



2012 BUDGET

Town of Markham

Ontario, Canada

Cover photo Canadian flag collage:

Cover images represent the four pillars of the Town of Markham's Community Sustainability Plan —

• Healthy Environment • Economic Vitality • Social Equity • Vibrant Culture



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO
Town of Markham
Ontario

Special Performance Measures Recognition

For the Fiscal Year Beginning

January 1, 2011

Linda C. Danton Jeffrey R. Emswiler

President

Executive Director

EXECUTIVE SUMMARY

Markham, a municipality of more than 310,000 residents centrally located in the Greater Toronto area, is Canada's most diverse community and home to many of Canada's leading life science and technology businesses. Recipient of the 2010 Canada Award of Excellence – Silver for outstanding achievements in quality, customer service, and a healthy workplace, Markham is renowned for its rich heritage, vibrant neighbourhoods and leadership on the environment and urban design.

Markham delivered a zero tax increase on the Markham portion for three consecutive years from 2009 to 2011 – the only municipality to achieve this in Ontario, and Markham was acknowledged in the major media as a centre for financial excellence. The significance of this accomplishment was punctuated by Markham's commitment to over \$25M in partnership with the governments of Canada and Ontario to complete the following new infrastructure projects.

The Thornhill Community Centre & Library renovations were completed in November 2011 with a fully renovated lower level that expands the social and active living opportunities for seniors and youth. Other improvements to the Library included additional study room facilities, an expanded computer lab, improved children's area and a refreshed overall appearance.

The Indoor Soccer Field at St. Robert High School was opened in February 2011 providing a new full size synthetic turf soccer field and seasonal dome.

The Indoor Tennis Centre at Angus Glen Community Centre was opened in July 2011 which provides residents with four indoor tennis courts and a two lane perimeter running track.

A 25,000 square feet outdoor artificial ice rink at the Markham Civic Centre was opened in December 2011, the largest in the Greater Toronto area. This new outdoor ice rink is a tremendous addition to the community's recreation infrastructure which will bring great enjoyment to our residents for many years to come.

The Emergency Operation Centre was completed in February 2011 which is a state-of-the-art facility with dedicated computers, telecommunications systems, video surveillance, GIS mapping, and a backup diesel powered generator.

In 2011, Markham was the recipient of the double gold *2011 Ontario Waste Minimization Award* from the Recycling Council of Ontario in recognition of the Town's leadership in waste diversion at the high diversion rate of 72% and unique programs such as the Polystyrene Foam Densification Program.

Markham had a very successful year in 2011 with many significant accomplishments and achievements.

We are pleased to present the 2012 Operating, Capital, Building Standards, Engineering, Planning & Design and Waterworks Budgets for the Town of Markham.



After extensive discussion and planning involving residents, community and business groups, Council and staff delivered a balanced budget that addressed the economic realities and social needs of the community with a modest 1.5% percent tax increase on the municipal portion. As of May 4, 2012, this tax increase remains the lowest tax increase in the Greater Toronto Area and well below the rate of inflation of 2.3% (December 2010 to December 2011 – Canada, all items).

Service levels will be enhanced in 2012 with the opening of the Cornell fire station and the East Markham Community Centre. 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 our new portal website which was launched in June 2011.

Markham approved the following 2012 Budgets, totalling \$381.0 million:

- Operating \$ 171.6 million
- Capital \$ 106.8 million
- Building Standards \$ 8.0 million
- Engineering \$ 6.3 million
- Planning & Design \$ 6.7 million
- Waterworks \$ 81.6 million

Operating Budget

The following table reconciles the 2011 Approved Operating Budget (excluding Building Standards, Engineering, Planning & Design and Waterworks) to the 2012 Operating Budget from \$164,637,871 to \$171,553,698 (figures exclude prior years surplus).

<u>REVENUES</u>	<u>2012 Budget \$</u>
Approved 2011 Budget Revenues	164,637,871
2012 Assessment Growth - Tax Revenue (2.75%)	3,384,336
Approved 1.5% Tax Increase	1,671,000
East Markham Community Centre User and Program Fees	540,000
8100 Warden Lease	410,000
CPI Adjustment for User and Program Fees	260,000
2012 Increase in Investment Income	200,000
Additional Parks Maintenance Recovery from the Region	110,000
Increase in Revenues (New Tax Account Set-up Fees, Tax Ownership Changes, Tax C	100,000
2012 Adjustment in Other Revenues	240,491
Total 2012 Budget Revenues (excluding the 2011 surplus)	<u>171,553,698</u>
<u>EXPENDITURES</u>	
Approved 2011 Budget Expenditures	164,637,871
2012 Adjustment in Wage Settlements	5,260,000
2012 Additional Transfer to the Capital Program	500,000
Future Staff Ramp-up Related to New Facilities	420,000
Growth (Roads, Waste, Parks, Streetlights Maintenance & Streetlight Hydro)	400,000
Winter Maintenance Requirement and Phase-in	260,000
Future Support Staff Ramp-up	200,000
Increase in Non-personnel Expenditure Gapping	(99,000)
2012 Adjustment in Other Expenditures	(25,173)
Total 2012 Budget Expenditures (excluding the 2011 surplus)	<u>171,553,698</u>

At a high level, a lot of work, meetings and inputs are considered in developing the Town's budget. The preliminary budget was developed with information from a forecast of 2012 economic pressures. All Town departments prepared business plans that were incorporated into the preliminary budget. As well, four public consultation meetings were held in October 2011 where residents provided input in the 2012 budget.

Markham faces inflationary pressures in many aspects of its operations. General inflation, contract renewals such as the winter maintenance contract, utility costs and wage settlements have resulted in increased operating expenditures.

Markham is a growing municipality and it 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. Further, Markham continues the practice of phasing-in future personnel costs related to facility openings and funds have been allocated towards the South East Community Centre, Pan Am Facility, Regional Sports Park and Operations Work Yard. As well, the first \$0.5M from assessment growth revenues are committed to support the capital program.

In summary, the 2012 operating budget has an increase in expenditures of \$6.93M offset by an increase in revenues of \$5.26M resulting in a net shortfall of \$1.67M, equivalent to a tax rate increase of 1.5%. The 2012 operating budget achieves fiscal sustainability by not using one-time funding to balance the budget.

Capital Budget

The 2012 Capital Budget of \$106,839,100 includes funding from various sources.

Noteworthy capital projects in the 2012 Budget include the continuation of the tree planting initiative, waste management initiatives, design & construction of 5 new parks, town-wide illumination & sidewalk requests, rehabilitation of bridges & culverts, road rehabilitation across the Town, watermain and sanitary sewer construction & replacement, facility improvements at town-owned buildings, construction of the Birchmount Road Bridge at Rouge River and Hwy 404 Bridge at Hwy 7, and site preparation costs (including design) for the 2015 Pan/Parapan American Games facility.

The 2012 Capital budget includes \$4.0M from the Federal Gas Tax grant, which will fund the following capital projects:

- Bridge/culvert improvements
- Main Street Markham road improvements
- Asphalt resurfacing
- Traffic Control Signal Design and Construction
- Victoria Square Water/Sewer Connection

The 2012 Budget reflects the Town's commitment to maintain service levels to the community and balances social needs with fiscal prudence. This is a reflection of the Town's commitment towards fiscal stewardship.



Building Markham's Future Together and Strategic Focus

Building Markham's Future Together – Towards a Sustainable Community represents Markham's strategic direction and is the foundation for our future planning and actions. The following six strategic priorities were identified through community involvement and a number of action plans were developed to support those priorities:

- **Growth Management:** A Made in Markham Growth Plan that addresses the government's directive to accommodate growth in Markham and to protect existing neighbourhoods while creating new sustainable communities.
- **Transportation/Transit:** Development of a Markham Transportation Strategic Plan that will build on York Region and Metrolinx transportation & transit plans, integrate with land use, and use of pilot projects to test new and innovative transportation initiatives.
- **Environment:** Markham GreenPrint strategy (approved in 2011) that will further protect the Town's air, land, water, vegetation, wildlife and all living species. Investments are also made for additional stormwater management and environmental asset programs, roofing replacements with solar panel installations, and the continuation of the Markham Trees for Tomorrow initiative.
- **Municipal Services:** Investments are made on various road resurfacing & improvement projects, maintenance and repair at municipal buildings and construction & replacement of water mains.
- **Parks, Recreation, Culture, Library Master Plan and Public Safety:** An integrated Leisure Master Plan (approved in 2010) that provides a holistic approach to parks, recreational, culture and library needs of the community.
- **Diversity:** Everyone Welcome Diversity Action Plan (approved in 2010) that identifies the strategies in achieving an even more inclusive Markham.

Looking Ahead

At Markham, we recently completed seven significant projects in partnership with the governments of Canada and Ontario, representing a \$25 million investment. Our new \$76-million LEED certified community centre and library in east Markham will open in 2012, and we have committed to a major 100-acre sport park, a new community centre in south-east Markham, and a major aquatic centre and field house for the 2015 Pan Am Games.

The following initiatives are major programs to be funded in the current and future budgets:

Growth Management

New Official Plan: Markham is preparing a new Official Plan to provide a comprehensive update of Town policies to guide land use planning, growth management and development approval to 2031, within the context of governing Provincial and Regional policies and Plans.

The new Official Plan will provide the opportunity to address future changes in the physical planning and development of Markham, and strategies to integrate with other Town initiatives for managing sustainable economic, environmental and social change. It will also provide opportunities to engage the community in considering how the Plan may be employed to guide decisions on future community planning. Council has endorsed a growth alternative to 2031 as the basis for a new Official Plan, and a new draft Plan is to be finalized in 2013.

Markham Centre: Markham Centre is Markham's emerging downtown – an environmentally sustainable and transit supportive community that will be a great place to live, work, play, learn and shop. The vision for Markham Centre was established in the early 1990s and since then, staff from across the Town have been working to make that vision a reality.

Markham Centre, the 988 acre area between Highways 7 and 407, around Warden Avenue, is regarded as a model for sustainable development. It will have a distinctly urban character that includes higher density development with strong streetscapes, and is complemented by ample green spaces. It will provide a diverse range of housing opportunities to encourage seniors, singles, empty-nesters and families to live and work in our community. Markham Centre will be integrated into the natural beauty of the Rouge River Valley, with a walkable downtown and a high-performance transit system. When finished, it will be a place where residents, businesses, culture, entertainment and institutions thrive side by side.

Putting people and families first, bringing jobs closer to home, and protecting our environment – this is the vision for Markham Centre, and that vision is now well on its way to becoming reality.

Transportation

As a part of Council's Building Markham's Future Together plan, Council recognizes the importance of a successful transportation network. The Unionville GO station has been identified as a Mobility Hub in the Metrolinx plan. Created by the Ontario Provincial Government, the plan is to develop and implement an integrated multi-modal transportation plan for the Greater Toronto and Hamilton Area. Metrolinx defines a mobility hub as a major transit station area that is particularly significant given the level of transit service that is planned for it and the development potential around it. It is a place of high connectivity where different modes of transportation, from walking to high-speed rail, come together seamlessly. The Town is also working with the Region of York on High Occupancy Vehicle lanes on Regional roads which are being finalized under the Regional Transportation Study.



Environment

Trees for Tomorrow: Continuation of the initiative with the goal of planting 90,000 new trees from 2011 to the end of 2014. Markham planted 130,000 new trees during the past Council term from 2006 to 2010 which were 55,000 more trees than the goal of 75,000. This project is consistent with the Action Plan to make Markham Greener.

Markham Environmental Sustainability Fund (MESF): A Town program that funds innovative and leading environmental initiatives that contribute to the health of the natural environment. The fund provides financial resources for projects in Markham that promote environmental responsibility and enhance the protection of the Town's natural resources.

Markham Energy Conservation Office (MECO): MECO is responsible for leading, developing and implementing energy conservation programs that deliver realistic demand shedding and cost avoidance results. MECO is in line with the Provincial goals of creating a 'culture of conservation'. MECO's portfolio of programs is broad-based and includes initiatives that are focused on improving internal operations by implementing retrofit projects in existing facilities as well as working to ensure new facilities are built to a higher, more efficient standard.

Greenprint, Markham's Sustainability Plan: Transforms Markham into one of the most sustainable cities in North America as the plan provides a framework for the vision and priorities of Markham, as well as a way to deliver positive change and improve quality of life for generations to come. It covers a wide range of important aspects from education and skills, to innovative jobs and opportunities for a new economy, as well as food security, clean air and water for future generations, and a healthy environment for all living species.

Sustainable Purchasing Guide: In order to increase Markham's leadership role in the area of sustainable procurement and promote environmental leadership, Markham is in the process of finalizing a sustainable purchasing guide that provides staff with information on sustainable products available in the market and offer options to integrate sustainable practices into purchasing decisions. The guide will provide awareness to staff for various alternatives to purchase products which has a lower impact on the environment over the life cycle.

Parks, Recreation, Culture, Library Master Plan

Integrated Leisure Master Plan: It is a 10-year plan that establishes the short and long-term priorities for Markham's parks, recreation, culture, and library services and facilities. These priorities were developed based on a sustainable financial model. The implementation of this plan is being achieved through a cross organizational team that will be responsible for establishing annual work plans to address the 205 recommendations outlined. A new community centre in South East Markham has been planned with design and site preparation underway.

Master Fire Plan: Markham initiated a Master Fire Plan (MFP) study as part of its comprehensive community planning initiatives to manage the projected growth within the municipality over the next ten year period. Demands on the current system of public fire protection, prevention and education are expected to continue to increase as a result of projected growth. The plan includes recommendations to address both short-term and long-term strategies that are consistent with the master fire plan process outlined with the Office of the Fire Marshal, Ontario's (OFM), *Shaping Fire-Safe Communities Initiatives*. In January 2012, Council approved the MFP in principle. The next phase of the Master Fire Plan is scheduled for Q2 2012.

Diversity: Markham communities represent the full range of human experience, from all stages of life, abilities and ethno-cultural backgrounds. Markham has developed the Everyone Welcome Diversity Action Plan that identifies strategies and policies to promote unity and inclusiveness and to provide programs and services that address the diverse needs of Markham residents. Everyone Welcome Diversity Action Plan was developed through extensive public consultation and contains 68 recommendations that will further strengthen our commitment towards inclusivity and celebrating our diversity. The Plan pays particular attention to the needs of four communities of focus: youth, newcomers and visible minorities, seniors and persons with disabilities. Future plans include developing and rolling out diversity training to senior staff and staff, formalize our communications strategy which incorporates a variety of methods to share diversity successes with internal and external audiences, create a reporting mechanism in addition to Building Markham's Future Together updates to highlight progress.


In addition to the above initiatives to continue Building Markham's Future Together, **Markham Portal** was launched in June 2011 which provides a single point of access for services, information and people. It can be personalized to each user – citizens, employees, businesses and government. The different aspects of this initiative include enhanced self-service, personalization, and mobility. The same technology platform will be used for employees in accessing data and information to become more efficient as well as deploy online services to users faster. Portal encompasses 5 distinct initiatives;

- Online forms – provide self-service capabilities to request for services/information, avoid commute to Town offices, and reduce paper-based processes. Some of these capabilities are already in place and will continue to move all applicable services to the portal platform.
- Online payments - provide capability for payments related to Markham's services to be made online. Online payment functionality is also already in place, and this capability will continue to be expanded.
- Social Media – the objective is to continue to promote this tool and its use as an important tool to engage the community.
- GIS Enhancement – provide enhanced capabilities and services using Geographic Information System for areas that benefit from location-based data.

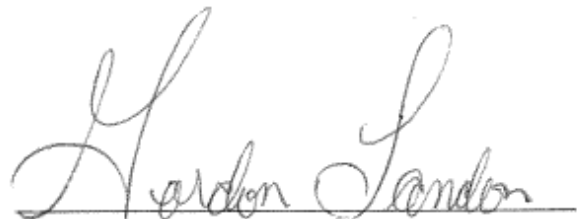


- Mobility (mGovernment) – provide selected services on mobile devices and continue to enhance this capability on an ongoing basis. Development of this initiative will include community involvement.

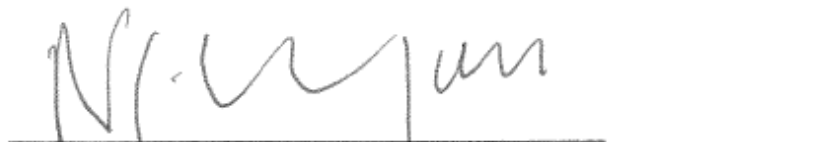
In summary, Markham is a premier municipality with an entrepreneurial culture that provides and delivers premier services, programs and facilities. As we move forward, Markham continues to attract high-value businesses and is creating a strong foundation for business re-investment. Markham's business environment, facilities, and service remain unmatched among comparable municipalities – at the same time as residents and businesses enjoy one of the lowest tax rates of any municipality. It's a reputation we have worked hard to earn and one we will work hard to preserve.



Frank Scarpitti
Mayor



Gordon Landon
Budget Chief & Regional Councillor



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

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Markham and the North American Market

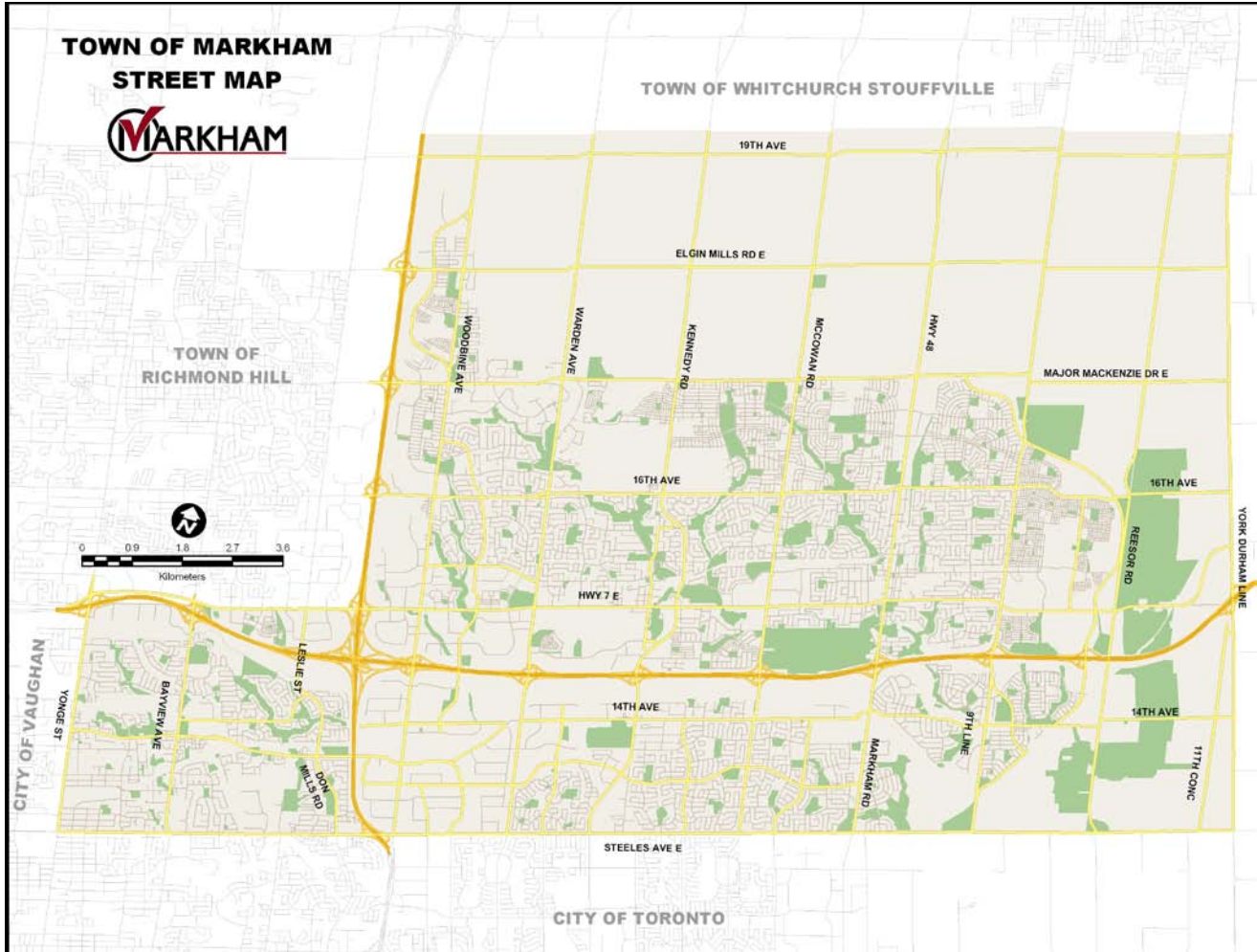


Markham and the Greater Toronto Area





2012 TOWN OF MARKHAM STREET MAP



TOWN OF MARKHAM COAT OF ARMS



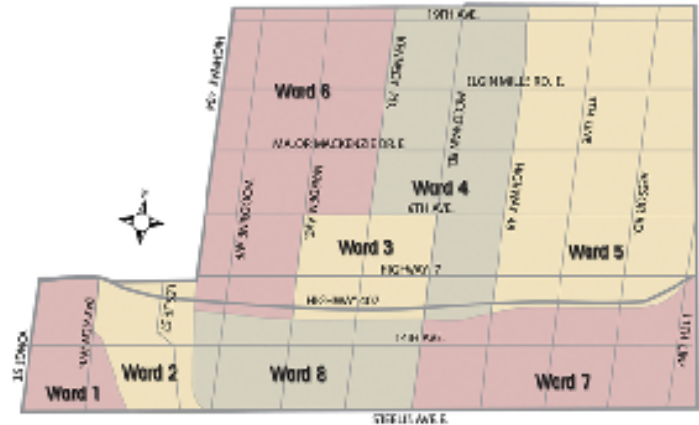
Lion	Strength
Wheat	Agricultural History
Coronet	Canadian Maple Leaf
Helmet	From Sir Markham's Coat of Arms
Horses	Early Transportation and Strength
Medallion	From Berczy Coat of Arms (First Settlers); Fleur De Lis - and the two Acorns for growth
Shield	Four Rosettes for 4 communities: Markham, Milliken, 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	<u>"LEADING WHILE REMEMBERING"</u> - Recognizing Markham's municipal leadership, while remembering the contribution of past settlers and residents and our colourful history.



MAYOR & MEMBERS OF COUNCIL



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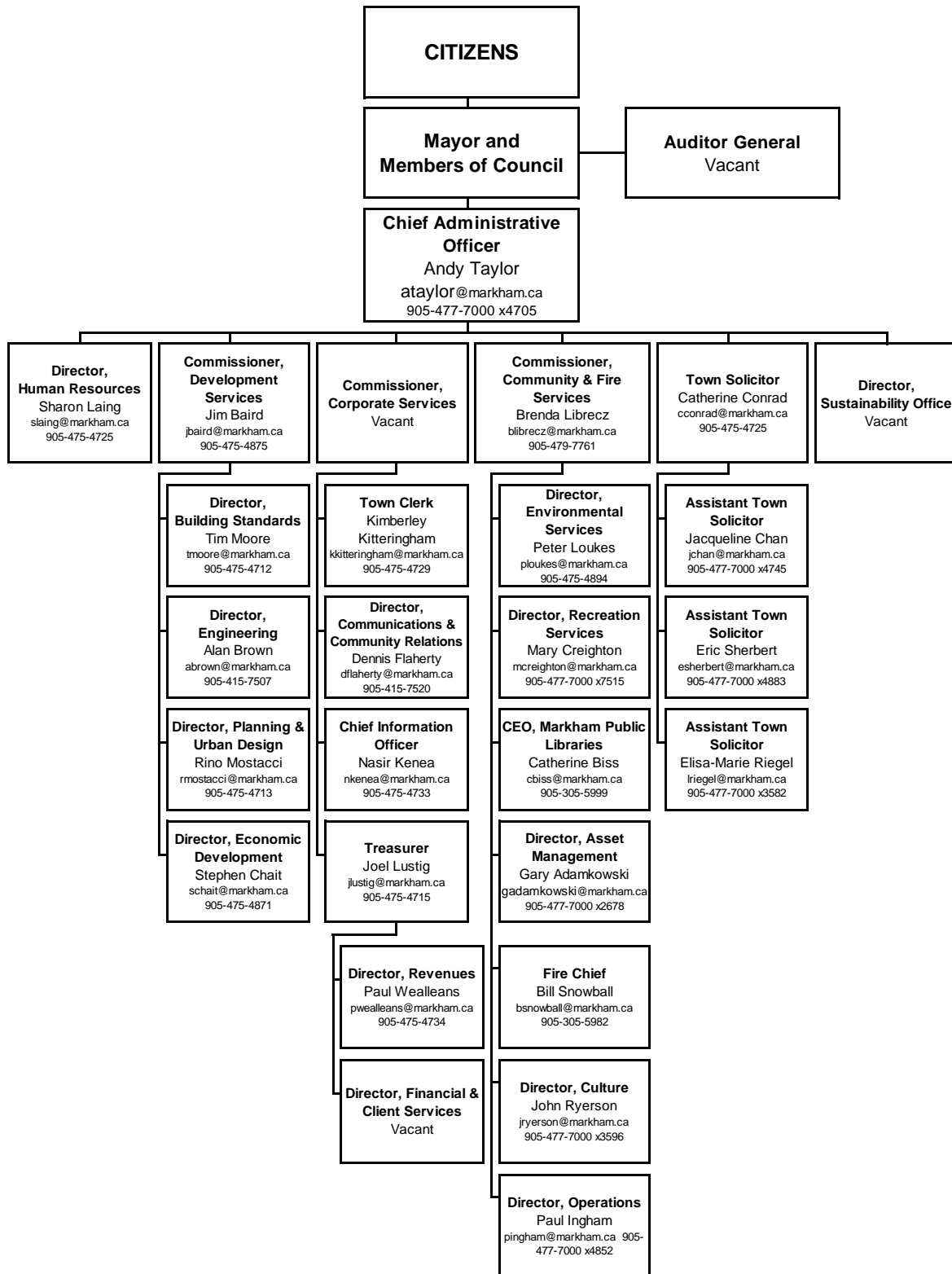


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ORGANIZATION STRUCTURE





2012 BUDGET HEAD COUNT

APPROVED

FULL TIME COMPLEMENT

Department / Commission	2009	2010	2011	2012
Mayor & Council*	3	3	3	3
Human Resources	17	17	19	18
Legal Services	9	9	9	10
Sustainability Office	3	3	4	3
CAO's Office	4	4	5	5
Total CAO, Legal, HR & Sustainability Office	33	33	37	36
Contact Centre	7	7	7	7
Communications & Community Relations	12	12	13	13
Financial Services	46	46	46	47
Information Technologies Services	32	32	32	32
Legislative Services	49	49	52	53
Commissioner's Office	3	3	3	3
Total Corporate Services	149	149	153	155
Economic Development	7	7	7	7
Engineering	32	32	37	37
Planning & Design	39	40	43	44
Commissioner's Office	11	10	11	11
Total Development Services	89	89	98	99
Arts Centres	6	6	6	7
Asset Management	23	23	24	26
Capital Works & Utilities	0	0	0	0
Fire Services	238	257	258	278
Fleet	9	9	9	10
Library	62	62	62	63
Museum	5	5	6	6
Operations & Asset Management Admin.	5	4	4	2
Operations Admin.	18	14	14	15
Parks	45	45	45	46
Recreation Services	91	91	94	95
Roads	34	34	34	34
Theatre	9	9	9	10
Traffic Operations	0	4	4	4
Waste Management	4	5	6	6
Commissioner's Office	3	4	4	4
Total Community & Fire Services	552	572	579	606
Sub Total	837	826	870	899
Building Services	59	59	59	54
Waterworks	56	56	60	62
Total Corporation	953	941	989	1015

* Excludes Mayor & Council Members

**The 2012 approved full-time complement of 1,015 represents an addition of a 26 net new full time staff in the Budget. Details of these positions are provided on the next page. The increase is due to the overall growth of the Town and the Town's commitment to maintain or increase service levels.

During 2010 & 2011, a total of 40 full-time staff positions were added for the opening of two new fire station. (2010- Cathedral Fire Station, 2011 – Cornell Fire Station)

DETAILS OF 2012 STAFF ADDITIONS 2012 BUDGET

CAO, Legal, HR & Sustainability Office: 1		
Legal Department	Assistant Town Solicitor - Development	1
Corporate Services: 2		
Financial Services	Senior Buyer	1
Legislative Services	By-Law Officer	1
Development Services: 1		
Planning & Design	Senior Landscape Architect	1
Community & Fire Services: 27		
Arts Centres	Program Coordinator	1
Asset Management	Asset Coordinator	1
Fleet	Small Engine/Equipment Technician	1
Fire Services	Firefighters	16
	Captains	4
Library	Branch Manager	1
Parks	Working Supervisor - Sportsfield	1
Recreation Services	Recreation Program Supervisor	1
Theatre	Business & Rental Manager	1
Waterworks: 2		
	Waterworks Operators II	2
Total		33

The 2012 approved full time complement of 1,015 represents an addition of 33 new full time staff offset by the elimination of 7 full time positions that were deemed redundant.

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 sideroads 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 on, 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 over 310,000 by end of 2011. 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

Year End 2011

*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*



Town of Markham
Economic Development Department
101 Town Centre Boulevard
Markham, ON L3R 9W3
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 310,000 people. More than 400 corporate head offices and close to 900 high technology and life sciences companies are located in Markham. These two sectors generate a total employment of close to 38,000, or about a quarter of the total employment of 136,000. 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, American Express, Honda Canada, Motorola, 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.
American Express (AMEX Canada Inc.)
TD Waterhouse Inc.
AMD Technologies Inc.
Markham Stouffville Hospital
The Miller Group – Miller Paving Ltd.
CGI Information System & Management Consultants Inc.
Town of Markham
MMM Group
Johnson & Johnson Medical Products
Allstate Insurance Company of Canada
Canadian Automobile Association Toronto Auto Club
Homelife Bayview Realty Inc.
Honda Canada
Nielsen Canada
Stantec
Transcontinental – PLM Group
Giesecke & Devrient Security Card Systems Inc.
First Student Canada
AECOM

Data source: 2011 York Region Employment Survey

High Tech Cluster

Industrial Category	Number of Companies
Computer Systems Design and Related Services	201
Computer, Computer Peripheral and Pre-Packaged Software Wholesaler-Distributors	82
Engineering Services	82
Graphic Design Services	47
Electronic Components, Navigational and Communications Equipment and Supplies Wholesaler-Distributors	38
Internet Publishing and Broadcasting	31
Management Consulting Services	30
Electronic and Precision Equipment Repair and Maintenance	29
Wireless Telecommunications Carriers (except Satellite)	24
Other Scientific and Technical Consulting Services	22
All Other Professional, Scientific and Technical Services	19
Computer and Peripheral Equipment Manufacturing	17
Research and Development in the Physical, Engineering and Life Sciences	17
Management of Companies and Enterprises	17
Semiconductor and Other Electronic Component Manufacturing	15
Navigational, Measuring, Medical and Control Instruments Manufacturing	15
Data Processing, Hosting, and Related Services	14
All Other Electrical Equipment and Component Manufacturing	13
Environmental Consulting Services	13
Electrical Equipment Manufacturing	11
Wired Telecommunications Carriers	7
Internet Service Providers, Web Search Portals	7
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	5
Geophysical Surveying and Mapping Services	5
Electric Power Generation	4
Manufacturing and Reproducing Magnetic and Optical Media	4
Surveying and Mapping (except Geophysical) Services	4
Audio and Video Equipment Manufacturing	3
Communication and Energy Wire and Cable Manufacturing	3
Telephone Apparatus Manufacturing	2
Other Communications Equipment Manufacturing	2
Total	783

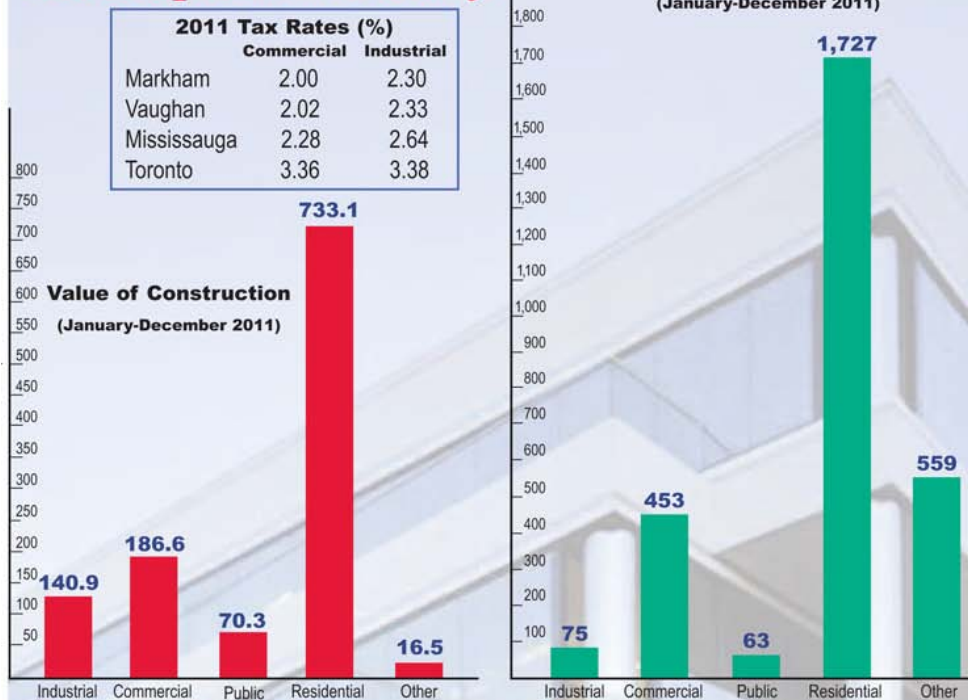
Note: Data was obtained from the 2011 York Region Business and Employment Survey, and while every effort has been made to ensure the accuracy of this information, the Regional Municipality of York and the Town of Markham can accept no responsibility for any inaccuracies, errors or omissions. Some industry 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
Medical and Diagnostic Laboratories	25
Medical Equipment and Supplies Manufacturing	24
Pharmaceuticals and Pharmacy Supplies Wholesaler-Distributors	20
Research and Development in the Physical, Engineering and Life Sciences	12
Home Health Care Services	11
Computer Systems Design and Related Services	6
Office Administrative Services	6
Pharmaceutical and Medicine Manufacturing	5
Management of Companies and Enterprises	3
Management Consulting Services	2
Other Scientific and Technical Consulting Services	2
Computer, Computer Peripheral and Pre-Packaged Software Wholesaler-Distributors	1
Total	117

Industrial/Commercial Activity

Development Activity



Industrial/Commercial Development

Industrial & Business Parks, 2011

Industrial available land - serviced and market ready	255.39 acres
Industrial available land - unserviced	899.07 acres
Average price per acre	\$475,000 - \$600,000

Commercial available land - serviced and market ready	142 acres
Commercial available land - unserviced	277.57 acres
Average price per acre	\$900,000 - \$1,100,000

Industrial Inventory, 2011 (Q4)

Total inventory (sq. ft.)	31,887,576
Vacancy rate - class A	4.3%
Average net rent (sq. ft.)	\$5.76

Commercial Office Inventory, 2011 (Q4)

Total inventory (sq. ft.)	1,286,384
Vacancy rate - class A	11.4%
Average net rent (sq. ft.)	\$14.97

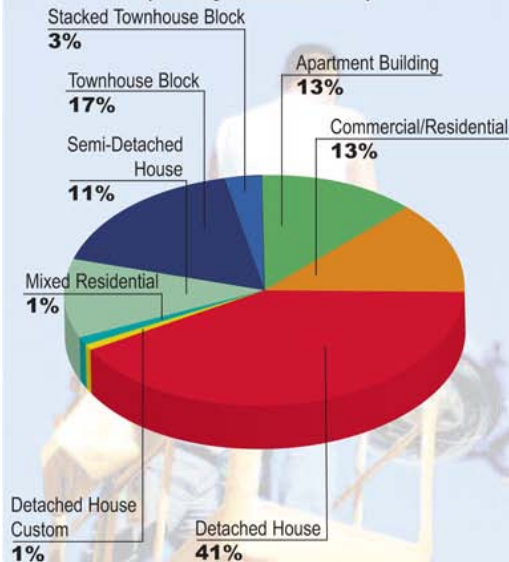
All values are in Canadian Dollars

Source: Colliers International

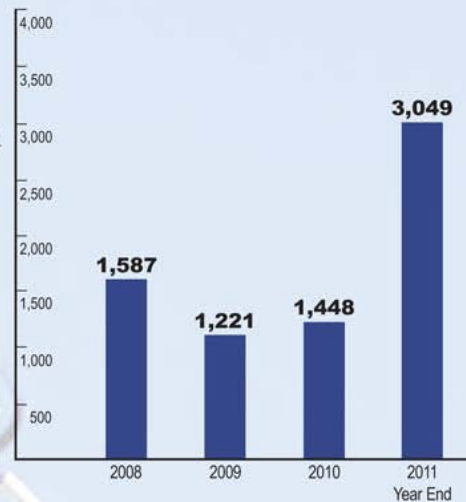
Residential Activity & Utilities

Residential Development

New Residential Units Profile
(January-December 2011)



Number of New Residential Units per Year



Average House Prices (Royal LePage Q4, 2011)

Detached Bungalow	\$545,000
Executive Detached Two-Storey	630,000
Standard Two-Storey	530,000
Standard Townhouse	420,000
Senior Executive	700,000
Standard Condominium Apartment	310,000
Luxury Condominium Apartment	390,000

Municipal Utilities

Water & Sewer Infrastructure, 2011 Rate

Water & wastewater rate per cubic metre	\$2.4164/m ³
Sewer mains	857 km
Water mains	1,000 km

Electricity Costs and Charges, Business Rates

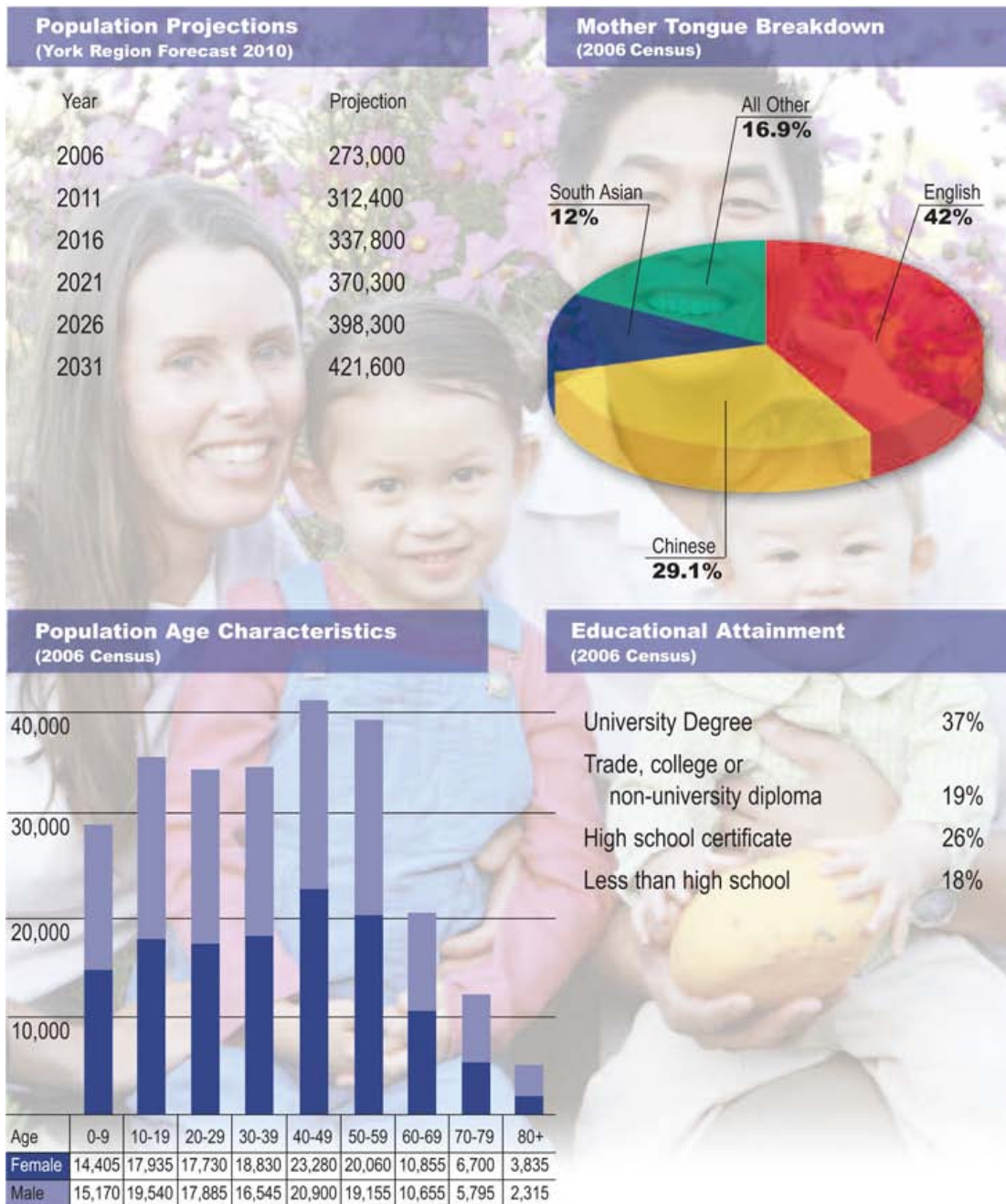
50kW or Less		Greater than 50kW Demand	
Distribution rate	\$0.0115/kWh	Distribution rate	\$3.478/kWh
Monthly fixed charge	\$29.83	Monthly fixed charge	\$89.09

Quality of Life

The award-winning Town of Markham is the largest of nine communities in York Region with a population of over 310,000, and a land area of 212 square kilometres. The Town 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 Senec College, Markham's premier post-secondary educational research and training facility.

Recreation and Culture	
Total Area (sq km)	212
Number of parks	179
Trails/pathway system (km)	125.8
Public Libraries	6
Community centres & facilities	17
Golf courses	10
Ice Arenas	10 pads
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	230 beds
Shouldice Hernia Centre	89 beds
Elementary schools	70
High schools	14
Community colleges (within 1 hr drive)	8
Universities (within 1 hr drive)	7
Transportation Infrastructure & Service Providers	
Roads	1,169.3 km
Highways (404 and 407)	32 km
Side walks	903.9 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



Note: For other census topics, please visit www.statscan.ca
2011 census data will be available in the 2012 edition

Labour Force Profile

Income Levels of Persons Reporting Income (2006 Census)

Markham Average	\$46,529
Ontario Average	\$44,748
Canadian Average	\$41,401

Basic Indicators (2006 Census)

Number of persons employed	141,665
Unemployment rate	7%
Employment rate	68%

Labour Force By Industry (2006 Census)

	%
Business Services	22%
Manufacturing	14
Finance & Real Estate	12
Retail trade	11
Wholesale trade	8
Health care & social services	7
Educational services	6
Construction	3
Agriculture & related industries	1
Other	16

Wage Rates in Markham (Ministry of Labour, current as of Publication Date)

Minimum Wage Rate	
Under 18 years of age	\$ 9.60
Over 18 years of age	\$10.25

Wage Rates in Markham (2006 Census)

Minimum Wage Rate	
Under 18 years of age	\$ 8.20
Over 18 years of age	\$ 8.75
Selected Occupation	
Childcare/home support workers	\$19,995
Retail salespersons/clerks	\$30,213
Social services workers/paralegals	\$32,983
Construction trades workers	\$33,342
Secretaries	\$34,726
Mechanics	\$48,943
Business & finance professionals	\$57,634
Teachers and professors	\$64,010
Specialist managers	\$75,158
Health professionals	\$88,527

Note: For other census topics, please visit www.statscan.ca
2011 census data will be available in the 2012 edition

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

Number of New Dwelling Units in Year 2011

Single Dwellings	1,300
Double Dwellings	322
Row Dwellings	628
Mixed Residential	383
Apartments	416
Total	3,049

Construction Value in Year 2011

Residential	646,677,336
Mixed Residential	43,206,470
Industrial	140,877,977
Commercial	186,610,175
Institutional & Government	70,256,991
Other	16,453,654
Total	1,104,082,603

Year Ending December 31, 2011

STRATEGIC PLAN AND INITIATIVES

Building Markham's Future Together

Markham has experienced dramatic growth and change during the past decade and we need to prepare for and manage this change. In 2007, recognizing that we must 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.

Short-Term Goals

Building Markham's Future Together now 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 in-depth public consultation and community research will continue throughout 2012 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 2012. 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.



GROWTH MANAGEMENT

Managing the Town'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 Town's strategy to manage the challenges of growth includes:

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

The Town's plan:

- **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 Town developed a 'Made in Markham' plan for sustainable community growth in response to provincial growth initiatives. The plan will protect the Town's natural and cultural heritage, as well as provide for social and economic well-being. The development of a Growth Management Strategy was completed in May 2010. The Strategy is based on an 'environment first' approach, starting with the identification and protection of a Town-wide natural heritage network "the greenway system" which represents 35% of the Town lands. Staff are finalizing the draft Official Plan and anticipate release of the draft to the public in the Fall of 2012. Public engagement program will be undertaken following the release of the draft, with a statutory Public meeting in the Fall of 2012. Adoption of the new Official Plan by Markham Council is anticipated for Q1 2013.

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

Status: Underway

The Town 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 Town 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 Town is working on a Community Infrastructure Capacity Review to identify the overall community infrastructure (not only the Town's) needed to accommodate growth (e.g. health care services, education, etc).

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

Status: Completed

Financial analysis for the growth alternative has also been undertaken, and work on a new development charges by-law is underway. The Town will continue to work with all levels of government to reform legislation, develop new fiscal tools and directly provide the funding for necessary infrastructure.

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

Status: Underway.

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 continue to provide updates to Development Services Committee which are accessible to the public. Further consultation will accompany the roll-out of the new Official Plan in the Fall of 2012.

The Town has posted numerous presentations and staff reports regarding the Strategy and related studies on the Town website. The Town has also developed a Workbook that summarizes the proposed alternatives and provides an opportunity for the reader to provide their opinions on these alternatives.

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:

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

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

The Town's plan:

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

Status: Underway

The Town 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 Town can 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 Town has been providing input into the York Region's Transportation Plan Update and reflecting the comments from Council, residents and businesses. The Town also made submissions to Metrolinx regarding the Yonge Subway extension to Richmond Hill/Langstaff, as well as encouraged more funding from the Province for other rapid transit projects in Markham. The Town, in consultation with York Region Transit, Ministry of Transportation Ontario (MTO), 407 Express Toll Route (ETR) and York Region's staff have been exploring the 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 Town have completed their Master Transportation Plans to 2031 which includes additional transit initiatives and provides a transportation strategy requirement to accommodate growth to 2031.

- **Develop the Town'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 Town is not directly responsible for providing transit services, Town staff continue to work closely with various transit authorities (York Region Transit, GO Transit) and request service improvements. To complement the increased level of service, the Town 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.

- **Create transit-friendly policies in all aspects of Town 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 Town has received a number of higher density mixed used development applications. 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. Policies are also 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

ENVIRONMENT



Protecting the Town's environment:

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

The Town's plan:

- **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 and culture and economic strategies, and is being lead by the Sustainability Office. 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 that are aligned with the Greenprint Pillars of sustainability have been developed for the Town.
- A multi-year, multi-language education and communication strategy
 - Two Sustainability Fair's were held: the first in October 2009 that was attended by over 100 people and provided an opportunity for the Town to receive input on the 12 Goal Areas of the Greenprint and the second in November 2010 that provided opportunities for residents to learn about local food and the Greenprint.
 - The lunch 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)

- A comprehensive Climate Action Plan
 - A report for Partners for Climate Protection milestones 1 and 2 was completed in 2009.
 - The Greenprint is the Town's Climate Action Plan and it is targeted to address the Partners for Climate Protection milestones.

- **Adopt green building standards and green community standards by Q2 2011.**
Status: Underway

The Town 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)
 - Report presented to Environmental Issues and Sustainability Committee in November 2010 with finalization of the report in Q2 2012.

- **Develop and implement a community-wide zero waste strategy.**
Status: On-going

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

 - Town 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 are Zero Waste.
 - The Town has achieved a 72% municipal diversion rate which is the best in the GTA and among top of class for North America.

- **Prepare a Public Realm Policy and Program.**
Status: Underway

The Town 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.
 - Community tree plantings, stewardship events and educational outreach programming will continue in 2012.
 - A Public Realm Advisory Committee was established in 2011 and demonstration projects have been undertaken including flowering trees in parks, the bulbs in grass, mural for Pamona Mills is underway and the artful bike racks.

➤ **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 Town neighborhoods.

- A new farmers' market at the Stiver Mill, Unionville (July 2009)
- Guidelines for new community gardens (Q2 2009)
- Sustainability Fair's in 2009 and 2010 were held featuring local food and food security.
- The Town worked with Seeds of Change for an event on community gardening in April 2011 with another event anticipated for 2012.

➤ **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 into the 2012 Capital Budget process.



Excellence in municipal services:

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

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

- Service Excellence
- Service Innovation
- 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 Town will also develop a systematic way to review and evaluate competing demands for municipal resources.

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

The Town's plan:

- Complete all planned service improvements.

Status: Completed

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

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

➤ **Develop a clear process to evaluate Town services.**

Status: Completed

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

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

Status: Underway

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

Operations Service Planning – Project teams built a municipal services model for the Town 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 service planning in Q2 2011 with anticipated completion in 2012.



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

Investing in the Town's quality of life:

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

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

The Town's plan:

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

Status: Completed

The Town needs to create short, medium and long-term priorities for Town parks, recreation, culture and library programs and facilities. The Town 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 Town'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 Town acquired land for a sports park and in 2011 we commenced work on the planning for the South East Community Centre and Library. As well, the Pan Am site was approved and the design is in the final stages.

Pending actions include the completion of the Culture Plan and the Park Amenities/Park Renaissance project in 2012.

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

Status: Starting Q3 2012

The Town 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 the 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 with anticipated completion in 2013.



Celebrating the Town'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 Town needs to develop a clear strategy and related policies to:

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

The Town's plan:

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

Status: Underway

The Town continues in taking steps to involve diverse groups in our activities and initiatives, including regular focus groups and fostering a welcoming environment at all Town facilities with a "doors wide open" philosophy. Five external consultations regarding the Diversity initiative have been conducted with the community. The information arising from these consultations was utilized in the formulation of a Diversity Action Plan for the Town 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 Town 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 1000 submissions from various schools across Markham.



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

Status: Underway

This will help the Town to align our services and programs with the needs of Markham residents. It will also demonstrate the Town's commitment to unity and to respecting and promoting human rights. The Town 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 Town partnered with the York Region District School Board and proclaimed Black History Month in February 2010. The Town also proclaimed "Diversity Day" in June 2010 and an Annual Diversity Event is being planned in 2012.

- **Enhancing Markham boards and committees.**

Status: Underway

The Town approved the establishment of a Seniors Committee in September 2009. The Town will also review the mandates of the Race Relations Committee, the Markham Advisory Committee on Accessibility, and the Mayor's Youth Task Force. The Town incorporated diversity consideration into the planning of the 2010 Municipal Election.

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

- **Find ways to make Town services more accessible.**

Status: Underway

The Town'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.

- **Develop an effective communications plan.**

Status: Underway

The Town'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 Town Staff in Q2 2009.

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.

- **Engage and educate Town staff.**

Status: Underway

The Town 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 Town.
- The Diversity Intranet Site was developed to engage and educate town staff about diversity.
- We have delivered Respect in the Workplace – Anti Harassment training. As of the end of 2011, more than 500 employees in 14 sessions have been trained.
- All Town staff will participate in Customer Service Standard training as it relates to people with a disability.
- We launched the Annual Markham Board of Trade Accessibility Award in 2010 and in 2011 Markham received the Excellence Canada Award – Ontario Accessibility Award.
- Accessibility Advisory Committee (AAC) and Town 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.

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 Town's business units within the provisions of the Town's charter.

- The Budget shall include four basic segments for review and evaluation:
 - Taxation Revenues
 - Other Operation Revenues
 - Personnel Costs
 - Operations and Maintenance costs
- The Budget review process shall include the Town'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.
- The Budget process shall be for a sufficient time span to adequately address policies and fiscal issues by the Budget Committee.
- The proposed Budget shall be presented by the Budget Sub-Committee to the General Committee for consent and forwarding 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 Town'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 Town's 2012 Budget was approved on February 6, 2012.

Balanced Budget

In 2012, the Town developed a balanced budget and was restated in accordance to Ontario Regulation 284/09 as part of the 2012 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 Town's exposure including drawing from Reserves, 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 to the Council by the Senior Manager, Financial Reporting and Purchasing. Such reports will be in a format that will enable the Council to understand the budget and the financial status of the Town.

Operating Fund Balance

Actual Surplus during a budget period will be transferred to a 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 development related to growth and conservation within the Town. 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 Town 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 the next succeeding four years. The plan is updated annually.

Funding of Capital Improvement

The Town 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 Town shall utilize dedicated reserves to fund the capital projects. The Town shall transfer from its operating funds up to \$500,000 from the net annualized growth in assessment each year.

Maintenance and Replacement

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

Post Budget Approval – Controlling Expenditures

When a Capital Project is cancelled or a completed project results in unspent dollars, those dollars shall be returned to the original funding source(s) of the project. This money may be used for additional and/or new capital project requests not included in the Approved Capital Budget. Such requests must be submitted in a report to be approved by Council. Contrarily, if overspending is anticipated, the department would require prior approval before spending and also identify offsetting savings within another project in the same Commission. If other projects cannot be identified, any overrun above \$50,000 shall be approved by the Finance and Administrative Committee.

Revenues

Use of one time revenues

The Town 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 Town 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 Town will establish cost recovery policies for the 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 and cover that percentage of the total cost deemed appropriate. The Town will strive to maintain a diversified and stable revenue system to shelter the Town from short run fluctuations in any one revenue source and ensure its ability to provide ongoing service.

Use of Unpredictable Revenues

Certain Town revenues fluctuate widely year to year. At year-end whenever these revenues are above budget they will be transferred to the Corporate Rate Stabilization Reserve.

Use of Supplemental Tax Revenue

Supplementary taxes will continue to be budgeted for. To the maximum extent possible, supplemental property tax levies above budget will not be used to balance the operating budget but be used for future requirements by transferring all supplemental taxes above budget to the Corporate Rate Stabilization Reserve.



Use of Prior Year's Surplus/Deficit

The Town 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 Town 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 and measurable 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 expenditures 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 Town of Markham prepares budgets for the Operating, Capital, Building Standards, 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.

Fixed Assets

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

Operating Fund

Funds all Town of Markham operations except for Waterworks and Building Standards operations. Tax revenue is the main source of funding.

Building Standards Fund

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

Waterworks Fund

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

BIA Fund

Provide 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 Town as trustee and outlining its responsibilities. The funds are administered by the Town but not consolidated with the operating statement.

At the end of 2011, the Town of Markham had 8 trust funds with a total balance of \$2,220,924.

Buttonville Airport Fund

The fund accumulates operating grants paid by the Region of York for the operations 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 then subleases them back to TAL. This arrangement makes TAL eligible for Regional Grant funding. The Town of Markham operates the bank accounts for TOWNCO in the transfer of these funds to TAL but does not itself make any grants.

Reserve and Reserve Funds

As at December 31, 2011, there were 15 Reserves and 19 Reserve Funds. Out of the total of 34 funds, 29 were discretionary (i.e. set aside by Council) and 5 obligatory (i.e. mandated by legislation). The balance in the funds as of December 31, 2011 was \$185,111,978.

INVESTMENT POLICIES

OBJECTIVES

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

- Legality of Investments
- Preservation of Principal
- Maintenance of Liquidity
- 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 Town are further restricted by the limitations and terms outlined in this policy. Where the Town of Markham has excess funds not required immediately, such funds may be invested only in:

- Bonds, debentures, treasury bills or other forms of indebtedness of or guaranteed by the Government of Canada
- Bonds, debentures, treasury bills or other forms of indebtedness of or guaranteed by any province of Canada
- The Municipal Finance Authority of British Columbia.
- Bonds, debentures, or promissory notes of a metropolitan, regional or district municipality or of a municipality as defined in the Municipal Affairs Act
- 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:

- Limiting investments to the safest types of securities
- 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:

- Limiting investments in securities that have higher credit risks;
- Investing in securities of varying maturities while providing for stability of income;
- 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
- 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:

- Government of Canada - no limit
- Province of Ontario - no limit
- 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:

- 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%
- 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 Town 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 Town 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 Town of Markham. This list will be maintained and updated as the business environment changes:

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

- Listing of individual securities held at the end of the reporting period;
- Realized gains or losses resulting from the sale of investments that were not held until maturity;
- Average weighted yield of the Fund's investments as compared to applicable benchmarks;
- Listing of all investments by maturity date;
- 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 Town may loan the DC reserves up to a cumulative maximum of 25% of the previous year's average general portfolio balance (i.e. the Town'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 Town could provide up to \$50 million of funds to the DC reserves. The 25% limit was chosen as it still allows the Town 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 Town'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 Town 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 Town of Markham.



Any internal borrowing will be tracked and accounted for in the same manner as the Town'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 Town'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 Town 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 Town 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 Town 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:

- Funds are required to make up for a current year budget deficit in the Investment Interest or Capital Gains accounts
- 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 Town's Reserves and Reserve Funds with the purpose of:

- Determining the adequacy of the Town's Reserves to meet known future expenditures (Infrastructure/Capital Asset Rehabilitation/Replacements)
- Determining the adequate level for the Town's rate stabilization/contingency reserve based upon comparisons and benchmarking with other Municipalities and "best practices"
- Reviewing, consolidating and refining policies for the Town'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 Town's aging infrastructure and for major capital expenditures approved by Council.

Funding for this reserve will come from the following sources:

- The Town's Operating Budget contribution to Capital;
- 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;
- Proceeds from the sale of asset, excluding land; and
- Future year-end Operating Budget Surpluses (refer to page 55 for Future Operating Surplus)

Corporate Rate Stabilization Reserve

The purpose of this reserve is to maintain the Town'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

- **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 Town’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.
- **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. Balance at the end of each fiscal year will be transferred to the Corporate Rate Stabilization Reserve.
- **Environmental Land Acquisition Reserve Fund** – a new reserve established in 2005 to provide a source of financing for the Town 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.
- **Environmental Sustainability Reserve Fund** – intended to provide a source of funding for internal (Town) and external (e.g. Community groups) initiatives that are environmental in nature. A base level of \$300,000 was established for this fund. The process to replenish the base for expenditures is through the following year’s Capital Budget process.
- **Land Acquisition Reserve Fund** - a new reserve established in 2005 to provide a source of financing for the Town 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 Capital 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 & Wastewater Reserve Study with the purpose of:

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

Based on the future replacement and rehabilitation program as identified in the Water & 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. 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

The Town of Markham currently has no outstanding debt.

Markham has not issued any new debt since 1992, however, borrowing does have its appropriate place in making prudent financing decisions. Prior to 1992 the Town issued debt to finance major capital projects (e.g. watermains, sanitary sewers, community centres). The Town 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 Town will only consider borrowing for growth related capital projects.

Provincial Guidelines

- 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.
- Markham’s annual repayment limit for 2012 is approximately \$65.0 million.



2012 OPERATING BUDGET GUIDELINES

General Narrative and Assumptions

The 2012 Budget:

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

- Gross Assessment Growth will be 2.75%

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

The focus of the 2012 budget revolves around infrastructure management, the environment, and transportation issues. This budget provides for adequate maintenance of capital, plant, and equipment, and for orderly replacement of equipment. Through the 2012 Budget Process, the Town continues its strategic thinking at all levels of the organization and critically evaluates the status quo.

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

Budget Preparation Guidelines

The 2012 Budget is budgeted at 2011 base levels except for additional funding related to:

- Salary and benefits increases (CUPE and MPFFA wage settlement, OMERS pension rate changes, grid movement)
- Contract escalations and inflationary pressures
- Increased operating costs related to more households, kilometres of roads and new parks
- 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 Town that the additional funds would generate. Each form requesting a change to base budget (including completed business cases) will be approved at the Commissioner level before submission to Financial Planning.

No New Debt

The Town will not make a provision for the issuance of debt in this budget. The Town'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 2012 Budget will be the 2011 cost of providing all the services approved in the 2011 budget, except for one-time projects.

The 2012 Base Level Budget is set by taking the inputs approved in the 2011 budget and costing them, adjusting them for the annualized costs, growth and inflation, in that order.

- **Annualized Costs** - For example, last year's budget might have included staff to start in April; this year's budget includes the full year's salary. The only annualized costs that appear in the 2012 Budget are personnel and other costs related to municipal service contracts that had price escalation midway in 2011. These costs are identified and included in the 2012 Base Budget.
- **Growth** - Allow for growth that will occur in the Town in 2012. For example, if new roads were constructed in 2011, their upkeep would be part of the 2012 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.
- **Inflation** - All departments are expected to absorb this inflation within their 2012 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 2011 levels in their 2012 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 Town continues to scrutinize personnel costs as a percentage of the budget. Financial Planning provides the salary figures for the 2012 Base Budget that reflect movement through the salary grids; the negotiated CUPE and MPFFA wage settlement, as well as cost of living adjustment (COLA) impact. The 2012 Base Budget from each Department includes only the 2011 full time approved complement. Financial Planning completes the 2012 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.

Fringe Benefits

2012 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 2011 actual benefit costs and reflects its findings in the 2012 Budget.

Part Time Salaries

The 2012 Budget Guidelines require that all permanent part-time staff be budgeted for by person/position. 2012 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 2012 levels.

Overtime Dollars and Hours

Overtime dollars and hours will be budgeted at 2012 levels.

Rate Increases

Increases have been provided for as follows:

U.S Exchange Rate:

U.S. Exchange Rate – 1.00

Investment Income:

The forecasted 2012 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 is \$1.76 (\$8.00 - \$6.24).

HST also impacts the Town'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 now subject to HST; thereby increasing user costs by 8%.

Use the 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 Town is at spot rate for both Natural Gas & Hydro in 2012 and it has been reflected in the 2012 Budget. Overall the Town's utility volumes have been maintained at the 2011 level and adjusted for new facilities in the 2012 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

The Town is currently debt free and there are no debt charges included in the Budget.



Identification of Major Service Contracts

The identification of major service contracts up for renewal in 2012 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 2012 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 Town 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.

- Any Commission Level overspending requires the approval of the CAO.
- 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 CAO & 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 the CAO & Executive Leadership Team (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 variance feedback from all departments are incorporated in the mid-year and third quarter forecasts to Council.

Two-Year Operating Forecast to the end of the current Council term (2013 & 2014)

A two-year operating forecast (2013 – 2014) was developed which identified future tax rate increases:

	<u>2013 Projection</u>	<u>2014 Projection</u>
Total Revenues	2.58	2.86
Expenditures		
Wage Settlements	2.92	1.97
Growth	2.84	2.94
Municipal Service Contracts	1.05	1.10
Total Expenditures	<u>6.81</u>	<u>6.01</u>
Net Shortfall	<u>(4.22)</u>	<u>(3.15)</u>
Tax Rate Increase	3.7%	2.7%



2012 CAPITAL BUDGET GUIDELINES

Key Dates

April 2011	Capital Database was opened for submissions from departments which were due by the end of the June 2010
July 2011	Director's Forum (DF) reviewed the 2012 Capital Budget Submissions and provided a recommendation to the CAO, Executive Leadership Team (ELT)
September 2011	ELT & DF had joint reviews of the 2012 Capital Budget
September 2011	Approval of the 2012 Capital Budget by ELT

2012 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 2012 Capital Database the projects planned for 2012 and 2013:

- 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
- 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 2012 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 2012 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.

- 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 Town'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:

- It must have future value with an expected useful life longer than 1 year.
- 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

2012 Business Plans

The 2012 Business Plans were incorporated into the 2012 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 2012 Capital database that may require upfront financing by the Town 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 & 2012 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 2012.

Operations-Fleet will conduct condition assessments on replacement vehicles identified in the Asset Life Cycle Reserve Study as requiring replacement in 2012. Replacement vehicles required in 2012 will be consolidated into one Capital Project by Operations-Fleet.

Council Request

Council members are encouraged to identify projects that should be included in the 2012 Budget submission. These projects should be entered into the Database and identified as a Council Request.

Taxes (Provincial & Federal):

Effective July 1, 2010, 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 Town 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:

- Water supply services, including distribution and treatment services;
- Waste water services, including sewers and treatment services;
- Storm water drainage and control services;
- Services related to a highway (as defined in subsection 1 of the Municipal Act);
- Electrical power services;
- Police services;
- Fire protection services;
- 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 Town cost. For example, if a project requires that the Town 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 Town is to undertake the project, it must be budgeted.

Donations and Donations-In-Kind

Donations and Donations-In-Kind should be included in the 2012 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 have alternative funding source(s) identified. In cases where alternative funding sources are not available, a report will be written to Council requesting additional funds.

The level of authority for capital expenditures that exceed awarded commitments will be according to Expenditure Control Policy and as follows:

<i>Contract Overrun Value</i>	<i>Approval Required</i>
\$0 - \$10,000	Director
\$10,001 - \$50,000	Commissioner
\$50,001 - \$100,000	CAO
Greater than \$100,000	Council

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 Capital Budget reporting requirement to Council
- Define the process for requesting the reallocation of capital budget funds within approved projects
- Define the process for closing capital projects and the transferring of unexpended funds to reserves
- Define the process for the request of any new projects after the annual Capital budget has been approved.

Capital 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 effective decisions on all capital related items requiring approval.

Status Updates from Departments

To accurately administer the capital budget, Finance must be aware of the status of the project. On a quarterly basis, Departments will be required to forward to Finance an accurate, descriptive status of each project. The status must include 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. The information provided for each project will be consolidated semi-annually and reported to Council, for information purposes only.

Percentage of Funding Encumbered to Date

The status provided by the Departments will describe the work in progress. In addition to this information, Finance will provide a summary of the encumbrances to date. This report will include the percentage of budget encumbered, the known commitments, and expenditures. The information in this report will be for information purposes only.

Requests for Reallocation, Closed Project, and New Projects

Council will, on a semi-annual basis, approve or deny the reallocation of capital project funds, the closing of capital projects, and requests for new projects. Council will receive a detailed listing of each request for the reallocation of capital funds, a detailed listing of each project being closed, and any requests for new projects that may have been submitted.

Reallocating Capital Funds:

Throughout the life of a capital project there may be a need to make adjustments to the project that was originally approved. These adjustments may be to the budget dollars



required or to the project scope to adequately complete the project. Reallocated funding or new funding proposed must be appropriate to the project.

The establishment of a capital contingency project was approved by Council November 16, 2004. This project will be funded through transfers from completed tax funded capital projects to a maximum of \$250,000. Requests to use the Capital Contingency Project must be forwarded to the Treasurer for consideration.

In addition, a Planning DC (Development Charge) capital contingency project and an Urban Design DC capital contingency project are established to be utilized by the Planning department and Urban Design department to fund the DC (90%) portion of contingency requirements. These projects will be funded through transfers from completed development charge funded capital projects with development charge funding to a maximum of \$50,000 and \$100,000 for Planning and Urban Design respectively. Any development charge funding above the threshold amounts will be returned to the appropriate Development Charge Reserve Funds. The non development charge portion of the completed projects will be transferred to their original source(s) of funding. Requests to use the Planning and Urban Design Contingency Capital Projects must be forwarded to the Treasurer for consideration.

Approved reallocation of capital funds will result in the budgets of all affected projects amended and the funding transferred to reflect the approved change.

Request for Additional Funding of 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 may arise however, requiring additional funding. Requests for additional funding to an approved project are governed by the Expenditure Control Policy.

The request must include:

- The project name, original scope and budget;
 - The amount of additional funding required
 - An explanation of why the additional funding is required
 - The benefits of proceeding with the project at the increased cost
 - The identification of surplus funding from other existing projects, that can be re-allocated to fund the additional requirement, including an explanation for the surplus;
- Or**
- The identification of the capital contingency project as a source of funding will be considered by the Treasurer.
 - Other funding source, if necessary

Requests for additional funding will be approved as per Expenditure Control Policy and all requests for additional funding over \$100,000 will be taken directly to Council.

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. The scope of the approved project (additional works, materials or expanded mandate) may change however,

as the priorities of the organization and the Community change. Departments must forward all requests for a change in the scope of an approved project to the Treasurer for consideration.

The request must 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
 - Any budget shortfall/excess
 - The identification of surplus funding, from other existing projects, that can be re-allocated to fund the additional requirement, including an explanation for the surplus
- Or**
- The identification of the contingency capital project as a source of funding will be considered by the Treasurer.
 - Other funding source, if necessary.

Staff be authorized to refine the activities within the approved scope of the project subject to approval of the CAO.

Request to Consolidate Capital Project(s) of a Similar Scope

Many capital projects are submitted each year as part of an asset or infrastructure repair and replacement program. These projects are not always completed within the calendar year in which they are approved. This results in multiple active projects of a similar scope. This can be cumbersome to manage and may result in expenses being allocated incorrectly. Departments may request that projects of a similar scope be consolidated. The Treasurer will consider consolidation requests that clearly outline the incomplete work of each project and their anticipated costs. Any identified budget excess will be returned to the originally source of funding. The projects to be considered for consolidation must be of a similar scope and will be approved by the Treasurer. Requests for consolidation of projects with different scope will be taken directly to Council with the consent of the Treasurer.

Closing of Capital Projects

The timely closing of capital projects is imperative to ensure that surplus funds are not expended unnecessarily, and to ensure that the monies are returned to their original funding source.

In the event where an invoice is received after the closure of a capital project, the Treasurer has the authority to approve payment of the invoice from original funding source as previously approved for the project, providing the total costs of the project is within the original budget and within the same scope. Invoices not within original budget or scope will be processed in accordance with the Expenditure Control Policy and other sections of this Capital Budget Control Policy.



Capital Projects Initiated with Excess Funds

Projects are often initiated and kept open without activity for several years. Projects that remain inactive for a period of twenty-four months will be closed and the funding returned to their original funding source. A project will be considered inactive if it has no commitments or expenditures applied to it during the previous twenty-four months. Departments requesting a project remain active must present a business case to the Treasurer for consideration.

Capital Projects Uninitiated after Twenty Four Months

The annual submissions for Capital budget approval are prepared with the assumption that the project will be completed within the calendar year. Projects that remain uninitiated twenty-four months after approval are therefore likely to have inadequate funding. The scope of the project may also have changed as the asset has aged further. Projects that remain uninitiated twenty-four months after approval will be closed. A project will be deemed uninitiated if there are no commitments or expenditures within the two year period. Departments will have the opportunity to resubmit these projects for consideration during the annual Capital budget process.

Requests for New Capital Projects

Throughout the year, there may be the need to commence a capital project that was unanticipated during the annual capital budget process. Departments may submit their requests for new capital projects, supported by a business case, to the Treasurer. Surplus budget dollars from closed projects or the Capital Contingency Project may be identified as a potential source of funding for the new project. These requests will be included in the semi-annual report to Council for approval. Requests that cannot be accommodated in the semi-annual report, due to time constraints, may be addressed directly to Council with the consent of the Treasurer.

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 Town 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 Town 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 Town 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 Town 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 Town 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 Town 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 Town of Markham’s Vision and Mission and will not in any way reflect negatively on the Town’s public image. The Town 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 Town 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

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

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

“**Designate**” means the Town 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, Town Solicitor, Town Clerk, Town 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 Town 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 Town 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, Town asset and the Town controls the event’s spending.

The report must include:

- a) a request for the event to be classified as an “Official Town Event”
- b) a detailed budget
- c) the Town 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 Town.

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

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

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

6 SOLICITATION

No individual or organization shall solicit funds in the name of or on behalf of the Town without approval of the Chief Administrative Officer or Council or their approved designate unless they are doing so on behalf of an Official Town 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 donee, 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 donee, 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 \$50.00 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 Town 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 donee to pay for a portion of the donation and the amount paid by the donee 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 Town for \$85,000 with the request that the Town issue a tax receipt for the difference, \$15,000. Since the amount to be paid by the Town is in excess of 80% of the value of the land, the Town 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 Customs Revenue Agency's (CCRA) 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 Director of Financial and Client Services 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 Town.

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 Town'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 Town of Markham”, “Markham Theatre”, “Markham Museum”, or “Frederick Horman Varley Art Gallery”. No third party cheques will be accepted.

12 ACCOUNTING FOR DONATIONS OF GIFTS-IN-KIND

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

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 TOWN

15.01 Organizations that offer programs of genuine benefit to the community may request that the Town receive donations on their behalf for the purpose of issuing income tax receipts. Under the *Income Tax Act*, the Town 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 Town 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 Town 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 Town, 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 Town 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 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 Town of Markham (Town) 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 Town's 2009 Financial Statements included 2008 comparative numbers along with a budget. The Town's 2008 Financial Statements was restated to be PSAB 3150 compliant.

Effective January 1, 2009, the Town'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 Town departments, boards and commissions, agencies and other organizations falling within the reporting entity of the Town.

Purpose

The purpose of the following policy is to provide clear direction to ensure the Town'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:

- Compliance with PSAB 3150
- Consistent accounting treatment of asset related expenditures
- Gather and maintain information needed to prepare financial statements
- Fiscal responsibility
- 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 Town 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:

- 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;
- Have useful economic lives extending beyond an accounting period;
- Are to be used on a continuing basis; and
- 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:

- Intangible assets including copyrights, trademarks, patents, goodwill and easements;
- Natural resources – trees, woodlots(land value capitalized only)
- 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)).
- Studies including environmental assessments which are not directly related to an acquisition of a TCA.
- Assets listed for sale if the following conditions are met:
 - The asset is in a condition to be sold
 - There is an active market for the asset
 - There is a plan for selling the asset; and,
 - It is reasonably anticipated that the sale to a purchaser external to the Town 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 Town's operation. The following is a list of the Town's asset categories:

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

3.0 Capitalization

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

- All land;
- All buildings;
- 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);
- All others with unit cost of \$5,000 or greater.
- 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:

- Description of asset
- Year of acquisition
- Serial ID (or unique asset ID)
- Original historical cost including betterments
- 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 Town'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 Town'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 Town by developers will be recognized on the Town's Financial Statements in the year they are accepted by the Town 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 Town 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 Town'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:

- Major components may have significantly different useful lives and consumption patterns than the related tangible capital asset.
- 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 Town 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 Town.

