and implement business plans for all library branches, with targets for self-service and turnaround		Consistent standards of self-service and turnaround time at all library locations.	X	X		X
11	Advance partnership with Markham Small Business Centre through co-development of resources/services/programs.		Expanded opportunities for entrepreneurs to connect, network and achieve their business goals. Increased # of participants.		X		X
12	Continue to work with Sustainability Office to develop public education programs focused on environmental issues		Implementation of Greenprint recommendations; increased # of "green" programs and events.		X	X	
13	Develop and launch One Book One Markham 2014 to advance reading and literacy in Markham.		Advance reading and literacy, and support community-building through one-book engagement strategy. Increased participation.		X		
14	Implement Phases 2 and 3 of Online Payment & Wireless Printing Project to improve efficiency and customer satisfaction.		Improved customer satisfaction with fines/fees: achieve target of 8.0 by year-end.	X	X		X
15	Southeast Community Centre and Library		Project delivered on time and on budget.		X		

Strategic Work

1	Enhancing Customer Experience: Support Project 1: Development of Guiding Principles (Co-Lead)		Guiding Principles successfully developed.	X	X		
2	Senior Service Strategy (support Project Lead)		Senior Service Strategy completed.		X		X
3	Support corporate project "Leveraging Technology for Business Transformation".		Reduced downtime; reduced customer complaints.	X	X		X
4	Develop a digital content plan for the selection, management and evaluation of digital collections and		Clear strategy / roadmap for maximizing ROI of funding for library content/collections.	X			X
5	Implement streamlined telephone service, including standardized staff extensions, one centralized service point extension in each branch, & new prompts on the telephone tree.		More efficient delivery of service by telephone. Reduced # of complaints, # of disconnected calls, # of complaints. Improved time to resolve issues.	X	X		X
6	Implement improved customer feedback processes, including a centralized response system and tracking form.		More efficient and responsive customer feedback system. Improved response time to customer feedback.	X	X		X

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



MARKHAM PUBLIC LIBRARY 2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. vs. 2013 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenues							
GRANTS AND SUBSIDIES	\$230,035	\$228,778	\$228,778	\$0	0.0%	(\$1,257)	-0.5%
USER FEES & SERVICE CHARGES	683,253	695,996	728,701	32,705	4.7%	45,448	6.7%
RENTALS	46,110	50,170	47,770	(2,400)	-4.8%	1,660	3.6%
SALES	75,201	63,686	68,186	4,500	7.1%	(7,015)	-9.3%
OTHER INCOME	75	0	0	0	0.0%	(75)	-100.0%
Total Revenues	\$1,034,674	\$1,038,630	\$1,073,435	\$34,805	3.4%	\$38,761	3.7%
Expenses							
SALARIES AND BENEFITS	\$9,191,151	\$9,283,026	\$9,460,521	\$177,495	1.9%	\$269,370	2.9%
PRINTING & OFFICE SUPPLIES	40,584	45,512	41,512	(4,000)	-8.8%	928	2.3%
OPERATING MATERIALS & SUPPLIES	565,413	609,445	579,445	(30,000)	-4.9%	14,032	2.5%
UTILITIES	143,150	125,798	151,384	25,586	20.3%	8,234	5.8%
COMMUNICATIONS	88,391	109,580	90,380	(19,200)	-17.5%	1,989	2.3%
TRAVEL EXPENSES	44,475	42,720	40,720	(2,000)	-4.7%	(3,755)	-8.4%
TRAINING	49,763	49,017	46,017	(3,000)	-6.1%	(3,746)	-7.5%
CONTRACTS & SERVICE AGREEMENTS	196,612	169,612	201,612	32,000	18.9%	5,000	2.5%
MAINT. & REPAIR-TIME/MATERIAL	216,919	221,761	223,061	1,300	0.6%	6,142	2.8%
RENTAL/LEASE	13,204	10,308	10,308	0	0.0%	(2,896)	-21.9%
INSURANCE	11,963	11,963	11,963	0	0.0%	0	0.0%
PROFESSIONAL SERVICES	72,407	51,818	51,818	0	0.0%	(20,589)	-28.4%
LICENCES, PERMITS, FEES	10,328	11,020	11,020	0	0.0%	692	6.7%
CREDIT CARD SERVICE CHARGES	5,383	6,000	6,000	0	0.0%	617	11.5%
PROMOTION & ADVERTISING	36,753	39,254	34,254	(5,000)	-12.7%	(2,499)	-6.8%
OTHER PURCHASED SERVICES	714,308	714,308	714,308	0	0.0%	0	0.0%
OTHER EXPENDITURES	3,561	6,010	4,934	(1,076)	-17.9%	1,373	38.6%
Total Expenses	\$11,404,365	\$11,507,152	\$11,679,257	\$172,105	1.5%	\$274,892	2.4%
Net Expenditures/(Revenues)	\$10,369,691	\$10,468,522	\$10,605,822	\$137,300	1.3%	\$236,131	2.3%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Salaries and benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the City's Salary Grids.



OPERATIONS BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	New Official Plan (Support)	Support development of new OP through review / comment on Planning / Engineering reports. Provide feedback on Operational and Life Cycle impacts for new infrastructure.	OT
2	Portal Phase 3 (Support)	Support implementation of Phase 3. Update on-line forms and support implementation of on-line payment processes. Update / enhance content.	OT
3	Excellence Markham-Customer Satisfaction (Support)	Support the development of the customer service strategy through work on cross commission work groups, as required.	COM
4	Excellence Markham-Staff Survey Implementation (Support)	Support staff improvement initiatives through cross commission teams. Develop project plans to address key improvement areas.	COM
5	IT Strategic Plan Refresh (Support)	Support IT Strategic Plan. Work with cross commission teams to implement corporate IT initiatives such as HRIS, Enterprise Asset Management, etc.	ADJ
6	Corporate Community Engagement Strategy (Support)	Support the development of a corporate wide Community Engagement framework through work on cross commission work groups as required	ADJ
7	Education and Communications	Q1 - Redesign construction notifications and Sports Field Closure Program notification protocol by end of Q1 for Portal. Q2- Update Portal to include Service Standards and develop Tree Preservation By-law Education Program.	PP
8	Urban Forestry Management	Q2 - Develop management plan for Trees for Tomorrow and the Tree Preservation Program. Q4 - complete a protocol with Urban Design to include Woodlot Management Plan.	PP
9	Emerald Ash Borer Response Plan	Q2 - Develop & implement management plan for Emerald Ash Borer. Ongoing participation on the York Region EAB Technical Working Group	OT
10	Special Events	Q1 - Finalize policy with Corporate Communications and receive approval by Council, including the fee bylaw updates	ADJ
11	Safe Streets Strategy	Q3 - Improve community awareness by implementing an enhanced communication and education program through the City's Portal	COM
12	People Plan - Training & Development and succession strategy	Q1 - Implement multi-year training plans for staff through PMR meetings. Work with HR and improve seasonal and part-time recruitment and orientation.	ADJ
13	Health and Safety Training Internal licensing	Q1 - Develop a SLA with HR to address all safety training. Q2 - Complete H&S training for JHSC members. Q2 - Develop and administer comprehensive driver training for all class and types of vehicles and equipment.	ADJ
14	Continuous Improvement (Service Planning)	Q 1 & 2 - Improve front line service delivery, inventory management and special event setup and work order process improvements	ADJ
15	Risk Management	Q2 - Develop protocol for sign design, installation and notification as well as risk management practices for parks, pathways and SWM ponds. Q2 - Work with Development Services / Legal to develop Construction Management Plans	OT
16	Fee Bylaw Review and Update	Q4 - Amend Operations fees to include cost recovery	OT
17	Impacts of Growth - Work with Development Services on: 1) maintenance management plan; and 2) review of design and assumption processes.	1) Q2 - Initiate maintenance management plan (include financial models) protocol in high density developments; and 2) Q1- Complete review of design and assumption processes.	ADJ
18	ILMP (Support) - Park Renaissance Project, Sport Park Development, Pricing & Subsidy Strategy	Support each of these initiatives as determined by the project lead	OT
19	Policy Development and Updates	Q4 - Develop standard operating procedures for traffic operations and Service Level Agreements with Engineering . Assist Asset Management and Recreation in updating the Tennis Clubs Policy. Assist Corp. Comm with the development of the Service Club Signs Policy.	OT
20	Roads Occupancy Bylaw updates	Q 2 - Update Roads Occupancy Bylaw and associated fee schedules	COM
Strategic Work			
1	Public Realm (Lead)	Q2 - Complete strategy and present to Council. Q3 - Develop 2014 plan and budget. Q4 - Implement 2013 capital program and implement grant program.	ADJ
2	Rouge Park (Support)	Q3 - Work with Development Services to understand impact on Park and Pathway infrastructure, departmental role, and operational plan	ADJ
3	Operations Facility Master Plan	Q1 - Advance formal discussions with Region of York on land acquisition and possible construction of a co-located or joint use facility	PP
4	PIPES Group	Q4 - Restructure duties and responsibilities of storm, sanitary, and water distribution systems	PP