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

Land conveyed to the Town 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 Town. 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 Town'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 Town'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 Town 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:

- A change in the extent to which the TCA is used
- A change in the manner in which the TCA is used
- Significant technological developments
- Physical damage
- Removal of the TCA from service
- A decline in or cessation of the need for the services provided by the TCA
- A decision to halt construction of the TCA before it is complete or in useable or saleable condition
- 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:

- 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.
- 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 Town. For substantially all of the benefits and risks of ownership to be transferred, one or more of the following conditions must be met:

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



- The lease term is of such duration that the Town will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span.
- The Town 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:

- Providing information on capital request forms identifying all information required for the eventual calculation of amortization.
- Advising the Manager of Finance Planning of all acquisitions, disposals and asset life expectancy changes.
- Ensuring proper control of tangible capital assets is maintained.
- Providing information about the availability, condition and usage of the asset as required.
- 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.
- 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:

- Maintaining the Town's asset register
- Accounting for all TCA in accordance with this policy
- Reporting of all TCA in the financial statements of the Town
- Establishing policies in compliance with PSAB, the Municipal Act and other Ministry guidelines.
- Updating this policy as required and monitoring compliance on an ongoing basis.
- Recording capital assets appropriately, confirming departments are charging expenses correctly, and that all asset costs are valid.
- Ensuring reporting requirements for provincially, federally or other funding sourced programs appropriately and accurately reflecting the impacts of PSAB (if any)
- Regular review of the useful life of each asset class.
- Periodic physical inventories, including spot-checks where feasible, to ensure all asset are still in use and available.
- Reporting to departments regarding capital assets
- 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 Town 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 Town'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 Town. 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 Town will obtain ownership of the leased property by the end of the lease term.
- b) The lease term is of such duration that the Town 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 Town 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 Town'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	
	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	

2012 BUSINESS PLANNING AND BUDGETING PROCESS

Business Planning	Operating Budget	Capital Budget
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Target Milestones	Description of Activity		
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Target Milestones	Description of Activity		
April 2011	Update/Revise BUP Template incorporating the 2011 Business Planning feedback		
April 18, 2011			Capital Database open for Capital Submission
May 6, 2011	Release calendar and communicate process to Business Units. Distribute BUPs		
May 20, 2011			Capital Database closed for Capital Submission
June 28, 2011			DF Review of ITS capital projects
July 4, 2011		Operating Database open for Budget Changes	DF Review of 2012 Capital
July 6, 2011			DF Review of 2012 Capital
July 11, 2011			DF Review of 2012 Capital
July 13, 2011			DF Review of 2012 Capital
July 29, 2011		Operating Database closed for Budget changes	
August 29, 2011	BUPs due to strategic managers		
September 14, 2011	Workshop with ELT and Business Units		
September 28, 2011		Final DF/ELT Workshop to review 2012 Operating and Capital Budget	Final DF/ELT Workshop to review 2012 Operating and Capital Budget
October 3, 2011		Budget Sub-Committee Meeting	Budget Sub-Committee Meeting
October 5, 2011		Public Consultation Meeting (Thornhill)	Public Consultation Meeting (Thornhill)
October 11, 2011			Budget Sub-Committee Meeting
October 12, 2011		Public Consultation Meeting (Milliken)	Public Consultation Meeting (Milliken)
October 13, 2011		Public Consultation Meeting (Unionville)	Public Consultation Meeting (Unionville)
October 20, 2011		Public Consultation Meeting (Markham)	Public Consultation Meeting (Markham)
October 21, 2011			Budget Sub-Committee Meeting
October 24, 2011		Budget Sub-Committee Meeting	Budget Sub-Committee Meeting
October 25, 2011		Budget Sub-Committee Meeting	Budget Sub-Committee Meeting
October 28, 2011		Budget Sub-Committee Meeting	
December 5, 2011			Budget Approval by Council
February 6, 2012			Amended Capital Budget approved by Council
February 7, 2012		Budget Approval by Council	

BUP	Business Unit Profile
ELT	Executive Leadership Team
DF	Directors Forum



2012 BUDGET OVERVIEW

Budget Framework

Council meets every four years to set the Town's goals and priorities. For 2012, Council's strategic priorities continue to address the initiatives defined in the 2007 – 2010 Council term:

- Growth Management
- Transportation / Transit
- Environment
- Municipal Services
- Parks, Recreation, Culture and Library Master Plan/Public Safety
- Diversity

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 Unit Profile (BUP). The BUP forms the basis for the Budget process. The Budget provides a framework to put the BUP into action.

Budget Process

In April 2011, staff began working on the business plans for 2012 for the respective Business Units. Each business unit was required to fill out a BUP that serves as a single reference for identifying 2012 proposed objectives of each business unit, in alignment to the Corporate goals and Council priorities. With reference to BUP, each business unit proposed its 2012 unit operating budget and capital project budget that together form the Budget of the unit.

A series of presentations, highlighting the proposed 2012 BUPs and aligning the plan to Council's priorities, were made by the respective department heads to the Directors' Forum (DF). 4 workshops for Directors' Forum (DF) and Chief Administrative Officer (CAO) and Commissioners (ELT) were held in September 2011 to finalize the initiatives to be undertaken in 2012.

The Workshop recommendations were incorporated in the proposed 2012 Budget presented at the Budget Sub-Committee meetings in October 2011, 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 six Budget Sub-Committee meetings were held to discuss the 2012 Budget. As well, four public meetings were held in October 2011 as an opportunity for residents, business and community leaders to obtain an overview of the Town's budget process and the status of the 2012 Budget. Attendees were invited to inquire about the budget and to provide feedback at these meetings.

On December 5, 2011 Council approved the Capital Budget. On February 7, 2012 the Operating, Waterworks, Planning & Design, Engineering, and Building Budgets were approved by Council.

Amendments to Approved Budget

On February 6, 2012 Council approved an amended Capital Budget. The amended changes can be found in Section 4b) Budget Presentation.

Budget Summary

The total approved 2012 Budget is \$381.0M comprising of \$171.6M towards Operating, \$106.8M towards Capital, \$8.0M towards Building Standards, \$6.7M towards Planning & Design, \$6.3M towards Engineering, and \$81.6M for Waterworks.

Operating Budget

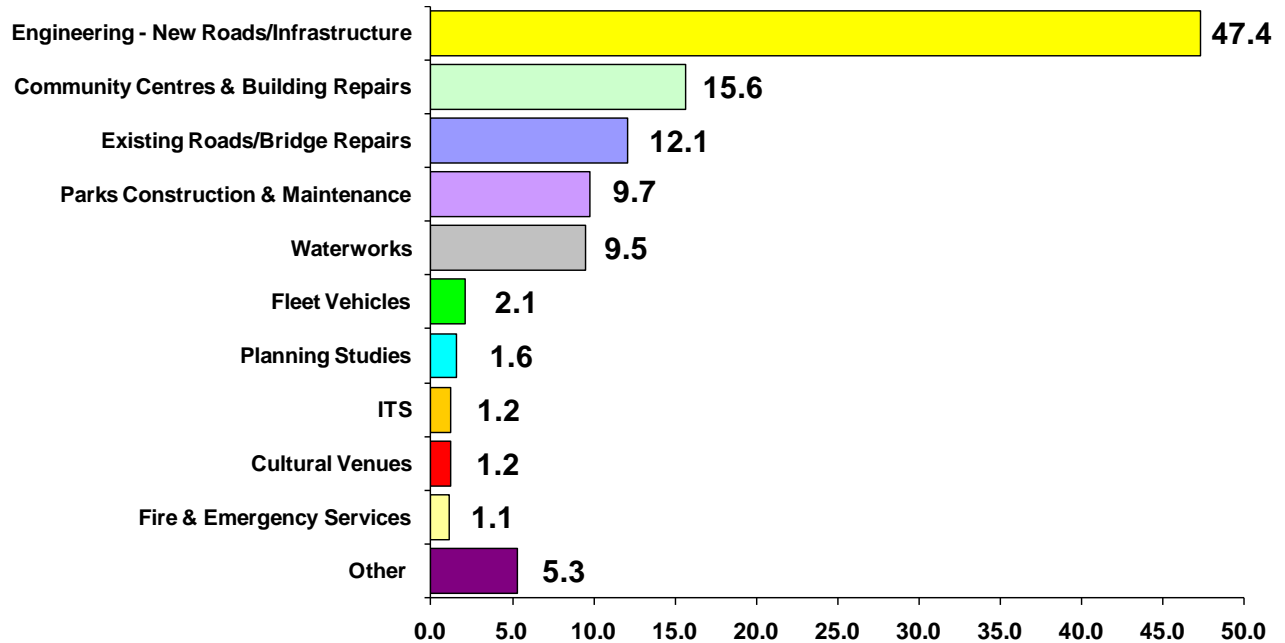
The Town of Markham continues to face inflationary pressures in many aspects of its operations. General inflation, waste collection and winter maintenance contracts, other contract renewals, and wage settlements have resulted in increased operating expenditures. Further, the Budget Sub-Committee approved the continuation of the Town'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, 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 2012 operating budget had an increase in expenditures of \$6.93M offset by an increase in revenues of \$5.26M resulting in a net shortfall of \$1.67M, equivalent to a tax rate increase of 1.5%.



Capital Budget

The breakdown of the Town of Markham's approved \$106.8M Capital Budget is shown below, by department:



The 2012 Capital Budget includes funding from various sources. The Federal Gas Tax grant funds \$4.0M for capital projects in the following areas:

- Bridge improvements
- Main Street Markham road improvements
- Asphalt resurfacing
- Traffic Control Signal Design and Construction
- Victoria Square Water/Sewer Connection

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 Town 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 2012 was \$7.8M for site preparation and internal consulting.

Key projects approved in the 2012 Capital Budget are:

- Structures Rehabilitation
- Design & Construction of New Parks
- Road Rehabilitation Programs
- Watermain Improvement Programs

- Facility Improvement Programs
- Stormwater Management Programs

The 2012 Capital Budget reflects the Town's commitment to maintain service levels to the community and balances social needs with fiscal prudence. This is a reflection of the Town's commitment towards fiscal stewardship. Further, consistent with existing Town policies, one-time funding is not used to balance the operating budget and the Town's commitment to increase contribution to the capital program by \$0.5M is maintained. The Town 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 Town has continued to contribute to each of the Land Acquisition and Environmental Land Acquisition Reserve Funds.

Waterworks Budget

Council approved the 2012 Waterworks Budget of \$81.6M. This marks an increase of \$6.6M over the 2011 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 2012, Council approved the Planning & Design Budget of \$6.7M. This represents a decrease of \$0.3M over the 2011 Budget.

Engineering Budget

Engineering is primarily funded through Engineering Fees and for 2012. Council approved the Engineering Budget of \$6.3M. This represents an increase of \$0.2M from the 2011 Budget.

Building Standards Budget

In July 2005, the Province enacted the "Building Code Statute Law Amendment Act" (Bill 124). This Bill was introduced to address the regulatory system related to Building Fees in the Province of Ontario. The Bill stipulates that the Municipality's fees do not exceed the costs (direct and indirect) of delivering the service.

Historically, Building Services fees included other development costs, such as Planning/Design and Engineering, and as such the Building Fees did not reflect the actual costs of delivering the service. Therefore, the implementation of Bill 124 resulted in a redistribution of revenue sources to reflect the true cost of providing the service.

For 2012, Council approved the Building Services Budget of \$8.0M. This represents an increase of \$0.6M from the 2011 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 six strategic priorities (Growth Management, Transportation/Transit, Environment, Municipal Services, Parks, Recreation, Culture & Library Master Plan/Public Safety and Diversity). These strategic priorities are incorporated and considered during the Town'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
- State of economic recovery and Interest rate fluctuations
- Utilities and fuel costs
- Legislation compliance
- Mitigating growth related pressures

During the 2012 Budget process, a two year operating budget forecast covering the years 2013 to 2014 was prepared with projected tax rate increases in the range of 2.7% to 3.7%.

TWO-YEAR OPERATING BUDGET FORECAST

	<u>2013 Projection</u>	<u>2014 Projection</u>
Total Revenues	2.58	2.86
Expenditures		
Wage Settlements	2.92	1.97
Growth	2.84	2.94
Municipal Service Contracts	1.05	1.10
Total Expenditures	<u>6.81</u>	<u>6.01</u>
Net Shortfall	<u>(4.22)</u>	<u>(3.15)</u>
Tax Rate Increase	3.7%	2.7%

SUMMARY OF FUNDS – OVERVIEW

The Town's financial statements are made up of 3 funds as follows:

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

Operating Fund

Funds all Town 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 Town 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.



2010 To 2012 SUMMARY OF RESERVE FUNDS (000's)

	2010 Actual	2011 Actual (Unaudited)	2012 Budget
Balance as of January 1	174,855	210,814	226,619
Other Revenue	1,915	1,165	8,024
Dividend from Markham Enterprises Corporation	3,854	3,445	-
Transfers in from Operating Fund	34,750	30,493	37,521
Transfer out to Capital Fund (net of unspent)	(4,560)	(19,298)	(44,454)
Balance as of December 31	<u>210,814</u>	<u>226,619</u>	<u>227,710</u>

DESCRIPTION OF RESERVES AND RESERVE FUNDS

The maintenance of Reserves and Reserve Funds is very important to the Town 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, 2011, the balance in the Town's Reserves and Reserve Funds was \$185.12 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 to be utilized to offset 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 Town to increase future insurance deductibles in order to reduce annual premium costs; funded from the annual operating surplus (if any) 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 Town will add to its inventory.



PARTNERSHIPS

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

**LONG TERM DISABILITY
BENEFITS**

To accumulate 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

To 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 & community organizations.

HERITAGE PRESERVATION

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

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**

See above.

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 Town.

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 Town 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 Town 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 Town and community based projects and initiatives that promote environment responsibility and enhances Town'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 Town 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 Town's Capital Budget.

WSIB

Allows the Town 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, 2010	Actual Balance December 31, 2011	2012 Budget			Estimated Balance December 31, 2012 S
			Developer and Other Contributions S	Transfer from Operating Funds S	Transfer to Capital Funds S	
<u>RESERVES</u>						
Waste Management Stabilization / Capital	27,883	27,883				27,883
Waterworks Stabilization / Capital	25,026,347	31,118,011		12,086,292	(9,498,734)	33,705,569
Corporate Rate Stabilization	16,003,923	16,419,178		686,000		17,105,178
Capital Gain Reserve	1,778,425	3,133,275				3,133,275
Insurance	1,475,361	1,967,011				1,967,011
Recreation & Culture Capital Replacement	-	-		369,262		369,262
Facility Ramp- Up	2,524,541	5,495,041			-	5,495,041
Long Term Disability Benefit	9,639,632	11,154,480				11,154,480
Partnership	15,612	15,612				15,612
Building Fee	90,026	6,822,719		468,956		7,291,675
Development Fee	(778,943)	(1,751,354)		(1,468,970)	(473,472)	(3,693,796)
Election Rebate	229,688	(103,641)		300,000		196,359
Election Expenses	45,168	317,534		70,000		387,534
Berczy Land Scape Feature	202,969	202,969				202,969
Firefighter's Sick Leave Benefits	5,417,900	5,565,200		41,000		5,606,200
Total Reserves	61,698,531	80,383,918	-	12,552,540	(9,972,206)	82,964,252
<u>RESERVE FUNDS</u>						
Theatre Endowment	282,601	287,082		35,000		322,082
Theatre Capital Improvement Fund	155,917	201,978				201,978
Heritage Preservation	108,625	94,470			(30,000)	64,470
Dedicated Heritage Property Grant	90,597	85,164				85,164
Markham Heritage Loans	294,206	297,922				297,922
Museum Endowment	57,047	58,101				58,101
Library Building Program	4,549,197	5,121,505		510,000		5,631,505
Land Acquisition Reserve Fund	3,321,268	4,018,880				4,018,880
Life Cycle Replacement & Capital	94,678,676	100,781,021		24,423,647	(29,065,138)	96,139,530
10% Non DC Growth	6,775,506	-			-	-
Environmental Sustainability	444,918	290,894				290,894
Environmental Land Acquisition	7,242,601	7,758,391				7,758,391
Markham Trees for Tomorrow	226,749	229,613				229,613
Workplace Safety Insurance Board (WSIB)	2,764,490	2,799,401				2,799,401
Non DC Growth	-	16,435,438			(1,132,036)	15,303,402
Waterworks	219,397	222,168				222,168
Pre Development Charges Act Engineering Growth	17,895,194	-			-	-
Road Resurfacing	1,831,635	1,087,748			(254,400)	833,348
Parks 5% Cash in Lieu	427,978	(166,268)				(166,268)
Tree Replacement	5,825	5,897				5,897
Administration Lot Levies - Expenses	-	-				-
Administration Lot Levies - Interest Income	-	-				-
Gas Tax Revenue	7,743,147	6,625,522	8,023,752		(4,000,000)	10,649,274
Total Reserve Funds	149,115,574	146,234,927	8,023,752	24,968,647	(34,481,574)	144,745,752
Total Reserve And Reserve Funds	210,814,106	226,618,845	8,023,752	37,521,187	(44,453,780)	227,710,004
Development Charges Reserve Funds *	116,690,542	111,920,532	45,677,131	-	(47,894,264)	109,703,399
Total	327,504,647	338,539,377	53,700,883	37,521,187	(92,348,044)	337,413,403

* Town'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.

** Actual Reserve and Reserve Fund balance as at December 31, 2010 includes unspent portion of Reserves at the year end.



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 net of 2012 surplus	12,086,292		Transfer to reserves in order to sustain future Waterworks replacement and rehabilitation requirements
Funding of Capital Projects		(9,498,734)	Transfer to Capital Budget on order to fund Waterworks 2012 capital projects
<u>Corporate Rate Stabilization</u>			
Transfer of 2011 Operating surplus	686,000		Top-up Operating surplus remaining from 2011 year end
<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>Building Fee</u>			
Transfer from Operating Fund	468,956		Transfer of Building Operating Budget based on 2011 projected performance
<u>Development Fee</u>			
Transfer from Operating Fund	(1,468,970)		Transfer of Planning and Engineering Operating Budget based on 2012 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		(473,472)	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

RESERVES AND RESERVE FUNDS CONTINUITY SCHEDULE

EXPLANATION OF BUDGET CHANGES

Description	Transfer from Operating Funds \$	Transfer to Capital Funds \$	Details
<u>Heritage Preservation</u>			
Transfer to fund Capital Projects	(30,000)	-	Funding of 2012 capital projects associated with Heritage Preservation
<u>Library Building Program</u>			
Transfer from Operating Fund	510,000		Transfer from Operating Budget for future library building projects
<u>Life Cycle Replacement & Capital</u>			
Transfer from Operating Fund	24,423,647		Transfer from Operating Budget to fund asset life cycle replacements
Transfer to fund Capital Projects		(29,065,138)	Funding of 2012 capital projects associated to asset replacements
<u>Non Development Charges Growth</u>			
Transfer to fund Capital Projects		(1,132,036)	Funding of 2012 Engineering capital projects associated with non-growth related area
<u>Road Surfacing</u>			
Transfer to fund Capital Projects		(254,400)	Funding of 2012 capital projects associated with road surfacing
<u>Gas Tax Revenue</u>			
Transfer from Other Revenue	8,023,752		Gas tax revenue received from federal government transferred funds for capital projects
Transfer to fund Capital Projects		(4,000,000)	Funding of 2012 capital projects identified as gas tax revenue eligible or for capital projects to be developer funded



DESCRIPTION OF TRUST FUNDS

The Town of Markham has seven 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 ENVIRONMENTAL ADVISORY 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. The Markham Conservation Committee Trust Fund was re-named to Markham Environmental Advisory Committee Trust Fund.

ELECTION – CANDIDATES SURPLUS FUNDS TRUST ACCOUNT

The Election - Candidates Surplus Funds Trust Account was established under the Municipal Elections Act to hold surplus campaign funds received by registered candidates in a previous election, to credit interest earned to the surplus funds while held in trust, and to distribute the funds to the registered candidate or to the municipality, school board or local board, as the case may be, in accordance with the Act.

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. During the year, Thornhill Cemetery Trust Fund was merged with Town's other Cemeteries.

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.

Below is a financial summary of the 7 above mentioned Trust Fund accounts:

TRUST FUND CONTINUITY SCHEDULE

THE CORPORATION OF THE TOWN OF MARKHAM TRUST FUNDS

Statement of Financial Position

December 31, 2011 with comparative figures for 2010

	2011							2010		
	Morgan Park Trust	Varley-McKay Trust	Markham Conservation Committee Trust	Elections Surplus Trust	Cemetery Trust	Thornhill Cemetery Trust	Older Adults In Action Trust	Markham History Res & Pub Trust	Total	Total
Bank balance	\$ 64,889	\$ 1,312,120	\$ 12,015	\$ -	\$ 759,720	\$ 100,548	\$ 8,240	\$ 77,256	\$ 2,334,788	\$ 1,764,837
Payable to Varley-McKay Foundation	-	(13,316)	-	-	-	-	-	-	(13,316)	(9,618)
Fund balance	\$ 64,889	\$ 1,298,804	\$ 12,015	\$ -	\$ 759,720	\$ 100,548	\$ 8,240	\$ 77,256	\$ 2,321,472	\$ 1,755,219

Statement of Financial Activities and Fund Balances

Year ended December 31, 2011 with comparative figures for 2010

Receipts										
Interest Eamed	2,613	54,916	494	307	31,006	-	332	3,112	92,780	73,921
Sale of plots	-	-	-	-	37,391	-	-	-	37,391	18,925
Transfer of assets from Thornhill Cemetery to Town	-	-	-	-	522,610	-	-	-	522,610	100,548
	2,613	54,916	494	307	591,007	-	332	3,112	652,781	193,394
Expenditures	-	-	(299)	(307)	(31,006)	-	-	-	(31,612)	(120,184)
Distributable to Foundation	-	(54,916)	-	-	-	-	-	-	(54,916)	(57,168)
	-	(54,916)	(299)	(307)	(31,006)	-	-	-	(86,528)	(177,352)
Excess of receipts over expenditures and distributions	2,613	-	195	-	560,001	-	332	3,112	566,253	16,042
Fund balance, beginning of year	\$ 62,276	\$ 1,298,804	\$ 11,820	\$ -	\$ 199,719	\$ 100,548	\$ 7,908	\$ 74,144	\$ 1,755,219	\$ 1,739,177
Fund balance, end of year	\$ 64,889	\$ 1,298,804	\$ 12,015	\$ -	\$ 759,720	\$ 100,548	\$ 8,240	\$ 77,256	\$ 2,321,472	\$ 1,755,219

The accompanying notes are an integral part of these financial statements.

PUBLIC INFORMATION MEETING PRESENTATION

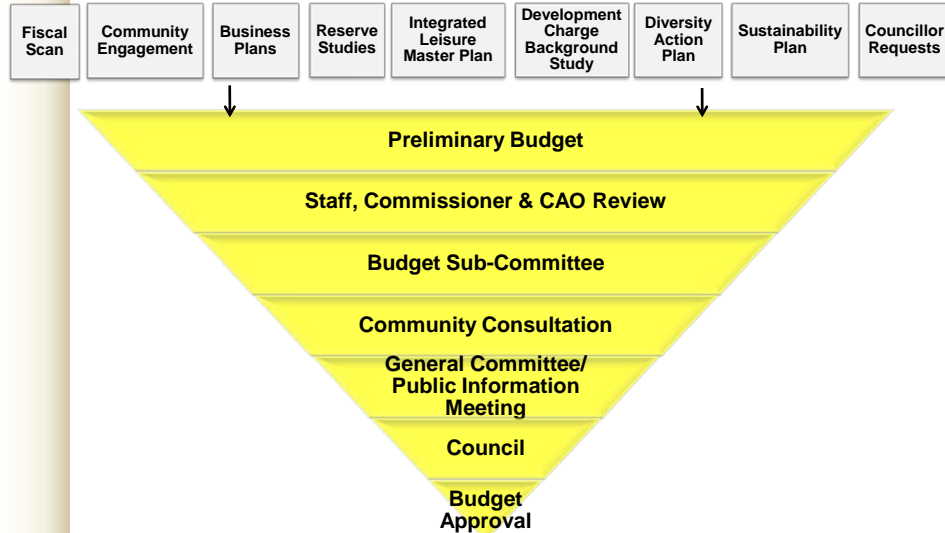
Note: 4 public consultation meetings were held in October 2011 where residents provided input to the 2012 budget



Agenda

- Opening Remarks by Ward 7 Councillor Logan Kanapathi, Vice Chair of Budget Sub-Committee
- Budget Presentation by Andrea Tang, Manager of Financial Planning
- Questions & Comments

Budget Process



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2012 Budget Process

May	<ul style="list-style-type: none"> ➢ Departments developed their respective Capital Budgets.
July	<ul style="list-style-type: none"> ➢ Departments developed their respective Operating Budgets. ➢ Finance consolidated all Capital Budget requests for Directors Forum (DF) review. ➢ DF Capital Budget review and prioritization meetings. <ul style="list-style-type: none"> ➢ The purpose of these sessions was to review all capital expenditure requests from across the organization and provide a recommendation to CAO & Commissioner Committee (CCC).
August	<ul style="list-style-type: none"> ➢ Business Unit Profile (BUP) submissions from departments. ➢ Finance review of the base Operating Budget.
September & October	<ul style="list-style-type: none"> ➢ Business Unit Profile (BUP) workshop with DF and CCC. <ul style="list-style-type: none"> ➢ This was the presentation by each Director to CCC of their respective BUPs. Staff were invited to listen in on this workshop via live audio webcast accessible through Checkmark. ➢ CCC review and discussion of BUPs and the proposed Operating Budget. ➢ Final CCC review of the Operating and Capital Budgets with a recommendation to present to the Budget Sub-Committee (BSC)

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2012 Budget Process (cont'd)

- Six Budget Sub-Committee Meetings are scheduled in October on the 3rd, 11th, 21st, 24th, 25th, and 28th

Four Community Consultation Meetings are also scheduled in October all from 7:00pm – 9:00pm on the following dates:

1. Wednesday, October 5th – Thornhill (Thornhill Community Centre)
2. Wednesday, October 12th – Milliken (Father Michael McGivney Academy)
3. Thursday, October 13th – Unionville (Civic Centre)
4. Thursday, October 20th – Markham (Markham Train Station)

- Residents also have the option to provide their input to the 2012 budget process online through Markham's official Facebook site

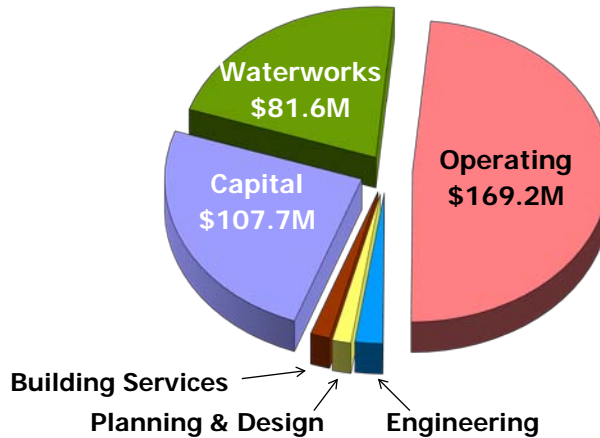
2012 Budget Process (cont'd)

Once the Budget Sub-Committee and Community Consultation meetings are complete, the following process will take place to finalize the budget:

- November 14, 2011 General Committee – Recommend Budget to be presented at the Public Information Meeting
- November 16, 2011 Public Information Meeting (7:00pm)
- November 21, 2011 General Committee – Feedback from the Public Meeting and recommend budget to Council
- November 22, 2011 Council Decision

Information on the 2012 Budget is available on the Town's Portal at www.markham.ca

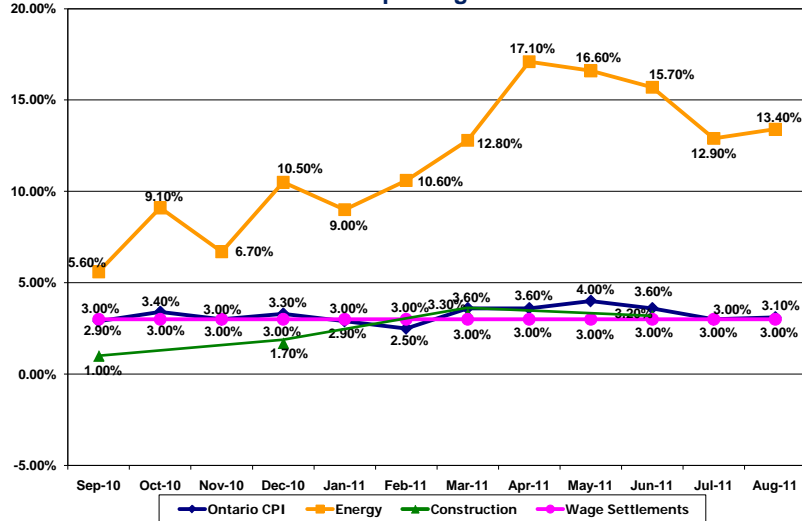
2012 Proposed Budget



Economic Trends

- Inflation:
 - 3.1% CPI, Canada, All Items (Aug. 2010 to Aug. 2011)
 - 3.1% CPI, Ontario, All Items (Aug. 2010 to Aug. 2011)
 - 13.4% Energy Index (Aug. 2010 to Aug. 2011)
 - 3.2% Construction Index (Jun. 2010 to Jun. 2011)
- Stock market indices (1 year and 3 month changes):
 - TSX – 4.0% decrease (Sept. 2010 to Sept. 2011), 9.7% decrease (June 2011 to Sept. 2011)
 - Dow – 2.1% increase (Sept. 2010 to Sept. 2011), 8.3% decrease (June 2011 to Sept. 2011)
- Markham housing sales are up 40.4% (Jun. 2010 to Jun. 2011)
- Greater Toronto Area (GTA) housing sales are up 21.2% and the average price is up 9.5% (Jun. 2010 to Jun. 2011)
- Condo sales in Oakville, Markham & Vaughan are up 105% (Aug. 2010 to Aug. 2011)
- Unemployment rate in Ontario is 7.5% for August 2011, a decrease of 1.3% compared to the August 2010

Economic Trends Indices Impacting Markham



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Fiscal Scan

Wage Settlements

Growth

Municipal Service Contracts

Infrastructure

Provincial Legislation

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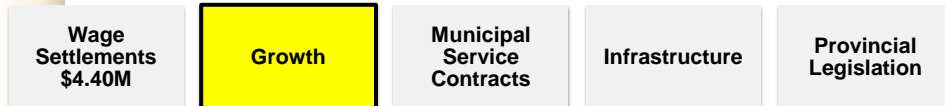
Fiscal Scan



Total personnel expenditures represent approximately 60% of the operating budget

Net Total: \$4.40M

Fiscal Scan

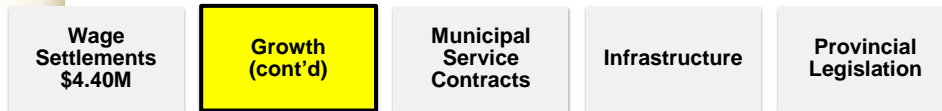


➤ Future staff ramp-up related to new facilities:

- Cornell Fire Station
- Southeast Community Centre
- Pan Am Facility
- 100 acre Sports Park
- Operations Works Yard
- Milliken Mills Library Expansion

➤ Future support staff ramp up

Fiscal Scan



- Increase in costs related to:
 - 1.8% increase in tonnage – waste collection
 - 6 additional km's of road – maintenance, street & catchbasin cleaning
 - 600 new street lights to power, maintain & repair
 - 6 additional hectares of parks – park maintenance
 - 60 hectares of park maintenance related to window streets, valleys & natural areas and stormwater management ponds
 - Winter maintenance
 - Contribution to the capital program
 - Phase-in of Operations Works Yard
- Total: \$1.67M**

Fiscal Scan



- Winter maintenance inflation and phase-in
 - Fuel cost increase on the waste collection contract (no CPI increase)
 - Centennial Community Centre GO parking garage maintenance costs
 - Parks tree pruning
 - Contract escalations
- Sub-total: \$0.88M**
- Offset by support services to Building, Planning & Design, Engineering & Waterworks (\$0.67M)
- Total: \$0.21M**

Fiscal Scan



➤ There are infrastructure pressures identified in the following areas:

Life Cycle Reserve Study

- Stormwater Management
 - Flood Control Allowances
 - Townwide Watercourse Erosion Control
 - Watercourse Management

Water & Wastewater Reserve Study

- Projected increases from the Region of York
- Sustainability of future water rates

Development Charges Background Study

- Non-growth portion of Town wide hard services

Fiscal Scan



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 toward a new draft Official Plan will be completed in 2012

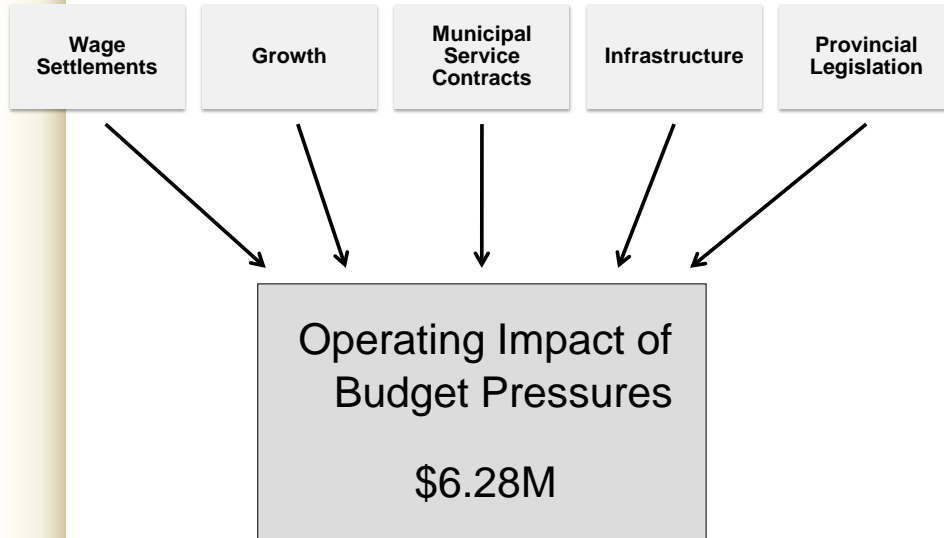
Accessibility

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.

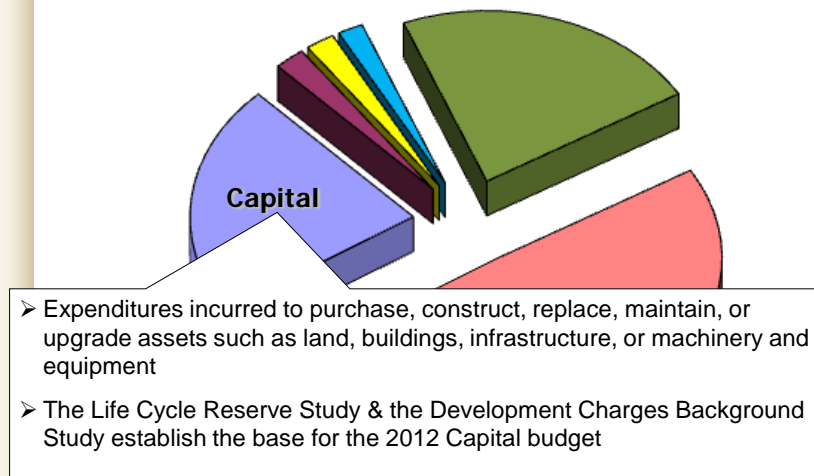
Bill 168 - Occupational Health and Safety Amendment Act (Violence and Harassment in the Workplace) 2009

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. Workplaces in Ontario are now required to have specific policies, programs, measures and procedures in place.

Fiscal Scan

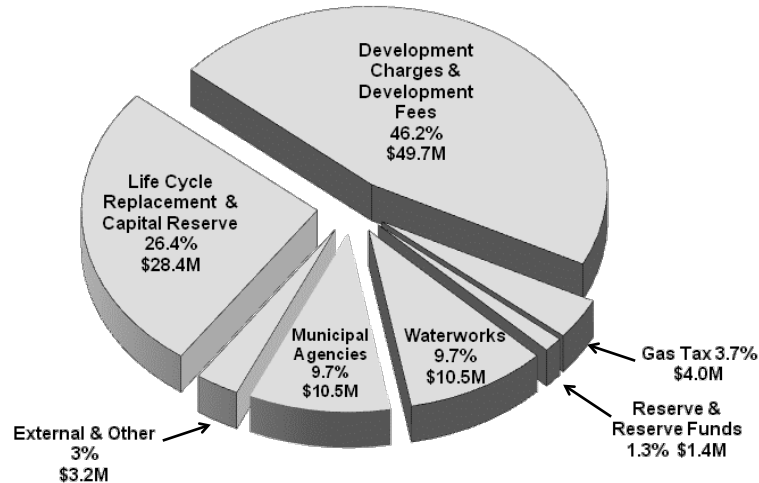


2012 Budget



2012 Capital Budget Funding Sources

Total \$107.7M (\$ in Millions)



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Development Charges

- A Development Charge (DC) is a fee charged to new development, paid by developers, to finance the cost of growth-related capital facilities and infrastructure
- As the Town grows, new infrastructure and facilities are required to maintain service levels, e.g. Roads, Community Centres, Fire Stations, Libraries, Parks

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Development Charges

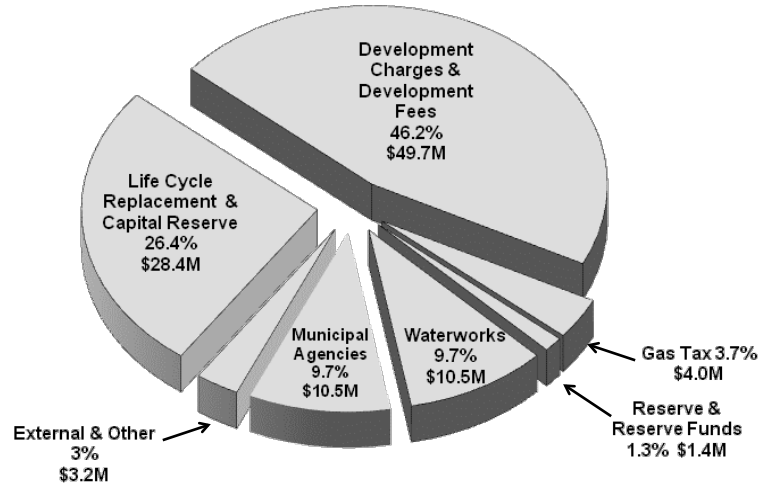
- Eligible growth-related services which can be funded from Development Charges:
 - Water
 - Waste water
 - Storm water drainage and control
 - Roads and related works
 - Fire protection
 - General Government – e.g. DC Background Studies
 - Library services
 - Indoor recreation
 - Park development and facilities – e.g. Soccer fields
 - Public Works – e.g. Fleet, Works Yard

Development Charges

- Services that are excluded from DC's:
 - Cultural and entertainment facilities, including museums, theatres and art galleries
 - Tourism facilities including convention centres
 - Parkland acquisition including open spaces and trails (except land for indoor recreation buildings)
 - Hospitals
 - Headquarters for general administration of municipalities and local boards
 - Waste management

2012 Capital Budget Funding Sources

Total \$107.7M (\$ in Millions)



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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 to sustain future rehabilitation and replacement requirements for the next 25 years

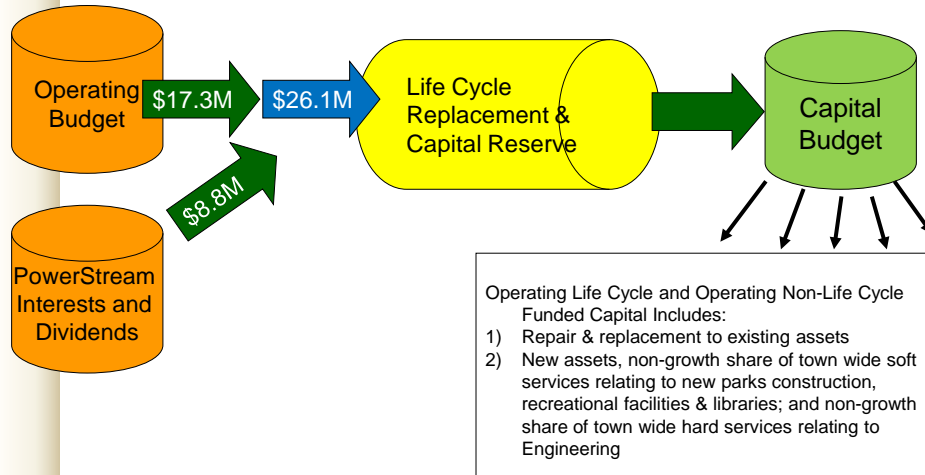
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Life Cycle Replacement and Capital Reserve Fund 2012 Preliminary Budget



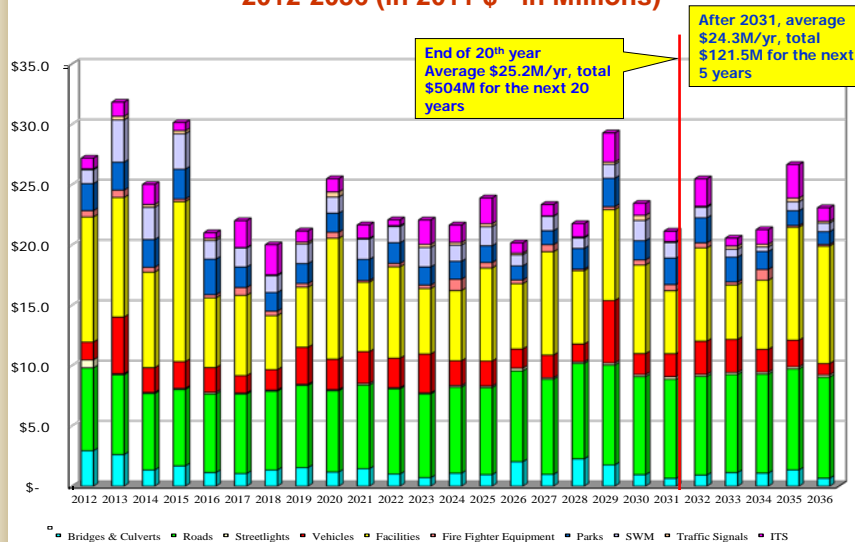
Reserve Study Update Process

- 2011 update covers the years 2012 to 2036
(2010 update for years 2011 to 2035)
- Includes all assets as identified by the departments to the end of December 2010
- Includes new purchases/assets as identified in the 2011 Capital Budget

Life Cycle Reserve Study

- Assets included in the Life Cycle Reserve Study are:
 - Roads
 - Facilities
 - Vehicles & Operations Equipment
 - Parks
 - Stormwater Management (SWM) & Storm Sewers
 - ITS Infrastructure
 - Structures (Bridges & Culverts)
 - Fire Fighter Equipment
 - Traffic Signals
 - Streetlights
- Assets not included in the Life Cycle Reserve Study are:
 - Flood control allowances
 - Town-wide watercourse erosion control
 - Watercourse management

25-Year Projected Life Cycle Expenditures – By Component 2012-2036 (in 2011 \$ - in Millions)

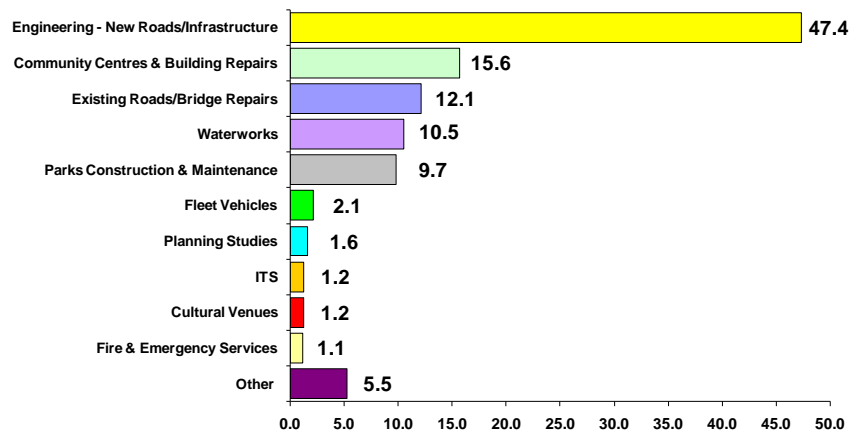


Financial Implications

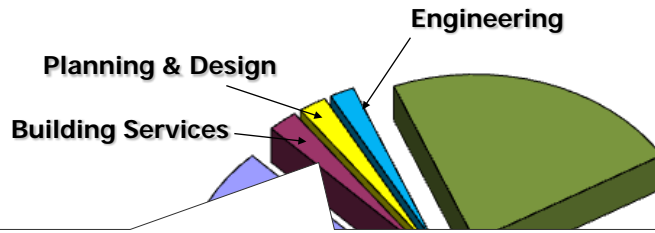
- Based on the updated inflows and outflows, there is sufficient funds for the major replacement and rehabilitation of existing assets with known work programs for the next 25 years (2012 to 2036).

2012 Capital Budget Expenditure Types

Total \$107.7M (\$ in Millions)



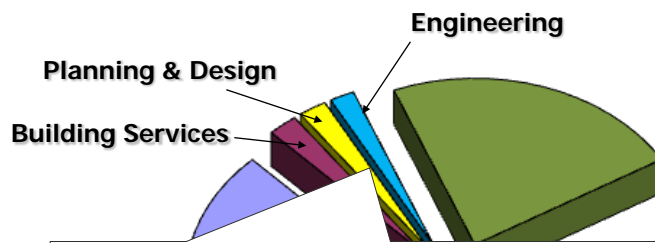
2012 Budget



Self-funded (i.e. funded from Building Permits) which does not impact the tax rate

Development Fee By-Law is amended annually to include any fee increases related to building permit applications

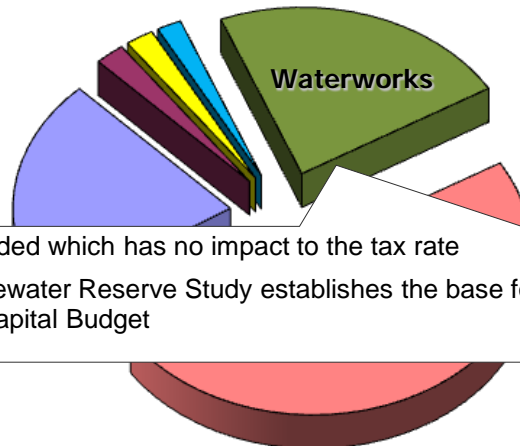
2012 Budget



Primarily funded from Planning & Engineering Fees which has nominal impact to the tax rate

Development Fee By-Law is amended annually to include any fee increases related to Planning and Engineering fees

2012 Budget



- Water rate funded which has no impact to the tax rate
- Water & Wastewater Reserve Study establishes the base for the 2012 Waterworks Capital Budget

Water & Wastewater Reserve Study

- Markham implemented the Reserve Study in 2007
- 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 are adequate funding in the reserve to sustain future rehabilitation and replacement requirements for the next 25 years

Reserve Study Update Process

- 2011 update covers the years 2012 to 2036
(2010 update for years 2011 to 2035)
- Includes all assets as identified by the departments to the end of December 2010
- Includes new purchases/assets as identified in the 2011 Capital Budget
- In addition, the Reserve Study also incorporates the following items:
 - o Region's proposed rate increase
 - o Council approved infrastructure surcharge

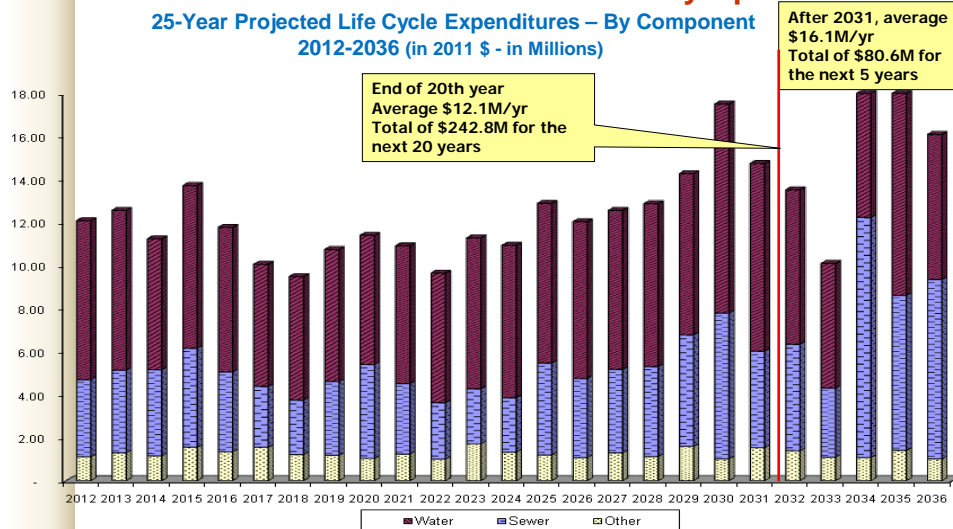
Water & Wastewater Reserve Study 2011 Update Process

- Assets included in the Water & Wastewater Reserve Study are:

Category	Measurement
Watermains	1,060 KM
Sanitary Sewers	840 KM
Water Meters	73,000
Hydrants	7,900
Sample Stations	100
Pumping Stations	5
Flushing Stations	4

2011 Water & Wastewater Reserve Study Update

25-Year Projected Life Cycle Expenditures – By Component
2012-2036 (in 2011 \$ - in Millions)



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2011 Water & Wastewater Reserve Study Update

- The York Region report dated May 5, 2011 approved a 10% increase in the 2012 water and wastewater rates based on a multi year plan effective April 1, 2012
- Each year the increase identified in the multi year plan is reviewed and confirmed by the Regional Council as part of the budget process
- The Region's current wholesale rate is \$1.4873/m³. The Region's increase will be \$0.1487/m³ based on the approved 10% increase which will be passed into the Town of Markham

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Water & Wastewater Infrastructure Surcharge

- On November 26, 2007, Council approved a Water & Wastewater Infrastructure Surcharge of \$0.4137/m³ to be phased-in over 10 years effective January 1, 2008
- The 10 year phase-in starts with an increase of \$0.0827/m³ (20% of total increase) in 2008 and an increase of \$0.0621/m³ (15% of total increase) in 2009. The remaining 65% increase of \$0.2689 will be spread evenly over the following 8 years which is equivalent to an increase of \$0.0336/m³ per year from 2010 to 2017 inclusive

2011 Water & Wastewater Reserve Study Update

- Based on:
 - Region of York's 2012 approved rate increase of 10%
 - Council approved infrastructure surcharge
 - Inflation
 - Population growth adjustment
- The Town's proposed 2012 Water/Wastewater rate is:

	\$/m ³
2011 Approved Rate	2.4164
Region's Rate Increase	0.1487
Surcharge	0.0626
Markham's Proposed 2012 Retail Rate	2.6277

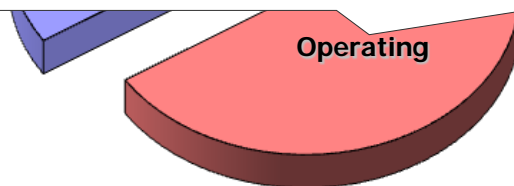
Increase of \$0.2113/m³ or 8.7% from the 2011 rate (which incorporates the Region's increase of 10%)

2012 Water & Wastewater Rate Approval Process

- The Town's proposed 2012 Water/Wastewater rate is \$2.6277/m³, an increase of \$0.2113/m³ or 8.7% from 2011 rate
- Oct. 25, 2011 – Public Meeting
- 6:30pm at the Markham Civic Centre, Council Chamber
- Nov. 14, 2011 – Report to General Committee on feedback from the Public Meeting and the proposed 2012 Water/Wastewater rate
- Nov. 22, 2011 – Council Decision
- Apr. 1, 2012 – Implementation of the 2012 Water/Wastewater Rate

2012 Budget

- Expenditures incurred to account for Markham's day-to-day operations (except for Building Services, Planning & Design, Engineering, and Waterworks)
- Tax revenue is the major funding source
- Incremental Budget – All accounts at 2011 base budget levels were reviewed and reallocations and/or reductions were adjusted as required.
- 1% tax rate increase equates to \$1.1 million increase in revenue



2012 Preliminary Operating Budget Detail

(\$ in Millions)

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

	2011	2012	Increase/ (Decrease)
	\$	\$	\$
Total Revenues	164.64	169.16	4.52
Assessment Growth (2.49%)			3.09
East Markham Community Centre User and Program Fees			0.54
Leasing of 8100 Warden			0.41
Investment Income			0.20
Additional Parks Maintenance Recovery from the Region			0.11
CPI Adjustment for User and Program Fees			0.11
Other			0.06
Total Revenue Increase			4.52

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Towards a Sustainable Community

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2012 Preliminary Operating Budget Summary

(\$ in Millions)

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

		<u>Increase/ (Decrease)</u>
Wage Settlements		4.40
Growth		
Future Staff Ramp-up Related to New Facilities	0.42	
Future Support Staff Ramp-up	0.20	
Transfer to Capital	0.50	
Growth (roads, waste, parks, streetlights and winter maintenance)	0.40	
Parks maintenance (window streets, valleys & natural areas and stormwater management ponds)	0.10	
Non-Personnel Ramp-up for a Future Operations Works Yard	0.10	
Other	(0.05)	
Sub-total Growth		1.67
Municipal Service Contracts		
Winter Maintenance Requirement and Phase-In	0.26	
Fuel Cost Increase (waste collection)	0.24	
Maintenance Costs - Centennial C.C. GO Parking Garage	0.10	
Parks Tree Pruning	0.10	
Contract Escalation	0.10	
Support services for Building, Engineering, Planning & Design, Waterworks	(0.67)	
Other	0.08	
Sub-total Municipal Service Contracts		0.21
Total Expenditures		6.28

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2012 Preliminary Operating Budget Summary

(\$ in Millions)

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

	2011 \$	2012 \$	Increase/ (Decrease) \$	Tax Rate Increase
Revenues	164.64	169.16	4.52	
Expenditures				
Personnel	95.95	100.97	5.02	
Non-Personnel	68.69	69.95	1.26	
Total Expenditures	164.64	170.92	6.28	
Net Shortfall before New Support Staff			(1.76)	1.58%
New Support Staff			(0.31)	
Net Shortfall including New Support Staff			(2.07)	1.86%

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Impact of Markham Tax Rate Increase on an Average Residential Property

Average Current Value of a Residential Property in Markham = \$458,000

Tax Dollar Impact per Household

1% Tax Rate Increase = \$10.80

1.58% Tax Rate Increase = \$17.06

1.86% Tax Rate Increase (including new support staff) = \$20.09

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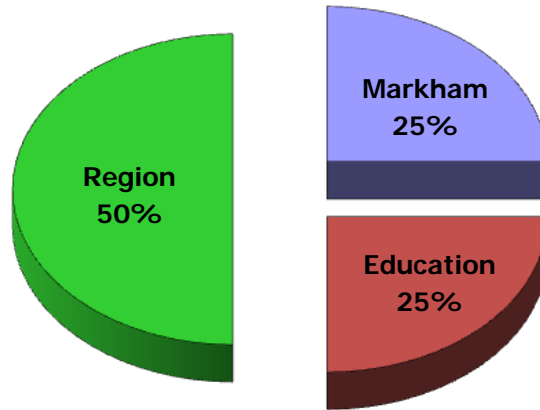
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Assessment and Property Taxes

2011 Property Tax Distribution
Residential



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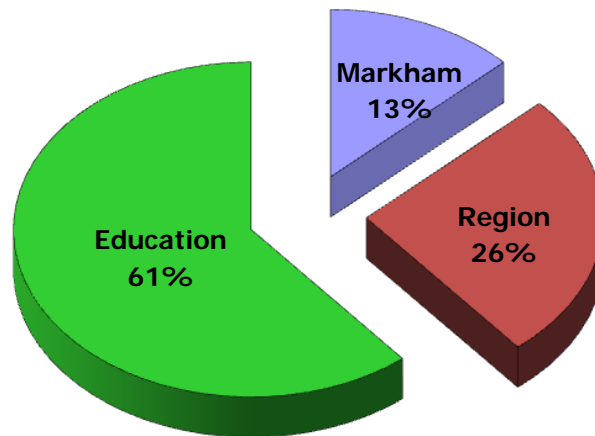
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Assessment and Property Taxes

2011 Property Tax Distribution
Non-Residential



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Assessment & Property Tax

Property Assessment

- Municipal Property Assessment Corporation (MPAC) - responsible to value and assess all properties in Ontario – funded by municipalities
- Property Assessment - based on the market value of the property and is known as Current Value Assessment (CVA)
- 4 year cycle beginning in 2009 (based on 2008 values) with increases phase in over 4 years. All residential decreases flowed through in 2009
- 2012 tax year is the 4th year of the 4 year cycle

Future Budget Challenges

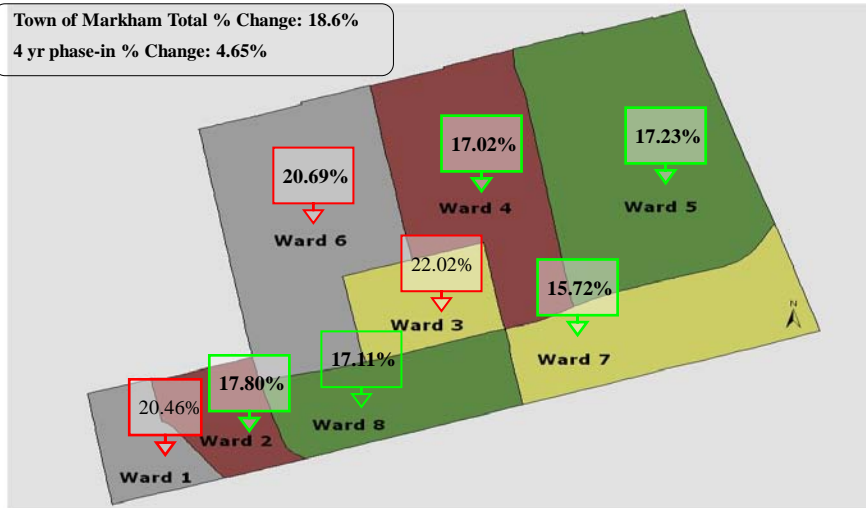
1. Existing infrastructure repairs & replacements
 - Sufficient funding for known assets
 - Unfunded environmental infrastructure (flood control allowances, Town wide watercourse erosion control and watercourse management)
2. New infrastructure demands
 - Non growth portion of Town wide hard services
 - Integrated Leisure Master Plan (Non growth portion of soft services)
 - Public Works Yard
3. Wage settlements and benefit costs
4. Contract renewals and committed multi-year contracts
 - Inflation & Escalation

Future Budget Challenges (continued)

5. State of economic recovery
 - Impact on building permit activity and associated revenues
6. Interest rate fluctuations
7. Utilities and fuel costs
8. Legislation compliance
 - Accessibility for Ontarians with Disabilities Act
 - Bill 168 Occupational Health and Safety Amendment Act

Residential CVA Impact by Ward

Town of Markham Total % Change: 18.6%
4 yr phase-in % Change: 4.65%



Calculation of Taxes

Assessed Value x Tax Rate = Taxes

Example: \$458,000 x 0.23756% = **\$1,088**

Total Property Taxes for 2011

Town:	\$1,088	0.23756%
York:	\$2,123	0.46352%
Schools:	<u>\$1,058</u>	<u>0.23100%</u>
Total:	\$4,269	0.93208%

Town collects taxes on behalf of the Region of York and the Province of Ontario (School Board)

Tax Rate Comparison 2011 GTA Municipalities (includes Town, Region & school rates combined)

- Residential: Markham is 3rd lowest (same as in 2010)
- Multi-residential (apartments): Markham is the lowest (same as in 2010)
- Commercial: Markham is 2nd lowest (same as in 2010)
- Industrial: Markham is the lowest (same as in 2010)

2012 Budget Summary Highlights

Fiscal Stewardship

- **Financial Prudence**
 - Continued policy of not using one-time funding to balance the Operating Budget
 - Continued commitment to allocate additional funding to the Capital program
 - Continued contribution to both the Land Acquisition and Environmental Land Acquisition Reserve funds
 - **Ramp-ups**
 - Continued Phase-in of future costs for:
 - Cornell Fire Station
 - Southeast Community Centre
 - PanAm facility
 - 100 acre Sports Park
 - Operations Works Yard
 - Milliken Mills Library Expansion
 - Future support staff
 - **Service Levels**
 - **Reserve Studies**
 - Service levels have increased with the opening of the Cornell Fire Station and the East Markham Community Centre & Library
 - No user fee increases, excluding CPI
- Annual update of the Capital Life Cycle Repair & Replacement Reserve Study and the Water/Wastewater Reserve Study

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Highlights of 2012 Proposed Capital Budget

Environment (\$ in Millions)

- **Roofing Replacements with Solar Panel installations** **\$1.80**
- **Stormwater Management & Environmental Asset Program** **\$0.31**
- **Continuation of the Trees for Tomorrow Initiative & Replacement of Trees** **\$0.28**
- **Waste Management Initiatives** **\$0.18**
- **Huntington Park Permeable Paving Program** **\$0.10**



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Highlights of 2012 Proposed Capital Budget

Growth (\$ in Millions)

- **New Parks Design & Construction** **\$4.20**
 - Victoria Square Playground & Waterplay - Construction
 - South Unionville Ray St. Parkette - Construction
 - Boxgrove Southeast Heritage House Parkette – Design
 - Grand Cornell Park – Construction
 - Cornell Rouge East Woodlot Park – Construction
- **Growth Management Strategies** **\$1.10**



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Highlights of 2012 Proposed Capital Budget

Transportation & Transit (\$ in Millions)

- **Hwy 404 Bridge North of Hwy 7 - Construction** **\$15.70**
- **Birchmount Road Bridge at Rouge River – Construction** **\$15.00**
- **Hwy 404 Ramp Extension – Hwy 7 - Construction** **\$8.10**
- **Sidewalk & Illumination Improvement Programs** **\$3.60**
- **Centurian Drive – Allstate Pkwy to Woodbine Ave. - Construction** **\$2.10**
- **Streetlight Replacement & Insection Program** **\$0.94**
- **Main Street, Markham – Hwy 7 to Bullock Dr. - Construction** **\$0.90**
- **Traffic Control Signals & Traffic Operational Improvements** **\$0.87**
(also included in Integrate Leisure Master Plan/Public Safety)
- **Transportation Demand Management Program** **\$0.28**

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Highlights of 2012 Proposed Capital Budget

Service Levels (\$ in Millions)

➤ Watermain & Sanitary Sewer construction and replacement program	\$6.90
➤ Roads rehabilitation program	\$6.60
➤ Facility improvement program at Community Centres, Libraries, Fire Stations, Cultural Venues and Civic Centre	\$6.60
➤ Centennial Community Centre (upper lounge renovations, heater ventilator replacement)	
➤ Angus Glen Community Centre & Library (painting, flooring replacement)	
➤ Library Collections	\$1.70
➤ Water System & Water Meter replacement & upgrade program	\$1.50
➤ Sportsfield Maintenance & Bleacher Replacements	\$0.95
➤ Storm Sewer Rehabilitation and Inspection Program	\$0.60
➤ Tennis Courts Resurfacing	\$0.60
➤ Roof Downspout Disconnection Program	\$0.25
➤ Pool Sanitization – Angus Glen	\$0.14

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Highlights of 2012 Proposed Capital Budget

Integrated Leisure Master Plan/Public Safety
(\$ in Millions)

➤ Pan Am Facility	\$7.80
➤ Fire & Emergency Services Capital Program	\$1.10
➤ Traffic Control Signals & Traffic Operational Improvements (also included in Transportation & Transit)	\$0.87
➤ Play Structure & Safety Resurfacing	\$0.22



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Highlights of 2012 Proposed Capital Budget

Diversity (\$ in Millions)

- Pedestrian Accessibility Improvements \$0.36
- Facility Accessibility Program \$0.23
- Language Line Service (included in the current operating budget)
- Career Bridge/Ability Edge Program (included in the current operating budget)



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Highlights of Current Major Capital Projects

- Thornhill Community Centre and Library
- Emergency Operations Centre
- Energy Retrofits
- St. Robert Artificial Turf & Bubble
- Angus Glen Indoor Tennis Centre



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Highlights of Current Major Capital Projects

- Museum Collections Building
- Artificial Outdoor Ice Rink
- Accessibility Improvements
- Varley Art Gallery Expansion
- East Markham Community Centre & Library
- Cornell Fire Station



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Contact Information

For more information on the proposed 2012 budget, please contact :

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Andrea Tang, Manager of Financial Planning

Phone#: (905) 477-7000 x2433

Email: atang@markham.ca

Information on the proposed 2012 budget is available at:

Markham's Portal: www.markham.ca

Facebook: <http://www.facebook.com/townofmarkham>

Twitter: <http://www.twitter.com/townofmarkham>

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Questions and Comments

THANK YOU FOR ATTENDING MARKHAM'S COMMUNITY
CONSULTATION MEETING



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SUBJECT: 2012 Capital Budget
PREPARED BY: Andrea Tang, Manager of Financial Planning

RECOMMENDATION:

- 1) That the report dated December 5, 2011 entitled, “2012 Capital Budget” be received;
- 2) And that Council approve the 2012 Capital Budget which totals \$107,257,600 as outlined on Appendices 1 & 2 the funding sources and the 2012 Capital projects;
- 3) And that the 2012 capital project #12287 “Daniel Fairty House Stabilization and Preservation” in the amount of \$448,000 be included in the 2012 Capital Budget as a placeholder and Staff will not proceed with the project until such time that Staff brings forward a presentation on the state of the facility and its cultural heritage value to members of Council;
- 4) And that the 2012 Capital Budget includes the new project #12373 “Solar Photovoltaic Readiness and Energy & Water Sub-metering system” for the East Markham Community Centre & Library in the amount of \$220,000 to be funded by the Green Municipal Fund grant;
- 5) 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 Town of Markham’s 2012 Capital Budget.

BACKGROUND:

A total of four Budget Sub-Committee meetings were held in October and November 2011 to discuss, review and finalize the 2012 Capital budget. In addition, highlights of the 2012 Capital Budget were presented at the four public consultation meetings held in the month of October.

DISCUSSION:

The proposed Capital Budget of \$107,257,600 includes funding from various sources, as outlined in Appendix 1. A complete listing of the 2012 Capital budget projects is included in Appendix 2 followed by the Capital summary by Commission in Appendix 3.

The 2012 Capital budget includes \$4.0M from the Federal Gas Tax grant, which will fund capital projects in the following areas:

- Bridges/culverts improvements
- Main Street Markham road improvements
- Asphalt resurfacing
- Traffic Control Signal Design and Construction
- Victoria Square Water/Sewer Connection

Other significant capital projects include the continuation of the tree planting initiative, stormwater management projects, waste management initiatives, design & construction of 5 new parks, town-wide illumination & sidewalk requests, rehabilitation of bridges & culverts, road rehabilitation across the Town, watermain and sanitary sewer construction & replacement, facility improvements at town-owned buildings, construction of the Birchmount Road Bridge at Rouge River and Hwy 404 Bridge at Hwy 7, and site preparation costs (including design costs) for the 2015 Pan/Parapan American Games Facility.

The 2012 Capital project #12287 “Daniel Fairty House Stabilization and Preservation” in the amount of \$448,000 will be included in the 2012 Capital Budget as a placeholder. However, Staff will not proceed with the project until such time that Staff brings forward a presentation on the state of the facility and its cultural heritage value to members of Council.

In addition, the 2012 Capital Budget includes the new project #12373 (under the department Asset Management – Facility Assets) “Solar Photovoltaic Readiness and Energy & Water Sub-metering system” for the East Markham Community Centre & Library in the amount of \$220,000 to be funded by the Green Municipal Fund grant. In 2010, Markham submitted and obtained approval on the application to the Energy Project stream of the Green Municipal Fund for a loan of \$4,000,000 and a grant of \$400,000. The application outlined the East Markham Community Centre & Library facility’s energy efficiency and strategic alignment to the Greenprint. The grant is payable to Markham upon achieving energy savings of 45% over the Model National Energy Code Building (MNECB) with one year of continuous operation within the first three years of operation.

To date, work related to making the facility ready for a 115kW solar photovoltaic (PV) system has been completed, totalling approximately \$53,000. In addition, the installation of an energy and water sub-metering system is underway, and the cost of the sub-metering system and associated consulting fees is approximately \$167,000. Upon receipt of the grant, \$220,000 will be allocated to fund this project. Staff will report back on the future use of the remaining grant.



X *Joel Lustig*

Joel Lustig
Treasurer/ Acting Commissioner Corporate Ser...

ATTACHMENTS:

[Appendix 1 – 2012 Capital Budget Sources of Funding](#)

[Appendix 2 – 2012 Capital and Other Programs Budget](#)

[Appendix 3 – Capital Budget Summary by Commission](#)

SUBJECT: 2012 Capital Budget Amendment
PREPARED BY: Andrea Tang, Manager of Financial Planning

RECOMMENDATION:

- 1) That the report dated February 6, 2012 entitled, “2012 Capital Budget Amendment” be received;
- 2) And that Council approve the amendment to the 2012 Capital Budget by adjusting for the following items:
 - a. inclusion of the watermain replacement on Old Wellington Street between Markham Road (Main Street South) and Wignall Crescent in the amount of \$250,000 to be funded from the Waterworks Stabilization/Capital reserve; the scope and cost for the Waterworks capital project #12328 “Watermain Construction & Replacement Program” will be adjusted accordingly;
 - b. inclusion of the design component for the watermain replacement on Hwy. 7 between Warden Avenue and Unionville railway tracks in the amount of \$60,500 to be funded from the Waterworks Stabilization/Capital reserve; the scope and cost for the Waterworks capital project #12329 “Watermain Construction Design” will be adjusted accordingly;
- 3) And that the 2012 Capital Budget will be amended as outlined on Appendices 1 & 2 the funding sources and the 2012 Capital projects;
- 4) 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 amendment to the Town of Markham’s 2012 Capital Budget as outlined in the report.

BACKGROUND:

Council approved the 2012 Capital Budget of \$107,257,600 on December 13, 2011. In accordance to the report to the Development Services Committee dated January 24, 2012 entitled “Main Street Markham Reconstruction”, the following changes to the 2012 Capital Budget were identified:

1. include the watermain replacement on Main Street Markham from Hwy. 7 to Bullock Drive in the amount of \$1,000,000;
2. defer the watermain replacement in the amount of \$2,294,000 on Grandview Avenue between Yonge Street and Henderson Avenue to 2013;
3. include the upgrade of the existing storm sewer system on Main Street Markham from Hwy. 7 to Bullock Drive in the amount of \$565,000 to be funded from the remaining balance of the Investing in Ontario Act Grant.

These changes resulted in the 2012 Capital Budget amended from \$107,257,600 to \$106,528,600 (\$107,257,600+\$1,000,000-\$2,294,000+\$565,000).

In addition to the above adjustments, Staff identified further changes to the 2012 Capital Budget to include the watermain replacement on Old Wellington Street between Markham Road (Main Street South) and Wignall Crescent and the design component of the watermain replacement on Hwy. 7 between Warden Avenue and Unionville railway tracks.

DISCUSSION:

Old Wellington Street (watermain replacement)

The existing watermain on Old Wellington Street, between Markham Road (Main Street South) and Wignall Crescent, is a 300mm diameter ductile iron pipe constructed in the earlier 70's with a section of the main crossing under Robinson Creek (a tributary of the Rouge River). The Old Wellington Street watermain is one of the two feeder mains conveying water to the area bounded by Hwy. 7, Milne Dam Conservation Park, McCowan Road and Markham Road. A recent main break was found, at a location inaccessible for repair, on a section of the creek crossing. Since the discovery of the break, the creek crossing section has been isolated and taken out of service. Water system supply flow capacity and redundancy in the area cannot be maintained if the creek crossing replacement is not to proceed. The replacement cost is \$250,000.

Hwy 7 (design component of the watermain replacement)

The existing watermain on Hwy. 7, between Warden Avenue and Unionville railway tracks, is a 300mm diameter ductile iron pipe. The Region of York is planning to commence the road widening on the Hwy. 7 from Warden Avenue to Unionville railway tracks in 2013, and the watermain replacement will take place in 2013 in order to minimize disruption. As such, the design component for the watermain replacement in the amount of \$60,500 is required in 2012. The capital request for the watermain replacement will be addressed during the 2013 capital budget process.

FINANCIAL CONSIDERATIONS:

The approved 2012 Capital Budget of \$107,257,600 will be amended to include the following adjustments:

1. \$250,000 for the watermain replacement on Old Wellington Street between Markham Road (Main Street South) and Wignall Crescent to be funded from the Waterworks Stabilization/Capital reserve. The scope and total project cost for project #12328 "Watermain Construction & Replacement Program" will be adjusted accordingly;

2. \$60,500 for the design component of the watermain replacement on Hwy 7 between Warden Avenue and Unionville railway tracks to be funded from the Waterworks Stabilization/Capital reserve. The scope and total project cost for project #12329 “Watermain Construction Design” will be adjusted accordingly.

The 2012 Capital Budget is amended to \$106,839,100 and below provides a summary of the changes since the budget approval on December 13, 2011:

	<u>\$</u>
2012 Approved Capital Budget	107,257,600
Watermain replacement on Main Street Markham	1,000,000
Storm sewer replacement on Main Street Markham	565,000
Deferral of the watermain replacement on Grandview Avenue	(2,294,000)
Watermain replacement on Old Wellington Street	250,000
Design for the watermain replacement on Hwy. 7	60,500
2012 Amended Capital Budget	<u>106,839,100</u>

RECOMMENDED BY:

Joel Lustig, Treasurer

Dennis Flaherty, Acting Commissioner
Corporate Services

ATTACHMENTS:

- Appendix 1 – Amended 2012 Capital Budget Sources of Funding
- Appendix 2 – Amended 2012 Capital and Other Programs Budget
- Appendix 3 – Amended Capital Budget Summary by Commission



SUBJECT: 2012 Operating Budget
PREPARED BY: Andrea Tang, Manager of Financial Planning

RECOMMENDATION:

- 1) That the report dated February 6, 2012 entitled, "2012 Operating Budget" be received;
- 2) And that Council approve the 2012 Operating Budget for Town services totalling \$171,652,698 (excluding the 2011 surplus) which represents a 1.58% tax rate increase over 2011(\$164,637,871) the principle components of which are detailed in Appendix 1;
- 3) And that the gross operating expenditures of \$171,652,698, (excluding the 2011 surplus) be funded from the following sources:

	<u>2012 Budget \$</u>
Revenue	
Taxation Levies	119,967,329
Grants-in-lieu of Taxes	1,209,007
Grant & Subsidy Revenues	1,529,273
General Revenues (Investment Income, Fines, Permits, Interest & Penalties)	25,310,189
User Fees & Service Charges (User Fees, Rentals, Sales)	19,929,716
Other Income / Recoveries	3,707,184
Total Revenues	<u>171,652,698</u>

- 4) And that Council approve the 2012 Planning & Design Budget that totals \$6,686,379, (excluding the 2011 deficit) the principle components of which are detailed on Appendix 2;
- 5) And that Council approve the 2012 Engineering Budget that totals \$6,319,540, (excluding the 2011 surplus) the principle components of which are detailed on Appendix 3;
- 6) And that Council approve the 2012 Building Standards Budget that totals \$7,972,783, (excluding the 2011 surplus) the principle components of which are detailed on Appendix 5;
- 7) And that Council approve the 2012 Waterworks Budget that totals \$81,642,620, (excluding the 2011 surplus) the principle components of which are detailed on Appendix 7;
- 8) And that upon finalization of the 2011 audited financial statements, the 2012 Operating, Planning & Design, Engineering, Building Standards and Waterworks budgets be adjusted to reflect the 2011 operating results;

- 9) And that a copy of the budgets be made available to the public through the Clerk's Department, Town's website and each of the Markham Public Libraries;
- 10) And that the "Additional Financial Disclosure Requirements Pursuant to Ontario Regulation 284/09" be received for information purposes;
- 11) 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 Town of Markham's 2012 Operating Budget which recommends a 1.58% tax rate increase (2011 budget at \$164,637,871 and 2012 budget at \$171,652,698).

BACKGROUND:

A total of six Budget Sub-Committee meetings were held in the period from October 2011 to January 2012 to discuss, review and finalize the 2012 Operating, Capital, Planning & Design, Engineering, Building Standards and Waterworks budgets. As well, four public consultation meetings (Thornhill, Unionville, Milliken Mills & Markham) were held in October where residents provided their input to the 2012 budget process.

The Development Fee By-law was amended on December 13, 2011 to include a 4.54% increase in the 2012 Building fees for Building Permit applications and a 3.3% increase in Planning & Engineering fees. The 2012 operating budgets for the following Development Services departments are: Planning & Design at \$6,686,379 with a budgeted draw from reserve of \$516,589, Engineering at \$6,319,540 with a budgeted draw from reserve of \$873,503, and Building Standards at \$7,972,783 with a budgeted contribution to reserve of \$468,596.

Based on the preliminary 2011 year end results and the 2012 operating budgets, the Planning & Engineering reserve is projected to be in a deficit position of \$4,213,000 (Appendix 4) and the Building reserve will have a positive balance of \$7,076,000 (Appendix 6).

The 2012 Water and Wastewater rate was approved at the October 25, 2011 Council meeting with an increase of 8.2%. The 2012 Waterworks operating budget is \$81,642,620 with a budgeted contribution to reserve of \$12,086,292, bringing the projected 2012 Waterworks reserve balance to \$14,201,000 (Appendix 8).

The Capital Budget also was approved at the December 13, 2011 Council meeting. Subsequently, the Capital Budget was amended from \$107,257,600 to \$106,839,100.

All budget sub-committee meetings were open to the general public, and the following topics were discussed:

- a fiscal scan including economic trends and budgetary pressures;
- a review of the 2012 operating and capital budgets;



- a review of the 2012 new support staffing requests;
- a review of the 2012 Councillor requests
- the Town's asset lifecycle and water & wastewater reserve studies;
- 2013 and 2014 operating budget projections.

DISCUSSION:

Operating

The following exhibit reconciles the 2011 approved operating budget to the 2012 operating budget from \$164,637,871 to \$171,652,698 (figures exclude Planning & Design, Engineering, Building Services and Waterworks):

<u>REVENUES</u>	<u>2012 Budget \$</u>
Approved 2011 Budget Revenues	164,637,871
2012 Assessment Growth - Tax Revenue (2.75%)	3,384,336
Proposed 1.58% Tax Increase	1,770,000
East Markham Community Centre User and Program Fees	540,000
8100 Warden Lease	410,000
CPI Adjustment for User and Program Fees	260,000
2012 Increase in Investment Income	200,000
Additional Parks Maintenance Recovery from the Region	110,000
Increase in Revenues (New Tax Account Set-up Fees, Tax Ownership Changes, Tax Certificates)	100,000
2012 Adjustment in Other Revenues	240,491
Total 2012 Budget Revenues (excluding the 2011 surplus)	<u>171,652,698</u>

<u>EXPENDITURES</u>	
Approved 2011 Budget Expenditures	164,637,871
2012 Adjustment in Wage Settlements	5,260,000
2012 Additional Transfer to the Capital Program	500,000
Future Staff Ramp-up Related to New Facilities	420,000
Growth (Roads, Waste, Parks, Streetlights Maintenance & Streetlight Hydro)	400,000
Winter Maintenance Requirement and Phase-in	260,000
Future Support Staff Ramp-up	200,000
2012 Adjustment in Other Expenditures	(25,173)
Total 2012 Budget Expenditures (excluding the 2011 surplus)	<u>171,652,698</u>

The 2011 Operating results are excluded from the above figures until the Town's audited financial statements are finalized and approved by Council. Staff will present the preliminary year-end operating results to General Committee in March. Upon finalization of the 2011 audited financial statements, the 2012 Operating, Planning & Design, Engineering, Building Standards and Waterworks budgets will be adjusted to reflect the surplus/deficit, if any, in revenues and offsetting expenditures.

Markham faces inflationary pressures in many aspects of its operations. General inflation, contract renewals such as the winter maintenance contract, utility costs and wage settlements have resulted in increased operating expenditures.

Markham is a growing municipality and it 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.

Further, Markham continues the practice of phasing-in future personnel costs related to facility openings and funds have been allocated towards the South East Community Centre, Pan Am Facility, Regional Sports Park and Operations Work Yard. As well, the first \$0.5M from assessment growth revenues are committed to support the capital program.

In summary, the 2012 operating budget has an increase in expenditures of \$7.02M offset by an increase in revenues of \$5.26M resulting in a net shortfall of \$1.76M, equivalent to a tax rate increase of 1.58%. The 2012 operating budget achieves fiscal sustainability by not using one-time funding to balance the budget.

Additional Financial Disclosure Requirements Pursuant to Ontario Regulation 284/09

Ontario Regulation 284/09 requires the 2012 budget be provided in accordance to the Public Sector Accounting Board 3150 format prior to budget approval. The Town'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 budget, 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 2012 budget is restated in accordance to Ontario Regulation 284/09 as part of the 2012 budget approval process.

The Regulation requires that the report contain the following information:

1. An estimate of the change in the accumulated surplus of the Town to the end of the year resulting from the exclusion of any expenses, and
2. An analysis of the estimated impact of the exclusion of any expenses, on the future TCA funding requirements of the Town.

DISCUSSION:

The 2012 budget excludes the following expenses:

1. The budget does not include an expense for the amortization of its tangible capital assets in the sum of \$57.0M; however, the budget did include reserve contributions of \$36.1M to the Life Cycle Replacement & Capital and Waterworks reserve funds.

The Life Cycle Replacement Reserve and the Waterworks Reserve were established in 2005 & 2007 to address the funding requirements for on-going capital replacements and preventative maintenance of the Town's capital assets

over its useful life. The Town does annual reserve studies to ensure there is adequate funding in these reserve funds for the next 25 years. The last update was presented at the October 25th, 2012 Council meeting, which concluded that based on the 2011 updated reserve study, there is sufficient funds for the major replacement and rehabilitation of existing assets with known work programs for the next 25 years (2012 to 2036) with the exception for items not yet included that relate to flood control allowances, town-wide watercourse erosion control and watercourse management. These excluded programs are currently being reviewed as part of a stormwater rate study. The 2012 update will be completed and presented to Council in June 2012.

2. The budget does not contain the current year's post employment benefit expenses totaling \$0.7M for employees. This is consistent with prior year budgeting practice. However, the Town will be fully funding the 2011 post employment benefit obligations in 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 2012 budget, restated in accordance with the full accrual method of accounting and Ontario Regulation 284/09, is detailed in Exhibit 1.

Restating the budget in PSAB & Ontario Regulation 284/09 format, nets an additional budgeted surplus for 2012 in the amount of \$28.7 M.

According to the full accrual method of accounting, the \$57.0M TCA amortization (item A) and \$0.7M Post employment Benefits (item B) would be budgeted as expenses and would decrease the projected year end surplus. Also, an estimated \$17.3M for expenditures, included in the Capital budget, that are not considered Tangible Capital Assets (item C), would be added to the operating expenses, further decreasing the annual surplus. The budget would, at this point, show a deficit projection of \$75.0M (\$57.0M + \$0.7M + \$17.3M).

The impact would be mitigated by changes to how reserve and reserve fund transfers are accounted for under the full accrual method of accounting. Operating budget transfers to reserve funds and transfers from obligatory reserve funds (such as Development Charges Reserve Funds) to fund capital, are now reflected in the statement of operations as revenues only. This change made to the 2012 budget would add estimated net revenues of \$103.7M to the projected year end surplus (\$67.6M additional revenue (item D) plus \$36.1M reduction to expenses (item E)).

The final restated budget for 2012 projects a surplus of \$28.7M (item F).

EXHIBIT 1
2012 CONSOLIDATED BUDGET

- Re-stated in Accordance with the Full Accrual Method of Accounting -
 - In Compliance with Ontario Regulation 284/09 -

REVENUES

- Town (excl. Waterworks, Building Standards, Planning and Engineering)	\$171,652,698	
- Waterworks	\$81,642,620	
- Building standards	\$7,972,783	
- Planning & Design	\$6,686,379	
- Engineering	\$6,319,540	
Total Revenues from Operations		\$274,274,020
Non-Tangible Capital	\$17,357,100	
Tangible Capital Assets	\$89,482,000	
Total Capital - Tangible & Non-Tangible	\$106,839,100	
<i>Less: Transfer from Reserve / Reserve Funds (1)</i>	<i>(\$39,270,844)</i>	
Net (new) Revenues to fund Capital		\$67,568,256 D

TOTAL REVENUES	\$341,842,276
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EXPENSES

- Town (excl. Waterworks, Building Standards, Planning and Engineering)	\$171,652,698	
- Waterworks	\$81,642,620	
- Building standards	\$7,972,783	
- Planning & Design	\$6,686,379	
- Engineering	\$6,319,540	
Total Operating Expenses	\$274,274,020	
<i>Less: Transfer to Reserve / Reserve Funds (2)</i>	<i>(\$36,144,065)</i>	E
<i>Add: TCA Amortization Expenses (3)</i>	<i>56,976,828</i>	A
<i>Add: Post-employment benefit Expenses (4)</i>	<i>\$719,100</i>	B
Net Operating Expenses		\$295,825,883
Non-Tangible Capital	\$17,357,100	
Tangible Capital Assets	\$89,482,000	
Total Capital Expenses	\$106,839,100	
<i>Less: Tangible Capital Assets Capitalized</i>	<i>(\$89,482,000)</i>	
Net Capital Expenses - Not Capitalized		\$17,357,100 C

TOTAL EXPENSES	\$313,182,983
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ADJUSTED BUDGET: 2012 FULL ACCRUAL ACCOUNTING BUDGET SURPLUS / (DEFICIT	\$28,659,293 F
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NOTES:

- (1) Transfer from Reserve / Reserve Funds represents transfers from reserves and/or reserve funds to fund expenditures. These are not considered revenues under the full accrual method of accounting.
- (2) Transfer to Reserve / Reserve Funds 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).
- (3) TCA Amortization Expenses is a calculated figure. It is arrived at by adding the actual amortization expense from "in-service" assets in 2011, to the 1/2 year rule amortization expense for assets projected to be "put-into-service" in 2012.
- (4) Post-employment benefit Expenses is the estimated, incremental figure for 2011, provided by Morneau Sobeco in the Actuarial Valuation prepared December, 2010. Estimate for 2012 is not available at time of statement preparation.

RECOMMENDED BY:

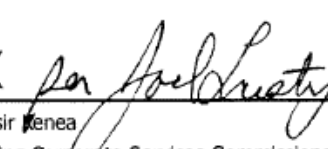
X

Joel Lustig
Treasurer



X

Nasir Kenea
Acting Corporate Services Commissioner



ATTACHMENTS:

Appendix 1 – 2012 Operating Budget

Appendix 2 – 2012 Planning & Design Operating Budget

Appendix 3 – 2012 Engineering Operating Budget

Appendix 4 – Projected 2012 Planning & Engineering Reserve Balance

Appendix 5 – 2012 Building Standards Operating Budget

Appendix 6 – Projected 2012 Building Standards Reserve Balance

Appendix 7 – 2012 Waterworks Operating Budget

Appendix 8 – Projected 2012 Waterworks Reserve Balance

2012 BUDGET MEDIA RELEASE

Markham's Budget Reflects Fiscal Responsibility and New Services to Meet Growth

Budget Delivers Tax Rate Increase Below Inflation

NEWS RELEASE FOR IMMEDIATE RELEASE



(left to right) Budget Sub-Committee Vice Chair Councillor Logan Kanapathi, Budget Chief and Regional Councillor Gordon Landon and Mayor Frank Scarpitti deliver the good news story of a 1.5% tax increase for Markham residents at today's press conference.

Markham, ON - February 7, 2012 - Markham Council has approved its 2012 Budget with a 1.5% tax rate increase, well below the current rate of inflation of 2.3%.

Markham was the only GTA municipality to achieve a zero tax rate increase in 2009, 2010 and 2011 through an extensive program to find operational efficiencies, and by tracking past operating costs to look for savings when planning for future costs. Council and staff continued their Operational Excellence program in 2011, capturing additional savings that would otherwise impact the 2012 tax rate increase. After extensive reviews by staff and the Budget Sub-Committee of Council, and public consultation, Markham was able to keep the 2012 tax rate increase well below the cost of inflation and currently the lowest 2012 tax rate increase in the GTA. This will ensure adequate funding to manage new infrastructure growth and increased services.

"It was a pleasure to work with Budget Chief Regional Councillor Gordon Landon and Budget Sub-Committee Vice Chair Councillor Logan Kanapathi on the 2012 budget.



While my strong desire was to hold the line on taxes again this year, a modest increase of 1.5% ensures we maintain fiscal responsibility in our budget, achieve a tax rate increase that is well below the rate of inflation, and implement increased services through expanded infrastructure to meet the needs of our community. Our Council and staff continue to demonstrate municipal leadership on taxes while we expand services and demonstrate operational excellence. This budget helps us in our financial planning for significant new infrastructure on the horizon such as new community centres in east Markham and southeast Markham, new roads and bridges, additional fire and emergency services and our proposed Pan Am facility,” said Markham Mayor Frank Scarpitti.

Markham’s 2012 budget – totalling \$381.0-million – includes \$171.55-million Operating Budget, \$106.84-million Capital Budget, \$81.64-million Waterworks Budget, \$7.97-million Building Services Budget, \$6.69-million for Planning and Design, and \$6.31-million Engineering Budget. Overall, Markham receives about 25 cents of every dollar of residential property taxes collected, with the remainder divided between education (25 cents) and the Region of York (50 cents).

Budget Chief and Regional Councillor Gordon Landon said, “The combination of a three year tax rate freeze and a modest increase of 1.5% for 2012 is unprecedented in the GTA. It also places Markham’s residential, commercial and industrial taxes among the lowest in the GTA. We continue to run an extremely efficient business in combination with exceptional services and value to our taxpayers. As we plan for 2013 and beyond, we will continue this fiscally responsible approach to business and services on behalf of taxpayers.”

Budget Sub-Committee Vice Chair Councillor Logan Kanapathi said, “This is another good news budget for the residents of Markham. Markham’s business, commercial and residential economy continues to grow, creating new jobs and opportunities. Markham’s low taxes continue to serve as a major stimulus for this growth and a more sustainable community. We continue to operate efficiently with one of the lowest staff-to-resident ratios among comparable municipalities in the GTA.”

Mayor Scarpitti remarked that, “Markham’s zero tax rate increase for three years was a responsible measure during tough economic times that did not jeopardize Markham’s financial stability. At the same time as we kept tax rates at zero, we also increased our reserves to the point where we now have enough to manage the replacement and repair of our infrastructure for the next 25 years. The 2012 tax increase represents about a \$16 increase in annual taxes for the average homeowner in Markham, or about \$1.35 a month.”

BACKGROUNDER

Selected projects and priorities funded in the 2012 budget:

Environment

- Roofing Replacements with Solar Panel installations
- Stormwater Management & Environmental Asset Program
- Continuation of the Trees for Tomorrow Initiative & Replacement of Trees
- Waste Management Initiatives
- Permeable Paving Program at Huntington Park - Thornhill

Transportation and Transit

- Hwy 404 Mid Block Crossing – North of Hwy 7 - Construction
- Birchmount Road Crossing at Rouge River – Construction
- Hwy 404 Ramp Extension – Hwy 7 - Construction
- Sidewalk & Illumination Improvement Programs
- Centurian Drive – Allstate Pkwy to Woodbine Ave. - Construction
- Streetlight Replacement & Inspection Program
- Main Street, Markham – Hwy 7 to Bullock Dr. - Construction
- Traffic Control Signals & Traffic Operational Improvements
- Transportation Demand Management Program



New Parks Design and Construction & Growth Management

- Boxgrove Southeast Heritage House Parkette – Design
- Victoria Square Playground & Waterplay - Construction
- South Unionville Ray St. Parkette - Construction
- Grand Cornell Park – New Union – Construction
- Cornell Rouge East Woodlot Park – Construction
- Growth Management Strategies

Service Levels

- Watermain & Sanitary Sewer construction and replacement program
- Roads rehabilitation program
- Facility improvement program at Community Centres, Libraries, Fire Stations
- Cultural Venues and Civic Centre
- Library Collections
- Water System & Water Meter replacement & upgrade program
- Sportsfield Maintenance & Bleacher Replacements
- Storm Sewer Rehabilitation and Inspection Program
- Tennis Courts Resurfacing
- Roof Downspout Disconnection Program
- Pool Sanitization – Angus Glen

Integrated Leisure Master Plan

- Pan Am Facility
- Fire & Emergency Services Capital Program
- Traffic Control Signals & Traffic Operational Improvements
- Play Structure & Safety Resurfacing

Diversity

- Pedestrian Accessibility Improvements

Markham hikes taxes



Tax hike. Markham Regional Councillor and budget chief Gord Landon outlines the town's spending plan for 2012 today. *Steve Somerville*

L.H. Tiffany Hsieh

February 8, 2012

Markham council approved its first tax hike in four years last night.

As a result the municipal portion of your tax bill will jump 1.5 per cent.

Based on an average house in Markham, assessed at \$478,000, the tax increase translates to less than \$20 a year.

The hike for 2012 wasn't endorsed unanimously. In a recorded vote, Regional Councillor Joe Li was the only member of council who didn't support the increase.

Markham is debt-free and can generate more revenue by attracting new businesses, Mr. Li said, adding, "an increase is only justifiable if there's additional service or debt reduction."

Mayor Frank Scarpitti, who was gunning for a fourth consecutive zero increase, defended the budget, saying it comes with improved services and many new projects and facilities.

"The 1.5 (per cent) could stand on its own as an achievement in any given year," the mayor said.

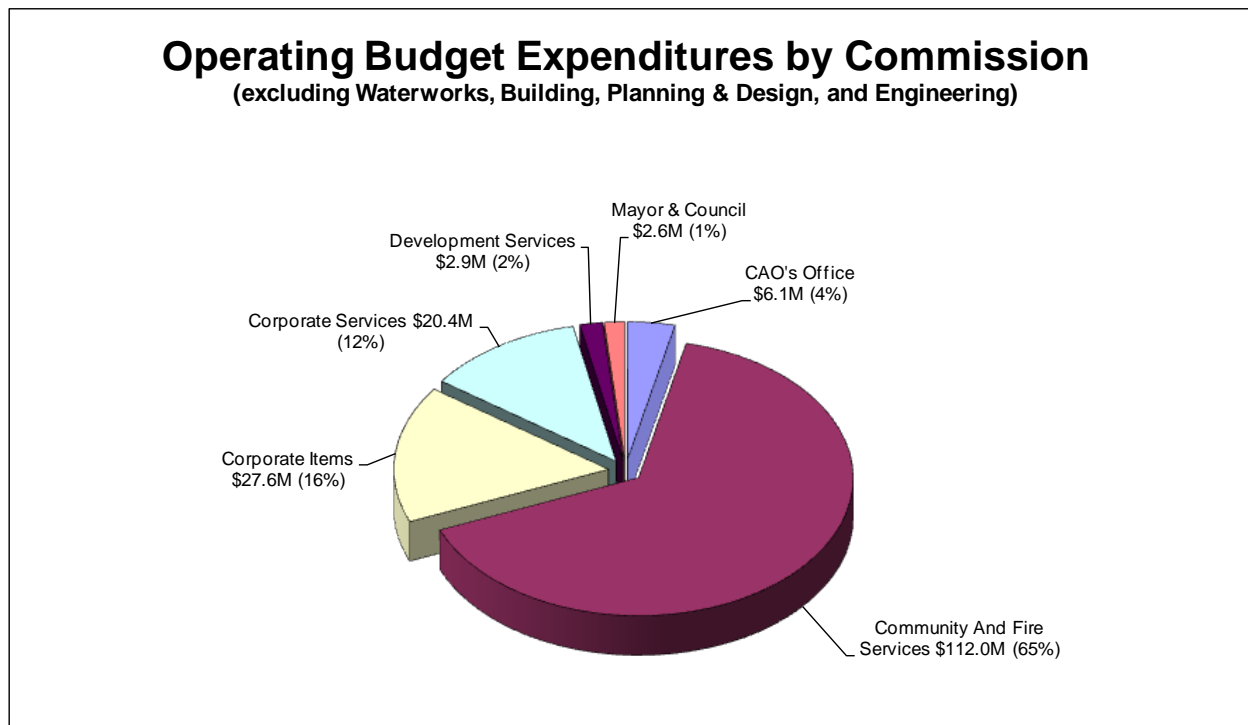
Markham's tax portion accounts for about 25 per cent of your total property tax bill.

Another 25 per cent is paid to the school board and 50 per cent to the region.

2012 OPERATING BUDGET SUMMARY

Expenditures

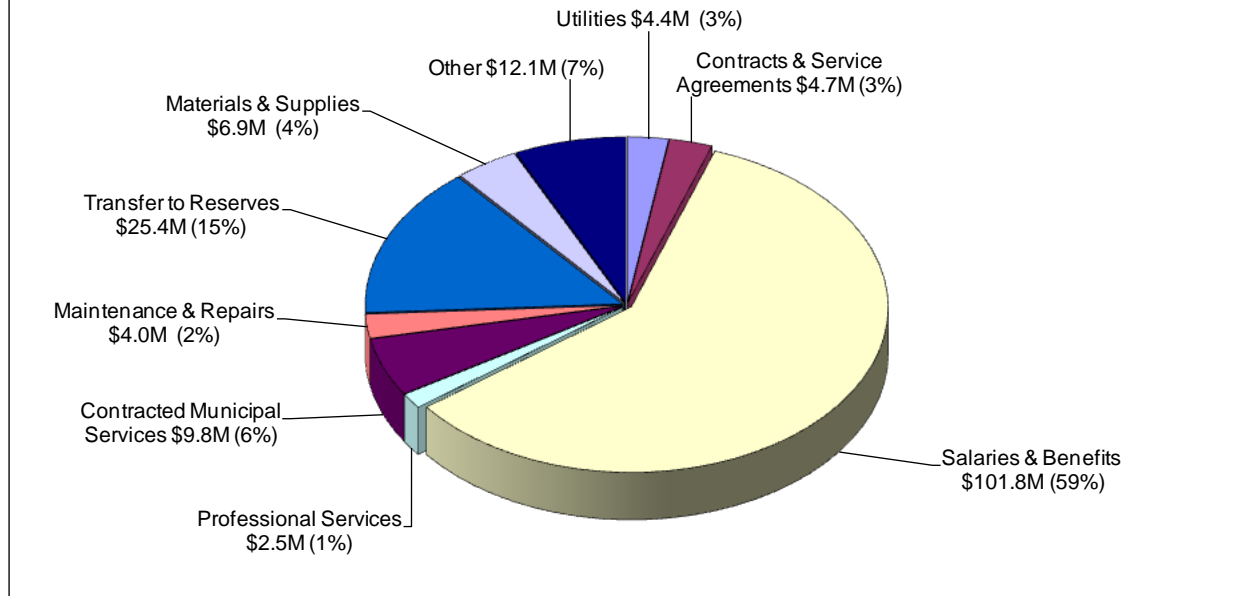
The 2012 Operating Budget for Town services totals \$171,553,698 excluding prior year surplus/deficit, Waterworks, Building Standards, Planning & Design, and Engineering. This marks an increase of \$6.92 million over the 2011 Operating Budget. Chart below shows the composition of the Operating Budget expenditures by Commission.



The Community & Fire Services Commission accounts for 65% of the total Budget expenditures. This Commission includes Fire, Recreation Services, Parks Maintenance, Asset Management, Waste Management, Roads, Utilities & Contracts, Library, Theatre and Museum. Corporate Items (comprised largely of Transfer to Reserves for the tax funded portion of the 2012 Capital Budget program) represents 16% of the Budget.

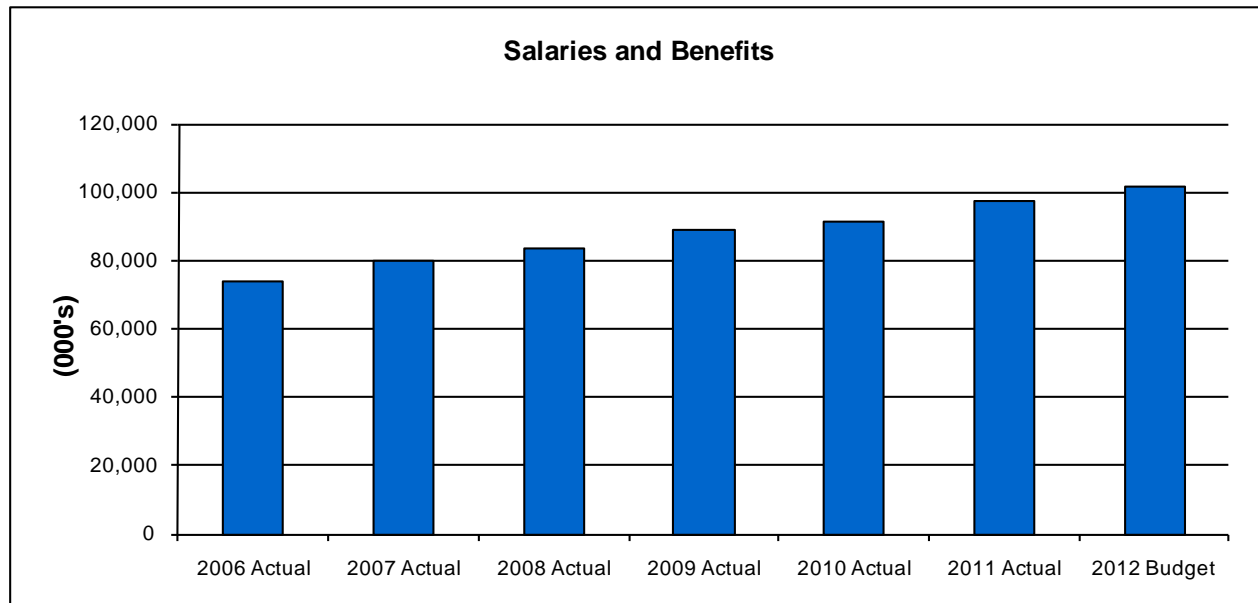
The 2012 Operating Budget expenditures can be alternatively broken down by account. The chart on the next page indicates that 59% of budgeted expenditures are related to the salaries and benefits of Town employees. The next highest individual component is the Transfer to Reserves, which represents 15% 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 & advertising.

Operating Budget Expenditures by Account



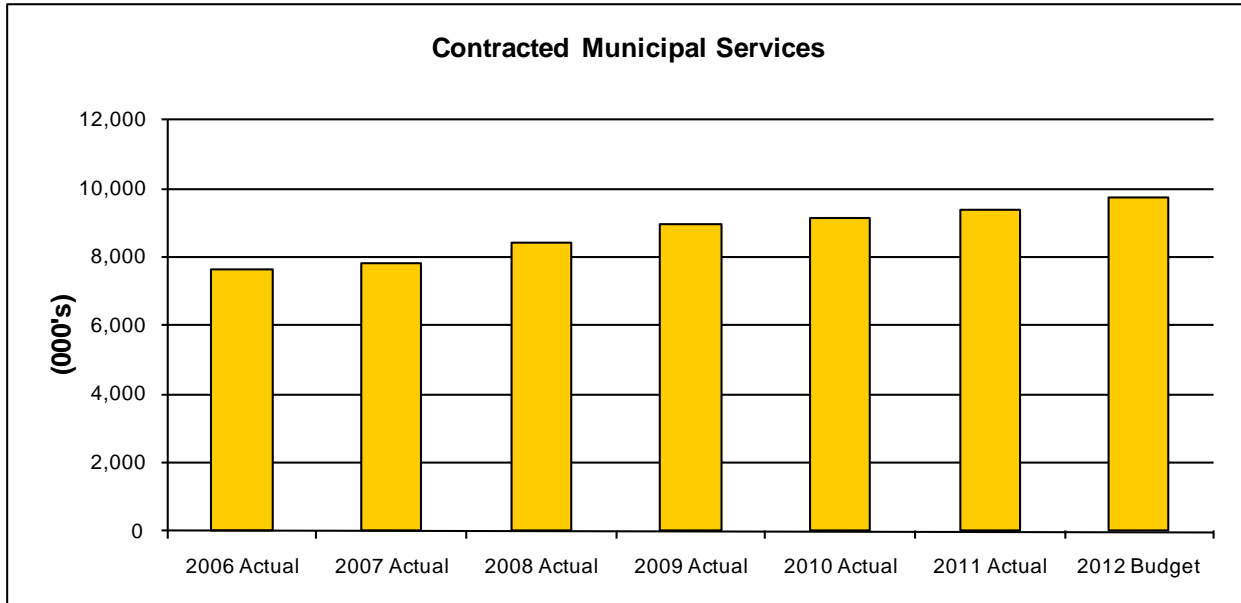
Salaries and Benefits

The salary expenditures increase year over year due to the cost of living adjustment, grid movement and negotiated union agreements.



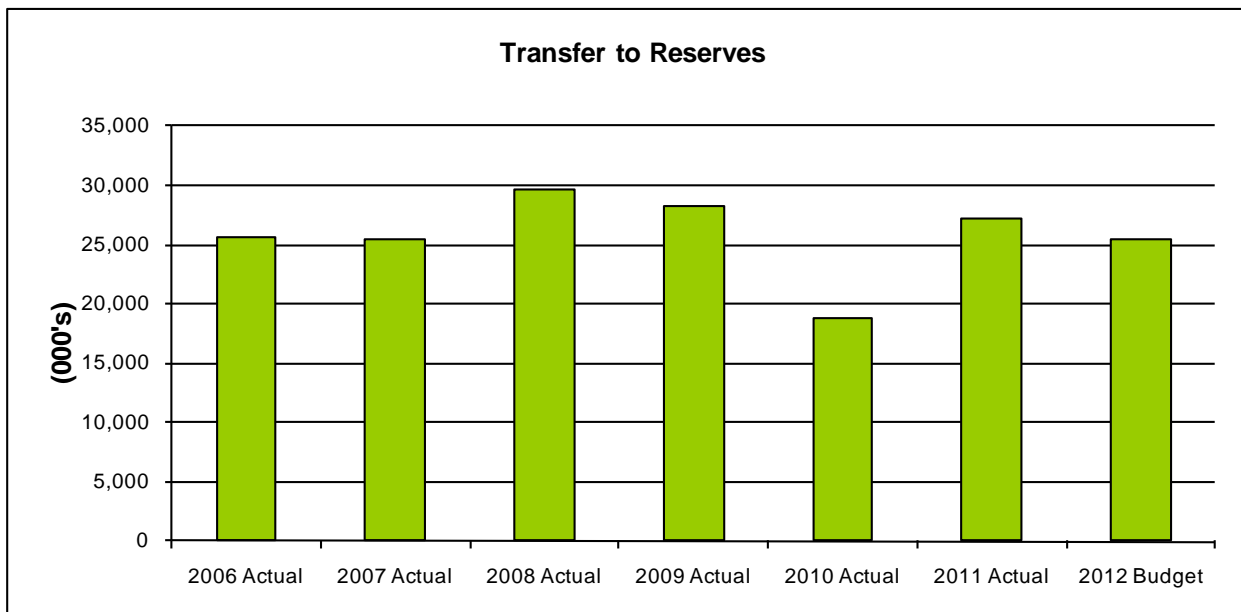
Contracted Municipal Services

The contracted municipal services show a continuous increasing trend year over year. This increase is mainly resulting from both growth and inflation of the Town's contract for third party waste collection.



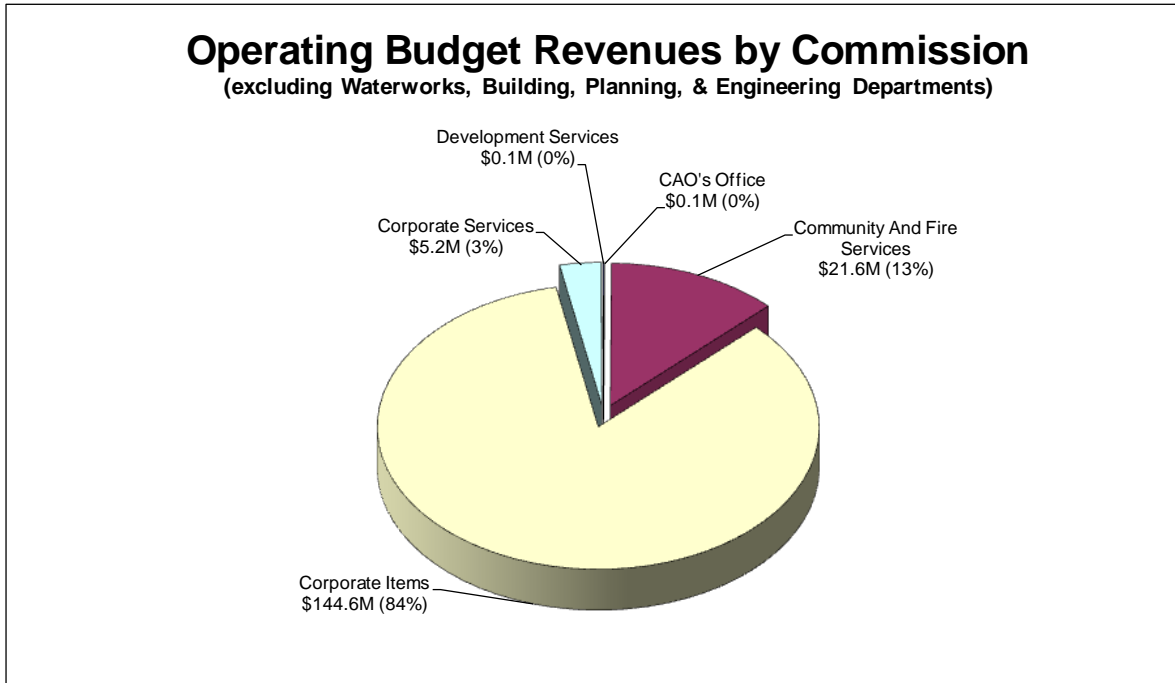
Transfer to Reserves

The transfer to reserves is decreased from previous years due to a lower transfer to capital projects.

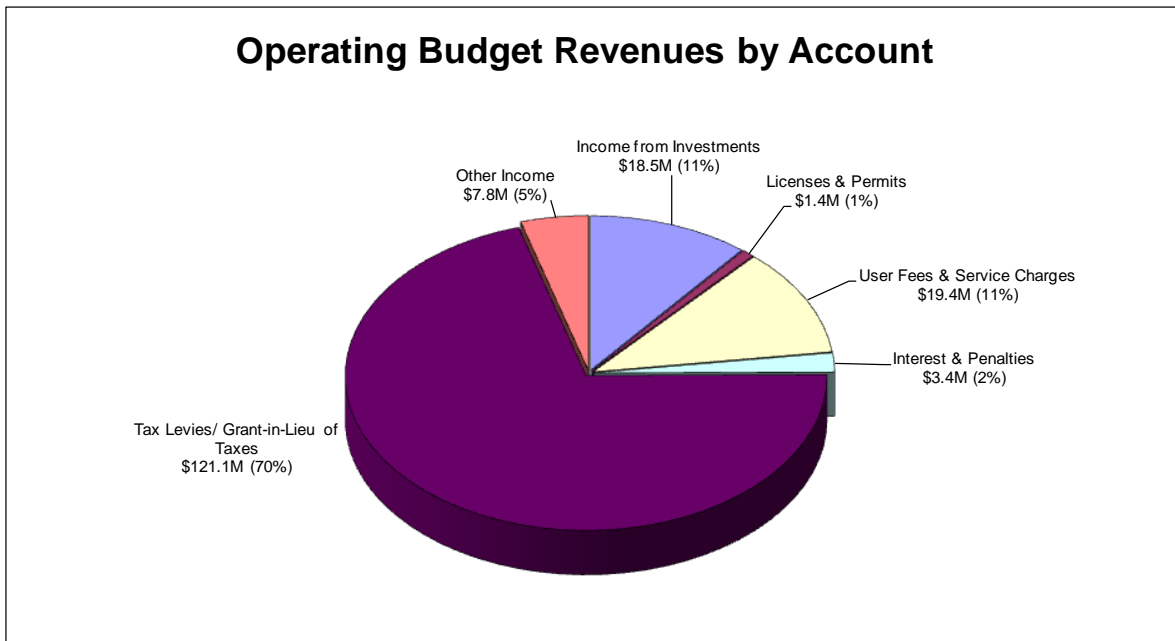


Revenues

The \$171,553,698 Operating Budget is funded mainly through revenues associated with the following Commissions: Corporate Items (84%) and Community and Fire Services (13%). Corporate Items consist largely of Taxation Revenues, Investment Income, and Interest & Penalties.



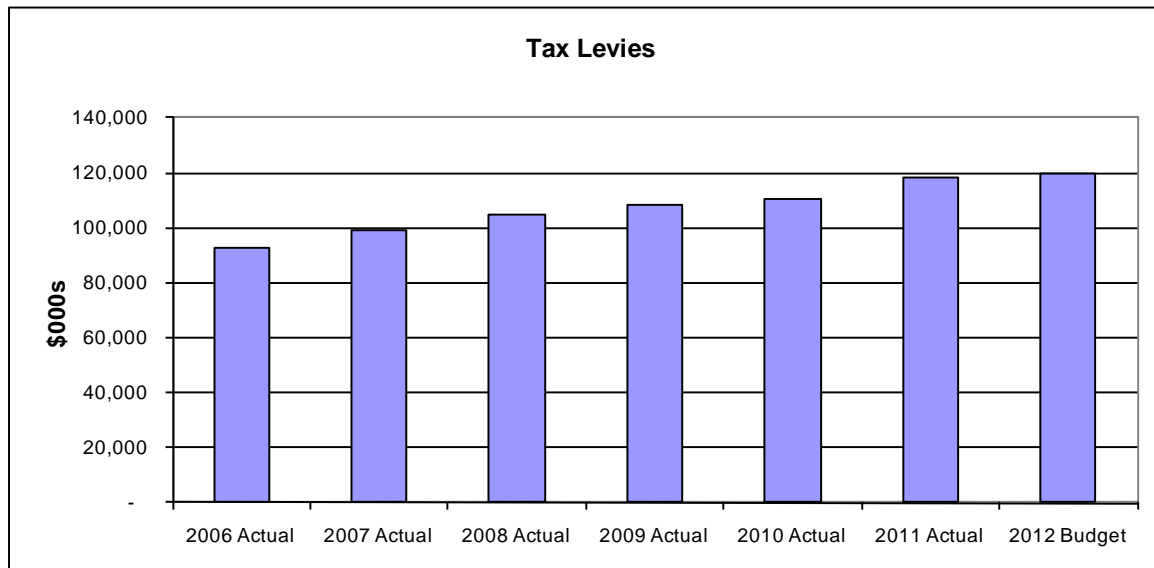
And 70% of the Operating Budget is funded through Taxation Revenues as shown in the graph below.



Major Revenue Sources

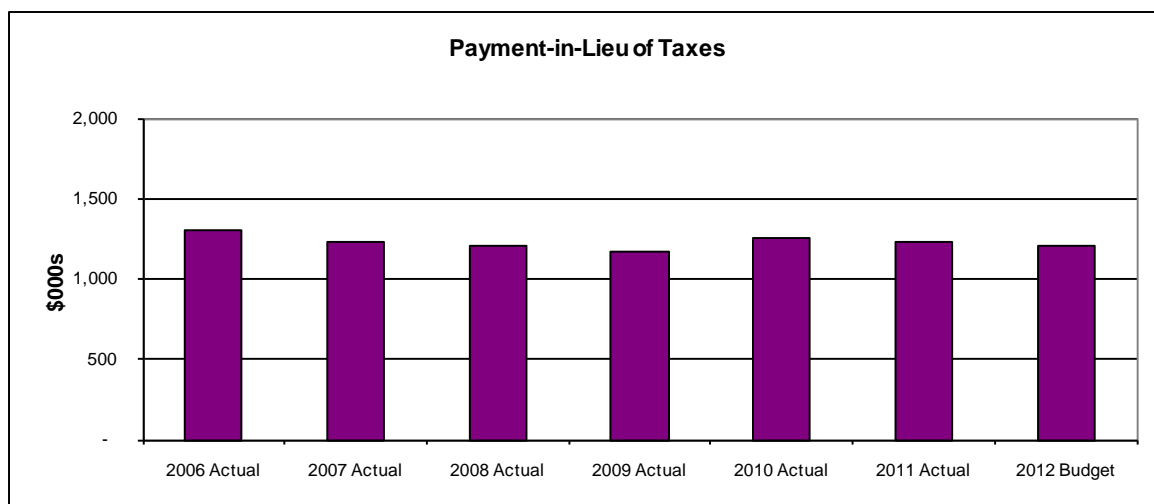
Tax Levies

Tax levies is paid by the Town'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 2012 Tax Levies is at \$119.9 million, an increase of \$5.9 million from 2011. The tax revenue has increased steadily in the past years due to the assessment growth in the Town. The Assessment growth is expected to be 2.75% in 2012 versus 3.3% in 2011.



Payment-in-Lieu of Taxes

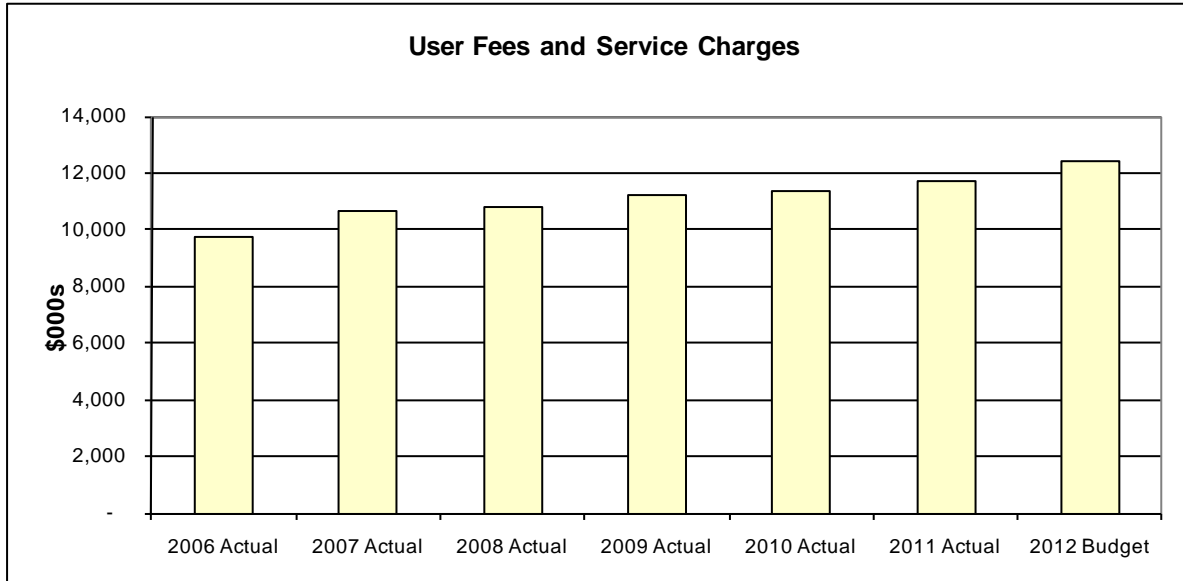
Grants in lieu of taxes (also known as payments-in-lieu of taxes) are payments received in lieu of taxation on properties owned by government and government agencies. The 2012 Budget is \$1.2 million which is trending consistently with prior years.





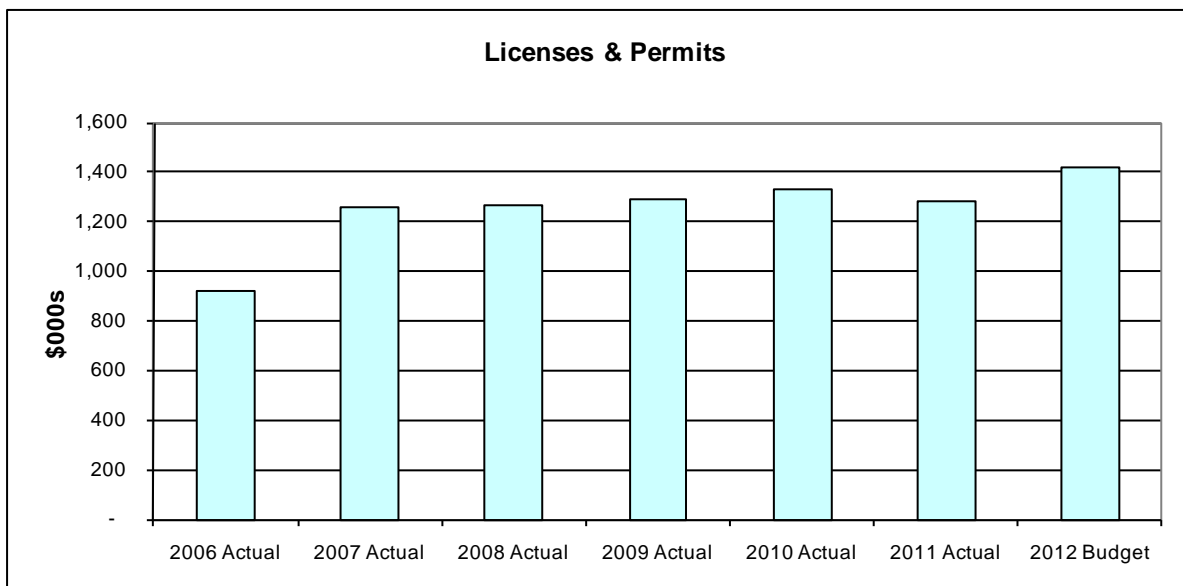
User Fees & Service Charges

User Fees and Service Charges are paid by individuals or organizations to the Town for the use of Town facilities (e.g. recreation fees, cultural venue ticket sales) or for provision of municipal services (e.g. planning, engineering & design fees). The budget of \$12.4 million represents an increase of \$0.8 million over 2011 levels, which resulted mainly from CPI increase and growth in the Recreation Program User Fees.



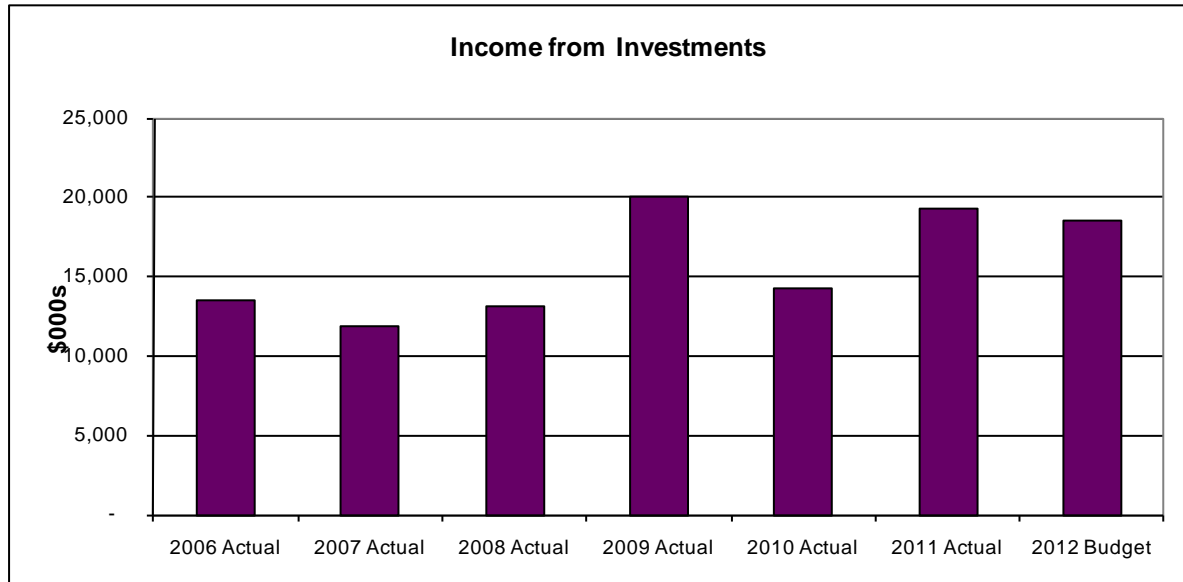
Licenses & Permits

The remaining Licenses and Permits revenue is generated by Legislative Services from the sale of business, marriage and other licenses. The 2012 Budget of \$1.4 million is relatively flat compared to 2011 levels, with a small increase related to CPI.



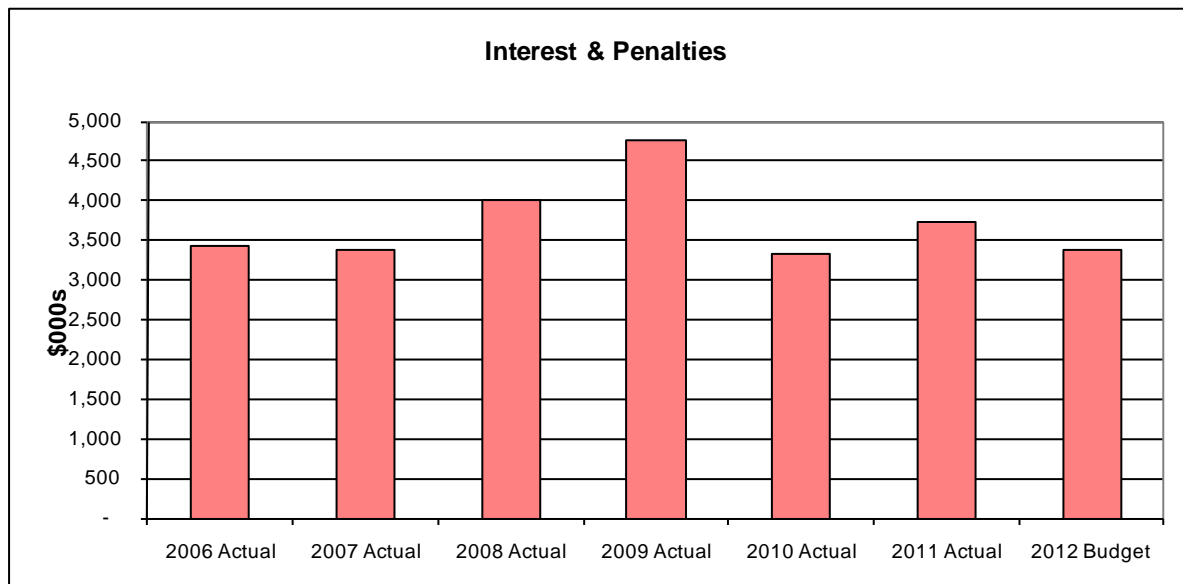
Income from Investments

The Town earns income on investments for all major Town funds and reserves. Income from Investments is at \$18.5 million, which increased by \$0.2 million from 2011.



Interest & Penalties

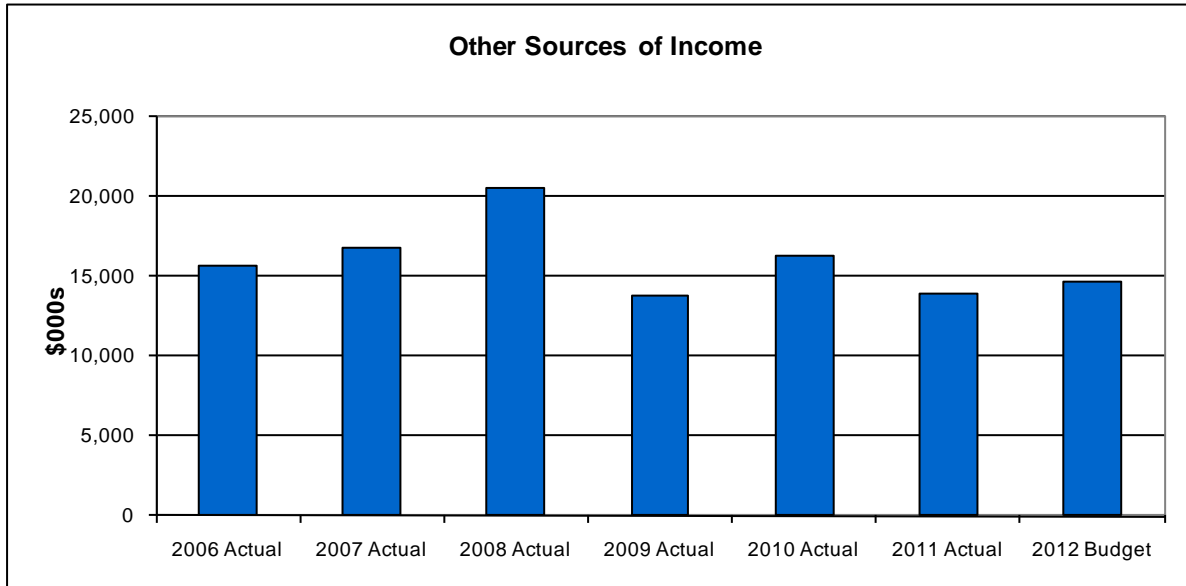
Interest and penalties for late payment of property tax bills remains at the 2011 budget level of \$3.4 million.





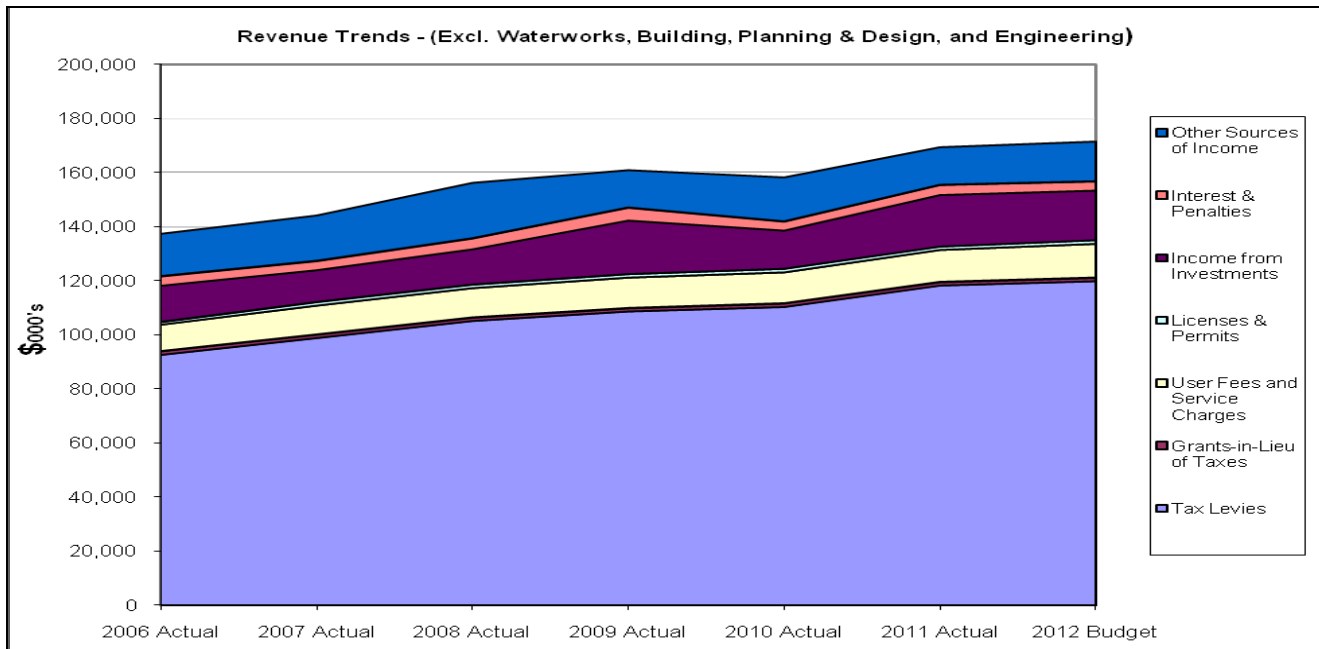
Other Income

Other Income budget of \$14.7 million is consistent with 2011.



Revenue Summary

On a consolidated basis, Town revenues are expected to grow steadily in 2011. 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 2012 Operating Budget include:

New Assessment Growth of 2.75%

- \$3.38 million in additional tax revenues.

Service levels are enhanced

- Service levels are enhanced in 2012 with the opening of the Cornell fire station and the East Markham Community Centre. 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 our new portal website which was launched in June 2011.

Fiscal Stewardship Leadership

- Continued commitment to increase the Town's investment in Capital Projects by \$500,000 each year.
- The Town has provided for its future commitments and has no amounts to be recovered for current obligations from future tax revenues.
- The Town updates both the Lifecycle Reserve Study and the Water & Wastewater Reserve Study annually
- Continued policy of not using one-time revenues to balance operating budget.

Continuation of Council Grants

- Grants budget of \$309,950 in 2012.

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
- Continuation of the Enhanced Cultural Practice Initiative which includes installation of irrigation systems on sportsfields and purchase of the required equipment
- Accessibility Improvement Plan for Town Facilities to perform accessibility audits and retrofit upgrade programs
- Support of the CareerBridge 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.



TOWN OF MARKHAM 2012 OPERATING BUDGET

(EXCLUDING WATERWORKS, BUILDING STANDARDS, PLANNING & DESIGN, & ENGINEERING)

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
TAX LEVIES	118,259,596	\$113,989,993	\$119,868,329	\$5,878,336	5.2%	\$1,608,733	1.4%
GRANTS-IN-LIEU OF TAXES	1,224,301	\$1,209,007	\$1,209,007	-	0.0%	(15,294)	-1.2%
GRANTS AND SUBSIDIES	1,600,986	\$1,472,973	\$1,529,273	56,300	3.8%	(71,713)	-4.5%
LICENCES & PERMITS	1,286,291	\$1,371,258	\$1,418,394	47,136	3.4%	132,103	10.3%
INTEREST & PENALTIES	3,724,058	\$3,375,000	\$3,375,000	-	0.0%	(349,058)	-9.4%
INCOME FROM INVESTMENTS	17,682,880	\$18,346,065	\$18,546,065	200,000	1.1%	863,185	4.9%
FINES	2,003,819	\$1,935,730	\$1,970,730	35,000	1.8%	-33,089	-1.7%
USER FEES & SERVICE CHARGES	11,373,945	\$11,636,773	\$12,395,023	758,250	6.5%	1,021,078	9.0%
RENTALS	6,106,517	\$6,356,680	\$6,974,859	618,179	9.7%	868,342	14.2%
SALES	571,067	\$564,604	\$559,834	(4,770)	-0.8%	-11,233	-2.0%
RECOVERIES & CONTRIBUTIONS	953,659	\$1,391,420	\$1,487,920	96,500	6.9%	534,261	56.0%
OTHER INCOME	3,779,930	\$2,988,368	\$2,219,264	-769,104	-25.7%	(1,560,666)	-41.3%
Total Revenues	\$168,567,049	\$164,637,871	\$171,553,698	\$6,915,827	4.2%	\$2,986,649	1.8%
Expenses							
SALARIES AND BENEFITS	\$97,719,338	\$95,951,000	\$101,831,262	\$5,880,262	6.1%	\$4,111,924	4.2%
PRINTING & OFFICE SUPPLIES	563,371	574,325	\$612,239	37,914	6.6%	48,868	8.7%
PURCHASES FOR RESALE	300,133	308,036	\$334,536	26,500	8.6%	34,403	11.5%
OPERATING MATERIALS & SUPPLIES	2,313,184	2,414,312	\$2,636,500	222,188	9.2%	323,316	14.0%
VEHICLE SUPPLIES	1,550,527	1,563,812	\$1,598,886	35,074	2.2%	48,359	3.1%
SMALL EQUIPMENT SUPPLIES	9,655	15,091	\$15,091	-	0.0%	5,436	56.3%
BOTANICAL SUPPLIES	232,788	292,978	\$267,197	(25,781)	-8.8%	34,409	14.8%
CONSTRUCTION MATERIALS	1,693,081	1,430,270	\$1,392,412	-37,858	-2.6%	(300,669)	-17.8%
UTILITIES	3,888,850	4,312,375	\$4,424,625	112,250	2.6%	535,775	13.8%
COMMUNICATIONS	1,411,199	1,378,754	\$1,402,193	23,439	1.7%	(9,006)	-0.6%
TRAVEL EXPENSES	284,248	428,186	\$406,286	-21,900	-5.1%	122,038	42.9%
TRAINING	497,550	817,930	\$775,471	-42,459	-5.2%	277,921	55.9%
CONTRACTS & SERVICE AGREEMENTS	4,848,053	5,010,589	\$4,949,304	-61,285	-1.2%	101,251	2.1%
MAINT. & REPAIR-TIME/MATERIAL	4,457,588	3,865,355	\$3,712,786	(152,569)	-3.9%	(744,802)	-16.7%
RENTAL/LEASE	712,694	810,316	\$778,980	(31,336)	-3.9%	66,286	9.3%
INSURANCE	2,807,696	2,367,919	\$2,367,919	0	0.0%	(439,777)	-15.7%
PROFESSIONAL SERVICES	2,704,865	2,444,094	\$2,530,784	86,690	3.5%	(174,081)	-6.4%
LICENCES, PERMITS, FEES	529,373	634,809	\$615,407	-19,402	-3.1%	86,034	16.3%
CREDIT CARD SERVICE CHARGES	249,940	209,813	\$218,335	8,522	4.1%	(31,605)	-12.6%
PROMOTION & ADVERTISING	1,302,239	1,252,854	\$1,241,669	(11,185)	-0.9%	-60,570	-4.7%
DISCRETIONARY COMMUNICATIONS	316,833	533,883	\$429,948	-103,935	-0.0%	113,115	35.7%
CONTRACTED MUNICIPAL SERVICES	9,406,175	9,372,894	\$9,775,129	402,235	4.3%	368,954	3.9%
OTHER PURCHASED SERVICES	685,838	686,498	\$1,031,419	344,921	50.2%	345,581	50.4%
OFFICE FURNISHINGS & EQUIPMENT	0	13,310	\$1,700	(11,610)	-87.2%	1,700	#DIV/0!
WRITE-OFFS	725,727	415,141	\$415,141	-	0.0%	-310,586	-42.8%
OTHER EXPENDITURES	1,728,095	2,295,676	\$2,078,870	(216,806)	-9.4%	350,775	20.3%
TRANSFERS TO RESERVES	25,944,960	25,237,651	\$25,709,609	471,958	1.9%	(235,351)	-0.9%
Total Expenses	\$166,884,000	\$164,637,871	\$171,553,698	\$6,915,827	4.2%	\$4,669,698	2.8%
Surplus/(Deficit)	\$1,683,049	-	-	-	-	-\$1,683,049	-100.0%

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 Town'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 2012 budget).



2012 OPERATING BUDGET SUMMARY NET CHARGE AGAINST TAX RATE

Department/Commission	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
	\$	\$	Approved \$	Incr.(Decr.) \$	%Change	Incr.(Decr.) \$	% Change
Administrative Costs	1,679,946	1,693,227	1,750,695	57,468	3.4%	70,749	4.2%
Mayor & Councillors	681,169	855,842	879,317	23,475	2.7%	198,148	29.1%
Total Council	2,361,115	2,549,069	2,630,012	80,943	3.2%	268,897	11.4%
CAO's Office	929,192	973,206	931,827	-41,379	-4.3%	2,635	0.3%
Human Resources	2,746,786	3,241,461	3,079,234	-162,227	-5.0%	332,448	12.1%
Legal Dept.	1,591,744	1,381,815	1,606,418	224,603	16.3%	14,674	0.9%
Sustainability Office	506,843	539,713	373,901	-165,812	-30.7%	-132,942	-26.2%
Total CAO	5,774,565	6,136,195	5,991,380	-144,815	-2.4%	216,815	3.8%
Commissioner's Office	318,116	448,681	456,119	7,438	1.7%	138,003	43.4%
Communications and Community Relations	1,209,027	1,414,908	1,267,324	-147,584	-10.4%	58,297	4.8%
Financial Services	3,345,857	3,631,205	4,230,319	599,114	16.5%	884,462	26.4%
ITS Department	5,778,807	6,216,838	6,048,272	-168,566	-2.7%	269,465	4.7%
Legislative Services	3,044,631	3,118,161	3,248,895	130,734	4.2%	204,264	6.7%
Total Corporate Services	13,696,438	14,829,793	15,250,929	421,136	2.8%	1,554,491	11.3%
Commissioner's Office	1,020,334	1,011,576	1,092,271	80,695	8.0%	71,937	7.1%
Economic Development	1,271,932	1,369,528	1,398,306	28,778	2.1%	126,374	9.9%
Total Development Services	2,292,266	2,381,104	2,490,577	109,473	4.6%	198,311	8.7%
Commissioner's Office	627,368	631,720	608,994	-22,726	-3.6%	-18,374	-2.9%
Asset Management	6,312,348	6,101,790	6,974,942	873,152	14.3%	662,594	10.5%
Culture	2,158,675	2,077,254	2,280,051	202,797	9.8%	121,376	5.6%
Fire Services	29,522,907	28,826,793	32,040,420	3,213,627	11.1%	2,517,513	8.5%
Markham Public Libraries	8,641,830	8,607,266	9,023,488	416,222	4.8%	381,658	4.4%
Operations	21,998,109	21,671,467	22,999,764	1,328,297	6.1%	1,001,655	4.6%
Operations & Asset Mgt -Administration	2,106,605	2,247,832	2,016,070	-231,762	-10.3%	-90,535	-4.3%
Recreation Services	6,287,216	6,279,904	6,448,220	168,316	2.7%	161,004	2.6%
Waste	7,516,595	7,502,438	7,925,097	422,659	5.6%	408,502	5.4%
Total Community And Fire Services	85,171,653	83,946,464	90,317,046	6,370,582	7.6%	5,145,393	6.0%
Corporate Items	-112,465,620	-109,842,625	-116,679,944	-6,837,319	6.2%	-4,214,324	3.7%
Total Corporation (Excl. WW & Build. Std.)	-3,169,583	0	0	0	0.0%	3,169,583	-100.0%
Planning & Design	829,465	0	0	0	0.0%	-829,465	-100.0%
Engineering	-148,506	0	0	0	0.0%	148,506	-100.0%
Building Standards	-6,801,313	0	0	0	0.0%	6,801,313	-100.0%
Waterworks	2,421,261	0	0	0	0.0%	-2,421,261	-100.0%
Total Corporation	-6,868,676	0	0	0	0.0%	6,868,676	-100.0%



2012 OPERATING BUDGET SUMMARY – EXPENDITURES

Department/Commission	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
	\$	\$	\$	Incr.(Decr.)	%Change	Incr.(Decr.)	% Change
Administrative Costs	1,716,346	1,693,227	1,750,695	57,468	3.4%	34,349	2.0%
Mayor & Councillors	681,169	855,842	879,317	23,475	2.7%	198,148	29.1%
Total Council	2,397,515	2,549,069	2,630,012	80,943	3.2%	232,497	9.7%
CAO's Office	929,192	973,206	931,827	-41,379	-4.3%	2,635	0.3%
Human Resources	2,747,139	3,241,461	3,079,234	-162,227	-5.0%	332,095	12.1%
Legal Dept.	1,747,123	1,505,302	1,733,810	228,308	15.2%	-13,513	-0.8%
Sustainability Office	514,418	539,713	373,901	-165,812	-30.7%	-140,517	-27.3%
Total CAO	5,937,872	6,259,682	6,118,572	-141,110	-2.3%	180,700	3.0%
Commissioner's Office	318,116	448,681	456,119	7,438	1.7%	138,003	43.4%
Communications and Community Relations	1,558,078	2,186,792	2,019,924	-166,868	-7.6%	461,846	29.6%
Financial Services	4,019,795	4,259,100	4,939,588	680,488	16.0%	919,793	22.9%
ITS Department	5,778,812	6,217,338	6,057,772	-159,566	-2.6%	278,960	4.8%
Legislative Services	6,645,078	6,725,197	6,948,222	223,025	3.3%	303,144	4.6%
Total Corporate Services	18,319,879	19,837,108	20,421,625	584,517	2.9%	2,101,746	11.5%
Commissioner's Office	1,020,334	1,011,576	1,092,271	80,695	8.0%	71,937	7.1%
Economic Development	1,373,588	1,451,362	1,480,140	28,778	2.0%	106,552	7.8%
Total Development Services	2,393,922	2,462,938	2,572,411	109,473	4.4%	178,489	7.5%
Commissioner's Office	627,368	631,720	608,994	-22,726	-3.6%	-18,374	-2.9%
Asset Management	6,588,640	6,271,844	7,144,996	873,152	13.9%	556,356	8.4%
Culture	4,952,269	4,408,696	4,752,185	343,489	7.8%	-200,084	-4.0%
Fire Services	29,711,891	29,167,754	32,381,381	3,213,627	11.0%	2,669,490	9.0%
Markham Public Libraries	9,568,615	9,511,460	10,003,794	492,334	5.2%	435,179	4.5%
Operations	22,898,349	22,435,575	23,829,869	1,394,294	6.2%	931,520	4.1%
Operations & Asset Mgt -Administration	2,150,987	2,265,932	2,079,570	-186,362	-8.2%	-71,417	-3.3%
Recreation Services	20,339,210	20,997,140	21,924,892	927,552	4.4%	1,585,482	7.8%
Waste	8,694,543	8,787,948	9,208,615	420,667	4.8%	514,072	5.9%
Total Community And Fire Services	105,531,872	104,478,069	111,934,096	7,456,027	7.1%	6,402,224	6.1%
Corporate Items	46,565,920	29,051,005	27,876,982	-1,174,023	-4.0%	-18,688,938	-40.1%
Total Corporation (Excl. WW & Build. Std.)	181,146,980	164,637,871	171,553,698	6,915,827	4.2%	-9,593,282	-5.3%
Planning & Design	5,770,354	6,964,473	6,169,790	-794,683	-11.4%	399,436	6.9%
Engineering	5,299,386	5,047,232	5,446,037	398,805	7.9%	146,651	2.8%
Building Standards	6,745,381	6,611,800	7,972,783	1,360,983	20.6%	1,227,402	18.2%
Waterworks	77,656,400	74,973,700	81,642,620	6,668,920	8.9%	3,986,220	5.1%
Total Corporation	276,618,501	258,235,076	272,784,928	14,549,852	5.6%	-3,833,573	-1.4%



2012 OPERATING BUDGET SUMMARY – REVENUES

Department/Commission	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
	\$	\$	Approved \$	Incr(Decr.) \$	%Change	Incr.(Decr.) \$	% Change
Administrative Costs	36,400	0	0	0	0.0%	-36,400	-100.0%
Mayor & Councillors	0	0	0	0	0.0%	0	0.0%
Total Council	36,400	0	0	0	0.0%	-36,400	-100.0%
CAO's Office	0	0	0	0	0.0%	0	0.0%
Human Resources	353	0	0	0	0.0%	-353	-100.0%
Legal Dept.	155,379	123,487	127,192	3,705	3.0%	-28,187	-18.1%
Sustainability Office	7,575	0	0	0	0.0%	-7,575	-100.0%
Total CAO	163,307	123,487	127,192	3,705	3.0%	-36,115	-22.1%
Commissioner's Office	0	0	0	0	0.0%	0	0.0%
Communications and Community Relations	349,051	771,884	752,600	-19,284	-2.5%	403,549	115.6%
Financial Services	673,938	627,895	709,269	81,374	13.0%	35,331	5.2%
ITS Department	5	500	9,500	9,000	1800.0%	9,495	189900.0%
Legislative Services	3,600,447	3,607,036	3,699,327	92,291	2.6%	98,880	2.7%
Total Corporate Services	4,623,441	5,007,315	5,170,696	163,381	3.3%	547,255	11.8%
Commissioner's Office	0	0	0	0	0.0%	0	0.0%
Economic Development	101,656	81,834	81,834	0	0.0%	-19,822	-19.5%
Total Development Services	101,656	81,834	81,834	0	0.0%	-19,822	-19.5%
Commissioner's Office	0	0	0	0	0.0%	0	0.0%
Asset Management	276,292	170,054	170,054	0	0.0%	-106,238	-38.5%
Culture	2,793,594	2,331,442	2,472,134	140,692	6.0%	-321,460	-11.5%
Fire Services	188,984	340,961	340,961	0	0.0%	151,977	80.4%
Markham Public Libraries	926,785	904,194	980,306	76,112	8.4%	53,521	5.8%
Operations	900,240	764,108	830,105	65,997	8.6%	-70,135	-7.8%
Operations Administration	44,382	18,100	63,500	45,400	250.8%	19,118	43.1%
Recreation Services	14,051,994	14,717,236	15,476,472	759,236	5.2%	1,424,478	10.1%
Waste	1,177,948	1,285,510	1,283,518	-1,992	-0.2%	105,570	9.0%
Total Community And Fire Services	20,360,219	20,531,605	21,617,050	1,085,445	5.3%	1,256,831	6.2%
Corporate Items	159,031,540	138,893,630	144,556,926	5,663,296	4.1%	-14,474,614	-9.1%
Total Corporation (Excl. WW & Build. Std.)	184,316,563	164,637,871	171,553,698	6,915,827	4.2%	-12,762,865	-6.9%
Planning & Design	4,940,889	6,964,473	6,169,790	-794,683	-11.4%	1,228,901	24.9%
Engineering	5,447,892	5,047,232	5,446,037	398,805	7.9%	-1,855	0.0%
Building Standards	13,546,694	6,611,800	7,972,783	1,360,983	20.6%	-5,573,911	-41.1%
Waterworks	75,235,139	74,973,700	81,642,620	6,668,920	8.9%	6,407,481	8.5%
Total Corporation	283,487,177	258,235,076	272,784,928	14,549,852	5.6%	-10,702,249	-3.8%



OPERATING BUDGET BY COMMISSION AND ACCOUNT (\$000's)

(EXCLUDING WATERWORKS, BUILDING STANDARDS, PLANNING & DESIGN, & ENGINEERING)

COMPARISON BY COMMISSION					COMPARISON BY ACCOUNT				
	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>Change</u> <u>Incr./.(Decr.)</u>			<u>2011 Budget</u>	<u>2012 Budget</u>	<u>Change</u> <u>Incr./.(Decr.)</u>	
			\$	%				\$	%
<u>REVENUES *</u>					<u>REVENUES *</u>				
Mayor & Council	-	-	-		Taxation Revenues	115,199	121,077	5,878	5.1
CAO's Office	123	127	4	3.3	Grant & Subsidy Revenues	1,473	1,529	56	3.8
Corporate Services	5,007	5,171	164	3.3	General Revenues	25,028	25,310	282	1.1
Development Services	82	82	0	0.0	User Fees and Service Charges	18,558	19,930	1,372	7.4
Community And Fire Services	20,532	21,617	1,085	5.3	Other Income	3,955	3,167	-788	(19.9)
Corporate Items	138,894	144,557	5,663	4.1	Inter-departmental	425	541	116	27.3
Total Revenues	<u>164,638</u>	<u>171,554</u>	<u>6,916</u>	<u>4.2</u>	Total Revenues	<u>164,638</u>	<u>171,554</u>	<u>6,916</u>	<u>4.2</u>
<u>EXPENDITURES *</u>					<u>EXPENDITURES *</u>				
Mayor & Council	2,549	2,630	81	3.2	Personnel Services	95,951	101,831	5,880	6.1
CAO's Office	6,260	6,119	-141	(2.3)	Materials & Supplies	6,599	6,857	258	3.9
Corporate Services	19,837	20,422	585	2.9	Purchased Services	34,125	34,660	535	1.6
Development Services	2,463	2,572	109	4.4	Capital Asset Acquisition	13	2	-11	(84.6)
Community And Fire Services	104,478	111,934	7,456	7.1	Financial Expenses	415	415	-	-
Corporate Items	29,051	27,877	-1,174	(4.0)	Other Expenditures	2,296	2,079	-217	(9.5)
					Transfers to Own Funds	25,239	25,710	471	1.9
Total Expenditures	<u>164,638</u>	<u>171,554</u>	<u>6,916</u>	<u>4.2</u>	Total Expenditures	<u>164,638</u>	<u>171,554</u>	<u>6,916</u>	<u>4.2</u>

2012 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 Town's Corporate Goals

Public Sector Accounting Board

In June 2006, Public Sector Accounting Board (PSAB), approved revisions to section 3150 of the Public Sector Accounting Handbook – Tangible Capital Assets stating that effective January 1, 2009 all municipal governments will be required to capitalize Tangible Capital Assets (TCA) at historic cost and amortize these assets over their useful life. Public Sector Guideline 7 (PSG – 7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants provides transitional guidance on presenting information related to tangible capital assets by way of a note to the financial statements until Section 3150 – Tangible Capital Assets comes into effect on January 1, 2009.