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted

OPERATIONS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 JUNE 30	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	0	2	3	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	N/A	66%	65%	NA	NA	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	N/A	44%	N/A	NA	NA	N/A	≥35%
# of informal customer satisfaction surveys completed	1	0	0	1	0%	N/A	
% Customers indicated 'Timely Response' received	92%	N/A	88%	80%	N/A	N/A	≥85%
% Customers indicated 'Satisfactory Resolution' received	83%	N/A	89%	80%	N/A	N/A	≥85%
% Customers indicated 'Satisfactory Level of Service' received	82%	N/A	88%	80%	N/A	N/A	≥85%
Number of ACR work orders/requests (Parks, Roads & Traffic)	10,128	10,850	13,673	12,370	13,846	2,486	N/A
FINANCIAL PERFORMANCE							
Net cost per household	\$ 206.62	\$ 198.80	\$ 182.99	\$ 205.70	\$ 191.84	\$ 118.62	\$ 215.95
Cost per hectare of parks maintained	\$ 7,688	\$ 7,786	\$ 8,227	\$ 8,571	\$ 8,268	\$ 8,485	N/A
Cost per tree maintained	\$ 3.62	\$ 3.85	\$ 4.02	\$ 4.18	\$ 4.29	\$ 4.58	N/A
Total costs for paved roads per lane kilometre (MPMP)	N/A	\$ 15,038	\$ 8,886	\$ 7,181	\$ 6,886	N/A	N/A
Operating costs of road winter maintenance per lane kilometre maintained (MPMP)	\$ 5,501	\$ 5,545	\$ 3,450	\$ 3,954	\$ 2,280	N/A	N/A
Average annual operating cost per licensed unit in Fleet under 10,000 lb GVW	N/A	\$ 3,500	\$ 3,300	\$ 3,500	\$ 3,800	\$ 4,900	N/A
OPERATIONAL EXCELLENCE							
Hectares of park per 1,000 persons (MPMP)	3.5	3.4	3.6	3.5	3.6	N/A	N/A
Parkland hectares as % of total hectares in municipality	3.8%	4.0%	4.0%	4.1%	4.2%	4.3%	N/A
% of paved lane kms where condition is rated good or above (MPMP)	76%	87%	93%	93%	87%	N/A	85%
% of winter responses that meet or exceed road maintenance standards (MPMP)	100%	100%	100%	100%	100%	N/A	100%
Completion rate of capital projects (% of planned budget spent)	N/A	72%	74%	65%	75%	47%	80%
Licensed fleet availability (in service rate in %)	N/A	99.7%	99.8%	99.0%	96%	95%	90.0%
% of fleet utilizing hybrid technology (light duty vehicles under 10,000 lb GVW)	N/A	15.8%	16.4%	16.4%	16%	16%	N/A
Met mowing standard of 12 – 14 days	N/A	81%	81%	95.0%	95%	95%	100%
Availability of sportfields for public use (in service rate in %)	N/A	91%	92%	96%	96%	96%	100%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	59%	N/A	60%	N/A	58%	N/A	≥75%
Recognition rating (from staff survey)	50%	N/A	50%	N/A	42%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	71%	N/A	70%	N/A	65%	N/A	≥80%
Completion rate for performance management	95%	98%	98%	100%	43%	N/A	100%
Average Corporate learning hours per full-time employee ¹	10.4	11.1	15.0	3.3	3.3	6.4	20.0
Staff absenteeism (average # of days per employee)	10.4	7.8	N/A	6.4	8.4	4.1	≤8.4
Staff turnover rate	11.0%	3.0%	7.1%	4.5%	6.4%	0.0%	≤7.5%

KPI SUMMARY

NOTE: ¹Average Corporate Learning Hours per Full-time Employee in 2009 was a combined number for Operations Division, Waste & Environmental Management, and Waterworks. A separate figure for this business unit was not available.



OPERATIONS BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

				Corporate Goals			
#	Objective	Requires Additional Resources	Outcomes	Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources
Business As Usual Work							
1	New Official Plan (Support)		Support development of new OP through review / comment on Planning / Engineering reports.		x		
2	Portal Updates		Support implementation of updates and content enhancements.		x		
3	Corporate Community Engagement Strategy (Support)		Support the development of a corporate wide Community Engagement framework through work on cross commission work groups as required		x		x
4	Emerald Ash Borer Response Plan		Ongoing implementation of the EAB management plan		x	x	x
5	Special Events		Finalize bylaw and policy including fee schedule	x	x		x
6	People Plan - Training & Development		Continue implementation of the multi-year training plans for staff through PMR meetings.	x			x
7	Continuous Improvement (Service Planning)		Q 2 - Complete process and procedure manual for all activities identified during the Service Planning project	x	x		x
8	Impacts of Growth on Municipal Services		Q4 - Assist in the development of a long term strategy to address the impact of growth on services including establishing processes and procedures that enables a wholesome input into all developmental plans and studies (including financial impacts on Operational and Life Cycle for new infrastructure).	x	x		x
9	Continuous improvement - Service Delivery		Continue to explore opportunities for providing municipal services through alternate models of service delivery including partnerships and contracted services.		x		x
Strategic Work							
1	Rouge Park (Support)		Work with Rouge Park Implementation Working Group to address operational impacts on Parks, Pathways and amenities		x	x	x
2	PAN AM		Continue to work with TO 2015 and MTO for development of the transportation management strategies for various venues within Markham.		x		
3	People Plan - Succession strategy		Q1 - Identify areas of need to develop succession plans through discussions with HR.	x			x
4	Public Works Facility Planning		Engage consultant to validate the requirements of the new facility including cost benefit analysis of repurposing existing facilities and possible relocation to a new facility		x		x
5	Realigning operational structure to remove overlapping business processes		Q3 - Realignment of duties and responsibilities for storm, sanitary, and water distribution systems and public space recycling.	x	x		x
6	Parks Renaissance project		Develop a strategic plan based on community needs that addresses Parks and open space and Recreation programs along with operation and maintenance strategies and funding sources.		x		x
7	Policy Development and Updates		Parks use By law and policy, Road Occupancy By Law amendments (patios, vending boxes etc.,)	x	x		x
8	Public Realm Strategy		complete Public Realm Strategy for the City in Q2. Implementation of Plan - 3 years.		x		