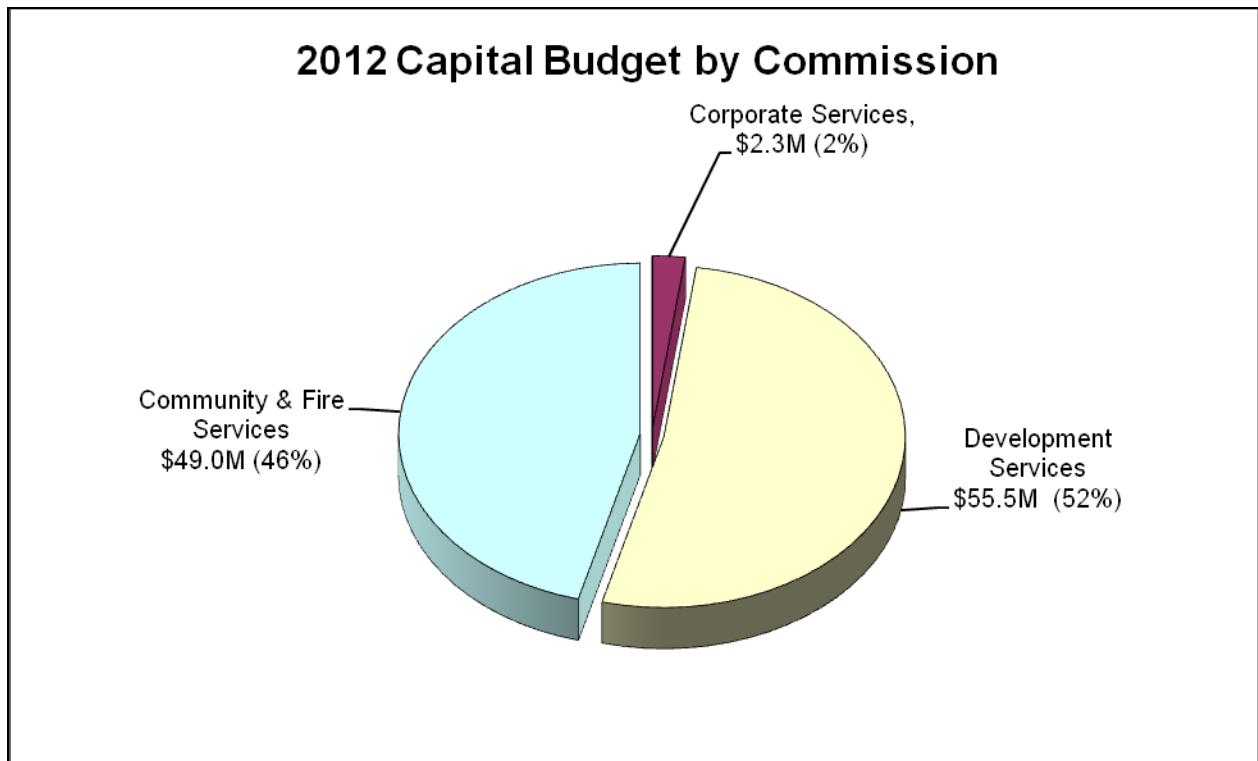
In order to be fully compliant with the above new requirements, the Town of Markham has completed the process of inventorying its assets as at December 31, 2008 and restated 2009 financial reports. The Town also restated 2010 and 2011 budgets in accordance to the Ontario Regulation 284/09. A new Tangible Capital Assets Policy is included in Budget Policies and Guideline section.

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' spent vs. budget for tracking purposes.

Budget Overview

The 2012 Capital Budget totals \$106,839,100 and is funded through a variety of sources. \$27,898,138 (26%) of the Capital Budget is funded through the Life Cycle Replacement and Capital Reserve and appears as a 'Transfer to Reserves' in the Operating Budget. This marks a \$7,402,568 increase in Life Cycle Replacement and Capital Reserve funding from 2011 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 72% of the current year Capital Budget is identified through two long-term studies: Life Cycle Reserve study & 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 Town assets (facilities, roads, water/sewer, etc) over a 25 year period. The 2012 & 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. 2012 has \$27.9M of projects funded from the Life Cycle Replacement and Capital Reserve Fund)

The Development Charges Background study has two components relating to growth: Town-Wide Hard services (e.g. relating to cost recovery for major roads, sidewalks, streetlights and storm water management), and Town-Wide Soft services (e.g. relating to cost recovery for facilities, parks development and public works).

The Development Charges (DC) Background study for Town-Wide Hard services were updated in 2008 which covered the period 2008-2031, and the soft services was updated in 2009 which covers the period 2009-2018. (e.g. 2012 has \$47.9M 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 205 and 206 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 28% of the 2012 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 2012 as they relate to Council's long term strategic plan of Building Markham's Future Together.

GROWTH MANAGEMENT

New Parks Design and Construction

- \$4.20 million. Construction of Grand Cornell Park, Cornell Rouge East Woodlot Park, South Unionville Ray Street Parkette and Victoria Square Playground and Waterplay. Design of Boxgrove Southeast Heritage House Parkette.

Growth Management Strategies

- \$1.10 million. Development of guidelines, policies and analyses to support a Markham Growth Management Strategy.

TRANSPORTATION/TRANSIT

Highway 7 404 Bridge North of Highway 7 – Construction

- \$15.70 million. Construction of mid-block crossing across Highway 404, north of Highway 7. Project to be funded by Town of Markham, Town of Richmond Hill and York Region.

Birchmount Road Bridge at Rouge River – Construction

- \$15.00 million. Construction of bridge structure and road allowance over Rouge River, from Riverside Drive to Verclaire Gate, including Markham District Energy infrastructure.

Highway 404 Ramp Extension at Highway 7 – Construction

- \$8.10 million. Ramp extension from Highway 7 to Highway 404 mid-block crossing which will help in reducing the traffic congestion in the Highway 7 area from Woodbine Avenue to Leslie Street.

Sidewalk and Illumination Improvement Programs

- \$3.60 million. Installation of sidewalk in various areas within Town to provide safe pedestrian access and links to immediate areas. Installation of streetlight infrastructure on Town and Regional Roads that currently do not have street lighting.

Centurian Drive – Allstate Parkway to Woodbine Avenue – Construction



- \$2.10 million. Property acquisition and road construction of Centurian Drive from Allstate Parkway to Woodbine Avenue.

Replacement and Inspection of Streetlights

- \$0.94 million. Annual replacement and inspection to existing streetlights.

Main Street, Markham – Highway 7 to Bullock Drive - Construction

- \$0.90 million. Road construction of Main Street Markham from Highway 7 to Bullock Drive.

Traffic control signals, traffic operations improvements & traffic studies

- \$0.87 million. Design and construction of traffic control signals at pedestrian crossings, upgrading other crossings with countdown signals, improve pedestrian accessibility and perform traffic count programs.

ENVIRONMENTAL

Roofing Replacements with Solar Panel Installations

- \$1.80 million. Roof replacements on Clatworthy Arena, Milliken Mills Community Centre and Mount Joy Community Centre in anticipation of installation of the solar panels of Powerstream.

Storm Water Management and Environment Asset Program

- \$0.31 million. Pond inspection, development of storm water management program and purchase and installation of 2 permanent flow monitoring stations.

Trees for Tomorrow Initiative and Replacement of Trees

- \$0.28 million. Continuation of Trees for Tomorrow program, which will allow for the supply, planting and maintenance of trees in parks and open spaces in the Town to enhance current tree cover levels. Tree replacement program is an annual program which enables us to replace any dead, diseased or damaged trees.

Waste Management Initiatives

- \$0.18 million. Continuation of the multi-residential organics program, community mailbox recycling, mission green at work & special events recycling that uses solar energy to compact waste.

Hungtington Park Permeable Paving Program

- \$0.10 million. Through collaboration with the University of Waterloo, Operation will construct test sections of permeable paving in Huntington Park Parking Lot. Permeable paving allows precipitation to percolate through areas that would traditionally be impervious and infiltrates through the soil below.

MUNICIPAL SERVICES

Watermain and Sanitary Sewer Construction and Replacement Program

- \$6.90 million. Replacement of watermains and sanitary sewers at various locations.

Road Rehabilitation Program

- \$6.60 million. Various road resurfacing & improvement projects.

Facility Improvement Program at Community Centres, Libraries, Fire Stations, Civic Centre and Cultural Venues

- \$6.60 million. Various maintenance & upgrades at Town-owned facilities.

Library Collections

- \$1.70 million. Replacement and updating of library materials.

Water System & Water Meter Replacement & Upgrade Program

- \$1.50 million. Water system appurtenances repair and dead end elimination, improvement and upgrades. Replacement of residential and ICI water meters that have reached their life expectancies.

Sportfield Maintenance and Bleacher Replacements

- \$0.95 million. Replacement of concrete and metal bleachers at various parks and sportfields. Renovation of sportfields in various parks and schools.

Storm Sewer Rehabilitation and Inspection Program

- \$0.60 million. Inspection and rehabilitation of deficient sections of storm sewer pipes and selected storm sewer outlets.

Tennis Courts Resurfacing

- \$0.60 million. Repair and resurfacing of tennis courts at various locations.

Roof Downspout Disconnection Program

- \$0.25 million. Roof downspout disconnection from sanitary sewer system for inflow/infiltration reduction in affected areas across Town.

Pool Sanitization – Angus Glen

- \$0.14 million. Installation of ultraviolet sanitization system at Angus Glen pool.



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

Pan/Parapan American Games Facility

- \$7.80 million. Demolition of an existing building and internal consulting for Pan/Parapan American Games Facility site preparation.

Fire & Emergency Services Capital Program

- \$1.10 million. Replacement of old and damaged firefighter tools and equipments as well as medical equipment. Acquisition of an emergency power generator.

Traffic Control Signals & Traffic Operational Improvements

- \$0.87 million. Design and construction of traffic control signals at pedestrian crossings, upgrading other crossings with countdown signals, and perform traffic count programs.

Play Structure and Safety Resurfacing

- \$0.22 million. Installation of safety surface and playground equipment at various park locations.

DIVERSITY

Pedestrian Accessibility Improvements

- \$0.36 million. Installation of accessible pedestrian signals at 10 traffic intersections.

Facility Accessibility Program

- \$0.23 million. Accessibility audit and retrofit upgrade programs at Town facilities.

2012 CAPITAL BUDGET SUMMARY BY COMMISSION

	2011 Budget	2012 Budget
Development Services		
Economic Development	\$346,000	\$356,100
Planning	\$1,698,500	\$1,566,800
Design	\$2,433,200	\$6,198,500
Engineering	\$25,407,600	\$47,355,300
	\$29,885,300	\$55,476,700
CAO, Legal, HR & Sustainability Office		
Human Resources	\$88,200	\$0
Sustainability Office	\$200,000	\$0
CAO's Office	\$530,600	\$0
	\$818,800	\$0
Corporate Services		
Legislative	\$0	\$40,700
ITS	\$2,124,700	\$1,190,600
Financial Services	\$644,500	\$916,000
Corporate Communications	\$0	\$162,800
	\$2,769,200	\$2,310,100
Community & Fire Services		
Culture	\$70,000	\$0
Museum	\$301,700	\$505,400
Theatre	\$589,800	\$418,700
Arts Centres	\$44,100	\$294,100
Recreation/Library Construction	\$5,922,000	\$0
Fire	\$999,100	\$1,099,300
Recreation Services	\$1,234,400	\$3,051,900
Operations - Roads	\$7,502,100	\$7,166,900
Operations - Parks	\$2,012,100	\$4,053,700
Operations - Traffic	\$795,600	\$865,900
Operations - Fleet	\$3,278,400	\$1,772,100
Facility Assets	\$2,887,800	\$13,264,900
Right-of-Way Assets	\$2,576,800	\$5,478,200
Environmental Assets	\$337,200	\$40,700
Waste Management	\$152,400	\$57,500
Library	\$1,796,700	\$1,815,300
Waterworks	\$9,142,700	\$9,167,700
	\$39,642,900	\$49,052,300
Total Capital Budget	\$73,116,200	\$106,839,100



2012 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>
Development Services					
<i>Economic Development</i>					
12015	Centre for Financial Services	25,400	25,400		
12016	Markham Convergence Centre	218,800	218,800		
12017	International Investment Attraction Program	76,300	76,300		
12018	Economic Alliance Program	35,600	35,600		
TOTAL Economic Development		356,100	356,100		
<i>Planning</i>					
12001	Consultant Studies	101,800		91,620	10,180
12002	OMB Development Application Hearings	203,500		183,150	20,350
12004	New Official Plan-Public Consultation/Communication	101,800		91,620	10,180
12005	Buttonville Airport Redevelopment Program	101,800			101,800
12007	New Official Plan - Project Management	580,000		522,000	58,000
12008	Growth Monitoring Program	20,400		18,360	2,040
12009	Official Plan - OMB	101,800		91,620	10,180
12010	New Official Plan 2012	203,500		183,150	20,350
12011	Parkland Dedication Policy Review	101,800		91,620	10,180
12012	Designated Property Grant Program Year 3 of 4	30,000			30,000
12014	Heritage Commemorative Signage for Markham Village	20,400	20,400		
TOTAL Planning		1,566,800	20,400	1,273,140	273,260
<i>Design</i>					
12026	Angus Glen West Village Parks Dev. Reimbursement	747,800	74,780	673,020	
12027	Majestic Court Park Developer Reimbursement	250,000	25,000	225,000	
12028	Victoria Square Playground & Waterplay Construction	1,419,200	131,920	1,187,280	100,000
12029	South Unionville Ray St. Parkette (Construction)	1,496,400	149,640	1,346,760	
12030	Boxgrove S. E. Heritage House Parkette - Design	54,500	5,450	49,050	
12031	Kylemore Communities, Yorkton, Dev. Reimbursement	52,400	5,240	47,160	
12032	Grand Cornell Park, New Union - Construction	482,900	48,290	434,610	
12033	Cornell Rouge (Madison) East Woodlot Park - Const.	784,200	78,420	705,780	
12034	Civic Mall - Permanent Landscaping Improvements	443,000	44,300	398,700	
12035	Sports Park - Environmental / Feasibility Studies	332,300	33,230	299,070	
12036	Morgan Park Master Plan	55,400	13,850	41,550	
12037	Markham Village 'Library Square' Master Plan	55,400	13,850	41,550	
12371	Milne Dam Conservation Area Master Plan	25,000	6,250	18,750	
TOTAL Design		6,198,500	630,220	5,468,280	100,000
<i>Engineering</i>					
12046	Hwy 404 Mid-Block Crossing, North of Hwy 7	15,669,600		5,223,200	10,446,400
12047	Hwy 404 Ramp Extension - Hwy 7 (CA & Construction)	8,132,900		8,132,900	
12048	Main Street Markham -Hwy 7 to Bullock Drive (Const)	899,200			899,200
12049	Centurian Drive -Allstate to Woodbine (PA & Const)	2,093,400		2,093,400	
12050	Church Street - 9th Line to Bur Oak (EA)	111,800		111,800	
12051	Sidewalk Program	2,032,600		1,524,450	508,150
12052	Illumination Program	1,524,400		1,219,520	304,880
12053	Transportation Demand Management	283,300		283,300	
12054	Downstream Improvement Work Program	1,219,400		420,000	799,400
12055	Birchmount Rd Crossing at Rouge River-(Construction)	14,996,400		12,796,400	2,200,000
12056	Helen Avenue Reconstruction (Design)	111,800		92,794	19,006
12059	Development Charges Background Study Update	199,100		179,190	19,910
12061	Official Plan - OMB Development Application Hearings	81,400		73,260	8,140
TOTAL Engineering		47,355,300		420,000	32,229,614
TOTAL Development Services		55,476,700	1,006,720	420,000	38,971,034

2012 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>
Corporate Services					
<i>Legislative Services</i>					
12089 Establishment of New Ward Boundaries	40,700	40,700			
TOTAL Legislative Services	40,700	40,700			
<i>ITS-Corporate Services</i>					
12094 Web Based TXM (Financial Services)	50,900	50,900			
TOTAL ITS-Corporate Services	50,900	50,900			
<i>ITS-Other</i>					
12095 Core Base Architecture	569,400		490,654		78,746
TOTAL ITS-Other	569,400		490,654		78,746
<i>ITS-Fire</i>					
12171 Sinclab Power Supply Phase 1 of 2 (Fire)	9,800		9,800		
12174 UPS System - GEAC (Fire)	12,200		12,200		
12355 Company Officer Training - Phase 1 of 2 (Fire)	20,400	20,400			
TOTAL ITS-Fire	42,400	20,400	22,000		
<i>ITS-Operations</i>					
12097 Handheld Location Units (Operations)	25,400		25,400		
12098 AVL for 108 Fleet (O11-1) (Operations)	64,000	64,000			
TOTAL ITS-Operations	89,400	64,000	25,400		
<i>ITS-Library</i>					
12103 Angus Glen Branch 3M SmartSorter (Library)	199,400	99,400	100,000		
TOTAL ITS-Library	199,400	99,400	100,000		
<i>ITS-Waterworks</i>					
12104 DARTS Phase 2 of 2 (Waterworks)	152,600				152,600
12105 Business Intelligence Dashboard (Waterworks)	50,900				50,900
12353 CCTV Software Upgrade - ITS Component (Waterworks)	35,600				35,600
TOTAL ITS-Waterworks	239,100				239,100
<i>Financial Services</i>					
12111 Development Charges Background Study	152,600	15,260		137,340	
12112 Internal Project Management	763,400			763,400	
TOTAL Financial Services	916,000	15,260		900,740	
<i>Corporate Communications</i>					
12114 Great Hall Implementation of Multimedia Phase 1 of 2	35,600	35,600			
12115 Mobile Stage	127,200	127,200			
TOTAL Corporate Communication	162,800	162,800			
TOTAL Corporate Services	2,310,100	453,460	638,054	900,740	317,846



2012 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>
Community & Fire Services				
Museum				
12131 Museum Exhibitions	15,000		15,000	
12132 Museum Artifact Restoration	30,000		30,000	
12133 Acadia Preservation Project	89,500	89,500		
12134 Historical Building Stabilization Program	152,600		152,600	
12135 Stiver Pavilion Renewal Program	30,000		30,000	
12136 Museum Building Assessment Study - Phase 2 of 4	35,600		35,600	
12137 Museum Building Maintenance Program	101,800		101,800	
12138 Pottery Project - Markham Museum	50,900	50,900		
TOTAL Museum	505,400	140,400	365,000	
Theatre				
12146 Theatre Public Washroom Counters and Faucets	27,500		27,500	
12147 Theatre Door Replacement	40,700		40,700	
12148 Theatre Stage Equipment Replacement	24,900	18,300	6,600	
12149 Theatre Lighting Dimmer System	179,700		179,700	
12150 Theatre Stage Lighting Fixture Replacement	133,700		133,700	
12151 Theatre Steinway Piano Refurbishment	12,200		12,200	
TOTAL Theatre	418,700	18,300	400,400	
Arts Centres				
12156 Mechanical and Boiler Room Pumps Replacement	38,700		38,700	
12157 Office/Programming Room Transformation	152,600	152,600		
12158 Varley Gallery Lobby and Gallery Door Repairs	71,200	40,700	30,500	
12160 Civic Centre Art Collection	5,100	5,100		
12161 McKay Art Centre Fence and Front Step Replacement	11,200		11,200	
12163 Varley Gallery Access to the Street	15,300		15,300	
TOTAL Arts Centres	294,100	198,400	95,700	
Fire & Emergency Services				
12166 Breathing Air Cylinders	72,900		72,900	
12167 Firefighting Tools & Equipment Replacement	127,000		127,000	
12168 Mobile Radios	97,400		97,400	
12175 Medical Equipment (Defibrilators)	91,600		91,600	
12176 Firefighting Boots	91,600	91,600		
12178 Replacement of Equipment due to Staff Retirements	86,000	86,000		
12179 Apparatus Equipment	250,000		250,000	
12180 Bunker Gear Life Cycle Replacement	115,800		115,800	
12352 Backup Electricity-ERC/Web EOC-Phase 1 of 4	167,000	167,000		
TOTAL Fire & Emergency Services	1,099,300	344,600	754,700	

2012 CAPITAL BUDGET SUMMARY BY DEPARTMENT

Funding Sources

<i>Project Description</i>	<i>Total</i>	<i>Operating Budget Funded</i>	<i>Life Cycle</i>	<i>DC - Reserve</i>	<i>Other</i>
Recreation Services					
12181 Recreation - Pool Sanitization (Phase 3 of 4)	135,700	105,700			30,000
12182 Centennial C.C. - Upgrade Upper Lounge	60,400		60,400		
12183 Centennial/Mt. Joy/Markham Village Cleaning Equip.	60,300	34,640	25,660		
12186 Recreation Aquatic Equipment	71,400		71,400		
12187 Recreation Fitness Equipment	128,000		128,000		
12188 Recreation Program Equipment	74,300		74,300		
12189 Recreation Tables & Chair replacement	49,800		49,800		
12191 Recreation Thornlea Pool program	66,100		66,100		
12192 Angus Glen - Gymnasium Flooring Refinishing	21,900		21,900		
12193 Thornhill Hall Divider Partitions Replacement	231,400		231,400		
12194 Armadale Mill Work	15,300		15,300		
12195 Angus Glen Sump Pump Replacement	21,400		21,400		
12197 Angus Glen - Blind Replacement	12,100		12,100		
12198 Thornhill Refrigeration Plant Renovations	739,800		536,300		203,500
12199 Angus Glen - Interior Painting	19,100		19,100		
12200 Angus Glen - Exterior Wood Sealing and Siding	17,300		17,300		
12201 Angus Glen - Viewing and Youth Lounge Furniture	24,400		24,400		
12202 Rouge River C.C. Rubber Flooring Replacement	7,600		7,600		
12203 Milliken Mills C.C. Arena Painting	23,900		23,900		
12204 Centennial/Mount Joy Relining Hot Water Tanks	16,900		16,900		
12205 Centennial C. C. Change Arena Glass	35,500		35,500		
12206 Centennial C. C. Replace Pool Basement H/V Unit	179,100		179,100		
12207 Mount Joy Soccer - Replace Soccer Field Netting	8,400		8,400		
12208 Thornhill and Clatworthy Arena Equipment	5,700		5,700		
12209 Thornhill and Clatworthy Ice Edger Replacement	14,000		14,000		
12210 Mount Joy -Ice Rink Replacement	839,500		839,500		
12216 Milliken Mills C.C. Millwork	10,700		10,700		
12217 Thornhill Library interior Window Frames Painting	15,100		15,100		
12218 Thornhill Door and Hardware Replacement	23,900		23,900		
12219 Milliken Mills C.C. HVAC unit replacement	61,100		61,100		
12221 Seniors Centre - Gymnasium Floor Refinishing	16,300		16,300		
12223 Rouge River Pool Heater Replacement	15,000		15,000		
12224 Angus Glen - Arena Heaters	30,500		30,500		
TOTAL Recreation Services	3,051,900	140,340	2,678,060		233,500
Operations - Roads					
12225 Asphalt Resurfacing	5,399,400		4,250,059		1,149,341
12226 Huntington Park Permeable Paving Program	76,300		76,300		
12227 Parking Lots	218,100		218,100		
12228 Secondary Roadworks	254,400				254,400
12229 Localized Repairs - Curb & Sidewalk	539,900		539,900		
12230 Emergency Repairs	108,000		108,000		
12231 Railway Crossing Improvements	54,000		54,000		
12232 Retaining Walls Program	74,100		74,100		
12236 Storm Sewer Inspection	107,800		107,800		
12237 Storm Water Retention Pond Maintenance Program	26,500		26,500		
12238 Upgraded Guiderail Installation	85,500		85,500		
12239 Boulevard Repairs	54,000		54,000		
12240 Bridge Structure Preventative Maintenance	46,500		46,500		
12241 Town Owned Fence Replacement Program	122,400		122,400		
TOTAL Operations - Roads	7,166,900		5,763,159		1,403,741



2012 CAPITAL BUDGET SUMMARY BY DEPARTMENT

Funding Sources

Project Description	Total	Operating Budget Funded	Life Cycle	DC - Reserve	Other
Operations - Parks					
12242 Bleachers (Concrete) Replacement-Milliken Mills Park	809,900		809,900		
12243 Bleachers (Metal) Replacement-Milliken Pk-Diamond 1	16,200		16,200		
12244 Floodlights & Poles Replacement	377,300		377,300		
12245 Highgate Park Basketball Court	22,400	2,240		20,160	
12246 Volleyball Court Pilot Project	63,800	6,380		57,420	
12247 Johnsvie Park Basketball Court	35,600	3,560		32,040	
12248 Public Realm-Markham's Shared Places Our Spaces	300,000	300,000			
12249 Adopt a Park & Colour Your Corner	10,000	2,000			8,000
12250 Electrical & Cabling	88,100		88,100		
12251 Paving Pathways & Facilities	112,300		112,300		
12252 Markham Trees for Tomorrow	120,000				120,000
12253 Replacement/New Boulevard/Park Trees	162,000		162,000		
12254 Playstructure & Safety Resurfacing	224,600		224,600		
12255 Sportsfield Maintenance & Reconstruction	123,500		123,500		
12256 Town Park Furniture / Amenities	134,800		134,800		
12257 TRCA 50/50 Community Projects	40,000	16,000			24,000
12258 Volunteer Ice Rink Program	30,500	30,500			
12259 Court Resurfacing/Reconstruction	602,300	20,000	474,300		108,000
12261 Pomona Mills Park Stairs Modification	40,700	40,700			
12262 New Outfield Fences/Warning Tracks-Aldergrove	45,800	45,800			
12360 Parks Furniture-Public Space Recycling Program	125,600	50,600			75,000
12369 Parks Amenities Policy Review	50,000	5,000		45,000	
12370 New Fleet - Forestry	518,300	41,200		370,800	106,300
TOTAL Operations - Parks	4,053,700	563,980	2,523,000	525,420	441,300
Operations - Traffic					
12263 Traffic Signals Upgrades	79,400		79,400		
12264 Pedestrian Countdown Signal Retrofit Program	50,900				50,900
12265 Pedestrian Accessibility Improvements-Ph 2 of 6	356,200	249,400			106,800
12266 Traffic Control Signal Design & Construction	379,400			256,100	123,300
TOTAL Operations - Traffic	865,900	249,400	79,400	256,100	281,000
Operations - Fleet					
12267 Corporate Fleet Refurbishing	35,400		35,400		
12268 Corporate Fleet Replacement	1,498,000		1,498,000		
12270 New Fleet - Operations Growth	38,700	3,870		34,830	
12366 Winter Maintenance Vehicles	200,000			200,000	
TOTAL Operations - Fleet	1,772,100	3,870	1,533,400	234,830	0
Asset Mgmt - Facility Assets					
12271 Civic Centre Improvements	162,800		162,800		
12272 Library Facility Improvements	76,000		76,000		
12273 Operations Facilities Improvements	125,800		125,800		
12274 Fire Facility Improvements	199,600		199,600		
12275 Roofing Replacement-PowerStream Solar Panels	1,802,500		1,254,144		548,356
12276 Roofing Maintenance and Structural Adequacy	72,600		72,600		
12277 Roofing Replacement Projects	556,100		556,100		
12278 Other Facility Improvements	52,900		52,900		
12281 Satellite Community Centre Improvements	66,000		66,000		
12282 Accessibility Retrofit Program	234,000		234,000		
12283 8100 Warden Facility Improvements	10,400		10,400		
12284 Stiver Mill Stabilization and Preservation	161,900		161,900		
12285 Corporate Security Operations & System Upgrades	137,400		137,400		
12286 Bird Safe Film	50,900		50,900		
12287 Daniel Fairty House Stabilization and Preservation	448,000		348,000		100,000
12289 Markham Museum - Lightning Arrest Implementation	240,200		240,200		
12290 Victoria Square C.C Water/Sewer Connection	132,300				132,300
12294 Corporate Accommodations	559,700		309,700		250,000
12359 Building condition Audits - FTE	121,200		121,200		
12365 Pan Am Site Preparation	7,784,600		778,460	7,006,140	
12372 Tremont Hotel Feasibility Study	50,000	50,000			
12373 Solar Photovoltaic Readiness and Energy & Water Sub-Metering System	220,000				220,000
TOTAL Asset Mgmt - Facility Assets	13,264,900	50,000	4,958,104	7,006,140	1,250,656
Asset Mgmt - Right-of-Way Assets					
12295 Structures Inspection	52,900		52,900		
12296 Miscellaneous Streetlighting Requests	50,900	50,900			
12297 Streetlight Pole Replacement Program	148,200		148,200		
12298 Survey Monument Replacement	28,100		28,100		
12299 Environmental Assets - Storm Water Management-FTE	106,700		106,700		
12300 Sewer Invert Data Quality Assurance-Phase 2 of 5	52,900		26,450		26,450
12301 ROW Assets - Structures Program - FTE	228,400		228,400		
12302 Storm Sewer Pipes - Rehabilitation	378,000				378,000
12303 Storm Water Management Pond - Condition Inspection	52,900		52,900		
12304 Structures Rehabilitation - Construction	635,200				635,200
12305 Structures Rehabilitation (12 Structures) - Design & Const.	1,970,500		1,026,341		944,159
12306 Structures Rehabilitation (14 structures) - Design	154,100		154,100		
12307 Streetlight Pole Identification	101,800		101,800		
12308 Streetlight Replacement - Town Centre Boulevard	635,000		402,000		233,000
12310 Storm Sewer Outfall Structures - Rehabilitation	211,700		211,700		
12314 Former Sabiston Landfill - Equipment Repairs	105,900		105,900		
12318 Main Street Storm Sewer (Hwy 7 to Bullock)	565,000				565,000
TOTAL Asset Mgmt - Right-of-way Assets	5,478,200	50,900	2,645,491		2,781,809
Asset Mgmt - Environmental Assets					
12340 Permanent Flow Monitoring Stations	40,700				40,700
TOTAL Asset Mgmt -Environmental Assets	40,700				40,700



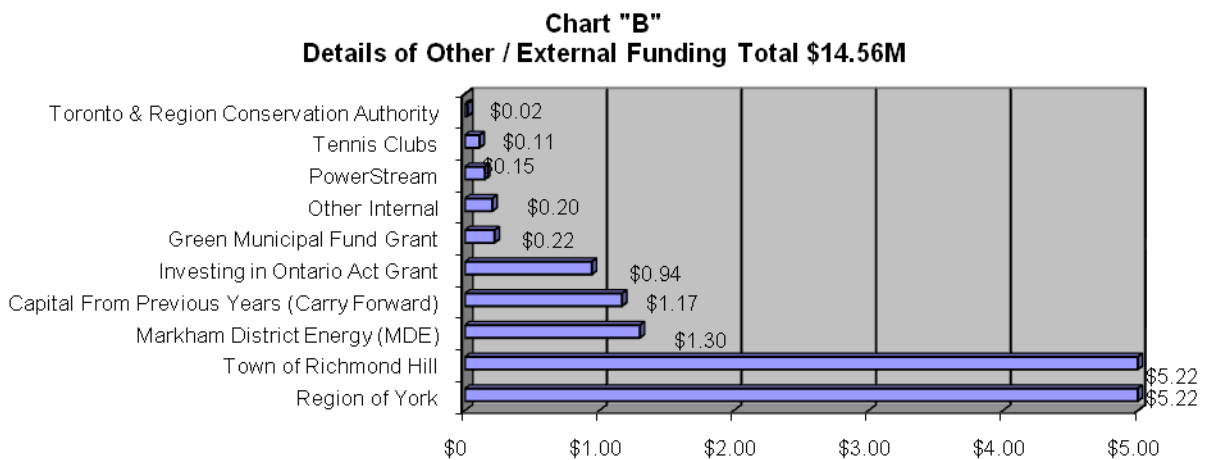
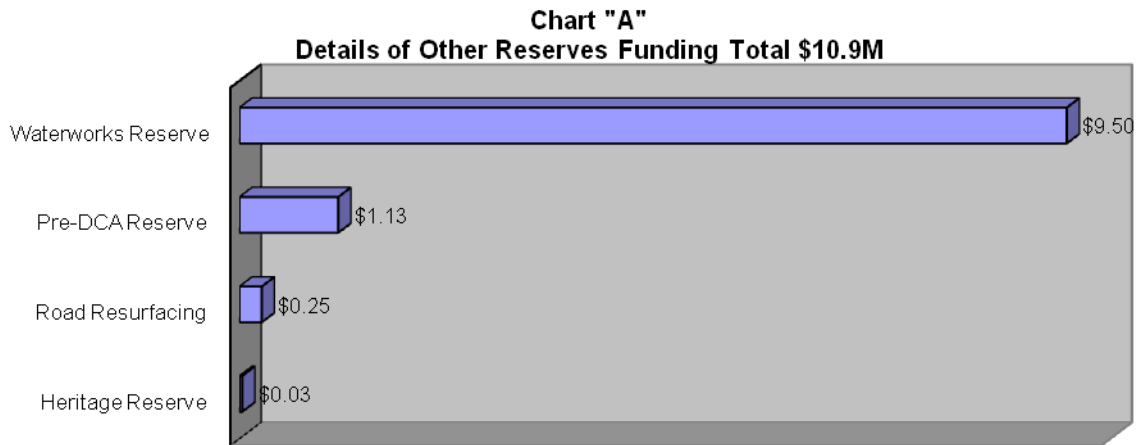
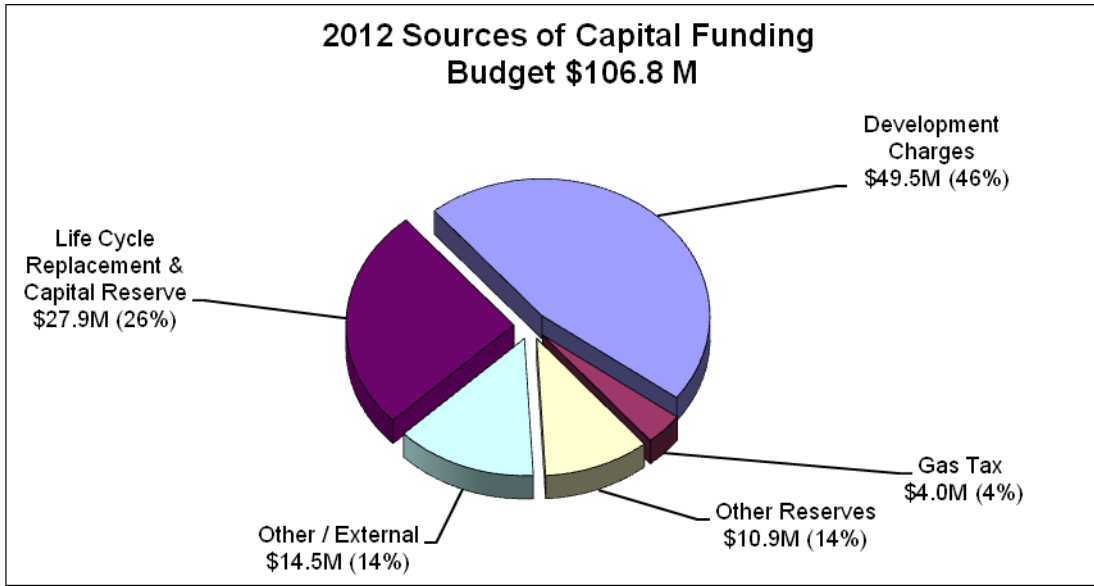
2012 CAPITAL BUDGET SUMMARY BY DEPARTMENT

<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>
Waste & Environmental Mgmt						
12317	Mission Green @ Work	57,500	8,000			49,500
TOTAL Waste & Environmental Mgmt		57,500	8,000			49,500
Markham Public Library						
12321	Replace Library Shelving	63,000		63,000		
12322	Replace Library Furniture and Equipment	63,000		63,000		
12323	Library Collections	1,675,300		1,675,300		
12324	Thornhill Village Library Renovation	14,000	14,000			
TOTAL Markham Public Library		1,815,300	14,000	1,801,300		
Waterworks						
12328	Watermain Construction and Replacement Program	3,740,100				3,740,100
12329	Watermain Construction Design	807,800				807,800
12330	Cathodic Protection of Iron Watermains Program	505,100				505,100
12331	Water System Upgrade Program	996,300				996,300
12332	Water Meter Replacement/Upgrade Program	476,200				476,200
12333	Sanitary Sewer Const / Repl (Design)	132,900				132,900
12334	Sanitary Sewer System Upgrade/Rehab Program	1,220,100				1,220,100
12335	Sanitary Trunk Sewer Inspection Program	66,100				66,100
12337	Sanitary System Physical Condition Assessment	122,100				122,100
12338	Water System Physical Condition Assessment	122,100				122,100
12339	Sector/District Mgmt Area (SMA/DMA) (Ph 1 of 5)	254,400				254,400
12342	CCTV Upgrade - WW components	40,300				40,300
12343	Calvert Road Pumping Station Building Upgrade	63,500				63,500
12345	Waterworks SCADA	203,500				203,500
12348	Roof Downspout Disconnection Program	254,400				254,400
12351	Inflow /Infiltration Reduction-Ph 1-Source Identification	162,800				162,800
TOTAL Waterworks		9,167,700				9,167,700
TOTAL Community & Fire Services		49,052,300	1,782,190	23,597,714	8,022,490	15,649,906
TOTAL 2012 CAPITAL BUDGET		106,839,100	3,242,370	24,655,768	47,894,264	31,046,698



2012 CAPITAL BUDGET SOURCES OF FUNDING

LIFE CYCLE REPLACEMENT & CAPITAL RESERVE		27,898,138
DEVELOPMENT CHARGES (DCA)		47,894,264
FEDERAL GAS TAX GRANT		4,000,000
OTHER SOURCES		
Waterworks Reserve	9,498,734	
Region of York	5,223,200	
Town of Richmond Hill	5,223,200	
Markham District Energy (MDE)	1,300,000	
Capital From Previous Years (Carry Forward)	1,167,000	
Pre - DCA Reserve Fund	1,132,036	
Development Funding	1,101,800	
Development Fees	473,472	
Investing in Ontario Act Grant	943,000	
Green Municipal Fund Grant	220,000	
Road Resurfacing Reserve Fund	254,400	
Other Internal	203,500	
PowerStream	148,356	
Tennis Clubs	108,000	
Heritage Reserve Fund	30,000	
Toronto & Region Conservation Authority	20,000	
TOTAL OTHER SOURCES		27,046,698
TOTAL CAPITAL & OTHER PROGRAMS BUDGET		<u>106,839,100</u>





2012 CAPITAL INDUCED OPERATING COSTS

<u>Department/Capital Project Description</u>	<u>2012 Operating Budget Impact</u>	<u>Annualized Operating Impact</u>	<u>Comments</u>
<u>Operations-Parks</u>			
New Fleet - Operations - Forestry	21,950	37,300	Additional cost for fuel, vehicle parts and supply, rental vehicles
<u>Corporate Communications</u>			
Great Hall Implementation of Multimedia Phase 1 of 2	12,000	12,000	Three (3) events for the year planned
Mobile Stage	26,000	26,000	Special Events - Stage storage, maintenance and other rentals
	<u>38,000</u>	<u>38,000</u>	
<u>Asset Mgmt - Environmental Assets</u>			
Permanent Flow Monitoring Stations	400	400	Facility Maintenance & Hydro
<u>Waterworks</u>			
Sector/District Mgmt Area, Phase 1 of 5	400	400	Equipment Maintenance for SMA/DMA and Hydro
<u>ITS</u>			
Handheld Location Units	1,400	1,400	
AVL for 108 Fleet	42,100	42,100	
Business Intelligence Dashboard	10,000	10,000	Annual Software License Fee
CCTV Software Upgrade	1,900	1,900	Annual Software License Fee
	<u>55,400</u>	<u>55,400</u>	
Total Capital Induced Operating Costs	<u>116,150</u>	<u>131,500</u>	

Long Term Capital Budget Forecast

Growth Related Projects

Capital Infrastructure related to growth in the Town is both material in dollars and critical to the Town'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 Town 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 Town of Markham. The remaining 10% is funded by the Town through non-DC sources. Development Charges are governed by the Town's DC By-laws, which are updated every five years. The Town of Markham, like many Ontario municipalities, updated its Development Charges Background Study (DC Study) and DC By-laws in 2009.

A capital forecast based on the 2009 DC Study information is included for the period 2012 to 2017:

2012 to 2017 Capital Budget Forecast

(in thousands of constant dollars - gross cost)

Category	2012	2013	2014	2015	2016	2017	TOTAL
(A) General Government	946.7	946.7	946.7	946.7	946.7	946.7	\$5,680.2
(B) Library	0.0	0.0	0.0	0.0	0.0	0.0	\$0.0
(C) Fire Services	0.0	0.0	1,324.3	0.0	840.0	4,663.2	\$6,827.5
(D) Indoor Recreation	0.0	53,000.0	0.0	0.0	0.0	0.0	\$53,000.0
(E) Park Development & Facilities	48,547.5	14,104.4	9,358.2	20,254.0	12,667.0	10,580.6	\$115,511.7
(F) Public Works	388.4	10,489.8	793.8	164.7	338.4	103.6	\$12,278.7
TOTAL	\$49,882.6	\$78,540.9	\$12,423.0	\$21,365.4	\$14,792.1	\$16,294.1	\$193,298.1

Notes: Listing of Growth Category Details

A. Growth Studies

B. Buildings, Land, Furniture & Equipment, Materials

C. Buildings, Land, Furniture & Equipment, Firefighter Equipment, Fire Vehicles

D. Major Facilities, Land, Equipment

E. Park Development, Vehicles & Equipment, Buildings, Land

F. Buildings, Land, Furniture & Equipment, Town Fleet



Non-Growth Related Projects

In 2005, Council approved a reserve study that evaluated, among other topics, the projected repair and replacement expenditures related to the Town's aging capital infrastructure, such as building, bridges, roads and vehicles. The study identified the age of the assets, the remaining life expectancy of the assets and projected replacement costs in order to quantify the Town's future expenditures, by year. The Town thus established a reserve fund, the Life Cycle Replacement and Capital Reserve 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 Town'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 Town's non-growth related capital expenditures (e.g. repairs, preventative maintenance, replacement of infrastructure) based upon inventory in the life cycle reserve model.

2012 to 2017 Capital Budget Forecast (based on 2011 Update)
(in thousands of constant dollars - gross cost)

Category	2012	2013	2014	2015	2016	2017	TOTAL
Fire Fighter Equipment	531.7	628.2	429.0	234.9	286.4	734.7	\$2,844.8
Traffic Signals	78.0	324.7	246.2	279.5	194.6	47.3	\$1,170.3
ITS	841.1	1,089.7	1,642.2	662.4	490.0	2,144.3	\$6,869.7
Parks	2,378.0	2,519.7	2,542.9	2,783.0	3,397.1	1,987.4	\$15,608.0
Library Collections	1,675.3	1,675.3	1,743.0	1,777.8	1,813.4	1,849.7	\$10,534.5
Streetlights	668.2	102.4	104.5	106.5	159.4	110.8	\$1,251.8
Vehicles	1,572.7	5,155.2	2,322.9	2,587.4	2,470.9	1,781.9	\$15,891.0
Structures (Bridges & Culverts)	3,039.4	2,766.7	1,440.4	1,848.0	1,266.8	1,201.3	\$11,562.5
Storm Sewers & Storm Water Mgmt & Landfill	1,560.2	3,420.4	3,270.7	2,849.6	2,136.3	1,492.8	\$14,729.9
Roads	7,151.0	7,018.3	6,859.4	6,996.6	7,308.3	7,510.0	\$42,843.5
Facilities	10,578.4	10,316.5	8,402.2	14,361.6	6,384.0	7,497.0	\$57,539.8
TOTAL	\$30,074.0	\$35,017.0	\$29,003.2	\$34,487.4	\$25,907.3	\$26,357.0	\$180,845.9

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

The following pages highlight the major capital projects for the Town. 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 Description	Total Cost	Operating Cost Impact Range		Reduction
		From	To	
Roofing Replacement-PowerStream Solar Panels	\$1,802,500	\$0	\$0	Yes
Pan Am Site Preparation	\$7,784,600	\$100,001	Or more	
Structures Rehabilitation (12 structures) - Design & Const.	\$1,970,500	\$0	\$10,000	
Victoria Square Playground & Waterplay Construction	\$1,419,200	\$10,001	\$50,000	
South Unionville Ray St. Parkette	\$1,496,400	\$10,001	\$50,000	
Hwy 404 Mid-Block Crossing, North of Hwy 7	\$15,669,600	\$50,001	\$100,000	
Hwy 404 Ramp Extension - Hwy 7 (CA & Construction)	\$8,132,900	\$0	\$10,000	
Centurian Drive - Allstate to Woodbine (PA & Const)	\$2,093,400	\$0	\$10,000	
Sidewalk Program	\$2,032,600	\$10,001	\$50,000	
Illumination Program	\$1,524,400	\$0	\$10,000	
Downstream Improvement Work Program	\$1,219,400	\$0	\$10,000	
Birchmount Rd Crossing at Rouge River (Construction)	\$14,996,400	\$0	\$10,000	
Library Collections	\$1,675,300	\$0	\$0	
Corporate Fleet Replacement	\$1,498,000	\$0	\$0	Yes
Asphalt Resurfacing	\$5,399,400	\$0	\$0	Yes
Watermain Construction and Replacement Program	\$5,034,100	\$0	\$0	Yes
Sanitary Sewer System Upgrade/Rehab Program	\$1,220,100	\$0	\$0	Yes
Total	\$74,968,800			

*Projects with a 'reduction' are an either a reduction in operations costs and/or the generation of revenue

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Roofing Replacement-PowerStream Solar Panels

Project Number 12275

Estimated Total Cost of Project

1,802,500

Commission Community & Fire Services

Department Asset Management

Project Description

Location

Milliken Mills Arena – 7600 Kennedy Road, Markham

R.J. Clatworthy Arena – 2400 John Street, Thornhill

Mt. Joy Community Centre Arena - 6140 16th Avenue, Markham

Work to be Performed

The replacement of roofs at Milliken Mills Arena, Clatworthy Arena and Mt Joy Community Centre Arena which will require the removal of existing old roofs and replace with newly designed roofs to suit PowerStream's solar panel installation.

Reason for Work

Replacement is required as (1) roofs are old and have significantly exceeded their useful life, and (2) the Town has a Lease Contract with PowerStream who will install solar photovoltaic panels on these roofs and pay lease revenue to the Town.

Impact on Future Operating Budgets

Positive - PowerStream will pay lease revenue to the Town as well as the Town will see operating savings from the Solar panels

Estimated Project Completion Date – August 31, 2012



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Pan Am Site Preparation

Project Number #12365

Estimated Total Cost of Project

\$7,784,600

Commission Community & Fire Services

Department Asset Management

Project Description

Location

16 Main Street

Work to be Performed

Provision of soft costs for the Markham Pan Am Centre and Demolition of 16 Main Street

Reason for Work

To prepare the site for the Pan Am Games

Impact on Future Operating Budgets

High – As a rough estimate, total impact will be over \$100,000 annually. This is a premature estimate without in-depth financial analysis.

Estimated Project Completion Date – Q4 2014

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Structures Rehabilitation (12 structures) – Design + Construction

Project Number 12305

Estimated Total Cost of Project

\$1,970,500

Commission Community & Fire Services

Department Asset Management

Project Description

Location

Various culverts and pedestrian bridges Town wide

Work to be Performed

Repair and rehabilitation work such as:

- Repair cracking, patch work
- Waterproofing
- Repairs to retaining walls
- Rehab/install embankment for slope protection
- Installing fencing
- Construction for minor rehabilitation

Reason for Work

- To maintain operational condition for culverts and pedestrian bridges
- Ensure public safety

Impact on Future Operating Budgets

Negligible – The impact will be less than \$10,000 annually

Estimated Project Completion Date – December 2012



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Victoria Square Playground – Design &
Construction

Project Number 12028

Estimated Total Cost of Project

\$1,419,200

Commission Development Services

Department Design

Project Description

Location

At southern most end of Victoria Square Community Park near Prince Regent Street and Tucciarone Court.

Work to be Performed

Design and Construction of a new waterplay facility and junior / senior children's playground including one small, and one large shade structure, pathways, benches, planting and lighting.

Reason for Work

Capital project approved by Council.

Impact on Future Operating Budgets

Slight - The Impact will be between \$10,001 and \$50,000 annually

Estimated Project Completion Date – September 2013

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **South Unionville Ray Street Park (Construction)**

Project Number **12029**

Estimated Total Cost of Project

\$ 1,496,400

Commission **Development Services**

Department **Design**

Project Description

Location

Ray Street and South Unionville Avenue

Work to be Performed

Construction of a new neighborhood park including a waterplay, mini-skate spot, junior / senior children's playground, shade structure, basketball hoop, outdoor fitness equipment, pathways, benches and planting.

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 – *September 2013*



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Hwy 404 Mid-Block Crossing, North of Hwy 7

Project Number 12046

Estimated Total Cost of Project

\$15,669,600

Commission Development Services

Department Capital Works (Engineering)

Project Description

Location

Proposed project is bound by Highway 7 on the south side and 16th Avenue on the north, crossing Highway 404 connecting Leslie to the west and Woodbine to the east.

Work to be Performed

- Construction of Mid-block Collector Road including underground servicing as required (storm, sanitary and watermain) and multi-span structure, crossing Hwy 404
- Modification of an existing watercourse crossing and retrofit of the existing on-line (Beaver Creek) storm water pond
- Traffic signals, underpass illumination for the bridge structure etc
- Streetscaping and terrestrial landscape restoration.

Reason for Work

Alleviating current and projected traffic congestion on Highway 7 and 16th Avenue, between Leslie Street and Woodbine Avenue and to achieve a balanced distribution of traffic demand by providing capacity to the network

Impact on Future Operating Budgets

Moderate – The impact will be between \$50,001 and \$100,000 annually

Estimated Project Completion Date – December 2014

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Highway 404 Ramp Extension at Highway 7 (CA & Construction)

Project Number 12047

Estimated Total Cost of Project

\$8,132,900

Commission Development Services

Department Capital Works (Engineering)

Project Description

Location

Proposed project is connecting Highway 7 on the south side and proposed Mid-Block Crossing on the north, bound by Highway 404 to the west and AllState Parkway to the east

Work to be Performed

- Construction of Northbound off-ramp Extension including underground servicing as required (storm, sanitary and watermain);
- Construction of multi-span structure, crossing Highway E-N Ramp.
- Relocation of existing Regional Watermain
- Connecting proposed storm water pond to the existing storm sewer on Highway7.
- Traffic signals, underpass illumination for the bridge structure etc
- Streetscaping and terrestrial landscape restoration.

Reason for Work

Alleviating current and projected traffic congestion on Off-Ramp from Highway 7 between Leslie Street and Woodbine Avenue and to achieve a balanced distribution of traffic demand by providing capacity to the network

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 Centurian Drive – Allstate to Woodbine Avenue (PA & Construction)

Project Number 12049

Estimated Total Cost of Project

\$2,093,400

Commission Development Services

Department Capital Works (Engineering)

Project Description

Location

Centurian Drive – from Allstate Parkway to Woodbine Avenue

Work to be Performed

Road reconstruction of Centurian Drive that will improve the existing roadway in anticipation of the proposed Hwy 404 mid-block crossing

- Widening of existing road including relocation of underground servicing as required (storm, sanitary and watermain);
- Construction of parking bays on the south side of Centurian Drive road.
- Traffic signals, median treatment etc
- Streetscaping and terrestrial landscape restoration.

Reason for Work

Alleviating current and projected traffic congestion and providing dedicated parking bays between AllState Parkway and Woodbine Avenue connecting to the proposed Mid-Block Crossing and to achieve a balanced distribution of traffic demand.

Impact on Future Operating Budgets

Negligible – The impact will be less than \$10,000 annually

Estimated Project Completion Date – *December 2013*

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Sidewalk Program

Project Number 12051

Estimated Total Cost of Project

\$2,032,600

Commission Community & Fire Services

Department Engineering

Project Description

Location

Various locations

Work to be Performed

Sidewalk Construction on Town and Regional roads

Reason for Work

The sidewalk program is an annual program for Engineering Department to continue to construct sidewalk within the Town of Markham.

Impact on Future Operating Budgets

Slight – regular and winter maintenance will be required. Operations will be able to provide a reasonable cost estimate for the work. The impact will be between \$10,001 and \$50,000 annually.

Estimated Project Completion Date – December 2012



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Illumination Program**

Project Number **12052**

Estimated Total Cost of Project

\$1,524,400

Commission **Development Services**

Department **Engineering**

Project Description

Location

Various Locations

Work to be Performed

Streetlight construction on roadways that require illumination within the Town and Regional roads

Reason for Work

The Illumination program is an annual program for Engineering Department to continue to construct street lights where required within the Town of Markham.

Impact on Future Operating Budgets

Negligible – regular maintenance/relamping will be required. Asset Management will be able to provide a reasonable cost estimate for the maintenance work however the impact will be less than \$10,000 annually.

Estimated Project Completion Date – *December 2012*

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Downstream Improvement Work Program

Project Number 12054

Estimated Total Cost of Project

\$1,219,400

Commission Development Services

Department Engineering

Project Description

Location

Glynnwood Pond at 7700 Bayview Ave, Thornhill, ON.

Work to be Performed

Erosion Control and Remediation work on the Downstream Culvert. Installation of armor stones on both sides of the culvert and rip-raps along the banks of the creek.

Reason for Work

Creek banks were eroded over the years and due to the big storm in August 2005. The culvert is in bad condition. Remediation and reinforcement are required. The culvert will be reconstructed in the future.

Impact on Future Operating Budgets

Negligible - The impact will be less than \$10,000 annually

Estimated Project Completion Date – *September 2012*



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Birchmount Road Crossing at Rouge River
(Construction)

Project Number 12055

Estimated Total Cost of Project

\$14,996,400

Commission Development Services

Department Engineering

Project Description Birchmount Road Crossing at Rouge River

Location

Birchmount Road, from Hwy 7 to Verclaire Gate

Work to be Performed

Construction of a four (4) lane collector road including a bridge crossing over Rouge River

Reason for Work

As a part of on-going development in Markham Centre, the collector road and bridge crossing will provide an alternate north to south route from 14th Avenue to Hwy 7.

Impact on Future Operating Budgets

Negligible – The impact will be less than \$10,000. Once the road and bridge is completed, Operations and Asset Management Departments will have to include this in the maintenance program; financial impact to be determined.

Estimated Project Completion Date – Fall 2014

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Library Collections

Project Number 12323

Estimated Total Cost of Project \$1,675,300

Commission Community & Fire Services

Department Markham Public Library

Project Description

Location

Markham Public Library

Work to be Performed

Purchase collections for library branches.

Reason for Work

Library collections are a core service of the library required to maintain operations. They are accessible to all residents and meet the educational, research and recreational information needs of a diverse community. Prior to 2011, this budget item was in the Operating Budget but due to PSAB rules it has been transferred to Capital.

Impact on Future Operating Budgets

Negligible

Estimated Project Completion Date – December 31, 2012



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Corporate Fleet Replacement – Annual Program

Project Number 12268

Estimated Total Cost of Project

\$1,498,000

Commission Community & Fire Services

Department Operations - Fleet

Project Description

Location

Townwide

Work to be Performed

2012 Annual Fleet Replacement Program based on the Council adopted Corporate Fleet Policy Guidelines

Reason for Work

Lifecycle 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.

Impact on Future Operating Budgets

Positive - The project will lead to reduced operating costs and/or afford future cost avoidance

Estimated Project Completion Date – December, 2012

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Asphalt Resurfacing – Annual Program

Project Number 12225

Estimated Total Cost of Project

\$5,399,400

Commission Community & Fire Services

Department Operations - Roads

Project Description

Location

Townwide

Work to be Performed

The eight 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

Positive - The project which will either lead to reduced operating costs or will afford future cost avoidance.

Estimated Project Completion Date – December 2012



CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name **Watermain Construction and Replacement Program**

Project Number **12328**

Estimated Total Cost of Project

\$5,034,100

Commission **Community & Fire Services**

Department **Waterworks**

Project Description

Location

1. Highway #48 – 16th Avenue to Major MacKenzie; 2. Hwy. # 48 – Main Street Markham – Hwy #7 to Bullock Drive; 3. Wellington Street

Work to be Performed

Replacement of existing watermain

Reason for Work

Hwy # 48 – in conjunction of road upgrade/widening and due to very high breakage rate as well as high risk of future breaks causing major service interruptions and financial burden.

Wellington Street – replacement of existing watermain on creek crossing. Watermain is a major link and essential water supply line to maintain security of supply along east and west of Hwy. # 7 and Markham road.

Impact on Future Operating Budgets

Positive – by avoidance of future financial burden due to watermain break and service interruptions.

Estimated Project Completion Date – *December 2012*

CAPITAL PROJECT REQUESTS FOR PROJECTS OVER \$1 MILLION

Project Name Sanitary Sewer System Upgrade/Rehab Program

Project Number 12334

Estimated Total Cost of Project

\$1,220,100

Commission Community & Fire Services

Department Waterworks

Project Description

Location

Townwide

Work to be Performed

Structural and service repairs of sanitary sewer distribution system including lateral and manholes repairs and replacements - all repairs are conducted with trenchless methods.

Reason for Work

Proactive repairs and maintenance of sanitary sewers to reduce sewer backups and spill to the environment; this will reduce financial and legal liabilities.

Impact on Future Operating Budgets

Positive – reduce costs of maintenance and liabilities.

Estimated Project Completion Date – *Spring 2013*

BUILDING STANDARDS BUDGET

The Building Standards Department is responsible for the administration of Ontario Building Code and other applicable laws including the Town'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.

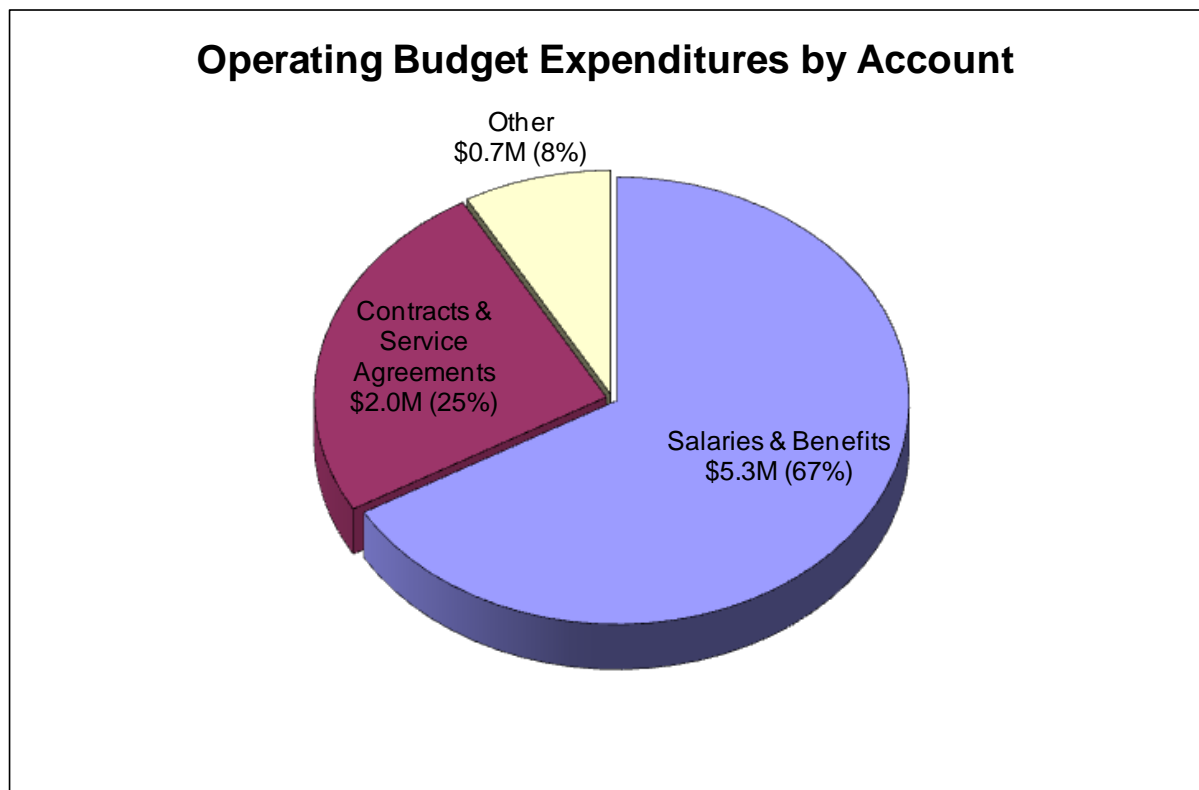
The new Building Code Statute Law Amendment Act, 2002 (Bill 124) took effect July 1, 2005. This legislation stipulates fees must not exceed the anticipated reasonable cost to administer and enforce the Act and that revenues and costs be reported separately.

Operating Budget

Expenditures

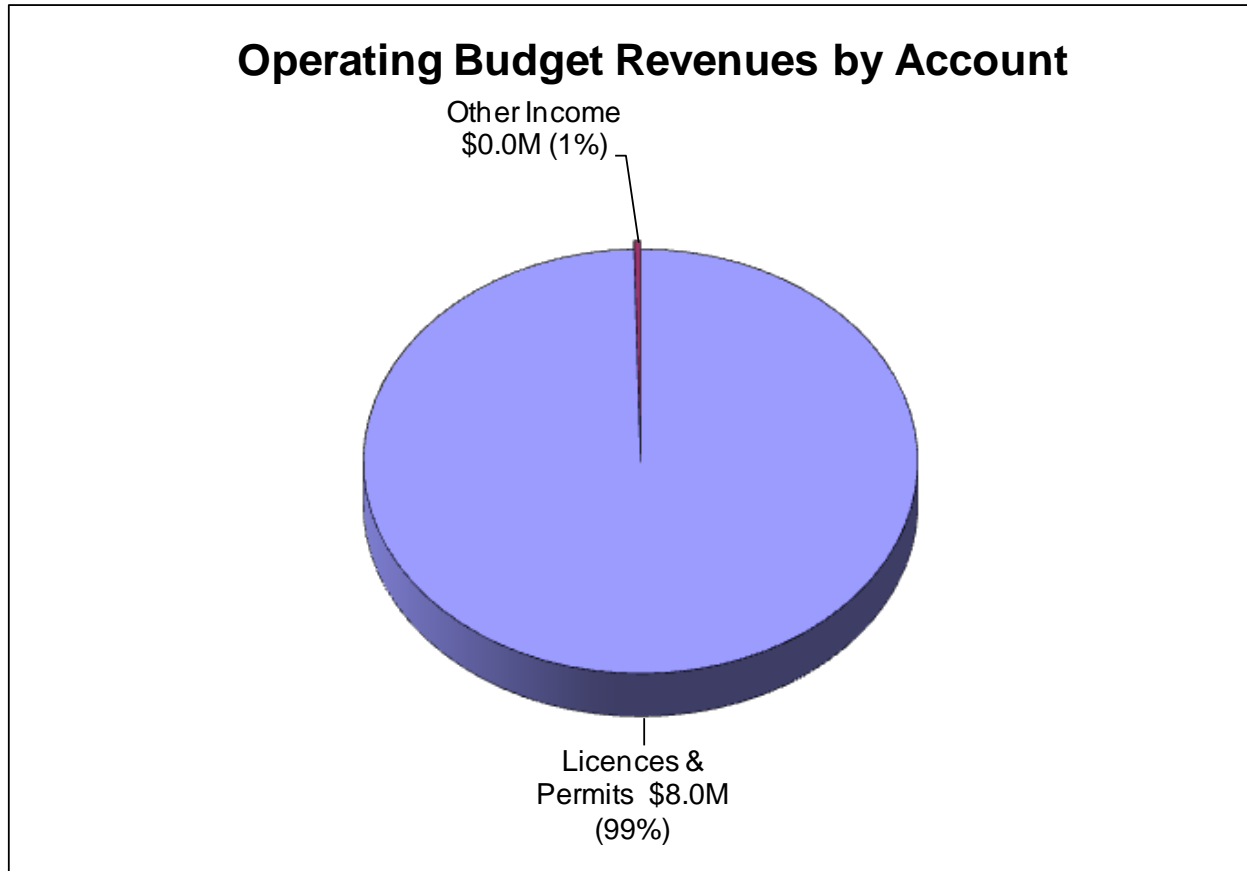
The 2012 Operating Budget for Building totals \$7,503,827 (before transfers to/from reserve). This marks an increase of \$80,333 from the 2011 Operating Budget due to an increase in salaries & benefits as well as contract service agreements.

The figure below indicates that the major portion of budgeted expenditures is Salaries and Benefits, which accounts for 70% of the Operating Budget. Contracts & Service Agreement represents indirect costs such as ITS equipment, other department's services, overhead costs and is 25% of the Operating Budget with other expenditures accounting for 8%.



Revenues

The Operating Budget is funded mainly through revenues from Licences and Permits related to Building permit applications.



Capital Budget

Building Standards department had no 2012 Capital Budget requests.



BUILDING STANDARDS CONSOLIDATED 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue				
LICENCES & PERMITS	\$6,581,660	\$7,942,643	\$1,360,983	20.7%
USER FEES & SERVICE CHARGES	30,140	30,140	0	0.0%
Total Revenues	\$6,611,800	\$7,972,783	\$1,360,983	20.6%
Expenses				
SALARIES AND BENEFITS	\$5,236,096	\$5,278,431	\$42,335	0.8%
PRINTING & OFFICE SUPPLIES	41,500	41,500	0	0.0%
OPERATING MATERIALS & SUPPLIES	23,500	23,500	0	0.0%
COMMUNICATIONS	15,800	30,800	15,000	94.9%
TRAVEL EXPENSES	6,000	6,000	0	0.0%
TRAINING	35,000	30,000	-5,000	-14.3%
CONTRACTS & SERVICE AGREEMENTS	2,018,348	2,048,346	29,998	1.5%
RENTAL/LEASE	2,500	2,500	0	0.0%
PROFESSIONAL SERVICES	16,000	16,000	0	0.0%
LICENCES, PERMITS, FEES	15,750	15,750	0	0.0%
CREDIT CARD SERVICE CHARGES	10,000	10,000	0	0.0%
PROMOTION & ADVERTISING	3,000	1,000	-2,000	-66.7%
Total Expenses	\$7,423,494	\$7,503,827	\$80,333	1.1%
TRANSFERS TO RESERVES	-811,694	468,956	1,280,650	-157.8%
Net Expenditures/ (Revenue)	\$0	\$0	\$0	0.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Licences & Permits: Increase is due to the increased number of permits expected in 2012.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

PLANNING & DESIGN BUDGET

The Planning & Design Department responsibilities 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.

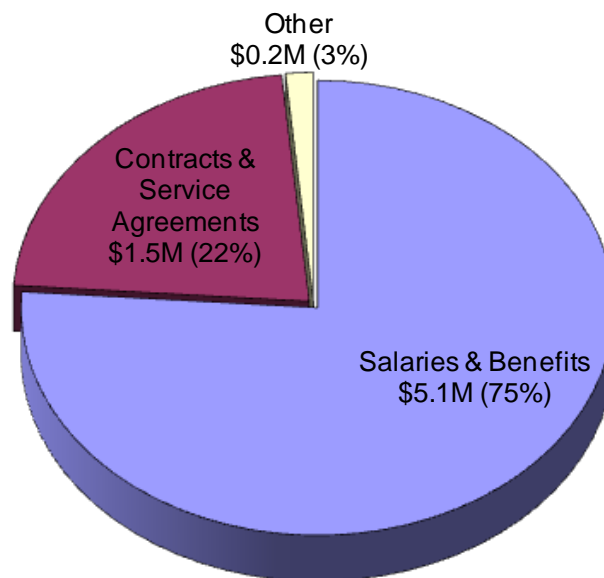
Operating Budget

Expenditures

The 2012 Operating Budget for Planning & Design totals \$6,686,379 (before transfers to/from reserves). This marks an increase of \$725,313 from the 2011 Operating Budget due to an increase in salary & benefits and contract service agreements.

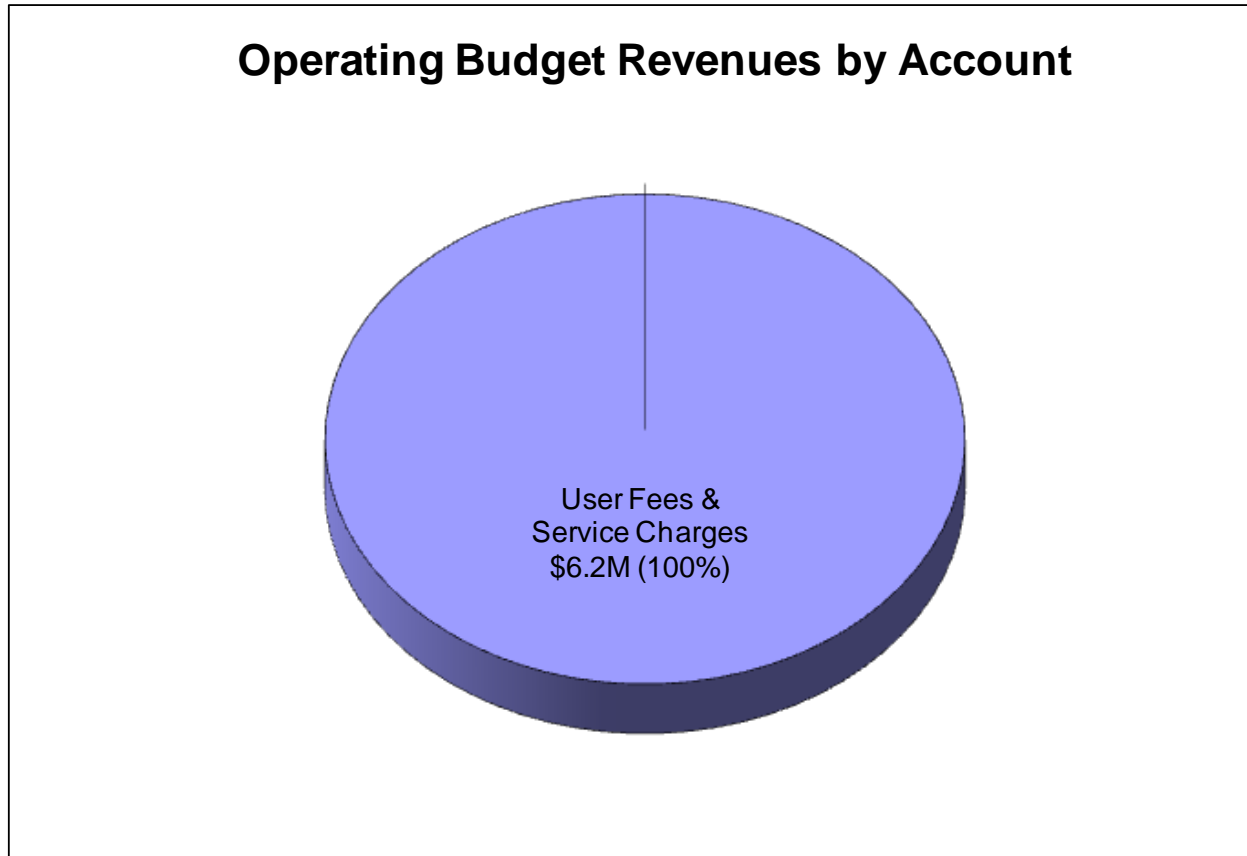
The figure below indicates that the major portion of budgeted expenditures is Salaries and Benefits, which accounts for 75% of the Operating Budget. Contracts & Service Agreement represents indirect costs such as ITS equipment, other department's services, overhead costs and is 22% of the Operating Budget with other expenditures accounting for 3%.

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 2012 Planning Capital Budget totals \$1,566,800 which is primarily funded from Development Charges. The capital projects include Official Plan preparation projects, annual advisory and improvement programs, and development area studies.

The 2012 Design Capital Budget totals \$6,198,500 which is primarily funded from Development Charges. The capital projects include new parks and master plan studies.



PLANNING & DESIGN CONSOLIDATED 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue				
USER FEES & SERVICE CHARGES	\$6,964,473	\$6,169,790	(\$794,683)	-11.4%
RECOVERIES & CONTRIBUTIONS	0	0	0	0.0%
Total Revenues	\$6,964,473	\$6,169,790	(\$794,683)	-11.4%
Expenses				
SALARIES AND BENEFITS	\$4,602,024	\$5,052,139	\$450,115	9.8%
PRINTING & OFFICE SUPPLIES	43,092	43,092	0	0.0%
OPERATING MATERIALS & SUPPLIES	6,803	6,803	0	0.0%
COMMUNICATIONS	9,369	10,869	1,500	16.0%
TRAVEL EXPENSES	17,869	29,342	11,473	64.2%
TRAINING	7,281	15,000	7,719	106.0%
CONTRACTS & SERVICE AGREEMENTS	1,208,697	1,463,203	254,506	21.1%
RENTAL/LEASE	3,000	3,000	0	0.0%
PROFESSIONAL SERVICES	38,748	38,748	0	0.0%
LICENCES, PERMITS, FEES	22,995	22,995	0	0.0%
CREDIT CARD SERVICE CHARGES	1,823	1,823	0	0.0%
PROMOTION & ADVERTISING	4,365	4,365	0	0.0%
OTHER EXPENDITURES	-5,000	-5,000	0	0.0%
Total Expenses	\$5,961,066	\$6,686,379	\$725,313	12.2%
TRANSFERS TO RESERVES	1,003,407	-516,589	-1,519,996	-151.5%
Net Expenditures/ (Revenue)	\$0	\$0	\$0	0.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

User Fees & Service Charges: Decrease is due to the decreased number of applications expected in 2012.

Salaries & Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the Town to the department.

Transfers to Reserves: Adjustment to balance the department's budget to zero.

ENGINEERING BUDGET

The Engineering Department responsibilities relate to planning and delivery of infrastructure, transportation, and environmental engineering. This includes: new subdivision & site plan applications, construction of storm & sanitary sewers, watermains, and roads.

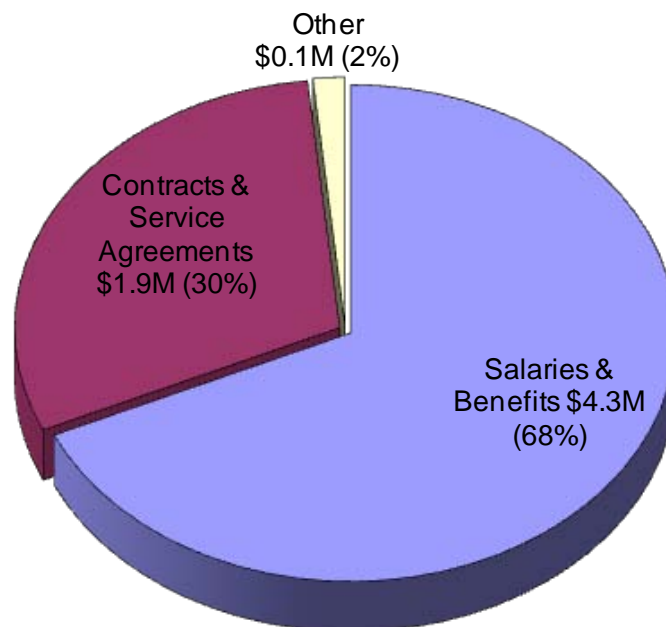
Operating Budget

Expenditures

The 2012 Operating Budget for Engineering totals \$6,319,540 (before transfers to/from reserves). This marks an increase of \$236,745 from the 2011 Operating Budget due to an increase in salary & benefits as well as contract service agreements.

The figure below indicates that the major portion of budgeted expenditures is Salaries and Benefits, which accounts for 69% of the Operating Budget. Contracts & Service Agreement represents indirect costs such as ITS equipment, other department's services, overhead costs and is 30% of the Operating Budget with other expenditures accounting for 2%.

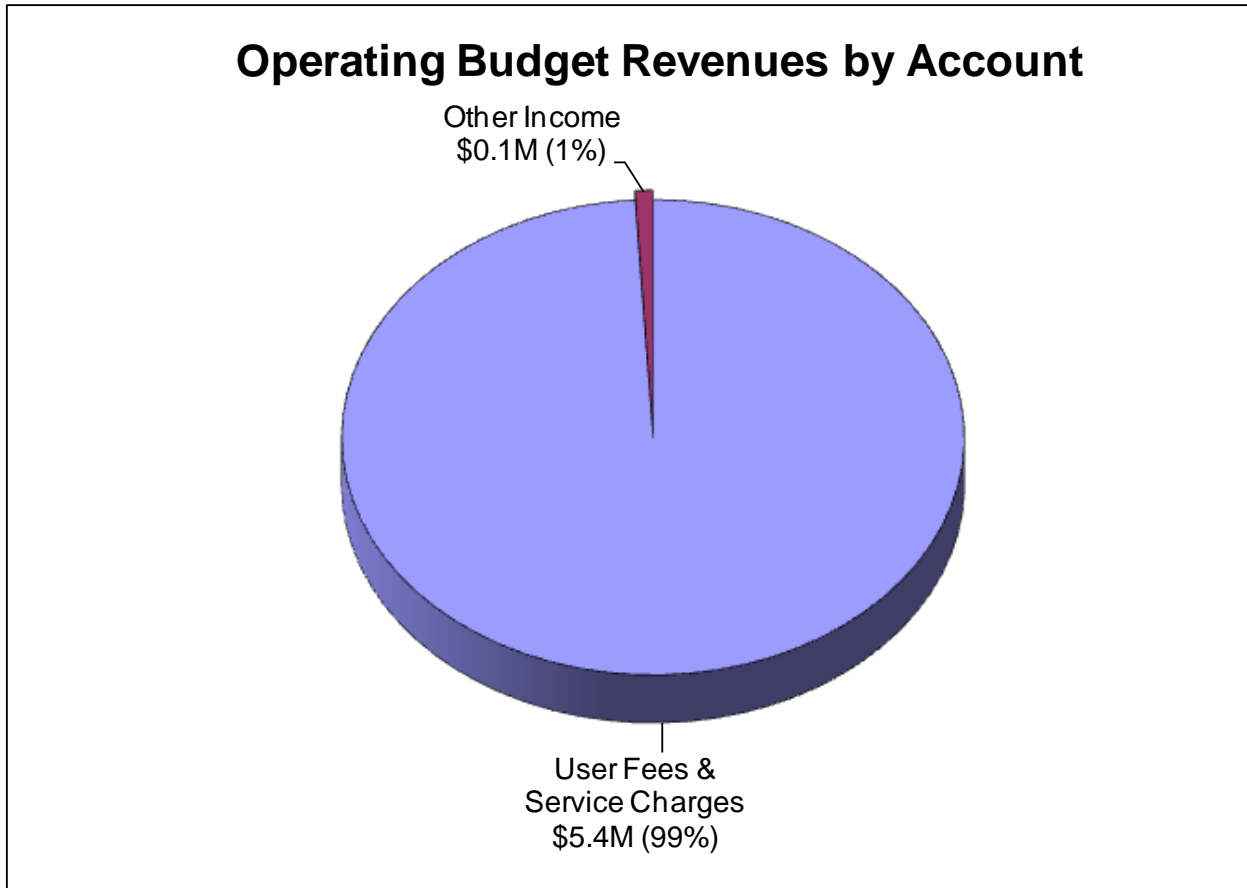
Operating Budget Expenditures by Account





Revenues

The Operating Budget is funded mainly through revenues from User Fees & Service Charges related to Engineering Fees.



Capital Budget

The 2012 Engineering Capital Budget totals \$47,355,300 which is primarily funded from Development Charges. The capital projects include annual illumination and sidewalk programs and bridge and road construction.



ENGINEERING CONSOLIDATED 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue				
USER FEES & SERVICE CHARGES	\$5,007,662	\$5,394,224	\$386,562	7.7%
SALES	1,000	1,000	0	0.0%
RECOVERIES & CONTRIBUTIONS	38,570	50,813	12,243	31.7%
Total Revenues	\$5,047,232	\$5,446,037	\$398,805	7.9%
Expenses				
SALARIES AND BENEFITS	\$4,191,107	\$4,303,516	\$112,409	2.7%
PRINTING & OFFICE SUPPLIES	31,000	31,000	0	0.0%
OPERATING MATERIALS & SUPPLIES	18,000	18,000	0	0.0%
COMMUNICATIONS	14,000	14,000	0	0.0%
TRAVEL EXPENSES	13,000	13,000	0	0.0%
TRAINING	16,000	16,000	0	0.0%
CONTRACTS & SERVICE AGREEMENTS	1,753,232	1,877,568	124,336	7.1%
MAINT. & REPAIR-TIME/MATERIAL	2,956	2,956	0	0.0%
PROFESSIONAL SERVICES	25,000	25,000	0	0.0%
LICENCES, PERMITS, FEES	18,500	18,500	0	0.0%
Total Expenses	\$6,082,795	\$6,319,540	\$236,745	3.9%
TRANSFERS TO RESERVES	-1,035,563	-873,503	162,060	-15.6%
Net Expenditures/ (Revenue)	\$0	\$0	\$0	0.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries & Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the Town to the department.

User Fees & Service Charges: Increase is due to the increased construction charges expected in 2012.

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.

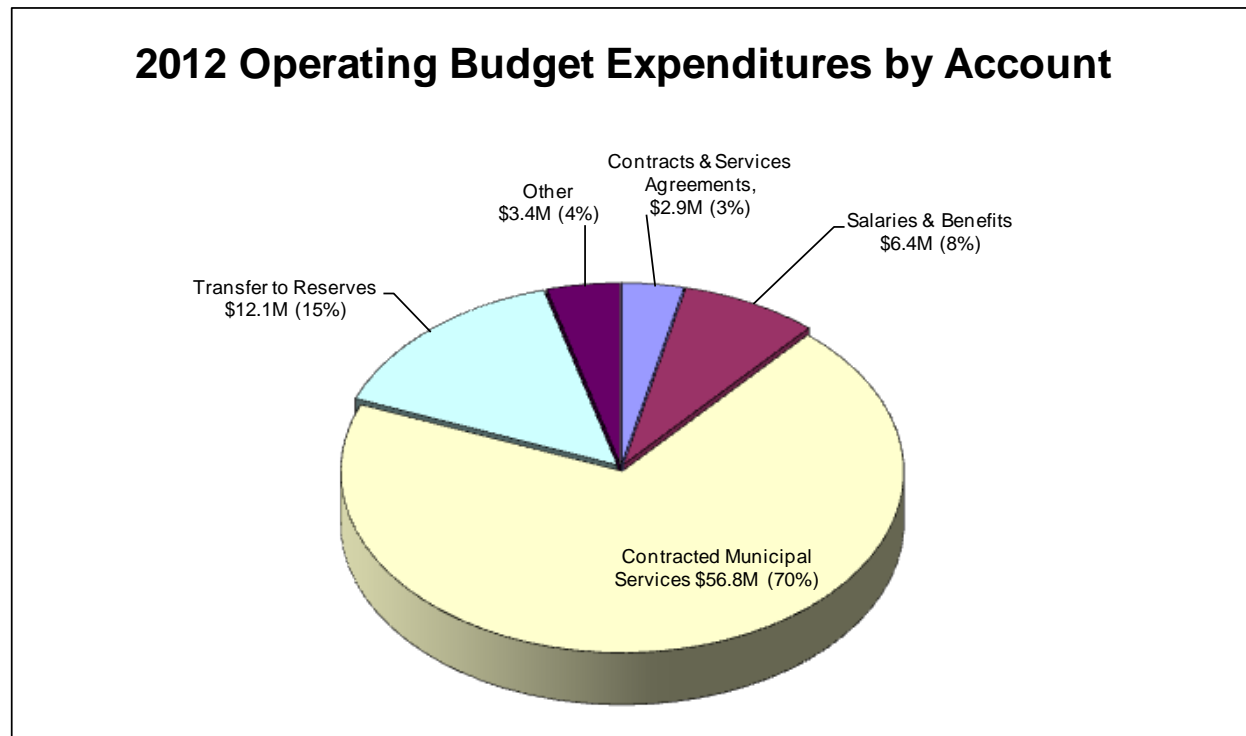
In 2007, the Town of Markham implemented a Water & Wastewater Reserve Study to address the ongoing replacement and rehabilitation requirements for the aging water and sewer systems. The study made recommendations to the level of Water & Wastewater Infrastructure Surcharge to charge in order to sustain projected replacement and rehabilitation costs over the next 25 years.

Operating Budget

Expenditures

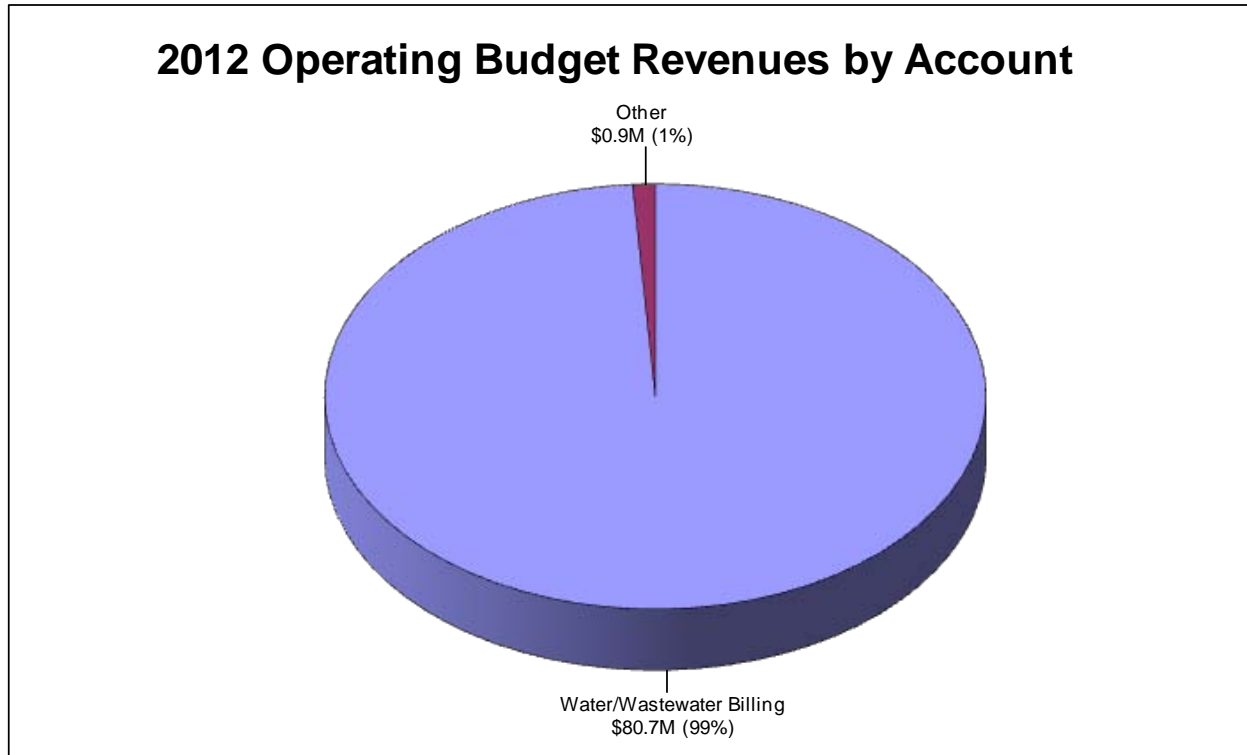
The 2012 Operating Budget for Waterworks totals \$81,642,620 (excluding prior year's surplus). This marks an increase of \$6.7 million over the 2011 Operating Budget.

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 15% of the Operating Budget, represents transfer to the Waterworks Reserve in order to sustain future replacement & rehabilitation requirements. 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.



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 Town's water/wastewater rates have increased by 8.7% from the previous year's level primarily as a result of the wholesale water rate increase from the Region of York effective April 1, 2012 (6.1% impact) and adjustments to the water/waste water surcharge to address the ongoing replacement & rehabilitation requirements for Waterworks infrastructure (2.6% impact).



Capital Budget

The 2012 Waterworks Capital Budget totals \$9,167,700 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). The 2012 capital budget includes funding from Waterworks reserve in the amount of \$9,498,734.



WATERWORKS CONSOLIDATED 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenues</u>				
TAXES - OTHER CHARGES	\$0	\$0	\$0	0.0%
FINES/BILLINGS	74,025,700	80,740,020	6,714,320	9.1%
USER FEES & SERVICE CHARGES	530,000	484,600	-45,400	-8.6%
SALES	148,000	148,000	0	0.0%
RECOVERIES & CONTRIBUTIONS	270,000	270,000	0	0.0%
OTHER REVENUE	0	0	0	0.0%
TRANSFERS FROM RESERVES	0	0	0	0.0%
Total Revenues	\$74,973,700	\$81,642,620	\$6,668,920	8.9%
<u>Expenses</u>				
SALARIES AND BENEFITS	\$5,662,613	\$6,441,201	\$778,588	13.7%
PRINTING & OFFICE SUPPLIES	29,092	29,092	0	0.0%
OPERATING MATERIALS & SUPPLIES	119,761	128,705	8,944	7.5%
CONSTRUCTION MATERIALS	522,126	566,650	44,524	8.5%
UTILITIES	35,805	36,742	937	2.6%
COMMUNICATIONS	56,331	75,601	19,270	34.2%
TRAVEL EXPENSES	49,500	49,500	0	0.0%
TRAINING	56,130	56,130	0	0.0%
CONTRACTS & SERVICE AGREEMENTS	4,233,550	2,905,096	-1,328,454	-31.4%
MAINT. & REPAIR-TIME/MATERIAL	368,507	345,122	-23,385	-6.3%
RENTAL/LEASE	5,099	5,099	0	0.0%
PROFESSIONAL SERVICES	113,034	113,034	0	0.0%
LICENCES, PERMITS, FEES	24,760	32,260	7,500	30.3%
PROMOTION & ADVERTISING	3,000	3,000	0	0.0%
CONTRACTED MUNICIPAL SERVICES	51,552,416	56,772,274	5,219,858	10.1%
OTHER PURCHASED SERVICES	227,893	1,966,822	1,738,929	763.0%
WRITE-OFFS	88,614	30,000	-58,614	-66.1%
TRANSFERS TO RESERVES	11,825,469	12,086,292	260,823	2.2%
Total Expenses	\$74,973,700	\$81,642,620	\$6,668,920	8.9%
Net Expenditures/(Revenues)	\$0	\$0	\$0	0.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Fines/Billings: Increase water sales due to water rate increase and volume adjustments

Salaries and Benefits: Increase due to the addition of 2 new full-time staff and 1 contract staff, annualization of cost of living adjustment and movement of staff along the Town's Salary Grids

Contracts & Service Agreements: Transfer \$1.3 million to Other Purchased Services

Contracted Municipal Services: Increased water purchases from the Region of York based on increased rates and volume adjustments

Other Purchased Services: Transfer of \$1.3 million from Contracts & Service Agreements and \$0.4 million increase in indirect cost chargeback to Waterworks

Write-offs: Reduction in water billing write-offs based on historical trending

Transfers 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 following section details each Business Unit of the Town. Each business unit reports to a Town Commission: CAO's Office, Corporate Services, Development Services, and Community and Fire Services. A brief overview of each Commission and its operating budget are followed by the business planning and budgeting information of its business units.

Business Unit Profiles (BUPs) provide a single reference for identifying each business unit's 2012 proposed objectives in alignment to the Corporate goals and Council priorities. By centralizing this information, the profiles have become a useful tool for measuring the progress towards the Town's mission, goals, and objectives. During the Town's annual Business Planning Process, each business unit presents its BUP to senior management, identifying its planned objectives for the upcoming year. As planning documents, not all objectives included in the BUPs will be approved during the 2012 budgeting process. Each BUP tracks five years of Key Performance Indicators (KPI's), in addition to the current mid-year data. The KPI data trends support the proposed objectives and help estimate the required resources during the Business Planning and Budgeting processes.

The BUP provides a summary of information on such matters as:

- 2011 Business Plan Objective/Outcomes
- Key performance indicators
- 2012 Cross Commission Projects
- 2012 Business Plan Objectives

One of the key elements of the BUP is a focus on KPIs. With the development of KPIs, the Town has embarked on a corporate-wide approach for measuring our financial performance, operational excellence, staff satisfaction, and customer satisfaction. Trends and inter-relationships among business units' KPIs have proven extremely helpful in identifying services that are working well, and others that require attention during the business planning and budgeting processes.

BUPs are an annual exercise for all business units. Unless specified otherwise, the 2012 objectives are targeted for completion in the same year and the implementation of these objectives will be affected by resource and funding allocation.

As part of our commitment to continuous improvement and excellence, we have become more adept at aligning business unit objectives to Corporate goals and Council priorities, developing insightful KPIs, and articulating business objectives. The BUPs are accessible to Town staff through the Town's intranet site, and to the public on the Town's internet site as part of this annual budget binder.



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MAYOR AND COUNCIL 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>		
				<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	
Revenue								
RECOVERIES AND CONTRIBUTIONS	\$36,400	\$0	\$0	\$0	#DIV/0!	(\$36,400)	-100.0%	
Expenses								
SALARIES AND BENEFITS	\$2,190,562	\$2,325,256	\$2,406,199	\$80,943	3.5%	\$215,637	9.8%	
PRINTING & OFFICE SUPPLIES	27,594	23,441	23,441	0	0.0%	-4,153	-15.1%	
OPERATING MATERIALS & SUPPLIES	11,969	11,900	11,900	0	0.0%	-69	-0.6%	
VEHICLE SUPPLIES	6,107	3,200	3,200	0	0.0%	-2,907	-47.6%	
COMMUNICATIONS	689	14,870	14,870	0	0.0%	14,181	2058.2%	
TRAVEL EXPENSES	76,912	92,395	92,395	0	0.0%	15,483	20.1%	
TRAINING	0	5,594	5,594	0	0.0%	5,594	#DIV/0!	
MAINT. & REPAIR-TIME/MATERIAL	-1	7,230	7,230	0	0.0%	7,231	-723100.0%	
RENTAL/LEASE	13,616	14,229	14,229	0	0.0%	613	4.5%	
PROFESSIONAL SERVICES	0	6,589	6,589	0	0.0%	6,589	#DIV/0!	
LICENCES, PERMITS, FEES	4,562	2,585	2,585	0	0.0%	-1,977	-43.3%	
PROMOTION & ADVERTISING	64,503	41,630	41,630	0	0.0%	-22,873	-35.5%	
OTHER PURCHASED SERVICES	1,002	0	0	0	#DIV/0!	-1,002	-100.0%	
MISCELLANEOUS EXPENSES	0	150	150	0	0.0%	150	#DIV/0!	
Total Expenses	\$2,397,515	\$2,549,069	\$2,630,012	\$80,943	3.2%	\$232,497	9.7%	
Net Expenditures/(Revenues)	\$2,361,115	\$2,549,069	\$2,630,012	\$80,943	3.2%	\$232,497	9.7%	

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.



Chief Administrative Officer (CAO)



The Chief Administrative Officer provides leadership to a full-time staff of 1015 and approximately 1300 part time/seasonal staff who respond to issues of the growing municipality of Markham and the high expectations that the public has for superior service delivery. The responsibilities of the CAO include management of a \$381.0 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, Sustainability Office, Legal Services, the Manager Strategic Initiatives and the Manager Executive Operations.

The Executive Leadership Team (ELT) supports the management of the Town's operations and is comprised of the CAO, Commissioners of Corporate Services, Community and Fire Services and Development Services as well as the Manager of Executive Operations. The ELT meets weekly, is chaired by the CAO, and addresses Town 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 Town staff. As a municipal corporation, the Town 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 Town 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 Town 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 Town of Markham's goals by providing strategic human resources management solutions in the areas of recruitment and selection, employee and labour relations, compensation and benefits, training and development, and occupational health and safety

The Town employs 1015 full-time staff supported by part time and temporary staff in areas such as Recreation Services, Roads Department and Parks during peak seasons.

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 & SUSTAINABILITY OFFICE
2012 OPERATING BUDGET**

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenues</u>							
USER FEES & SERVICE CHARGES	\$155,379	\$123,487	\$127,192	\$3,705	3.0%	(\$28,187)	-18.1%
RECOVERIES & CONTRIBUTIONS	7,575	0		0	0.0%	-7,575	-100.0%
OTHER REVENUE	353	0		0	0.0%	-353	-100.0%
Total Revenues	\$163,307	\$123,487	\$127,192	\$3,705	3.0%	(\$36,115)	-22.1%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$4,549,741	\$4,777,500	\$4,870,515	\$93,015	1.9%	\$320,774	7.1%
PRINTING & OFFICE SUPPLIES	33,314	30,153	30,153	0	0.0%	-3,161	-9.5%
OPERATING MATERIALS & SUPPLIES	83,479	73,656	113,656	40,000	54.3%	30,177	36.1%
UTILITIES	-249,629	0	-47,896	-47,896	0.0%	201,733	-80.8%
COMMUNICATIONS	12,395	9,612	9,612	0	0.0%	-2,783	-22.5%
TRAVEL EXPENSES	28,612	35,842	40,842	5,000	14.0%	12,230	42.7%
TRAINING	206,404	346,988	298,279	-48,709	-14.0%	91,875	44.5%
CONTRACTS & SERVICE AGREEMENTS	52,771	55,762	-139,955	-195,717	-351.0%	-192,726	-365.2%
RENTAL/LEASE	3,862	6,944	6,444	-500	-7.2%	2,582	66.9%
PROFESSIONAL SERVICES	736,647	534,051	567,760	33,709	6.3%	-168,887	-22.9%
LICENCES, PERMITS, FEES	65,714	66,534	65,626	-908	-1.4%	-88	-0.1%
PROMOTION & ADVERTISING	181,480	262,640	262,640	0	0.0%	81,160	44.7%
OTHER EXPENDITURES	233,082	60,000	40,896	-19,104	-31.8%	-192,186	-82.5%
Total Expenses	\$5,937,872	\$6,259,682	\$6,118,572	(\$141,110)	-2.3%	\$180,700	3.0%
Net Expenditures/(Revenues)	\$5,774,565	\$6,136,195	\$5,991,380	(\$144,815)	-2.4%	\$216,815	3.8%

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the commission

LEGAL SERVICES BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Legal representation at all Ontario Municipal Board hearings. The Department represents the Town at all manner of litigation and administrative matters to ensure that Council's position and Town policy is upheld.	Success in 85% of cases in defense of the Town's position or settlement of matters in accordance with instructions. Number of appeals/litigation matters commenced continues to increase. Files opened in the first six months of 2011 are trending to equal those opened in 2010.	OT	✓	
2	Real property matters - The Department acts for the Town in negotiating and completing acquisitions (by agreement with the owner and by expropriation), disposition, leases, easements, permission to enter agreements and Licenses to ensure that the interests of the Town are well represented and protected and to ensure that Town policy is complied with.	Successful completion of transactions authorized by Council, ensuring protection of the Town's interests.	OT	✓	
3	Legal representation and provision of strategic and practical advice and services to the Town, including Council, Committee and staff, on a wide variety of legal issues and policy matters.	Protection of Town'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 Town.	Timely preparation, execution and registration of all agreements necessary to protect the interests of the Town and facilitate development approvals of the Town.	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.	OT	✓	
6	Staff Satisfaction Improvement project - improved space planning for Real Property Section and main office.	Furniture to be re-aligned in Real Property Section, and office added for Assistant Town Solicitor in main office.	COM		✓
7					
8					
9					
10					
11					
12					
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted, DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



LEGAL SERVICES KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
# of formal customer satisfaction surveys completed			1				1 every 2 years
# of informal customer satisfaction surveys completed							
overall satisfaction (%)			73%				80%
% extremely/very satisfied			59%				35%
% of requests responded to in a timely fashion	88%	84%	80%				
FINANCIAL PERFORMANCE							
Net cost per household	\$ 11.29	\$ 10.62	\$ 10.90	\$ 11.58	\$ 13.83	\$ 12.01	
Lawyer to population ratio (Avg 1:48,000)	1:69,450	1:71,250	1:74,544	1:75,750	1:77,038		
Outside Counsel fees paid	\$69,128.00	\$318,713.00	\$302,151.00	\$ 291,085.00	\$ 632,336.00	\$ 430,390.00	\$ 250,000.00
OPERATIONAL EXCELLENCE							
Favourable decisions as a % of decisions rendered	94%	95%	86%		85%	85%	95
# of subdivision agreements registered	14	29	23	1	19	12	
# of site plan agreements prepared	62	65	53	52	35	22	
# of other development agreements prepared	23	53	27	32	63	34	
# of files opened	401	468	440	413	375	179	
# of acquisitions by expropriation		1	1	0	0	2	
% of average increase in purchase price due to expropriation		110%	317%			166%	
Average time (months) to acquire by expropriation		13	10	10	10	10	
Average time (months) to acquire by negotiation			12	12	12	12	
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	85%		61%		68%		75%
Recognition rating (from staff survey)	77%		29%		57%		65%
Staff Satisfaction rating (from staff survey)	87%		76%		77%		80%
Completion rate for performance management	100%	100%	100%	100%	100%		100%
Average Corporate learning hours per full-time employee	5.1	6.7	7.4	6.0	6.0	3.6	20.0
Staff absenteeism (average # of days per employee)	1.9	4.9	4.4	4.9	2.1	2.2	8.4
Staff turnover rate	14%	0%	29%	0%	7%	0%	7.5%
KPI SUMMARY							

LEGAL SERVICES BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)

				Priorities								
				Council						Operational		
#	Objective	Requires Additional Resources	Outcomes	Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan	Public Safety	Diversity	Alignment to NQI	Continuous Improvement / EI
Cross Commission Projects												
1												
2												
3												
Business Unit Objectives												
1	Legal representation at all Ontario Municipal Board hearings. The Department represents the Town at all manner of litigation and administrative matters to ensure that Council's position and Town policy is upheld.		Success in defense of the Town's position or settlement of matters in accordance with instructions.				✓					
2	Real property matters - The Department acts for the Town 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 Town are well represented and protected and to ensure that Town policy is complied with.		Successful completion of transactions authorized by Council, ensuring protection of the Town's interests.				✓					
3	Legal representation and provision of strategic and practical advice and services to the Town, including Council, Committee and staff, on a wide variety of legal issues and policy matters.		Protection of Town's interests while facilitating, in a timely way, the plans and programs of operating departments.				✓					
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 Town.		Timely preparation, execution and registration of all agreements necessary to protect the interests of the Town and facilitate development approvals of the Town.				✓					
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				✓					
6												
7												
8												

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



LEGAL SERVICES 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./Decr.)</u>	<u>% Change</u>	<u>\$ Incr./Decr.)</u>	<u>% Change</u>
Revenues							
USER FEES & SERVICE CHARGES	\$155,379	\$123,487	\$127,192	\$3,705	3.0%	(\$28,187)	-18.1%
Total Revenues	\$155,379	\$123,487	\$127,192	\$3,705	3.0%	(\$28,187)	-18.1%
Expenses							
SALARIES AND BENEFITS	\$1,157,827	\$1,157,012	\$1,380,741	\$223,729	19.3%	\$222,914	19.3%
PRINTING & OFFICE SUPPLIES	5,359	6,320	6,320	0	0.0%	961	17.9%
OPERATING MATERIALS & SUPPLIES	11,079	9,261	9,261	0	0.0%	-1,818	-16.4%
COMMUNICATIONS	3,171	1,117	1,117	0	0.0%	-2,054	-64.8%
TRAVEL EXPENSES	2,929	4,325	4,325	0	0.0%	1,396	47.7%
TRAINING	2,529	1,189	1,189	0	0.0%	-1,340	-53.0%
CONTRACTS & SERVICE AGREEMENT	-43,853	-43,853	-39,274	4,579	-10.4%	4,579	-10.4%
RENTAL/LEASE	1,190	1,520	1,520	0	0.0%	330	27.7%
PROFESSIONAL SERVICES	563,337	325,189	325,189	0	0.0%	-238,148	-42.3%
LICENCES, PERMITS, FEES	43,555	43,222	43,222	0	0.0%	-333	-0.8%
Total Expenditures	\$1,747,123	\$1,505,302	\$1,733,610	\$228,308	15.2%	(\$13,513)	-0.8%
Net Expenditures/(Revenues)	\$1,591,744	\$1,381,815	\$1,606,418	\$224,603	16.3%	\$14,674	0.9%

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

HUMAN RESOURCES BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes

#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Diversity - The implementation of the priority items as identified for 2011 completion in the Diversity Action Plan and approved by Council, including the delivery of Diversity Competence training.	Workplans and evaluation framework have been drafted and will be completed in Q4 2011. Training roll out will commence in Q4 2011.	OT	✓	✓
2	Introduce a Talent Management framework which allows for the identification, development and retention of identified talent against the Corporate requirements.	A draft framework has been created and will be presented to the E3 Committee in Q3.	OT		✓
3	Modernize HR Technology to gain efficiencies and effectiveness	The exploration of options in partnership with Finance will continue.	OT		✓
4	NQI PEP IV Journey - Focus Area -Recognition	A recognition survey will be conducted during Q4 2011.	OT		✓
5	Completion of the Telework Pilot Program	Two phases of the Telework pilot program were completed. Findings and recommendations will be presented in Q4.	COM		✓
6	Fire Recruit - The successful recruitment of firefighters for the Cornell Fire Station utilizing innovative partnerships and outreach methods.	Probationary Firefighter recruitment campaign has commenced and will be completed in Q4. Introduction of new Quick Response Code technology and enhanced Recruitment Process Outsourcing (RPO) methodology.	OT		✓
7	Pay Equity - The continued development, negotiation and approval of legislatively required maintenance pay equity plans for CUPE, MPFFA, Non-Union and MPL employees.	Posting of CUPE and Non-Union Pay Equity plans will occur in Q3-4 2011.	OT		✓
8	Health and Safety - The continued journey on the road to zero workplace injuries and illnesses.	100% of scheduled training has been completed with Q3 and Q4 training scheduled and on target	OT		✓
9	Summer student program improvement	A variety of summer student program improvements implemented: applicant postal code analysis, Team Markham posting approach, updated student training.	OT		✓
10	Recruitment advertising re-branding - An updated branding of the organization related to recruitment advertising	Deferred for the purpose of appropriate sequencing with corporate succession planning requirements.	AD		✓
11	Collective Bargaining	All outstanding negotiations completed including MPFFA, CUPE Inside, CUPE Outside, Library Full Time and Library Part Time agreements.	COM		✓
12	Staff Satisfaction Project	Introduction of peak workload resource assistance; re-alignment of responsibilities; introduction of confidential suggestion box and peer recognition box.	COM		✓
13	Part-Time Pay Grid Progression implementation	Introduced a structured process and equitable approach for wage step progression for the part-time employee population.	COM		✓

14	Policy Development	Introduction of <i>Pregnancy and Parental/Adoption Income Supplement Policy</i> and <i>Employment of Related Individuals Policy</i> .	OT		✓
15	Wellness Program update	Re-alignment of Wellness programming to Town-specific demographics (gender, age), benefits utilization, and other wellness indicators (LTD claims, EAP usage, absenteeism, workplace injuries).	OT		✓

Notes:

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



HUMAN RESOURCES BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T.)											
				Priorities							
				Council					Operational		
#	Objective	Requires Additional Resources	Outcomes	Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
				Cross Commission Projects							
1	Diversity - The implementation of the priority items as identified in the Council approved Diversity Action Plan for 2012 completion.		Town-wide celebration designed to strengthen the ties between the various cultures in our community, Continue roll-out of diversity competence training for all staff. Complete and publish an evaluative framework to update the community and internal staff about the progress of the Action Plan recommendations. Evaluate feasibility of collecting data on employee demographics to be used to further support inclusive employment-related practices.						✓	✓	✓
2	Introduce a Talent Management framework which allows for the identification, development and retention of identified talent against the Corporate requirements.		Phase I - Part II: Identification of corporate talent requirements and a risk assessment against identified requirements						✓	✓	✓
3	Modernize HR Technology to gain efficiencies and effectiveness	P	In partnership with Finance and ITS exploration and identification of an enhanced HRIS/Payroll technology solution.							✓	✓
4	NQI PEP IV Journey - Focus Area - Recognition Program improvement		Implementation of Recognition Program refinements as identified through the 2010 employee survey, including supporting policy and process development							✓	✓
5											
6											
Business Unit Objectives											
1	Health and Safety - System implementation for sustainability of workplace accident & illness prevention.		Development of core corporate health & safety policies with town-wide communication and associated development of standards, procedure and guidelines. Completion of scheduled health & safety training. Continued confined space assessment and inventory.							✓	✓
2	Recruitment advertising re-branding - An updated branding of the organization related to recruitment advertising.		Recruitment advertising re-branding - An updated branding of the organization related to recruitment advertising.						✓	✓	✓
3	Learning & Development Program Improvements		Establishment of a client-centred Learning Advisory Committee which will identify, analyze, and prioritize needs in the development of the corporate learning curriculum. Enhance the Markham Learn Centre (learning management system) to provide for feedback mechanisms including surveys and focus groups.							✓	✓
4	Policy Development		Approval and implementation of <i>Employee Code of Ethics and Employee Conduct</i> Policy							✓	✓

5	Staff Satisfaction Survey 2012	Develop and implement the 2012 corporate staff satisfaction survey as well as analyze and present the results.									✓	✓
6	Staff Satisfaction Project	Continue departmental efforts aimed at increasing work life balance and celebrating team accomplishments.									✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



HUMAN RESOURCES 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./Decr.)</u>	<u>% Change</u>	<u>\$ Incr./Decr.)</u>	<u>% Change</u>
Revenues							
OTHER REVENUE	\$353	\$0	\$0	\$0	0.0%	(\$353)	-100.0%
Total Revenues	\$353	\$0	\$0	\$0	0.0%	(\$353)	-100.0%
Expenses							
SALARIES AND BENEFITS	\$2,008,349	\$2,255,649	\$2,209,570	(\$46,079)	-2.0%	\$201,221	10.0%
PRINTING & OFFICE SUPPLIES	20,205	14,985	14,985	0	0.0%	-5,220	-25.8%
OPERATING MATERIALS & SUPPLIES	64,431	61,190	101,190	40,000	65.4%	36,759	57.1%
COMMUNICATIONS	6,145	5,057	5,057	0	0.0%	-1,088	-17.7%
TRAVEL EXPENSES	3,037	28,204	3,204	-25,000	-88.6%	167	5.5%
TRAINING	186,116	323,709	275,000	-48,709	-15.0%	88,884	47.8%
CONTRACTS SERVICES AGREEMENT	69,031	29,615	-85,125	-114,740	-387.4%	-154,156	-223.3%
RENTAL/LEASE	2,338	4,551	4,051	-500	-11.0%	1,713	73.3%
PROFESSIONAL SERVICES	173,310	208,862	242,571	33,709	16.1%	69,261	40.0%
LICENCES, PERMITS, FEES	11,994	16,999	16,091	-908	-5.3%	4,097	34.2%
PROMOTION & ADVERTISING	181,480	262,640	262,640	0	0.0%	81,160	44.7%
MISCELLANEOUS EXPENSES	20,703	30,000	30,000	0	0.0%	9,297	44.9%
Total Expenses	\$2,747,139	\$3,241,461	\$3,079,234	(\$162,227)	-5.0%	\$332,095	12.1%
Net Expenditures/(Revenues)	\$2,746,786	\$3,241,461	\$3,079,234	(\$162,227)	-5.0%	\$332,448	12.1%

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the department

SUSTAINABILITY OFFICE - BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objectives	Outcomes	Status	Priorities	
				Council	Corporate Operational
1	To engage internal and external stakeholders.	Greenprint message delivered to 1250 people through engagement sessions.	COM	✓	
2	Share expertise with staff, stakeholders and other levels of government and NGO's in order to include Greenprint recommendations in on-going projects.	Greenprint implementation through a minimum of 20 new projects developed by staff or external organizations as part of their work plans.	OT	✓	
3	Develop external funding sources.	Get grant funding for prototypical neighbourhood regeneration plan and for local food projects	OT	✓	
4	Develop community local food strategy and policies	Local food section in Official Plans	OT	✓	
5	Share experiences related to developing the Greenprint and exchange ideas and best practices with other local governments.	A best practices sharing session hosted by Sustainability Office for local governments	OT	✓	
6	Formally launch council endorsed Greenprint Plan	Greenprint Launch Lunch May 6, 2011 - changed to October 21/11 due to approval of Greenprint in June 2011	DL	✓	
7	Create a climate change plan	During the development of the Greenprint we included additional elements like recommendation # 92 to make it our climate change plan.	AD	✓	
8	Improve upon 2010 staff satisfaction survey results through NQI philosophy around visible leadership and staff engagement	Work with ITS (Information Technology Services) to get the hardware and software solutions needed for work being performed in the Sustainability Office	COM		✓
9	Measure Town staff's level of understanding and alignment of Greenprint priorities and strategies	From the April Town Hall using the audience response tool we found: 74.5% of respondents recognize the GP as our sustainability plan, 80% consider sustainability in their job, individual health and education and skills are most important to staff, departmental coordination, funding and workload are seen as challenges, 68% thought the top opportunity of GP is to create a better future for the community	COM		✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



SUSTAINABILITY OFFICE – KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed							1 every 2 years
# of informal customer satisfaction surveys completed							
overall satisfaction (%)							80%
% extremely/very satisfied							35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ -	\$ -	\$ 8.39	\$ 7.78	\$ 5.48	\$ 4.47	
Annual savings from energy projects and programs							
Annual revenue from energy projects and programs							
Annual dollars of low interest loan and grants secured							
OPERATIONAL EXCELLENCE							
Annual total GHG reduction from all energy projects and programs					n/a	300 T eCO ₂	600 T eCO ₂
New - % of BUPs that action one or two GP recommendations, BUO 1							100%
New - Number of GP Champions, BUO 2							10
New - Number of pilots/partnerships supported by SO in 2012, BUO 6							10
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)					71%		75%
Recognition rating (from staff survey)					63%		65%
Staff Satisfaction rating (from staff survey)					83%		80%
Completion rate for performance management				67%	100%	50%	100%
Average Corporate learning hours per full-time employee				3.5	22.7	2.9	20.0
Staff absenteeism (average # of days per employee)				2.2	6.5	2.4	8.4
Staff turnover rate				33%	0%	33%	7.5%
Greenprint Awareness							?
KPI SUMMARY							
<p>The Sustainability has developed a new set of KPI's that support our Business Unit Objectives and Outcomes for 2012. We have also consolidated our energy/emissions KPI to an overall reduction that accounts for energy conserved and renewable energy produced that offsets the grid mix of electricity.</p>							

SUSTAINABILITY OFFICE – BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities							
				Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/	Public Safety	Diversity	Alignment to NQI
Cross Commission Projects											
1	Impliment Greenprint Community Sustainability Plan (Primary)		Work with Town departments and engage the community and all levels of government to initiate the implementation of Greenprint recommendations			✓					
2	In support of Greenprint recommendation # 92, conduct climate change risk assessment. (Primary)		Work with staff to develop the risk assessment work plan and needs. Develop a partnership where downscaled climate change modelling and risk assessment activities are shared.			✓					✓
3	In support of Greenprint recommendation #84 create an Energy Descent Strategy	✓	In partnership define net zero energy by 2050 and create targets to achieve. Develop a frame work that will enable achiving the targets.			✓					✓
4	Complete Accessibility Design Guidelines (Primary)		Council endorsed/finalized Accessibility Guidelines. Start to implement and support all accessibility projects					✓	✓		
5	Provide support role in other cross commission projects including: ILMP, Official Plan amendment, Culture Master Plan, Diversity Action Plan, and Master Transportation Servicing, Sustainable		Ensure collaborative and integrated approaches are taken with cross commission projects to align with the Greenprint recommendations	✓	✓	✓	✓	✓	✓	✓	✓
Business Unit Objectives											
1	Continue seeking guidance from Greenprint Steering Committee		Present Greenprint implementation plans, supporting projects and programs to Greenprint Steering Committee for guidance, feedback and support.			✓					✓
2	Continue Greenprint education and discussion to develop awareness, understanding and adoption of the plan's objectives and recommendations.		The Sustainability Office has gained adoption of by each business unit to action one or two recommendations in their 2013 BUP. The Community has adopted and begun actioning one to three recommendations.			✓					✓
3	Identify, support and promote Greenprint Champions.		Ten champions have been identified and are committed to advancing the Greenprint			✓					✓
4	Work with staff to develop a roll out plan that will deepen the Greenprint's integration with the BUP and budget process.		Develop the plan and implement the first phase aligning to the three pillars for the 2013 BUP and budget processes.			✓					✓
5	Develop Council Greenprint alignment review plan that will match integration of GP into the BUP and budget processes.		Coordinate with BUP and budget process to meet three pillar expectations. Pilot with three to five initiatives before full implementation.			✓					✓
6	Establish a monitoring and reporting plan that tracks with the BUP/budget and Council review processes.		Develop a plan and implement first phase which will report against the three pillars.			✓					✓
7	Foster pilots in partnership that advance the Greenprint		Five to ten pilots and/or partnerships are supported by the Sustainability Office in 2012	✓	✓	✓	✓	✓	✓	✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)
Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.
S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



SUSTAINABILITY OFFICE 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
<u>Revenues</u>								
RECOVERIES & CONTRIBUTIONS	\$7,575	\$0	\$0	\$0	0.0%	(\$7,575)	-100.0%	
Total Revenues	\$7,575	\$0	\$0	\$0	0.0%	(\$7,575)	-100.0%	
<u>Expenses</u>								
SALARIES AND BENEFITS	\$544,212	\$535,042	\$417,826	(\$117,216)	-21.9%	(\$126,386)	-23.2%	
PRINTING & OFFICE SUPPLIES	606	995	3,021	2,026	203.6%	2,415	398.5%	
OPERATING MATERIALS & SUPPLIES	6,473	0	485	485	0.0%	-5,988	-92.5%	
UTILITIES	-249,629	0	-47,896	-47,896	0.0%	201,733	-80.8%	
COMMUNICATIONS	0	500	744	244	48.8%	744	0.0%	
TRAVEL EXPENSES	377	1,976	5,287	3,311	167.6%	4,910	1302.4%	
TRAINING	0	1,200	18,130	16,930	1410.8%	18,130	0.0%	
CONTRACTS SERVICES AGREEMENTS	0	0	-35,310	-35,310	0.0%	-35,310	0.0%	
RENTAL/LEASE	0	0	318	318	0.0%	318	0.0%	
LICENCES, PERMITS, FEES	212,379	0	400	400	0.0%	-211,979	-99.8%	
OTHER EXPENDITURES	0	0	10,896	10,896	0.0%	10,896	0.0%	
Total Expenditures	\$514,418	\$539,713	\$373,901	(\$165,812)	-30.7%	(\$140,517)	-27.3%	
Net Expenditures/(Revenues)	\$506,843	\$539,713	\$373,901	(\$165,812)	-30.7%	(\$132,942)	-26.2%	

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Reduction of 1 headcount offset with increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

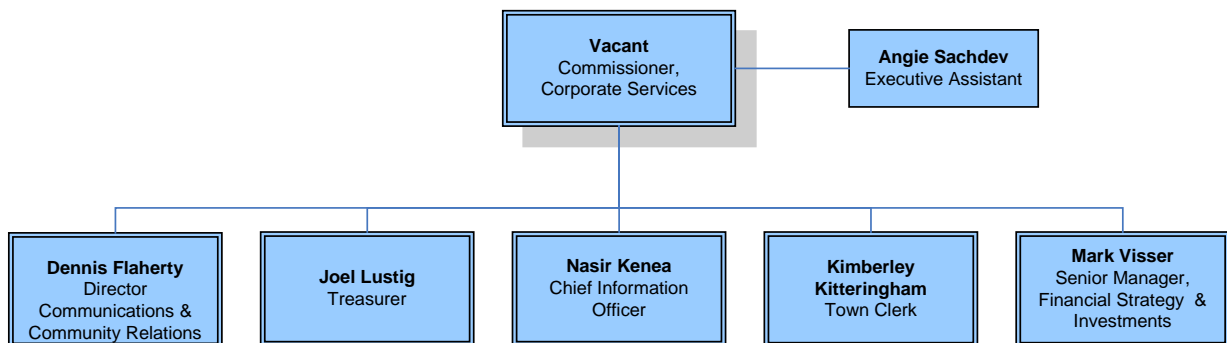
CAO's OFFICE – COMMISSION SUPPORT
2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 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	\$839,353	\$829,797	\$862,378	\$32,581	3.9%	\$23,025	2.7%	
PRINTING & OFFICE SUPPLIES	7,144	7,853	5,827	-2,026	-25.8%	-1,317	-18.4%	
OPERATING MATERIALS & SUPPLIES	1,496	3,205	2,720	-485	-15.1%	1,224	81.8%	
COMMUNICATIONS	3,079	2,938	2,694	-244	-8.3%	-385	-12.5%	
TRAVEL EXPENSES	22,269	21,337	28,026	6,689	31.3%	5,757	25.9%	
TRAINING	17,759	20,890	3,960	-16,930	-81.0%	-13,799	-77.7%	
CONTRACTS SERVICES AGREEMENT	27,593	80,000	19,754	-60,246	-75.3%	-7,839	-28.4%	
RENTAL/LEASE	334	873	555	-318	-36.4%	221	66.2%	
LICENCES, PERMITS, FEES	10,165	6,313	5,913	-400	-6.3%	-4,252	-41.8%	
Total Expenses	\$929,192	\$973,206	\$931,827	(\$41,379)	-4.3%	\$2,635	0.3%	
Net Expenditures/(Revenues)	\$929,192	\$973,206	\$931,827	(\$41,379)	-4.3%	\$2,635	0.3%	

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the department

CORPORATE SERVICES



The Commission provides expert 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 information, as well as securing the fiduciary and legislative responsibilities of the Corporation.

The Commission comprises the following Business Units, each with their own areas of expertise and responsibility.

- Legislative Services
- Contact Centre (merged with Legislative Services after the 2012 Business Planning Process)
- Financial Services
- Information Technology Services
- Communications and Community Relations

In 2012, the Commission had an approved full time complement of 155 employees who fulfill the responsibilities of the day-to-day operations of the various divisions and departments.

Legislative Services

Legislative Services Department staff are familiar faces to many Markham residents and businesses; whether attending a public meeting, renewing a business licence or inquiring about recreation program registration. The Department is responsible for a broad range of statutory duties associated with the municipal clerk, regulatory and enforcement services as well as serving as the first point of customer information and front line services through the Contact Centre.

The Department liaises between Council, staff and the public to produce Council and committee meeting notices, agendas, minutes and retains records of the same. Responses to requests for information held by the municipality, organization and administration of municipal elections; registration of deaths and marriages are also undertaken by the Department. The Department provides corporate support and customer services such as mail and print services, records management and sale of plots for public cemeteries.

In addition to telephone, email and in-person customer inquiry support, the Department's Contact Centre processes recreation program registration, tender disbursements, parking permits, animal and business licenses.

By-law Enforcement & Licensing Staff provide frontline field services to Markham residents and businesses. Using their community relations and regulatory compliance skills, Enforcement Staff maintain community standards in areas such as land use, property maintenance, signage, animals & wildlife and mobile & business licensing. Parking Control is also a responsibility of staff, with school zones and accessible parking enforcement being key service areas. The Department's By-Law Enforcement and Licensing Division works closely with residents and businesses to educate and ensure compliance with licensing, property standards and parking regulations. By-law enforcement and licensing officers address issues related to such things as pesticide use, noise control, taxi and limousine industries and control of disabled parking spaces.

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 Town. The department is divided into four operational areas, consisting of the following:

- Financial & Client Services (Financial Planning, Accounts Payable, Payroll Services & Risk Management)
- Purchasing & Financial Reporting
- Financial Strategy & Investments (Development Finance, Investments, Special Projects)
- Revenues (Tax Billing and Collection, Assessment Review, Cash Management)

Information Technology

Information Technology Services (ITS) supports the Corporation in its efforts to provide effective public services and maintain efficient government operations through appropriate and innovative application of information and communication technologies. The Department is comprised of three divisions, namely:

- Technology (Network Infrastructure, Desktop, Telecommunication, and Audio Visual support)
- Client Delivery (Service Desk, Project Delivery and Support)
- Applications and GIS (Support Business Applications & Web, Data Management, GIS Services and Support)

Communications and Community Relations

Communications and Community Relations 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. In addition, the



department provides special event support for Markham's corporate events, administrative support to community events, and manages Markham's corporate sponsorship program, and community engagement, partnership and stakeholder relationships. Department staff develop and implement communications plans to support key Markham strategies, programs and initiatives; write, design and produce print and electronic materials; provide issues and crisis management support, and manage Markham's brand and corporate reputation.

CORPORATE SERVICES COMMISSION
2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./Decr.)	% Change	\$ Incr./Decr.)	% Change
Revenues							
LICENCES & PERMITS	\$1,286,141	\$1,371,258	\$1,418,394	\$47,136	3.4%	\$132,253	10.3%
INCOME FROM INVESTMENTS	31,006	13,800	13,800	0	0.0%	-17,206	-55.5%
FINES	1,998,819	1,932,730	1,967,730	35,000	1.8%	-31,089	-1.6%
USER FEES & SERVICE CHARGES	1,023,921	1,033,034	1,067,919	34,885	3.4%	43,998	4.3%
RENTALS	64,074	62,157	62,157	0	0.0%	-1,917	-3.0%
SALES	64,016	41,531	41,531	0	0.0%	-22,485	-35.1%
RECOVERIES & CONTRIBUTIONS	11,950	496,305	503,305	7,000	1.4%	491,355	4111.8%
OTHER INCOME	157,014	162,000	168,860	6,860	4.2%	11,846	7.5%
INTERDEPARTMENTAL RECOVERIES	-13,500	-105,500	-73,000	32,500	-30.8%	-59,500	440.7%
Total Revenues	\$4,623,441	\$5,007,315	\$5,170,696	\$163,381	3.3%	\$547,255	11.8%
Expenses							
SALARIES AND BENEFITS	\$14,307,762	\$15,129,845	\$15,862,732	\$732,887	4.8%	\$1,554,970	10.9%
PRINTING & OFFICE SUPPLIES	161,477	197,466	221,600	24,134	12.2%	60,123	37.2%
PURCHASES FOR RESALE	57,600	67,200	67,200	0	0.0%	9,600	16.7%
OPERATING MATERIALS & SUPPLIES	-32,845	27,067	30,837	3,770	13.9%	63,682	-193.9%
VEHICLE SUPPLIES	16	0	0	0	0.0%	-16	-100.0%
COMMUNICATIONS	997,809	919,239	919,239	0	0.0%	-78,570	-7.9%
TRAVEL EXPENSES	27,068	36,958	36,958	0	0.0%	9,890	36.5%
TRAINING	57,599	147,720	145,220	-2,500	-1.7%	87,621	152.1%
CONTRACTS & SERVICE AGREEMENTS	1,536,386	1,762,690	1,678,755	-83,935	-4.8%	142,369	9.3%
MAINT. & REPAIR-TIME/MATERIAL	61,606	92,928	92,928	0	0.0%	31,322	50.8%
RENTAL/LEASE	127,689	131,045	126,045	-5,000	-3.8%	-1,644	-1.3%
PROFESSIONAL SERVICES	389,937	425,086	448,511	23,425	5.5%	58,574	15.0%
LICENCES, PERMITS, FEES	107,005	138,550	129,021	-9,529	-6.9%	22,016	20.6%
CREDIT CARD SERVICE CHARGES	14,182	20,196	20,196	0	0.0%	6,014	42.4%
PROMOTION & ADVERTISING	186,175	198,085	206,885	8,800	4.4%	20,710	11.1%
KEY COMMUNICATION PROGRAMS	316,833	533,883	429,948	-103,935	-19.5%	113,115	35.7%
OTHER PURCHASED SERVICES	3,324	3,550	3,550	0	0.0%	226	6.8%
OFFICE FURNISHINGS & EQUIPMENT	0	4,000	400	-3,600	-90.0%	400	0.0%
WRITE-OFFS	0	100	100	0	0.0%	100	0.0%
OTHER EXPENDITURES	256	1,500	1,500	0	0.0%	1,244	485.9%
Total Expenses	\$18,319,879	\$19,837,108	\$20,421,625	\$584,517	2.9%	\$2,101,746	11.5%
Net Expenditures/(Revenues)	\$13,696,438	\$14,829,793	\$15,250,929	\$421,136	2.8%	\$1,554,491	11.3%

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase from additional headcount and increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the commission.

Key Communications Programs: Decrease is due to the reduction of Town publication costs.



LEGISLATIVE SERVICES BUSINESS PLAN OUTCOME

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Priorities		
			Status	Council	Corporate Operational
1	Corporate Objectives	Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan Greenprint and the new Council term priorities.	OT	✓	✓
2	Departmental support for "portal" business transformation initiative.	Successful implementation of Phase 1, planning for Phase 2 initiated. Provided leadership in the development and approval of the Corporate Policy Framework. Assumed leadership for implementation of privacy framework.	COM	✓	✓
3	Information Management - Multi-phased, corporate project intended to enhance the management of information management (soft and hard formats) and will result in more consistent and secure access, use, retention and disposition practices, recognizing information as a key corporate asset	Legislative Services and Information Technology departments are co-leads in this initiative. Reviewed, organized and supplemented records inventory data to ensure 90% accuracy for future stages in project implementation.	AD	✓	✓
4	Supporting the CAO's Office in the implementation of regulations made under the Accessibility for Ontarians with Disabilities Act (AODA).	Provide guidance on the development and implementation of corporate policies & on the corporate impact of new legislation. Successfully implemented a training program developed and delivered for taxi drivers, including AODA instruction.	OT	✓	✓
5	Modification of Second Suite Registry in Amanda.	This will enable all Enforcement Staff within the Town to access 2nd Suite information in field avoiding duplication of efforts & will facilitate implementing an integrated investigation protocol between By-laws, Fire & Building Services. 4Q- 2011.	OT	✓	✓
6	Collaborate with Building and Fire Services on a Report to Council and Draft By-law to recover costs associated with the investigation and remediation of Grow Ops and illegal drug labs (Q2).	Now projecting Fall 2011 to bring report & by-law to Council.	AD	✓	✓
7	Collaborate with Building and Fire Services on a Report to Council and By-law to prohibit the excessive fortification of houses and buildings in Markham (Q3).	By-law will serve as an additional tool for enforcement purposes. Report targeted for Q4.	AD	✓	✓
8	Collaborate with Operations on the establishment of a Parks Ambassador Program (Q2).	Partnership with York Regional Police to establish volunteer resident participation in the observation & reporting of park usage issues. Program approved however will be implemented in Q2 in 2012.	DL	✓	✓
9	Development of an enhanced program of corporate privacy.	Delivery of privacy training & privacy consultation/assessment throughout 2011; further development of privacy protocols relative to the portal.	AD	✓	✓
10	Review of cemetery operations (i.e. fees, service levels, site improvements) (Q3).	Acquired Thornhill Cemetery resulting in doubling the cemetery lands under operations. Amended fees for cemetery services and implemented a revised fee schedule to ensure funds are available for long term maintenance costs.	COM	✓	✓
11	Recruitment of Board and Committee members (Q1) & introduce best practices in volunteer management practices (Q4).	Appointment of new members completed in Q4. Orientation to take place in Q4. Volunteer management practices to be introduced in Q1 of 2012.	OT	✓	✓
12	Development of a mediation &/or conflict resolution model for by-law and regulatory disputes.	Implement by end of Q4 for neighbour disputes to divert issues from courts, etc.	AD	✓	✓
13	Review of Needs Assessment for the Establishment of a Animal Care Facility within Markham boundaries and direction on future strategy/options.	RFP released to the market in Q3 for a consultant's review of animal service delivery models. Report to be completed in Q1 in 2012.	AD	✓	✓
14	Conduct 2 formal surveys: 1 of By-law Services & 1 of Animal Services customers.	Undertake two separate surveys of each service area in 2011 for comparative purposes in Q4.	OT	✓	✓
15	Prepare presentation & business plan (subject to Council direction after presentation) on the implementation of an Administrative Fine Program in Markham.	The implementation target is Q4/ 1st Q 2012. The Program would result in the diversion of Parking Ticket matters from the Provincial Court to an Administrative Hearing process that is conducted solely by the Town. Program business case will identify required resources, technology/equipment needs and offsetting revenues. Q4.	OT	✓	✓
16	Establishment of a "2011 Workload Management Calendar" for By-law, Licensing & Parking.	The internal calendar was completed and identifies peak workload periods & permits inter-unit resource transfers/secondments to better address service demands throughout the calendar year.	COM	✓	✓
17	Maintain current services levels and improve efficiency & effectiveness via a request for additional staff resources to be considered through the budget process.	Parking Officer - conversion of contract position (budge impact of -\$4,077); 2 By-law Enforcement Officers - conversion of contracts (budget impact of \$20,212). Conversion requests were approved by Council in 2011.	COM	✓	✓
18	Continue to implement Departmental action items resulting from 2010 Staff Satisfaction survey.	Conducted a follow-up Staff Satisfaction Survey to obtain staff feedback on changes made to workload & recognition and reward (Q3).	OT	✓	✓
19	Implement E-agenda for Council/Committee meetings.	Implemented paperless agenda pilot using existing applications.	AD	✓	✓
20	Municipal Election Compliance Audit Committee	Successfully recruited committee members, provided orientation and training by the Ministry. Created and released an RFQ for auditor services for audit to be completed in Q4.	OT	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

LEGISLATIVE SERVICES KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	0	1	0	1	0	1*	1 every 2 years
Overall satisfaction (%) (formal survey)	n/a	81%	n/a	100%	n/a	n/a	80%
% extremely/very satisfied (formal survey)	n/a	22%	n/a	100%	n/a	n/a	35%
# of informal satisfaction surveys completed	3	2	1	n/a	*4	1**	1
Overall satisfaction (%) (informal survey)	n/a	n/a	96%	n/a		n/a	n/a
% extremely/very satisfied (informal survey)	n/a	n/a	91%	n/a		n/a	n/a
FINANCIAL PERFORMANCE							
Net cost per household	\$ 15.66	\$ 14.01	\$ 16.95	\$ 15.16	\$ 15.26	\$ 4.90	
OPERATIONAL EXCELLENCE							
% of Parking Tickets Paid On-Line		20%	25%	21%	28%	25.38%	23%
% of Staff Reports Received on Time for Council/Standing Comm. Agendas		50%	50%	50%	64%	64.0%	80%
# of Civil Marriage Ceremonies Performed		359	381	470	465	215	375
# of Formal MFIPPA Requests Received	40	41	26	37	54	40	n/a
# of Privacy Complaints Received		2	0	0	0	0	0
Average # of Daily Property Standards Inspections per Officer		8	9	8	8.0	7	10
% of Property Standards Complaints Resolved without Legal Action		98%	98%	99%	99%	98.6%	100%
Average # of Unscheduled In-Field Vehicle Inspections per Officer per Month		45	50	60	48	62	50
Average # of On-Site Business Inspections per Officer per Month		100	110	130	55	45	50
% of Business Licences Renewed by Renewal Date		40%	45%	70%	77%	64.0%	80.0%
% of First Attendance Appearances Going to Trial		11%	10%	12%	8.0%	6.9%	10%
% of Non-Parking Charges that Proceed to Trial	8%	7%	8%	10%	0%	3.0%	6%
% of Quashed /Withdrawn Non-Parking Charges (Quality Control)	3%	3%	3%	5%	0%	1.0%	3%
Total # of File Boxes Sent to Storage From Business Units Annually	1,126	1,015	1,031	787	603	505	800
Annual File/Box Retrieval Rate (on-site and off-site)	2,237	2,118	2,192	2,346	1,626	621	2,400
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	78%	n/a	61%	n/a	50%	n/a	75%
Recognition rating (from staff survey)	78%	n/a	48%	n/a	34%	n/a	65%
Staff Satisfaction rating (from staff survey)	73%	n/a	78%	n/a	59%	62%	80%
Completion rate for performance management	40%	98%	74%	94%	98%	98%	100%
Average Corporate learning hours per full-time employee	13.7	17.1	11.0	3.8	***3.9	***1.1	20.0
Staff absenteeism (average # of days per employee)	3.3	5.4	4.5	6.8	7.6	4.2	< 8.4
Staff turnover rate	4.8%	7.3%	11.9%	11.1%	2.0%	2%	< 7.5%
KPI SUMMARY							
<p>1* - plan to formally survey residents on Animal Services in Q4. 1** Plan to conduct counter customer service at the Clerks & Licensing counters in Q4.***n/a - a significant amount of the technical training taken by By-law Officers is conducted externally; The staff satisfaction survey results displayed in 2011 reflect the data from the follow-up staff satisfaction survey. The number of on-site business inspections per month has declined from a peak of 130 to a target of 50 as a result of automated business licence renewal processes and a reduction in the requirement of in-field inspections to retain renewals. Reduction in number of tow truck licences and adult entertainment licence renewals is due to economic conditions.</p>							



LEGISLATIVE SERVICES BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)				Priorities						
#	Objective	Requires Additional Resources	Outcomes	Council						
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI
Cross Commission Projects										
1	Corporate Objectives		Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan, Greenprint and the new Council term priorities.	✓	✓	✓	✓	✓	✓	✓
2	ACR Portal Expansion		Identify additional departmental workflows and make available on the ACR/Portal site.				✓			✓
3	Printer strategy		Establish a vendor and replace the identified printers based on consultant recommendations.				✓			✓
4	Department support for "Portal" business transformation initiative.		Begin Phase 2 of Portal to allow for online business license applications, photography permits etc. Working with Portal Steering Committee to identify and implement additional on-line services.				✓			✓
5	Supporting the CAO's Office in the implementation of regulations made under the Accessibility for Ontarians with Disabilities Act (AODA).		Provide guidance on the development and implementation of corporate policies & on the corporate impact of new legislation. Training program developed and delivered for taxi drivers, including AODA instruction.				✓			✓
6	Information Management - Multi-phased, corporate project intended to enhance the management of information management (soft and hard formats).		Development of a work plan to address key concerns within inventory through standard record retention procedures. Review, clarify and recommend short and long term project objectives with Commissioner and CCC (as required). This includes timing/status of any revisions to records retention by-law. Identify opportunities for buy-in by staff at all levels with respect to records management fundamentals. Identify and facilitate a client-based education outreach with respect to records management. Pilot initiative within Legislative Services to: (1) improve the organization of electronic records and (2) guidelines for management of email, demonstrating a "quick win". Presentation on the process and administrative support framework to Director's Forum and other groups (records management and MFIPPA responsibilities).				✓			✓
Business Unit Objectives										
1	Smoking By-law Review		Report to Council in Q1 to update by-law to ban smoking in all public areas.				✓			
2	Review and update Procedural By-law		Review Procedure By-law and prepare necessary housekeeping amendments as a result of Bill 130 amendments to the Municipal Act, 2001 and to reflect current practices. Review to include consultation with Council and other key stakeholders. Update by-law and bring a report to Council in Q1/ Q2.				✓			
3	Animal Services Consultant Review	NP	Undertake public consultation on animal services and conduct a review of the animal services delivery model in Q1 & Q2.			✓	✓			✓
4	Records & Information Management		Continue with pilot program to further best practices in records retention. Continue training & development/supporting framework. Revise current retention by-law for housekeeping purposes.				✓			✓
5	Ward Boundary Review	NP	Engage a consultant to conduct a ward boundary review for purpose of determining recommended ward/boundaries relative to population & community. Report to Council in Q4.	✓			✓			✓
6	Review of Licensing Categories & Introduce New Categories		Review current licensing categories to determine if they are still relevant for health & safety, consumer protection & public nuisance. Explore potential new categories of licensing relevant to the Town.				✓			✓
7	Prepare presentation & business plan (subject to Council direction after presentation) on the implementation of an Administrative Fine Program in Markham.		The implementation target is Q4/ 1st Q 2012. The Program would result in the diversion of Parking Ticket matters from the Provincial Court to an Administrative Hearing process that is conducted solely by the Town. Program business case will identify required resources, technology/equipment needs and offsetting revenues.				✓			
8	Public Facility & Parks Use By-law		Create a consolidated by-law for all public parks & buildings regulating the use and activities that can be carried out on these properties. Update standards and have one consistent by-law that contains all Town owned lands.			✓	✓	✓		
9	Agenda Management Software		Issue RFI for agenda management and software. Implemented paperless agenda pilot using existing applications. Q2 in 2012.				✓			✓
10	On-boarding & Committee Orientation		Developed & deliver orientation program for boards/committees.				✓			
11	Review Accountability Officers & Policies		Prepare a report on Integrity Commission & Lobbyist Registry for CCC in Q1.				✓			
12	Insurance Claims Management		Manage all insurance claims made against the Town.				✓			✓
13	Policy Development		Development of various policies for use corporate wide.				✓			✓
14	Regulation of various mobile and stationary industries.		Work with key stakeholders to regulate industries such as tow trucks, taxis and limos.				✓			✓
15	Collaborate with Operations on the establishment of a Parks Ambassador Program (Q2).		Program has been approved as a partnership with York Regional Police to establish volunteer resident participation in the observation & reporting of park usage issues. To be implemented in Q2 in 2012.				✓			✓
16	Maintain current services levels and improve efficiency & effectiveness via a request for additional staff resources to be considered through the budget process.	P	By-law Enforcement Officer (Environmental) - conversion of 6 month contract (budget impact approximately of \$55,000). Legislative Coordinator (budget impact approximately of \$80,000). Requests to be reviewed by Council in 2012.				✓			✓
17	Review of Needs Assessment for the Establishment of a Animal Care Facility within Markham boundaries and direction on future strategy/options.		Evaluation of consultant's report and design new animal service delivery model based on consultant's recommendation.				✓			✓
18	Introduce best practices in volunteer management practices.		Volunteer management best practices to be introduced in Q1.				✓			✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

LEGISLATIVE SERVICES 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenues								
LICENCES & PERMITS	\$1,286,141	\$1,371,258	\$1,418,394	47,136	3.4%	\$132,253	10.3%	
INCOME FROM INVESTMENTS	31,006	13,800	13,800	0	0.0%	-17,206	-55.5%	
FINES	1,998,819	1,932,730	1,967,730	35,000	1.8%	-31,089	-1.6%	
USER FEES & SERVICE CHARGES	141,353	157,960	168,115	10,155	6.4%	26,762	18.9%	
RENTALS	64,074	62,157	62,157	0	0.0%	-1,917	-3.0%	
SALES	64,011	41,031	41,031	0	0.0%	-22,980	-35.9%	
RECOVERIES & CONTRIBUTIONS	10,450	25,100	25,100	0	0.0%	14,650	140.2%	
OTHER INCOME	1,600	0	0	0	0.0%	-1,600	-100.0%	
Total Revenues	\$3,597,454	\$3,604,036	\$3,696,327	\$92,291	2.6%	\$98,873	2.7%	
Expenses								
SALARIES AND BENEFITS	\$4,351,491	\$4,318,625	\$4,568,695	250,070	5.8%	\$217,204	5.0%	
PRINTING & OFFICE SUPPLIES	63,873	68,675	91,675	23,000	33.5%	27,802	43.5%	
PURCHASES FOR RESALE	57,600	67,200	67,200	0	0.0%	9,600	16.7%	
OPERATING MATERIALS & SUPPLIES	38,551	38,798	38,798	0	0.0%	247	0.6%	
VEHICLE SUPPLIES	16	0	0	0	0.0%	-16	-100.0%	
COMMUNICATIONS	329,927	299,846	299,846	0	0.0%	-30,081	-9.1%	
TRAVEL EXPENSES	9,582	10,875	10,875	0	0.0%	1,293	13.5%	
TRAINING	12,118	30,500	28,000	-2,500	-8.2%	15,882	131.1%	
CONTRACTS & SERVICE AGREEMENTS	516,673	516,750	467,076	-49,674	-9.6%	-49,597	-9.6%	
MAINT. & REPAIR-TIME/MATERIAL	45,845	45,870	45,870	0	0.0%	25	0.1%	
RENTAL/LEASE	119,250	118,645	113,645	-5,000	-4.2%	-5,605	-4.7%	
PROFESSIONAL SERVICES	93,859	100,524	102,124	1,600	1.6%	8,265	8.8%	
LICENCES, PERMITS, FEES	20,112	12,200	12,200	0	0.0%	-7,912	-39.3%	
CREDIT CARD SERVICE CHARGES	849	9,000	9,000	0	0.0%	8,151	960.1%	
OTHER PURCHASED SERVICES	3,205	2,650	2,650	0	0.0%	-555	-17.3%	
OFFICE FURNISHINGS & EQUIPMENT	0	4,000	400	-3,600	-90.0%	400	0.0%	
OTHER EXPENDITURES	256	1,500	1,500	0	0.0%	1,244	485.9%	
Total Expenses	\$5,663,207	\$5,645,658	\$5,859,554	\$213,896	3.8%	\$196,347	3.5%	
Net Expenditures/(Revenues)	\$2,065,753	\$2,041,622	\$2,163,227	\$121,605	6.0%	\$97,474	4.7%	

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's salary grid and new headcount.