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



OPERATIONS

2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.		
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change	
Revenues								
LICENCES & PERMITS	\$82,669	\$0	\$100,000	\$100,000	0.0%	\$17,331	21.0%	
RENTALS	246,790	246,493	352,493	106,000	43.0%	105,703	42.8%	
SALES	87,693	90,000	150,000	60,000	66.7%	62,307	71.1%	
RECOVERIES & CONTRIBUTIONS	870,329	669,385	680,385	11,000	1.6%	(189,944)	-21.8%	
OTHER INCOME	2,803	101,000	1,000	-100,000	-99.0%	(1,803)	-64.3%	
Total Revenues	\$1,290,284	\$1,106,878	\$1,283,878	\$177,000	16.0%	(\$6,406)	-0.5%	
Expenses								
SALARIES AND BENEFITS	\$12,699,810	\$13,008,946	\$12,999,267	(\$9,679)	-0.1%	\$299,457	2.4%	
PRINTING & OFFICE SUPPLIES	18,187	21,779	21,779	-	0.0%	3,592	19.8%	
OPERATING MATERIALS & SUPPLIES	169,672	179,599	176,821	(2,778)	-1.5%	7,149	4.2%	
VEHICLE SUPPLIES	1,640,101	1,624,725	1,684,387	59,662	3.7%	44,286	2.7%	
SMALL EQUIPMENT SUPPLIES	4,126	13,688	13,688	-	0.0%	9,562	231.7%	
BOTANICAL SUPPLIES	285,957	267,197	267,197	-	0.0%	(18,760)	-6.6%	
CONSTRUCTION MATERIALS	2,624,815	1,453,109	1,470,609	17,500	1.2%	(1,154,206)	-44.0%	
UTILITIES	329,101	322,748	336,001	13,253	4.1%	6,900	2.1%	
COMMUNICATIONS	111,535	79,620	80,700	1,080	1.4%	(30,835)	-27.6%	
TRAVEL EXPENSES	10,164	30,592	26,592	(4,000)	-13.1%	16,428	161.6%	
TRAINING	47,445	45,879	49,879	4,000	8.7%	2,434	5.1%	
CONTRACTS & SERVICE AGREEMENTS	7,564,963	7,378,855	7,851,938	473,083	6.4%	286,975	3.8%	
MAINT. & REPAIR-TIME/MATERIAL	1,693,973	1,284,121	1,604,273	320,152	24.9%	(89,700)	-5.3%	
RENTAL/LEASE	368,306	391,521	386,501	(5,020)	-1.3%	18,195	4.9%	
PROFESSIONAL SERVICES	625,724	713,006	613,088	(99,918)	-14.0%	(12,636)	-2.0%	
LICENCES, PERMITS, FEES	270,782	242,611	315,601	72,990	30.1%	44,819	16.6%	
PROMOTION & ADVERTISING	-	10,012	5,688	(4,324)	-43.2%	5,688	0.0%	
OTHER EXPENSES	388	-	-	-	0.0%	(388)	-100.0%	
Total Expenses	\$28,465,049	\$27,068,008	\$27,904,009	\$836,001	3.1%	(\$561,040)	-2.0%	
Net Expenditures/(Revenues)	\$27,174,765	\$25,961,130	\$26,620,131	\$659,001	2.5%	(\$554,634)	-2.0%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Licenses & Permits: Offset by Other Income due to transfer of Public Road Allowance Permit Revenues

Rentals: Increased revenues from increased rates for sportsfield rental

Sales: Increased revenues from higher Milne Park parking and site permit rates

Other Income: Offset by Licences & Permits due to transfer of Public Road Allowance Permit Revenues

Vehicle Supplies: Increase is due to increase in fuel costs based on projected price escalations and volume increases

Contracts & Services Agreements: Increase due to growth and prices in Roads for winter maintenance

Maintenance & Repair - Time/Material: Increase due to growth and prices in Roads for winter maintenance

Professional Services: Decrease from removal of lunch service crossing guard at multiple locations as approved by Council

Licenses, Permits, Fees: Increase in tipping fees due to increased costs to dump street sweeping materials



WASTE & ENVIRONMENTAL MANAGEMENT BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	New Official Plan (Support)	Support the development of the new official plan as required.	OT
2	Portal Phase 3 (Support)	Support the implementation of Phase 3 of the Portal Plan	OT
3	Excellence Markham- Customer Satisfaction (Support)	Support the development of the customer service strategy through work on cross commission work groups as required	OT
4	Excellence Markham- Staff Survey Implementation (Support)	Within the department develop a project plan to address key improvement area(s) that will help support the overall corporate response to the staff survey.	OT
5	IT Strategic Plan Refresh (Support)	Support the IT strategic plan- refresh as required	OT
6	Corporate Community Engagement Strategy (Support)	Support and provide input	OT
7	Zero Waste - Launch Zero Waste Schools Program	Expand Zero Waste initiatives to schools by developing a partnership program with funding support program - MESF (Markham Environmental Sustainability Fund)	COM
8	80% Diversion Strategy Implementation - Develop mandatory Diversion By-Law	Prepare mandatory material separation by-law applicable to single family homes and multi-residential units	COM
9	80% Diversion Strategy Implementation - Expand electronic waste diversion program-events	Provide electronic waste collection opportunities to all multi-residential facilities and special collection events	OT
10	80% Diversion Strategy Implementation - Develop 'move out' program	Introduce new program to manage 'move outs' and capture costs to collect	ADJ
11	80% Diversion Strategy Implementation - Develop annual 'Environment Days' for residents	Develop annual 'Environment Day' to provide compost, containers, education	OT
12	80% Diversion Strategy Implementation - Curbside Bag changes	Launch new bag program for curbside collection	COM
13	80% Diversion Strategy Implementation - Establish Retail Bag policy	Develop a Retail bag policy in line with GTA municipalities	OT
14	Initiate tracking program for front end service - RFID	In partnership with Region develop RFID to monitor collection from multi-res, facilities and other sectors	OT
15	Complete integrated partnership model with Region	As part of Master Plan development with Region and partner municipalities	COM
16	Paper Reduction Program in Community Services Commission	Continue to promote paper reduction to achieve Commission targets	OT
17	Facility Diversion Report Card	Develop program to track and report on diversion achievement at City facilities	OT
18	Tap water availability project	Develop policy direction on access to tap water externally and internally	OT
19	Operationalize Green Print	Facilitate achievement of Green Print goals and objectives within the Commission and develop project plan	OT
20	Integrated Leisure Master Plan (Support) • Pan Am Project • Seniors Strategy • Youth Strategy	Support each of the initiatives as determined by the Project Lead.	OT
Strategic Work			
1	Groundhog pilot with Region	To find creative solutions to servicing high density developments Markham and Region to pilot underground waste /recycling system at select facilities	OT

Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted

WASTE & ENVIRONMENTAL MANAGEMENT

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008	2009	2010	2011	2012	2013	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	0	0	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	N/A	N/A	N/A	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	N/A	N/A	N/A	N/A	N/A	N/A	≥35%
# of informal customer satisfaction surveys completed	1	4	5	1	1	0	2
Average overall satisfaction for <u>informal</u> survey(s) completed (%)	N/A	93%	88%	N/A	N/A	N/A	≥80%
% of ACR acknowledged within 24 hours ¹	N/A	N/A	N/A	90%	N/A	N/A	90%
Overall Satisfaction with depot services (%) ¹	N/A	N/A	N/A	88%	N/A	N/A	90%
# of Households receiving Special Services ¹	N/A	N/A	N/A	2	13	27	N/A
FINANCIAL PERFORMANCE							
Net cost per household	\$ 68.16	\$ 70.18	\$ 68.94	\$ 65.59	\$ 65.64	\$ 31.05	\$ 66.12
Operating cost for waste collection per tonne (MPMP) ²	\$ 26.56	\$ 44.26	\$ 24.43	\$ 22.66	\$ 23.73	N/A	\$ 24.00
Operating cost for waste diversion per tonne (MPMP) ²	\$ 107.86	\$ 112.43	\$ 106.87	\$ 96.22	\$ 109.82	N/A	\$ 105.00
Average cost for waste management - integrated (MPMP) ²	\$ 102.03	\$ 124.06	\$ 97.62	\$ 94.09	\$ 102.40	N/A	\$ 100.00
OPERATIONAL EXCELLENCE							
Overall waste diversion rate (MPMP)	73%	73%	73%	74%	74%	81%	80%
% of Multi-Residential Units participating in 3-Stream Collection ¹	N/A	N/A	N/A	43%	47%	51%	95%
% of Diversion for Multi-Residential ¹	N/A	N/A	N/A	24%	24%	26%	30%
% of Diversion for Residential Properties ¹	72%	72%	72%	72%	72%	77%	80%
% of Households Serviced within 3km of a Recycling Depot ¹	N/A	N/A	N/A	80%	80%	80%	90%
% of City Facilities on Zero Waste Program ¹	N/A	N/A	N/A	70%	70%	79%	100%
% of Diversion Achieved at City Facilities ¹	N/A	N/A	N/A	80%	80%	N/A	90%
% of Contracted collection services provided on schedule	N/A	N/A	99%	97%	98%	98%	100%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey) ³	N/A	N/A	N/A	N/A	N/A	N/A	≥75%
Recognition rating (from staff survey) ³	N/A	N/A	N/A	N/A	N/A	N/A	≥65%
Staff Satisfaction rating (from staff survey) ³	N/A	N/A	N/A	N/A	N/A	N/A	≥80%
Completion rate for performance management	N/A	83%	100%	100%	100%	N/A	100%
Average Corporate learning hours per full-time employee ⁴	3.5	11.1	5.3	5.2	3.5	0.0	20.0
Staff absenteeism (average # of days per employee)	43.0	0.7	2.8	3.3	4.0	1.1	≤8.4
Staff turnover rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	≤7.5%

KPI SUMMARY

Note: ¹ New KPI developed as part of the 2012 Business Planning Process.