FINANCE BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes			Priorities		
#	Objective	Actual Outcomes	Status	Council	Corporate Operational
1	Corporate Objectives	Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan, Greenprint and the new Council term priorities	OT	✓	✓
2	Portal - E Procurement Investigate methodologies to transition procurement functions online, including electronic bid submissions, contract extensions and to align with the portal implementation. Report to be completed by Q4 of 2011	Status: Draft report from staff identified opportunities with the Town's Electronic tendering Network provider Biddingo to participate in a pilot that will enable releasing bids and accepting bid submissions. Further evaluation ongoing and a final report with recommendations will be presented to CCC in November 2011.	OT	✓	✓
3	Portal - Online Payments Continue to work with ITS on the Portal implementation by completing a financial analysis of the online payment options to ensure financial payments are migrated to the Portal. Finance will support IT as required throughout 2011.	Status: Portal launched in June. Finance is working with ITS and Clerks to develop an online payment strategy. Finance is undertaking an investigation on financial impact of online payments for various services throughout the Town. A policy to address acceptance of on-line payments and how to absorb the potential costs will be completed by Q4 2011.	OT	✓	✓
4	Sustainable Purchasing Practices Guide - Following the development of the Sustainable Purchasing Practice Guide, a program will be developed with the following key deliverables; educational awareness on the environmental impact of purchases, training of staff on sustainable purchasing practices, a process to continuously monitor purchasing requirements & a process to update the guide with new environmental information on an ongoing basis.	Status: Draft guide developed and comments from Sustainability Office have been incorporated to align with the Green Print sustainability plan. The finalized guide including changes will be tabled at CCC in October and then to a General Committee meeting in November 2011.	ADJ	✓	✓
5	Supplier Roundtable - Establish a supplier roundtable made up of staff and suppliers to discuss and review purchasing best practices and philosophies in the procurement of goods & services. Analysis to be complete by Q2 and implementation in Q3.	Status: Analysis completed and the first Roundtable will take place by the end of September and include participation by selected consultants that provide services to the Town in Development and Community & Fire Services Commissions. Feedback from this discussion will be considered for subsequent Roundtables.	OT	✓	✓
6	Review of Purchasing Procedures - negotiations vs. tendering A formalized process will be presented to Director's Forum (DF) & CCC and then to General Committee (GC)	Status: Staff continue to identify contracts for potential negotiations to the benefit of the Town (e.g. Winter Maintenance, Emergency Watermain Breaks contract extended at 2009 prices) Formalized process will be presented to DF/CCC in September and GC in Q4.	OT	✓	✓
7	Implementation of Asset Register as part of an Enterprise Asset Management Solution - Work with ITS to manage contract to ensure a successful implementation of software system. Completion by Q4 of 2011	Status: Vendor selected, feasibility study to determine required resources to implement project is underway. Outcome of study will determine which aspects of project will be implemented.	DL	✓	✓
8	Borrowing Requirements - Continue to track Town's borrowing requirements & investigate low cost funding sources, liaise with York Region to debenture for larger projects, if required. Ongoing Objective	Status: Secured a \$4 million low interest loan and a \$0.4 million grant from the Federation of Canadian Municipalities for the East Markham Community Centre. Finance will continue to pursue borrowing and grant opportunities.	COM	✓	✓
9	Assessment of Human Resources and Finance business processes and system requirements - Work with ITS to conduct an end to end review of the current business processes and applications currently in use to manage/support the Financial & Employee Management systems. Completion by Q4 2011	Status: Currently on hold until 2013 some exploration work to be completed in 2012	DL	✓	✓
10	Printer Strategy - Support ITS by providing financial analysis to determine the future printer replacement strategy	Status: Consultant report received with recommendations on b&w/colour printing/copying/fax needs across the organization.	OT	✓	
11	Information Management Program (AP Automation) - Work with the investigation team to assist in development of an RFP that will include an AP automation component. To be completed by 2012	Status: Included as part of an Enterprise Information Management System which is currently on hold due to other work priorities within ITS. Clerks will be re-assessing on direction from senior management, outcome will be determined by Q4 2011 and further action, if any, will be initiated in 2012.	DL	✓	✓
12	Review Financial Policies & Procedures - Review and update as required the Financial policies including the Expenditure Control Policy. This project will align with the Corporate Policy Framework project and ensure stakeholder involvement during the policy review process. Completion Q4 of 2011.	Status: Policies - Eliminated the use of the GSO form, revised approval authority level for capital expenditure overruns, included the new approval authority levels for single change order. Updated, Purchasing pre-qualification policy approved. Drafted policies for Development Charges Deferrals and Development Charges Reserves, to be brought forward to Council by October. Procedures- Training program underway with Financial Planning staff on the use of MS Access and the use of Open Database Connectivity (ODBC).	COM		✓
13	Increase Procurement Card (AMEX) Usage Townwide - Develop a strategy to increase Amex usage (as a best practice) as identified in the 2009 AG report. Strategy to be developed by Q2 of 2011 - Strategy has been developed to increase the AMEX usage.	Status: Strategy has been developed to increase the AMEX usage. Currently, working with AMEX to increase vendor's acceptance of card. Also working with Recreation department to re-align the spending limits for users to increase AMEX usage, expected implementation by Q4.	OT		✓
14	Standardization of contract award contingency percentage- Analyse contract awards and develop a standard contingency percentage that will be formalized by Q2 of 2011 and included in the 2012 Capital Budget submissions.	Status: Staff are currently in the process of analyzing contract awards. Recommendations will be made to CCC by early September 2011 and include in the 2012 Capital Budget Submission.	DL		✓
15	Continue to implement Departmental action items resulting from the 2010 Staff Satisfaction survey	Based on feedback from staff, Finance focused on three improvements areas: Training, Individual Recognition & Reward, and Workload	OT		✓
16	Interim Tax Brochure	In late 2010 Finance began a process to re-format and enhance the Interim Tax Brochure from the standard one page information piece. Input was obtained from various departments as well as senior staff and the Mayor's office. The result is a multi-coloured high quality brochure that contains significantly enhanced property tax information as well as Council contact information.	COM		✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted, DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

FINANCE KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 <small>ACTUAL</small>	2007 <small>ACTUAL</small>	2008 <small>ACTUAL</small>	2009 <small>ACTUAL</small>	2010 <small>ACTUAL</small>	2011 <small>JUNE 30</small>	TARGET
# of formal customer satisfaction surveys completed	0	0	1	0	1*	2*	1 every 2 years
Overall satisfaction (%) (formal survey)	n/a	n/a	58%	n/a	n/a	n/a	80%
% extremely/very satisfied (formal survey)	n/a	n/a	22%	n/a	n/a	n/a	35%
# of informal satisfaction surveys completed	0	1	1	1	0	0	1
Overall satisfaction (%) (informal survey)	n/a	n/a	59%	n/a	n/a	n/a	75%
% extremely/very satisfied (informal survey)	n/a	n/a	14%	n/a	n/a	n/a	25%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 32.46	\$ 28.75	\$ 29.51	\$ 29.59	\$ 27.24	\$ 13.04	< \$33.00
Average Cost per A/P transaction processed	\$ 5.70	\$ 5.87	\$ 8.25	\$ 9.52	\$ 9.92	\$ 10.27	\$ 9.00
Average cost per procurement card transaction	\$ 1.58	\$ 1.51	\$ 1.38	\$ 1.53	\$ 1.51	\$ 1.56	\$ 1.30
% of tax bills collected	95.0%	96.0%	96.0%	93.0%	96.5%	97.8%	95.0%
OPERATIONAL EXCELLENCE							
% of payroll payments sent out on time and controlled error free	99.0%	99.0%	99.0%	99.0%	99.6%	98.4%	99.0%
% of generated PO's compliant with Purchasing by-laws			96.0%	98.0%	97.0%	93.3%	99.0%
Cost Savings as a result of purchasing activities	\$ 485,000	\$ 262,000	\$ 911,000	\$ 582,340	\$ 564,417	\$ 143,196	\$ 500,000
# of Purchase Orders actioned per FT position	176	207	225	260	244	100	< 300
# of Accounts Payable documents actioned per FT position	9,810	9,702	6,783	6,359	4,905	2,340	< 6,875
% of Letters of Credit processed within 5 days	53.5%	56.3%	66.5%	74.0%	86.0%	86.7%	95.0%
# of Preauthorized Tax Payments	20,446	22,027	23,091	24,061	24,209	25,290	28,500
% of Tax & Water inquiries responded to within 24 hours			100%	100%	100%	100%	100%
% of return on Investment greater than benchmark	0.33%	0.23%	1.67%	3.50%	2.63%	2.10%	0.50%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	73%	n/a	66%	n/a	61%	n/a	75%
Recognition rating (from staff survey)	62%	n/a	52%	n/a	51%	n/a	65%
Staff Satisfaction rating (from staff survey)	70%	n/a	75%	n/a	66%	55.5%**	80%
Completion rate for performance management	94%	100.0	88%	91%	95%	n/a	100%
Average Corporate learning hours per full-time employee	20.4	6.9	7.0	6.2	5.5	4.7	20.0
Staff absenteeism (average # of days per employee)	3.1	4.2	4.7	4.2	3.7	1.9	< 8.4
Staff turnover rate	6.0%	8.0%	8.0%	5.0%	7.5%	0.0%	< 7.5%
KPI SUMMARY							
<p>* In 2010 Purchasing completed a formal directional survey on Green Procurement, as such satisfaction ratings were not applicable. In 2011 the Revenue division of Finance is completing a Point of Sale (POS) customer satisfaction survey and Purchasing is completing a survey related to the current cafeteria service provider.</p> <p>** Staff Satisfaction % is based on a 2011 follow-up workload survey.</p> <p>The reduction in 2011 "Net cost per household" is mainly due to a favourable variance in salaries and benefits due to vacancies.</p> <p>In 2011 increase in "Average cost per A/P transaction processed" and "Average cost per procurement card transaction processed" is due to CUPE increase for years 2010 and 2011.</p> <p>The "# of Accounts Payable documents actioned per FT position" is expected to be in line with 2010. Based on historical statistics, Accounts Payable transactions processed in Q4 are higher than the other 3 quarters in a fiscal year.</p> <p>The Revenue Division - Pre-authorized tax payment (PTP) accounts: the current target represents approximately 35% of all residential accounts, the 2011 figure (25,290) represents approximately 30.0% of all residential accounts which is a 3% increase over the 2006 figure.</p> <p>Investment Benchmark = 50% of the 3 month Banker's Acceptance (B.A.) rate + 50% of the 5 year Bank of Canada Bond rate. As of June 30 2011 the calculated investment benchmark was 1.87% and the return on investment was approximately 3.97%.</p>							



FINANCE BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)				Priorities							
#	Objective	Requires Additional Resources	Outcomes	Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
Cross Commission Projects											
1	Corporate Objectives		Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan, Greenprint and the new Council term priorities.	✓	✓	✓	✓	✓	✓	✓	✓
2	Portal (Phase 2)- Online Payments		Work with the online payment committee (cross commission team) to investigate and implement online payment options for the Town Portal including online statements.				✓				✓
3	Portal - E Procurement		Implement E Procurement recommendations as identified in 2011 report, Completion Q4 2012.				✓			✓	
4	Recreation, Culture and Library Pricing Strategy		Provide financial analysis support to enable the implementation of the new pricing strategy in December 2012				✓			✓	
5	Printer Strategy		Support ITS by providing financial analysis to establish a vendor for printer replacement.				✓				✓
6	Assessment of Human Resources and Finance business processes and system requirements		Work with ITS to conduct an end to end review of the current business processes and applications currently in use to manage/support the Financial & Employee Management systems. Completion by Q4 2012				✓			✓	
7	Enterprise Asset Management (EAM)		Work with ITS and other various departments to implement the Enterprise Asset Register software. Implementation date Q4 2012.				✓			✓	
8											
Business Unit Objectives											
1	RFP Procedures Guide		Develop an RFP procedures guide to establish guidelines for user departments and purchasing staff to follow (similar to the Pre qualification process) Completion Q4 2012.							✓	
2	Development Charge By-laws		Undertake the required analysis to update the Development Charge By-laws. To be finalized before June 2013.	✓			✓			✓	
3	DC Reserves/Borrowing		Monitor the DC Reserves and liaise with the Region regarding borrowing requirements	✓			✓			✓	
4	Vendor payment through Electronic Fund Transfer (EFT)		Accounts Payable, in conjunction with user departments, will investigate the possibility of EFT payments for invoices eliminating the need to process cheques. Investigation completed Q2 2012.				✓			✓	✓
5	Enhanced EZ Labor Functionality		Explore options of enhancing EZ Labor functionality to provide supervisors the ability to adjust missing hours. Completion Q4 2012.				✓			✓	✓
6	Web-based Budget System		Work with ITS to investigate the feasibility of developing a web-based budget system. Completion Q2 2012.				✓				✓
7	Commission Business Analyst Secondment		Investigate the potential secondment of Commission Business Analysts to a specific division to enhance business knowledge.							✓	✓
8	Credit Card Security Standard		Implement the required practices to ensure the Town is compliant with the new Payment Card Industry (PCI) data security standard. Implementation prior to 2012 year end.				✓			✓	
9	Current Value Assessment (CVA) - Year 4 of the 4 year Phase-in		Analysis done by Q1 of 2012 and implementation of non-residential accounts by Q3 of 2012.							✓	
10	Upgrade the Tax Software System (TXM)		Work with ITS to upgrade the TXM software to a web based system. Completion Q1 2012.				✓			✓	✓
11	Waste Rebate Cheques		Investigate the possibility of adding waste rebates to residential tax accounts instead of mailing cheques. Recommendation to CCC in Q2 2012				✓			✓	✓
12	Purchasing Staff Request	P	Conversion of current contract position to a full-time position. Net cost approximately \$10,000				✓				

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

FINANCE 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenues</u>							
USER FEES & SERVICE CHARGES	\$570,534	\$461,190	\$537,704	\$76,514	16.6%	(\$32,830)	-5.8%
RECOVERIES & CONTRIBUTIONS	0	4,705	4,705	0	0.0%	4,705	0.0%
OTHER INCOME	103,404	162,000	166,860	4,860	3.0%	63,456	61.4%
Total Revenues	\$673,938	\$627,895	\$709,269	\$81,374	13.0%	\$35,331	5.2%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$4,234,031	\$4,365,474	\$4,539,004	\$173,530	4.0%	\$304,973	7.2%
PRINTING & OFFICE SUPPLIES	81,245	92,262	92,262	0	0.0%	11,017	13.6%
OPERATING MATERIALS & SUPPLIES	-91,343	-32,021	-32,021	0	0.0%	59,322	-64.9%
COMMUNICATIONS	10,104	3,867	3,867	0	0.0%	-6,237	-61.7%
TRAVEL EXPENSES	3,914	3,844	3,844	0	0.0%	-70	-1.8%
TRAINING	9,455	24,390	24,390	0	0.0%	14,935	158.0%
CONTRACTS & SERVICE AGREEMENTS	-473,299	-475,180	40,778	515,958	-108.6%	514,077	-108.6%
MAINT. & REPAIR-TIME/MATERIAL	1,211	3,519	3,519	0	0.0%	2,308	190.6%
RENTAL/LEASE	7,014	8,640	8,640	0	0.0%	1,626	23.2%
PROFESSIONAL SERVICES	149,011	142,359	142,359	0	0.0%	-6,652	-4.5%
LICENCES, PERMITS, FEES	75,099	111,437	102,437	-9,000	-8.1%	27,338	36.4%
CREDIT CARD SERVICE CHARGES	13,353	10,409	10,409	0	0.0%	-2,944	-22.0%
WRITE-OFFS	0	100	100	0	0.0%	100	0.0%
Total Expenses	\$4,019,795	\$4,259,100	\$4,939,588	\$680,488	16.0%	\$919,793	22.9%
Net Expenditures/(Revenues)	\$3,345,857	\$3,631,205	\$4,230,319	\$599,114	16.5%	\$884,462	26.4%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

User Fees & Service Charges: Increase is due to inflation and right sizing the budget based on actual for the new tax accounts and certificates.

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's salary grid and new headcount.

Contracts Services Agreements: Increase is due to the transfer of recoveries to other departments.



INFORMATION TECHNOLOGY SERVICES BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes		Priorities			
#	Objective	Actual Outcomes	Status	Council	Corporate Operational
1	Corporate Objectives	Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan, Greenprint and the new Council term priorities ITS supported all corporate initiatives.	OT	✓	✓
2	Joint Portal project - implementation	The portal implementation will provide Markham resident, businesses and visitors easy access to services, information and people online. The first phase of the project includes new look and feel with interactive features, better navigation structure based on service-oriented approach, online forms and service requests, and consolidation of Library, Cultural, Economic Development etc. web sites in to the same portal. The first phase of Markham Portal was successfully implemented and launched in June 2011.	AD	✓	✓
3	Telecommunication infrastructure enhancement	Telecommunication infrastructure – replacement of the currently old PBX system with Voice Over Internet Protocol (VoIP) technology. This project was initiated in 2010, and capital budget of \$220K requested for 2011. Implementation to be started early 2011, and will be phased in. Procurement process has been completed, and project implementation will start by October 2011 and will be completed in 2012	OT	✓	✓
4	User computer hardware replacement	Town wide replacement of aging desktops/ laptop / tablet including a new operating system. Capital budget of \$1.326 mil requested for 2011- rollout to be started early 2011. Project is moving well, and significant portion (over 80%) is expected to be completed by end of 2011. The remaining computers/users that depend on other factors such as software upgrade by the vendor will be completed in 2012.	OT	✓	✓
5	Network connectivity upgrade	Implementation of WAN connectivity at all Town sites - enhanced network bandwidth for improved performance and internet connection. This is a continuation of the project that was initiated in 2010 by connecting to some site, and will continue to be rolled out to other sites until end of 2011. The project is moving well, with all 32 sites to be connected to the new network before the end of 2011.	OT	✓	✓
6	Implementation of Wireless Communication including AVL	Implement the infrastructure required to provide Town staff with the ability to use an enhanced and functionally rich radio communication capability along with Automated Vehicle Location services. This is a continuation of 2010 activity with focus on implementation and making the infrastructure operational in 2011. Project delayed due to tower site selection process. Tower site selection and procurement of the desired solution targeted for 2011, and construction through to project completion in 2012.	AD	✓	✓
7	Information Management Program Implementation Phase 2 continued	Completion of the information management work initiated in 2010, in the areas of record classifications, establishing a functioning governance structure, defining associated business processes, data standards, policies etc. in collaboration with Legislative Services. The objective includes defining functional requirements for an Enterprise Document Management System. Capital budget of \$68k requested for 2011 to procure a document management system. Project is currently on hold due to other priorities.	DL	✓	✓
8	Enterprise Asset Management Implementation - Phase 1	Procure an Enterprise Asset Management solution and implement Phase 1 deliverables consisting of Facility Management, PSAB and Job Costing functions. Capital budget of \$152K requested for 2011. An assessment of the feasibility and impact of implementing and Enterprise Asset Management System (EAM) was conducted by a selected vendor. A report was produced and will be presented in early September.	OT	✓	✓
9	Assessment of HR and Finance business processes and system requirements	Conduct an end to end review of the current business processes and applications in use at the Town to manage/support the Financial Management and Employee Management functions and make suitable recommendations with the intent to provide an integrated enterprise solution. Capital budget of \$50K requested for 2011 to complete the assessment. This project is currently on hold - possibly until 2013.	DL	✓	✓
10	IT operational review and enhancements	Improvements of internal ITS processes in the area of customer service, policy review and PM methodologies - continuation of 2010 objective as part of continuous improvement. Actions taken towards addressing areas of concern particularly in IT service request processes as well as asset management.	OT	✓	✓
11	Security review - implementation	Initiate the implementation of the results of network audit of the IT infrastructure including penetration testing into internal network with focus on areas that do not require funding. The security audit will start in October and will be finalized by end of year 2011.	OT	✓	✓
12	Printer strategy	Implementation recommendations made as part of 2010 effort to establish a blue print on printing/copying needs across the organization. Project completed with a consultant report summarizing the current usage and future needs along with the recommended equipments models across the organization for printing, copying, scanning needs including the Print Shop services.	COM	✓	✓
13	Enhancing public facing mapping	As a continuation of 2010 project, investigate and implement the opportunity to leverage Google maps or Bing maps services as appropriate in order to enhance the external and internal mapping interfaces by end of 2011. Replaced OnPoint with GeoCortex and redeployed the internal (GeoLogic)and external mapping (Navigate Markham) interfaces on the new technology. Created the Parks and Pathways website as well as the Road Maintenance and the Ward Map applications.	COM	✓	✓
14	Establish Service Level Agreements	Establish service level agreements with Legislative Services, Finance, Corporate Communications and Community Relations by end of 2011. Working towards finalizing SLA with Fire and Operations	AD	✓	✓
15	Implementation of other capital and non-capital technology projects	Implement council approved technology projects, as well as non-capital projects, for business units. On-going, Major system upgrades for 2011: CLASS, Cayenta, Dynamics CRM, Heat, Hansen, BPMS, InfoWater, InfoSurge, InfoWorks	OT	✓	✓
16	Green IT initiative	Implement energy conservation requirements in technology solution; collaboration with Sustainability Office on similar initiatives. Purchase of environmentally friendly IT equipments is being imbedded in IT acquisition process.	DL	✓	✓
17	Staff satisfaction survey result improvements	Focus on workload issues through the engagement of staff and implement recommendations by 2011. Workload identified as the area of focus, & staff is working towards addressing part of the issues through Telework program and time management training. The current satisfaction rate is 46% which is close to 48% last year.	OT	✓	✓
18	Enterprise social networking and Gov. 2.0	In a systematic way, and with the assistance of a subject matter expert, assess the value and impact of social networking solutions for employees, make recommendations. Communications and Community Relations is leading this effort now.	AD	✓	✓
19	Implementation of Payment Card Industry requirements	Work with business units and vendors to fulfil the identified technology and business process changes necessary for Payment Card Industry compliance. ITS has identified technology and business process changes required, and have started to work on implementation.	OT	✓	✓
20	Customer satisfaction survey result improvements	Following analysis of the 2010 survey results, identify areas for improvement and how they can be addressed; execute plan in 2011. Identified areas for improvements. Actions taken towards addressing areas of concern.	OT	✓	✓
Notes:					

Objective Status: OT= On Target, AD= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

INFORMATION TECHNOLOGY SERVICES KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed	0	0	1	0	1	0	1 every 2 years
Overall satisfaction (%) (formal survey)	n/a	n/a	75%	n/a	86%	n/a	80%
% extremely/very satisfied (formal survey)	n/a	n/a	68%	n/a	54%	n/a	35%
# of informal satisfaction surveys completed	12	12	12	12	12	6	12
Average customer satisfaction % - very satisfied	67%	62%	70%	60%	62%	61%	75%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 45.19	\$ 44.13	\$ 49.70	\$ 51.93	\$ 50.91	\$ 27.44	\$ 55.00
% of ITS operating budget vs. Town budgeted expenses (excl Water)	3.41%	3.36%	3.47%	3.60%	3.49%	3.39%	<5%
OPERATIONAL EXCELLENCE							
Business continuity service achievement (%)	99.93%	99.94%	99.82%	99.92%	99.97%	99.98%	99.95%
% Call abandonment at Service Desk	12%	11%	13%	14%	15%	15%	7%
Average number of answered calls by Service Desk/month	895	937	1,036	1,015	993	1,005	n/a
% of Calls resolved at Service Desk	43%	40%	37%	37%	45%	35%	50%
% of incidents resolved within severity-based set targets	n/a	n/a	n/a	78%	70%	71%	85%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	78%	n/a	69%	n/a	69%	n/a	75%
Recognition rating (from staff survey)	72%	n/a	65%	n/a	60%	n/a	65%
Staff Satisfaction rating (from staff survey)	79%	n/a	78%	n/a	78%	n/a	80%
Completion rate for performance management	96%	100%	76%	93%	97%	100%	100%
Average Corporate learning hours per full-time employee	18.6	11.3	5.6	7.2	3.2	0.3*	20.0
Staff absenteeism (average # of days per employee)	4.7	5.6	5.6	3.9	3.2	1.5	< 8.4
Staff turnover rate	10.7%	7.1%	11.1%	11.1%	4.0%	3.1%	< 7.5%
KPI SUMMARY							
<p>The average calls/month at the service desk appears to be stabilizing around 1000 calls/month over the past three years, similar to most of the operational KPIs that continue to remain at or near target levels and in-line with previous years. Few exceptions include the first call resolution KPI which has in fact seen an improvement of 8% from 2009 to 2010 seems to be coming back down in 2011 - which could be due to new projects that impact large number of users such as computer replacement. Decrease in severity-based incident resolution as compared to 2009 are reflective of the workload as an outcome of increased dependence on technology for business operation as well as aging technology tools.</p> <p>Absenteeism and staff turnover rate appear to show improvements. The departmental staff satisfaction has remained consistently at around 78% since 2006, and there is continued focus in addressing workload issues by engaging staff to play a leadership role in this process in 2011 through to 2012.</p> <p>The implementation of Service Catalogue/SLAs and an overall focus on customer service has helped in providing a more systematic approach to the department's service offerings. ITS will continue to strive for enhanced customer service through measurement of operational KPIs and by working closely with our stakeholders.</p>							



INFORMATION TECHNOLOGY SERVICES BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T.)			Priorities							
#	Objective	Requires Additional Resources	Outcomes	Council						Operational
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/Public Safety	Diversity	
Cross Commission Projects										
1	Corporate Objectives		Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan, Greenprint and the new Council term priorities	✓	✓	✓	✓	✓	✓	✓
2	Joint Portal project - implementation		The next phase of portal implementation will focus on providing more online self-services including online payment and forms, mobile support, and social media capabilities for Markham residents and businesses. Resourcing and managing the operational environment will continue to be required.				✓			✓
3	Telecommunication infrastructure enhancement		Completion of the telecommunication infrastructure implementation on Voice over IP platform for all Town facilities.				✓			✓
4	Implementation of Information Management program - multi phased		Work with Legislative Services Dept. to establish governance, record management practices etc. That will enable management of information as corporate asset. This will be achieved through specific pilot projects that will be defined.				✓			✓
5	Implementation of Wireless Communication including AVL		Implement the infrastructure required to provide Town staff with the ability to use an enhanced and functionally rich radio communication capability along with Automated Vehicle Location services. This is a continuation of 2010 activity with focus on implementation and making the infrastructure operational in 2012.				✓			✓
6	Enterprise Asset Management Implementation - Phase 1		Based on the assessment on the feasibility and impact of implementing an Enterprise Asset Management System (EAM) in 2011, procurement and implementation of an EAM solution will likely start in 2012. The future phase of this project will include the replacement of Hansen and Fleet Focus softwares.				✓			✓
7	Printer strategy		Through a procurement process to establish a vendor/supplier and replace the identified equipments based on consultant recommendations and needs.				✓			✓
8	Assessment of HR and Finance business processes and system requirements		Conduct a review of the current business processes and applications in use at the Town to manage/support the Financial Management and Employee Management functions and make suitable recommendations with the intent to provide an integrated enterprise solution.				✓			✓
9	Implementation of Payment Card Industry requirements		Continue work with business units and vendors to fulfil the identified technology and business process changes necessary for Payment Card Industry compliance.				✓			✓
Business Unit Objectives										
1	Staff satisfaction survey result improvements		Focus on workload issues through the engagement of staff and implement recommendations by end of 2012.							✓
2	Customer satisfaction survey result improvements		Following analysis of the 2010 survey results, identify areas for improvement and how they can be addressed; continue executing plan in 2012.				✓			✓
3	IT operational review and enhancements		Improvements of internal ITS processes in the area of customer service, policy review and PM methodologies - continuation of 2010 objective as part of continuous improvement				✓			✓
4	Town Wide Wireless access points replacement		Replace and enhance the current WiFi infrastructure across the various Town facilities.				✓			✓
5	Green IT initiative		Implement energy conservation requirements in technology solution, collaboration with Sustainability Office on similar initiatives			✓				✓
6	Audio/Visual enhancement and replacement		Replace and enhance the Audio Visual equipment within Canada Room, Council Chamber and implement an AV solution based on Business Units needs				✓			✓
7	Establish Service Level Agreements		Establish service level agreements with Finance, Communications and Community Relations, Legislative Services by end of 2012.							✓
8	Enhancing public facing mapping		Continue enhancing external (through Portal) and internal mapping interfaces by end of 2012 based on the new GeoCortex solution.				✓			✓
9	Security review - implementation		Implement recommendations coming out as a result of the security review conducted in 2011.				✓			✓
10	Implementation of other capital and non-capital technology projects		Implement council approved technology projects, as well as non-capital projects, for business units.				✓			✓
11	Web-based Budget System		Work with Finance to investigate the feasibility of developing a web-based budget system. Completion Q2 2012.				✓			✓
12	Enterprise social networking and Gov. 2.0		Contribute to define a social networking strategy and technical implementation. Initiate discussions with other partnering jurisdiction on Gov 2.0 initiative including Open Data in order to define an approach/ road map.				✓			✓
13	Maintain current service level for technology needs as a result of growth related changes, requests for additional staff resources to be considered through the budget process	P	Technology Infrastructure support, net cost approximately \$102,000 Application support specialist, net cost approximately \$102,000				✓			✓
14	System upgrades and enhancements		Upgrade of business applications such as Eclipse, SharePoint, ArcGIS, ACR etc.				✓			✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T.: Specific, Measurable, Attainable, Realistic, Time-bound



INFORMATION TECHNOLOGY SERVICES
2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenues</u>							
SALES	\$5	\$500	\$500	\$0	0.0%	\$495	9900.0%
RECOVERIES & CONTRIBUTIONS	0	0	7,000	\$7,000	0.0%	\$7,000	0.0%
OTHER REVENUE	0	0	2,000	\$2,000	0.0%	\$2,000	0.0%
Total Revenues	\$5	\$500	\$9,500	\$9,000	1800.0%	\$9,495	189900.0%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$3,501,629	\$3,667,055	\$3,808,285	\$141,230	3.9%	\$306,656	8.8%
PRINTING & OFFICE SUPPLIES	4	14,199	14,199	0	0.0%	14,195	354875.0%
OPERATING MATERIALS & SUPPLIES	2,588	10,902	10,902	0	0.0%	8,314	321.3%
COMMUNICATIONS	653,027	607,208	607,208	0	0.0%	-45,819	-7.0%
TRAVEL EXPENSES	4,220	8,196	8,196	0	0.0%	3,976	94.2%
TRAINING	35,981	65,000	65,000	0	0.0%	29,019	80.7%
CONTRACTS & SERVICE AGREEMENTS	1,471,259	1,721,120	1,385,324	-335,796	-19.5%	-85,935	-5.8%
MAINT. & REPAIR-TIME/MATERIAL	14,550	43,539	43,539	0	0.0%	28,989	199.2%
RENTAL/LEASE	587	2,341	2,341	0	0.0%	1,754	298.8%
PROFESSIONAL SERVICES	94,375	75,739	110,739	35,000	46.2%	16,364	17.3%
LICENCES, PERMITS, FEES	592	2,039	2,039	0	0.0%	1,447	244.4%
Total Expenses	\$5,778,812	\$6,217,338	\$6,057,772	(\$159,566)	-2.6%	\$278,960	4.8%
Net Expenditures/(Revenues)	\$5,778,807	\$6,216,838	\$6,048,272	(\$168,566)	-2.7%	\$269,465	4.7%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's salary grid and new headcount.

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the department.



COMMUNICATIONS & COMMUNITY RELATIONS

BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Operational
1	Provide communications support to corporate priorities, master plans and action plans, The Greenprint, new Council priorities, NQI	Key corporate objectives achieved with C&CR communications support to: New Council priorities, The Greenprint, NQI level IV achievement and "Town-to-City" branding and campaign	OT	✓	✓
2	Portal- provide communications and operational support to portal Phase II.	Ensure accurate content, appropriate brand approach, improved content approach and style for internal communications:	OT	✓	✓
3	Reposition Community Relations function to support public engagement activities related to corporate priorities	Fill existing manager position with skills and competencies to effectively support corporate community engagement priorities: Position expected to be filled October 2011	DL	✓	✓
4	Develop updated policy on public use of Civic Centre and other municipal facilities	Deliver policy on public use of municipal facilities consistent with outcomes of Culture Plan and Public Realm initiatives - October, 2011.	OT	✓	✓
5	Support Corporate achievement of NQI Level IV	Develop and implement communications strategy; coordinate tactics to support corporate <i>Sustaining Excellence</i> program: On-going from October 2010 - December 2011	ADJ	✓	✓
6	Markham Life - Refine production management, increase advertising sales, enhance consumer use	i) Effective use of internal resources and external vendors - January 2011 ii) Strategy for increased sales revenue to achieve revenue neutral program - Feb. 2011 iii) Customer satisfaction and preferences survey: May, 2011 iv) Realigned editorial strategy based on customer survey results - July 2011	OT	✓	✓
7	Develop Corporate and Public Events service delivery and cost recovery model	In conjunction with Operations, identify and analyse service costs and appropriate cost model: December 2010 for implementation in 2011	OT	✓	✓
8	Generate increased sponsorship funding	Manage sponsorship agency and internal sponsorship programs to generate net \$500,000 (new): January - December 2011 (contingent on 2010 performance and vendor contract renewal)	ADJ	✓	✓
9	Improve workload balance to achieve Staff Satisfaction Action Plan objectives	Streamline core service offerings, realign responsibilities, use external vendors, <i>Ability Edge</i> program and summer student opportunities, increase staff compliment to meet client demands on core programs. Phase II: Fill vacant positions - Sept. 2011	OT	✓	✓
10	Develop Corporate <i>Social Media Policy</i>	Inventory current use, examine best practices, learn from other municipal jurisdictions, implement effective Markham model: Sept. 2011	OT	✓	✓
11	Develop Executive <i>Issue Management Briefing File</i>	Inventory and compile issues, develop process for digital access: June 2011	COM	✓	✓
12	Develop C&CR Process and Service Guide for internal clients	Develop process map, outline procedures, establish service agreements: August 2011	DL	✓	✓
13	Enhance Website to Portal Environment: - Add web-based services for 24/7 access as appropriate	Launched June 2011.	COM	✓	✓
14	Conduct Communications Audit of all current internal communications tools including use of <i>Survey Monkey</i>	Phase out ineffective tools; develop and implement new tools as required; integrate online related results into Phase II of Portal (Intranet): Sept. 2011	DL		✓
15	Refine client satisfaction survey methodology, quality processes and measurements	Implement online client survey response on project delivery and completion : June 2011	COM	✓	✓
16	Develop process for annual qualification of creative suppliers	Supplier roster increased across design, photography and printing in conjunction with Purchasing. Supplier roster updated - September 2011	DL	✓	✓
17	Event Supervisor Position	Event related workload has increased by approximately 80% since 2009 creating the need for a position to support the current staff within the Community Relations section. The operating budget impact of this position is approximately \$87,000. Position filled September 2011	COM	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

COMMUNICATIONS & COMMUNITY RELATIONS

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
CUSTOMER SATISFACTION							
# of formal customer satisfaction surveys completed *	0	0	0	0	1	NA	1 every 2 years
Overall satisfaction (%) (formal survey)	n/a	n/a	n/a	n/a	68%	NA	80%
% extremely/very satisfied (formal survey)	n/a	n/a	n/a	n/a	34%	NA	35%
# of informal satisfaction event & communications surveys	0	0	0	77	15	5	75
Overall satisfaction (%) (informal survey)	n/a	n/a	n/a	97%	92%	90%	90%
% of special event surveys very/extremely satisfied	n/a	n/a	n/a	90%	n/a	76%	85%
% communications customer satisfaction surveys very/extremely satisfied	n/a	n/a	n/a	94%	92%	n/a	85%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 13.37	\$ 14.00	\$ 16.03	\$ 13.36	\$ 11.74	\$ 4.89	\$ 11.00
Net cost of Markham Life per household** (see note)	\$ 1.71	\$ 1.77	\$ 1.63	\$ 2.96	\$ 1.07	\$ 0.01	zero
Revenue from sponsorships/facility advertising sales	\$ 218,522	\$ 79,850	\$309,456	\$273,505	\$ 107,712	\$ 56,100	\$ 500,000
OPERATIONAL EXCELLENCE							
% of projects meeting agreed upon deliverables *** (see note)				92%	100%	94.0%	85%
% of projects completed on time and on budget					88%	93.0%	90%
# of Design Projects Completed in-house			346	343	595	278	
# of media releases			95	92	164	89	as req'd
Average # of local media impressions per media release.	New Performance Indicator to begin in 2011					311850	
# of media inquiries			103	68	43	164	as req'd
% of media inquiries addressed within prescribed deadline	New Performance Indicator to begin in 2011					98.0%	
# of media events			51	31	42	57	as req'd
Average # of media stories per corporate media event.	New Performance Indicator to begin in 2011					5	
# Community events Supported			188	168	183	232	as req'd
Average public attendance per corporate community event	New Performance Indicator to begin in 2011					1,000	
# of Mark of Excellence (MOE)			2	11	7	1	12
Average # of staff reads of MOE per issue (staff survey- October)	New Performance Indicator to begin in 2011					NA	
# of Town e-news			105	83	67	53	as req'd
Average # of staff reads of E-News (staff survey-October)	New Performance Indicator to begin in 2011					NA	
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	63%	n/a	47%	n/a	49%		75%
Recognition rating (from staff survey)	35%	n/a	29%	n/a	37%	62%	65%
Staff Satisfaction rating (from staff survey)	61%	n/a	67%	n/a	57%	57%	80%
Completion rate for performance management	75%	67%	67%	67%	67%		100%
Average Corporate learning hours per full-time employee	80.5	60.7	11.9	2.4	5.3	1.5	20.0
Staff absenteeism (average # of days per employee)	20.0	4.5	9.9	1.2	10.1	5.0	< 8.4
Staff turnover rate	50.0%	0.0%	27.3%	0.0%	33.0%	15%	< 7.5%
KPI SUMMARY							
<p>Cost reduction and revenue enhancement strategies put in place in 2010 and 2011 resulted in significantly higher revenues and lower costs bringing the magazine towards a cost neutral position.</p> <p>Staff were surveyed again in early 2011 to determine any changes in satisfaction levels in key areas . Key Satisfaction levels improved</p>							



COMMUNICATIONS & COMMUNITY RELATIONS BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)				Priorities							
#	Objective	Requires Additional Resources	Outcomes	Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
Cross Commission Projects											
1	Support to Corporate priorities		Provide communications support to corporate priorities, master plans and action plans, Greenprint community engagement plan, Growth Plan and new Council priorities.	✓	✓	✓	✓	✓	✓	✓	✓
2	Portal - Phase II		Provide operational and communications support to Portal Phase II	✓			✓	✓	✓	✓	✓
3	Council Support		Support Council Orientation session on programs, practices and policies				✓	✓	✓	✓	✓
4	Customer research		Provide support to the Corporate Consumer research initiative	✓			✓	✓	✓	✓	✓
5	Corporate Quality Initiative		Provide communications support to the new Corporate Quality initiative				✓	✓	✓	✓	✓
6	CAO Staff Engagement		Provide communications leadership and support to the CAO's office on a new staff engagement				✓			✓	✓
7	Issues Management		Completion of online issues briefing folder for Council members				✓			✓	✓
8	Printer strategy		Establish a vendor and replace the identified printers based on consultant recommendations							✓	✓
Business Unit Objectives											
1	Social Media - Facebook		Establish 2000 "followers" on Corporate Facebook site -December 2012				✓	✓	✓	✓	✓
2	Social Media - Twitter		Establish 500 "followers" on Corporate Twitter Site site				✓	✓	✓	✓	✓
3	Social Media - LinkedIn		Increase Markham's LinkedIn followers by 500 - December 2012				✓	✓	✓	✓	✓
4	Markham Life magazine		Reposition Markham Life to reflect results of customer research and business development - Spring 2012 issue	✓			✓	✓	✓	✓	✓
5	Community Engagement Strategy		Develop and implement corporate community engagement strategy - Implement March 2012				✓	✓	✓	✓	✓
6	Social Media - QR codes		Develop and implement QR code marketing program for business promotions - Implement January 2012				✓	✓	✓	✓	
7	Corporate Internal Communications Plan		Develop and implement new internal communications strategy - Implement February 2012				✓			✓	✓
8	Staff Satisfaction		Enhance staff recognition and work/life balance with goal of staff satisfaction level of 65% - December 2012				✓			✓	✓
9	Internal Marketing Analysis and Planning		Expand competency profile of Corporate Communications Manager to include marketing communications experience. Apply this as service offering to key revenue generating businesses via Communications Advisors. New manager in place by October 2011. Marketing service framework in place by January 2011				✓	✓	✓	✓	✓
10											

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

COMMUNICATIONS & COMMUNITY RELATIONS

2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenues							
USER FEES & SERVICES CHARGES	\$309,041	\$410,884	\$359,100	(\$51,784)	-12.6%	\$50,059	16.2%
RECOVERIES & CONTRIBUTIONS	1,500	466,500	466,500	0	0.0%	465,000	31000.0%
OTHER REVENUES	52,010	0	0	0	0.0%	-52,010	-100.0%
INTERDEPARTMENTAL RECOVERIES	-13,500	-105,500	-73,000	32,500	-30.8%	-59,500	440.7%
Total Revenues	\$349,051	\$771,884	\$752,600	(\$19,284)	0.0%	\$403,549	115.6%
Expenses							
SALARIES AND BENEFITS	\$940,507	\$1,290,903	\$1,347,493	\$56,590	4.4%	\$406,986	43.3%
PRINTING & OFFICE SUPPLIES	13,619	14,193	15,327	1,134	8.0%	1,708	12.5%
OPERATING MATERIALS & SUPPLIES	17,132	9,388	13,158	3,770	40.2%	-3,974	-23.2%
COMMUNICATIONS	3,924	7,153	7,153	0	0.0%	3,229	82.3%
TRAVEL EXPENSES	5,279	3,779	3,779	0	0.0%	-1,500	-28.4%
TRAINING	45	21,000	21,000	0	0.0%	20,955	46566.7%
CONTRACTS SERVICES AGREEMENTS	21,753	0	-119,523	-119,523	0.0%	-141,276	-649.5%
PROFESSIONAL SERVICES	52,692	106,464	93,289	-13,175	-12.4%	40,597	77.0%
LICENCES, PERMITS, FEES	0	1,529	1,000	-529	-34.6%	1,000	0.0%
PROMOTION & ADVERTISING	186,175	197,600	206,400	8,800	4.5%	20,225	10.9%
KEY COMMUNICATION PROGRAMS	316,833	533,883	429,948	-103,935	-19.5%	113,115	35.7%
OTHER PURCHASED SERVICES	119	900	900	0	0.0%	781	656.3%
Total Expenses	\$1,558,078	\$2,186,792	\$2,019,924	(\$166,868)	-7.6%	\$461,846	29.6%
Net Expenditures/(Revenues)	\$1,209,027	\$1,414,908	\$1,267,324	(\$147,584)	-10.4%	\$58,297	4.8%

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Communications & Community Relations: reduction in revenue from advertising

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the department.

Key Communications Programs: Decrease is due to the reduction of Town publication costs.



CONTACT CENTRE BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Corporate Objectives	Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth Management/Official Plan, Diversity Action Plan, Greenprint and the new Council term priorities	OT	✓	✓
2	Portal - Assist with 2nd phase of Project	Will work with the Portal Steering Committee to identify and implement additional on-line services	OT	✓	✓
3	Creation of a Corporate Customer Service Strategy	Work with departments to develop a strategy by Q3. Realignment of Corporate strategies	DL	✓	✓
4	Municipal Service Planning - Enhance Customer Relationships by creating an ACR training program for all 2010 elected officials.	Training conducted in early Q1 2011 with elected officials and Admin Assistants to address the benefits of logging concerns in ACR and tracking the progress of the issue electronically. This training alleviated some direct calls from Councillors to Operations' Supervisors.	COM	✓	✓
5	New 4 Day Waste Collection Program - Assisting the Waste Department in education citizens transitioning to new schedule.	Provided timely information to residents, logging and tracking concerns. Provided feedback to Waste Department to minimize impact on residents. Reporting provided on a weekly basis to Waste to identify key challenges and trending.	COM	✓	✓
6	Implementation of a Knowledgebase.	By summer 2011 the knowledgebase will be implemented with 50% of supporting departmental information. End of year 100% of all departmental information will be searched on-line for quick responses to citizens. Goal to become a paperless environment. 2011 IT budget request of \$26,000 for project.	AD	✓	✓
7	Process mapping activities to drive efficiencies	Continue identifying processes that need to be process mapped and reviewed for improved effectiveness. - Ez Labour end-to-end activities - Map all front counter activities in Contact Centre - Tree Permit Process	COM	✓	✓
<u>Other Accomplishments</u>					
8	Automate internal processes and eliminate the use of paper	Tree permit requests scanned and stored online. Ability to attach permit request to CASEs eliminating the need for paper applications. - Eliminate the need to print syposium reports by automating reporting and storing online. Savings in offsite storage.	COM	✓	✓
9	Recreation refund policy to be printed on all confirmation receipts	Ensure customer awareness of policy and enables the organization to stand firm on guidelines.	COM	✓	✓
10	Customer Service Email Survey	Received an overall rating of 93% from residents being satisfied or extremely satisfied.	COM	✓	✓
11					
12					
13					
14					
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

CONTACT CENTRE KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	0	0	1	0	0	1 every 2 years
Overall satisfaction (%) (formal survey)	n/a	n/a	n/a	94.0%	n/a	n/a	80%
% extremely/very satisfied (formal survey)	n/a	n/a	n/a	69%	n/a	n/a	35%
# of informal satisfaction surveys completed	0	0	0	0	0	0	1
Overall satisfaction (%) (informal survey)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% extremely/very satisfied (informal survey)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
% of ACR Case Follow Up For Customer Satisfaction	n/a	10%	4%	6%	9%	7%	10%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 8.37	\$ 8.18	\$ 8.46	\$ 8.67	\$ 8.35	\$ 4.53	\$ 8.50
Average Cost per Call (excluding switchboard)	\$ 2.81	\$ 3.00	\$ 3.18	\$ 3.39	\$ 3.56	\$ 4.04	<\$5.00
OPERATIONAL EXCELLENCE							
% of calls answered in 30 seconds - excluding switchboard	70.0%	70.0%	71.1%	70.0%	70.7%	70.7%	70.0%
% of emails replied to in 24 hours	100%	100%	100%	100%	98.0%	98.0%	95.0%
% of Abandoned Calls - including switchboard	2.0%	2.1%	2.1%	2.5%	2.0%	2.7%	<5.0%
% of phone calls answered within 3 rings		99.5%	99.6%	99.8%	99.8%	99.8%	95.0%
number of Recreation registrations	113,299	111,602	126,483	128,468	124,420	70,361	n/a
total call volume	239,392	225,951	228,252	222,309	209,694	100,375	n/a
total emails received	2,383	3,832	7,098	11,327	14,640	8,912	n/a
number of people served at counter	11,201	12,209	16,698	19,153	15,886	8,635	n/a
Language line interpretations				54	41	32	n/a
Internal Contact Centre staff language interpretations				617	798	463	n/a
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	80%	n/a	74%	n/a	79%	n/a	75%
Recognition rating (from staff survey)	70%	n/a	72%	n/a	80%	n/a	65%
Staff Satisfaction rating (from staff survey)	78%	n/a	76%	n/a	87%	n/a	80%
Completion rate for performance management	86%	100%	83%	100%	100%	n/a	100%
Average Corporate learning hours per full-time employee	41.1	38.1	16.3	45.5	33.4	4.1	20.0
Staff absenteeism (average # of days per employee)	5.4	12.1	7.7	9.3	8.4	2.1	< 8.4
Staff turnover rate	0.0%	0.0%	40.0%	25.0%	0.0%	0.0%	< 7.5%
KPI SUMMARY							
<p>In 2011, there was a reduction in the number of phone calls answered in the Contact Centre. However, there continues to be a significant growth for the fourth year in a row in email communication for both information and services. Email communication has increased by 15% over the same period in 2010. 98% of emails were responded to within 24 business hours.</p> <p>We continue to see a growing number of residents that are requesting services in the language of their choice. Internal Contact Centre staff have serviced over 450 customers in languages other than English. For all other languages that are not available by staff in the Contact Centre language interpretation services are accessed through the Language Line. This ability for the Contact Centre to provide services in other languages recognizes not only the Town's dedication to delivering the highest quality services, but also our employees' enormous commitment to customer satisfaction.</p>							



CONTACT CENTRE BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)										
#	Objective	Requires Additional Resources	Outcomes	Priorities					Operational	
				Council					Alignment to NQI	Continuous Improvement / E3
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety Diversity		
Cross Commission Projects										
1	Corporate Objectives		Ongoing support/leadership of key corporate objectives, primarily National Quality Institute PEP Level 4, Integrated Leisure Master Plan, Growth	✓	✓	✓	✓	✓	✓	✓
2	Portal - Assist with 2nd phase of Project		Will work with the Portal Steering Committee to identify and implement additional on-line services			✓	✓		✓	✓
3	ACR Portal Expansion		Identify additional departmental workflows and make available on the ACR/Portal site			✓	✓		✓	✓
Business Unit Objectives										
1	Knowledge Base		Work on formatting and creating the structure of the knowledgebase.			✓	✓		✓	✓
2	Create a corporate service level document		Develop a holistic service level document for all supporting departments to ensure expectations are set with customers. Post online for complete transparency.				✓		✓	✓
3	Create a new Reward and Recognition program for the Contact Centre		Create a focus group to gather ideas for the program and follow through on recommendations for use in department						✓	✓
4	Create a corporate internal "Who Does What List"		Maintain on Contact Centre webpage ie.Camp Inclusions special needs /Curb Cuts/Volunteers						✓	✓
5	FAQ list		Create a list of FAQs for infrequently asked questions for the infrequent items -look up info quickly on the Contact Centre web page. This information will keep agents current on internal information						✓	✓
6	Licensing availability on-line		Work with partnered departments to provide residents the ability to obtain licences on-line - Animal, Business, Parking Permits and Exemptions			✓	✓		✓	✓
7										
8										
9										
10										

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

CONTACT CENTRE 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenues								
USER FEES & SERVICE CHARGES	\$2,993	\$3,000	\$3,000	-	0.0%	7	0.2%	
Total Revenues	\$2,993	\$3,000	\$3,000	-	0.0%	7	0.2%	
Expenses								
SALARIES AND BENEFITS	\$976,106	\$1,063,689	\$1,158,227	\$94,538	8.9%	\$182,121	18.7%	
PRINTING & OFFICE SUPPLIES	2,566	6,875	6,875	-	0.0%	4,309	167.9%	
COMMUNICATIONS	382	0	0	-	0.0%	(382)	-100.0%	
TRAVEL EXPENSES	0	700	700	-	0.0%	700	0.0%	
TRAINING	0	4,209	4,209	-	0.0%	4,209	0.0%	
CONTRACTS SERVICE AGREEMENTS	0	0	-85,409	(85,409)	0.0%	-85,409	0.0%	
RENTAL/LEASE	838	1,419	1,419	-	0.0%	581	69.3%	
LICENCES, PERMITS, FEES	1,999	1,860	1,860	-	0.0%	(139)	-7.0%	
CREDIT CARD SERVICE CHARGES	-20	787	787	-	0.0%	807	-4035.0%	
Total Expenses	\$981,871	\$1,079,539	\$1,088,668	\$9,129	0.8%	\$106,797	10.9%	
Net Expenditures/(Revenues)	\$978,878	\$1,076,539	\$1,085,668	\$9,129	0.8%	\$106,790	10.9%	

Changes in 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grid's.

Contracts Services Agreements: Decrease is due to the transfer of recoveries into the department.



CORPORATE SERVICES COMMISSIONER'S OFFICE

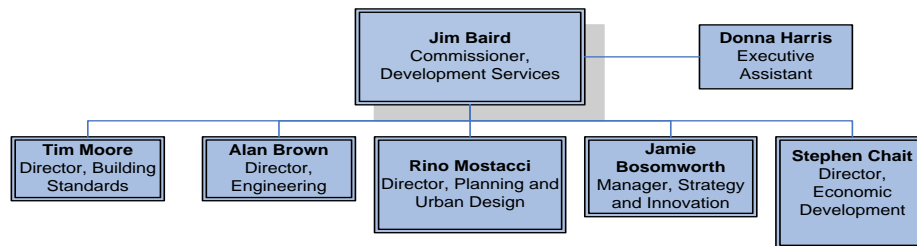
2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 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	\$303,998	\$424,099	\$441,028	\$16,929	4.0%	\$137,030	45.1%
PRINTING & OFFICE SUPPLIES	170	1,262	1,262	0	0.0%	1,092	642.4%
OPERATING MATERIALS & SUPPLIES	227	0	0	0	0.0%	-227	-100.0%
COMMUNICATIONS	445	1,165	1,165	0	0.0%	720	161.8%
TRAVEL EXPENSES	4,073	9,564	9,564	0	0.0%	5,491	134.8%
TRAINING	0	2,621	2,621	0	0.0%	2,621	0.0%
CONTRACTS SERVICES AGREEMENTS	0	0	-9,491	-9,491	0.0%	-9,491	0.0%
LICENCES, PERMITS, FEES	9,203	9,485	9,485	0	0.0%	282	3.1%
PROMOTION & ADVERTISING	0	485	485	0	0.0%	485	0.0%
Total Expenses	\$318,116	\$448,681	\$456,119	\$7,438	1.7%	\$138,003	43.4%
Net Expenditures/(Revenues)	\$318,116	\$448,681	\$456,119	\$7,438	1.7%	\$138,003	43.4%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

No significant changes.

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:

- Building Standards
- Planning and Urban Design
- Engineering
- Economic Development

Currently, there are 153 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 Town'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:

- Architectural
- Mechanical
- Structural
- Plumbing
- Zoning
- 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:

- Development and Transportation
- Inspection
- 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:

- New subdivisions applications
- Site plan applications
- Transportation planning proposals
- Storm water management proposals
- Municipal servicing and infrastructure design and construction
- Travel Demand Management

Inspection

The inspection section ensures that all municipal infrastructures listed below are installed in accordance with the Town's standards.

- Storm and sanitary sewer construction
- Water main construction
- Road construction
- Grading
- Service connection
- Utilities
- Reduction and/or release of engineering-related securities
- Pool inspection

Infrastructure and Capital Projects

This area is responsible for major infrastructure and capital projects undertaken by the Town. 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 town in managing a new Official Plan meeting the requirements of Provincial policies.

Economic Development

The Economic Development department generates economic prosperity for the Town 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:

- Business attraction
- Business retention and expansion
- Small business/entrepreneur development
- Economic research
- Advertising, marketing, and promotion



**DEVELOPMENT SERVICES COMMISSION
2012 OPERATING BUDGET**

(EXCLUDING BUILDING STANDARDS, PLANNING & DESIGN, AND ENGINEERING)

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./((Decr.)</u>	<u>% Change</u>	<u>\$ Incr./((Decr.)</u>	<u>% Change</u>
Revenue							
GRANTS AND SUBSIDIES	\$87,430	\$60,500	\$60,500	\$0	0.0%	(\$26,930)	-30.8%
USER FEES & SERVICE CHARGES	5,406	10,500	10,500	0	0.0%	5,094	94.2%
SALES	320	0	0	0	0.0%	-320	-100.0%
RECOVERIES & CONTRIBUTIONS	8,500	10,834	10,834	0	0.0%	2,334	27.5%
Total Revenues	\$101,656	\$81,834	\$81,834	\$0	0.0%	(\$19,822)	-19.5%
Expenses							
SALARIES AND BENEFITS	\$1,705,003	\$1,748,527	\$1,858,000	\$109,473	6.3%	\$152,997	9.0%
PRINTING & OFFICE SUPPLIES	12,770	18,776	18,776	0	0.0%	6,006	47.0%
PURCHASES FOR RESALE	-80	0	0	0	0.0%	80	-100.0%
OPERATING MATERIALS & SUPPLIES	1,660	6,097	6,097	0	0.0%	4,437	267.3%
COMMUNICATIONS	3,657	4,369	4,369	0	0.0%	712	19.5%
TRAVEL EXPENSES	36,777	62,919	62,919	0	0.0%	26,142	71.1%
TRAINING	7,546	16,491	16,491	0	0.0%	8,945	118.5%
CONTRACTS & SERVICE AGREEMENTS	300,000	320,000	320,000	0	0.0%	20,000	6.7%
RENTAL/LEASE	5,719	9,676	9,676	0	0.0%	3,957	69.2%
PROFESSIONAL SERVICES	73	8,460	8,460	0	0.0%	8,387	11489.0%
LICENCES, PERMITS, FEES	4,756	5,325	5,325	0	0.0%	569	12.0%
CREDIT CARD SERVICE CHARGES	0	321	321	0	0.0%	321	0.0%
PROMOTION & ADVERTISING	309,769	271,577	271,577	0	0.0%	-38,192	-12.3%
STATUTORY COMMUNICATIONS	6,106	0	0	0	0.0%	-6,106	-100.0%
OFFICE FURNISHINGS & EQUIPMENT	0	400	400	0	0.0%	400	0.0%
OTHER EXPENDITURES	166	-10,000	-10,000	0	0.0%	-10,166	-6124.1%
Total Expenses	\$2,393,922	\$2,462,938	\$2,572,411	\$109,473	4.4%	\$178,489	7.5%
Net Expenditures/ (Revenue)	\$2,292,266	\$2,381,104	\$2,490,577	\$109,473	4.6%	\$198,311	8.7%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's salary grid and new headcount.

BUILDING STANDARDS BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes			Priorities		
#	Objective	Actual Outcomes	Status	Council	Corporate Operational
1	In collaboration with Planning and Fire Services, the City of Toronto, and the Ministry of Municipal Affairs and Housing, consultation and support for provincial initiatives in the areas of energy efficiency, accessibility and mid-rise construction alternatives, in support of Markham's Greenprint.	Recommendations for energy efficiency, mid-rise construction and other changes for the 2012 building code were submitted to Municipal Affairs and Housing On April 12, 2011. Implementation of the 2012 building code has been delayed by the government owing to the scope of proposed changes, objections from some sectors about proposed mid-rise changes, and the Fall provincial election.	COM	✓	✓
2	In collaboration with Legal, Legislative and Fire Services, develop a Report to Council and By-law providing for recovery of costs associated with grow operations and illegal drug labs	By-law completed following consultation with Region and other York municipalities. Report to Council to enact by-law anticipated in fall 2011.	OT	✓	✓
3	In collaboration with Legal, Legislative and Fire Services, develop a Report to Council and By-law prohibiting fortification of buildings	Interdepartmental effort - Not yet started.	DL	✓	✓
4	Modify established Building Excellence Award Program to promote the Town's sustainability and energy efficiency objectives	Completed. Awards criteria developed to align with Greenprint. Nomination documents incorporating a green building checklist issued to 15 candidate builders.	COM	✓	✓
5	Review \$450 million of construction proposals, process and issue 2,500 building permits and complete 45,000 compliance inspections according to the technical and performance requirements set out in the Building Code Act	Permit and inspection volume in 2011 is substantially ahead of budget and workload projections. To the end of August, 3000 applications have been processed in 2011 for \$750 million of construction.		✓	✓
6	Collaboration with the Ontario Ministry of Labour Occupational Health and Safety Branch, City of Ottawa and City of London on an information sharing and construction site safety pilot program	Completed. Joint construction site safety training session conducted with Ministry of Labour and our inspection personnel on April 19, 2011	COM	✓	✓
7	Refine Permit Fees and Charges	Completed. Presentation made to Council and revised fees put into effect by by-law 2011-62 on March 1, 2011.	COM	✓	
8	Preparation and training for 2012 building code	Ongoing. Implementation of the 2012 building code has been delayed by the government.	OT	✓	
9	Alternative Solutions Support Package	Scope of project has expanded significantly. Recommendations for regulatory changes to facilitate innovative designs and alternative solutions are being prepared for submission to the Minister's Building Advisory Council.	AD		✓
10	Reduce open inspection files and improve final inspection routines	302 open inspection files closed to date during this program. New final inspection/occupancy procedures developed for 2012.	COM	✓	✓
11	Develop and implement occupancy permit procedures for houses	On target. Joint working group established and permit documents and procedures beign finalized. Meeting held with Tarion to explain	OT	✓	✓
12	Develop and implement online applications at the counter and through the portal	Delayed due to portal timing. Proposed Building Standards online services have been identified and forwarded to financial services.	DL	✓	✓
13	Implement mobile computing for inspectors	Completed and rolled out in July, 2011.	COM	✓	✓
14	Develop a more functional space plan for building standards counter operations	Delayed until it can be implemented as part of a more comprehensive DSC front counter initiative.	DL	✓	✓
15	Improve building permit review efficiency and align process to revised provincial regulations	High volumes of applications and staff vacancies have curtailed efforts to make meaningful progress. Processing times are currently not meeting provincial timeframes.	DL	✓	✓
16	Provincial Performance Measures (MPMP) data collection	Data is being compiled and will be available for reporting as required in 2012.	OT	✓	✓
17	Enforcement Order Documents	Completed. Revised Order forms and a multi-lingual communication package now in place.	COM	✓	
These Objectives were added In 2011:					
1	KPMG - operational review	KPMG report received April 21, 2011. Departmental review completed and a final report issued to the CAO by CBO on May 20, 2011.	COM	✓	✓
2	Heritage Enforcement Procedures	Fully integrated Building/Planning approval system now in place. Position description for heritage inspector developed and posted.	OT	✓	✓
3	Infill Enforcement Procedures	Completed. Foundation survey requirements now in force.	COM	✓	✓

Notes:

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



BUILDING STANDARDS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
# of formal customer satisfaction surveys completed				1	0	1	every 2 nd year
Informal survey cards issued to clients				0	0		500/yr
Overall satisfaction (%)				70%			80%
% extremely/very satisfied				52%			35%
Clients indicating satisfaction or better							75%
FINANCIAL PERFORMANCE							
Net Cost per Household							[1]
Total Revenue from Building Permits				\$ 5,396,403.00	\$ 6,196,269.75	\$ 6,871,981.25	[2]
Cost of Permit & Inspection Services per \$1,000 of construction value (MPMP)				\$ 16.15	\$ 10.50	\$ 6.00	\$10.00
Expenditures as a % of revenue				134%	109%	46%	100%
OPERATIONAL EXCELLENCE							
Median Permit Processing Time - Housing (MPMP)						12 days	<10 days
Median Permit Processing Time - Small Buildings (MPMP)						18 days	<15 days
Median Permit Processing Time - Large Buildings (MPMP)						21 days	<20 days
Median Permit Processing Time - Complex Buildings (MPMP)						n/a [3]	<30 days
Total number of Permits issued	4,194	3,868	3,841	2,407	2,526	2,196	[4]
Complete Applications as a % of total							50% [5]
Zoning Enquiries responded to in writing in 5 days or less						78%	90%
Property compliance letters responded to in writing in 5 days or less						64% [6]	90%
Community and industry engagement meetings, seminars or presentations						16hrs	25hrs
Inactive Applications (Dormant - No activity for 12 months) as a % of total						14%	10%
Total number of inspections conducted	78,757	57,103	69,729	40,222	32,185	22,047	
% of Successful Prosecutions						100%	90%
Inspections conducted within 48 hours						93%	98%
Mandatory Inspection completion rate						94%	90%
Open Building Permits inspected at least once in past year						31%	85%
Marijuana Grow-Ops remediated within 6 months						90% [7]	80%
Technical, Regulatory & Safety Training Hours per FTE						27.5hrs	35hrs
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	76%		72%	69%	69%		75%
Recognition rating (from staff survey)	65%		59%		55%		65%
Staff Satisfaction rating (from staff survey)	75%				79%		80%
Completion rate for performance management	100%	73%	98%	92%			100%
Average Corporate learning hours per full-time employee	2.2	1.3	7.1	4.4	1.3	0.1	20.0
Staff absenteeism (average # of days per employee)	2.0	3.4	6.1	4.8	5.9	2.6	8.4
Staff turnover rate	4%	9%	0%	4%	4%	1.7%	7.5%

KPI SUMMARY

- [1] This indicator was deleted in 2010. MPMP measures building services cost against construction volume, rather than population or household demographics.
- [2] Year end projection is now \$10.5 million, a 69% increase from 2010.
- [3] All complex building applications to date have been incomplete. Building permits are being processed prior to planning approvals.
- [4] Year end projection is now 4,000 permit applications.
- [5] Most applications for building permits are being made before planning, development and other applicable law approvals are complete.
- [6] Delays in responding have been due to administrative shortfall. Reviews were complete within timeframes in most cases.
- [7] 9 out of 10 grow ops identified in past 12 months have been successfully remediated.

BUILDING STANDARDS BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities						Alignment to NQI	Continuous Improvement / E3
				Council							
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan	Public Safety		
Cross Commission Projects											
1	In collaboration with Legal, Legislative and Fire Services, develop a Report to Council and By-law providing for recovery of costs associated with grow operations and illegal drug labs		Completion of 2011 project and implementation of resulting by-law.			✓	✓			✓	✓
2	In collaboration with Legal, Legislative and Fire Services, develop a Report to Council and By-law prohibiting fortification of buildings		Completion of 2011 project and implementation of resulting by-law.			✓	✓				
3	In collaboration with the Treasurer, establish an interdepartmental procedure setting out the roles and responsibilities of Building Standards and Finance in determining and collecting building and development fees and charges.		Improved and more defined processes associated with the calculation and collection of development charges and building permit fees. More rigorous definition of processes, responsibilities and decision makers.	✓			✓			✓	✓
Business Unit Objectives											
1	Review \$750 million of construction proposals, process and issue 3,000 building permits, and complete 60,000 compliance inspections according to the technical and performance requirements set out in the <i>Building Code Act</i>		Maintain class-leading services and technical proficiency in building standards enforcement				✓				
2	Alternative Solutions & Innovation		Make recommendations to government to streamline regulations and approvals associated with innovative designs and alternative solutions			✓	✓			✓	✓
3	Implement new provincial energy efficiency requirements for new buildings		Finalize procedures, complete staff training and issue an information package to designers and builders				✓				
4	Implement new provincial occupancy permit requirements for houses		Finalize forms and procedures, issue a bulletin to builders				✓			✓	
5	Develop and implement online business applications through the portal		Longer term project. For 2012, update and restore building standards information on the portal, and identify and implement 2 pilot online services.			✓	✓			✓	✓
6	DSC Service Improvement Plan		With other Commission Business units, identify areas of business weakness, and develop a strategic plan for improving such things as our customer service counter, site plan and building permit timeframes, and integrating urban design enforcement into building standards.	✓						✓	✓
7	Increase Electronic Capture of Inspection Data		Incorporate inspection reports into AMANDA to provide additional information for clients, reduce paper and capture more detailed inspection results.	✓			✓			✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



BUILDING STANDARDS 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>							
LICENCES & PERMITS	\$13,523,781	\$6,581,660	\$7,942,643	\$1,360,983	20.7%	(\$5,581,138)	-41.3%
USER FEES & SERVICE CHARGES	46,173	30,140	30,140	0	0.0%	-16,033	-34.7%
OTHER REVENUE	-23,260	0	0	0	0.0%	23,260	-100.0%
Total Revenues	\$13,546,694	\$6,611,800	\$7,972,783	\$1,360,983	20.6%	(\$5,573,911)	-41.1%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$4,539,551	\$5,236,096	\$5,278,431	\$42,335	0.8%	\$738,880	16.3%
PRINTING & OFFICE SUPPLIES	47,961	41,500	41,500	0	0.0%	-6,461	-13.5%
OPERATING MATERIALS & SUPPLIES	26,871	23,500	23,500	0	0.0%	-3,371	-12.5%
COMMUNICATIONS	17,832	15,800	30,800	15,000	94.9%	12,968	72.7%
TRAVEL EXPENSES	5,345	6,000	6,000	0	0.0%	655	12.3%
TRAINING	19,933	35,000	30,000	-5,000	-14.3%	10,067	50.5%
CONTRACTS & SERVICE AGREEMENTS	2,018,348	2,018,348	2,048,346	29,998	1.5%	29,998	1.5%
RENTAL/LEASE	918	2,500	2,500	0	0.0%	1,582	172.3%
PROFESSIONAL SERVICES	39,728	16,000	16,000	0	0.0%	-23,728	-59.7%
LICENCES, PERMITS, FEES	15,559	15,750	15,750	0	0.0%	191	1.2%
CREDIT CARD SERVICE CHARGES	12,775	10,000	10,000	0	0.0%	-2,775	-21.7%
PROMOTION & ADVERTISING	560	3,000	1,000	-2,000	-66.7%	440	78.6%
TRANSFERS TO RESERVES	0	-811,694	468,956	1,280,650	-157.8%	468,956	0.0%
Total Expenses	\$6,745,381	\$6,611,800	\$7,972,783	\$1,360,983	20.6%	\$1,227,402	18.2%
Net Expenditures/ (Revenue)	(\$6,801,313)	\$0	\$0	\$0	0.0%	\$6,801,313	-100.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

License & Permits: Increase is due to the increase number of permits expected in 2012.

Transfer to Reserves: Adjustment to balance the department's budget to zero.

ENGINEERING BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Outcomes	Status	Priorities	
				Council	Operational
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 studies and policies 	DL	✓	✓
2	Project Management	<ul style="list-style-type: none"> Provide input into corporate team regarding Capital delivery 	OT		✓
3	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 	OT	✓	
4	Staff Satisfaction Survey improvement and harness departmental reorganization benefits	<ul style="list-style-type: none"> Address workload, stress, compensation, spaceplanning and administrative support 	OT	✓	
5	Building Markham's Future Together (BMFT) Strategic Initiatives	<ul style="list-style-type: none"> Implement recommendations and provide monthly updates to CCC related to transportation and servicing 	OT	✓	✓
6	<u>Transportation</u>	<ul style="list-style-type: none"> Update prioritization list and funding 	DL	✓	
	a) Metrolinx				
	b) Provincial Evaluation of Langstaff/Richmond Hill Centre Mobility Hub	<ul style="list-style-type: none"> Update Council on ARUP study and Town response to Regional and Provincial Studies 	COM	✓	
	c) Transit/Transportation Initiatives	<ul style="list-style-type: none"> Update Council on various transit initiatives (Subway, 407 transitway, Hwy 7 BRT, etc.); Markham Transportation Strategic Plan 	DL	✓	
	d) Travel Demand Management	<ul style="list-style-type: none"> Draft TDM plan guidelines prepared and adopted as part of Transportation Strategic Plan and Official Plan; Draft recommendations for a revised 'Employer Sponsored Transit Discount' program 	DL	✓	
	e) Parking Strategy	<ul style="list-style-type: none"> Draft strategy and business plan finalized and adopted by Council; Revise and recommend parking standards 	DL	✓	
	f) Pathways	<ul style="list-style-type: none"> 5 Year Implementation Program approved and 25% of projects towards approval and design Implement Major Mackenzie/Donald Cousens Parkway Pathway User Safety Guidelines Toogood Pond to Bob Hunter Memorial Park - Approve Multi-use pathway EA and award design contract 	DL		✓
7	<u>Capital</u>				
	a) Implement 2011 Capital Program	<ul style="list-style-type: none"> 70% of projects committed by year end, reconcile 2010 carryover by January 31, 2011 	OT	✓	
	b) Continue Implementation of Auditor's recommendations	<ul style="list-style-type: none"> Finalize Auditor's recommendation by Q1 			
8	<u>Inspection</u>				
	a) Implement Capital contract administration proposal subject to approval from CCC	<ul style="list-style-type: none"> Review revenue opportunities Staff advancement and retention Planned activities completed 	OT	✓	✓
	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				
Notes:					

Objective Status: OT= On Target, ADJ= Adjusted, DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Innovation



ENGINEERING KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
# of formal customer satisfaction surveys completed (Development Engineering)	1						1 every 2 years
# of informal satisfaction surveys completed							
Percentage of customers extremely satisfied (Citizen/service surveys)	n/a	80%					40%
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	59%					85%
Percentage of customers extremely satisfied (Developers surveys)	32%						30%
Percentage of customers satisfied (Developers surveys)	64%						80%
FINANCIAL PERFORMANCE							
Net cost per household	\$ -	\$ -	\$ -	\$ -	\$ (5.17)		
Development Revenue/Expenditure Ratio	1.5	1.2	1.0	0.6	3.0		1.0
Engineering Capital Revenue/Expenditure Ratio	0.5	0.5	0.8	0.9	0.9		1.0
Asset Management/Waterworks Revenue/Expenditure Ratio	n/a	n/a	n/a	n/a	n/a		1.0
OPERATIONAL EXCELLENCE							
% of Planning applications processed in an agreed upon time frame	-	-	-	-	78%		75%
% of Engineering submissions processed in service level time frame	-	-	-	-	70%		75%
% of Site Plan and Subdivision Agreements processed in agreed upon time frame	-	-	-	-	95%		95%
% of ACR cases completed within service level time frame	-	-	-	-	95%		95%
% of Capital programs committed							
• Capital - Engineering					75%		
• Capital - Asset Management & Operations	65%	75%	60%	65%	80%	50%	80%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	n/a	75%	n/a	63%	59%		75%
Recognition rating (from staff survey)	n/a	63%	n/a	53%	49%		65%
Staff Satisfaction rating (from staff survey)	n/a	73%	n/a	78%	67%	67%	80%
Completion rate for performance management	n/a	93%	100%	100%	90%	n/a	100%
Average Corporate learning hours per full-time employee	0.9	13.6	24.4	16.5	11.4	1.7%	20.0
Staff absenteeism (average # of days per employee)	1.7	3.8	3.6	2.4	3.9	1.1%	8.4
Staff turnover rate	3%	13%	3%	18%	14%	5%	7.5%
KPI SUMMARY							
The Key focus in 2012 will be to:							
a) Address the Staff Satisfaction Survey issues, namely: work load, stress, compensation, administrative support							
b) Bring department to full staff complement and harness the benefits of the departmental reorganization to meet if not exceed the KPI targets							

ENGINEERING BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)				Priorities								
#	Objective	Requires Additional Resources?	Outcomes	Council						Operational		
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/	Public Safety	Diversity	Alignment to NQI	Innovation
Cross Commission Projects												
1	Official Pan Update	✓	Provide input into preparation of new Official Plan on transportation, servicing and environmental policies and directions	✓	✓	✓					✓	
2	Project Management	✓	Provide input into corporate team regarding Capital delivery	✓							✓	
3	Development Review Process continuous improvement	✓	Coordinate with other departments and external approval authorities to streamline development review and approval processes, greater utilization of Amanda	✓							✓	
Business Unit Objectives												
1	E3 Initiatives	✓	review feasibility of quality control section in Inspections section								✓	✓
2	Official Plan Update a) Development Official Plan policies	✓	Incorporate transportation & servicing requirements in new Official Plan Attend OMB hearing if necessary	✓	✓	✓	✓				✓	
3	Building Markham's Future Together Strategic Initiatives a) priority on transportation		Regular updates to Council/CCC on transportation issues and status		✓		✓					
4	Transportation a) Metrolinx b) Markham Transportation Strategic Plan c) Travel Demand Management (TDM) • Advance external and internal programs • Work with Smart Commute to increase service and participation levels • Advance corporate programs d) Parking Strategy • Council approval of Parking Strategy e) Cycling, Pathways and Trails Master Plan • Implement Cycling and Pathway Master Plan	✓	<ul style="list-style-type: none"> Funding prioritization to be completed by 2013 To be completed late 2011, early 2012 after public consultation Participated in programs designed to promote TDM and transportation Management Association (TMA) Finalize guidelines for the preparation of TDM plans Finalize draft parking strategy and business plan for Council's approval. Revise and recommend parking standards Implement 5 Year Implementation program through Capital Budget 	✓	✓			✓				
5	Transit • Markham Centre Mobility Hub Station • Langstaff/Richmond Hill Centre Mobility Hub • John Street GO Station • Box Grove Mobility Station	✓	<ul style="list-style-type: none"> Finalize station study work with agencies to finalize transit facilities Subject to GO Transit resources review feasibility of GO Station Subject to Metrolinx, MTO, VIVA and GO participation undertake a mobility hub station study 	✓	✓							
6	Development Charges Update	✓	<ul style="list-style-type: none"> Prepare background study for hard services Start background study in 2012 	✓	✓	✓	✓					
7	Development • Markham Centre • Langstaff	✓	<ul style="list-style-type: none"> Finalize servicing, roads and transit requirements for mobility hub 	✓	✓	✓	✓					
8	Capital a) Implement 2011/2012 Capital Program b) Monitor Regional roads, sewers and watermain EA and design project and update Council as required c) Finalize and implement project management tools and Software d) Yearly capital update to Council	✓	<ul style="list-style-type: none"> 80% of Engineering and Asset Management/Waterworks Capital projects committed by Fall Update Council as required 			✓	✓	✓			✓	
9	Inspection a) Review Capital quality control proposal b) Building/Grading approvals for site plan residential entered into AMANDA c) Plot Plan - scan into AMANDA d) Assumption - Historical data to be entered	✓	<ul style="list-style-type: none"> Review revenue/staffing issues Staff advancement and retention Planned activities completed 				✓				✓	

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T = Specific, Measurable, Attainable, Realistic, Time-bound



ENGINEERING 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./Decr.)	% Change	\$ Incr./Decr.)	% Change
Revenue							
USER FEES & SERVICE CHARGES	\$5,385,849	\$5,007,662	\$5,394,224	\$386,562	7.7%	\$8,375	0.2%
SALES	31,973	1,000	1,000	0	0.0%	-30,973	-96.9%
RECOVERIES & CONTRIBUTIONS	30,070	38,570	50,813	12,243	31.7%	20,743	69.0%
Total Revenues	\$5,447,892	\$5,047,232	\$5,446,037	\$398,805	7.9%	(\$1,855)	0.0%
Expenses							
SALARIES AND BENEFITS	\$3,464,190	\$4,191,107	\$4,303,516	\$112,409	2.7%	\$839,326	24.2%
PRINTING & OFFICE SUPPLIES	12,469	31,000	31,000	0	0.0%	18,531	148.6%
OPERATING MATERIALS & SUPPLIES	16,098	18,000	18,000	0	0.0%	1,902	11.8%
COMMUNICATIONS	12,122	14,000	14,000	0	0.0%	1,878	15.5%
TRAVEL EXPENSES	15,920	13,000	13,000	0	0.0%	-2,920	-18.3%
TRAINING	5,173	16,000	16,000	0	0.0%	10,827	209.3%
CONTRACTS & SERVICE AGREEMENTS	1,753,232	1,753,232	1,877,568	124,336	7.1%	124,336	7.1%
MAINT. & REPAIR-TIME/MATERIAL	0	2,956	2,956	0	0.0%	2,956	0.0%
PROFESSIONAL SERVICES	1,755	25,000	25,000	0	0.0%	23,245	1324.5%
LICENCES, PERMITS, FEES	18,427	18,500	18,500	0	0.0%	73	0.4%
TRANSFERS TO RESERVES	0	-1,035,563	-873,503	162,060	-15.6%	-873,503	0.0%
Total Expenses	\$5,299,386	\$5,047,232	\$5,446,037	\$398,805	7.9%	\$146,651	2.8%
Net Expenditures/ (Revenue)	(\$148,506)	\$0	\$0	\$0	0.0%	\$148,506	-100.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

User Fees & Service Charges: Increase is due to the increased construction charges expected in 2012.

Salaries and Benefits: Increase is due to annualization of cost of living adjustments and movement of staff along the Town's Salary Grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the Town to the department.

Transfer to Reserves: Adjustment to balance the department's budget to zero.

PLANNING AND URBAN DESIGN BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	New Official Plan process Continue and advance the preparation of a new Markham Official Plan, as directed by Council in 2010, incorporating the growth alternative to 2031 endorsed by Council in 2010, integrating with other BMFT initiatives, and in conformity with the Regional and Provincial policy context.	Complete first draft expected by end of Q4, 2011	AD	✓	
2	Provide response and implementation recommendations for Green Print from all Divisions within Department (Development Planning, Design, Heritage, Policy)	Completed	COM	✓	
3	Complete a Markham Centre Secondary Plan update by end of year including a Markham Live/Mobility Hub elements.	Secondary plan to be completed derivative of recent development initiatives	AD		✓
4	Implementation of Streetscape Manual	Ongoing			✓
5	Markham Centre East Precinct Plan (Markham Live) and implementation strategy	Secondary plan to be completed derivative of recent development initiatives	AD		✓
6	Complete Town wide UD Guidelines	To be completed in 2012	DEL		✓
7	Complete sustainable landscape practice manual	To be completed in 2012	DEL		✓
8	Complete various studies throughout Town (Milliken/Kennedy/Steeles Plan, North Yonge Corridor Study, Highway 48 Secondary Plan, Cornell Centre Urban Design Study, Yonge Steeles Corridor Secondary Plan, Markham Centre Secondary Plan, Markham Centre Public Realm and Streetscape Plan)	Ongoing			✓
9	Process development applications from submission through to approval and final inspection	Circulated 360 planning applications	OT		✓
10	Process design, tender documents and construction of town parks	21 parks are in design, 10 parks in construction and 35 acres of parks transferred to operations	OT		✓
11	Precinct Plan and Development Approvals for Shoppes on Steeles	Completed	COM		✓
12	Zoning and Land Use Study for John Street/Green Lane industrial area	Ongoing			✓
13	Reinstate positions held back due to lack of revenue and schedule Department wide activities to address Staff Satisfaction survey	Completed	COM		✓
Notes:					
All vacant existing positions have been filled; some new positions created to improve organizational reporting; new director hired in Q2. This is helping to address staff satisfaction concerns raised in previous years and provides improved service to Council, public and private sector partners. Also computer hardware upgrade has improved effectiveness and efficiency an a space planning initiative to improve workstations has been initiated.					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



PLANNING AND URBAN DESIGN KEY PERFORMANCES INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
# of formal customer satisfaction surveys completed	1						1 every 2 years
# of informal customer satisfaction surveys completed							
Percentage of customers extremely satisfied (Citizen/service surveys)	n/a	15%					80%
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	74%					35%
Percentage of customers satisfied (Developers surveys)	64%					58%	
FINANCIAL PERFORMANCE							
Net cost per household	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Average cost per application circulated (including indirect costs)	\$ 7,324.85	\$ 8,638.44	\$ 10,629.94	\$ 6,311.98	\$ 14,657.00	n/a	
OPERATIONAL EXCELLENCE							
Number of applications circulated	549	450	232	285	360	115	
% of applications processed in agreed upon time frames				74.2%	78%	72%	80%
% of preliminary reports to DSC within 6-8 weeks of receipt of a		27%	46%	52%	62%	20%	80%
% of park construction projects completed in agreed upon time frames			91%	90%	80%	n/a	90%
% of park construction projects completed within budget			100%	90%	90%	n/a	90%
% of studies completed within budget				92%	88%	n/a	90%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	74%		65%		54%		75%
Recognition rating (from staff survey)	66%		46%		41%		65%
Staff Satisfaction rating (from staff survey)	71%		78%		53%		80%
Completion rate for performance management	100%	92%	100%	90%	100%		100%
Average Corporate learning hours per full-time employee	8.3	4.4	20.7	8.7	6.6	2.8	20.0
Staff absenteeism (average # of days per employee)	1.9	4.4	3.7	3.6	3.2	2.6	8.4
Staff turnover rate	6%	10%	6%	0%	13%	0%	7.5%
KPI SUMMARY							
<p>Overall the Department continues to meet its obligations with respect to core service delivery. Improvements areas and proactive initiatives have been identified and will be the focus of attention in 2012. Markham is transitioning from a suburban edge city to a higher density urban community. As a result the planning and development service area must be prepared to respond proactively to new challenges. This change in scope and direction will be the subject of further analysis in 2012, in order to understand future resource and expertise requirements. Also service allocations will likely have an impact on future development volumes in the medium term.</p>							

PLANNING AND URBAN DESIGN BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities							
				Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
Cross Commission Projects											
1	New Official Plan process Continue and advance the preparation of a new Markham Official Plan, as directed by Council in 2010, incorporating the growth alternative to 2031 endorsed by Council in 2010, integrating with other BMFT initiatives, and in conformity with the Regional and Provincial policy context.		Work leading up to the completion of a draft Official Plan in 2012	✓	✓	✓		✓			
2	Provide response and implementation recommendations for Green Print from all Divisions within Department (Development Planning, Design, Heritage, Policy)		Completion of Green Print implementation recommendations.	✓	✓	✓	✓			✓	
3	Complete a Markham Centre Secondary Plan update by end of year including a Markham Live/Mobility Hub elements.		Draft Secondary Plan presented to DSC by year end	✓	✓					✓	
4	Implementation of Streetscape Manual		Use of Standards in design and construction of Landscape Drawings							✓	
5	Markham Centre East Precinct Plan (Markham Live) and implementation strategy	✓	Approved Precinct Plan	✓	✓					✓	
Business Unit Objectives											
1	Complete Town wide UD Guidelines	✓	New Pamphlets							✓	
2	Complete sustainable landscape practice manual		Use of Standards in design and construction of Landscape Drawings			✓				✓	
3	Complete various studies throughout Town (Milliken/Kennedy/Steeles Plan, North Yonge Corridor Study, Highway 48 Secondary Plan, Cornell Centre Urban Design Study, Yonge Steeles Corridor Secondary Plan, Markham Centre Secondary Plan, Markham Centre Public Realm and Streetscape Plan)	✓	Studies approved by end of year	✓	✓	✓		✓		✓	
4	Process development applications from submission through to approval and final inspection	✓	Process the approval of over 300 applications	✓						✓	
5	Process design, tender documents and construction of town parks		Initiate design of \$4.0 million worth of Parks and complete 14 hectares of Parks	✓				✓			
6	Precinct Plan and Development Approvals for Shoppes on Steeles		Work towards completion of Precinct Plan and Development Approvals	✓	✓						
7	Zoning and Land Use Study for John Street/Green Lane industrial area	✓	Complete Study	✓						✓	
8	Reinstate positions held back due to lack of revenue and schedule Department wide activities to address Staff Satisfaction survey		Improved staff satisfaction survey results							✓	

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



PLANNING AND URBAN DESIGN 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenue								
USER FEES & SERVICE CHARGES	\$4,940,889	\$6,964,473	\$6,169,790	(\$794,683)	-11.4%	\$1,228,901	24.9%	
RECOVERIES & CONTRIBUTIONS	0	0	0	0	0.0%	0	0.0%	
Total Revenues	\$4,940,889	\$6,964,473	\$6,169,790	(\$794,683)	-11.4%	\$1,228,901	24.9%	
Expenses								
SALARIES AND BENEFITS	\$4,443,124	\$4,602,024	\$5,052,139	\$450,115	9.8%	\$609,015	13.7%	
PRINTING & OFFICE SUPPLIES	33,987	43,092	43,092	0	0.0%	9,105	26.8%	
OPERATING MATERIALS & SUPPLIES	5,101	6,803	6,803	0	0.0%	1,702	33.4%	
COMMUNICATIONS	6,151	9,369	10,869	1,500	16.0%	4,718	76.7%	
TRAVEL EXPENSES	16,325	17,869	29,342	11,473	64.2%	13,017	79.7%	
TRAINING	10,552	7,281	15,000	7,719	106.0%	4,448	42.2%	
CONTRACTS & SERVICE AGREEMENTS	1,208,697	1,208,697	1,463,203	254,506	21.1%	254,506	21.1%	
RENTAL/LEASE	0	3,000	3,000	0	0.0%	3,000	0.0%	
PROFESSIONAL SERVICES	1,907	38,748	38,748	0	0.0%	36,841	1931.9%	
LICENCES, PERMITS, FEES	26,025	22,995	22,995	0	0.0%	-3,030	-11.6%	
CREDIT CARD SERVICE CHARGES	2,246	1,823	1,823	0	0.0%	-423	-18.8%	
PROMOTION & ADVERTISING	0	4,365	4,365	0	0.0%	4,365	0.0%	
PMTS. TO CITIZENS/LOCAL GROUPS	6,000	0	0	0	0.0%	-6,000	-100.0%	
OTHER EXPENDITURES	10,239	-5,000	-5,000	0	0.0%	-15,239	-148.8%	
TRANSFERS TO RESERVES	0	1,003,407	-516,589	-1,519,996	-151.5%	-516,589	0.0%	
Total Expenses	\$5,770,354	\$6,964,473	\$6,169,790	(\$794,683)	-11.4%	\$399,436	6.9%	
Net Expenditures/ (Revenue)	\$829,465	\$0	\$0	\$0	0.0%	(\$829,465)	-100.0%	

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

User Fees & Service Charges: Decrease is due to the decreased number of applications expected in 2012.

Salaries and Benefits: Increase is due to annualization of cost of living adjustments and movement of staff along the Town's Salary Grids.

Contracts & Service Agreements: Increase is due to the annual adjustment of support costs charged from the Town to the department.

Transfer to Reserves: Adjustment to balance the department's budget to zero.

ECONOMIC DEVELOPMENT BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	To be regarded as a "top 3 location in Canada" for ICT/Life Sciences businesses	Achieved annual increment of 300k - 0.5 million sq.ft. in growth/expansion in relevant sectors. Establish Markham Convergence Centre as a commercialization centre	OT	✓	✓
2	Build Markham -- The Creative City	Established year-round entrepreneurship and commercialization training program for Markham's cultural industries and entrepreneurs in collaboration with Markham Arts Council and York Arts Council.	OT	✓	✓
3	Markham to be Canadian HQ of 5 "Fortune 500" banks, investment firms or insurers	Established "Canadian Institute for Crimininal Financial Analysis" in Markham (Seneca). Foreign national bank negotiating to locate HQ in Markham	OT	✓	✓
4	Build "Global Markham". Foreign Direct Investment to generate >100 jobs per year in Markham	Hosted/sponsored 5 major international business events including India, Israel, and several with China. Achieved in excess of 350 jobs (GE, IBM, DST, Huawei). Negotiating establishment of Israeli incubator at MCC, and establishment of offshore bank HQ.	OT	✓	✓
5	Markham to be regarded as one of the top cities in Canada to locate a knowledge based business	Markham's competitive position as "Canada's High-Tech Capital" continues to prevail among industry experts, based on size of clusters and recognition of award-winning Economic Strategy. Produced new DVD and Annual Report	OT	✓	✓
6	Markham to be home to most talented labour force in Canada	New partnerships fostered with George Brown College, Seneca College, York University, ACCE and ventureLAB. Markham Small Business Centre acknowledged as best in Ontario by Province.	OT	✓	✓

Notes:

The Economic Development Department re-organized in mid-2011 to address strategic priorities in operationalizing the Markham Convergence Centre and to mitigate workload challenges in sustaining the Town's aggressive international business attraction program. Despite the negative global business environment, Markham has experienced investment growth and expansion in 2011 especially in the ICT and Life Sciences sectors.

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

ECONOMIC DEVELOPMENT BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities							
				Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan	Public Safety	Diversity	Alignment to NQI
Cross Commission Projects											
1	New Official Plan		Collaborate with Policy Planning to provide input to update employment land and economic strategy objectives within new Official Plan	✓						✓	
2	Cultural Master Plan		Led by Culture Department. Achieve business community awareness of Markham's cultural				✓	✓		✓	
3	City branding strategy	NP	Led by Corporate Communications. Establish city status in 2012 and implement branding over two year span.				✓	✓		✓	
4											
Business Unit Objectives											
1	Increase market awareness and optimize operation of Markham Convergence Centre		Achieve 85% occupancy and 60% target market awareness	✓						✓	✓
2	Increase effectiveness of ventureLAB as a leader in Regional Innovation		Adopt new governance structure and facilitate targeted new private sector employment growth	✓						✓	✓
3	Advance Foreign Direct Investment results by conducting investment attraction missions to India and China		Attract 2 Chinese and 2 Indian firms to locate in Markham	✓						✓	✓
4	Provide improved strategic and facilitation services to BIAs in Markham and Unionville		Economic Development staff to act as facilitators. Release Chinese language marketing DVD. George Brown College to conduct design project focused on main streets	✓			✓			✓	✓
5	Markham to be Canadian HQ of 5 "Fortune 500" banks, investment firms or insurers		Attract HQ of 1 a major bank or insurance firm, and host events in support of Seneca College's Centre for Financial Services	✓							✓
6	Add to Markham's competitiveness as a superior business location		Complete on-line inventory of vacant and marketable employment lands.	✓						✓	
7	Increase new business formation by youth and newcomers to Markham		Conduct monthly seminars and marketing events targeted to youth and new Canadians	✓					✓	✓	
8	Increase market awareness of Markham as the best place to locate knowledge based businesses		Launch new DVDs and Annual Report into marketplace	✓			✓			✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



ECONOMIC DEVELOPMENT 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
GRANTS AND SUBSIDIES	\$87,430	\$60,500	\$60,500	\$0	0.0%	(\$26,930)	-30.8%
USER FEES & SERVICE CHARGES	5,406	10,500	10,500	0	0.0%	5,094	94.2%
SALES	320	0	0	0	0.0%	-320	-100.0%
RECOVERIES & CONTRIBUTIONS	8,500	10,834	10,834	0	0.0%	2,334	27.5%
Total Revenues	\$101,656	\$81,834	\$81,834	\$0	0.0%	(\$19,822)	-19.5%
Expenses							
SALARIES AND BENEFITS	\$714,779	\$779,650	\$808,428	\$28,778	3.7%	\$93,649	13.1%
PRINTING & OFFICE SUPPLIES	12,451	18,776	18,776	0	0.0%	6,325	50.8%
PURCHASES FOR RESALE	-80	0	0	0	0.0%	80	-100.0%
OPERATING MATERIALS & SUPPLIES	1,374	5,454	5,454	0	0.0%	4,080	296.9%
COMMUNICATIONS	2,696	3,301	3,301	0	0.0%	605	22.4%
TRAVEL EXPENSES	28,782	41,001	41,001	0	0.0%	12,219	42.5%
TRAINING	1,271	6,311	6,311	0	0.0%	5,040	396.5%
CONTRACTS SERVICES AGREEMENT	300,000	340,000	320,000	-20,000	-5.9%	20,000	6.7%
RENTAL/LEASE	261	938	938	0	0.0%	677	259.4%
PROFESSIONAL SERVICES	73	0	0	0	0.0%	-73	-100.0%
LICENCES, PERMITS, FEES	2,212	4,354	4,354	0	0.0%	2,142	96.8%
PROMOTION & ADVERTISING	309,769	271,577	271,577	0	0.0%	-38,192	-12.3%
Total Expenses	\$1,373,588	\$1,471,362	\$1,480,140	\$8,778	0.6%	\$106,552	7.8%
Net Expenditures/ (Revenue)	\$1,271,932	\$1,389,528	\$1,398,306	\$8,778	0.6%	\$126,374	9.9%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

No significant changes.



DEVELOPMENT SERVICES COMMISSIONER'S OFFICE
2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 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	\$990,224	\$968,877	\$1,049,572	\$80,695	8.3%	\$59,348	6.0%
PRINTING & OFFICE SUPPLIES	319	0	0	0	0.0%	-319	-100.0%
OPERATING MATERIALS & SUPPLIES	286	643	643	0	0.0%	357	124.8%
COMMUNICATIONS	961	1,068	1,068	0	0.0%	107	11.1%
TRAVEL EXPENSES	7,995	21,918	21,918	0	0.0%	13,923	174.1%
TRAINING	6,275	10,180	10,180	0	0.0%	3,905	62.2%
RENTAL/LEASE	5,458	8,738	8,738	0	0.0%	3,280	60.1%
PROFESSIONAL SERVICES	0	8,460	8,460	0	0.0%	8,460	0.0%
LICENCES, PERMITS, FEES	2,544	971	971	0	0.0%	-1,573	-61.8%
CREDIT CARD SERVICE CHARGES	0	321	321	0	0.0%	321	0.0%
STATUTORY COMMUNICATIONS	6,106	0	0	0	0.0%	-6,106	-100.0%
OFFICE FURNISHINGS & EQUIPMENT	0	400	400	0	0.0%	400	0.0%
OTHER EXPENSES	166	-10,000	-10,000	0	0.0%	-10,166	-6124.1%
Total Expenses	\$1,020,334	\$1,011,576	\$1,092,271	\$80,695	8.0%	\$71,937	7.1%
Net Expenditures/ (Revenue)	\$1,020,334	\$1,011,576	\$1,092,271	\$80,695	8.0%	\$71,937	7.1%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids.



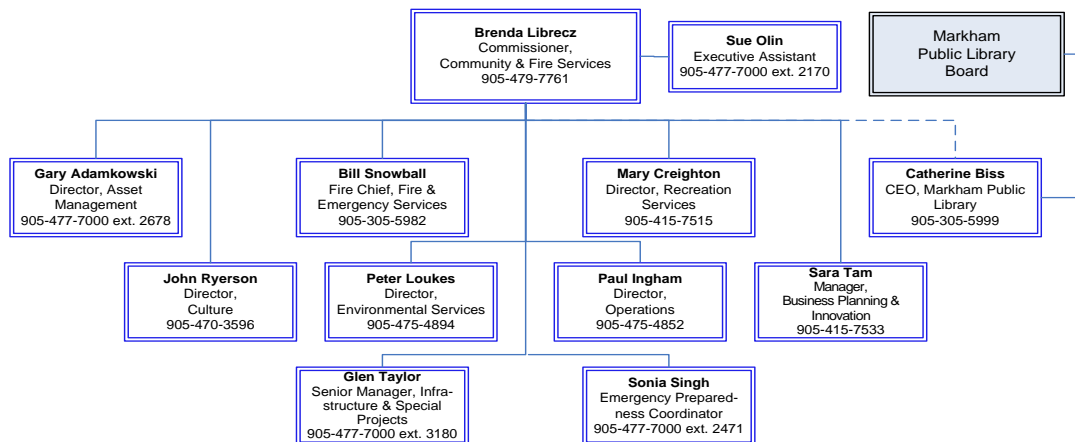
COMMUNITY AND FIRE SERVICES

“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	1. Facility Assets
	2. Right-of-Way & Environmental Assets
Culture	3. Culture
Environmental Services	4. Waste & Environmental Management
	5. Waterworks
Fire & Emergency Services	6. Fire & Emergency Services
Markham Public Library	7. Markham Public Library
Operations	8. Operations (Roads/Parks/Fleet)
Recreation Services	9. 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 and the coordination of the seven Stimulus and RInC funded infrastructure projects that totalled more than \$21 million during the 2009 to 2011 period. The organizational structure below reflects changes made in 2011, namely the creation of the Environmental Services Department.



In 2012, the Commission including Waterworks, had an approved full-time complement of 668 positions, a gross operating expenditures budget of \$193.6 million, revenues budgeted at \$103.3 million, and capital budget of \$49.0 million.

The commitment and dedication of our staff are recognized externally as their programs and practices have garnered numerous awards for the Town of Markham. Recent awards include:

- **2010 Top Honours for Urban Forestry Management** (Grandview Park Woodlot Restoration) by Communities in Bloom
- **2010 Paul McGaw Memorial Conservation Award** by North American Plant Society
- **2010 Ontario Waste Minimization Platinum Award** by Recycling Council of Ontario
- **2010 Unique Waste Programs Gold Award** by Recycling Council of Ontario
- **2010 P.J. Marshall Award for Innovation** by Association of Municipalities of Ontario – It was awarded for the C3 system at the Markham Public Library
- **2010 Silver Award for Integrated Quality and Healthy Workplace** by the National Quality Institute, awarded to the Town of Markham
- **2011 Ontario Waste Minimization Gold Award** by Recycling Council of Ontario
- **2011 Unique Waste Programs Gold Award** by Recycling Council of Ontario
- **2011 Awards of Excellence** by Heritage Markham for the project at 11 Church Street, Markham

Some Commission Facts (2011 Data)

• Number of fleet vehicles maintained:	850
• Number of facilities maintained:	172 buildings
• Total library items borrowed:	4.3 million
• Total number of library visits (in-person and electronic):	5.0 million
• Town-maintained parks:	1,107 ha
• Number of sportsfield hours booked:	66,459
• Town-maintained roads:	967 km
• Number of households receiving curbside collection services for garbage, recycling, organics and yard waste:	90,124
• Number of emergency incident response from Fire Department:	6,819
• Number of all direct recreation program registrations:	107,096
• Number of annual visits at recreation facilities:	7.8 million
• Size of municipal art gallery and museum collection:	75,595 items
• Number of visitors at Markham Museum, Markham Theatre, and Varley Art Gallery:	157,179
• Cubic metres of water consumed:	31.0 million

The following 2012 Commission Priorities have guided the development of the departmental objectives:

 <p>For Our Future <i>Strategic Planning</i></p>	 <p>For Our Community <i>Community Engagement</i></p>	 <p>For Our Staff <i>People Focus</i></p>	 <p>For Our Organization <i>Organizational Excellence</i></p>
			

<ol style="list-style-type: none"> 1. Public Works Facility Master Plan 2. Corporate Accommodations Plan 3. Operationalize Greenprint 4. Address Impacts of Growth 	<ol style="list-style-type: none"> 5. Community Engagement Plan 6. Public Realm Program 7. Service Planning Initiative 8. Community Safety Plan 9. Municipal Role in Community Events 10. Seniors Services Strategy 11. Key Projects: Pan Am + Southeast C.C. & Library 	<ol style="list-style-type: none"> 12. Commission People Plan Framework 13. Training Centre Study 	<ol style="list-style-type: none"> 14. Inter-Commission Relationship Building 15. Continuous Improvement 16. Technology Plan / e-government / Portal 17. Policy Development and Review 18. Governance of External Partnerships
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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 & Environmental 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 East Markham Community Centre and Library (\$75.7M) and expansion of the Varley Art Gallery (\$2.5M). 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, 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 & Environmental 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 Environmental Assets.

- Right-of-Way Assets is responsible for the planning of the Town'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 Town'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 Town's closed landfill, including the operation of the gas collection system and monitoring methane and leachate levels.
- Environmental Assets manages the Town's environmental-related programs such as Flood Control & Remediation, Erosion Control, Watercourse Management, Brownfield Assessment, and review of development applications.



Culture

The Culture Department is responsible for overseeing the cultural development of the community and in managing the direction and operations of the three municipal cultural venues in Markham. The department took over responsibility for developing the public art program in 2010 and commenced a 10-year culture plan process called “Building a Creative Markham” that will conclude in 2012.

- **Museum** – The Museum connects the history of Markham to today’s new ‘settlers’ by examining our environment and the tools we use to adapt to our changing world. The 25-acre Museum site offers exhibits, school programs, public programs and events, private event venues, and research facilities. A new collection and exhibition hall explores the layers of settlement and the resulting changes that Markham has experienced. The Museum is receiving national attention for its unique way of connecting with its community.
- **Markham Theatre for Performing Arts** offers entertainment and event services (rentals), and programs to Markham and the Greater Toronto Area (GTA). Markham Theatre serves more than 145,000 attendees and participants currently. With globally acclaimed artists, Canadian and GTA Premieres, and Exclusive Presentations, this 530-seat theatre offers innovative programming in a welcoming ambience. For the past 27 years, the theatre has evolved beyond its walls to deliver quality programming through its new “Discovery” Program supporting education and community outreach initiatives.
- **Varley Art Gallery of Markham** explores the art of F.H. Varley, that of his contemporaries, and recognizes how their works contributed to shaping the practice of Canadian art today. Our goals and objectives are to: 1) support artists and create a vibrant visual arts community; 2) broaden access to the arts for all; 3) connect people through the arts; and 4) develop research projects and maintain the collection. The Gallery offers group tours, school programs, studio, lectures, and family activities. The addition of the Wallace Joyce wing will provide additional exhibition space.

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. Mission Green is one of its key initiatives to introduce three-stream waste collection into the community, with a target to divert 75% of household garbage from landfills.

The **Waterworks** business unit is responsible for the provision of safe drinking water for domestic and commercial use throughout Markham. This responsibility includes 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.

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 eight 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 six branches and its website. Administratively, it reports to the Town of Markham Public Library Board, and has a dotted-line reporting relationship with the Commissioner of Community & Fire Services. The Library's mission is to ***"make Markham stronger, healthier, more informed, engaged, literate and inclusive by providing outstanding library services and resources that enhance quality of life and help all to achieve their full potential and success in the 21st century."*** 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 a leading position in the implementation of RFID-based self-service technology in public libraries.

Operations

The Operations Department is responsible for the maintenance of roads and parks in the Town 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, and special events road closures.
- Parks Division is responsible for horticulture (flower and plant barrels, hanging baskets, park gardens and entrance features to the municipality), 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 special events support, winter maintenance of parking lots and walkways of town-owned facilities and public skating ponds.
- Fleet & Supplies Division is responsible for the maintenance, repair, acquisition, parts inventory management, and safe operation of the diverse municipal fleet and equipment assets. Management of street and traffic sign manufacturing is undertaken in a cost-effective manner.
- Business Technical Services Division is responsible for the coordination and management of technical and business/ administrative 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 public education and community events.
- 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 Town 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 Town 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 comfortable and well-maintained community facilities. The Department combines a direct service delivery approach in provision of recreational, aquatic, fitness and lifestyle programming for individuals of all ages with ongoing community develop work with minor sport organizations, community groups, not-for-profit organizations and other key stakeholders. As well, through the 4 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 Town owned and operated facilities. The Department builds on creative partnerships to deliver services in schools, parks, and elsewhere as the need arises.



COMMUNITY & FIRE SERVICES 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
GRANTS AND SUBSIDIES	\$1,513,556	\$1,412,473	\$1,468,773	\$56,300	4.0%	(\$44,783)	-3.0%
LICENCES & PERMITS	150	0	0	0	#DIV/0!	-150	-100.0%
FINES	5,000	3,000	3,000	0	0.0%	-2,000	-40.0%
USER FEES & SERVICE CHARGES	10,549,032	10,469,752	11,189,412	719,660	6.9%	640,380	6.1%
RENTALS	5,912,984	6,220,271	6,403,450	183,179	2.9%	490,466	8.3%
SALES	506,731	523,073	518,303	-4,770	-0.9%	11,572	2.3%
RECOVERIES & CONTRIBUTIONS	889,234	884,281	973,781	89,500	10.1%	84,547	9.5%
OTHER INCOME	480,224	488,047	446,623	-41,424	-8.5%	-13,601	-3.0%
INTERDEPARTMENTAL RECOVERIES	523,308	530,708	613,708	83,000	15.6%	90,400	17.3%
Total Revenues	\$20,360,219	\$20,531,605	\$21,617,050	\$1,085,445	5.3%	\$1,256,831	6.2%
Expenses							
SALARIES AND BENEFITS	\$68,536,846	\$67,659,260	\$73,307,662	\$5,648,402	8.3%	\$4,770,816	7.0%
PRINTING & OFFICE SUPPLIES	271,238	304,489	318,269	13,780	4.5%	47,031	17.3%
PURCHASES FOR RESALE	242,613	240,836	267,336	26,500	11.0%	24,723	10.2%
OPERATING MATERIALS & SUPPLIES	2,248,921	2,295,592	2,474,010	178,418	7.8%	225,089	10.0%
VEHICLE SUPPLIES	1,544,404	1,560,612	1,595,686	35,074	2.2%	51,282	3.3%
SMALL EQUIPMENT SUPPLIES	9,655	15,091	15,091	0	0.0%	5,436	56.3%
BOTANICAL SUPPLIES	232,788	292,978	267,197	-25,781	-8.8%	34,409	14.8%
CONSTRUCTION MATERIALS	1,693,081	1,430,270	1,392,412	-37,858	-2.6%	-300,669	-17.8%
UTILITIES	4,126,813	4,494,909	4,438,940	-55,969	-1.2%	312,127	7.6%
COMMUNICATIONS	396,849	430,664	454,103	23,439	5.4%	57,454	14.5%
TRAVEL EXPENSES	114,879	170,072	173,172	3,100	1.8%	58,293	50.7%
TRAINING	226,001	301,137	309,887	8,750	2.9%	83,886	37.1%
CONTRACTS & SERVICE AGREEMENTS	8,006,304	7,986,183	9,216,061	1,229,878	15.4%	1,209,757	15.1%
MAINT. & REPAIR-TIME/MATERIAL	4,295,459	3,765,197	3,612,628	-152,569	-4.1%	-682,831	-15.9%
RENTAL/LEASE	565,953	648,422	622,586	-25,836	-4.0%	56,633	10.0%
INSURANCE	11,963	13,263	13,263	0	0.0%	1,300	10.9%
PROFESSIONAL SERVICES	1,569,588	1,425,791	1,455,347	29,556	2.1%	-114,241	-7.3%
LICENCES, PERMITS, FEES	332,005	406,195	397,230	-8,965	-2.2%	65,225	19.6%
CREDIT CARD SERVICE CHARGES	235,758	189,296	197,818	8,522	4.5%	-37,940	-16.1%
PROMOTION & ADVERTISING	388,203	445,213	425,228	-19,985	-4.5%	37,025	9.5%
CONTRACTED MUNICIPAL SERVICES	9,406,465	9,372,894	9,775,129	402,235	4.3%	368,664	3.9%
OTHER PURCHASED SERVICES	467,658	466,637	657,869	191,232	41.0%	190,211	40.7%
OFFICE FURNISHINGS & EQUIPMENT	0	8,910	900	-8,010	-89.9%	900	0.0%
WRITE-OFFS	-1	0	0	0	0.0%	1	-100.0%
OTHER EXPENDITURES	125,218	98,000	101,010	3,010	3.1%	-24,208	-19.3%
TRANSFERS TO RESERVES	480,710	456,158	445,262	-10,896	-2.4%	-35,448	-7.4%
Total Expenses	\$105,529,171	\$104,478,069	\$111,934,096	\$7,456,027	7.1%	\$6,404,925	6.1%
Net Expenditures/(Revenues)	\$85,168,952	\$83,946,464	\$90,317,046	\$6,370,582	7.6%	\$5,148,094	6.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase is due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids and increase headcount.

Operating Materials & Supplies:

Utilities: due energy efficiencies at Recreation facilities

Contracts & Service Agreements:

Maint. & Repair – Time/Materials:

Contracted Municipal Services: primarily related to increase in waste tonnage

Other Purchased Services:

FACILITY ASSETS BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Stimulus Project - Emergency Planning (Secondary)	Completed - Provided necessary support	COM	✓	✓
2	Stimulus Project - Thornhill Community Centre & Library Renovation (Secondary)	Completed - Provided necessary support	COM	✓	
3	Corporate Building Security Strategy (Primary)	Developed corporate strategy and currently conducting consultation with internal stakeholders regarding implementation strategy	AD	✓	
4	Space Planning (Primary)	On-Target - Request for space planning underway	OT	✓	
5	Stimulus Projects - Accessibility and Energy Projects (Primary)	Completed - Energy Retrofit Stimulus project. Adjusted - Accessibility work extended to October 2011	AD	✓	✓
6	Support PAN AM bid projects (Secondary)	On-Target - Provided continue technical support	OT	✓	
7	Continue with construction of East Markham Community Centre (Integrated Leisure Master Plan - ILMP)	Continuation of construction in 2011. Completion in Q4 of 2012.	OT	✓	
8	New South East Community Centre and Library - Engage A/E firm and commence design process (ILMP)	Work with Recreation Services and Markham Public Library to establish scope, budget and schedule. Prequalification consultant completed. RFP to be issued Q3 2011	OT	✓	
9	Milliken Mills Community Centre & Library Expansion - Engage A/E Firm and commence design process (ILMP)	Project on Hold.	AD		
10	Stiver Mill (Secondary)	Complete electrical recommendations by the end of Q2, 2011. Continue with structural stabilization. Initiated concept study and plan to report to Council in Q3, 2011	AD	✓	
11	Implement Enterprise Asset Management (user/secondary)	Assist IT in tender/acquisition for software in Q1. Participated in Resource requirement review.	AD	✓	✓
12	Implement Centre of Excellence structure (E3)	Conversion process completed.	COM	✓	✓
13	Streamline (progress and design) reporting and approval processes	Process documented. Efficiency and effectiveness improvements identified/made.	COM		✓
14	Improve process for financial tracking support	Process documented. Efficiency and effectiveness improvements identified/made.	COM		✓
15	Address Staff Satisfaction results	Improvements identified and implemented	COM		✓
16	Complete construction of Varley Art Gallery addition	Completion of project by Q3, 2011	OT	✓	
17	Complete Fire Station 99	Construction to be completion in Q4 of 2011.	OT	✓	
18	Complete 2010 Life Cycle Projects	Spending Plan completed, projects to be completed by Q4.	AD	✓	
19	Complete 2011 Life Cycle Projects	Completion of projects by Q3, 2012	OT	✓	
20	Improve the tracking and management of key performance Indicators used to support business planning	Process for data tracking and management documented and reviewed; Data for new KPIs will be collected for 2012 BUP	OT		✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



FACILITY ASSETS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed ¹	1	0	0	1	3	0	1 every 2 years
# of informal customer satisfaction surveys completed ¹	0	0	0	0	0	0	0
Overall satisfaction (%)	92%	N/A	N/A	67%	72%	N/A	80%
% extremely/very satisfied	26%	N/A	N/A	40%	N/A	N/A	35%
Post project completion surveys completed	N/A	N/A	N/A	N/A	1	0	2
FINANCIAL PERFORMANCE							
Net cost per household	\$ 18.52	\$ 14.83	\$ 19.30	\$ 21.01	\$ 20.88	\$ 12.21	within budget
Net operating cost per gross sq.ft. of Civic Centre facility (172,515sf) and 8100 Warden Ave (85,000 sq effective 2009)	\$ 7.05	\$ 6.96	\$ 7.03	\$ 8.87	\$ 6.15	\$ 2.94	\$ 6.79
Est. value of construction & renovation projects managed - Facilities	\$8 M	\$11.5 M	\$84.4 M	\$88.6m	\$118.9m	\$120.7m	N/A
% of projects completed on budget	N/A	N/A	N/A	N/A	100%	100%	100%
OPERATIONAL EXCELLENCE							
Facility Maintenance - # of facilities maintained	141	161	162	165	166	167	N/A
# of facility work orders generated	650	549	480	972	1,099	600	N/A
% of facility work orders completed within 24 hours	N/A	N/A	N/A	92%	N/A	N/A	95%
SF of facilities managed by Civic Centre Coordinator	N/A	172,515	257,515	325,015	325,015	325,015	N/A
SF of facilities managed by Maintenance Coordinator	223,000	223,000	262,674	217,000	276,072	276,662	N/A
Completion rate of capital projects (% of planned budget spent) ²	N/A	N/A	N/A	N/A	83%	83%	80%
% of projects with an environmental focus	N/A	N/A	N/A	N/A	74%	59%	100%
# of capital projects undertaken and managed per staff ²	N/A	N/A	N/A	N/A	9	9	5
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	78%	N/A	70%	N/A	78%	N/A	75%
Recognition rating (from staff survey)	64%	N/A	63%	N/A	67%	N/A	65%
Staff Satisfaction rating (from staff survey)	77%	N/A	82%	N/A	84%	N/A	80%
Completion rate for performance management ¹	100%	100%	100%	96%	100%	N/A	100%
Average Corporate learning hours per full-time employee ¹	47.3	30.8	18.4	14.2	14.3	2.9	20.0
Staff absenteeism (average # of days per employee) ¹	10.6	5.3	5.1	9.8	5.8	6.0	<8.4
Staff turnover rate ¹	0.0%	5.0%	10.0%	5.0%	9.1%	4.2%	<7.5%
KPI SUMMARY							
Note: ¹ Data is generated for the Asset Management Department and not for each of the two business units making up the department. ² Based on the aggregate of all open projects to include multi-year projects.							

FACILITY ASSETS BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities							
				Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
Cross Commission Projects											
1	Operationalize Greenprint (Secondary)		Incorporate features of Greenprint into Facility Asset projects.			✓					
2	Public Realm Program (Secondary)	B	Lead in Civic Centre Site Improvement, coordinate other department inputs. Execution Plan to be developed by 2012 Q3 for 2013 Capital Budget request.	✓					✓		
3	Municipal Role in Community Events (Secondary)	NP	Provide support for public event at Civic Centre throughout the year			✓	✓		✓		
4	Project Management Service Office (Primary)	P	Lead in the implementation of the developed guidelines by Q4			✓			✓		
5	Corporate Building Security Strategy (Primary)		Develop Town wide security policy by Q1 2012. Implement initial phases of policy by Q4 2012	✓		✓			✓		
6	Pan Am + Southeast Community Centre & Library: • Support PAN AM bid projects • Design Southeast Community Centre & Library		• Provide support as required to corporate team • Complete design and issue construction tender Q2 2013	✓		✓	✓	✓			
7	Continue with construction of East Markham Community Centre (Integrated Leisure Master Plan - ILMP)		Construction completion in Q3 of 2012.	✓		✓	✓	✓			
Business Unit Objectives											
1	Corporate Accommodation Strategy	P	Develop multi year space planning strategy by Q2. Complete corporate accommodation requests by Q4	✓		✓	✓	✓	✓		
2	Succession Planning		Develop succession planning for Department by Q2 2012	✓					✓		
3	Implement Enterprise Asset Management	P	Implement first phase of the EAM by Q4.	✓		✓			✓		
4	Complete 2011 Life Cycle Projects		Completion of projects by Q2 2012			✓					
5	Complete 2012 Life Cycle Projects		Completion of projects by Q4 2012			✓					
6	Heritage building restoration / stabilization (Stiver Mill, Daniel Fairty, Tremont Hotel)	P	Continue with stabilization of heritage buildings. Develop concept plans for future restoration and present to Council by Q4 2012				✓				
7	Portal information		Complete portal information update by Q2 2012			✓			✓		
8	Operate and Maintain Town Facilities		Operate Civic Centre and 8100 Warden. Respond to maintenance requests within 7 business days. Provide maintenance services at Varley Art Gallery, Museum Collections Building, Markham Village Library, Fire Station 93			✓	✓		✓		

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



RIGHT OF WAY ASSETS BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Support corporate initiatives: greenprint, Growth Management Strategy, Official Plan update, Portal, Project Management Office, Inflow & Infiltration Study (Secondary).	Provided necessary inputs. Work plan finalized by Lead Department.	COM	✓	✓
2	BMFT's Municipal Services Project - Process mapping, SOPs (Secondary).	Provided necessary inputs. Work plan finalized by Lead Department.	COM	✓	✓
3	LED Street Lighting Task Force (E3).	Complete consultant study and report back to Task Force Committee by Q4, 2011.	OT	✓	✓
4	Implement Streetlight Life Cycle Program.	Condition update tender/award completed Q2, 2011. Study to be completed by Q3 and implementation by Q4, 2011.	OT	✓	✓
5	Provide survey services to internal and external customers.	Provided as required, no issues.	OT	✓	✓
6	Develop Outfall Structures database	Database developed to support life cycle reserve updates.	COM	✓	✓
7	Manage annual programs (lifecycle reserve update, condition assessment, capital budget requests, databases update)	Life cycle reserve update, structures condition assessments and capital budget requests completed in Q2, 2011.	COM	✓	✓
8	Monitor and maintain gas collection system at the former Sabiston Landfill	Monitoring program ongoing; Leachate collection system feasibility study by Q4, 2011 and implementation of pilot aerobic program by Q3, 2012 subject to Council approval.	OT	✓	✓
9	Develop and Implement Pavement Management System	Collaborated with Operations Dept. to develop a pavement management system to evaluate condition of roads, predict future level of service and determine yearly road rehabilitation program - completion by Q3, 2012.	OT	✓	✓
10	Review and approval of environmental studies related to development applications	Ongoing - Studies reviewed to support development applications.	OT	✓	✓
11	Manage a variety of Environmental Projects and studies	Studies such as Bruce Creek EA, SWM pond retrofit update and SWM Soft updates are ongoing.	OT	✓	✓
12	Develop, update, and maintain Town-wide sanitary & storm sewer models	Ongoing - Sanitary and storm sewer models maintained using the InfoWorks program.	OT	✓	✓
13	Develop and maintain Town-wide environmental database programs	Ongoing - Staff trained; Support life cycle reserve updates.	OT	✓	✓
14	Implement Flood Remediation Program for West Thornhill.	Implementation delayed due to MOE approval. Proposed Phase 1 implementation by Q3, 2012.	DL	✓	✓
15	Update stormwater management guidelines, standards, policies, and programs.	SWM guidelines and engineering standards updates completion by Q2, 2012.	DL	✓	✓
16	Improve process for financial tracking support	Financial tracking using Eclipse software implemented.	OT	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted, DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

RIGHT OF WAY ASSETS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed ¹	1	0	0	1	3	N/A	1 every 2 years
# of informal customer satisfaction surveys completed	0	0	0	0	1	N/A	0
overall satisfaction (%) ¹	92%	92%	N/A	66%	72%	N/A	80%
% extremely/very satisfied	26%	N/A	N/A	38%	N/A	N/A	35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 28.08	\$ 25.33	\$ 27.13	\$ 26.08	\$ 28.77	\$ 15.07	\$ 28
Streetlighting Cost per Light Standard	\$ 100	\$ 103	\$ 115	\$ 111	\$ 120	\$ 61	\$ 109
Amount of Utility Fees Collected	\$ 184,000	\$ 160,000	\$ 167,000	\$ 119,480	\$ 140,673	\$ 86,153	\$ 102,000
OPERATIONAL EXCELLENCE							
# km of watermains and sewers digitized / staff	46	26	28	36	20	16	22
# of survey requests processed /staff	126	131	140	156	137	72	140
# of new streetlights assumed by AM/year	696	977	855	600	233	306	est. 700
# of utility permits issued and inspected/staff/year	1,040	1,152	1,423	1,348	1,098	448	1,400
% of assets (Structures) assessed per year	45%	46%	25%	11%	25%	35%	25%
Completion of capital projects (% of planned vs actual) ²	N/A	N/A	N/A	N/A	N/A	N/A	80%
Preventive maintenance works completed for assets (bridges & culverts) identified in the annual inspection ²	N/A	N/A	N/A	N/A	N/A	N/A	80%
% of ACR cases for bridges & culverts completed within service level timeline ²	N/A	N/A	N/A	N/A	N/A	80%	80%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	78%	N/A	70%	N/A	78%	N/A	75%
Recognition rating (from staff survey)	64%	N/A	63%	N/A	67%	N/A	65%
Staff Satisfaction rating (from staff survey)	77%	N/A	82%	N/A	84%	N/A	80%
Completion rate for performance management ¹	100%	100%	100%	96%	100%	N/A	100%
Average Corporate learning hours per full-time employee ¹	47.3	30.8	18.4	14.2	14.3	2.9	20.0
Staff absenteeism (average # of days per employee) ¹	10.6	10.6	5.1	9.8	5.8	6.0	<8.4
Staff turnover rate ¹	0.0%	5.0%	10.0%	5.0%	9.1%	4.2%	<7.5%
KPI SUMMARY							

Note: ¹ Data were generated for the Asset Management Department and not for each of the two business units making up the department.

² New KPI developed as part of the 2012 Business Planning Process in 2011.



RIGHT OF WAY BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)										
#	Objective	Requires Additional Resources	Outcomes	Priorities						
				Council					Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan	Public Safety	Diversity
Cross Commission Projects										
1	Operationalize Greenprint (Secondary)		Incorporate greenprint objectives into ROW & Environmental Assets projects.	✓	✓	✓	✓		✓	
2	LED Street Lighting Task Force (E3)		Achieve Task Force objectives as outlined.				✓			✓
Business Unit Objectives										
1	Portal information		Complete portal information updates by Q2, 2012				✓		✓	
2	Succession Planning		Develop succession planning for Department by Q2, 2012						✓	✓
ROW Assets:										
3	Manage annual programs (lifecycle reserve updates, condition assessment, capital budget requests, databases update)	P	Complete life cycle analysis by Q1, 2012 so that the budget request is in line with business planning and the available funding.	✓			✓			
4	Develop a strategic Asset Management Plan for structures (bridges and culverts) based on relevant Asset Management Best Practices.	P	Draft plan completion by Q2, 2012.				✓			✓
5	Develop and maintain a comprehensive structures database with existing information and information collected from site investigations.	P	Update database by Q1, 2012 to support life cycle reserve study.				✓			✓
Utilities, Streetlights & Surveys:										
6	Implement Streetlight Pole Identification Program.		Program completion by Q3, 2012.				✓		✓	
7	Provide utility approval and inspection services per MAA requirements.		Services delivered within agreed upon timeframe.				✓		✓	
Business Systems & Programming:										
8	Monitor and maintain gas collection system at the former Sabiston Landfill.		Monitoring program ongoing; Leachate collection system feasibility study by Q4, 2011 and implementation of pilot aerobic program by Q3, 2012 subject to Council approval.			✓	✓		✓	✓
9	Develop and implement Pavement Management System.		Collaborated with Operations Dept. to develop a pavement management system to evaluate condition of roads, predict future level of service and determine yearly road rehabilitation program - completion by Q3, 2012.	✓	✓		✓			✓
Environmental Assets:										
10	Develop, update, and maintain Town-wide sanitary & storm sewer models.		Sanitary and storm sewer models maintained using the InfoWorks program.	✓		✓	✓			✓
11	Develop and maintain Town-wide environmental database programs.		Erosion and pond database updates by Q2, 2012.			✓	✓			✓
12	Implement Flood Remediation Program for West Thornhill.		Implementation delayed due to MOE approval. Proposed Phase 1 implementation by Q3, 2012.	✓		✓	✓			✓
13	Update stormwater management guidelines, standards, policies, and programs.		SWM guidelines and engineering standards updates completion by Q2, 2012.	✓		✓	✓			✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

ASSET MANAGEMENT 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
USER FEES & SERVICE CHARGES	\$145,427	\$64,000	\$64,000	0	0.0%	-81,427	-56.0%
RENTALS	78,495	68,654	68,654	0	0.0%	-9,841	-12.5%
SALES	11,752	0	0	0	0.0%	-11,752	-100.0%
RECOVERIES & CONTRIBUTIONS	40,618	30,000	30,000	0	0.0%	-10,618	-26.1%
INTERDEPARTMENTAL RECOVERIES	0	7,400	7,400	0	0.0%	7,400	0.0%
Total Revenues	\$276,292	\$170,054	\$170,054	\$0	0.0%	(\$106,238)	-38.5%
Expenses							
SALARIES AND BENEFITS	\$2,198,601	\$2,023,317	\$2,359,391	\$336,074	16.6%	\$160,790	7.3%
PRINTING & OFFICE SUPPLIES	0	0	14,407	14,407	0.0%	14,407	0.0%
OPERATING MATERIALS & SUPPLIES	108,176	97,129	122,730	25,601	26.4%	14,554	13.5%
SMALL EQUIPMENT SUPPLIES	0	-97	-97	0	0.0%	-97	0.0%
CONSTRUCTION MATERIALS	867	2,028	2,028	0	0.0%	1,161	133.9%
UTILITIES	518,221	516,631	530,441	13,810	2.7%	12,220	2.4%
COMMUNICATIONS	4,759	4,730	13,218	8,488	179.5%	8,459	177.7%
TRAVEL EXPENSES	0	0	12,425	12,425	0.0%	12,425	0.0%
TRAINING	702	0	13,631	13,631	0.0%	12,929	1841.7%
CONTRACTS & SERVICE AGREEMENTS	534,853	619,382	881,562	262,180	42.3%	346,709	64.8%
MAINT. & REPAIR-TIME/MATERIAL	1,437,930	1,311,488	1,386,916	75,428	5.8%	-51,014	-3.5%
PROFESSIONAL SERVICES	24,151	11,640	11,640	0	0.0%	-12,511	-51.8%
LICENCES, PERMITS, FEES	705	500	9,710	9,210	1842.0%	9,005	1277.3%
CONTRACTED MUNICIPAL SERVICES	1,756,429	1,674,200	1,786,994	112,794	6.7%	30,565	1.7%
OTHER EXPENDITURES	225	0	0	0	0.0%	-225	-100.0%
TRANSFERS FROM OWN FUNDS	0	10,896	0	-10,896	-100.0%	0	0.0%
Total Expenses	\$6,585,619	\$6,271,844	\$7,144,996	\$873,152	13.9%	\$559,377	8.5%
Net Expenditures/(Revenues)	\$6,309,327	\$6,101,790	\$6,974,942	\$873,152	14.3%	\$665,615	10.5%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids

Contract Service Agreements: Related to Waterworks Indirect Recovery

Maintenance & Repairs – Time/Material: Increase due to the annual assumption of new streetlights for maintenance and increased maintenance of aging building and equipment

Contracted Municipal Services: Increase hydro related to assumption of new streetlights and increase in streetlight hydro rates

CULTURE BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	EZ Labour Process Management (Contributing Department)	Process Map has been completed. Additional training for staff was offered. Process Map allowed the Ez Labour team to identify some areas of improvement (i.e. More training for staff was necessary and timelines for staff packages needed to be reviewed). Ez Labour has allowed for more accurate calculations to assist in the part time grid progression.	COM	✓	✓
2	Records Management (Contributing Department)	Culture reviewed all their files and completed an inventory to submit to the Clerks department. Through the inventory process we were able to review and clean up files as well as identify areas of better file organization and management.	COM	✓	✓
3	Establish a Public Art Program (Lead Department)	Culture made a presentation to the Developers Roundtable in 2011. Update to Council is scheduled for Q3, 2011. Policy protocols deferred to 2012.	DL	✓	✓
4	Evaluate Stiver Mill Community Proposal (Contributing Department)	Project Charter developed. Supporting Asset Management with Project Implementation.	OT	✓	✓
5	Support corporate initiatives: greenprint, Official Plan update, Diversity Action Plan, Portal (Contributing Department)	Portal has launched. Diversity Plan has been presented to CCC. Culture is working with Planning on the Cultural aspects for the Official Plan.	OT	✓	✓
6	BMFT's Integrated Leisure Master Plan recommendation on Cultural Plan - Develop a plan that will become the blueprint for the Culture Department for the next 10 years	To enhance and promote cultural activity and expression in order to share diverse experiences and strengthen Markham's cultural community. Implementation Q1, 2012.	DL	✓	✓
7	Strategic Planning - Markham Theatre and Varley Art Gallery (CFS-2001)	Theatre Strategic Plan is scheduled to be presented to Council September 12, 2011. Gallery Strategic Plan will be presented to Council in Q4, 2011.	OT	✓	✓
8	Expansion - Markham Museum Collection Building: Moving collections and opening exhibition by mid 2011.	Museum Gala took place in May 2011. Exhibition opening Q4, 2011. Collection move completed.	COM	✓	✓
9	Expansion - Varley Art Gallery	Target completion date is Q4, 2011. Official opening will be in Q1, 2012.	DL	✓	✓
10	Strengthen Business Unit Profile effectiveness and align KPIs to service planning	Review of KPI's has been completed and will be implemented for 2012 BUP.	COM	✓	✓
11	NQI improvement plan pertaining to workload, recognition, and process	Theatre and Varley are reviewing staff workload through the Strategic Planning process. The Museum has hired a new full time staff and is redistributing staff workloads.	OT		✓
12	Board Development	Consultant was hired to work on relationship building with the Varley Board. The Varley Board policy is under review and will be addressed through the Varley Strategic Planning process.	OT	✓	✓
13	Sponsorship (Identification of Requirements, Development of Corporate Strategy) (Secondary)	Sustainability and capacity building for the Culture Plan. Implementation Q2, 2012.	DL		✓
14	Increase capacity to deliver on major events	This objective is being deleted. Corporate Communications is developing policy for major events.	DEL	✓	✓
15	Develop and incorporate a community engagement approach into service planning and service delivery	This is a Commission wide strategy. Culture will develop a plan to increase engagement in South Markham.	DL	✓	✓

Notes:

Culture is removing the objective "Increase capacity to deliver on major events". Communications & Community Relations is creating policy on events. The Public Art workshop for Council is scheduled for Q3, 2011. Implementation of the Culture Plan is scheduled for Q1, 2012. In 2011, Markham hosted the International Indian Film Academy Buzz Events. This event was led by the Culture Department.

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

CULTURE KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
# of formal customer satisfaction surveys completed	1	0	1	0	1	0	1 every 2 years
# of informal customer satisfaction surveys completed	0	0	0	0	0	2	1/year
Formal surveys: Overall satisfaction (%)	90%	83%	86%	0%	36%	N/A	80%
Formal surveys: % extremely/very satisfied	80%	19%	86%	0%	58%	N/A	35%
Informal surveys: Overall satisfaction (%)	N/A	N/A	N/A	N/A	N/A	95%	80%
Informal surveys: % extremely/very satisfied	N/A	N/A	N/A	N/A	N/A	70%	35%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 16.08	\$ 14.48	\$ 15.85	\$ 17.55	\$ 17.35	\$ 8.93	\$ 17.00
Net cost per capita ¹	\$ 4.60	\$ 4.15	\$ 4.57	\$ 5.04	\$ 5.02	\$ 2.61	\$ 6.00
Revenue as % of total gross Culture expenditures	57%	62%	57%	52%	54%	53%	60%
Revenue as % of total non-tax Town revenues	3.9%	4.5%	4.3%	4.0%	4.4%	3.5%	4.0%
Total expenditure per visitor	\$ 17.98	\$ 19.30	\$ 21.56	\$ 27.37	\$ 19.07	\$ 23.36	\$20.00
Net operating cost per square foot of facility space	\$ 9.76	\$ 8.97	\$ 11.08	\$ 12.40	\$ 12.63	\$ 6.85	\$12.00
Rental revenue as % of total Culture Revenue ¹	N/A	N/A	N/A	28%	31%	16%	30%
OPERATIONAL EXCELLENCE							
# of visits at cultural venues per capita ¹	N/A	N/A	N/A	0.5	0.7	0.3	1.0
Active Culture Membership as % of Total Population ¹	100.0%	N/A	N/A	0.1%	0.3%	0.08%	1.0%
Total Volunteer Hours (Art Gallery & Museum & Theatre) ¹	N/A	N/A	N/A	12,250	11,143	5,658	12,000
# of Annual Participants in Education and Outreach Programs ¹	N/A	N/A	N/A	14,413	43,250	9,605	14,000
Total Web Hits	N/A	N/A	N/A	N/A	575,123	320,792	500,000
Active Culture Memberships as % of participants	N/A	N/A	N/A	N/A	0.60%	2.67%	1.00%
Average fill rate for all public programs	N/A	N/A	N/A	N/A	43.53%	38.57%	60.00%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	76%	N/A	64%	N/A	71%	N/A	75%
Recognition rating (from staff survey)	62%	N/A	52%	N/A	73%	N/A	65%
Staff Satisfaction rating (from staff survey)	76%	N/A	84%	N/A	76%	N/A	80%
Completion rate for performance management	100%	94%	81%	30%	91%	N/A	100%
Average Corporate learning hours per full-time employee	16.1	14.8	3.2	8.0	6.7	3.4	20.0
Staff absenteeism (average # of days per employee)	2.9	2.4	4.6	3.3	2.2	0.8	<8.4
Staff turnover rate	0.0%	0.0%	12.0%	5.0%	5.3%	4.8%	<7.5%
KPI SUMMARY							
<p>Note: ¹ New KPI developed as part of the 2010 Business Planning Process in 2009. Large increase in numbers from 2009 to 2010 in Outreach Programs is due to the Theatre's participation in the Olympic Torch. Culture reviewed the KPI's in 2011. As part of this review new KPI's were added (Total Web Hits, Average fill rates). Active Memberships as a percentage of total population was replaced by Active Memberships as a percentage of participants. The square footage was part of the KPI review for 2011 and has been adjusted to include the Museum Collections Building. This will also need to be adjusted again once the Gallery expansion is complete.</p>							



CULTURE BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities							
				Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
Cross Commission Projects											
1	Support planning for the PAN AM games. (Secondary)	NP	Supporting Project Implementation by developing a plan for a Culture Program.					✓			
2	Develop Stiver Mill Restoration Plan		Work with Asset Management to develop options for Council by Q2, 2012.					✓			
3	Develop Tremont Hotel Proposal (Primary)		Work with Corporate team to develop plan by Q2, 2012.					✓			
4	Official Plan and Community Infrastructure Planning. (Secondary)		Support Planning (Primary) with project implementation by timelines set by Planning.	✓			✓	✓	✓		
5	South East Markham Community Centre Rehearsal Hall (Secondary) and Public Art (Primary)		Recreation (Primary) with project implementation by timelines set by Recreation.	✓				✓			
6	Pricing Strategy - Develop a comprehensive pricing strategy (Secondary)		Contribute to project implementation by timelines set by Project team.	✓			✓	✓	✓	✓	✓
Business Unit Objectives											
1	Establish a Public Art Program	NP	Public Art Policy approved by Council. Public Art Program report with Council scheduled for Q3, 2011. Develop implementation plan Q1, 2012.	✓			✓	✓	✓	✓	✓
2	Establish and Implement Culture Plan	B	Develop Cultural Policy and formalize internal policy documentation. Approval by Council in Q1, 2012.	✓		✓	✓	✓	✓	✓	✓
3	Strategic Planning - Markham Museum		Following the establishment of the Culture Plan, the Museum will initiate a review of the current Museum Plan. Q4, 2012. Full Strategic Plan will commence in 2013.	✓			✓	✓	✓	✓	
4	Implementation of Integrated Leisure Master Plan Culture Recommendations		Prioritize and action recommendations.					✓			
5	Lead achievement of Commission Priorities: • Relationship Building • Governance of External Partnerships		Develop project plan and deliverables for each priority; Meet milestones and achieve project plan.	✓			✓	✓	✓		
6	Implement Strategic Plans for the Theatre and Gallery		Implement recommendations as outline in Strategic Plans. Q1, 2012.	✓			✓	✓			
7	Expansion Varley Art Gallery	NP	Target completion date is Q4, 2011. Official opening will be in Q1, 2012.	✓			✓	✓		✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

CULTURE 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. vs. 2011 Act.</u>	
				<u>\$ Incr./(Decr.)</u>	<u>% Change</u>	<u>\$ Incr./(Decr.)</u>	<u>% Change</u>
Revenues							
GRANTS AND SUBSIDIES	\$259,843	\$120,000	\$172,300	\$52,300	43.6%	(\$87,543)	-33.7%
USER FEES & SERVICE CHARGES	2,009,699	1,676,034	1,735,847	59,813	3.6%	-273,852	-13.6%
RENTALS	329,746	319,144	341,163	22,019	6.9%	11,417	3.5%
SALES	92,856	104,264	105,824	1,560	1.5%	12,968	14.0%
RECOVERIES & CONTRIBUTIONS	27,712	35,000	40,000	5,000	14.3%	12,288	44.3%
OTHER INCOME	73,738	77,000	77,000	0	0.0%	3,262	4.4%
Total Revenues	2,793,594	2,331,442	2,472,134	140,692	6.0%	-321,460	-11.5%
Expenses							
SALARIES AND BENEFITS	\$2,923,811	\$2,621,978	\$2,952,105	\$330,127	12.6%	\$28,294	1.0%
PRINTING & OFFICE SUPPLIES	62,897	74,990	79,990	5,000	6.7%	17,093	27.2%
PURCHASES FOR RESALE	38,807	45,000	45,000	0	0.0%	6,193	16.0%
OPERATING MATERIALS & SUPPLIES	169,707	211,296	213,996	2,700	1.3%	44,289	26.1%
VEHICLE SUPPLIES	0	500	500	0	0.0%	500	0.0%
SMALL EQUIPMENT SUPPLIES	0	1,500	1,500	0	0.0%	1,500	0.0%
UTILITIES	237,028	193,326	224,999	31,673	16.4%	-12,029	-5.1%
COMMUNICATIONS	42,669	56,527	56,527	0	0.0%	13,858	32.5%
TRAVEL EXPENSES	17,169	19,305	20,305	1,000	5.2%	3,136	18.3%
TRAINING	6,224	12,083	12,083	0	0.0%	5,859	94.1%
CONTRACTS & SERVICE AGREEMENTS	125,258	120,620	107,296	-13,324	-11.0%	-17,962	-14.3%
MAINT. & REPAIR-TIME/MATERIAL	158,481	108,440	111,438	2,998	2.8%	-47,043	-29.7%
RENTAL/LEASE	13,195	17,424	17,424	0	0.0%	4,229	32.1%
PROFESSIONAL SERVICES	717,035	534,763	534,763	0	0.0%	-182,272	-25.4%
LICENCES, PERMITS, FEES	60,774	54,285	54,285	0	0.0%	-6,489	-10.7%
CREDIT CARD SERVICE CHARGES	-16,576	-18,441	-10,941	7,500	-40.7%	5,635	-34.0%
PROMOTION & ADVERTISING	330,217	301,728	277,543	-24,185	-8.0%	-52,674	-16.0%
OTHER PURCHASED SERVICES	16,393	15,372	15,372	0	0.0%	-1,021	-6.2%
WRITE-OFFS	-1	0	0	0	0.0%	1	-100.0%
OTHER EXPENDITURES	2,493	3,000	3,000	0	0.0%	507	20.3%
TRANSFERS TO RESERVES	46,688	35,000	35,000	0	0.0%	-11,688	-25.0%
Total Expenses	4,952,269	4,408,696	4,752,185	343,489	7.8%	-200,084	-4.0%
Net Expenditures/(Revenues)	2,158,675	2,077,254	2,280,051	202,797	9.8%	121,376	5.6%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Grants and Subsidies: Increase in receipt of provincial grants

User Fees & Service Charges: Increase in projected program and ticket revenues in 2012.

Salaries and Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids and increase headcount.

FIRE AND EMERGENCY SERVICES PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	2011 Firefighter Recruitment with Human Resources (Lead Department)	Complete firefighter recruitment for start date Oct. 24, 2011	OT	✓	✓
2	Improve site-plan approval of subdivision process with Planning Department (Lead Department)	Improve community fire safety; Draft MOU with Engineering dept.	OT	✓	✓
3	Support Emergency Planning (Contributing Department)	As described in work plan finalized by Emergency Preparedness Coordinator.	COM	✓	✓
4	Complete Retrofit of 8100 Warden Ave. facility to accommodate Emergency Operating Centre (Stimulus funded)	Emergency Operations Centre fully operational.	COM	✓	✓
5	Support Implementation of AVL as part of Implementation of Wireless Communication Project (Secondary)	System not yet fully operational. Dependant on support from ITS for roll out.	DL	✓	✓
6	Modification of Second Suite Registry in Amanda (contributing Department)	Second suites now have their own folder in Amanda	COM	✓	✓
7	Collaborate with Building Standards and Legislative Services on a report and by-law to Council to: 1) recover costs associated with the investigation and remediation of Grow Ops and illegal drug labs; and 2) prohibit the excessive fortification of houses and buildings in Markham (contributing Department)	Report to Council Q4 2011.	OT	✓	✓
8	Support corporate initiatives: greenprint, Official Plan update, Diversity Action Plan, Portal, Community Engagement, Municipal Services (Contributing Department)	Leeds Buildings (new fire stations); reduced dept. Printing; Fire Master Plan; community outreach programs; firefighter recruitment; public education programs.	OT	✓	✓
9	Fire Services Master Plan	Report to Council Q4 2011.	DL	✓	✓
10	Improve staff recognition rating	Annual safe driving awards; surveys	OT	✓	✓
11	Public Education Programs: 1) Healthcare facilities; 2) Industrial Commercial; 3) Secondary School Lab safety program	1) Added quarterly training/education for local facilities to compliance requirement; 2) Developed training program; 3) implemented programs	OT	✓	✓
12	Complete all existing unfinished capital budget projects for current year	Cathedral station bunker gear; Cathedral station FF&E; EOC retrofit; backup generator facilities; FF tools & equipment; fire pumper & apparatus equipment	COM	✓	✓
13	Complete staff award reports in 1st qtr. 2011 in accordance with Purchasing by-law.	Nomex station wear for firefighters; bunker gear; firefighter safety boots; hose; thermal image cameras; Richmond Hill Training tower	COM	✓	✓
14	Fire Prevention Recruitment & training. Complete promotional Captains process and training. Company Officers school.	Hire new Fire Prevention Officer; Captains promotional process Qtr.1 2011; Company Officers school Qtr.2 2011.	OT	✓	✓
15	Fire Prevention Records Mgmt.	Property files completed for varies stations.	DL	✓	✓
16	Order and purchase life cycle apparatus replacements	Replaced life cycle apparatus 951; new pumper for Cathedral station delivered.	COM	✓	✓
17	Review processes and practices to generate continuous improvement opportunities (E3, NQI)	Sick time management; SOP Asbestos; on-line applications for community events; driver license renewals	AD	✓	✓
18	Fire/Waterworks Training Centre Study	Corporate Training Centre for Fire/Waterworks Depts. Draft RFP Qtr.3 2011. Study to be completed in 2012.	OT	✓	✓
19	Tools and equipment, maintenance and training for special response	Hazmat training program operational response for Qtr. 4	OT	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

FIRE AND EMERGENCY SERVICES

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 <small>ACTUAL</small>	2007 <small>ACTUAL</small>	2008 <small>ACTUAL</small>	2009 <small>ACTUAL</small>	2010 <small>ACTUAL</small>	2011 <small>JUNE 30</small>	TARGET
# of formal customer satisfaction surveys completed	1	1	6	14	15	3	1 every 2 years
# of informal customer satisfaction surveys completed	0	0	0	0	0	8	
overall satisfaction (%)	100%	91%	70%	70%	83%	93%	80%
% extremely/very satisfied	100%	29%	50%	50%	N/A	N/A	35%
MFES School Program total schools involved ¹	N/A	N/A	32	70	71	71	70
MFES School Program school visits ¹	N/A	N/A	N/A	200	455	213	280
FINANCIAL PERFORMANCE							
Net cost per household	\$ 243.05	\$ 252.86	\$ 236.32	\$ 237.71	\$ 239.87	\$ 116.53	\$ 235.00
Net cost per capita ¹	\$ 69.50	\$ 72.64	\$ 68.14	\$ 68.25	\$ 69.43	\$ 34.01	\$ 68.00
Average monthly maintenance cost per heavy truck vehicle	\$ 1,580	\$ 1,614	\$ 1,887	\$ 1,977	\$ 2,129	\$ 2,425	\$ 1,500
Average monthly vehicle down time (in hours)	\$ 20.00	\$ 18.00	\$ 27.00	\$ 20.00	\$ 26.75	\$ 20.00	\$ 18.00
Operating cost per \$1,000 of assessed value (MPMP)	\$ 0.71	\$ 0.66	\$ 0.69	\$ 0.66	\$ 0.64	N/A	N/A
OPERATIONAL EXCELLENCE							
% # of fires contained to room of origin ¹	N/A	N/A	6%	N/A	N/A	28%	100%
# of inspections per inspector ¹	N/A	495	406	300	177	140	>2009
Total # of emergency incidents	7,162	7,649	7,592	7,666	6,615	3,331	<2009
# of Vehicle activity per emergency incident	2	2	2	2	2	2	2
# of accidental fire deaths	0	2	0	1	0	0	0
# of plans reviewed per examiner ¹	707	679	260	295	270	189	370
# of inspection violations ¹	2,723	3,466	2,842	2,105	2,444	1,168	>2009
# of technical training hours per firefighter ¹	N/A	N/A	N/A	N/A	810	300	N/A
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	73%	N/A	65%	N/A	62%	N/A	75%
Recognition rating (from staff survey)	65%	N/A	36%	N/A	49%	N/A	65%
Staff Satisfaction rating (from staff survey)	75%	N/A	85%	N/A	72%	N/A	80%
Completion rate for performance management	100%	100%	100%	91%	99%	N/A	100%
Average Corporate learning hours per full-time employee	2.2	2.1	1.6	1.4	N/A	0.1	20.0
Staff absenteeism (average # of days per employee)	6.6	7.9	8.4	7.1	6.2	3.3	<8.4
Staff turnover rate	0.0%	1.0%	2.0%	3.0%	1.6%	1.6%	<7.5%
KPI SUMMARY							
Note: ¹ New KPI developed as part of the 2010 Business Planning Process in 2009.							