² The methodology for the calculation of the "Operating cost for waste collection per tonne", "Operating cost for waste diversion per tonne", and "Average cost for waste management - integrated" were changed in 2009 to respond to Public Sector Accounting Board (PSAB) requirements. Due to the change in methodology, the 2009 figures are not comparable with previous years.

³ The business unit did not generate enough responses in the Staff Satisfaction Survey for the KPI to be provided.

⁴ Average Corporate Learning Hours per Full-time Employee in 2009 was a combined number for Operations Division, Waste & Environmental Management, and Waterworks. A separate figure for this business unit was not available.



WASTE & ENVIRONMENTAL MANAGEMENT BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Zero Waste - Launch Zero Waste Schools Program		Expand Zero Waste initiatives to schools by developing a partnership program with funding support program - MESF (Markham Environmental Sustainability Fund)		X	X	
2	80% Diversion Strategy Implementation - Carpet Recycling Depot Established		Develop, implement and communicate a carpet recycling program at the Milliken Recycling Depot		X	X	
3	80% Diversion Strategy Implementation - Expand electronic waste diversion program-events		Continue to provide electronic waste collection opportunities to all multi-residential facilities and special collection events		X	X	
4	80% Diversion Strategy Implementation - Develop 'move out' program		Launch a new program to manage 'move outs' and capture costs to collect		X	X	
5	80% Diversion Strategy Implementation - Develop annual 'Environment Days' for residents		Launch annual 'Environment Day' to provide compost, containers, education		X	X	
6	80% Diversion Strategy Implementation - Curbside Bag changes		Continue to educate and enforce the clear bag program for curbside collection		X	X	
7	80% Diversion Strategy Implementation - Establish Retail Bag policy		Develop a Retail bag policy in line with GTA municipalities		X	X	
8	Initiate tracking program for front end service - RFID		In partnership with Region deploy RFID to monitor collection from multi-res, facilities and other sectors				X
9	Complete integrated partnership model with Region		Ongoing - As part of Master Plan development with Region and partner municipalities	X			X
10	Paper Reduction Program in Community Services Commission		Continue to promote paper reduction to achieve Commission targets			X	X
11	Facility Diversion Report Card		Develop program to track and report on diversion achievement at City facilities	X		X	
12	Tap water availability project		Review possible apps that can show public access to tap water		X	X	
13	Operationalize Green Print		Facilitate achievement of Green Print goals and objectives within the Commission and develop project plan			X	

Strategic Work

1	Operational Review of Waste Depots		Develop a best management model for our waste depots		X		X
2	Integrated Leisure Master Plan (Support) • Pan Am Project		Work with Organizers to integrate Zero Waste and organic collection into the planning for the event in 2015		X	X	
3	Growth Management Plan		Support the development of the plan as required		X		
4	Leveraging Technology		Support the development of the plan as required	X			X
5	Community Engagement		Support the development of the plan as required		X		
6	Changing Work Force		Support the development of the plan as required	X			X

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



WASTE AND ENVIRONMENTAL MANAGEMENT 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
GRANTS AND SUBSIDIES	\$1,003,878	\$977,416	\$977,416	\$0	0.0%	(\$26,462)	-2.6%
USER FEES & SERVICE CHARGES	10,020	17,484	17,484	-	0.0%	7,464	74.5%
SALES	134,091	145,706	153,706	8,000	5.5%	19,615	14.6%
OTHER INCOME	57,013	148,248	142,248	6,000	-4.0%	85,235	149.5%
Total Revenues	\$1,205,002	\$1,288,854	\$1,290,854	\$2,000	0.2%	\$85,852	7.1%
Expenses							
SALARIES AND BENEFITS	\$815,071	\$784,306	\$780,731	(\$3,575)	-0.5%	(\$34,340)	-4.2%
PRINTING & OFFICE SUPPLIES	12,604	18,930	18,930	0	0.0%	6,326	50.2%
PURCHASES FOR RESALE	220,283	157,135	157,135	0	0.0%	(63,148)	-28.7%
OPERATING MATERIALS & SUPPLIES	60,187	62,608	62,608	0	0.0%	2,421	4.0%
UTILITIES	3,896	3,950	3,981	31	0.8%	85	2.2%
COMMUNICATIONS	8,894	10,494	11,934	1,440	13.7%	3,040	34.2%
TRAVEL EXPENSES	2,231	8,721	8,721	0	0.0%	6,490	290.9%
TRAINING	1,421	3,014	3,014	0	0.0%	1,593	112.1%
CONTRACTS SERVICES AGREEMENTS	15,373	27,000	27,000	0	0.0%	11,627	75.6%
MAINT. & REPAIR-TIME/MATERIAL	17,202	11,102	11,102	0	0.0%	(6,100)	-35.5%
RENTAL/LEASE	165	981	981	0	0.0%	816	494.5%
PROFESSIONAL SERVICES	19,939	11,114	11,114	0	0.0%	(8,825)	-44.3%
LICENCES, PERMITS, FEES	2,182	1,939	1,939	0	0.0%	(243)	-11.1%
CREDIT CARD SERVICES CHARGES	3,596	1,737	1,737	0	0.0%	(1,859)	-51.7%
PROMOTION & ADVERTISING	52,923	58,638	77,319	18,681	31.9%	24,396	46.1%
CONTRACTED MUNICIPAL SERVICES	7,556,926	8,039,996	8,013,282	(26,714)	-0.3%	456,356	6.0%
OTHER PURCHASED SERVICES	36,191	36,191	37,694	1,503	4.2%	1,503	4.2%
Total Expenses	\$8,829,084	\$9,237,856	\$9,229,222	(\$8,634)	-0.1%	\$400,138	4.5%
Net Expenditures/(Revenues)	\$7,624,082	\$7,949,002	\$7,938,368	(\$10,634)	-0.1%	\$314,286	4.1%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

No significant changes



WATERWORKS BUSINESS PLAN OUTCOMES

2013 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status
Business As Usual Work			
1	New Official Plan (Support)	Support the development of the new official plan as required	OT
2	Portal Phase 3 (Support)	Support the implementation of Phase 3 of the Portal Plan	OT
3	Excellence Markham- Customer Satisfaction (Support)	Support the development of the customer service strategy through work on cross commission work groups as required	OT
4	Excellence Markham- Staff Survey Implementation (Support)	Within the department develop a project plan to address key improvement area(s) that will help support the overall corporate response to the staff survey	OT
5	IT Strategic Plan Refresh (Support)	Support the IT strategic plan- refresh as required	OT
6	Corporate Community Engagement Strategy (Support)	Support and provide input	OT
7	Water Audit - Metering Accuracy	a) Upgrade an area of the City with up to 500 automated meters (subject to Business Case report findings due this fall.) By Q4 2013 to provide more timely meter data to correlate with SMA data and regional billings. b) Work with Region to implement findings of billing audit currently underway and expected to be completed by Q1 2013. Actual work required and completion dates to be finalized once study is complete. c) Completion of 5 sector management areas by Q3 2013 to help track where water goes in system. Data is used to identify areas of high losses as well as correlate with Regional billings.	ADJ
8	Water Audit - Unauthorized Consumption	a) Implement Water Meter By-law expected to be approved by Council in Q4 2012. Implementation of this By-law will provide staff with processes to deal with companies or individuals manipulating the water system to obtain unmetered water. b) Construct a bulk water station in Box Grove by Q2 2013 which will allow contractors access to bulk water through a pay-by-use dispenser. (Project has been cancelled due to issues in locating an acceptable site.)	COM
9	Develop Vision and Mission Statement for Environmental Services Department	In Q2 2013, the Department will develop a mission and vision document which will outline guiding principles and provide a basis for future business planning and continuous improvement.	OT
10	Develop and Implement Financial Processes	Operationalize procurement planning in Q1 to plan, track and report on procurement activities. Integrate project management and reporting through use of Eclipse and management reports in Q1.	COM
11	Pipes Group	In Q4 2012, Service Planning will be reviewing the opportunity to develop a 'Pipes' team which will be able to deal with the Operations and Maintenance of both storm and sanitary sewers. Based on the outcome of that study additional work in 2013 may be recommended.	PP
12	Corporate Training Centre Study for Fire/Waterworks (Co-Lead)	Work on RFP project & evaluate in conjunction with Fire & Emergency Services (FFS)	PP
Strategic Work			
1	Sustainable Water Rates	Subject to Council approval in fall 2012, Waterworks will work with Finance and PowerStream to implement a new water rate structure effective April 2013.	PP
2	Water Conservation Program	Develop a water conservation strategy with details on program and funding for Council approval in Q3 2013 in time for inclusion in the 2014 budget work. Will be coordinated with programs being developed by Region. Investigate customers feedback mechanisms i.e. detailed billing, IBM Smart Cities, etc.	ADJ
Objective Status: OT= On Target, ADJ= Scope Adjusted , PP= Postponed, COM= Completed, DEL= Deleted			



WATERWORKS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)

CUSTOMER SATISFACTION	2008	2009	2010	2011	2012	2013	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	0	0	0	0	0	1 every 2 years
Average overall satisfaction for <u>formal</u> survey(s) completed (%)	N/A	N/A	N/A	N/A	N/A	N/A	≥80%
Average extremely/very satisfied for <u>formal</u> survey(s) completed (%)	N/A	N/A	N/A	N/A	N/A	N/A	≥35%
Service Satisfaction Rating (%) from informal survey	73%	65%	78%	81%	81%	72%	≥85%
Water Quality Complaints per 1,000 people served (NBI) showing Markham / Canada-wide average ^{1 2}	0.30 / 0.50	0.30 / 0.70	0.20 / 0.40	0.24 / 0.50	N/A	N/A	0.20
Water Pressure Complaints per 1,000 people served (NBI) showing Markham / Canada-wide average ¹	0.66 / 0.32	0.76 / 0.43	0.85 / 0.32	0.60 / 0.43	N/A	N/A	0.45
FINANCIAL PERFORMANCE							
Operating cost per km - water distribution system (MPMP) ^{3 4}	\$ 12,517	\$ 9,190	\$ 9,314	\$ 10,833	\$ 10,442	N/A	
Operating cost per km - wastewater collection system (MPMP) ^{3 4}	\$ 4,614	\$ 3,225	\$ 3,671	\$ 3,921	\$ 4,465	N/A	
OPERATIONAL EXCELLENCE							
Annual # of water main breaks per 100km of distribution pipe (MPMP) ³	2.90	3.26	3.14	3.66	3.08	N/A	3.00
# of households per FTE	1,591	1,611	1,632	1,479	1,470	1,503	1,435
Reportable adverse water quality samples as % of all samples taken (MPMP)	0.16%	0.10%	0.08%	0.12%	0.07%	N/A	0.10%
Work order & Service requests issued	45,733	45,031	42,048	39,999	41,980	20,637	45,382
Completion rate on approved capital projects	69%	68%	73%	61%	69%	N/A	80%
# of sewer backups per 100km of mainline (MPMP) ³	1.23	3.15	1.43	2.43	2.04	N/A	2.00
Average Waterworks-specific training hours per full-time employee	81	79	71	75	82	N/A	75
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	52%	N/A	61%	N/A	64%	N/A	≥75%
Recognition rating (from staff survey)	48%	N/A	54%	N/A	53%	N/A	≥65%
Staff Satisfaction rating (from staff survey)	69%	N/A	71%	N/A	72%	N/A	≥80%
Completion rate for performance management	N/A	98%	98%	96%	92%	N/A	100%
Average Corporate learning hours per full-time employee ⁵	14.4	11.1	9.0	4.6	8.3	6.4	20.0
Staff absenteeism (average # of days per employee)	8.8	10.1	12.1	8.6	9.3	4.1	≤8.4
Staff turnover rate	0.0%	6.0%	3.9%	8.3%	1.5%	N/A	≤7.5%

KPI SUMMARY

Note:

¹ NBI data for any given year is calculated in October/November of the following year and Canada-wide comparisons are published the year after that.

² 2011 data submitted to NBI includes flow tests and other items not relating to quality complaints, leading to a published 1.2 complaints per 1,000 customers. Correct value is reported above.

³ MPMP data for any given year is calculated in April of the following year. As a result, mid-year data for the current year are not available.

⁴ 2011 & 2012 officially reported costs are mis-allocated toward treatment and under-report our actual distribution/collection operating costs. Correct values are reported above.

⁵ Average Corporate Learning Hours per Full-time Employee in 2009 was a combined number for Operations Division, Waste & Environmental Management, and Waterworks. A separate figure for this business unit was not available.



WATERWORKS BUSINESS PLAN OBJECTIVES

2014 Business Plan Objectives (S.M.A.R.T)

#	Objective	Requires Additional Resources	Outcomes	Corporate Goals			
				Exceptional Services by Exceptional People	Engaged, Diverse and Thriving City	Safe and Sustainable Community	Stewardship of Money and Resources

Business As Usual Work

1	Water Audit - Review billing process and meter replacement program		In response to the Region's Water Audit Report, there will be recommendations for Markham to review the entire water meter reading/billing processes as well as reviewing our current water meter replacement program. An RFP to be released in early 2014 with final deliverables expected in 2015.				X
2	Water Audit - Unauthorized Consumption		Investigate potential locations for a bulk water station which will allow contractors access to bulk water through a pay-by-use dispenser. Look to install in 2015				X
3	Pipes Group		In Q2 2014, Service Planning will be reviewing the opportunity to develop a 'Pipes' team which will be able to deal with the Operations and Maintenance of both storm and sanitary sewers. Based on the outcome of that study additional work in 2013 may be recommended.	X			X

Strategic Work

1	Growth Management Plan		Support the development of the plan as required		X		
2	Leveraging Technology		Support the development of the plan as required	X			X
3	Community Engagement		Support the development of the plan as required		X		
4	Changing Work Force		Support the development of the plan as required	X			X
5	Water Rate Study/Water Conservation		Work with Community and Region on Water Conservation program and the financial framework to support conservation. Complete Work Plan scope for undertaking changes to water rate structure in 2014.		X	X	
6	Enterprise Asset Management		Continue to work with IT and other departments to establish a business case for EAM	X			X
7	Corporate Training Centre Study for Fire/Waterworks (Co-Lead)		Work on RFP project & evaluate in conjunction with Fire & Emergency Services (MFES).			X	X
8	Public Works Facility Planning		Continue to work with Operations and Asset Management on the siting for a new public works yard		X		X
9	Fire Underwriter Survey		Assist Fire and their consultant in collecting the required data for the underwriters to complete the assessment for the city			X	
10	Drinking Fountains		Develop a deployment plan for reintroducing drinking fountains into public spaces		X	X	X

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



WATERWORKS

2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenues							
TAXES - OTHER CHARGES	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
FINES/ BILLINGS	85,543,437	88,460,821	95,207,091	6,746,270	7.6%	9,663,654	11.3%
USER FEES & SERVICE CHARGES	630,410	682,160	627,260	(54,900)	-8.0%	(3,150)	-0.5%
SALES	420,499	273,000	298,830	25,830	9.5%	(121,669)	-28.9%
RECOVERIES & CONTRIBUTIONS	278,885	373,500	372,500	(1,000)	-0.3%	93,615	33.6%
OTHER REVENUE	(99,959)	0	0	0	0.0%	99,959	-100.0%
TRANSFERS FROM RESERVES	(696,607)	0	0	0	0.0%	696,607	-100.0%
Total Revenues	\$86,076,665	\$89,789,481	\$96,505,681	\$6,716,200	7.5%	\$10,429,016	12.1%
Expenses							
SALARIES AND BENEFITS	\$6,488,898	\$6,756,944	\$6,973,106	\$216,162	3.2%	\$484,208	7.5%
PRINTING & OFFICE SUPPLIES	29,307	29,092	33,292	4,200	14.4%	3,985	13.6%
OPERATING MATERIALS & SUPPLIES	114,414	128,705	126,705	(2,000)	-1.6%	12,291	10.7%
CONSTRUCTION MATERIALS	556,174	594,566	667,612	73,046	12.3%	111,438	20.0%
UTILITIES	29,592	36,742	36,342	(400)	-1.1%	6,750	22.8%
COMMUNICATIONS	65,394	100,172	106,641	6,469	6.5%	41,247	63.1%
TRAVEL EXPENSES	20,941	49,500	47,000	(2,500)	-5.1%	26,059	124.4%
TRAINING	45,592	56,130	56,250	120	0.2%	10,658	23.4%
CONTRACTS & SERVICE AGREEMENTS	2,808,383	2,961,912	3,040,210	78,298	2.6%	231,827	8.3%
MAINT. & REPAIR-TIME/MATERIAL	317,424	345,122	355,456	10,334	3.0%	38,032	12.0%
RENTAL/LEASE	1,262	6,099	6,000	(99)	-1.6%	4,738	375.4%
PROFESSIONAL SERVICES	111,403	113,034	113,000	(34)	0.0%	1,597	1.4%
LICENCES, PERMITS, FEES	46,317	38,260	54,800	16,540	43.2%	8,483	18.3%
CREDIT CARD SERVICE CHARGES	313	0	250	250	0.0%	(63)	-20.1%
PROMOTION & ADVERTISING	1,587	3,000	3,000	0	0.0%	1,413	89.0%
CONTRACTED MUNICIPAL SERVICES	61,845,156	62,737,473	68,765,287	6,027,814	9.6%	6,920,131	11.2%
OTHER PURCHASED SERVICES	2,019,075	2,019,076	2,280,620	261,544	13.0%	261,545	13.0%
WRITE-OFFS	3,389	30,000	25,000	(5,000)	-16.7%	21,611	637.7%
TRANSFERS TO RESERVES	13,087,047	13,783,654	13,815,110	31,456	0.2%	728,063	5.6%
OTHER EXPENSES	0	0	0	0	0.0%	0	0.0%
Total Expenses	\$87,591,668	\$89,789,481	\$96,505,681	\$6,716,200	7.5%	\$8,914,013	10.2%
Net Expenditures/(Revenues)	\$1,515,003	\$0	\$0	\$0	0.0%	(\$1,515,003)	-100.0%