FIRE AND EMERGENCY SERVICES BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)									
#	Objective	Requires Additional Resources	Outcomes	Priorities					
				Council					Operational
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity
Cross Commission Projects									
1	Work with Asset Management to managed fire station Life Cycle (repair & maintenance).		Improve financial tracking. Current condition assessment of fire stations maintenance requirements.	✓		✓	✓	✓	✓
2	Address Impacts of Growth (Co-lead with Operations)		Maintain service levels with Town growth.	✓		✓	✓	✓	✓
3	Support implementation of strategic plans: greenprint, Diversity Action Plan, Community Infrastructure Strategy, etc.		Departmental requirements and interests represented. Contribute, include implementation, of recommendations as required.	✓		✓	✓	✓	✓
Business Unit Objectives									
1	Implement recommendations from Fire Master Plan.	B	Improve department efficiencies and develop implementation plan by Q2.	✓		✓	✓	✓	✓
2	Undertake organizational review for department based on direction received from the approval of the Fire Master Plan.	B	Review completed by Qtr. 2 2012	✓		✓	✓	✓	✓
3	Open Cornell station & make fully operational.		Qtr. 1 2012	✓		✓	✓	✓	✓
4	Construction & completion of new Communications Centre 8100 Warden Ave.		Make fully operational by Qtr.2 2012	✓		✓	✓	✓	✓
5	Delivery of 2 new replacement apparatus.		Cornell station pumper Qtr.1 2012; life cycle 956 Qtr.2 2012.	✓		✓	✓	✓	✓
6	Fire/Waterworks Training Centre Study	NP	Corporate Training Centre for Fire/Waterworks departments. Study completed by Q2 2012.	✓		✓	✓	✓	✓
7	Fire Prevention recruitment & training. Complete promotional Captains' process and training. Company Officers' school.	B	Hire new Fire Prevention Officer; Captains' process Q3 2012; Company Officers' school Q4 2012.	✓		✓	✓	✓	✓
8	Fire Prevention Records management.		All Markham addresses will have an Amanda file.	✓		✓	✓		
9	Order & purchase life cycle apparatus replacements.	NP	Maintain service levels in fire department fleet.	✓		✓	✓	✓	✓
10	Review processes and practices to generate continuous improvement opportunities (E3, NQI)		Target inspection program; healthcare & long-term care facilities inspections; NFPA standards; OH&S; Bill C-45; CSA; Emergency Management Program.	✓		✓	✓	✓	✓
11	Tools and equipment, maintenance & training for special responses.	NP	Increased efficiencies and service levels in the department.	✓		✓	✓	✓	✓
12	Public Education programs 1) Cadet program; 2) Industrial/Commercial training; 3) Jr. Firefighter camp; 4) Fairchild Radio programming; 5) On-line video training; 6) VIP York Regional Police; 7) Regional Jr. Firefighter camp; 8) Elementary school program		1) 1st Qtr.; 2) 2nd Qtr. 3;) 2nd Qtr. 4;) 3 Qtr. 5) 3rd Qtr.; 6) On-going ; 7) 2nd Qtr.; 8) On-going 2012	✓		✓	✓	✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

FIRE AND EMERGENCY SERVICES 2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenues								
FINES	5,000	3,000	3,000	0	0.0%	-2,000	-40.0%	
USER FEES & SERVICE CHARGES	17,800	30,000	30,000	0	0.0%	12,200	68.5%	
SALES	113	2,000	2,000	0	0.0%	1,887	1669.9%	
RECOVERIES & CONTRIBUTIONS	143,693	280,961	280,961	0	0.0%	137,268	95.5%	
OTHER INCOME	22,378	25,000	25,000	0	0.0%	2,622	11.7%	
Total Revenues	188,984	340,961	340,961	0	0.0%	151,977	80.4%	
Expenses								
SALARIES AND BENEFITS	28,919,445	28,214,020	31,362,797	3,148,777	11.2%	2,443,352	8.4%	
PRINTING & OFFICE SUPPLIES	24,860	35,109	38,109	3,000	8.5%	13,249	53.3%	
PURCHASES FOR RESALE	1,979	3,883	3,883	0	0.0%	1,904	96.2%	
OPERATING MATERIALS & SUPPLIES	319,938	349,963	387,463	37,500	10.7%	67,525	21.1%	
VEHICLE SUPPLIES	142	2,913	2,913	0	0.0%	2,771	1951.4%	
UTILITIES	162,666	197,867	211,717	13,850	7.0%	49,051	30.2%	
COMMUNICATIONS	72,267	79,027	81,027	2,000	2.5%	8,760	12.1%	
TRAVEL EXPENSES	16,934	35,067	35,067	0	0.0%	18,133	107.1%	
TRAINING	6,224	38,000	40,500	2,500	6.6%	34,276	550.7%	
CONTRACTS & SERVICE AGREEMENTS	21,525	21,830	25,830	4,000	18.3%	4,305	20.0%	
MAINT. & REPAIR-TIME/MATERIAL	82,954	127,000	127,000	0	0.0%	44,046	53.1%	
RENTAL/LEASE	938	3,297	3,297	0	0.0%	2,359	251.5%	
PROFESSIONAL SERVICES	36,584	12,878	14,878	2,000	15.5%	-21,706	-59.3%	
LICENCES, PERMITS, FEES	4,435	5,000	5,000	0	0.0%	565	12.7%	
OFFICE FURNISHINGS & EQUIPMENT	0	900	900	0	0.0%	900	0.0%	
TRANSFERS TO RESERVES	41,000	41,000	41,000	0	0.0%	0	0.0%	
Total Expenses	29,711,891	29,167,754	32,381,381	3,213,627	11.0%	2,669,490	9.0%	
Net Expenditures/(Revenues)	29,522,907	28,826,793	32,040,420	3,213,627	11.1%	2,517,513	8.5%	

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids



MARKHAM PUBLIC LIBRARY BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Support BMFT projects: greenprint, Diversity Action Plan, Municipal Services, Integrated Leisure Master Plan Implementation and Community Engagement (Secondary)	Supporting project implementation	OT	✓	✓
2	Accessibility (AODA) (Secondary)	Supporting project implementation	OT	✓	
3	IT Infrastructure (Secondary)	Supporting project implementation	OT	✓	✓
4	Portal (Secondary)	Supporting project implementation	AD	✓	
5	Sponsorship (Secondary)	Supporting project implementation	OT		✓
6	Re-open renovated Thornhill Community Library - with additional resources to keep pace with projected increases in service transactions	Re-opened June 2011. Additional staff resources funded.	COM	✓	
7	East Markham Library - 1) support construction process; 2) develop Markham Stouffville Hospital partnership; and 3) implement opening day collection	1) Construction on time. 2) MOU re MSH partnership in development. 3) Award of contract for opening day collection approved by Council; contract project manager hired; procurement started.	OT	✓	✓
8	Library Building Security Improvements (work with Asset Management)	Achieved legislative compliance (Bill 168).	OT	✓	
9	Milliken Mills Library Expansion - Design	Capital budget submission for design work in 2012 submitted.	AD	✓	
10	Service Desk Replacement - to support mobile proactive customer service	Implemented at Thornhill Community branch.	OT	✓	✓
11	C3 Implementation to keep pace with growth - Angus Glen & Milliken	C3 implemented at Unionville, Thornhill Village branch, and Thornhill Community branch.	AD	✓	✓
12	C3 Product Development - implement C3 Business & Marketing Plan (BMP)	C3 BMP is under development; patent process (U.S. and Worldwide) continuing.	OT	✓	✓
13	Expand Learning Place programs for all ages	Increased participation and program revenue.	OT	✓	✓
14	Implement efficiencies associated with Integrated Library System upgrade (Symphony)	Efficiencies implemented to keep pace with the growth in material flow.	AD	✓	✓
15	Online payment of fines and fees (eCommerce module)	Not funded.	DL	✓	✓
16	Develop training, orientation, professional development, change management, recruitment to improve customer service	Improved customer satisfaction with library service.	OT	✓	✓
17	Wayfinding & Signage improvements - to enhance self-service	Improved customer satisfaction with self-service ease of finding.	OT	✓	✓
18	Implement merchandizing standards - to enhance self-service	Standards and training completed.	OT	✓	✓
19	Expand virtual materials and usage	Expanded resources and increased usage.	OT	✓	✓
20	Marketing & Branding	Marketing and Branding Plan implemented - increased market penetration and brand recognition.	OT	✓	✓
21	Southeast Library Planning	Library design completed (construction-ready).	OT	✓	
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

MARKHAM PUBLIC LIBRARY KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	0	0	0	0	0	1 every 2 years
overall satisfaction (%)	N/A	90%	N/A	N/A	N/A	N/A	80%
% extremely/very satisfied	N/A	39%	N/A	N/A	N/A	N/A	35%
# of informal customer satisfaction surveys completed (Counting Opinions)	873	1,671	1,932	1,643	1,222	711	2,000
Counting Opinions - % of customers extremely satisfied	39%	39%	41%	42%	44%	43%	45%
FINANCIAL PERFORMANCE							
Net cost per household	\$ 88.51	\$ 83.16	\$ 85.41	\$ 89.48	\$ 71.99	\$ 39.20	\$ 90.00
Net cost per capita ¹	\$ 24.74	\$ 23.89	\$ 24.63	\$ 25.69	\$ 20.84	\$ 11.44	\$ 24.00
Net cost per registered borrower ¹	\$ 40.19	\$ 38.90	\$ 39.39	\$ 39.06	\$ 40.46	\$ 21.04	\$ 40.00
Operating costs for library services per use (MPMP) ¹	\$ 0.73	\$ 0.72	\$ 0.66	\$ 0.78	\$ 0.83	N/A	\$ 0.80
OPERATIONAL EXCELLENCE							
Population per Staff FTE	2,482	2,393	2,380	2,420	2,461	2,519	2,500
Total Service transactions per Capita (MPMP)*	20.6	20.6	23.1	29.0	31.6	13.1	30.0
Total Visits (in-person and electronic) per Capita	13.1	13.0	13.6	15.4	16.3	8.2	20.0
Circulation per Capita*	15.2	14.5	16.5	17.7	16.8	6.7	18.0
Circulation per Circulation Staff FTE*	130,093	126,241	148,388	161,889	156,226	63,536	170,000
Information questions per Information Staff FTE	14,440	19,712	20,376	19,317	24,285	10,556	25,000
Information questions per Capita	1.8	2.5	2.8	2.8	3.2	1.4	3.0
Library Space (sq. ft.) per Capita	0.42	0.45	0.43	0.42	0.41	0.40	0.60
Registered Borrowers as % of Population	62%	62%	63%	63%	65%	68%	70%
Holdings per Capita	2.50	2.58	2.48	2.34	2.30	2.21	3.00
Average Library Learning Hours per Full-time Employee ¹	N/A	6.0	9.8	4.4	12.0	N/A	10.0
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	75%	N/A	65%	N/A	63%	N/A	75%
Recognition rating (from staff survey)	69%	N/A	53%	N/A	54%	N/A	65%
Staff Satisfaction rating (from staff survey)	74%	N/A	74%	N/A	71%	N/A	80%
Completion rate for performance management	74%	61%	95%	100%	100%	N/A	100%
Average Corporate learning hours per full-time employee ²	29.5	10.1	6.9	11.8	15.5	0.1	20.0
Staff absenteeism (average # of days per employee)	8.4	12.2	11.5	7.5	8.2	2.8	<8.4
Staff turnover rate	2%	5%	3%	3%	6%	3%	<7.5%
KPI SUMMARY							
<p>Note: ¹ Operating costs for library services per use (MPMP): As noted in the 2011 BUP, a change in the MPMP Survey methodology was reflected in the 2009 column. (If the methodology had not changed, the KPI for 2009 would have been 0.64.)</p> <p>² Most Library training programs are delivered internally (rather than through HR).</p> <p>*Due to ILS data reporting issues, total annual circulation for 2010 was previously under-reported. Accordingly, all 2010 KPIs that include a component of circulation have been adjusted. Regarding 2011 circulation-based KPIs, it should be noted that these reflect ILS changes in counts for checkouts of multi-part items.</p> <p>General Note: The impact of the closure for renovation of the Thornhill Community branch on borrowing rates and other KPIs is reflected in the 2010 and 2011 data. This branch re-opened to the public on June 15, 2011. For Q3 and Q4 2011, all 6 library branches are fully operational.</p>							



MARKHAM PUBLIC LIBRARY BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)												
#	Objective	Requires Additional Resources	Outcomes	Priorities						Alignment to NQI	Continuous Improvement / E3	
				Council								Operational
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity			
Cross Commission Projects												
1	Commission Priority Project #15 Technology Plan (Lead)		Leading Project implementation				✓	✓		✓	✓	
2	Commission Priority Project #3 Operationalize Greenprint (Secondary)		Supporting Project implementation		✓			✓		✓		
3	Commission Priority Project #5 Community Engagement Plan (Secondary)		Supporting Project implementation					✓	✓	✓		
4	Community Infrastructure Strategy (Secondary)		Supporting Project implementation	✓			✓	✓		✓		
5	Portal (Secondary)		Supporting Project implementation				✓			✓		
6	Public Realm (Secondary)		Supporting Project implementation					✓		✓		
7	Southeast CC and Library Design (Secondary)		Supporting Project implementation					✓		✓		
8	Commission Priority Project #10 Senior Services Strategy (Secondary)		Supporting Project implementation					✓	✓	✓		
9	Commission Priority Project #18 Governance of External Partnerships (Co-Lead)		Leading Project implementation					✓		✓	✓	
Business Unit Objectives												
1	Improve management of payment transactions through implementation of POS cashing system and online payment option		Improved customer service, efficiency and revenue	✓			✓			✓	✓	
2	Improve staff development and engagement by improving processes relating to internal communications, staff suggestions, and reward and recognition		Improved customer service & staff satisfaction							✓	✓	
3	Improve efficiencies of attendance management processes through leveraging EZ-LABOUR		Manage increasing workload	✓						✓	✓	
4	Customer Service: Improve customer feedback system, merchandizing, and processes for collection improvement in response to customer demand	NP	Improved customer satisfaction with service & collections, reduced wait times, increased self-service borrowing & turnover, improved access and manage increasing workload	✓				✓		✓	✓	
5	Implement more efficient data management system		Manage increasing volume of data input and reporting requirements	✓						✓	✓	
6	Improve Thornhill Village customer experience through implementation of furniture and shelving standards	NP	Improved functionality & customer satisfaction					✓		✓		
7	Improve volunteer policy and management.		Improved volunteer experience; more efficient management of volunteers					✓	✓	✓	✓	
8	Operationalize East Markham branch (collection, staff, FF&E, IT, programs, MSH partnership)		East Markham opened; MSH partnership implemented					✓		✓		
9	Complete design process for Milliken Library expansion and renovation	NP	Construction-ready drawings completed	✓				✓	✓	✓		
10	C3 Business & Marketing Plan: continue to develop; continue worldwide patent process		Business Plan milestones met; patent granted							✓	✓	
11	One Book One Town - community reading project		Increased participation in literacy activities, increased borrowing					✓		✓		
12	Expand Learning Place programs for lifelong learning, education support and skill development		Increased participation and program revenue					✓		✓	✓	
13	Community Outreach: Improve and expand outreach and develop partnerships with schools		Increased outreach, partnerships and participation					✓	✓	✓		

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

MARKHAM PUBLIC LIBRARY 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
GRANTS AND SUBSIDIES	\$228,778	\$228,778	\$228,778	\$0	0.0%	\$0	0.0%
USER FEES & SERVICE CHARGES	615,205	588,643	665,811	77,168	13.1%	50,606	8.2%
RENTALS	34,411	38,745	37,517	-1,228	-3.2%	3,106	9.0%
SALES	48,103	48,028	48,200	172	0.4%	97	0.2%
OTHER INCOME	288	0	0	0	0.0%	-288	-100.0%
Total Revenues	\$926,785	\$904,194	\$980,306	\$76,112	8.4%	\$53,521	5.8%
Expenses							
SALARIES AND BENEFITS	\$7,719,598	\$7,659,428	\$8,037,936	\$378,508	4.9%	\$318,338	4.1%
PRINTING & OFFICE SUPPLIES	48,983	49,012	51,792	2,780	5.7%	2,809	5.7%
OPERATING MATERIALS & SUPPLIES	587,935	560,462	568,592	8,130	1.5%	-19,343	-3.3%
UTILITIES	128,636	113,401	125,798	12,397	10.9%	-2,838	-2.2%
COMMUNICATIONS	98,208	104,542	106,696	2,154	2.1%	8,488	8.6%
TRAVEL EXPENSES	34,822	36,720	37,720	1,000	2.7%	2,898	8.3%
TRAINING	21,229	18,817	23,817	5,000	26.6%	2,588	12.2%
CONTRACTS & SERVICE AGREEMENTS	49,873	97,612	90,612	-7,000	-7.2%	40,739	81.7%
MAINT. & REPAIR-TIME/MATERIAL	222,748	223,645	228,059	4,414	2.0%	5,311	2.4%
RENTAL/LEASE	6,699	9,728	10,266	538	5.5%	3,567	53.2%
INSURANCE	11,963	11,963	11,963	0	0.0%	0	0.0%
PROFESSIONAL SERVICES	63,421	51,418	51,529	111	0.2%	-11,892	-18.8%
LICENCES, PERMITS, FEES	11,067	9,140	10,220	1,080	11.8%	-847	-7.7%
CREDIT CARD SERVICE CHARGES	5,837	4,000	5,022	1,022	25.6%	-815	-14.0%
PROMOTION & ADVERTISING	30,678	30,254	34,454	4,200	13.9%	3,776	12.3%
OTHER PURCHASED SERVICES	523,308	523,308	606,308	83,000	15.9%	83,000	15.9%
OFFICE FURNISHINGS & EQUIPMENT	0	8,010	0	-8,010	-100.0%	0	0.0%
OTHER EXPENDITURES	3,610	0	3,010	3,010	0.0%	-600	-16.6%
Total Expenses	\$9,568,615	\$9,511,460	\$10,003,794	\$492,334	5.2%	\$435,179	4.5%
Net Expenditures/(Revenues)	\$8,641,830	\$8,607,266	\$9,023,488	\$416,222	4.8%	\$381,658	4.4%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

User Fees & Service Charges: Increase is due to increased user fees and service charges through the opening of East Markham Library

Salaries and Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids

Other Purchasing Services: Increase is due to chargeback of occupancy costs for the new East Markham Community Centre and Library



OPERATIONS BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Review of the acceptance for maintenance/assumption process with Development Services (Primary)	Meeting with other commissions to develop understanding of each group's requirements. Work to continue in 2012 to focus on maintenance management plans, policy, process and service level agreements aligning with Service Planning.	AD	✓	✓
2	New Official Plan Process - work with Development Services in the preparation of a new Markham Official Plan integrating BFMT initiatives, specifically Municipal Services (Secondary)	Reviewing service demands for high density areas. Confirmed need to develop maintenance management plans for new urban high density model	OT	✓	
3	Public Works Master Plan (Primary)	New east yard site selection process underway. Office renovations at Miller Avenue completed and Traffic Division relocated in spring 2011 with Parks Area 2 crew to move in fall 2011. Capital funding requirements under review.	OT	✓	✓
4	Environmental Initiatives, including BMFT's greenprint (Secondary)	Completed review and of 250+ Greenprint recommendations considering resource and budget impacts. Identified / aligned work plans in the Greenprint context	OT	✓	✓
5	Community Relations Support (Primary)	Committed to work with Communications and Community Relations Dept. to review special events service delivery and possible cost recovery model.	DEL	✓	✓
6	Community Engagement (Secondary) - Partnership with Legislative Services and YRP to establish volunteer resident participation in the observation and reporting of park usage issues.	Collaborated with By-law and Licensing Dept to define program and completed preliminary presentation / report to General Committee. Operations Department work completed. By-Law enforcement to finalize implementation.	COM	✓	✓
7	Public Realm - complete demonstration projects and policies and procedures manual by Q4 2011	Completed program report to Council (June). Public Realm Advisory Committee approved. Initial program projects completed on schedule (flowering trees, sustainable gardens). Strategy and guidelines will be developed by end of 2012	AD	✓	✓
8	Pan Am Games - Participate in Pan Am Transportation Team (PATT)	Operations has representation on team. Awaiting lead agency to set up meeting.	OT	✓	
9	Analysis of pilot AVL technology implementation (Primary)	Successfully implemented and monitored expanded AVL program to include 34 seasonal deployed units.	COM	✓	✓
10	Portal Project - support implementation by lead department.	Phase 1 (implementation) completed. Ongoing review and update of Operations Dept web information.	COM	✓	✓
11	Re-alignment of Operations Division	Reorganization of Operations Department formally approved and successfully implemented in June 2011	COM	✓	✓
12	Accessibility Improvements - implement pedestrian accessibility improvement at traffic signals.	Design of pedestrian accessibility improvements for 10 intersections currently underway. Implementation scheduled for completion Q4 2011.	OT	✓	✓
13	Implement Service Planning to support BMFT's Municipal Services Project and integrate continuous improvement into daily business practices	Completed review of documentation and deployment of staff (Horticulture, Turf Crew) by May 2011. Ongoing review of routing and documentation and field meetings with staff for continuous engagement and improvement.	OT	✓	✓
14	Develop and Implement Pavement Management	Joint project with the University of Waterloo, "Quantifying Pavement Sustainability". Scheduled for completion April 2012, the project is to provide a practical framework for incorporating pavement sustainability best practises into the pavement engineering operations at the Town.	OT	✓	✓
15	Implementation of Year 5 (of 5) Enhanced Cultural Practices Program	Dedicated team to provide service town-wide. Complete enhanced field soil testing, documentation and analysis by year end. Year five be completed by year end.	OT	✓	✓
16	Winter Operations - Windrow Task Force	Completed review of windrow program including workshop(s) with Council appointed task force. Continuing work with task force and will present options to Council in Q4.	OT	✓	
17	Turf Maintenance - Boulevard Maintenance Task Force	Completed review of boulevard maintenance program with Council appointed Task Force. Region service level aligns with Town's 12-14 days. Report to Council in fall 2011.	OT	✓	
18	People Plan	Monthly meetings held with Supervisory staff. Enhanced training program for Fleet to be implemented by Q4 2011.	OT		✓
19	Pipes' Group	With completion of Re-alignment of Operations Division, Pipes Group discussions will begin in 2012.	DEL	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

OPERATIONS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 ACTUAL	2011 JUNE 30	TARGET
# of formal customer satisfaction surveys completed	0	0	0	2	3	0	1 every 2 years
# of informal customer satisfaction surveys completed	0	1	1	0	0	1	
Overall satisfaction (%)	N/A	79%	N/A	66%	65%	N/A	80%
% extremely/very satisfied	N/A	33%	N/A	44%	N/A	N/A	35%
% Customers indicated 'Timely Response' received	N/A	N/A	92%	N/A	88%	N/A	85%
% Customers indicated 'Satisfactory Resolution' received	N/A	N/A	83%	N/A	89%	N/A	85%
% Customers indicated 'Satisfactory Level of Service' received	N/A	N/A	82%	N/A	88%	N/A	85%
Number of ACR work orders/requests (Parks and Roads)	8,304	10,128	11,902	10,362	13,040	6,544	N/A
FINANCIAL PERFORMANCE							
Net cost per household	\$ 158.85	\$ 188.25	\$ 206.62	\$ 198.80	\$ 182.99	\$ 110.17	N/A
Cost per hectare of parks maintained	\$ 6,756	\$ 6,637	\$ 7,688	\$ 7,786	\$ 7,158	\$ 8,121	N/A
Cost per tree maintained	\$ 3.08	\$ 3.13	\$ 3.62	\$ 3.85	\$ 4.06	\$ 4.09	N/A
Total costs for paved roads per lane kilometre (MPMP - new 2009)	N/A	N/A	N/A	\$ 15,038	\$ 8,886	N/A	N/A
Operating costs of road winter maintenance per lane kilometre maintained (MPMP)	\$ 2,385.26	\$ 3,968.97	\$ 5,500.78	\$ 5,545.07	\$ 3,450.22	N/A	N/A
Average annual operating cost per licensed unit in Fleet under 10,000 lb GVW	N/A	N/A	N/A	\$ 3,500	\$ 3,300	\$ 3,900	N/A
OPERATIONAL EXCELLENCE							
Hectares of park per 1,000 persons (MPMP)	2.7	2.9	3.5	3.4	3.6	N/A	N/A
Parkland hectares as % of total hectares in municipality	3.6%	3.8%	3.8%	4.0%	4.0%	4.1%	N/A
% of paved lane kms where condition is rated good or above (MPMP)	60%	77%	76%	87%	93%	N/A	85%
% of winter responses that meet or exceed road maintenance standards (MPMP)	100%	99%	100%	100%	100%	N/A	100%
Completion rate of capital projects (% of planned budget spent)	N/A	N/A	N/A	72%	74%	49%	80%
Licensed fleet availability (in service rate in %)	N/A	N/A	N/A	100%	100%	98%	90%
% of fleet utilizing hybrid technology (light duty vehicles under 10,000 lb GVW)	N/A	N/A	N/A	15.8%	16.4%	14.0%	N/A
Met mowing standard of 12 – 14 days	N/A	N/A	N/A	81%	81%	87%	100%
Availability of sportfields for public use (in service rate in %)	N/A	N/A	N/A	91%	92%	85%	100%
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	73%	N/A	59%	N/A	60%	N/A	75%
Recognition rating (from staff survey)	64%	N/A	50%	N/A	50%	N/A	65%
Staff Satisfaction rating (from staff survey)	72%	N/A	71%	N/A	70%	N/A	80%
Completion rate for performance management	97%	100%	95%	98%	98%	N/A	100%
Average Corporate learning hours per full-time employee ¹	41.9	43.2	10.4	11.1	15.0	1.3	20.0
Staff absenteeism (average # of days per employee)	7.5	N/A	10.4	7.8	N/A	2.9	<8.4
Staff turnover rate	3.0%	3.0%	11.0%	3.0%	7.1%	3.8%	<7.5%
KPI SUMMARY							
NOTE: ¹ 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.							



OPERATIONS BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)				Priorities							
#	Objective	Requires Additional Resources	Outcomes	Council						Operational	
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity	Alignment to NQI	Continuous Improvement / E3
Cross Commission Projects											
For Our Future											
1	Public Works Facility Master Plan (Primary) New east works facility and renovate John St. & Central shops. Necessary to address space planning, staff satisfaction, health & safety and environmental issues.	NP	Workshop with Council in fall 2011; Approve strategy for land acquisition in 2012; Environmental Assessment process to be completed in 2012; Coordinate requirements with Corporate Accommodations Plan.	✓	✓	✓				✓	
2	Green Print (Secondary) - Develop a strategy to align and prioritize Green Print recommendations.		Develop strategy and align long term work plan by end of Q2; Analyze service delivery documentation and develop Performance Indicators by Q4.	✓		✓	✓				
3	Address Impacts of Growth (Joint Primary) Work with Development Services on teams to address development, review, approval, specs, construction, inspection/testing and acceptance. Investigate opportunities for public/private partnerships in service delivery models. (Joint Primary with Fire Services) Engineering, Urban Design, Parks Design & Construction, All C&FS Depts		Review new development approval process to ensure Operations requirements are included in final design, specifications and tenders. Develop maintenance management plans that includes financial models for high density areas. Develop inspection and testing criteria for inclusion in the tender and construction acceptance process.	✓		✓	✓			✓	
For Our Community											
4	Community Engagement (Secondary) Engage volunteer groups / agencies. Advance programs in place		Holding focus groups, develop surveys, advance programs to align with ILMP by Q4				✓	✓		✓	
5	Public Realm (Primary) - Long term plan to create dynamic and beautiful public spaces.		Complete strategy and present to Council by Q2. Implement 2012 capital program by Q4. Develop 2013 plan and budget by Q3.			✓	✓			✓	
6	Service Planning (Secondary) - Information sharing and mentoring		Review growth costs for parks and roads - undertake study with Development Services. Act as member of advisory team for other department Service Planning projects.				✓			✓	
7	Community Events (Joint with Recreation Services) - Review events (Town led, supported, and external). Investigate opportunities for grants for town supported/led events and fees for external led events		Define roles and responsibilities with Communications & Community Relations (CCR) by Q1; Operations, Recreation & CCR to develop joint policy for approval by Q2; Amend fee by-law by Q3.				✓			✓	
Business Unit Objectives											
For Our Future											
1	Portal - Leverage existing technology to enhance customer service, education and communication with our stakeholders		Update / provide access to on-line forms and education/communication updates by Q1.				✓		✓	✓	✓
2	Emerald Ash Borer Develop strategy with York Region to manage the infestation	NP	Confirm ash tree inventory, condition, treatment, removal, replacement. Report to Council in Q1. Review options concerning private property. Pressure other levels of gov't to provide funding.			✓	✓				
For Our Community											
3	PIPES Group - Improve service to community		Restructure duties and responsibilities of storm, sanitary, and water distribution systems by Q4.			✓	✓				
4	Accessibility Improvements - Implement Year 2 of Audible Pedestrian Signal enhancements		Complete last phase of pedestrian signal countdown program by Q4.				✓		✓		
5	Pavement Preservation Program - Complete tasks outlined in staff report		Quantify typical savings, sustainability rating systems evaluation, framework development, recommendations and guidelines and final presentation are in progress.	✓		✓	✓			✓	✓
For Our Staff											
6	People Plan - Succession Planning - Recruitment Process - Training & Development		Confirm plans to enhance Supervisory skill sets by Q1. Investigate apprenticeship programs by Q4. Use of Markham Learn Centre and external agencies to develop staff training plans. Streamline seasonal recruitment, training and orientation process by end of Q1.				✓			✓	
For The Organization											
7	Technology Plan - Leverage AVL/GPS technology to improve / monitor service delivery, spatial data collection, surveying and mapping of infrastructure inventory	NP	Implement balance of AVL program by Q2. Advance multi-year data collection program for Tree Inventory. Advance GPS collection of street sign inventory by Q4.				✓				✓
8	Continuous Improvement - Continue cross-commission teamwork with Development Services (Eng, Urban Des, Parks Des & Const).		Develop service levels agreements for review of plans, tender document specs, inspection, testing, and acceptance for maintenance by Q3.	✓			✓			✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

OPERATIONS 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenues							
LICENCES & PERMITS	\$150	\$0	\$0	\$0	0.0%	(\$150)	-100.0%
RENTALS	221,494	172,000	236,785	\$64,785	37.7%	\$15,291	6.9%
SALES	82,302	86,000	86,000	0	0.0%	3,698	4.5%
RECOVERIES & CONTRIBUTIONS	594,671	437,220	506,320	69,100	15.8%	-88,351	-14.9%
OTHER INCOME	1,623	68,888	1,000	-67,888	-98.5%	-623	-38.4%
Total Revenues	\$900,240	\$764,108	\$830,105	\$65,997	8.6%	(\$70,135)	-7.8%
Expenses							
SALARIES AND BENEFITS	\$9,946,294	\$10,040,804	\$10,892,529	\$851,725	8.5%	\$946,235	9.5%
PRINTING & OFFICE SUPPLIES	728	1,500	0	-1,500	-100.0%	-728	-100.0%
OPERATING MATERIALS & SUPPLIES	85,411	89,845	76,497	-13,348	-14.9%	-8,914	-10.4%
VEHICLE SUPPLIES	1,516,907	1,525,019	1,560,093	35,074	2.3%	43,186	2.8%
SMALL EQUIPMENT SUPPLIES	9,655	13,688	13,688	0	0.0%	4,033	41.8%
BOTANICAL SUPPLIES	232,788	292,978	267,197	-25,781	-8.8%	34,409	14.8%
CONSTRUCTION MATERIALS	1,680,596	1,403,382	1,387,024	-16,358	-1.2%	-293,572	-17.5%
UTILITIES	263,469	256,464	238,590	-17,874	-7.0%	-24,879	-9.4%
COMMUNICATIONS	55,111	52,602	59,467	6,865	13.1%	4,356	7.9%
TRAINING	3,361	4,000	4,000	0	0.0%	639	19.0%
CONTRACTS & SERVICE AGREEMENTS	6,512,927	6,361,174	7,174,580	813,406	12.8%	661,653	10.2%
MAINT. & REPAIR-TIME/MATERIAL	1,494,203	1,146,239	851,788	-294,451	-25.7%	-642,415	-43.0%
RENTAL/LEASE	319,978	416,137	389,013	-27,124	-6.5%	69,035	21.6%
PROFESSIONAL SERVICES	656,966	668,878	694,967	26,089	3.9%	38,001	5.8%
LICENCES, PERMITS, FEES	192,326	234,411	220,436	-13,975	-6.0%	28,110	14.6%
PROMOTION & ADVERTISING	0	497	0	-497	-100.0%	0	#DIV/0!
OTHER PURCHASED SERVICES	-72,043	-72,043	0	72,043	-100.0%	72,043	-100.0%
Total Expenses	\$22,898,677	\$22,435,575	\$23,829,869	\$1,394,294	6.2%	\$931,192	4.1%
Net Expenditures/(Revenues)	\$21,998,437	\$21,671,467	\$22,999,764	\$1,328,297	6.1%	\$1,001,327	4.6%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Rentals: Increase due to transfer of revenues from Other Income category

Recoveries & Contributions: Increase driven by additional recoveries from York Region for regional boulevard grass cutting services

Other Income: Decrease due to transfer of \$60,000 in revenues to rentals category (offset by increase in Rentals)

Salaries and Benefits: Increase of full-time headcount in Parks and Fleet with an increase in part-time due to growth in roads and parks. Increase also due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids

Contracts & Service Agreements: Increase due to growth in roads and parks and escalation in Town contracts such as winter maintenance as well as transfer of budget from Maint. & Repair – Time/Materials.

Maint. & Repair – Time/Materials: Transfer of expenses to Contract & Service Agreements

Other Purchased Services: Transfer of \$70,000 in expenses from Contracts & Service Agreements



WASTE MANAGEMENT BUSINESS PLAN OUTCOMES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Review BMFT's Greenprint and develop programs and policies for implementation in the Commission (Primary)	Greenprint monitoring and implementation plan started. Water trailer policy and pilot program underway. Paper policy complete and program underway.	OT	✓	✓
2	Support corporate initiatives: Official Plan update, Diversity Action Plan, Portal, Records Management (Secondary)	Participated in Portal. Diversity is completed with side-door pick up. Participating in Official Plan Update.	OT	✓	✓
3	Miller Waste service agreement	Complete and implement Part B of Miller Waste service agreement by Q4.	AD	✓	
4	Diversion Task Force	Report being prepared for GC in fall 2011.	OT	✓	✓
5	Adjust or improve program to increase diversion to meet 75% diversion target	Completed 1 focus group. Presented to Waste Diversion Task Force. Report being prepared for GC in Oct/Nov 2011 for implementation in 2012.	OT	✓	✓
6	Implement Depot Study recommendations and develop plan for additional depot in partnership with Region	Region is reviewing their Depot Partnership Program.	DL	✓	
7	Implement Collection Enhancements such as 4-day collection, Side-door Collection Program, use of GPS, etc.	4-Day Collection and Side-door Collection completed. Use of GPS is on schedule.	OT	✓	✓
8	Continue to improve and expand Community outreach education - improved web presence; utilizing social media; portal; e-news; report cards; other measures	Improved Web presence. Working on improved Media presence. Presented at ESL class.	OT	✓	✓
9	Increase Zero Waste initiatives and policies	Increased % of Town Facilities practicing Zero Waste.	OT	✓	✓
10	Implement new processing opportunities to reduce costs - polystyrene densification and on-site composting technologies	Implemented and functioning.	COM	✓	✓
11	Finalize and implement sustainability practices - water bottle policy, paper policy, MESF projects	New paper policy implemented Jan 2011. Water bottle policy completed for Council endorsement 2012. Manage MESF sustainability projects and Markham community environmental purchasing guide.	OT	✓	✓
12	Water conservation initiatives - launch Water Wagon, rain barrel distribution, education programs to increase awareness of Markham's tap water	Water-on-Wheels (WOW) launched and Council approved. Attendance at 11 functions in 2011.	COM	✓	
13	Implementing Big Blue Bellies in the BIAs	Approval and purchase is completed. Implementation to be completed in August.	AD		✓
14	Implementing Super Mailbox recycling program	1,100 Recycling containers installed at Super Mailbox locations	COM		✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

WASTE MANAGEMENT KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006	2007	2008	2009	2010	2011	TARGET
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	JUNE 30	
# of formal customer satisfaction surveys completed	0	0	0	0	0	0	1 every 2 years
# of informal customer satisfaction surveys completed	2	3	1	4	5	1	2
overall satisfaction (%)	N/A	86%	N/A	93%	88%	89%	80%
% extremely/very satisfied ¹	N/A	N/A	N/A	N/A	N/A	N/A	35%
% of ACR acknowledged within 24 hours ¹	N/A	N/A	N/A	N/A	N/A	95%	90%
Overall Satisfaction with depot services (%) ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% of Population receiving Special Services ¹	N/A	N/A	N/A	N/A	N/A	0.004%	N/A
FINANCIAL PERFORMANCE							
Net cost per household	\$ 74.64	\$ 72.54	\$ 68.16	\$ 70.18	\$ 68.94	\$ 30.48	N/A
Operating cost for waste collection per tonne (MPMP) ²	\$ 27.57	\$ 28.27	\$ 28.56	\$ 44.26	\$ 24.43	N/A	N/A
Operating cost for waste diversion per tonne (MPMP) ²	\$ 96.35	\$ 98.35	\$ 107.86	\$ 112.43	\$ 106.87	N/A	N/A
Average cost for waste management - integrated (MPMP) ²	\$ 94.66	\$ 95.35	\$ 102.03	\$ 124.06	\$ 97.62	N/A	N/A
OPERATIONAL EXCELLENCE							
Overall waste diversion rate (MPMP)	70%	70%	73%	73%	73%	N/A	80%
% of Multi-Residential Units participating in 3-Stream Collection ¹	N/A	N/A	N/A	N/A	N/A	21%	95%
% of Multi-Residential Units in Compliance with Regional Requirements ¹	N/A	N/A	N/A	N/A	N/A	N/A	95%
% of Diversion for Multi-Residential ¹	N/A	N/A	N/A	N/A	N/A	25%	30%
% of Residential Properties in Compliance with Regional Requirements ¹	N/A	N/A	N/A	N/A	N/A	92%	95%
% of Diversion for Residential Properties ¹	N/A	N/A	N/A	N/A	N/A	72%	80%
% of Households Serviced within 3km of a Recycling Depot ¹	N/A	N/A	N/A	N/A	N/A	70%	90%
% of Town Facilities on Zero Waste Program ¹	N/A	N/A	N/A	N/A	N/A	57%	100%
% of Diversion Achieved at Town Facilities ¹	N/A	N/A	N/A	N/A	N/A	N/A	90%
% of Contracted collection services provided on schedule	N/A	N/A	N/A	N/A	99%	99%	100%
% of Educational and Promotional Materials available in other languages ¹	N/A	N/A	N/A	N/A	N/A	0%	10%
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 ³	N/A	N/A	N/A	83%	100%	N/A	100%
Average Corporate learning hours per full-time employee ⁴	41.3	37.3	3.5	11.1	5.3	3.3	20.0
Staff absenteeism (average # of days per employee)	5.5	12.2	43.0	0.7	2.8	0.8	<8.4
Staff turnover rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<7.5%
KPI SUMMARY							
<p>Note: ¹ New KPI developed as part of the 2012 Business Planning Process.</p> <p>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.</p> <p>³ The business unit was too small for specific data to be generated from the Staff Satisfaction Survey to populate the first three KPIs in the Staff Engagement section.</p> <p>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.</p>							



WASTE MANAGEMENT BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)												
#	Objective	Requires Additional Resources	Outcomes	Priorities						Alignment to NQI	Continuous Improvement / E3	
				Council								Operational
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity			
Cross Commission Projects												
For Our Future												
1	Water Bottle Policy (primary)		Policy to be approved by Council in Q1. Implementation will be over several years.			✓						
2	Storm Water Management (secondary)		Gathering community input (focus groups) in preparation for Council Workshops in Q1			✓	✓					
For Our Community												
3	Provide recycling drop offs across the Town for electronic goods (primary)		In partnership with Sustainability Office. Six (6) special collection in 2012			✓	✓					
4	Establish new diversion target 80%		Implement changes to collection to target 80% diversion			✓				✓		
5	Implement Part B collection program for bulk material collection	NP	Verification program and new contract for service by Q3	✓		✓				✓		
Business Unit Objectives												
For Our Future												
1	Develop greenprint implementation approach for Community Services Commission		Facilitate, along with the Commission Directors, the development of a CFS implementation strategy for the Greenprint in Q1. In Q2, a commission implementation team will be formed and WEM will help facilitate the strategy			✓				✓		
2	Develop Vision and Mission Statement for Waste & Environmental Management Division		Develop and implement by Q2							✓		
3	Water Efficiency and Conservation	NP	Implement Water efficiency and conservation education outreach program by Q4			✓	✓					
For Our Community												
4	Expand outreach communications to recognize all residents languages and cultures, etc		Improve multi-lingual and culturally sensitive information. Presentations for new residents			✓				✓		
5	Presentations to community		Increase outreach to schools, BIA's, ratepayer groups			✓				✓		
For Our Staff												
6	Update Website for Environmental Services Department		Creating Waterworks information on the Portal by Q4				✓					
7	Presentations/awareness lunch and learn programs for Town staff. Develop education for new employees		Provide monthly updates on programs			✓				✓		
For Our Organization												
8	Zero Waste implemented in all Facilities		Zero Waste target for all 42 Town Facilities by Q4			✓						
9	Support Operations in Public Space Recycling Initiative		Assist Operations in developing a RFP as EcoMedia's contract for recycling units expires in 2012. Support as well the on-going roll out of Big Bellies in strategic locations across the Town.			✓				✓		

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound



WASTE MANAGEMENT 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. vs. 2011 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenues								
GRANTS AND SUBSIDIES	\$966,029	\$1,051,695	\$1,051,695	\$0	0.0%	\$85,666	8.9%	
USER FEES & SERVICE CHARGES	15,697	26,807	17,311	-9,496	-35.4%	1,614	10.3%	
SALES	153,460	150,774	156,264	5,490	3.6%	2,804	1.8%	
OTHER INCOME	42,762	56,234	58,248	2,014	3.6%	15,486	36.2%	
Total Revenues	\$1,177,948	\$1,285,510	\$1,283,518	(\$1,992)	-0.2%	\$105,570	9.0%	
Expenses								
SALARIES AND BENEFITS	\$793,432	\$749,131	\$768,547	\$19,416	2.6%	(\$24,885)	-3.1%	
PRINTING & OFFICE SUPPLIES	0	17,476	18,930	1,454	8.3%	18,930	0.0%	
PURCHASES FOR RESALE	134,227	157,135	157,135	0	0.0%	22,908	17.1%	
OPERATING MATERIALS & SUPPLIES	44,306	41,516	62,608	21,092	50.8%	18,302	41.3%	
UTILITIES	3,971	3,290	3,950	660	20.1%	-21	-0.5%	
COMMUNICATIONS	1,328	1,720	10,494	8,774	510.1%	9,166	690.2%	
TRAVEL EXPENSES	44	0	8,721	8,721	0.0%	8,677	19720.5%	
TRAINING	1,089	0	3,014	3,014	0.0%	1,925	176.8%	
CONTRACTS SERVICES AGREEMENTS	0	0	27,000	27,000	0.0%	27,000	0.0%	
MAINT. & REPAIR-TIME/MATERIAL	5,649	7,135	11,102	3,967	55.6%	5,453	96.5%	
RENTAL/LEASE	17,543	981	981	0	0.0%	-16,562	-94.4%	
PROFESSIONAL SERVICES	20,432	16,214	16,214	0	0.0%	-4,218	-20.6%	
LICENCES, PERMITS, FEES	400	0	1,939	1,939	0.0%	1,539	384.8%	
CREDIT CARD SERVICES CHARGES	2,896	1,737	1,737	0	0.0%	-1,159	-40.0%	
PROMOTION & ADVERTISING	29,093	102,219	102,219	0	0.0%	73,126	251.4%	
CONTRACTED MUNICIPAL SERVICES	7,640,133	7,689,394	7,977,835	288,441	3.8%	337,702	4.4%	
OTHER PURCHASED SERVICES	0	0	36,189	36,189	0.0%	36,189	0.0%	
Total Expenses	\$8,694,543	\$8,787,948	\$9,208,615	\$420,667	4.8%	\$514,072	5.9%	
Net Expenditures/(Revenues)	\$7,516,595	\$7,502,438	\$7,925,097	\$422,659	5.6%	\$408,502	5.4%	

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Contacted Municipal Services: Increase is due to increased tonnage of waste collected throughout the Town as a result of development growth.



WATERWORKS BUSINESS PLAN OBJECTIVES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Environmental Sustainability, including greenprint and Mission Green	Aligned 2012 capital projects with Markham's Greenprint sustainability plan; ongoing staff participation of Mission Green @ Work.	OT	✓	✓
2	Develop Phase 1 of Service Planning, include Service Level Agreement (Primary)	Service Planning completed for O&M section, comments being reviewed by Management, and to be incorporated in the Service Levels establishment in 2012.	OT	✓	✓
3	Sustainable water and waste water rate (Primary)	Project has been linked to SWM fee study, focus groups have been conducted, rate study work will be completed in 2012 with rate implementation to be deferred to 2013.	AD	✓	✓
4	Support corporate initiatives: Official Plan update, Portal, Records Management (Secondary)	Submitted "Portal" forms and application use cases (i.e. online customer service request and fees processing).	OT	✓	✓
5	Standardize Customer Satisfaction Survey for activities covered by door-hangers and for paid services	Standardized survey questionnaires (door hangers and telephone survey), data entry and reporting process.	OT	✓	✓
6	Mobile Work Management System	Completed the pilot real-time/on-demand data processing.	OT	✓	✓
7	Automatic Meter Reading/ Advance Metering Infrastructure Implementation	Completed AMR pilot projects and developed implementation strategy.	OT	✓	✓
8	Condition assessment & deterioration model	Condition assessment work has been delayed as additional training on new CSA standard is required. Work will be on-going into 2012	AD	✓	✓
9	Complete implementation of Water SOPs & Work Instructions & Intelix	Intelix fully implemented in Waterworks; and Each section to roll out implementation plan of completed Water SOPs and Work Instructions.	OT	✓	✓
10	Analyze and plan to develop all Wastewater related SOPs, Work Instructions and Process Maps	O&M wastewater related SOPs, Work Instructions and Process Maps are currently being developed and targeted to complete by the end of 2011. Other WW sections to develop in 2012.	AD	✓	✓
11	Application for reclassification of Water Distribution System license once the DMA and SCADA are implemented	Reclassification application submitted, and Water Distribution System remained at Class 2.	COM	✓	
12	Implement service levels for PM activities Water & Wastewater	PM activities to implement service levels identified, service level being established and reviewed by O&M, to be implemented by the end of 2011.	OT	✓	✓
13	Inflow & Infiltration Reduction - Town-wide Downspout Disconnection Program	The new staff is under recruit process. The program assessment will start in October 2011.	OT	✓	✓
14	Water Audit and billing dispute project underway jointly with York Region to quantify water use, reduce losses and encourage water conservation.	The joint project is under the Region's control. Region to issue RFP likely in Q4. Water audit and forensic audit have been moved to the 2012 BUP Objectives.	DL	✓	✓
15	Regulatory compliance: completion of Phase 1 (high risk ICI) of Backflow Prevention program + processing of voluntary submissions	Phase 1 will be 100% compliance with Backflow Prevention By-law or in the legal process to become compliant by the end of 2011 as planned. Current voluntary submissions will be compliant in early 2012.	OT	✓	✓
16	Develop Training Centre feasibility study for Waterworks and Fire (Secondary)	Terms of Reference document pending review by both Fire and Waterworks - Fire project lead.	OT	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted , DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3

WATERWORKS KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS (KPIs)							
CUSTOMER SATISFACTION	2006 <small>ACTUAL</small>	2007 <small>ACTUAL</small>	2008 <small>ACTUAL</small>	2009 <small>ACTUAL</small>	2010 <small>ACTUAL</small>	2011 <small>JUNE 30</small>	TARGET
# of formal customer satisfaction surveys completed	0	0	0	0	0	0	1 every 2 years
Overall satisfaction (%)	N/A	N/A	N/A	N/A	N/A	N/A	80%
Service Satisfaction Rating (%) from informal survey	91%	82%	73%	65%	78%	81%	35%
Water Quality Complaints per 1,000 people served (NBI) showing Markham / Canada-wide average	0.2 / 1.10	0.2 / 0.60	0.2 / 0.70	0.3 / 0.70	N/A	N/A	0.20
Water Pressure Complaints per 1,000 people served (NBI) showing Markham / Canada-wide average	0.63 / 0.45	0.67 / 0.44	0.66 / 0.44	0.76 / 0.46	N/A	N/A	0.45
FINANCIAL PERFORMANCE							
Operating cost per km - water distribution system (MPMP)	\$ 11,051	\$ 11,597	\$ 12,517	\$ 9,190	\$ 8,708	N/A	\$ 8,708
Operating cost per km - wastewater collection system (MPMP)	\$ 3,637	\$ 4,820	\$ 4,614	\$ 3,225	\$ 3,537	N/A	\$ 3,537
OPERATIONAL EXCELLENCE							
Annual # of watermain breaks per 100km of distribution pipe (MPMP)	2.6	4.3	2.9	3.3	3.1	N/A	2.5
# of households per FTE	1,435	1,412	1,591	1,611	1,632	1,534	1,435
Reportable adverse water quality samples as % of all samples taken (MPMP)	0.05%	0.17%	0.14%	0.19%	0.12%	N/A	0.10%
Work order & Service requests issued	55,810	74,239	45,733	45,031	42,048	20,341	45,382
Completion rate on approved capital projects	67%	69%	69%	67%	73%	74%	80%
# of sewer backups per 100km of mainline (MPMP)	0.90	0.45	1.23	3.15	1.43	N/A	2.0
Average Waterworks-specific training hours per full-time employee	79	75	81	79	71	39	75
STAFF ENGAGEMENT							
Healthy Workplace Environment Index (from staff survey)	74%	N/A	52%	N/A	61%	N/A	75%
Recognition rating (from staff survey)	65%	N/A	48%	N/A	54%	N/A	65%
Staff Satisfaction rating (from staff survey)	72%	N/A	69%	N/A	71%	N/A	80%
Completion rate for performance management	N/A	N/A	N/A	98%	98%	N/A	100%
Average Corporate learning hours per full-time employee ¹	6.4	21.1	14.4	11.1	9.0	0.8	20.0
Staff absenteeism (average # of days per employee)	6.8	8.3	8.8	10.1	12.1	4.2	<8.4
Staff turnover rate	0.0%	0.0%	0.0%	6.0%	3.9%	1.7%	<7.5%
KPI SUMMARY							
<p>Note: ¹ 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.</p> <p>MPMP data for any given year is calculated in April of the following year. As a result, mid-year 2011 data is not available.</p> <p>NBI data, in the Customer Satisfaction section, for any given year is calculated in October/November of the following year and Canada-wide comparisons are published the year after that.</p>							



WATERWORKS BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities						Alignment to NQI	Continuous Improvement / E3
				Council							
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity		
Cross Commission Projects											
1	Service Planning		Working with Operations to determine feasibility of 'Pipes Group' and report back to Senior Management on implementation strategy by Q3.				✓			✓	✓
2	Office Relocation		Working with the Real Properties group to find a new location to move Waterworks. Completion of this project is subject to the disposition of the Garage Space at 8100 Warden.	✓			✓				
3	Carlton Road Pumping Station Building		Working with Asset Management to investigate the feasibility of enclosing the pumping station. Work will include generation of concepts, public consultation, site plan approval, and design. It is anticipated that this work would lead to construction in 2012 or 2013.				✓				
4	Training Centre Study (Co-Owner with Fire Services)		Corporate Training Centre for Fire/Waterworks departments. Study completed by Q2.	✓		✓	✓	✓		✓	✓
Business Unit Objectives											
1	Implementation of Water Audit - an International best practice to determine water loss in drinking water systems		<ul style="list-style-type: none"> • Identify authorized unmetered usage from all Town facilities, parks, and other services (i.e. irrigation, fire fighting, etc.) by end of Q3. Develop a policy for tracking water use for future connections and services by end of 2012. • Complete the 2nd phase of the Town-wide roll-out of SMA's town-wide by end of 2012. • Work with Region on forensic audit of billing systems expected to be completed by Q2. • Undertake a review of the metering accuracies for top 100 ICI Customers and representative sampling of residential meters. 				✓	✓		✓	✓
2	Inflow and Infiltration (I&I) Reduction - A joint undertaking of all York municipalities to reduce I&I system flows by 10%		Undertake a study of the legal implications, and system benefits of a private side service lateral relining program. Anticipate completion by Q3.	✓			✓			✓	✓
3	Service Planning - Building on work done in 2010, Service Planning is a program designed to allow for bottom-up input into service delivery and to design services to provide value and accountability		Begin to process map the services provided by the O&M Division. Work will review the functional charts, SOP's and other works undertaken for the QMS certification. Anticipate completion by Q4.				✓			✓	✓
4	Legislative and Corporate Compliance - Processes for ensuring compliance to legislative requirements and corporate policies		• Convert Waterworks capital project tracking to Eclipse by Q2.				✓			✓	✓
5	Sustainable Revenue - Programs to stabilize revenue streams and ensure long-term affordability of service and undertake review of the water rate structure		Complete the work begun in 2011 on a sustainable water rate structure				✓			✓	✓

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

WATERWORKS 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenues							
TAXES - OTHER CHARGES	\$2,185	\$0	\$0	\$0	0.0%	(\$2,185)	-100.0%
FINES/ BILLINGS	73,461,174	74,025,700	80,740,020	6,714,320	9.1%	7,278,846	9.9%
USER FEES & SERVICE CHARGES	671,492	530,000	484,600	-45,400	-8.6%	-186,892	-27.8%
SALES	310,419	148,000	148,000	0	0.0%	-162,419	-52.3%
RECOVERIES & CONTRIBUTIONS	328,099	270,000	270,000	0	0.0%	-58,099	-17.7%
OTHER REVENUE	17,604	0	0	0	0.0%	-17,604	-100.0%
TRANSFERS FROM RESERVES	444,166	0	0	0	0.0%	-444,166	-100.0%
Total Revenues	\$75,235,139	\$74,973,700	\$81,642,620	\$6,668,920	8.9%	\$6,407,481	8.5%
Expenses							
SALARIES AND BENEFITS	\$5,500,276	\$5,662,613	\$6,441,201	\$778,588	13.7%	\$940,925	17.1%
PRINTING & OFFICE SUPPLIES	19,765	29,092	29,092	0	0.0%	9,327	47.2%
OPERATING MATERIALS & SUPPLIES	143,587	119,761	128,705	8,944	7.5%	-14,882	-10.4%
CONSTRUCTION MATERIALS	566,660	522,126	566,650	44,524	8.5%	-10	0.0%
UTILITIES	25,912	35,805	36,742	937	2.6%	10,830	41.8%
COMMUNICATIONS	36,551	56,331	75,601	19,270	34.2%	39,050	106.8%
TRAVEL EXPENSES	23,016	49,500	49,500	0	0.0%	26,484	115.1%
TRAINING	46,501	56,130	56,130	0	0.0%	9,629	20.7%
CONTRACTS & SERVICE AGREEMENTS	4,677,720	4,233,550	2,905,096	-1,328,454	-31.4%	-1,772,624	-37.9%
MAINT. & REPAIR-TIME/MATERIAL	319,452	368,507	345,122	-23,385	-6.3%	25,670	8.0%
RENTAL/LEASE	2,183	5,099	5,099	0	0.0%	2,916	133.6%
PROFESSIONAL SERVICES	105,650	113,034	113,034	0	0.0%	7,384	7.0%
LICENCES, PERMITS, FEES	26,727	24,760	32,260	7,500	30.3%	5,533	20.7%
PROMOTION & ADVERTISING	0	3,000	3,000	0	0.0%	3,000	0.0%
CONTRACTED MUNICIPAL SERVICES	53,717,960	51,552,416	56,772,274	5,219,858	10.1%	3,054,314	5.7%
OTHER PURCHASED SERVICES	227,893	227,893	1,966,822	1,738,929	763.0%	1,738,929	763.0%
WRITE-OFFS	-53,088	88,614	30,000	-58,614	-66.1%	83,088	-156.5%
TRANSFERS TO RESERVES	12,269,635	11,825,469	12,086,292	260,823	2.2%	-183,343	-1.5%
Total Expenses	\$77,656,400	\$74,973,700	\$81,642,620	\$6,668,920	8.9%	\$3,986,220	5.1%
Net Expenditures/(Revenues)	\$2,421,261	\$0	\$0	\$0	0.0%	(\$2,421,261)	-100.0%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Fines/Billings: Increase water sales due to water rate increase and volume adjustments

Salaries and Benefits: Increase due to the addition of 2 new full-time staff and 1 contract staff, annualization of cost of living adjustment and movement of staff along the Town's Salary Grids

Contracts & Service Agreements: Transfer \$1.3 million to Other Purchased Services

Contracted Municipal Services: Increased water purchases from the Region of York based on increased rates and volume adjustments

Other Purchased Services: Transfer of \$1.3 million from Contracts & Service Agreements and \$0.4 million increase in indirect cost chargeback to Waterworks

Write-offs: Reduction in water billing write-offs based on historical trending

Transfers to Reserves: Increased transfer to the Waterworks Reserve in order to sustain future replacement & rehabilitation requirements as per the Waterworks Reserve Study



RECREATION SERVICES BUSINESS PLAN OBJECTIVES

2011 Business Plan Objectives/Outcomes					
#	Objective	Actual Outcomes	Status	Priorities	
				Council	Corporate Operational
1	Pricing Strategy - Develop a comprehensive pricing strategy, including pricing philosophies, financial accessibility and subsidy, pricing elasticity and fee increase methodology (Primary)	The project team has been formed and the project charter is developed and approved. The first phase of the project is on target for a September completion.	OT	✓	✓
2	Integrated Leisure Master Plan Implementation (Primary)	The project team continues to implement the recommendations that have been identified to be completed in the 2010 - 2014 period. An annual report card to be completed to track and report progress.	OT	✓	✓
3	Community Engagement Framework Finalized and Pilot Project on Neighbourhood Plan Completed (Primary)	A study was completed with York University that identified what people perception of their neighbourhood is. A report of this and the proposed framework will be presented to Council 2011.	DL	✓	✓
4	Pan Am Projects (Primary)	The site and schematic design has been approved. The detail design to be completed December 2011. Completion date July 2014.	OT	✓	
5	Support corporate initiatives: Official Plan update, Diversity Action Plan, Portal, Records Management (Secondary)	The Recreation Department has fully supported the development of all Corporate Wide objectives and have fulfilled all deadlines established.	OT	✓	✓
6	Complete Recreation Reorganization - Focus on customer service, increased efficiencies, and development of a culture of recognition	All staff have been placed in their new roles and are working in their new capacities. Area based teams are developing their communication processes. In the fourth quarter efforts will focus on improvement of department wide processes and strategies.	OT	✓	✓
7	Operationalize all Stimulus/RInC funded Recreation infrastructure projects	The Saint Roberts Soccer Dome opened in February 2011 and is now fully operational. The Angus Glen Tennis Centre opened in June, 2011 and is now fully operational. The Civic Centre Artificial Ice Rink will open in November/December 2011.	OT	✓	✓
8	Key Performance Indicators Development and Improvement	This will project will be initiated in the fourth quarter.	OT	✓	✓
9	East Markham Community Centre Operating Plan (staffing, program and service delivery, strategic relationships)	A team has been formed to develop the Operating Plan. The team is focussing on preparing a full year operational scenario. The Planning & Standards Team is evaluating possible erosion of existing services and initial opening financial impacts. The full operating plan will be complete by end of 2011	OT	✓	
10	Departmental Marketing & Communication Improvement to Enhance Staff Collaboration and Service Delivery	A pilot project was initiated to develop a comprehensive marketing plan for Fitness. A team was formed and a plan has been developed. The plan will be implemented in the fourth quarter. This process will serve as a template for further marketing initiatives.	OT		✓
11	Identification and Capitalization of Departmental Synergies - all processes, service delivery systems, facilities and program and facility development will be examined and identified	This process will be done in coordination with the Recreation Reorganization efforts undertaken in the fourth quarter.	OT		✓
12	Environmental and Energy Conservation Leadership in Recreation Facilities	A project was undertaken to use to convert the energy generated by the spin classes back to the grid.	OT	✓	✓
Notes:					

Objective Status: OT= On Target, ADJ= Scope Adjusted, DL= Delayed, COM= Completed, DEL= Deleted

Council Priorities: Growth Management;; Transportation/Transit; Environment; Municipal Services; Parks, Recreation, Culture & Library Master Plan/Public Safety; Diversity

Operational Priorities: NQI PEP Level 3, Continuous Improvement / E3



RECREATION SERVICES BUSINESS PLAN OBJECTIVES

2012 Business Plan Objectives (S.M.A.R.T)											
#	Objective	Requires Additional Resources	Outcomes	Priorities						Alignment to NQI	Continuous Improvement / E3
				Council							
				Growth Management	Transportation/Transit	Environment	Municipal Services	Parks, Recreation, Culture & Library Master Plan/ Public Safety	Diversity		
Cross Commission Projects											
1	Community Engagement Plan - Building on the success of the 2011 Pilot Program, a full plan will be rolled out in 2012.		A formal Community Engagement Plan will be completed and implementation will begin by Q4, 2012.	✓				✓	✓	✓	
2	Municipal Role in Community Events - Town's involvement in Community Events will be explored through a Cross Commission review of current involvement.		A formal review is completed with recommendations made that formalize Town involvement in events by Q4, 2012 with implementation by in 2013.			✓	✓		✓	✓	
3	PAN AM Projects - Continue working with Toronto 2015 and Infrastructure Ontario design and commencement of construction of facilities.	B	All timelines established by IO and TO2015 are met.		✓		✓	✓			
4	Integrated Leisure Master Plan - continued implementation of recommendations contained within the Integrated Leisure Master Plan.		Recommendations to be implemented in 2012 will be identified by Q1, 2012. Action plans will be developed by Q2 - completion of action plans by Q4, 2012.					✓	✓	✓	
5	Support corporate initiatives: Official Plan update, Diversity Action Plan, Portal, Records Management (Secondary)		The Recreation Department will fully support the development of all Corporate Wide objectives and have fulfilled all deadlines established.	✓			✓		✓		
Business Unit Objectives											
1	Pricing Strategy - finish development of a comprehensive pricing strategy, including pricing philosophies, financial accessibility and subsidy, pricing elasticity and fee increase methodology	NP	The complete strategy will be developed and implemented by the end of 2012. This will include finalization of research document, public consultation document, pricing strategy and subsidy strategy.	✓				✓	✓	✓	
2	Service Planning Initiative - the Recreation Department will undergo a service planning review and formulate service standards and recommendations.		In 2012 a Service Planning Team will be formed, a project charter will be developed, and process for review will be finalized. The review will be undertaken but final recommendations will be expected in 2013.				✓	✓	✓	✓	
3	Community Safety Plan - Through an approach of research, partnership consultation and community engagement, a plan will be developed that will explore how the Town can actively make Markham, a safe community, even safer.		In 2012 a Planning Team including external stakeholders will be formed, a project charter will be developed, and process for review will be finalized. The review will be undertaken but final recommendations will be expected in 2013.				✓	✓	✓		
4	Seniors Services Strategy - Development of a strategy for the delivery of services impacting seniors.		In 2012 a Planning Team including external stakeholders will be formed, a project charter will be developed, and process for review will be finalized. The review will be undertaken but final recommendations will be expected in 2013.				✓	✓	✓		
5	Marketing Strategies - Development of Marketing Strategies that acknowledge the specific target markets and vaired clientele of the differing service delivery areas offered within Recreation Services.		At least two specific delivery areas will go through a marketing review and have a specific marketing strategy developed for that area.					✓	✓	✓	

Requires Additional Resources: P=Personnel, NP=Non-Personnel, B=Both (Personnel & Non-Personnel)

Alignment to NQI: The National Quality Institute (NQI) framework contains six drivers, namely Leadership, Planning and Financial Management, Customer Focus, People Engagement, Process Management, and Supplier and Partner Focus.

S.M.A.R.T: Specific, Measurable, Attainable, Realistic, Time-bound

RECREATION SERVICES 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenues							
GRANTS & SUBSIDIES	\$58,906	\$12,000	\$16,000	\$4,000	33.3%	(\$42,906)	-72.8%
USER FEES & SERVICE CHARGES	7,745,204	8,084,268	8,676,443	592,175	7.3%	931,239	12.0%
RENTALS	5,248,838	5,621,728	5,719,331	97,603	1.7%	470,493	9.0%
SALES	113,069	128,007	116,015	-11,992	-9.4%	2,946	2.6%
RECOVERIES & CONTRIBUTIONS	43,234	87,000	57,000	-30,000	-34.5%	13,766	31.8%
OTHER REVENUE	319,435	260,925	285,375	24,450	9.4%	-34,060	-10.7%
INTERDEPARTMENTAL RECOVERIES	523,308	523,308	606,308	83,000	15.9%	83,000	15.9%
Total Revenues	\$14,051,994	\$14,717,236	\$15,476,472	\$759,236	5.2%	\$1,424,478	10.1%
Expenses							
SALARIES AND BENEFITS	\$13,599,202	\$13,875,919	\$14,593,371	\$717,452	5.2%	\$994,169	7.3%
PRINTING & OFFICE SUPPLIES	89,924	87,928	90,928	3,000	3.4%	1,004	1.1%
PURCHASES FOR RESALE	67,600	34,818	61,318	26,500	76.1%	-6,282	-9.3%
OPERATING MATERIALS & SUPPLIES	882,867	885,753	960,543	74,790	8.4%	77,676	8.8%
VEHICLE SUPPLIES	27,355	32,180	32,180	0	0.0%	4,825	17.6%
UTILITIES	2,777,876	3,179,972	3,069,487	-110,485	-3.5%	291,611	10.5%
COMMUNICATIONS	73,307	81,828	91,378	9,550	11.7%	18,071	24.7%
TRAVEL EXPENSES	7,789	8,175	8,175	0	0.0%	386	5.0%
TRAINING	106,735	129,472	130,722	1,250	1.0%	23,987	22.5%
CONTRACTS & SERVICE AGREEMENTS	813,164	827,956	972,696	144,740	17.5%	159,532	19.6%
MAINT. & REPAIR-TIME/MATERIAL	886,943	834,170	889,245	55,075	6.6%	2,302	0.3%
RENTAL/LEASE	162,135	182,855	183,605	750	0.4%	21,470	13.2%
INSURANCE	0	1,300	1,300	0	0.0%	1,300	0.0%
PROFESSIONAL SERVICES	38,817	93,300	93,300	0	0.0%	54,483	140.4%
LICENCES, PERMITS, FEES	43,011	64,952	68,882	3,930	6.1%	25,871	60.1%
CREDIT CARD SERVICE CHARGES	243,601	202,000	202,000	0	0.0%	-41,601	-17.1%
PROMOTION & ADVERTISING	-2,931	1,000	1,000	0	0.0%	3,931	-134.1%
CONTRACTED MUNICIPAL SERVICES	9,903	9,300	10,300	1,000	10.8%	397	4.0%
PMTS. TO CITIZENS/LOCAL GROUPS	45,000	0	45,000	45,000	0.0%	0	0.0%
OTHER EXPENDITURES	73,890	95,000	50,000	-45,000	-47.4%	-23,890	-32.3%
TRANSFERS TO RESERVES	393,022	369,262	369,262	0	0.0%	-23,760	-6.0%
Total Expenses	\$20,339,210	\$20,997,140	\$21,924,692	\$927,552	4.4%	\$1,585,482	7.8%
Net Expenditures/(Revenues)	\$6,287,216	\$6,279,904	\$6,448,220	\$168,316	2.7%	\$161,004	2.6%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

User Fees & Service Charges: Increase due to CPI (consumer price index) price increases

Rentals: Increase rental volumes due to new facilities

Interdepartmental Recoveries: related to Library Occupancy Recovery

Salaries and Benefits: Increase due to annualization of cost of living adjustment and movement of staff along the Town's Salary Grids

Utilities: Due to energy efficiencies at various facilities

Operating Materials & Supplies: Expenses related to Town assuming the operating costs for Thornlea Pool

Contracts & Service Agreements: Maintenance costs related to new GO train parking garage



OPERATIONS AND ASSET MANAGEMENT ADMIN
2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. Vs. 2011 Act.</u>	
				<u>\$ Incr./Decr.</u>	<u>% Change</u>	<u>\$ Incr./Decr.</u>	<u>% Change</u>
Revenues							
SALES	\$5,076	\$4,000	\$4,000	\$0	0.0%	(\$1,076)	-21.2%
RECOVERIES & CONTRIBUTIONS	39,306	14,100	59,500	45,400	322.0%	20,194	51.4%
Total Revenues	\$44,382	\$18,100	\$63,500	\$0	0.0%	\$19,118	43.1%
Expenses							
SALARIES AND BENEFITS	\$1,832,517	\$1,918,119	\$1,762,819	(\$155,300)	-8.1%	(\$69,698)	-3.8%
PRINTING & OFFICE SUPPLIES	40,769	36,140	21,779	-14,361	-39.7%	-18,990	-46.6%
OPERATING MATERIALS & SUPPLIES	44,665	57,251	72,704	15,453	27.0%	28,039	62.8%
CONSTRUCTION MATERIALS	11,618	24,860	3,360	-21,500	-86.5%	-8,258	-71.1%
UTILITIES	34,946	33,958	33,958	0	0.0%	-988	-2.8%
COMMUNICATIONS	48,487	48,938	34,546	-14,392	-29.4%	-13,941	-28.8%
TRAVEL EXPENSES	28,141	53,738	32,592	-21,146	-39.4%	4,451	15.8%
TRAINING	58,748	58,524	41,879	-16,645	-28.4%	-16,869	-28.7%
CONTRACTS SERVICES AGREEMENTS	-26,420	-37,515	5,710	43,225	-115.2%	32,130	-121.6%
MAINT. & REPAIR - TIME & MATERIAL	6,551	7,080	7,080	0	0.0%	529	8.1%
RENTAL/LEASE	45,465	18,000	18,000	0	0.0%	-27,465	-60.4%
PROFESSIONAL SERVICES	5,289	0	8,956	8,956	0.0%	3,667	69.3%
LICENCES, PERMITS, FEES	19,057	37,324	26,175	-11,149	-29.9%	7,118	37.4%
PROMOTION & ADVERTISING	1,146	9,515	10,012	497	5.2%	8,866	773.6%
Total Expenses	\$2,150,979	\$2,265,932	\$2,079,570	(\$186,362)	-8.2%	(\$71,409)	-3.3%
Net Expenditures/(Revenues)	\$2,106,597	\$2,247,832	\$2,016,070	(\$231,762)	-10.3%	(\$90,527)	-4.3%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

Salaries and Benefits: positions moved as part of department reorganization



COMMUNITY AND FIRE SERVICES COMMISSIONER'S OFFICE
2012 OPERATING BUDGET

<u>Description</u>	<u>2011 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>	<u>2012 Bud. vs. 2011 Bud.</u>		<u>2012 Bud. vs. 2011 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	\$603,946	\$556,544	\$578,167	\$21,623	3.9%	(\$25,779)	-4.3%
PRINTING & OFFICE SUPPLIES	3,077	2,334	2,334	0	0.0%	-743	-24.1%
OPERATING MATERIALS & SUPPLIES	5,916	2,377	8,877	6,500	273.5%	2,961	50.1%
COMMUNICATIONS	513	750	750	0	0.0%	237	46.2%
TRAVEL EXPENSES	9,980	17,067	18,167	1,100	6.4%	8,187	82.0%
TRAINING	21,689	40,241	40,241	0	0.0%	18,552	85.5%
CONTRACTS & SERVICE AGREEMENTS	-24,876	-24,876	-69,225	-44,349	178.3%	-44,349	178.3%
PROFESSIONAL SERVICES	6,893	36,700	29,100	-7,600	-20.7%	22,207	322.2%
LICENCES, PERMITS, FEES	230	583	583	0	0.0%	353	153.5%
Total Expenses	\$627,368	\$583	\$608,994	\$608,411	104358.7%	(\$18,374)	-2.9%
Net Expenditures/(Revenues)	\$627,368	\$583	\$608,994	\$608,411	104358.7%	(\$18,374)	-2.9%

Changes in the 2012 Budget from the 2011 Budget over \$50,000:

No significant changes



CORPORATE ITEMS 2012 OPERATING BUDGET

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./Decr.)	% Change	\$ Incr./Decr.)	% Change
Revenues							
TAX LEVIES	\$118,273,704	\$113,989,993	\$119,868,329	\$5,878,336	5.2%	\$1,594,625	1.3%
GRANTS-IN-LIEU OF TAXES	1,224,301	1,209,007	1,209,007	0	0.0%	-15,294	-1.2%
INTEREST & PENALTIES	3,724,058	3,375,000	3,375,000	0	0.0%	-349,058	-9.4%
INCOME FROM INVESTMENTS	19,250,702	18,332,265	18,532,265	200,000	1.1%	-718,437	-3.7%
USER FEES & SERVICE CHARGES	6,131	0	0	0	0.0%	-6,131	-100.0%
RENTALS	129,459	74,252	509,252	435,000	585.8%	379,793	293.4%
OTHER INCOME	13,590,405	1,913,113	1,063,073	-850,040	-44.4%	-12,527,332	-92.2%
TRANSFER FROM SURPLUS/DEFICIT	2,110,847	0	0	0	0.0%	-2,110,847	-100.0%
Total Revenues	\$158,309,607	\$138,893,630	\$144,556,926	\$5,663,296	4.1%	(\$13,752,681)	-8.7%
Expenses							
SALARIES AND BENEFITS	\$6,211,007	\$4,310,612	\$3,526,154	(\$784,458)	-18.2%	(\$2,684,853)	-43.2%
UTILITIES	12,211	-182,534	33,581	216,115	-118.4%	21,370	175.0%
CONTRACTS SERVICE AGREEMENTS	-5,047,408	-5,114,046	-6,125,557	-1,011,511	19.8%	-1,078,149	21.4%
MAINT. & REPAIR - TIME & MATERIAL	96,988	0	0	0	0.0%	-96,988	-100.0%
RENTAL/LEASE	-4,145	0	0	0	0.0%	4,145	-100.0%
INSURANCE	2,810,812	2,354,656	2,354,656	0	0.0%	-456,156	-16.2%
PROFESSIONAL SERVICES	8,620	44,117	44,117	0	0.0%	35,497	411.8%
LICENCES, PERMITS, FEES	15,331	15,620	15,620	0	0.0%	289	1.9%
PROMOTION & ADVERTISING	33,931	33,709	33,709	0	0.0%	-222	-0.7%
OTHER PURCHASED SERVICES	213,854	216,311	370,000	153,689	71.1%	156,146	73.0%
WRITE-OFFS	725,728	415,041	415,041	0	0.0%	-310,687	-42.8%
OTHER EXPENDITURES	1,683,340	2,176,026	1,956,210	-219,816	-10.1%	272,870	16.2%
TRANSFERS TO RESERVES	39,404,275	24,781,493	25,253,451	471,958	1.9%	-14,150,824	-35.9%
Total Expenses	\$46,164,544	\$29,051,005	\$27,876,982	(\$1,174,023)	-4.0%	(\$18,287,562)	-39.6%
Net Expenditures/(Revenues)	(\$112,145,063)	(\$109,842,625)	(\$116,679,944)	(\$6,837,319)	6.2%	(\$4,534,881)	4.0%



CORPORATION CONSOLIDATED 2012 OPERATING BUDGET

(EXCLUDING WATERWORKS, BUILDING STANDARDS, PLANNING AND DESIGN, AND ENGINEERING)

Description	2011 Actual	2011 Budget	2012 Budget	2012 Bud. vs. 2011 Bud.		2012 Bud. Vs. 2011 Act.	
				\$ Incr./(Decr.)	% Change	\$ Incr./(Decr.)	% Change
Revenue							
TAX LEVIES	118,259,596	\$113,989,993	\$119,868,329	\$5,878,336	5.2%	\$1,608,733	1.4%
GRANTS-IN-LIEU OF TAXES	1,224,301	\$1,209,007	\$1,209,007	-	0.0%	(15,294)	-1.2%
GRANTS AND SUBSIDIES	1,600,986	\$1,472,973	\$1,529,273	56,300	3.8%	(71,713)	-4.5%
LICENCES & PERMITS	1,286,291	\$1,371,258	\$1,418,394	47,136	3.4%	132,103	10.3%
INTEREST & PENALTIES	3,724,058	\$3,375,000	\$3,375,000	-	0.0%	(349,058)	-9.4%
INCOME FROM INVESTMENTS	17,682,880	\$18,346,065	\$18,546,065	200,000	1.1%	863,185	4.9%
FINES	2,003,819	\$1,935,730	\$1,970,730	35,000	1.8%	-33,089	-1.7%
USER FEES & SERVICE CHARGES	11,373,945	\$11,636,773	\$12,395,023	758,250	6.5%	1,021,078	9.0%
RENTALS	6,106,517	\$6,356,680	\$6,974,859	618,179	9.7%	868,342	14.2%
SALES	571,067	\$564,604	\$559,834	(4,770)	-0.8%	-11,233	-2.0%
RECOVERIES & CONTRIBUTIONS	953,659	\$1,391,420	\$1,487,920	96,500	6.9%	534,261	56.0%
OTHER INCOME	3,779,930	\$2,988,368	\$2,219,264	-769,104	-25.7%	(1,560,666)	-41.3%
Total Revenues	\$168,567,049	\$164,637,871	\$171,553,698	\$6,915,827	4.2%	\$2,986,649	1.8%
Expenses							
SALARIES AND BENEFITS	\$97,719,338	\$95,951,000	\$101,831,262	\$5,880,262	6.1%	\$4,111,924	4.2%
PRINTING & OFFICE SUPPLIES	563,371	574,325	\$612,239	37,914	6.6%	48,868	8.7%
PURCHASES FOR RESALE	300,133	308,036	\$334,536	26,500	8.6%	34,403	11.5%
OPERATING MATERIALS & SUPPLIES	2,313,184	2,414,312	\$2,636,500	222,188	9.2%	323,316	14.0%
VEHICLE SUPPLIES	1,550,527	1,563,812	\$1,598,886	35,074	2.2%	48,359	3.1%
SMALL EQUIPMENT SUPPLIES	9,655	15,091	\$15,091	-	0.0%	5,436	56.3%
BOTANICAL SUPPLIES	232,788	292,978	\$267,197	(25,781)	-8.8%	34,409	14.8%
CONSTRUCTION MATERIALS	1,693,081	1,430,270	\$1,392,412	-37,858	-2.6%	(300,669)	-17.8%
UTILITIES	3,888,850	4,312,375	\$4,424,625	112,250	2.6%	535,775	13.8%
COMMUNICATIONS	1,411,199	1,378,754	\$1,402,193	23,439	1.7%	(9,006)	-0.6%
TRAVEL EXPENSES	284,248	428,186	\$406,286	-21,900	-5.1%	122,038	42.9%
TRAINING	497,550	817,930	\$775,471	-42,459	-5.2%	277,921	55.9%
CONTRACTS & SERVICE AGREEMENTS	4,848,053	5,010,589	\$4,949,304	-61,285	-1.2%	101,251	2.1%
MAINT. & REPAIR-TIME/MATERIAL	4,457,588	3,865,355	\$3,712,786	(152,569)	-3.9%	(744,802)	-16.7%
RENTAL/LEASE	712,694	810,316	\$778,980	(31,336)	-3.9%	66,286	9.3%
INSURANCE	2,807,696	2,367,919	\$2,367,919	0	0.0%	(439,777)	-15.7%
PROFESSIONAL SERVICES	2,704,865	2,444,094	\$2,530,784	86,690	3.5%	(174,081)	-6.4%
LICENCES, PERMITS, FEES	529,373	634,809	\$615,407	-19,402	-3.1%	86,034	16.3%
CREDIT CARD SERVICE CHARGES	249,940	209,813	\$218,335	8,522	4.1%	(31,605)	-12.6%
PROMOTION & ADVERTISING	1,302,239	1,252,854	\$1,241,669	(11,185)	-0.9%	-60,570	-4.7%
DISCRETIONARY COMMUNICATIONS	316,833	533,883	\$429,948	-103,935	-19.5%	113,115	35.7%
CONTRACTED MUNICIPAL SERVICES	9,406,175	9,372,894	\$9,775,129	402,235	4.3%	368,954	3.9%
OTHER PURCHASED SERVICES	685,838	686,498	\$1,031,419	344,921	50.2%	345,581	50.4%
OFFICE FURNISHINGS & EQUIPMENT	0	13,310	\$1,700	(11,610)	-87.2%	1,700	0.0%
WRITE-OFFS	725,727	415,141	\$415,141	-	0.0%	-310,586	-42.8%
OTHER EXPENDITURES	1,728,095	2,295,676	\$2,078,870	(216,806)	-9.4%	350,775	20.3%
TRANSFERS TO RESERVES	25,944,960	25,237,651	\$25,709,609	471,958	1.9%	(235,351)	-0.9%
Total Expenses	\$166,884,000	\$164,637,871	\$171,553,698	\$6,915,827	4.2%	\$4,669,698	2.8%
Surplus/(Deficit)	\$1,683,049	-	-	-	-	-\$1,683,049	-100.0%

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 Town, in a self-help program aimed at stimulating business.
BUP	Business Unit Profile
CAO	Chief Administrative Officer
CARE	Customer Action Request Forms are a way to monitor customer responses to the services provided by the Town.
CCC	CAO & Commissioners' Committee (known as ELT for 2012).
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 Town from developers.
DF	Director's Forum
ELT	Executive Leadership Team (formerly known as CCC)
ETR	Express Toll Route – a toll highway north of Toronto that extends from Burlington ON to Pickering ON. The 407 ETR passes through Markham.
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 Town'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 Town 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.
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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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1998, 1999, 2000	June 1996												
2001, 2002	June 1999												
2003	June 2001												
2004, 2005	June 2003												
2006, 2007, 2008	June 2005												
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 Town.												
Capital Budget	The budget that provides for the funding of the Town's expenditures on capital assets, i.e. assets which provide benefits to the Town 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.
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 Town, 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 Town'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 Enterprise Corporation	A wholly owned subsidiary of the Town of Markham that was incorporated 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 Town 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 Town 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 Town. 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 Town for the use of Town 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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