Changes in 2014 Budget from the 2013 Budget over \$50,000:

Fines/Billings: Increase in water sales due to water rate increase and volume adjustments

User Fees & Service Charges: Decrease to budget based on historical actual revenues

Salaries & Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the City's salary grids

Construction Materials: Increase to budget based on historical actual expenditures

Contracts & Service Agreements: Increase in water meter purchases due to anticipated growth as well as increased cost of the water billing contract with PowerStream

Contracted Municipal Services: Increased water purchases from the Region of York based on increased rates and volume adjustments

Other Purchased Services: Increase in indirect cost chargeback to Waterworks

Transfer to Reserves: Increased transfer to the Waterworks Reserve in order to sustain future replacement & rehabilitation requirements as per the Waterworks Reserve Study



COMMUNITY AND FIRE COMMISSIONER'S OFFICE

2014 OPERATING BUDGET

<u>Description</u>	<u>2013 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>2014 Bud. vs. 2013 Bud.</u>		<u>2014 Bud. vs. 2013 Act.</u>		
				<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	
Revenues								
OTHER INCOME	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Total Revenues	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Expenses								
SALARIES AND BENEFITS	\$644,928	\$637,660	\$652,132	\$14,472	2.3%	\$7,204	1.1%	
PRINTING & OFFICE SUPPLIES	3,060	2,334	2,334	0	0.0%	(726)	-23.7%	
OPERATING MATERIALS & SUPPLIES	5,564	8,877	8,877	0	0.0%	3,313	59.5%	
COMMUNICATIONS	281	750	1,110	360	48.0%	829	295.0%	
TRAVEL EXPENSES	3,794	18,167	18,167	0	0.0%	14,373	378.8%	
TRAINING	22,904	36,328	36,328	0	0.0%	13,424	58.6%	
CONTRACTS & SERVICE AGREEMENTS	(72,187)	(72,187)	(88,551)	(16,364)	22.7%	(16,364)	22.7%	
PROFESSIONAL SERVICES	4,122	20,000	16,002	(3,998)	-20.0%	11,880	288.2%	
LICENCES, PERMITS, FEES	5	583	583	0	0.0%	578	11560.0%	
Total Expenses	\$612,471	\$652,512	\$646,982	(\$5,530)	-0.8%	\$34,511	5.6%	
Net Expenditures/(Revenues)	\$612,471	\$652,512	\$646,982	(\$5,530)	-0.8%	\$34,511	5.6%	

Changes in 2014 Budget from the 2013 Budget over \$50,000:

No significant changes



CORPORATE ITEMS

2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
TAX LEVIES	\$123,989,444	\$124,765,727	\$130,499,439	\$5,733,712	4.6%	\$6,509,995	5.3%
FEDERAL GRANTS & SUBSIDIES	\$25,000	\$0	\$0	0	0.0%	(25,000)	-100.0%
GRANTS-IN-LIEU OF TAXES	1,248,861	1,209,007	1,209,007	0	0.0%	(39,854)	-3.2%
INTEREST & PENALTIES	3,762,868	3,375,000	3,500,000	125,000	3.7%	(262,868)	-7.0%
INCOME FROM INVESTMENTS	20,708,276	19,136,923	19,136,923	0	0.0%	(1,571,353)	-7.6%
USER FEES & SERVICE CHARGES	4,805	0	0	0	0.0%	(4,805)	-100.0%
RENTALS	97,796	74,252	74,252	0	0.0%	(23,544)	-24.1%
OTHER INCOME	2,907,102	1,629,309	1,434,309	(195,000)	-12.0%	(1,472,793)	-50.7%
TRANSFER FROM SURPLUS/DEFICIT	869,647	0	0	0	0.0%	(869,647)	-100.0%
Total Revenues	\$153,613,799	\$150,190,218	\$155,853,930	\$5,663,712	3.8%	\$2,240,131	1.5%
Expenses							
SALARIES AND BENEFITS	\$5,828,370	\$4,324,690	\$7,142,710	\$2,818,020	65.2%	\$1,314,340	22.6%
UTILITIES	0	35,581	51,581	16,000	45.0%	51,581	0.0%
CONTRACTS SERVICE AGREEMENTS	(6,345,257)	(6,337,490)	(7,032,925)	(695,435)	11.0%	(687,668)	10.8%
MAINT. & REPAIR - TIME & MATERIAL	169,782	0	0	0	0.0%	(169,782)	-100.0%
RENTAL/LEASE	0	0	0	0	0.0%	0	0.0%
INSURANCE	1,814,972	2,254,656	2,254,656	0	0.0%	439,684	24.2%
PROFESSIONAL SERVICES	49,891	44,117	44,117	0	0.0%	(5,774)	-11.6%
LICENCES, PERMITS, FEES	16,575	15,620	15,620	0	0.0%	(955)	-5.8%
PROMOTION & ADVERTISING	35,763	33,709	33,709	0	0.0%	(2,054)	-5.7%
OTHER PURCHASED SERVICES	367,543	370,000	370,000	0	0.0%	2,457	0.7%
WRITE-OFFS	618,024	272,000	367,000	95,000	34.9%	(251,024)	-40.6%
OTHER EXPENDITURES	1,109,555	935,483	1,477,492	542,009	57.9%	367,937	33.2%
TRANSFERS TO RESERVES	28,407,796	26,845,961	28,103,775	1,257,814	4.7%	(304,021)	-1.1%
Total Expenses	\$32,073,014	\$28,794,327	\$32,827,735	\$4,033,408	14.0%	\$754,721	2.4%
Net Expenditures/(Revenues)	(\$121,540,785)	(\$121,395,891)	(\$123,026,195)	(\$1,630,304)	1.3%	(\$1,485,410)	1.2%



CORPORATE CONSOLIDATED 2014 OPERATING BUDGET

Description	2013 Actual	2013 Budget	2014 Budget	2014 Bud. vs. 2013 Bud.		2014 Bud. Vs. 2013 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
TAX LEVIES	\$123,989,444	\$124,765,727	\$127,479,114	\$2,713,387	2.2%	\$3,489,670	2.8%
GRANTS-IN-LIEU OF TAXES	1,248,861	1,209,007	1,209,007	0	0.0%	(39,854)	-3.2%
GRANTS AND SUBSIDIES	1,731,272	1,546,994	1,554,994	8,000	0.5%	(176,278)	-10.2%
LICENCES & PERMITS	1,547,655	1,418,394	1,523,988	105,594	7.4%	(23,667)	-1.5%
INTEREST & PENALTIES	3,762,868	3,375,000	3,375,000	0	0.0%	(387,868)	-10.3%
INCOME FROM INVESTMENTS	20,740,439	19,151,065	19,150,723	(342)	0.0%	(1,589,716)	-7.7%
FINES	2,387,614	2,449,230	2,449,230	0	0.0%	61,616	2.6%
USER FEES & SERVICE CHARGES	14,125,955	14,908,403	15,205,599	297,196	2.0%	1,079,644	7.6%
RENTALS	6,896,440	6,797,604	7,250,142	452,538	6.7%	353,702	5.1%
SALES	588,826	575,308	702,732	127,424	22.1%	113,906	19.3%
RECOVERIES & CONTRIBUTIONS	1,611,889	1,605,800	1,710,645	104,845	6.5%	98,756	6.1%
OTHER INCOME	7,989,060	2,992,877	2,834,520	(158,357)	-5.3%	(5,154,540)	-64.5%
2.33% Property Tax Increase	0	0	2,826,325	2,826,325	0.0%	2,826,325	0.0%
0.16% for the December 2013 Ice Storm	0	0	194,000	194,000	0.0%	194,000	0.0%
Total Revenues	\$186,620,323	\$180,795,409	\$187,466,019	\$6,670,610	3.7%	\$845,696	0.5%
Expenses							
SALARIES AND BENEFITS	\$109,629,367	\$107,573,175	\$111,584,307	\$4,011,132	3.7%	\$1,954,940	1.8%
PRINTING & OFFICE SUPPLIES	465,493	617,359	589,731	(27,628)	-4.5%	124,238	26.7%
PURCHASES FOR RESALE	420,930	332,336	349,350	17,014	5.1%	(71,580)	-17.0%
OPERATING MATERIALS & SUPPLIES	2,536,433	2,906,550	2,893,587	(12,963)	-0.4%	357,154	14.1%
VEHICLE SUPPLIES	1,674,597	1,667,335	1,726,147	58,812	3.5%	51,550	3.1%
SMALL EQUIPMENT SUPPLIES	7,749	15,091	15,091	0	0.0%	7,342	94.7%
BOTANICAL SUPPLIES	285,957	267,197	267,197	0	0.0%	(18,760)	-6.6%
CONSTRUCTION MATERIALS	2,624,815	1,479,137	1,471,637	(7,500)	-0.5%	(1,153,718)	-43.9%
UTILITIES	5,654,283	5,154,550	5,982,172	827,622	16.1%	327,889	5.8%
COMMUNICATIONS	1,758,598	1,421,522	1,370,559	(50,963)	-3.6%	(388,039)	-22.1%
TRAVEL EXPENSES	329,620	415,928	386,151	(29,777)	-7.2%	56,531	17.2%
TRAINING	608,979	791,686	793,853	2,167	0.3%	184,874	30.4%
CONTRACTS & SERVICE AGREEMENTS	5,357,513	5,622,354	6,154,151	531,797	9.5%	796,638	14.9%
MAINT. & REPAIR-TIME/MATERIAL	4,751,897	4,362,055	4,146,459	(215,596)	-4.9%	(605,438)	-12.7%
RENTAL/LEASE	1,183,608	760,888	753,647	(7,241)	-1.0%	(429,961)	-36.3%
INSURANCE	1,832,352	2,267,919	2,267,919	0	0.0%	435,567	23.8%
PROFESSIONAL SERVICES	2,607,630	2,559,039	2,399,824	(159,215)	-6.2%	(207,806)	-8.0%
LICENCES, PERMITS, FEES	636,079	619,077	693,333	74,256	12.0%	57,254	9.0%
CREDIT CARD SERVICE CHARGES	315,851	219,313	219,313	0	0.0%	(96,538)	-30.6%
PROMOTION & ADVERTISING	1,330,514	1,309,788	1,285,109	(24,679)	-1.9%	(45,405)	-3.4%
CONTRACTED MUNICIPAL SERVICES	9,992,792	429,948	9,913,679	9,483,731	2205.8%	(79,113)	-0.8%
OTHER PURCHASED SERVICES	1,205,036	9,905,922	1,142,924	(8,762,998)	-88.5%	(62,112)	-5.2%
WRITE-OFFS	146,143	1,141,421	272,100	(869,321)	-76.2%	125,957	86.2%
OTHER EXPENDITURES	252,259	272,100	3,454,596	3,182,496	1169.6%	3,202,337	1269.5%
TRANSFERS TO RESERVES	31,011,828	2,578,350	27,333,183	24,754,833	960.1%	(3,678,645)	-11.9%
Total Expenses	\$186,620,323	\$180,795,409	\$187,466,019	\$6,670,610	3.7%	\$845,696	0.5%
Surplus/(Deficit)	-	-	-	\$0		\$0	0.0%

ACRONYMS

BIA	A Business Improvement Area (BIA) is an association of business people within a specified district, who join together with official approval of the City, in a self-help program aimed at stimulating business.
BP	Business Plan
CAO	Chief Administrative Officer
CARE	Customer Action Request Forms are a way to monitor customer responses to the services provided by the City.
CCC	CAO & Commissioners' Committee (know as ELT for 2013)
COLA	Cost of Living Adjustment
CPI	Consumer Price Index – A statistical description of price levels provided by Statistics Canada. The index is used as a measure of the increase in the cost of living (i.e. economic inflation)
CUPE	Canadian Union of Public Employees – An association formed for protecting the rights of its members, usually employees in the public sector.
DBRS	Dominion Bond Rating Service
DCA	Development Charges Act – Provides guidelines on funding of identified growth related projects in the City from developers.
DF	Director's Forum
ELT	Executive Leadership Team (formerly known as CCC)
GAAP	Generally Accepted Accounting Principles – Uniform minimum standards for financial accounting a recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.
GFOA	Government Finance Officers Association of the United States and Canada
HST	Harmonized Sales Tax (13%)
ITS	Information Technology Services
KPI	Key Performance Indicators (Performance Measures)



LEED	Leadership in Energy and Environmental Design
MEC	See Markham Enterprises Corporation in glossary of terms
MECO	See Markham Energy Conservation Office in glossary of terms
MESF	Markham Environmental Sustainability Fund
MPFFA	Markham Professional Firefighter's Association – An association of Firefighter's formed for protecting the rights of its members in their workplace environment.
MTO	The Ontario Ministry of Transport
NCMDD	National Centre for Medical Devices Development
NQI	National Quality Institute. NQI provides organizational leaders with strategic business frameworks, services and tools that support ongoing performance improvement in quality and healthy workplace environments, using NQI's innovative Roadmap to Excellence. The Roadmap guides Canadian organizations through leadership participation, base-line reviews, related training and organizational certification.
NRC	National Research Council
OMERS	Ontario Municipal Employees Retirement System. OMERS is a defined benefit plan that provides pension benefits for the City's full-time employees. Employees and employers normally make equal contributions to the plan.
PEP	Progressive Excellence Program. The Progressive Excellence program gives companies a roadmap to implement NQI criteria into the organization.
PSAB	Public Sector Accounting Board. The body of the Canadian Institute of Chartered Accountants (CICA) that issues recommendations and guidance with respect to matters of accounting in the public sector. Its aim is to improve the financial and performance information reported by governments and other public sector entities for the benefit of decision makers and other users of the information. The City of Markham adheres to PSAB's Public Sector Standards for Municipal Financial Reporting.
SWM	Storm Water Management
TIF	Tax Increment Financing

TRCA	Toronto and Region Conservation Authority is an organization that prepares and delivers programs for the management of the renewable natural resources within its watersheds.
WDO	Waste Diversion Ontario is a non-crown corporation created under the Waste Diversion Act (WDA) on June 27, 2002. It was established to develop, implement and operate waste diversion programs for a wide range of materials. The Minister of the Environment has designated Blue Box Waste, Used Tires, Used Oil Material, Waste Electrical and Electronic Equipment and Municipal Hazardous or Special Waste under the WDA.
YRDSB	York Region District School Board

GLOSSARY OF TERMS

Accrual Basis	A method of accounting that recognizes revenue as they are earned and expenditure when they are incurred rather than waiting until cash is exchanged.												
Accumulated Depreciation	The total amount recorded, during a specified period of time, to reduce the value of a long-term tangible asset.												
Assessment	<p>The Municipal Property Assessment Corporation (MPAC) is responsible for placing an assessment value on all properties in Ontario. In 1998, the Province of Ontario reformed the property assessment and taxation system in Ontario with the implementation of Current Value Assessment (CVA). The CVA of a property represents its estimated market value, or the amount the property would sell for in an arms length, open market sale between a willing buyer and willing seller.</p> <p>The date used to determine current value is as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;"><u>Tax Year</u></th> <th style="text-align: center;"><u>Base Year</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1998, 1999, 2000</td> <td style="text-align: center;">June 1996</td> </tr> <tr> <td style="text-align: center;">2001, 2002</td> <td style="text-align: center;">June 1999</td> </tr> <tr> <td style="text-align: center;">2003</td> <td style="text-align: center;">June 2001</td> </tr> <tr> <td style="text-align: center;">2004, 2005</td> <td style="text-align: center;">June 2003</td> </tr> <tr> <td style="text-align: center;">2006, 2007, 2008</td> <td style="text-align: center;">June 2005</td> </tr> </tbody> </table>	<u>Tax Year</u>	<u>Base Year</u>	1998, 1999, 2000	June 1996	2001, 2002	June 1999	2003	June 2001	2004, 2005	June 2003	2006, 2007, 2008	June 2005
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Administrative Expenses	Expenses incurred for the day-to-day running of operations e.g. Salaries, Building rental, Office expenses etc.,												
Bill 175	Legislation requiring mandatory adherence by municipalities to assess and report on the full costs of providing water and sewage services, and then to prepare and implement plans for recovering those costs.												
Bill 195	Legislation to safeguard health and prevention of drinking water health hazards through the control and regulation of drinking water systems and drinking water testing.												
Balanced Budget	When total revenues equals total expenses in a fiscal year.												
Budget	A financial plan for a given fiscal year showing revenues and expenditures for different funds of the City.												
Capital Budget	The budget that provides for the funding of the City's expenditures on capital assets, i.e. assets which provide benefits to the City over several years.												
Capital Assets	Represents assets like Land, Building, Machinery etc whose benefits last several years.												

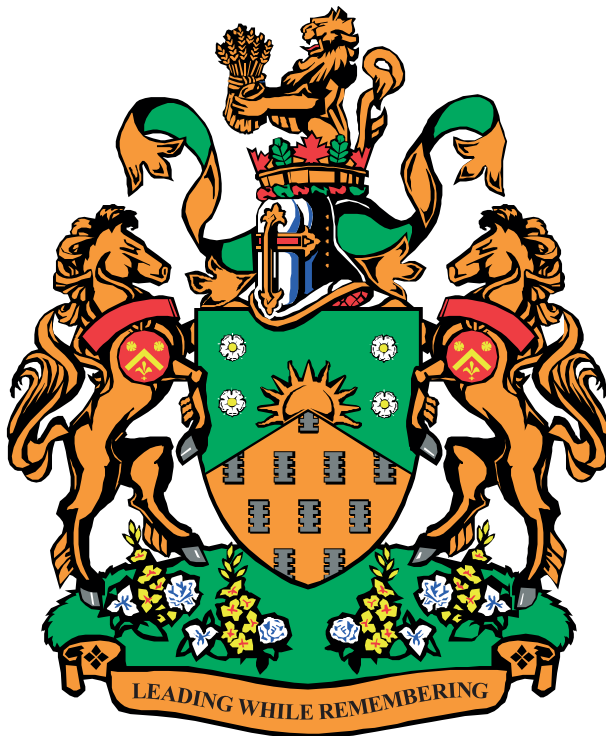
Capital Receipts	Receipt of funds specifically for the creation of a Trust account.
Capital Expenditure	Money's spent for replacement, renovation or maintenance of fixed assets the benefits of which could spread over several years.
Capital Projects	Projects whose value is more than \$5,000 with benefits of expenditure lasting several years.
Chargebacks	Represents allocating a portion of costs incurred by the department, which provides a service to the department, which benefits from such service.
Depreciation	An accounting and finance term for the method of attributing the cost of an asset across the useful life of the asset in order to match expenses with revenues.
Development Charges	A fee charged to new development to finance the cost of new growth-related capital facilities and infrastructure required to satisfy increased servicing needs
Donations in Kind	Represents the value of a commercial service received from external customers without any payment for the same.
Fixed Assets	A long-term tangible asset used in the delivery of Municipal services that is not expected to be consumed or converted into cash any sooner than at least one year's time.
Fund	A sum of money set aside and earmarked for a specified purpose.
Gas Tax Rebate	This is the funding provided by the Government of Canada as part of the New Deal for Cities and Communities. This Federal initiative is based on a long-term vision of sustainability for Canadian cities and communities, including four interdependent dimensions: economic, environmental, social and cultural. The program is intended to achieve results leading to cleaner air, cleaner water and reduced greenhouse gas emissions
Grants in Lieu	Grants in lieu of taxes (also known as payments-in-lieu of taxes) are payments received in lieu of taxation on properties owned by government and government agencies.
Infrastructure	The system of public works in the City, consisting of immovable physical assets, that delivers an essential public service (e.g. road network, water and sewer systems, and lighting).
Levy	The amount of property tax, in dollars, which is paid by the City's taxpayers. To determine the tax levy for a particular property, the property's assessment value is multiplied by the appropriate rate for the property's tax class.
Line Item	General Ledger account code
Markham	A wholly owned subsidiary of the City of Markham that was incorporated



Enterprise Corporation	under the Electricity Act. Markham Enterprises Corporation has a wholly owned subsidiary, Markham District Energy Incorporated, and a 43% shareholding in PowerStream.
Markham Energy Conservation Office	MECO was established in 2005, with funding support from the City of Markham and PowerStream and is responsible for leading, developing and implementing energy conservation programs that deliver realistic demand shedding and cost avoidance results and are in line with the Provincial goals of creating a 'culture of conservation'.
Municipal Act	<p>Sections referenced:</p> <p>Section 326 of the Municipal Act, 2001 allows a municipality to enact a by-law to impose a special service charge to raise the cost of providing a water system. Such bylaw has to identify the service, determine the costs and designate the area where the charge would apply.</p> <p>Section 391 of the Municipal Act, 2001 allows a municipality to pass a by-law to impose a fee for capital costs related to sewage or water services on a class of persons that will receive a benefit from such services. Unlike a local improvement charge or special service charge, a fee imposed pursuant to section 391 does not have to be based on frontage or assessed value. This provision would enable the City to impose a fixed charge on each of the lots in question.</p>
New Urbanism	New Urbanism community planning creates more attractive, efficient and liveable neighbourhoods. These neighbourhoods are comprised of a compact built form, designed to promote pedestrian activity and social interaction. They have a mix of residential, commercial and community uses and activities. Special attention is paid to creating quality streetscapes, public buildings and spaces, and protecting the public realm.
Non-routine Capital Expenditures	Capital projects that do not occur every year / frequently or capital expenditures that are not normally purchased by municipalities.
Operating Budget	The budget that provides the various departments with funding for their annual recurring operating costs (e.g. salaries, materials and supplies, contracted services, utilities). Compared to the capital budget, items funded in the operating budget do not give rise to assets that are expected to provide benefits over several years.
Reserve	An allocation of accumulated net revenue that is established by Council for a particular purpose. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund. Interest earned on the invested earnings is reported as operating fund earnings and not accumulated in the reserve.
Reserve Fund	An allocation of accumulated net revenue, similar to a reserve. It differs from a reserve in that reserve fund assets are segregated and restricted to meet a

specific purpose. There are two types of reserve funds. Obligatory reserve funds are required under provincial statute, while discretionary reserve funds are created by Council for a specified future use.

Section 391	Part of the Municipal Act, it authorizes the Council of a local municipality to pass by-laws imposing fees or charges on any class of persons for services or activities provided or done by or on behalf of the municipality.
Surplus	The excess of actual revenue over operating expenditures incurred during a budget period. Surpluses at the end of each year must be applied to the following year's operating budget to reduce reliance on the tax levy, unless they are allocated to a reserve by a Council bylaw.
Supplementary Taxes	Property taxes collected on new assessment not previously identified by Municipal Property Assessment Corporation (MPAC).
Tax Rate	A percentage rate that is used to determine the property tax levy to be paid by a particular taxpayer within the City. The rate for a property depends on its tax class, which in turn depends on the type of property (residential, commercial, industrial, etc.). The rate is multiplied by the assessment to provide the tax levy. Tax rates are established by a Council bylaw.
User Fees & Service Charges	Fees paid by individuals or organizations to the City for the use of City's facilities (e.g. recreation fees, cultural venue ticket sales) or for provision of municipal services (e.g. planning, engineering & design fees).



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